

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, January 5, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Recorder Bauer; Finance Director Bradley; IS Director Milde; Suzanne Riley; HR Director Arrick-Kruger; Jill Hahn; Bill Colopoulos

Presiding: Auditor Meiners, Chairperson pro tem

Call to order.

Auditor Meiners requested nominations for Chairperson for the year 2010. Commissioner Corcoran nominated Commissioner Connery. The nomination was seconded by Commissioner Bjerke and carried unanimously.

Chairperson Connery requested nominations for Vice-Chairperson for the year 2010. Commissioner Bjerke nominated Commissioner Corcoran. The nomination was seconded by Commissioner Augedahl and carried unanimously.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the December 29, 2009 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$143,797.00
Road & Bridge Fund	23,539.36

Total	\$167,336.36
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File No. 2 -- Recorder Bauer requested authorization to have her budget amended to reflect that payment for expenses was made utilizing Technology Funds and not general line item funds. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the budget amendments as follows:

6243 Registration/Training	\$1,302.78
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6301 Office machines	\$297.06
6342 Computer maintenance	\$4,537.54
6370 Contract services	\$350.00
6379 Miscellaneous	\$17,100.00
6611 Computer Hardware	\$3,342.92
6611 Computer Hardware	\$311.87
Total amended	\$27,242.17

It was the consensus of the Board to have Recorder Bauer request like circumstance amendments on a quarterly basis.

File No. 3 -- Finance Director Bradley reported that the final 2009 CPA payment was received from the state. The county budget was developed with the anticipation that the final payment would be reduced by 50%. Since 100% was received, Finance Director Bradley requested the budget be amended to reflect what was actually received. The amendments will serve to increase the fund balances only and will not affect budgeted expenses. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to authorize amendments to reflect what the county received in CPA as follows:

General Revenue	\$196,325.00
Road & Bridge	\$165,092.00
Human Services	\$84,777.00

File No. 4 -- Finance Director Bradley reported on a proposed budget amendment policy. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the policy as presented.

File No. 5 -- Auditor Meiners reported that Commissioners Miller, Bjerke and Connery, Engineer Pogodzinski, Environmental Services Director Frank, HS Director Wilms and Public Health Director Rock will be attending the SE MN Leadership Summit Group Meeting on January 25, 2010 in St. Charles. It was agreed that the \$5.00 per person registration fee would be paid from the commissioner's miscellaneous expense budget.

File No. 6 -- Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt following resolution:

RESOLUTION NO. 10-1

RESOLVED, That under the provisions of Chapter 714, Laws of 1961, duly designated representatives of Houston County shall be authorized to participate in the meetings and activities of their respective State Association by membership therein and attendance at meetings thereof, as contemplated by Statute, and by the provisions of Chapter 529, Laws of 1963; and

RESOLVED FURTHER, That money be appropriated from the County Revenue Fund to defray expenses of such officials in connection therewith, said expenses to be paid upon presentation and allowance of properly itemized claims in an amount not to exceed statute limitations.

Chairperson Connery expressed interest in receiving a report from Department Heads regarding trainings and conferences they were scheduled to attend, and also, when they are scheduled out of the office for vacation. Auditor Meiners agreed to send out a memo regarding reporting. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to request out of office dates from department heads on a monthly basis.

File No. 7 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to establish the minimum salaries for county officials to be elected in 2010 as follows:

Auditor	\$ 5,000.00
Treasurer	\$ 5,000.00
Recorder	\$ 5,000.00
Sheriff	\$ 5,000.00
Attorney	\$ 5,000.00
Commissioner	\$ 5,000.00

File No. 8 -- Auditor Meiners reported that, upon investigation, it was found that recorded acreages were incorrectly stated on two parcels of property in Spring Grove Township which affected one landowner. Auditor Meiners recommended approval of a tax abatement on the overstated acreage. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve a tax abatement on parcel #13.0216.000 and #13.0210.000 in the amount of \$114.00.

File No. 9 -- IS Director Milde requested authorization to upgrade computer anti-virus software. He reported that the current software has been in service for four years, and recently, there has been a significant increase in malware issues. IS Director Milde reported that the software was included in the budget and pricing came in lower than expected. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to authorize IS Director Milde to purchase anti-virus software in the amount of \$3,291.68.

When questioned about a claim submitted for payment, IS Director Milde reported that the expense was for a printer and tapes related to the approved AS400 upgrade. Equipment bond funds will cover the expense.

Commissioner Corcoran reported on a committee meeting from earlier today.

Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to establish an insurance committee comprised of the following members: Commissioner Bjerke; the Board Chairperson; HR Director; Highway Accountant; Finance Director and Auditor. It was agreed that the meetings would take place as needed on the 2nd Tuesday of the month at 11:00 a.m.

File No. 10 -- Following lengthy discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the 2010 Committee appointments.

File No. 11 -- At this time the printing bids for calendar year 2010, filed pursuant to advertisement, were opened and read:

Ellyn Baumann, managing editor/publisher of the Houston Banner, quoted the following prices:

SCHEDULE B: Official Paper for publishing the Financial Statement for the year 2010, subsequent publication, (Chapter 158, Laws for 1993) at \$8.89 per inch.

SCHEDULE C: Miscellaneous notices not required to be published in the Official Paper at legal or display rate per line. My display rate for such publications are \$6.53 per column inch.

Jill Hahn, managing editor of the Caledonia Argus, quoted the following prices:

SCHEDULE A: Official proceedings of the County Board, all notices required to be published in the Official Paper at \$8.89 per inch.

SCHEDULE C: Miscellaneous notices not required to be published in the Official Paper at legal or display rate per line. My display rate for such publications are \$8.89 per column inch.

Chris Hardie, publisher of the Houston County News, quoted the following prices:

SCHEDULE A: Official proceedings of the County Board, all notices required to be published in the Official Paper at \$8.89 per inch.

SCHEDULE B: Official Paper for publishing the Financial Statement for the year 2010, subsequent publication, (Chapter 158, Laws for 1993) at \$7.37 per column inch.

SCHEDULE C: Miscellaneous notices not required to be published in the Official Paper at legal or display rate per line. My display rate for such publications are \$7.37 per column inch.

Heather M. Gray, publisher of the Spring Grove Herald, quoted the following prices:

SCHEDULE C: Miscellaneous notices not required to be published in the Official Paper at legal or display rate per line. My display rate for such publications are \$6.75 per column inch.

SCHEDULE D: Publication of the Delinquent Tax List for the year 2009 at \$8.89 per inch. I understand that if I am the successful bidder on this schedule, I will furnish a \$2,000 performance bond.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to award the printing bids as follows:

- Schedule A – Official Proceedings of the Board - Caledonia Argus
- Schedule B – Publishing Financial Statement (1st Publication) – reject all bids
- Schedule B – Publishing Financial Statement (2nd Publication) – reject all bids
- Schedule C – Misc. Notices – accept all bids
- Schedule D – Delinquent Tax List – Spring Grove Herald

At this time the Board recessed until the next scheduled appointment at 11:00 a.m.

HR Director Arrick-Kruger reported that Jail Administrator Schiltz has indicated a need to add a 67 day employee to backfill leave time in an effort to keep overtime at a minimum. Jail Administrator Schiltz reported that Jason Quandahl has experience as a correctional officer and comes recommended by Emergency Manager Kuhlert who was a former co-worker of Mr. Quandahl's. Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to hire Jason Quandahl as a 67 day employee to work in the Sheriff's Office as needed.

File No. 12 -- At this time, HR Director Arrick-Kruger introduced Bill Colopoulos and Suzanne Riley of the SE Service Cooperative. Suzanne Riley provided an example of how innovative ideas may result in significant savings. Ms. Riley reported on the formation and history of Minnesota cooperatives. She also reported that four benefits of membership include: plan administration, management, negotiation and bidding; assistance to insurance committees with planning; educational opportunities and assistance with establishing an effective wellness program. Ms. Riley explained several reports prepared for members and the information included on the reports. She reported on various services available to members and a new service of grant writing assistance that the coop has a goal of launching in the near future. Ms. Riley explained the reporting and tracking of expenditures and how savings are recognized, quantified and reported. Commissioner Bjerke posed questions regarding the value of wellness programs in the workplace. It was reported that wellness programs often receive 3 or maybe 4 dollars in savings for each dollar invested. Ms. Riley reported that the most effective wellness programs include the following: health assessment; program coordinator and variety.

Commissioner Corcoran reported that tentative agreements had been reached with all land owners regarding the CSAH 5 project.

Commissioner Bjerke reported on an investment meeting which he attended.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 13 -- Public Hearing Notice regarding Wildcat Park Ordinance

File No. 14 -- Correspondence from Southeastern MN Development Corporation in appreciation of support

File No. 15 -- Correspondence from MN State Auditor regarding audit rates for 2010

There being no further business and the time being 11:32 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, January 12, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, January 12, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Randy Johnson (Workforce Dev. Inc.); Finance Director Bradley; Jail Administrator Schiltz; HS Director Wilms; EDA Coordinator Wilms; HS Accountant Bahr; Environmental Services Director Frank; Zoning Administrator Scanlan; Sheriff Ely; Social Services Supervisor Poepping; Melvin Davy; See attached listing of additional guests (See File No. A1)

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the January 5, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 92,144.31
Road & Bridge Fund	144,222.53

Total	\$236,366.84
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File No. 2 -- Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

Chairperson Connery requested that any guests present who do not have an agenda appointment with the Board and wish to speak today, introduce themselves at this time and identify the topic which they wish to speak about. The following individuals identified themselves and all indicated a desire to speak about property rights and/or zoning issues; Seth Solum; Keith Myrah; Conrad Curren; Gary Thomas; Robert Idekar; Robert Culver; Paul Zilly; and Jim Scanlan.

Melvin Davy of Brownsville Township reported that in 1982 a shed was lost to fire. They rebuilt the shed and included septic and bathroom facilities. It was later converted to a residence. Mr. Davy indicated that additional value was assessed to their property before the sheet rock had been hung. Mr. Davy did not recall any stipulation, regulation, or concern regarding future use when the space was converted to a residence for his mother 25 years ago. He reported that the County issued an E911 address. Mr. Davy reported that, since his mother moved to the nursing home, Zoning Administrator Scanlan has been sending letters indicating that the property is no longer compliant with the zoning ordinance.

Mr. Davy reported that he attended a meeting approximately two years ago, when the Dean Meyer cattle raising facility was before the Planning Commission, to discuss the possibility of replacing an older mobile home with a newer, larger manufactured home. Based on Mr. Davy's recollection of the meeting, the county would consider the manufactured home provided Mr. Davy would promise not to use that residence once his mother was no longer there. At that time, he indicated that he may have a future need to utilize the residence as a rental property and he would not agree to the county's request. He indicated that, at that time, no one raised concern regarding his future intentions or the zoning ordinance which could affect future use. He also indicated that he was told that the residence had been "grandfathered in". Mr. Davy expressed concern that he has been threatened with a fine, in the amount of \$75.00 per day, for non-compliance.

Mr. Davy expressed concern regarding zoning rules and requested the Commissioner's look into the rules and consider updating and modernizing them. He does not desire to have additional rules added. He does expect his constitutional rights to be upheld.

Mr. Davy reported that he considers these times to be tough economically. The apartment is increasing the value of his property resulting in increased tax revenue for the County. In addition, he generates additional income by renting out the apartment which he can then spend within in the County. He felt this is all good for the local economy. Mr. Davy highlighted some of the amenities that the apartment offers. Mr. Davy indicated a desire to work with the County to resolve the issues and keep the issues out of the court system.

Zoning Administrator Scanlan reported that in September 2009 the pole shed apartment was brought to his attention when the addressing authority was contacted. Both he and E911 Coordinator Krzoska viewed the site and were informed that Mr. Davy's mother no longer lived in the apartment and the family planned to rent it out. This is where code comes in.

Zoning Administrator Scanlan reported that many were aware of the apartment when it was built. Mr. Scanlan clarified that when Mr. Davy wanted to bring in an additional mobile home besides the main house and apartment. It was a discussion item on the agenda, and there was no application, nor was there a vote. It was a discussion item only. Zoning Administrator Scanlan cited the minutes of January 18, 1987 "Property is not in compliance and no additional housing would be allowed." Zoning Administrator Scanlan indicated that he is not privy to

discussion held 25 years ago regarding this issue. He reported that it was his understanding that the County allowed flexibility because of it being a hardship case. It becomes zoning issue because this type of commercial rental property in an ag protection district is not allowed. Zoning Administrator Scanlan reported that two weeks ago zoning recommended approval of interim use permits which may have addressed this circumstance. However, at the urging of those speaking at the Public Hearing, the Board denied interim use permits. As a result, Mr. Scanlan has no options to suggest to the landowner other than to appeal the decision of the Planning Commission.

Commissioner Corcoran expressed agreement with Zoning Administrator Scanlan that Interim Use Permits proposed recently may have made this use acceptable. Commissioner Corcoran reported that, in the past, every mobile home moved onto a site for a hired man or family member were all non-rental.

Zoning Administrator Scanlan expressed concern that one rental property has the potential to turn into more and goes against the ag district protection policy. Mr. Scanlan reported on the steps in the appeals process. He also indicated that the space could be permitted as an office for the farm and that could bring the property into compliance. However, it may not be permitted as either a temporary or permanent residence as there is nothing within the current ordinance that would allow for this.

Melvin Davy reported that when his family wanted to replace an older mobile home it would have taken up more lawn space. Instead, to maintain compliance the new manufactured home was required to be placed on a unique site and now takes up class one farmland. When Mr. Davy requested who was on the board of appeals the members names were provided to him. Mr. Davy indicated that he would appeal the decision of the Planning Commission. Mr. Scanlan reported that Mr. Davy would be required to submit the appropriate appeal form which he could obtain from the Zoning Office.

Mrs. Davy interrupted at this time and indicated that she shouldn't have to take this, she shouldn't be lied to, harassed or have her family bothered. She indicated that Mr. Scanlan had threatened her family. Melvin Davy called for Mr. Scanlan's resignation.

Commissioner Miller questioned whether the property was ever in compliance or what had changed which affected the status. Mr. Scanlan reported that there should have been a permit applied for an additional farm dwelling. No application was filed, and this was missed.

Chairperson Connery reported that it was his understanding that Mr. Davy would be appealing the decision of the Planning Commission. Chairperson Connery expressed a desire to allow time for the process to work and hopefully the issue will be resolved through said process.

Keith Myrah stated that public servants should look at updating the rules. He also expressed his displeasure that interim use permits and the possibility that they may have helped has been brought up as he felt this is not appropriate timing.

Chairperson Connery reported that the Board has been open to suggestions that would make things easier. However, any changes that are proposed meet with opposition.

Melvin Davy asked whether his taxes would be reduced if he takes this issue through the courts. Chairperson Connery reported that tax values are handled by Assessor Dybing and Mr. Davy was welcome to speak with him.

Seth Solum questioned where land owner rights are.

Chairperson Connery reminded guests to limit their comments to those directly related to Mr. Davy's mother living in the apartment on the property and subsequent use of said apartment.

Keith Myrah expressed his belief that people are in attendance because there is conflict. Mr. Myrah questioned who provides landowners with rights to use their property. He expressed his belief that property rights are inherent and a direct result of the Declaration of Independence and the Creator. Mr. Myrah expressed his opinion, that as a landowner, Mel Davy has every right to use his property.

Conrad Curren asked the commissioners to put their heads together and see if something couldn't be done to support Melvin Davy. Mr. Curren asked the Board to consider passing a resolution in support of Mr. Davy that he could take to the Board of Appeals. Chairperson Connery reported that the appeals process is out of the realm of authority of the Board of Commissioners and it would be inappropriate for the Commissioners to do so. Chairperson Connery reiterated earlier reports regarding the appeals process.

A member of the public expressed displeasure with the Board who, in their opinion, invited public opinion yet, does not want to listen.

Keith Myrah stated that the zoning ordinance has been put out to the public and has failed to change. Mr. Myrah indicated that he was here to discuss these things and was told by Commissioner Augedahl to attend a meeting.

Melvin Davy indicated that he will have Zoning Administrator Scanlan arrested if he comes on his property again. Mr. Davy stated that this is his warning.

Chairperson Connery reminded those in attendance that Mr. Davy may appeal the decision of the Planning Commission.

Chairperson Connery indicated that, if there was anyone with specific comments related to Mr. Davy's issue, they may speak. However, the Board declines to take up additional meeting time for general comments regarding constitutional rights or lack thereof, zoning or property rights at this meeting.

Conrad Curren appealed to the Board to show some support of Mr. Davy regarding the zoning issue.

Commissioner Bjerke reported that the Board is here to uphold the rights of everyone. Commissioner Bjerke expressed concern that any support extended to Mr. Davy by the Board, would set precedence for future issues that may arise. Zoning issues continue to arise time and time again. The Board has had rules presented to them which would have allowed for flexibility. However, many people spoke up against the passage of more rules.

Conrad Curren expressed his opinion that the group did not speak out against flexibility. Mr. Curren indicated that there was a need for change to zoning ordinances.

Chairperson Connery encouraged Mr. Curren to consider sitting down with a copy of the zoning ordinance, go through it line by line and then present his suggestions for how the ordinances could be changed to the Board. This type of communication would highlight specific items that could be worked on.

Conrad Curren asked if the Board could put the prosecution of Mr. Davy on hold. Chairperson Connery reported that there was no prosecution of Mr. Davy. Chairperson Connery indicated that if Mr. Davy chooses to appeal the decision, once his appeal form has been submitted there would be no fines imposed during the period it takes for the appeal process. However, a penalty must be imposed if there is no work towards a resolution to the matter.

Commissioner Bjerke expressed concern that laws pertain to all 20,000 Houston County residents, not just to 40 people.

A member of the public reported that 700 land owners had signed a petition to protect ag land. He expressed that this desire to protect ag land is close to everyone's heart.

Paul Zilly expressed disagreement with the Board that the comments today have been very general in nature and indicated that he felt the comments were not general at all. Mr. Zilly expressed his belief that the rights denied Mr. Davy are denied to everyone. Mr. Zilly expressed concern that his constitutional rights be protected. Further, it was his opinion that Mr. Davy is being deprived the use of his land and is also being denied due process. Mr. Zilly also expressed concern regarding a newspaper report which indicated, with regard to zoning, if something was not specifically permitted that it is not allowable. Mr. Zilly expressed his expectation that if Mr. Davy is denied use of his property then he should be compensated.

Keith Myrah expressed concern for Mr. Davy and his wife. Mr. Myrah expressed disagreement with verbiage used to explain reason for accommodation. He further expressed his opinion that Mr. Davy has a right to use his property to bring in income.

At this time, HS Director Wilms introduced Randy Johnson, Dallas Groten and Wanda Jenson of Workforce Development Inc. HS director Wilms reported that Workforce Development Inc. has been providing services to Houston County for several years.

Randy Johnson reported on the background and history of Workforce Development Inc. Currently the organization provides services to a ten county region and staffs the Houston County office with two counselors and a secretarial staff person. Mr. Johnson provided information regarding the organizations strategic plan to advance the workforce. He discussed the current economic conditions, recession recovery and how they are related to future employment needs and opportunities. He also discussed the demographics of the current workforce. Mr. Johnson reported on programs for youth and how the organization is reaching out to schools and colleges regarding the future requirements of those in the workforce in an effort to prepare the next generation to enter a challenging environment. Mr. Johnson reported on revenue streams which fund the programs the organization implements. He highlighted several grants which have been awarded to the organization and several grants which the organization has applied for.

Randy Johnson reported that Workforce Dev has been delivering services on a regional basis for 25 years. The Governor is calling for regionalization in other areas and the delivery mechanisms which have been working for his organization would be a good model to replicate.

Commissioner Bjerke reported that pulling the Workforce Development Inc. contract in house was a financial decision. He queried Mr. Johnson how the services of Workforce Development Inc. are better than those provided by Houston County staff. Mr. Johnson responded that trained staff with experience are highly adept at assisting the people who come in for assistance. Workforce Development Inc. has networked with many businesses creating an advantage for them. They also have electronics capabilities and access to the Minnesota job bank, websites and monster boards and are privy to internal postings. They have expertise regarding Department of Labor regulations, finding tax credits and also job curriculum preparation.

Commissioner Bjerke questioned whether there was a chance of losing the Houston County office. Mr. Johnson responded that there could be significant changes to the fully staffed, five day a week office. He reported that there could be limited staffing or reduced hours of operation and possibly relocation to a public space.

Dallas Groten reported that his office becomes a community place where people congregate to utilize internet services for job search and unemployment application. In addition, there are temporary employment agencies that will visit the site and perform interviews.

Randy Johnson reported that Steele County pulled their contract with Workforce Development Inc. and it has resulted in a decline in placement.

Mr. Johnson reported on various statistics with regard to who uses programs and what programs are utilized. He provided information on the work performed for clients including, but not limited to, career planning; job placement and search activities; formulation of employment and career goals; vocational aptitude assessment and cognitive skill building and academies which introduce clients to fields of employment, requirements and working environment.

File No. 3 -- Sheriff Ely reported that currently the Sheriff's Office contracts with a collection agency to collect unpaid fees. The agency charges the Sheriff's Office 35% of total debt collected. Sheriff Ely would prefer to keep collections and dollars within the county. He indicated that HS Accountant Bahr has taken the lead and run things past the State Auditor. The Memorandum Of Understanding (MOU) will grant authority to Human Services staff working in collections positions the authority to collect Sheriff's office debt accounts. Sheriff Ely reported that the percentage to be retained by HS was a negotiated amount. It is less than the amount previously paid to an outside vendor and equal to that which is paid by the Winona County Sheriff's Office to the Winona County Human Services for collection services. Commissioner Bjerke expressed interest in seeing a greater portion of collected funds going back into the jail. Commissioner Corcoran expressed interest in collecting all that can be. HS Director Wilms reported that the 33% retained by Human Services would go into their General fund to offset staff time expense related to the collection efforts. Finance Director Bradley reported on additional expenses to HS resulting from collecting Sheriff's Office debt. Following discussion, motion was made by Commissioner Corcoran seconded by Commissioner Augedahl and unanimously carried to approve the MOU between HS and the Sheriff's Office for collections.

Chairperson Connery reported that he had been approached by someone interested in leasing the crop land that is the proposed site for Highway Building. It was the consensus of the board to authorize Auditor Meiners to advertise for a lease of said cropland to include a lease cancellation clause if funding for the building would be awarded to the County.

File No. 4 -- Finance Director Bradley reported on a budget amendment request he received from Human Services. Human Services has requested that \$15,000.00 originally budgeted for Extended Employment Developmentally Disabled Program be re-allocated to the Extended Employment Adult Services Program. Finance Director Bradley recommended approval. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to re-allocate \$15,000.00 within the Human Services Budget as requested.

Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to amend the members of the insurance standing committee by removing the Chairperson and replacing the Chairperson with Commissioner Miller.

Following brief discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to appoint John Loken to serve on the EDA committee in the place of Richard Dittman whose term expired recently.

File No. 5 -- Following brief discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adopt the following resolutions:

RESOLUTION NO. 10-2

BE IT RESOLVED that the Houston County Board of Commissioners does hereby approve the Minnesota Lawful Gambling Application for Exempt Permit on behalf of Bluffland Whitetail Association for gambling activities to be conducted at Ma Cal Grove Country Club in Caledonia Township.

RESOLUTION NO. 10-3

BE IT RESOLVED that the Houston County Board of Commissioners does hereby approve the Minnesota Lawful Gambling Application for Exempt Permit on behalf of Hokah Firefighters Association Inc. for gambling activities to be conducted at Valley High Golf Club in Mound Prairie Township.

Commissioner Miller reported that, during the Public Works Standing Committee Meeting, there was discussion regarding the lockout/tag out policy and confusion regarding said policy. It was agreed that Auditor Meiners would alert HS Director Arrick-Kruger to discuss the policy with department heads in an effort to clarify the policy.

Chairperson Connery reported on a Semcac meeting which he attended.

Chairperson Connery reported that the Fillmore County Public Health Director had resigned. This affects the collaborative between Houston and Fillmore counties. The situation will be discussed during a Joint Board of Health meeting.

Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to place on file the following items from the consent agenda:

File No. 6 -- Correspondence to payroll regarding the hire of Jason Quandahl

File No. 7 -- Correspondence to Xcel regarding tons delivered December 2009

File No. 8 -- Correspondence to bidders for 2010 printing

File No. 9 -- Correspondence to Jason Strike regarding abatement on parcel #13.0210.000

File No. 10 -- Correspondence to various persons regarding committee appointments

File No. 11 -- Correspondence from Southern MN Initiative Foundation in appreciation of past financial support and request of future support

There being no further business and the time being 11:18 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, January 19, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, January 19, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Environmental Services Director Frank; EDA Coordinator Wilms; Ralph Tuck

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the January 12, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$212,430.72
Road & Bridge Fund	256,212.72

Total	\$468,643.44
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File No. 2 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve license center disbursements.

File No. 3 -- Ralph Tuck reported on a Houston County DOT project for a bridge replacement on CSAH 5. Initially, it was believed that the project may impact wetlands. Houston County officials viewed the site, and later, a representative from BWSR viewed the site. It is the recommendation of BWSR that the Board approve a status that there has been no impact with regard to wetlands and no loss determination. Environmental Services Director Frank reported that there is a public notification requirement following status approval, and that should any concern arise, there is an appeals process. On the recommendation of BWSR, motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve a no impact and no loss determination with regard to wetlands.

File No. 4 -- Environmental Services Director Frank reported on a feedlot grant (Federal 319) application. Houston County has applied for similar grants in the past. Grant funds are used to assist owners with improvements to reduce run off from existing feedlots. Some project examples are: installing a roof over a feedlot, installing fencing to keep livestock further away from streams or planting buffer zone vegetation to prevent run off from entering a waterway. Grant funds provide for technical assistance and are used on a 50% match basis subject to funding caps. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to authorize Zoning Administrator Scanlan to apply for said grant.

EDA Coordinator Wilms requested authorization to submit a grant proposal for an energy conservation block grant program and project from the Federal Department of Energy. EDA Coordinator Wilms recommended applying for the maximum program grant amount of \$50,000.00. If awarded, the funds would be used to start a revolving loan program for energy efficiency upgrades. A portion of the loans would be forgivable and a portion would be low interest loans. He also recommended applying for a \$100,000.00 project grant to be used to replace the Courthouse boilers with more energy efficient ones. There would be no match required for the \$100,000.00 project grant. EDA Coordinator Wilms reported that the application is due on Monday, January 25, 2010, with award determinations made by March 12, 2010. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller to authorize Coordinator Wilms to submit the grant proposal.

Chairperson Connery reported that there should be a separate meeting for the Justice Center bid opening. Auditor Meiners will post notice. Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to hold a special meeting March 30, 2010 at 2:00 pm.

Commissioner Corcoran provided a brief update on the CSAH 5 project.

Commissioner Augedahl reported on an ABLE meeting which he attended.

Commissioner Bjerke reported on a water meeting which he attended.

Commissioner Miller reported on SMART meeting which he attended.

Chairperson Connery reported on an MCIT meeting he attended where Data Practices and the Open Meeting Law were discussed. He also reported on a Trails meeting which he attended.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 5 -- Correspondence to various persons regarding
committee appointments

File No. 6 -- SELCO/SELS Annual Report

File No. 7 -- Jail Statistics including average daily population and transportation costs

File No. 8 -- Correspondence to HR Director Arrick-Kruger regarding need for clarification of lockout/tag out policy

File No. 9 -- Correspondence from Minnesota Department of Human Services regarding approval of Biennial Service Agreement

File No. 10 -- Correspondence from Minnesota Department of Human Services regarding CY 2010 and 2011 Adult Mental Health Grant Awards

There being no further business and the time being 10:01 a.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, January 26, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, January 26, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; Maintenance Foreman Molling; Environmental Services Director Frank; Public Health Director Rock; HS Director Wilms; Emergency Manager Kuhlers; HR Technician Diersen; HS Accountant Bahr; HR Director Arrick-Kruger; Deputy Privet; Melvin Davy; See attached listing of additional guests (See File No. A1)

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the January 19, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$59,343.09
Road & Bridge Fund	39,936.20

Total	\$99,279.29
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve license center disbursements.

File No. 3 -- Engineer Pogodzinski reported that additional costs were incurred for the township sign program. The costs resulted from post and sign damaged which occurred during the two year period between the initial cost estimate and sign inventory and project completion. The State has agreed to cover the additional costs in the amount of \$12,446.29 provided Houston County enters into a Joint Powers Agreement. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and

unanimously carried to approve the Joint Powers Agreement and to authorize the signatures of Chairperson Connery and Auditor Meiners.

At the request of Maintenance Foreman Molling, motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to grant authorization to advertise for equipment rental rates and maintenance rock.

At the request of Maintenance Foreman Molling, motion was made by Commissioner Bjerke seconded by Commissioner Corcoran and unanimously carried to grant authorization to advertise for calcium chloride.

Maintenance Foreman Molling reported that recently Tim Irwin attended a class on seasonal weight restriction enforcement after discussing what he had learned with Mr. Molling and Sheriff Ely they felt it would be prudent to present the information locally. Maintenance Foreman Molling estimates the seminar could be advertised and a space rented for approximately \$385.00, in addition there would be some expense for the time of Sheriff Ely, Tim Irwin and himself. Maintenance Foreman Molling has a general idea of how he would like to see the seminar conducted, he has lists of those who would be invited and could work with extension to include any of their ag community members he may not be aware of. He felt that it would be beneficial to have an 18 minute video available which is used to show the damage to roads which result from heavy loads in spring conditions and time for question and answer. If permission is granted to move forward with the project, he intends to contact the State to see if someone from the bridge department would participate. Commissioner Bjerke expressed agreement that this would be beneficial. Maintenance Foreman Molling requested authorization to move forward as time is of the essence and for the seminar to be beneficial it needs to take place in February. It was the consensus of the Board that Maintenance Foreman Molling should move forward with the project.

Engineer Pogodzinski reported that a bridge on County 10 has been restricted to one lane. He expects to have repair estimates next week.

File No. 4 -- Public Health Director Rock recommended approval of a chore services contract with Jordan Rave for snow removal. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve the contract with Jordan Rave for chore services.

File No. 5 -- Public Health Director Rock reported that Mayo will lead an IT infrastructure enhancement project if a community grant is secured as part of the American Reinvestment and Recovery Act. Mayo has indicated a desire to partner with 11 counties in Southeast Minnesota. Also included in the project would be Winona Health, Olmsted Medical and area schools. Public Health Director Rock reported that enhancements made possible through the grant would allow Houston County to meet 2011 requirements regarding client health data electronic communications at no cost to the county. Currently, Houston County is using PH Doc

provided by ACS which we pay a monthly service fee for. Many surrounding counties use the same program. In addition to technology improvements, the project's success is going to measure the overall health outcome of health populations with childhood asthma and adult diabetes. Public Health Director Rock reported a grant award would not increase the workload of our IT department and requested approval of a letter of support. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the letter of support as presented.

Public Health Director Rock reported that the Fillmore County PHN director resigned. Public Health Director Rock is now in charge of making sure grant requirements are met. Commissioner Bjerke reported that he spoke with Fillmore County representatives, and they are unsure how they will proceed. They want to meet with Houston County officials, as their choices impact us. If Fillmore public health and human services are consolidated, we are unsure how it will impact us and our needs to be collaborating to meet the 30,000 population requirement.

At this time, there was brief discussion held regarding the funding of SELCO.

File No. 6 -- Environmental Services Director Frank recommended the approval of the Ag Best Management Practices (BMP) annual report and application for new funding in 2010. He reported that approximately \$56,000.00 in funding is being carried over from 2009. The carry over funding is earmarked for specific projects. Environmental Services Director Frank also reported that he is requesting \$103,506.95 in additional funding for 2010. He reported that the funds are used to provide low interest loans for feedlot and septic system projects. Environmental Services Director reported on the history and administration of the program. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the report and submission of said application.

Environmental Services Director Frank reported that years ago Houston County was awarded a grant to cover 50% of the start up costs for a recycling program within the county. 50% of the cost covered by grant funds totaled approximately \$135,000.00. The grant was used for the Recycling Center building and equipment. Mr. Frank was pleased to report that in satisfaction of all requirements and obligations of the grant, the assets including the building and equipment are now property of the county.

Commissioner Bjerke questioned a wetland application. Environmental Services Director Frank reported that the application was approved recently and is required to be on notice for ten days.

File No. 7 -- Emergency Manager Kuhlers reported that the joint powers committee of Region One - SE MN Emergency Management Organization has requested a resolution be adopted to reflect Houston County's designated voting member and alternate. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-4

Resolution Selecting County Board Member as Alternate on Region One – SE MN Emergency Management Organization Joint Powers Committee

WHEREAS, the 16 counties in Southeast MN, that are the committee members of the Region One – Southeast Minnesota Homeland Security and Emergency Management Organization Joint Powers Committee, have established a mechanism whereby they may jointly exercise powers common to each party on issues requiring regional coordination by having created a Joint Powers Agreement; and

WHEREAS, the committee for said Joint Powers Agreement shall be made up of one voting member from each county; the committee member from Houston County shall be County Emergency Management Director and a Houston County Board Member may serve as alternate; and

NOW, THEREFORE, be it resolved that Houston County appoints the Emergency Management Director as committee member and a County Board member to serve as alternate on the committee to represent Houston County.

File No. 8 -- Auditor Meiners reported that the Minnesota Secretary of State has awarded her office \$225.00 in grant funding to purchase handicapped voting booths. The grant requires a contract be approved. The contract has been reviewed by Attorney Bublitz. Auditor Meiners will need to spend approximately \$40.00 from her budget to cover the balance of the cost for two booths. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve said contract and to authorize the signatures of Chairperson Connery and Auditor Meiners.

At this time Melvin Davy met with the Board. He stated that two weeks ago he attended a Board meeting. Following that meeting he agreed to participate in the appeals process. He obtained an appeals application from Zoning Administrator Scanlan, was instructed what to fill out and submitted a check in the amount of \$400.00 for the required fee. Last Thursday he received a certified letter which included his application and check. Commissioner Corcoran reported that forms must be properly completed and requirements satisfied. Mr. Davy indicated that he was not provided with a list of requirements or appeals protocol when he obtained the application from the Zoning Office. Chairperson Connery questioned whether the list was supplied earlier. Mr. Davy indicated that he has received no list.

Mr. Davy expressed concern that the forms instructions ask that he address one of several subsections and nothing more. Mr. Davy expressed his belief that this would be in violation of his civil rights because he would be unable to present all pertinent information related to his case. He questioned why his appeal would be limited in this way. Commissioner Corcoran queried

whether Mr. Davy had discussed the instructions with the Zoning Office, to which Mr. Davy responded he had not.

Mr. Davy expressed concern that the minutes from the meeting held two weeks ago did not include statements made by Environmental Services Director Frank. Mr. Davy indicated that Mr. Frank made comment that the assessor's office, commissioner's and his office were all aware of the housing arrangement on his property and that, with regard to the situation, mistakes were made and it was missed. Auditor Meiners responded that the minutes cannot possibly be a word for word transcript of every individual statement made. But rather, they are a concise summary of discussion held.

Mr. Davy requested that the Board accept the apartment as is, as a legal residence. He indicated that it has been taxed as such for 25 years. He expressed his belief that the Board has the power to accept the apartment as a residence. Commissioner Corcoran responded that the Board does not have such power, and there is a process that must be followed.

Commissioner Corcoran expressed concern that Mr. Davy's appeal application may be in need of a description or other required information.

Commissioner Bjerke expressed concern that any action by the Board would set precedence.

Commissioner Corcoran reported that the blue addressing signs were issued to identify and locate structures, so that in the event of an emergency, the structure could be located by emergency services. Zoning was not involved in which structures may or may not have been issued a sign. Structures for which signs were issued were not reported to zoning.

Mr. Davy expressed again that he will be unable to adequately represent his case if he is limited to addressing one of several sub sections only.

Commissioner Corcoran expressed agreement with Commissioner Bjerke that the Board is unable to take any action with regard to this zoning issue because it would set precedence, and going forward, everyone with an issue would come before the Board and not work through the process.

Mr. Davy expressed concern that adoption, implementation and/or revision dates are not included within the 179 page book. Mr. Davy expressed his expectation that, if he paid \$25.00 for the book, he expected it to contain the information he needed. Commissioner Corcoran responded that there should be a date on the book with regard to when the ordinances within that volume were effective. Mr. Davy expressed his concern that perhaps dates are haphazardly assigned.

Mr. Davy indicated that things have changed a lot since zoning went into effect. Commissioner Corcoran reported that the process of revision was attempted 2-3 years ago. However, just like discussion surrounding Interim Use Permits, the revision was met with opposition. Mr. Davy expressed his belief that Interim Use Permits would have had little impact in the county.

Commissioner Corcoran provided an example of an instance when there was an application made for a zoning request which, if interim use permits had been an option, the request would have been granted. Commissioner Corcoran expressed his belief that neighbors would have welcomed some changes if they had been assured that the change would be followed by a sale that would bring in a member from elsewhere.

Commissioner Bjerke shared various thoughts regarding zoning. Commissioner Bjerke expressed that the Board is willing to listen provided the conversation is constructive. Everyone has something they want to do with their land that isn't allowed. However, it is impossible to talk about all of them at once. It would be more conducive to address a couple of items, once those have been settled, a couple more, and so on. Commissioner Bjerke expressed that the Board is aware that lands are privately owned and it is counterproductive to bring that up all the time. Discussion needs to be productive. In the past, there has been a lack of progress with regard to zoning. Commissioner Bjerke indicated that zoning may not be perfect, however, abolishing zoning would not be appropriate either.

Commissioner Corcoran reported that the flood has heightened his awareness with regard to zoning decisions. He provided an example where a structure had been approved and through the years it changed hands, was added onto and subsequently utilized nearly every bit of property it was situated on. Following the flood, FEMA had to stabilize the building site.

Commissioner Miller questioned how many places are like the Davy's and have been used for 25 years. Commissioner Corcoran reported that there are multi-dwelling sites. Many are a result of a mobile home being allowed under a conditional use. The conditional use permits were granted in hardship cases or provided for a dwelling to house a son who was farming with the parents. The conditional use permits addressed the future and established restrictions usually that it could only be used for the initial purpose and could not be utilized for a future rental property.

Commissioner Corcoran reported that there has been concern in the past regarding the number of residence's on Mr. Davy's site. However, up until now, there hasn't been a formal complaint. That has changed and it will be up to Zoning to review the history and get to the bottom of the situation and to address the issue accordingly.

Mr. Davy indicated that many houses in rural parts of the county are being rented out. He questioned how this is acceptable. Commissioner Corcoran requested information related to a specific case. Mr. Davy provided a specific property. Commissioner Corcoran reported that the

property Mr. Davy identified is a main residence and it is allowable to rent the residence out to a non-family member.

Mr. Davy expressed concern that he be provided with all the information necessary before re-submitting his appeals application and applicable payment. Mr. Davy indicated that he can't accept being limited to reporting information related to one section only. Commissioner Bjerke expressed concern that the rules are followed and that time is allowed for the process.

Commissioner Corcoran expressed appreciation that the discussion being held today is good. He reported that assessed value is determined by the use and without regard to how it may be zoned. He stated that it may not be zoned in a specific way, but it may be taxed that way. Mr. Davy indicated that the assessed value and taxes paid will be brought out.

Commissioner Miller expressed appreciation of Mr. Davy's willingness to work within the system. He also expressed concern that the county has a declining population and residents should be encouraged to remain in the county. Commissioner Miller expressed a belief that there is a need for rules. He also expressed disagreement that rules in a book are concrete.

Mr. Davy expressed concern that Zoning Administrator Scanlan be expected to keep his personal opinion out of his decisions, as it was Mr. Davy's opinion that Mr. Scanlan allows his personal opinion to slant things.

File No. 9 -- At this time, HR Director Arrick-Kruger provided information and a PowerPoint presentation to showcase a Strategic Planning Proposal. She reported that her department will serve as a pilot program. The plan is being developed so that, in addition to an overall plan, it may be used as a training tool.

File No. 10 -- Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the following Appropriations for 2010:

2010 APPROPRIATIONS

SE Minnesota Initiative Fund	2,700.00
SEMAAA	2,000.00
SELCO	112,881.00
Emergency Medical Service	10,000.00
SEMCAC - RSVP Program	1,000.00
SEMCAC - Senior Driving Program	1,000.00
SEMCAC - Senior & Caregiver Advocacy	1,000.00
SEMCAC - Senior Nutrition	1,000.00
Historical Society	31,700.00
Historical Society - Matching Funds	5,000.00 Maximum

Southern MN Tourism	986.00
Agricultural Society	18,000.00

Commissioner Bjerke reported on an EDA meeting which he recently attended where discussion was held regarding a business appreciation event which they are hosting jointly with the La Crescent Chamber of Commerce. He also reported on the SE MN Leadership Summit which he attended with area officials and various state legislators.

Commissioner Miller reported that he had attended the SE MN Leadership Summit along with Commissioner Bjerke.

Chairperson Connery reported that Finance Director Bradley, Jail Administrator Schiltz and he testified before a bonding committee regarding a Representative Davids sponsored bill for jail funding.

Commissioner Bjerke reported that Finance Director Bradley will be meeting with personnel from U.S. Representative Walz's office to discuss possible Justice Center and Highway Complex funding.

Chairperson Connery reported that he would like to clarify the per diem policy. He reported that the policy allows for a per diem for out of county travel when travel is "as assigned". It was the consensus of the Board that a per diem be paid when attendance is for the good of the County and is improving the position. Chairperson Connery indicated that it must be directly related to county business.

Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to place on file the following items from the consent agenda:

File No. 11 -- Correspondence regarding Transportation Day at the Capitol – 2010

File No. 12 -- Correspondence from SELCO allocation verification for 2010

File No. 13 -- Adult Mental Health Grant Award Instructions

File No. 14 -- Correspondence from MN Dept HS regarding Children's Mental Health Grant Awards

There being no further business and the time being 11:08 a.m., motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, February 2, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, February 2, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; HS Director Wilms; Social Services Supervisor Poepping; Jail Administrator Schiltz; Finance Director Bradley; HR Director Arrick-Kruger; HS Accountant Bahr; Sheriff Ely; Public Health Director Rock; Veteran Service Director Gross; Emergency Manager Kuhlers

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the minutes of the January 26, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 75,688.20
Road & Bridge Fund	26,770.68

Total	\$102,458.88
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File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve license center disbursements.

HS Director Wilms reported that she has received a verbal resignation from one of the child protection social workers. HS Director Wilms is requesting authorization to begin the hiring process because the process to hire is lengthy due to the time to advertise, schedule merit system testing, time to receive testing results, schedule and conduct interviews, etc. She reported that funding for the position is within the budget. HS Director Wilms reported that, as part of Human Services strategic planning process, duties are being reviewed and there is a possibility that some realignment could result. Ms. Wilms reported that the County has not contracted out for child protection services and referenced the negative report of Milwaukee County when they contracted out for the same services. In addition, contracting out child protection services does

not protect the County from liability. Commissioner Bjerke questioned whether hiring could be delayed until the duty reviews had been completed. HS Director Wilms reported that the three mental health workers are at capacity. The County is mandated to accept mental health cases and is not allowed to maintain a waiting list in this regard. Commissioner's expressed concern regarding verbal vs. written notice of resignation, the budget, possible re-alignment of duties and the potential for cuts. At this time, the Board expressed hesitation in authorizing the commencement of hiring activities and tabled additional discussion pending the presentation of additional information during the next regularly scheduled Human Services meeting. It was agreed that HS Director Wilms would check with Fillmore County and Winona County to see whether they would be able to assist Houston County during the interim, should the social worker tender official resignation and there be a lag time in hiring.

File No. 3 -- Finance Director Bradley reported on a budget amendment request he received from Veteran Services Director Gross. Veteran Services Director Gross reported that in 2009 he received a CVSO enhancement grant in the amount of \$15,000.00 to be used over a two year period. Veteran Services Director Gross utilized \$5,000.00 in 2009 and has carried forward the balance of \$10,000.00 for use this year. He requested the amount be added into the MN Grant account and a miscellaneous expense line be added to track the grant fund expenses. Veteran Services Director Gross reported that the funds may be used for advertising and outreach. Mr. Gross reported that his last grant application was denied because he included a request for funding to cover a digital records system. The State wants to go to a statewide digital records system and denied all requests which included funding for individual digital records. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to include the unused portion of grant funds in the MN Grant line item and establish a miscellaneous expense account to track the usage.

Finance Director Bradley reported that last Wednesday he and Engineer Pogodzinski met with members of both U.S. Senator Klobuchar and U.S. Representative Walz's offices regarding possible funding for the proposed Highway Department Building. Several funding options were discussed. Finance Director Bradley reported that the appropriations bill may include funding earmarks which could be applied for. Historically, as much as 80% of project costs have been awarded. However, with current budget concerns Finance Director Bradley recommended applying for funding to cover 60% of project costs with the County being responsible for the balance of 40%. In addition, it would be looked upon favorably if the County included a guarantee that the 40% local funding would be appropriated upon notification of grant funding. It was reported that many grant awards were turned down because the local entity which they had been awarded to failed to commit the matching funds necessary to complete the project. Finance Director Bradley reported that the application for this funding must be submitted by Friday, February 19th, and asked if the Board would consider providing a guarantee of local funding. Commissioner Bjerke questioned whether other types of funding may be available. Commissioner Miller expressed concern with the overall size of the proposed Highway Department Building. Commissioner Corcoran discussed the overall site plan and flexibility within the plans to forego certain elements if the project needed to be scaled back. It was the

consensus of the Board that, should funding be granted, they would commit the funds to see the project through to completion.

Sheriff Ely reported that he had planned to present a grant application for PSAP consolidation for approval. However, upon review he became aware that Houston County had been identified as the fiscal agent and he expressed that he would be looking into the grant in further detail before presenting it. There is also concern that consolidation could result in increased costs to Houston County because currently our second jailer is also a dispatcher.

Sheriff Ely reported that there is a meeting scheduled for Monday, February 22nd, which should be attended by one commissioner and himself. There will be discussion regarding the ARMER Radio system.

Sheriff Ely provided an update regarding the status of the ARMER Radio participation plan.

Sheriff Ely reported that area fire departments have access to a considerable amount of funding. In order to access said funding it would be necessary to write a grant. The fire departments do not have staff trained to do this. It would be beneficial to the County if the fire departments were successful in accessing some funding because the county's financial liability would be reduced. Sheriff Ely reported that on an individual who offers grant writing services and has a 75% success rate in obtaining funding. Sheriff Ely expressed an interest in covering the grant writer's fee for the area fire departments. Finance Director Bradley reported that this would be allowable.

Sheriff Ely reported that crime has been increasing.

File No. 4 -- Zoning Administrator Scanlan reported that MPCA oversees the feedlot program. MPCA requires annual reporting regarding the past year and also a work plan regarding the intentions for the coming year. Zoning Administrator Scanlan reported that some of the things reported on are the number of inspections performed and computer models ran. Mr. Scanlan reported that Houston County typically performs 60 to 70 inspections on active feedlots which exceed the MPCA requirement. As a result, Houston County has been awarded performance credits which have resulted in approximately \$4,000.00 to \$5,000.00 in additional funding which is used for technical assistance and cost shares with operators for feedlot improvement and compliance. Zoning Administrator Scanlan reported that his records were reviewed yesterday and everything is in order. He reported that one change will be made and that will be to include report forms on the County website. Following discussion, Mr. Scanlan requested approval of the reports. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve the report and to authorize the signature of Chairperson Connery on the same.

Commissioner Bjerke reported that Kurt Roverud had contacted him regarding a previously expressed interest in his property in Spring Grove. Commissioner Bjerke contacted an independent property appraiser and reported that an appraisal would cost between \$2,000.00 and \$3,000.00 depending on the scope. Due to the current workload an appraisal would take between 60 and 90 days to perform with additional time needed to compile the data. Commissioner Bjerke reported that Mr. Roverud expressed that he would take into consideration values based on an appraisal in continued negotiations. Commissioner Bjerke expressed concerns that other options be researched fully in the event that the County is unsuccessful in securing any outside funding for the proposed Highway Department Building. Commissioner Miller was encouraged that Mr. Roverud had expressed willingness to negotiate. Commissioner Corcoran expressed concern that all options come with a cost, and upgrades need to be taken into consideration. Commissioner Corcoran expressed his preference that the committee meet to review the Roverud property and building as an option. It was agreed that the original committee membership listing would be presented at the next regularly scheduled meeting and additional discussion held.

File No. 5 -- Auditor Meiners reported that, in order for the Houston County Agricultural Society to obtain insurance coverage through MCIT, they need Houston County to sponsor them and a letter to reflect this. Commissioner Corcoran expressed his opinion that this was a good idea because the fair is hosted on county owned property. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the necessary sponsorship letter.

File No. 6 -- Chairperson Connery reported on a proposed commissioner per diem payment policy. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve said policy as presented.

There were no meeting reports.

File No. 7 -- The time being 10:08 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to convene a closed session for the performance evaluation of HR Director Arrick-Kruger.

Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to adjourn the closed session and to reconvene in open session.

Chairperson Connery stated that the closed session was with regard to the performance evaluation of HR Director Arrick-Kruger and that, upon completion of the evaluation, the Board finds her performance to be satisfactory.

Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to place on file the following items from the consent agenda:

File No. 8 -- Correspondence regarding 2010 Legislative Conference

There being no further business and the time being 11:07 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, February 9, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, February 9, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; Recorder Bauer; Sheriff Ely; Chief Deputy Sheriff Yeiter; Environmental Services Director Frank; Kevin Sommerland; Kent Peterson; Kevin Burg; GIS Coordinator Krzoska; Assessor Dybing; Human Resources Director Arrick-Kruger; Surveyor Walter; Attorney Bublitz; Don Link; Mr. Rohrer; Sharon Rohrer

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the minutes of the February 2, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$153,136.07
Road & Bridge Fund	245,400.02

Total	\$398,536.09
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File No. 2 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve Human Services disbursements.

Engineer Pogodzinski reported that in order to retain 2007 Legislative Bonding funds he would like to hire consultants to design eleven projects. The Highway Department will use fund balances in the county and township state aid construction accounts to cover the cost. This will further deplete the accounts. However, Engineer Pogodzinski feels strongly that the cost to benefit ratio of approximately 15:1 justifies the use of these accounts. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to authorize the hire of consultants to perform design work on eleven projects.

Engineer Pogodzinski requested a budget amendment to move funds within his budget to cover design and inspection fees. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the requested amendments.

Engineer Pogodzinski reported that there is a bridge located on CSAH 10 which has been restricted to one lane due to corrosion on beams. The following proposal was received from Minnowa Construction for the necessary repairs. The cost to remove and replace the corroded beams, replace concrete, repave and control traffic would be \$65,184.00. If the road remains open with a single lane restriction it is estimated the project could be completed in approximately two and half to three weeks. However, if the road were closed, the cost would be reduced by approximately \$5,000.00 to \$8,000.00 and the time required for completion would be reduced to 8 to 10 days. The work could be scheduled for February/March. Commissioner Miller expressed his preference to close the road in order to capitalize on the cost savings and reduced time required for completion. Engineer Pogodzinski reported that following repairs, the bridge would have no restrictions. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to authorize the road closure and to accept the bid of Minnowa Construction.

Engineer Pogodzinski reported that the Highway Department has been the fiscal agent for Scenic Byway Grants for the past 7-10 years. On the recommendation of Engineer Pogodzinski motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to authorize the Highway Department to continue as the fiscal agent for future Scenic Byway Grants.

Chief Deputy Sheriff Yeiter reported that Houston County has been invited to apply for a \$25,000.00 per county grant to cover the cost of a dispatch consolidation study. The six counties collaboratively applying for the grant are Dodge, Wabasha, Fillmore, Winona, Goodhue and Houston. The grant would fully fund the study with no match requirement. There is an informational meeting scheduled for 10:30 a.m. on Monday, February 22, 2010. Chief Deputy Sheriff Yeiter requested that one commissioner attend. It was the consensus of the Board that Commissioner Miller would attend the meeting with Chief Deputy Sheriff Yeiter regarding the dispatch consolidation study grant.

Chief Deputy Sheriff Yeiter requested authorization to hire Rod Humble, Bob Schuldt, Mike Ernster and Tim Irwin as temporary employees to cover the 2010 boat patrol. Rod Humble is a retired state trooper and has worked on the Winona County boat patrol. Bob Schuldt, Mike Ernster and Tim Irwin have all worked on Houston County boat patrol in the past. There was discussion regarding the amount of hours and days when the boat patrol is out. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the hire of all four individuals as temporary employees to assist as needed with the boat patrol.

Sheriff Ely requested the Board take action to approve funding to cover the cost of a grant writer to assist area fire departments, which was reported on during the February 2, 2010 Board meeting. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to cover the cost of the grant writer in the amount of \$1,500.00 from the General Fund.

Chief Deputy Sheriff Yeiter reported that, when estimates were being prepared for the ARMER system, expenses related to installation were not included. They have estimated the installation costs will be between \$200.00 and \$300.00 per vehicle, which will total \$30,000.00 to \$45,000.00.

GIS Coordinator Krzoska reported that the County has an opportunity to participate with a large group of Wisconsin Counties who formed a group to negotiate a reduced rate for aerial photos for use by GIS and land use offices. The standard rate is \$100.00 per square mile and the negotiated rate is \$75.00 per square mile, a 25% savings. GIS Coordinator Krzoska reported that photos being used now are from 2008 and replacement was planned for next year. The photos were following the 2007 flood and before the 2008 flood. In addition to the cost savings, we would have the option to utilize photos from neighboring counties who participate. The new photos would utilize new technology with regard to elevation. Surveyor Walter reported that elevation would be accurate within one meter, which is exceptional. GIS Coordinator Krzoska uses these photos daily, they are posted on Beacon and are used by all land use offices and also the Highway Department. GIS Coordinator Krzoska reported that the cost to update the photos would be approximately \$43,000.00 and that funds are available in the Recorder's Compliance Fund. Recorder Bauer affirmed that this would be a qualifying expense and adequate funds are available in the Compliance fund. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to update aerial photos used by County offices to be paid for from the County Recorder's Compliance Fund.

File No. 3 -- Recorder Bauer and Attorney Bublitz reported on a Landshark Remote Access Agreement. Participants would pay a one-time set-up fee followed by a monthly subscriber fee. The participant would have access to documents from their location at their convenience reducing the need to visit or contact the Recorder's Office for information and/or documents. Recorder Bauer reported that access would be monitored and she would have the control to restrict access once subscription maximums were met. She would notify participants when their maximums were nearing to give them the option to purchase additional access. Recorder Bauer indicated that there has been a significant interest from attorney offices and title companies. There was discussion regarding the potential for payment by credit card. Recorder Bauer reported that the agreement would not change. However, Schedule A would change if/when credit card payment becomes an option. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the agreement.

File No. 4 -- Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve a letter of understanding with the Office of the State Auditor in connection with the audit for the year ended December 31, 2009.

File No. 5 -- Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to reinstate the Highway Department Building Committee with changes. It was agreed that Engineer Pogodzinski would contact committee members and schedule a meeting.

File No. 6 -- Auditor Meiners reported that she and a staff member would be attending mandatory election training and requested the Board cancel their meeting schedule for May 4th. The Board granted a similar request in 2008. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to cancel the Board meeting scheduled for May 4, 2010.

Commissioner Bjerke reported that several County related departments (Water Planning, Public Health, and the Sheriff's Office) have booths at the Fair. They have become difficult to staff without paying overtime therefore, Commissioner Bjerke expressed a desire to discuss positioning the booths to be adjacent so that staff could cover multiple booths if necessary. Commissioner Bjerke requested the Commissioner's attending the upcoming Department Head meeting add this to the agenda for discussion.

It was reported that recently a special board meeting had been scheduled for Justice Center bid opening. The construction and project managers have clarified their request to schedule a special meeting whereby the public would be welcome. However, a Board meeting is not recommended. The bid opening will be a laborious process where as many as 100 bids may be opened and reviewed. Following the bid opening, the construction and project managers will enter all bids on spreadsheets and present their recommendations to the full Board. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to cancel the special meeting scheduled for March 30, 2010.

File No. 7 -- Chairperson Connery reported on a request by La Crosse County to adopt a resolution in support of a Midwest high speed rail route via the Amtrak River Route. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-5

**SUPPORT OF MIDWEST HIGH SPEED RAIL VIA THE CURRENT AMTRAK
(MISSISSIPPI RIVER ROUTE) CHICAGO, IL TO ST. PAUL, MN AND COMMUTER RAIL
SERVICE FROM ST. PAUL, MN TO EAU CLAIRE, WI**

WHEREAS, the Wisconsin Department of Transportation's Connections 2030 plan would establish Phase 1 of high speed rail from Chicago through Milwaukee to Madison, and study route alternatives for completing a Phase 2 connection to the Twin Cities of MN, by comparing the current Empire Builder (Mississippi River Route) via La Crosse to a route through Eau Claire; and

WHEREAS, the establishment of a Midwest Regional High Speed Rail System (MWRRS) from Chicago, IL to the Twin Cities-MN has long been recognized by the Midwest Regional Rail Initiative to best be implemented by upgrading the existing Empire Builder-Amtrak route, crossing the Mississippi River at La Crosse, WI and has been endorsed by the Wisconsin Freight and Rail Passenger Plan offered by the State of Wisconsin Department of Transportation; and

WHEREAS, the Chippewa-Eau Claire Long-Range Transportation Plan 2005-2030 supported two passenger rail options for West Central Wisconsin after completion of the MWRRS; an "Eau Claire plus La Crosse" route and an "Eau Claire West" route with commuter service from Eau Claire to the Twin Cities and back, to improve the financial performance of the base MWRRS and stated that " The Rail Advisory Committee was on record supporting closer examination of these options only after completion of the proposed MWRRS route through La Crosse"; and

WHEREAS, expansion of passenger rail will provide significant economic benefits to the citizens of Wisconsin and Minnesota and competition for limited federal funding will be intense, so the requirement for a much higher capital investment to complete an "Eau Claire plus La Crosse" route could jeopardize our chances of receiving funding approval, while splitting the initial frequency of trains between the two routes would diminish the economic viability of both; and

WHEREAS, if a West Central Wisconsin route through Eau Claire were selected at the exclusion of the River Route, this decision would undercut the local investments in current rail station depots, expend a greater share of the high speed rail line cost in WI than MN, at a higher expected cost per mile than enhancing the existing Empire Builder line, and likely undermine the strong passenger demand that already exceeds the current frequency of one Amtrak train per day; and

WHEREAS, the first step for serving the highest need for passenger rail in one of the most rapidly growing areas of Wisconsin (along the Interstate-94 Corridor), can best be served with frequent stops in multiple communities via inter-city commuter rail service from St. Paul, MN to Eau Claire, WI, linking to the MWRRS for service to Chicago at the St. Paul Union depot; and

WHEREAS, unified support for enhancement of the existing River Route and establishing commuter rail service from Eau Claire to St. Paul ("Eau Claire West") as the first

step to serving the needs of West Central Wisconsin, would begin the eventual extension of passenger rail across the state to Green Bay, while enhancing the chance of competing for limited federal, state and local funding, and serving more people at a lower cost than “Eau Claire plus La Crosse”, or jeopardizing expansion with contending routes for Phase 2 of WI high speed rail.

NOW THEREFORE BE IT RESOLVED, that the Houston County Board of Commissioners does hereby go on record supporting the existing Empire Builder Amtrak route for Phase 2 connection of Midwest High Speed Rail (MWRRS) from Madison to St. Paul, MN while also supporting the extension of commuter rail service between St. Paul and Eau Claire (“Eau Claire West”) as the first step for serving Western Wisconsin.

BE IT FURTHER RESOLVED THAT, all counties and Cities along the proposed High Speed Rail (Mississippi River Route) and the proposed commuter rail service St. Paul, MN to Eau Claire, WI (“Eau Claire West”) are hereby encouraged to adopt a similar resolution mutually supporting expansion of high speed passenger rail service and commuter rail service.

BE IT FURTHER RESOLVED THAT a copy of this resolution be sent to WI Governor Doyle, MN Governor Pawlenty, WI Senators Kohl and Feingold, MN Senators Klobuchar and Franken, WI Representatives Kind and Obey, MN Representatives Walz, Kline and McCollum, WI and MN Transportation Commissioners and all County Boards along the proposed High Speed Rail and Commuter Rail services routes.

File No. 8 -- The time being 10:05 a.m. the Public Hearing on the Wildcat Ordinance convened.

Commissioner Miller, a member of the Wildcat Park Committee, reported on how the proposed changes have been arrived at. Commissioner Miller reported that the ordinance is being revised to bring it into compliance with the Corps guidelines while providing for user equity.

At this time, Chairperson Connery invited public comment.

Sharon Rohrer commended the Board for inviting public input. Ms. Rohrer expressed concern with regard to section 3 and 7 regarding no trading of sites and also section 8 with regard to payment of fees. Ms. Rohrer expressed her opinion that two campers who agree to trade sites should be allowed to do so without interference from government. With regard to section 8, Ms. Rohrer expressed her opinion that collecting all fees up front would create a hardship for campers. Auditor Meiners reported that this is standard at several area campgrounds and that, unfortunately, during the past season the park manager did have difficulty collecting the fees which were due from one camper. Adoption of this ordinance will prevent both the County and the Park Manager from having to perform collections activities.

Engineer Pogodzinski reported that, when campers are selected from the lottery they are allowed to choose a site and should be choosing a site which works for them and there should be

no need to trade. Engineer Pogodzinski suggested that perhaps trading of sites could be allowed with prior approval by the Wildcat Park Committee. Commissioner Miller expressed his opinion that trading with committee approval could be a nice compromise.

The Corps was invited to share their position with regard to the trading of sites. Kent Peterson stated that allowing the trading of sites could open up the potential for many complaints. Campgrounds are designed to accommodate campers and their hook ups, so there should not be hook up type issues which would be alleviated by trading of sites. In the event Houston County decides to allow trading with Committee approval at this time, it would be advisable that the ordinance be written to establish a review of the policy in one year to assess the administration time involved.

Ms. Rohrer again expressed her concern with having government involved in everything.

Taking into consideration the comments of the public and also the Corps, Commissioner Miller requested the policy be amended to allow for trading with Wildcat Park Committee approval prior to the park opening for seasonal camping.

Donald Link questioned what fees would be required of a camper occupying a seasonal site following the opening of the park. Auditor Meiners reported that the fees would be pro-rated based on the portion of the camping season remaining. Mr. Link expressed concern that, if lottery winners are required to commit to the full season, this pro-rated assessment may not be viewed as equitable.

The Corps reported that they had reviewed the policy and it appears fair, the payment policy is good, and it is line with the Corps requirements.

Following the public hearing, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the revised policy as amended.

Commissioner Bjerke reported on a Water Planning meeting which he recently attended. He expressed concern that dues and administration costs continue to increase. However, fewer projects are being completed. Commissioner Bjerke indicated that in the future there may need to be fee increases so that funding is available to complete additional projects.

Chairperson Connery reported that he had participated in a conference call with SEMCAC. The SEMCAC director has resigned, effective April 30, 2010.

Chairperson Connery expressed appreciation of Reporter Warner's article regarding the Justice Center and soil issues. Discussion was held.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 9 -- Correspondence from SEMCAC RSVP Program
in appreciation of support

File No. 10 -- Correspondence to Xcel regarding tons delivered
in January 2010

File No. 11 -- Correspondence from State of MN Dept of
Veterans Affairs regarding FY10 Enhancement Grant awards

File No. 12 -- MN Dept of Human Services 2009 Performance
Report

There being no further business and the time being 10:35 a.m., motion was made by
Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the
meeting, the next advertised meeting being Tuesday, February 16, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, February 16, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; HR Director Arrick-Kruger; Judy Wandling; Surveyor Walter; Finance Director Bradley; Jail Administrator Schiltz; Engineer Pogodzinski; Maintenance Supervisor Molling; Larry Erickson; Helen Olson

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the February 9, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Miller and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$49,704.40
Road & Bridge Fund	63,485.30

Total	\$113,189.70
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve license center disbursements.

File No. 3 -- Engineer Pogodzinski and Surveyor Walter met with the Board and requested approval of Houston County Right of Way Plat No. 27 in connection with S.P. 28-605-13, bridge replacement on CSAH 5. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve Right of Way Plat No. 27 and to adopt the following resolution;

RESOLUTION NO. 10-6

**APPROVING AND ACCEPTING HOUSTON COUNTY RIGHT OF WAY PLAT NO. 27
FOR RECONSTRUCTION PROJECT SP 28-605-13**

WHEREAS, Houston County desires to improve and reconstruct that part of C.S.A.H. 5, located 3.15 miles Southeast of the Junction with C.S.A.H. 14 (3.4 miles North of Eitzen), with the Replacement of Bridge No. 2904 with Culvert No. 28J26 and Approach Grading Project identified as SP 28-605-13; and

WHEREAS the Houston County Highway Department and the Houston County Surveyor have prepared Houston County Right of Way Plat No. 27 to identify and delineate the right of way and temporary slope easements required for this project; and

NOW THEREFORE BE IT RESOLVED that Houston County approves and accepts Houston County Right of Way Plat No. 27 as designating the definite location of that part of C.S.A.H. 5 located in Section 17, Township 101 North, Range 5 West, as presented on this date, February 16, 2010, and authorizes it to be filed of record with the Houston County Recorder.

BE IT FURTHER RESOLVED that Larry Connery, County Board Chairperson, is hereby authorized to execute and sign the certification statement on said plat on behalf of Houston County.

File No. 4 -- Engineer Pogodzinski and Surveyor Walter requested approval of Houston County Right of Way Plat No. 28 in connection with S.P. 28-605-14, bridge replacement on CSAH 5. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve Right of Way Plat No. 28 and to adopt the following resolution;

RESOLUTION NO. 10-7

**APPROVING AND ACCEPTING HOUSTON COUNTY RIGHT OF WAY PLAT NO. 28
FOR RECONSTRUCTION PROJECT SP 28-605-14**

WHEREAS, Houston County desires to improve and reconstruct that part of C.S.A.H. 5, located 0.5 miles East of the Junction with Kubitz Rd, with the Replacement of Bridge No. 2957 with Culvert No. 28J30 and Approach Grading Project identified as SP 28-605-14; and

WHEREAS the Houston County Highway Department and the Houston County Surveyor have prepared Houston County Right of Way Plat No. 28 to identify and delineate the right of way and temporary slope easements required for this project; and

NOW THEREFORE BE IT RESOLVED that Houston County approves and accepts Houston County Right of Way Plat No. 28 as designating the definite location of that part of

C.S.A.H. 5 located in Section 28, Township 101 North, Range 4 West, as presented on this date, February 16, 2010, and authorizes it to be filed of record with the Houston County Recorder.

BE IT FURTHER RESOLVED that Larry Connery, County Board Chairperson, is hereby authorized to execute and sign the certification statement on said plat on behalf of Houston County.

File No. 5 -- Engineer Pogodzinski and Surveyor Walter requested approval of Houston County Right of Way Plat No. 29 in connection with S.P. 28-605-15, bridge replacement on CSAH 5. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve Right of Way Plat No. 29 and to adopt the following resolution;

RESOLUTION NO. 10-8

APPROVING AND ACCEPTING HOUSTON COUNTY RIGHT OF WAY PLAT NO. 29 FOR RECONSTRUCTION PROJECT SP 28-605-15

WHEREAS, Houston County desires to improve and reconstruct that part of C.S.A.H. 5, located 0.5 miles East of the Junction with Quarry Rd (7.5 miles South of Caledonia), with the Replacement of Bridge No. 4044 with Culvert No. 28J28 and Approach Grading Project identified as SP 28-605-15; and

WHEREAS the Houston County Highway Department and the Houston County Surveyor have prepared Houston County Right of Way Plat No. 29 to identify and delineate the right of way and temporary slope easements required for this project; and

NOW THEREFORE BE IT RESOLVED that Houston County approves and accepts Houston County Right of Way Plat No. 29 as designating the definite location of that part of C.S.A.H. 5 located in Section 16, Township 101 North, Range 5 West, as presented on this date, February 16, 2010, and authorizes it to be filed of record with the Houston County Recorder.

BE IT FURTHER RESOLVED that Larry Connery, County Board Chairperson, is hereby authorized to execute and sign the certification statement on said plat on behalf of Houston County.

File No. 6 -- Engineer Pogodzinski requested approval of a final estimate on behalf of Highway Technologies Group in the amount of \$5,986.34 for S.A.P. 28-626-08 Guardrail Installation County 26. Engineer Pogodzinski reported that this job was bid at \$126,207.97. However, the job costs came in at 94% of bid for a total of \$119,726.76. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to adopt the following resolution;

RESOLUTION NO. 10-9

WHEREAS, Contract No. 193 has in all things been completed, and the County Board being fully advised in the premises,

NOW, THEN BE IT RESOLVED, That we do hereby accept said completed project for and in behalf of the County of Houston and authorize final payment as specified herein.

Engineer Pogodzinski provided an update with regard to the CSAH 5 project.

Chairperson Connery opened discussion to consider applying for an amended conditional use permit and/or variance to include basement space beneath the administrative portion of the Justice Center and to increase the project budget, contingent upon the City's approval of the appropriate permit. Chairperson Connery reported that to shell in the 11,880 square foot of basement space would cost approximately \$57.18 per square foot at this time. If the basement space is not built during the initial project, it would be cost prohibitive to do so in the future. It is estimated that, if the plans remain unchanged in this regard, once the footings have been poured approximately 650 loads of fill will be required.

Commissioner Miller expressed concern that, with recent news of additional state funding cuts, increasing debt by another \$700,000.00 may be ill advised. He expressed concern regarding the county's lack of growth and the need for additional space. Chairperson Connery expressed that this is being considered for future space needs. This would be a capital expenditure to be paid over time. Commissioner Corcoran indicated that he has held discussion with individuals in construction who claim that this basement space would be less expensive than the fill required in the event the original plan is followed.

Commissioner Bjerke expressed concern that the County is bound by mediation. During mediation overall square footage was a significant issue and he was not inclined to move forward with a request to increase the square footage by 15%. Chairperson Connery stated that this would all be contingent upon City approval. Commissioner Bjerke again expressed concern whether the taxpayers could afford an additional \$700,000.00 worth of debt on this project. Commissioner Miller reiterated his concern regarding the lack of growth in Houston County.

Jail Administrator Schiltz reported that the Building Committee just brought this forward for discussion so that everyone is aware that this may be a possibility. Chairperson Connery stated that there could be argument for or against this idea. Commissioner Miller expressed concern over the current financial situation which is poor. Commissioner Bjerke expressed concern that with limited funds, he takes into consideration that there will be a need to address the conditions at the current Highway Building, and perhaps the funds to add basement space should be used to address the situation at the Highway Building. It was agreed that changing the plans to add basement space would further delay the project. Commissioner Bjerke indicated that he is not in favor of this. Commissioner Augedahl expressed a desire to apply for the

appropriate permits necessary to include additional basement space with the City. Commissioner Bjerke expressed concern that approving basement space contingent upon the City granting the appropriate permits may not be a good idea. Commissioner Corcoran asked that further discussion be tabled until the next regularly scheduled meeting to allow the Board time for further consideration.

File No. 7 -- Chairperson Connery reported that a meeting of the Empire Builder High Speed Rail Coalition and the Minnesota High Speed Rail Commission has been scheduled for Thursday, March 18, 2010. The Commissioner's of Transportation for both Minnesota and Wisconsin are scheduled to speak at the event

File No. 8 -- Chairperson Connery reported that a 7 Rivers meeting is scheduled for Tuesday, April 6, 2010 to discuss economic indicators. Chairperson Connery stated that it may be beneficial for Finance Director Bradley to attend.

File No. 9 -- At this time, Judy Wandling, representing Woodland Industries, presented two bills for the Board's consideration. She reported that the expenses were incurred when an overhead garage door ceased functioning during a period when many deliveries were both in and out bound. La Crosse Glass Co. repaired the garage door and submitted an invoice in the amount of \$1,095.20 and also an invoice in the amount of \$180.00. Ms. Wandling requested the Board consider covering the expenses due to the County's ownership interest in the building. Finance Director Bradley reported that there is \$5,000.00 in the budget for building repairs of the ABC property. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve the invoices submitted by ABC from La Crosse Glass Co. totaling \$1,275.20. Maintenance Foreman Molling requested that ABC notify either Finance Director Bradley or him prior to having repairs performed by an outside vendor. Helen Olson apologized for failing to contact them regarding the garage door repairs and assured him that in the future, she would contact them prior to having repairs completed.

Larry Erickson asked whether anyone on the Board had questions. Commissioner Bjerke asked how the workload and contracts were for ABC at the present time. Mr. Erickson reported that community work stations and supported employment are going well. He reported there is additional capacity for in-house work. Mr. Erickson reported that there have been several successful placements recently. These are placements based on 90 days working for an employer other than ABC.

Mr. Erickson reported that, even after a 2.25% reduction in state funding, ABC was able to finish their year in the black. Additional reductions in funding are expected. However, they do expect to finish the 2010 year with ¾% in the black. Mr. Erickson reported that they currently hold a federal contract for Navy laundry bags. However, they lost the contract to produce retriever dummies approximately three years ago when the manufacturing of those was awarded to a firm in China. Commissioner Miller questioned whether or not there was a grant writer on staff. Mr. Erickson responded that they do have a grant writer and that individual is continually

looking for grant opportunities and reviewing eligibility criteria. Mr. Erickson reported on a \$100,000.00 capital improvement project which will replace the main boiler at the Rochester station.

File No. 10 -- At the request of Auditor Meiners, discussion was held to clarify a motion from the February 9, 2010 Board meeting regarding which commissioner's were serving on the Highway Department Building Committee. It was agreed that said motion was to add Commissioner Bjerke to the roster in addition to Chairperson Connery serving on said committee. Commissioner Corcoran is to remain the alternate.

Auditor Meiners suggested scheduling the County Board of Equalization meeting for Tuesday, June 15, 2010 at 6:00 p.m. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to schedule the meeting for Tuesday, June 15, 2010 at 6:00 p.m.

File No. 11 -- Finance Director Bradley reported that County staff continue to work with legislators to try to secure funding assistance for several capital projects necessary in Houston County. As part of this effort, Finance Director Bradley has been working with staff in both Congressman Walz and Senator Klobuchar's offices. Finance Director Bradley is requesting adoption of several resolutions required as a part of this process. Resolution No. 10-10 is to accompany a request for 80/20 funding for the emergency operations center within the justice center. Resolution No. 10-11 is to be submitted with a 60/40 funding request for the proposed Highway Department Building. Resolution No. 10-12 is to be submitted with 80/20 funding request from the Sheriff's Department to cover the cost of upgrading to the ARMER system for fire and EMS. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adopt the following three resolutions;

RESOLUTION NO. 10-10

WHEREAS, during the record flooding events of 2007 and 2008 (both Federally Declared Disasters) Houston County's emergency operations center was found to be grossly inadequate; and

WHEREAS, the Federal Communications Committee has mandated that all radios presently being utilized by our police, fire department, first responder, ambulance, and public works officials are capable, licensed, and utilizing narrow-banding by January 1st 2013; and

WHEREAS, by upgrading our Emergency Operations Center emergency services will be provided in a more timely, efficient, and effective manner; and

WHEREAS, the need for interoperable communications and modernized base of operations is a necessity throughout Houston County emergency operations; and

WHEREAS, the existing Emergency Operations Center is located in the Commissioner room of the County Courthouse, which was constructed in 1885; and

WHEREAS, Houston County has received Presidential Disaster Declarations in August 2007 and again in June 2008 for two separate flood events which have resulted in severe unreimbursable losses to county residents, as well as placing a financial burden on Houston County government; and

WHEREAS, many local businesses are struggling to find work and stay in operation during the current economic crisis and several of the County's largest employers have already closed their doors thereby causing an increase in local unemployment;

NOW, THEREFORE, BE IT RESOLVED, that the Houston County Board hereby requests a Fiscal Year 2011 Appropriation to assist with funding equipment for the Houston County Emergency Operations Center;

BE IT FURTHER RESOLVED, if the Fiscal Year 2011 Appropriation is received the Houston County board shall match the amount of funding received up to 20% with construction estimated to be completed sometime around June of 2011.

RESOLUTION NO. 10-11

WHEREAS, Houston County's Department of Transportation facility was built in 1948 on approximately six acres of land and according to a study which was conducted, it has surpassed its useful life expectancy by five years; and

WHEREAS, due to lack of space on the site, efficiency is reduced and the County Sign Shop is located at a separate site in another city; and

WHEREAS, because of the age of the facility and lack of site security features, equipment and products remain in unsecured areas, and periodically, end up disappearing from the site; and

WHEREAS, OSHA has conducted an inspection of Houston County's facilities and noted concerns with regard to a leaky roof, air quality, moisture, structural integrity, and asbestos; and

WHEREAS, Houston County is in the process of planning for a new Public Works Facility which will house all Houston County Department of Transportation employees along with the County Surveyor, Environmental Services, and Department of Motor Vehicles in one convenient location which will also free up space in the courthouse where overcrowding is an issue; and

WHEREAS, Houston County has received Presidential Disaster Declarations in August 2007 and again in June 2008 for two separate flood events which have resulted in severe unreimbursable losses to county residents, as well as placing a financial burden on Houston County government; and

WHEREAS, many local businesses are struggling to find work and stay in operation during the current economic crisis and several of the County's largest employers have already closed their doors thereby causing an increase in local unemployment;

NOW, THEREFORE, BE IT RESOLVED, that the Houston County Board hereby request a Fiscal Year 2011 Appropriation to assist with funding the Houston County Public Works Facility Project;

BE IT FURTHER RESOLVED that if the Fiscal Year 2011 Appropriation is received the Houston County board shall match the amount of funding received up to 40% with construction estimated to begin sometime in the spring of 2011.

RESOLUTION NO. 10-12

WHEREAS, during the record flooding events of 2007 and 2008 (both Federally Declared Disasters) Houston County's communications systems were found to be grossly inadequate; and

WHEREAS, the Federal Communications Committee has mandated that all radios presently being utilized by our police, fire department, first responder, ambulance, and public works officials are capable, licensed, and utilizing narrow-banding by January 1st 2013; and

WHEREAS, by upgrading our communications to the ARMER system, emergency services will be provided in a more timely and efficient manner; and

WHEREAS, the need for interoperable communications is a necessity throughout Houston County emergency operations units; and

WHEREAS, every radio currently utilized by EMS, Fire, Law Enforcement, Public Works, Environmental Services, and Highway shall be replaced to ensure interoperable communications is maintained and uniform throughout Houston County Emergency operations; and

WHEREAS, Houston County has received Presidential Disaster Declarations in August 2007 and again in June 2008 for two separate flood events which have resulted in severe unreimbursable losses to county residents, as well as placing a financial burden on Houston County government; and

WHEREAS, many local businesses are struggling to find work and stay in operation during the current economic crisis and several of the County's largest employers have already closed their doors thereby causing an increase in local unemployment;

NOW, THEREFORE, BE IT RESOLVED, that the Houston County Board hereby request a Fiscal Year 2011 Appropriation to assist with funding the Houston County Interoperable Communications Project;

BE IT FURTHER RESOLVED, if the Fiscal Year 2011 Appropriation is received the Houston County board shall match the amount of funding received up to 20% with construction estimated to be completed sometime around June of 2011.

File No. 12 -- Finance Director Bradley reported on the budget cuts which Governor Pawlenty has proposed in an effort to rectify the current State budget issues. Finance Director Bradley indicated a desire to begin budget reviews immediately in preparation for budget cuts. Finance Director Bradley expressed a desire to begin budgeting for the coming year as early as possible as additional cuts are expected.

Commissioner Corcoran reported on a Solid Waste meeting which he recently attended in La Crosse with Commissioner Miller.

Commissioner Miller reported on a Trails meeting which he attended with Chairperson Connery. Commissioner Miller also reported on a Chamber of Commerce meeting which he attended where discussion was held regarding a new County logo for EDA.

Chairperson Connery reported on the Trails meeting he attended where discussion was held regarding land acquisition and set-backs.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 13 -- Correspondence to payroll regarding hire of Rod Humble, Bob Schuldt, Mike Ernster, and Tim Irwin

File No. 14 -- Budget amendment information for Highway Department which was approved 2/9/2010

There being no further business and the time being 10:12 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, February 23, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, February 23, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, and David Corcoran

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Highway Accountant Schroeder; Finance Director Bradley; Jail Administrator Schiltz; Public Health Director Rock; Chief Deputy Sheriff Yeiter; Craig Welsh; Maintenance Foreman Molling; HR Director Arrick-Kruger

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the February 16, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$50,994.94
Road & Bridge Fund	10,398.21

Total	\$61,393.15
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve license center disbursements.

File No. 3 -- Highway Accountant Schroeder reported that four projects qualifying for 2007 legislative bonding reimbursement have been completed. She requested approval of several resolutions which are required for reimbursement. Resolution No. 10-14 is to accompany a reimbursement request in the amount of \$119,726.76 for SAP 28-626-08 located on CSAH 26. Resolution No. 10-15 is to be submitted with a reimbursement request in the amount of \$424,880.521 for SAP 28-996-04 located on CSAH 26. Resolution No. 10-16 is to be submitted with a reimbursement request in the amount of \$11,943.07 for SAP 28-999-01 on CSAH 3. Resolution No. 10-17 is to be submitted with a reimbursement request in the amount of \$156,008.41 for SAP 28-999-02 located on CSAH 13. Motion was made by Commissioner

Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the following resolutions:

RESOLUTION 10-14

For Agreement to State Transportation Fund (Flood Relief Bonds)

Grant Terms and Conditions

Date: February 23, 2010

WHEREAS, the County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for bridge or roadway repairs associated with Southeast Minnesota Flood located on CSAH 26 Project # SAP 28-626-008 (Also known as SAP 28-996-005); and

WHEREAS, the Commissioner of Transportation has given notice that funding for this reconstruction project is available; and

WHEREAS, the amount of the grant has been determined to be \$ 119,726.76 by reason of the detail damage cost estimated prepared by the agency and approved by Minnesota Department of Transportation, District State Aid Engineer;

NOW THEREFORE, be it resolved that the County of Houston does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and the County of Houston will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge and road but not required.

RESOLUTION 10-15

For Agreement to State Transportation Fund (Flood Relief Bonds)

Grant Terms and Conditions

Date: February 23, 2010

WHEREAS, the County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for bridge or roadway repairs associated with Southeast Minnesota Flood located on CSAH 26 Project # SAP 28-996-004; and

WHEREAS, the Commissioner of Transportation has given notice that funding for this reconstruction project is available; and

WHEREAS, the amount of the grant has been determined to be \$ 424,880.21 by reason of the detail damage cost estimated prepared by the agency and approved by Minnesota Department of Transportation, District State Aid Engineer;

NOW THEREFORE, be it resolved that the County of Houston does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and the County of Houston will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge and road but not required.

RESOLUTION 10-16

For Agreement to State Transportation Fund (Flood Relief Bonds)

Grant Terms and Conditions

Date: February 23, 2010

WHEREAS, the County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for bridge or roadway repairs associated with Southeast Minnesota Flood located on CSAH 3 Project # SAP 28-999-001; and

WHEREAS, the Commissioner of Transportation has given notice that funding for this reconstruction project is available; and

WHEREAS, the amount of the grant has been determined to be \$ 11,943.07 by reason of the detail damage cost estimated prepared by the agency and approved by Minnesota Department of Transportation, District State Aid Engineer;

NOW THEREFORE, be it resolved that the County of Houston does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and the County of Houston will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge and road but not required.

RESOLUTION 10-17

For Agreement to State Transportation Fund (Flood Relief Bonds)

Grant Terms and Conditions

Date: February 23, 2010

WHEREAS, the County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for bridge or roadway repairs

associated with Southeast Minnesota Flood located on CSAH 13 Project # SAP 28-999-002 ;
and

WHEREAS, the Commissioner of Transportation has given notice that funding for this reconstruction project is available; and

WHEREAS, the amount of the grant has been determined to be \$ 156,008.41 by reason of the detail damage cost estimated prepared by the agency and approved by Minnesota Department of Transportation, District State Aid Engineer;

NOW THEREFORE, be it resolved that the County of Houston does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and the County of Houston will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge and road but not required.

File No. 4 -- Finance Director Bradley reported that Governor Pawlenty's budget proposal, if passed un-amended, would cut funding for the Sentence To Service (STS) Program. Governor Pawlenty has not included funding for the STS program because it is his opinion that the program is non-essential. STS crew leader, Craig Welsh expressed concern that budget cuts could take effect prior to the July 1, 2010 contract expiration with Houston County. Finance Director Bradley indicated that a report has been distributed which illustrates the value of this program to Houston County. Mr. Welsh provided information and background data with regard to said report. Several statistics and values were presented including, but not limited to; number of days worked; value of hours worked in exchange for satisfaction of fines through program participation; project value; and jail days saved. Jail Administrator Schiltz reported that offenders housed out-of-county also participate in STS. However, the value of their work performed is not included in this report. Commissioner Miller questioned whether there had been incidents with offenders participating in STS. Mr. Welsh reported that there have been no major incidents. Mr. Welsh reported that there are STS opportunities available to men, women and even juvenile offenders. STS services are available to assist any non-profit organization. Mr. Welsh provided program highlights noting the largest project STS has been involved with as the Community Services Building remodel. Projects such as this provide participants with job skills. Commissioner Miller reported that Finance Director Bradley has been researching the liability issues and the cost to operate a County funded STS program. Olmsted County used to operate a State funded STS program until funding was cut. Olmsted County has continued a county funded program. Finance Director Bradley reported that Houston County's STS program is funded 50% by the State and 50% by the County. The County provides \$39,600.00 in funding. Finance Director Bradley reported that Mr. Welsh is a State employee, in addition the State owns a 15 passenger van to transport participants to job sites, a trailer and various small equipment used in the completion of projects. Finance Director Bradley and HR Director Arrick-Kruger have held discussion regarding requirements to operate a County funded STS program, should State funding be un-allotted. They have determined that the job description of the crew leader is

needed and from there, the job description would need to be submitted for banding. Finance Director Bradley reported that some counties whose State funding for STS programs were cut have been able to negotiate keeping the STS State owned equipment for use in their County funded continuation of the program. Finance Director Bradley suggested that a resolution be drafted in this regard. It was agreed that a resolution would be prepared and presented during the next regularly scheduled Board meeting.

File No. 5 -- Public Health Director Rock reported on a county health rankings report which was recently released. Public Health Director Rock reported that this is the first time in history when data from every state and each county has been compiled and compared. The data used for the report is from 2004 thru 2006. In the area of health outcomes, which takes into consideration mortality and morbidity, Houston County ranked 52 out of 85. With regard to health factors which take into account access to clinical care among various other things, Houston County ranked 8 out of 85. Public Health Director Rock discussed various factors and explained how programs which have been recently implemented are on target to improve the ranking of Houston County. Public Health Director Rock reported that currently Houston County is utilizing a Ship grant for programs aimed at reducing tobacco use and obesity.

Public Health Director Rock reported that a joint Board of Health meeting is required before the end of March in order to submit the expenditure report to the state. There is a meeting scheduled for April. However, an additional meeting or teleconference will need to be scheduled.

File No. 6 -- Finance Director Bradley reported that yesterday AMC distributed a 10 Point Redesign Plan. He asked how the Board wished to proceed. Finance Director Bradley indicated that this program, as presented, would not directly help Houston County or other counties in general. Commissioner Corcoran suggested sending a letter to AMC expressing displeasure with the lack of collaboration in assembling this 10 point plan, and also, the apparent lack of representation. Commissioner Miller expressed concern that this plan is not the result of prior discussion and/or collaboration and has been presented to counties in a hasty fashion, and the plan does not provide funding for responsibilities which would be shifted to the counties. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to reject any support of AMC's 10 Point Redesign Plan and to send a letter to this effect to the AMC, as well as our district's legislators and county boards.

Following brief discussion, Chairperson Connery reported that plans for the Justice Center would remain unchanged due to a lack of a motion.

Chief Deputy Sheriff Yeiter reported on a meeting to discuss dispatch consolidation among six local counties. Commissioner Miller also attended the meeting as a representative of the Board. The taskforce elected a chairman and vice-chairman, has determined that there should be one representative from the sheriff's office and 1 representative from the County Board and alternates for both from each of the six counties. Winona County agreed to be the fiscal agent. Meetings will be held on a monthly basis. The taskforce will develop an RFP to hire a consulting

company who will perform the PSAP study. The study will determine what savings may or may not be realized through regionalization and whether service delivery may be improved as a result of regionalization. In addition, the taskforce will explore whether some purchases could be cooperatively purchased. Chief Deputy Sheriff reported on the possibility of a regional computer system and the possibility that a server at a given location could manage the users of all counties in the group. Commissioner Corcoran expressed concern regarding collaboration with larger entities. Chief Deputy Sheriff Yeiter reported that, at this time, we are committing to performing a study. No additional commitment is being made at this time. Chief Deputy Sheriff Yeiter recommended that he and Sheriff Ely be appointed the representative and alternate from the Sheriff's Office and requested that the Board take action during the next regularly scheduled meeting to appoint all representatives and alternates to serve on the taskforce.

Chief Deputy Sheriff Yeiter reported that an Informational Seminar with regard to load restrictions for spring load limits and year round regulations will be hosted at the Caledonia City Auditorium tomorrow. This seminar is for commercial haulers, farmers, and those operating other large vehicles which are subject to federal regulations. Enforcement Officer Irwin will be speaking. The seminar is a collaborative presentation of the Houston County Department of Transportation and the Houston County Sheriff's Office. Chief Deputy Sheriff Yeiter indicated that the timing of said seminar is good because enforcement is being stepped up.

Chief Deputy Sheriff Yeiter reported that he continues to meet with various local entities regarding the ARMER radio system. There is continuing research regarding funding streams which may be accessed to defray the cost of the upgrade to ARMER.

Chairperson Connery reported that Finance Director Bradley has submitted proposals for federal funding through Representative Walz and Senator Klobuchar's offices. As part of the proposal letters of support from local representatives was strongly encouraged. Both Senator Ropes and Pelowski provided letters of support for all three proposals, while Representative Davids provided letters of support for two of three proposals. Representative Davids would not provide a letter in support of the Highway Department Building. Chairperson Connery believes that Jeanne Poppe, a Houston County native now representing Mower County, also provided letters of support.

Commissioner Augedahl reported that Public Health Director Rock provided all the information from the SCHAC meeting which they both attended.

Commissioner Miller reported that he attended a meeting with Chief Deputy Sheriff Yeiter which Mr. Yeiter had reported on. Commissioner Miller reported that he also attended the La Crescent City Council meeting where the solid waste contract was discussed.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 7 -- Correspondence from Southern MN Initiative
Foundation in appreciation of financial support

File No. 8 -- Certificate of Bridge Inspection

File No. 9 -- Correspondence from NRCS regarding Bear
Creek Watershed site review structures #3 & #8

There being no further business and the time being 10:03 a.m., motion was made
by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to
adjourn the meeting, the next advertised meeting being Tuesday, March 2, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, March 2, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; Public Health Director Rock; Zoning Administrator Scanlan; Environmental Services Director Frank; Finance Director Bradley; Recorder Bauer; WSU Nursing Students Annie Stuedemann, Shelby Seibert, Erin McCarthy & Marisa Marks; Maintenance Foreman Molling; Chief Deputy Sheriff Yeiter; IS Director Milde; GIS Coordinator Krzoska; Sheriff Ely; HS Director Wilms; Social Services Supervisor Poepping; HS Accountant Bahr

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the February 23, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$42,859.68
Road & Bridge Fund	42,080.10

Total	\$84,939.78
	=====

File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve Human Services disbursements.

File No. 3 -- Chairperson Connery reported that he had received a letter of commendation from Cal Ludeman of the Minnesota Department of Human Services for perfect performance in meeting DHS financial reporting requirements. HS Director Wilms reported that much of the credit is due to the work of HS Accountant Bahr.

At this time, Public Health Director Rock introduced four WSU Nursing Students who are working with Public Health. The students will be working with Public Health for a period of eight weeks.

Public Health Director Rock reported on a collaborative grant which has been awarded to Fillmore and Houston Counties aimed at increasing compliance with regard to teenage and adult vaccination. The grant is in the amount of \$14,575.00 with Houston County receiving \$6,799.00 and Fillmore County receiving \$7,776.00. The amounts awarded are based on population. Fillmore County will be focusing on the Amish population within their county. Houston County will focus its efforts on those residents of the county who are under-insured or un-insured. Public Health Director Rock reported that some of the funds will be utilized for marketing strategies, a vaccination freezer and a laptop and printer for use on site at public health events. The grant is part of the American Recovery and Reinvestment Act.

Public Health Director Rock reported on several Joint Board of Health meetings which are scheduled.

File No. 4 -- Engineer Pogodzinski reported that an agreement with Dairyland Power for the relocation of lines is required as part of the Federal funding for the CSAH 5 project. The agreement is a standard MN DOT agreement which has been modified to meet the needs of this project. Engineer Pogodzinski reported that it is standard operating procedure for power companies to charge back the cost of relocation. It has been estimated that the cost of line relocation related to this project is \$142,871.28. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the Utility Relocation Agreement and Contract for Quitclaim Deed or Conveyance of Rights in Land with Dairyland Power Cooperative and to authorize the signature of Chairperson Connery.

File No. 5 -- Engineer Pogodzinski reported that the merchant agreement for the airport is through Elavon. The agreement with Elavon is set to expire this month. Engineer Pogodzinski recommended changing to CardFlex. The change would result in a substantial savings to the County. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and duly carried to enter into an agreement with CardFlex, to authorize the signatures of Chairperson Connery and Auditor Meiners, and to terminate the agreement with Elavon. Commissioner Augedahl abstained from voting.

Maintenance Foreman Molling reported that sign inventory of condition is required on all township signs as part of the Township Sign Program. Maintenance Foreman Molling reported that the County has historically conducted said inventory. In addition, most of the townships contract with the Highway Department for repair and/or replacement of damaged or missing signs. The Highway Department will be sending out information to the townships that the County will continue to provide sign inventory services provided the township agrees that the Highway Department may automatically fix deficient signs. If townships do not agree to grant permission to the County for automatic repair, the County will not provide the sign inventory service. The

township will be required to perform their own sign inventory and report to the County regarding their inventory and necessary repairs prior to the County signing off on the township year end reports in this regard.

Engineer Pogodzinski reported on a Roadway Safety Planning meeting which is scheduled for March 10, 2010 from 8:30 a.m. to 3:00 p.m. in Rushford at the Legion. The meeting is being conducted jointly with Winona, Fillmore and Houston Counties. The State is hosting the meeting and has encouraged staff from Highway, Board of Commissioners and Emergency Response to attend. It was agreed that Commissioner's Corcoran and Miller, who are assigned to the Public Works Standing Committee, would attend the Roadway Safety Planning meeting.

Commissioner Bjerke questioned a gas tax receipt reported in the Caledonia Township Newsletter. Auditor Meiners reported that this is a State allotment provided to townships and the amount is based on the number of road miles and population of recipient townships.

Commissioner Miller questioned a claim for cutting blades expense. Maintenance Foreman Molling reported that the amount is for a stock supply of cutting edges for the entire Houston County fleet of snow plows. He reported that, on average, a cutting edge lasts through three snow events before replacement is required and a supply of cutting edges is usually ordered twice each year.

File No. 6 -- Zoning Administrator Scanlan requested adoption of a resolution regarding Gengler Quarry owned by Milestone Materials. The resolution is part of the EAW process as part of a quarry expansion. Zoning Administrator Scanlan reported on the process which includes a 30 day comment period following submission of request. Zoning Administrator Scanlan reported that he had received some comments regarding storm water and air emissions. The concerns have been addressed through permitting and response is included in the resolution Zoning Administrator Scanlan is recommending for adoption. Environmental Services Director Frank reported that several corrective measures have been implemented over the past three years. On the recommendation of Zoning Administrator Scanlan, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to adopt the following resolution;

RESOLUTION NO. 10-18

WHEREAS, the Gengler Quarry, under ownership of Milestone materials is expanding its quarry operations to include property owned by Milestone Materials but not currently included within the described area of the current quarry operations; and

WHEREAS, state rules governing the environmental assessment of quarry operations currently require that an existing quarry that expands its operations to include an area that will excavate 20 or more acres of forested and other naturally vegetated land in a sensitive shoreland

area or 40 acres of forested or other naturally vegetated land in a nonsensitive shoreland area to a depth of at least 10 feet, the local governing unit shall be the RGU; and

WHEREAS, Milestone Materials submitted an Environmental Assessment Worksheet (EAW) as required under MN Rule 4410 and the RGU submitted said EAW to the Environmental Quality Board (EQB) for a 30 day public comment period and responded to said comments; and

WHEREAS, the RGU must make a decision on the need for an Environmental Impact Statement based on criteria set forth in MN Rule 4410.1700, said criteria being as follows: A.) Type, extent, and reversibility of environmental effects; B.) Cumulative potential effects of related or anticipated future projects; C.) The extent to which environmental effects are subject to mitigation by ongoing public regulatory authority; and D.) The extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the project proposer, including other Environmental Impact Statements; and

WHEREAS, A.) The type, extent, and reversibility of environmental effects will be and have been controlled and overseen by several state and local agencies which have permitting authority over quarries pertaining to the treatment of storm water, oversight and protection of wetlands, protection of streams and groundwater, as well as air emissions and said permits will address the type, extent, and reversibility of effects on the environment; and

WHEREAS, B.) Cumulative potential effects of related and anticipated future projects are anticipated to be minimal or none as a neighboring quarry has expanded to its outer perimeter and is much smaller in scope compared to the project quarry, as such the project quarry is not planning any future projects at this time because it will have expanded up to its property boundaries; and

WHEREAS, C.) The extent to which environmental effects are subject to mitigation by ongoing public regulatory authority can be addressed within permits that have been issued by state agencies including Minnesota Pollution Control Agency and Department of Natural Resources as well as the local RGU which oversees and has authority to mitigate for programs such as the Wetland Conservation Act, the floodplain and shoreland rules and other local ordinances; and

WHEREAS, D.) The extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the project proposer, including other Environmental Impact Statements will be minimal to none as much of the environmental effects will be addressed within permits issued by the state and RGU as well as a record of the environmental assessment worksheet and all comments and responses to comments which can be made available to the public for review;

NOW, THEREFORE, BE IT RESOLVED THAT THE Houston County Board of Commissioners hereby makes a “negative declaration” on the need for an Environmental Impact Statement; and

BE IT FURTHER RESOLVED that this negative declaration will be posted on the EQB Monitor as required under the rule.

Chief Deputy Sheriff Yeiter reported that the front door of the Sheriff’s Office is literally falling off its hinges. This is creating a security and safety concern. He reported that the Sheriff’s Department has exhausted all repair options in an effort to delay replacement until the Justice Center is built. However, replacement is the only option remaining. Chief Deputy Sheriff Yeiter reported that the door is not closing properly. When work begins on the Justice Center the back door of the Sheriff’s Office will be unavailable, placing additional stress and traffic on the front door. Chief Deputy Sheriff Yeiter reported that a rough estimate to replace the door is \$2,500.00. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the replacement of the door in an amount not to exceed \$3,000.00. It was agreed that Chief Deputy Sheriff Yeiter would work with HR Director Arrick-Kruger to obtain the necessary quotes for replacement.

Following brief discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to appoint Sheriff Ely and Chief Deputy Sheriff Yeiter as Sheriff’s Department representatives on the PSAP Study Taskforce and Commissioner Miller as Board representative with Commissioner Bjerke as the alternate for said Taskforce.

File No. 7 -- Auditor Meiners reported on a resolution for the continued State funding of the STS program. The resolution was reviewed by Finance Director Bradley, Chief Deputy Sheriff Yeiter and STS Crew Leader Craig Welsh whose comments have been incorporated. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adopt the following resolution;

RESOLUTION NO. 10-19

WHEREAS, the Governor’s budget proposal would eliminate funding for the Sentence to Service (STS) Program because, in the State’s opinion, this is a non-essential program; and

WHEREAS, Houston County currently shares an STS Program with the State of Minnesota which is 50% state funded and 50% county funded; and

WHEREAS, half of the STS crew’s projects are state projects which directly benefit the state, and half are local projects directly benefiting local units of government; and

WHEREAS, Houston County's STS Program has been extremely successful and has saved 278 jail days in 2009 by putting inmates to work, has satisfied \$2,975 in fines and has provided, at a minimum, \$76,696 in project hours in 2009; and

WHEREAS, the STS Program has saved the county and the state the cost of otherwise having to hire individuals to provide the services which the STS crew has provided; (i.e. work in state parks, work for the DNR, remodeling the Houston County Community Service Building, providing man hours at the Houston County Recycling, etc.); and

WHEREAS, the STS Program provides inmates with training and job skills;

NOW, THEREFORE, BE IT RESOLVED that the Houston County Board of Commissioners hereby supports the state's continued funding for the STS Program; and

BE IT FURTHER RESOLVED that, if the state does not continue funding the STS Program, the Houston County Board of Commissioners request that the State allows Houston County to keep the 15 passenger van, trailer and equipment used by our STS crew so that the County can continue this vital program at some level without state involvement.

File No. 8 -- Received and filed from the Houston Money Creek SnowRiders was a Capital Improvement Project application, also received and filed from the La Crescent Snowmobile Club was a Capital Improvement Project application. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolutions:

RESOLUTION NO. 10-20

BE IT RESOLVED By the Board of County Commissioners, Houston County, Minnesota, that it approves the application of the Houston Money Creek SnowRiders and authorizes the Board Chairman and the County Auditor to sign an agreement with the Department of Natural Resources.

RESOLUTION NO. 10-21

BE IT RESOLVED By the Board of County Commissioners, Houston County, Minnesota, that it approves the application of the La Crescent Snowmobile Club and authorizes the Board Chairman and the County Auditor to sign an agreement with the Department of Natural Resources.

Engineer Pogodzinski reported that there has been no final agreement reached with one landowner in connection with the CSAH 5 project. Engineer Pogodzinski met with the landowner last week, but has not met with said landowner regarding final comments. Engineer Pogodzinski is reviewing the project plans in hopes of modifying the plans to reduce the impact

on the landowner. If modifications to the agreement are pursued, it could take two weeks for State approval of modifications.

IS Director Milde reported that Star Tech created the new Deed Log program. The work was paid for through the use of the Recorder's Compliance fund. Recently, Star Tech was contracted to move the program to the land use server resulting in a bill in the amount of \$165.00. IS Director Milde requested authorization to pay for the Star Tech invoice in the amount of \$165.00 from the Recorder's Compliance fund. Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of \$165.00 be made from the Recorder's Compliance fund.

GIS Coordinator Krzoska reported that he has received a grant in the amount of \$3,000.00 for use in upgrading GIS to incorporate feedlot work. There are three pieces of software that would greatly enhance the current software and upgrade it for use with feedlots. The first piece would enhance the current system to allow more than one user to edit at the same time, the second is modeling software which would upgrade the system to incorporate feedlot work and the final piece of software is for quality control and would allow for cross referencing of data across systems. The total cost of all three pieces of software is \$13,000.00, \$3,000.00 of which would be covered by grant funds. GIS Coordinator Krzoska requested the balance in the amount of \$10,000.00 be covered by the Recorder's Compliance fund. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the purchase of software and to utilize Recorder's Compliance funds for a portion of the bill in the amount of \$10,000.00.

Recorder Bauer reported that the Compliance fund balance comes from a portion of each recording fee charged by her office. \$11.00 of each \$46.00 recording fee is added to the Compliance fund balance. The fund is not intended to supplement the budget and does not accumulate as a result of taxpayer dollars. The fund is to be used to enhance the recording process and improve records retrieval. By law, the Recorder's Office has 15 days in which to complete the process of recording for each document submitted. The number of days will be reduced to just 10 in 2011. In the event the Recorder's Office is unable to meet this requirement, the Compliance fund may be used to hire staff for a temporary period so that the office meets the recording requirements. Recorder Bauer expressed interest in keeping the cumulative balance at a reasonable level to cover any unforeseen temporary staff requirements. It is also her interest to maintain a low balance so that the State doesn't view the account as a surplus that is no longer in need of funding or for which funding could be reduced.

Commissioner Corcoran reported that a lot of good input came out of the recent department head meeting. As a result, several cost saving measures are being researched.

Commissioner Bjerke reported that another department head meeting has been scheduled for March 8, 2010. Finance Director Bradley reported that department head meetings will be

scheduled for every two weeks. It was agreed that the schedule of commissioner's attending the department head meetings would be adjusted to accommodate the increased meeting schedule.

Commissioner Augedahl reported that he also attended the recent department head meeting.

Commissioner Miller reported on the EDA open house which he attended recently where EDA Coordinator Wilms introduced the new website and Thorson Graphics unveiled the new logo and banner for the county fair.

File No. 8a -- Commissioner Connery reported on an HVMHC meeting which he attended where significant discussion was held regarding their budgetary concerns. Chairperson Connery reported that Jeanne Poppe did submit letters of support for each of three projects which federal grant applications were submitted.

It was the consensus of the Board to run all budget ideas through Finance Director Bradley for review. Finance Director Bradley will report to the Board the pros and cons of each idea along with anticipated savings or costs.

Finance Director Bradley reported that during the recent department head meeting the consensus was to make necessary budget cuts now, and not wait. He requested that the Board provide him with a dollar goal to work towards. Finance Director Bradley reported that the State does not intend to release specific amounts which are being cut until after the February economic report which is due in mid to late March. MACO has indicated that the economic report may come in slightly better than initial projections. The most recent reports have indicated that Houston County will lose \$458,000.00 in County Program Aid (CPA). In addition, Houston County will have an additional debt service funding originally expected to be \$800,000.00. However, actual project costs and bonding rates could significantly impact this projection. Finance Director Bradley reported that, as part of the Justice Center coming on-line, the Department of Corrections (DOC) is expected to require five additional staff members. It is also expected that there will be further cuts to CPA. Finance Director Bradley indicated that deferments will not alleviate the budget issues the County is facing. Chairperson Connery suggested that his primary concern would be to reduce the budget in an amount equivalent to anticipated CPA losses for 2010 and 2011 which totals \$577,000.00. Chairperson Connery expressed his opinion that it would be secondary to cover the anticipated \$800,000.00 in debt service and the additional staff requirements of the DOC. It was the consensus of the Board to focus on reducing the budget immediately by the anticipated CPA loss of \$577,000.00. The secondary concern is to cover the additional anticipated debt service and Justice Center staffing.

Finance Director Bradley reported that budgets have gone out to department heads. By March 31st each line item is to be identified as mandatory or other. Any line item marked mandatory is required to include the statute or authority whereby it is mandated. This information will be available to the Board during the first regularly scheduled meeting in April.

Commissioner Corcoran expressed concern that any reduction of services could result in unforeseen costs and before any cuts are made the effects must be carefully weighed. HR Director Arrick-Kruger is researching health insurance benefits options which could result in significant savings. Finance Director Bradley reported that, following the opening of bids for the Justice Center, he will have better data to base debt service projections on. He will obtain updated bonding rate estimates. Finance Director Bradley reported that there are several other options which will be discussed on Monday during the department head meeting.

Chief Deputy Sheriff Yeiter reported that he will present a resolution with regard to the migration to ARMER during the March 16th Board meeting. He will also be presenting a proposal for the purchase of ARMER radios through the use of grant funding.

Motion was made by Commissioner Augedahl, seconded by Commissioner Miller and unanimously carried to place on file the following items from the consent agenda:

File No. 9 -- Correspondence to Jim Mulder regarding AMC's
10 Point Redesign Plan

There being no further business and the time being 10:14 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, March 9, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, March 9, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Eric Benson; LeAnn Benson; Surveyor Walter; Eldon Pohlman; Engineer Pogodzinski; Emergency Manager Kuhlers; EDA Coordinator Wilms; Recorder Bauer; Attorney Bublitz; Sheriff Ely; Treasurer Petersen; Jail Administrator Schiltz; Chief Deputy Sheriff Yeiter; Catherine Lamb; Bob Cummings; Vern Fruechte; Michael Markegaard; HR Director Arrick-Kruger; IS Director Milde; Glenn Kinneberg

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the March 2, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$261,078.33
Road & Bridge Fund	16,498.61

Total	\$277,576.94
	=====

File No. 2 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Miller and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Attorney Bublitz reported that she along with the other four elected officials being; Sheriff Ely, Auditor Meiners, Recorder Bauer and Treasurer Petersen intend to submit to Finance Director Bradley a proposal for budget reduction whereby each elected official will decline the balance of their 2010 salary increase. Chairperson Connery reported that Finance

Director Bradley will include their proposal along with all others and present a complete listing to the Board for possible cuts. Decisions will be made based on all items submitted.

File No. 4 -- Chief Deputy Sheriff Yeiter and Jail Administrator Schiltz reported that they are also submitting a proposal to Finance Director Bradley to decline the balance of their 2010 salary increase in an effort to reduce the budget.

File No. 5 -- Eric Benson met with the Board to share his concern with regard to the condition of the Houston County Airport. The runway at the airport is deteriorating and will require a decision regarding maintenance, upgrade or closure within a few years. Mr. Benson moved his business to the area because of the GPS LPV capabilities the airport had at the time and because of the airport improvements which were expected. The improvements which he expected have failed to come to fruition. In addition, the GPS LPV status has been rescinded. Therefore, Mr. Benson is considering the options he has regarding his business needs. He expressed his desire to stay in the area and indicated that he is looking into the possibility of moving his business to Decorah as their airport would better suit his needs.

Mr. Benson expressed his belief that the most cost effective and beneficial option for the airport would be to build a new runway. The project would qualify for a 95% match making the County share only \$240,000.00. In addition to being the most cost effective option, it would utilize the current runway as a taxiway, increase the runway length to 4,000 feet to accommodate business aircraft, accomplish a new safe landing field, and qualify the airport for GPS LPV approach. Mr. Benson reported that, if the County chooses to upgrade the airport, it would qualify the airport for 100% funding by MN DOT for the purchase, installation and maintenance of an automated weather observation station (AWOS). AWOS would provide hydrology data, is licensed allowing for charter landings, and would be a reported National Weather Service (NWS) site.

Another option would be to simply repave the current runway. This would qualify for 80/20 split funding. The County share is estimated at \$700,000.00. This option would ensure that the Houston County Airport continues to be a recreational aviation airport.

Mr. Benson reported briefly on the option whereby the pavement is left to fail which would require airport closure and result in the County being liable to pay back an estimated \$700,000.00 in Federal grants.

Mr. Benson reported that both MN DOT and the FAA realize the benefit of airports to communities and they support this through shared funding grants. Mr. Benson cited a Department of Commerce statistic for each \$1.00 invested in local airports, \$2.35 is returned to the community.

It is Mr. Benson's desire to be able to go to MN DOT with a decision. He would encourage acceptance of federal funds assistance and request a variance to get the GPS approach back because a plan is in place to establish a new runway meeting GPS LPV requirements.

In an effort to encourage commitment to the project in the past, the Red Barons have offered to cover ½ of the cost of an environmental assessment.

Engineer Pogodzinski reported that Mead & Hunt has prepared a cost estimate for establishing a new, longer runway. Commissioner Bjerke questioned whether the land necessary is available for purchase and whether anyone has spoken with landowners. Mr. Benson reported that several meetings have been held to involve landowners, however, the process deteriorated. EDA Coordinator Wilms reported that there would be 15 landowners affected if the County chose to pursue establishing a new runway utilizing current plans. All 15 landowners have been contacted via written letter. In addition, many have been involved in face to face meetings with either the EDA or members of the Airport Commission. EDA Coordinator Wilms indicated that two of the largest holders of affected land are adamantly against the project. This creates a big issue, as it all comes down to having willing landowners. One landowner's property would be split by the necessary acquisition of property, the fields would become triangular and less efficient to farm and accessing a portion of remaining property would require an easement. Engineer Pogodzinski reported that landowners are compensated for loss of efficiency and access to property is ensured.

Vern Fruechte questioned the necessity to purchase land across the road from the airport. Engineer Pogodzinski reported that there are FAA stipulations requiring County control over the land to ensure height restrictions on crops etc.

Commissioner Bjerke questioned whether completion of the environmental assessment (EA) would be enough to regain GPS LPV status. It was pointed out that the process would begin with performing the EA, followed by land appraisal and acquisition. EA is simply the first step in the process. Because of the 95% Federal funding once the EA is performed it would be necessary to continue moving the project forward. Commissioner Bjerke expressed concern that doing nothing could result in the required payback of Federal grant funds in the amount of \$700,000.00.

Finance Director Bradley reported that, once the County agrees to have the EA performed, the County is agreeing to the project and plans. Any changes in location or alignment would require a new EA be performed. Commissioner Bjerke questioned whether plans could be adjusted so that only willing landowners were affected. Engineer Pogodzinski reported that the current plan requires the least amount of land be acquired at approximately 100 acres, 60 of which will require County purchase and 40 which will require easement only.

Glenn Kinneberg expressed his belief in the importance of medical flights and their ability to land safely. He also reported that Mr. Benson participates in angel flights. Mr. Benson indicated that he participates in a program called Wings of Mercy. He donates both his time and

aircraft to fly patients who are too sick to travel by car or bus and unable to pay for air transportation on their own. Yesterday he flew his 51st flight for Wings of Mercy and explained that the fog and circle approach landing at the airport created a stressful landing situation. Had instrument approach landing still been in effect at the airport, the landing would have been much less stressful.

Engineer Pogodzinski recommended the Board review the airport issues when they begin budgeting for the next cycle. Chairperson Connery questioned if a step by step timeline and cost analysis had been developed. Charlie Warner questioned the length of time that FAA funds would be available. Mr. Benson reported that the FAA budget is funded for next 2 years. The funds are a result of user fees, they are not earmarks. Commissioner Miller queried Mr. Benson regarding the nature of his business and the number of employees. Mr. Benson responded that it is an instrument and navigation system service business which he and his wife are able to operate on their own. Commissioner Miller questioned what business could be attracted if the Board were to commit to the project. Mr. Benson indicated that people will not inquire if the services they require are not available. Rather, they will simply choose a venue that offers all of the services to meet their needs. Mr. Benson indicated that airport improvements alone will not solve the economic problems. In Mr. Benson's opinion, Airport Improvements that are 95% funded and would require only a 5% County investment will have a significant value for a relatively small commitment. Commissioner Miller expressed his opinion that a large scale project which is 95% funded does appear attractive. The Board expressed concern that any mention of eminent domain is "stirring a hornets' nest" and there is concern that there are individuals who have already dug in their heels. Mr. Benson expressed his belief that the majority would be in favor of the project and a minority who disagree would be very vocal. Mr. Benson expressed a desire to educate and increase the awareness with regard to the benefits which could result. Mrs. Benson questioned whether negotiations had begun or any offers had been made to landowners. EDA Coordinator Wilms reported that even mention of compensation for loss of efficiency did not encourage discussion with some individuals. Engineer Pogodzinski reported that the county is unable to make offers until after the EA has been completed. Chairperson Connery questioned Emergency Manager Kuhlers whether any emergency funds would be available to help cover costs for an airport improvement project, as the project would result in the increased ability of landing medical flights and increased options for emergency response to events. Emergency Manager Kuhlers agreed to research possible funding opportunities through Emergency Management.

Commissioner Corcoran questioned what would be required to regain GPS LPV status. Mr. Benson reported that, if the County commits to having the EA completed, he will campaign hard to acquire a variance to get the GPS LPV status back during the interim.

Engineer Pogodzinski expressed his belief that the relocation of the runway would have the least cost to the County, repaving the existing runway with an 80/20 funding split would cost in excess of \$240,000.00 and moving hangars would be 100% County funding making that option cost prohibitive.

EDA Coordinator Wilms expressed support of the project. Improvements may not guarantee to draw more business, however doing nothing will guarantee that no business will be attracted.

Commissioner Augedahl reported that the ability to land lifeline flights is important. He worked on the ambulance for 25 years and waiting for a helicopter has cost many lives. Without GPS LPV, lifeline flights may be unable to land in inclement weather conditions.

Commissioner Miller expressed favor for anything that can potentially grow business in the County. Commissioner Miller also expressed concern with regard to the current budget crisis the County is facing.

Finance Director Bradley will present budget impact data for performing the EA. Chairperson Connery asked Mr. Benson whether the Red Barrons would extend their offer to fund ½ the cost of the EA. Mr. Benson agreed to confirm the status of the Red Barrons offer and report to Finance Director Bradley. Finance Director Bradley reported that there are some acquisition costs still in the budget along with funds to cover the EA.

Katherine Lamb expressed the importance of the Board considering both the potential closing costs in addition to estimated expenses for improvements when making decisions with regard to the airport. As a taxpayer she is concerned that doing nothing could cost \$700,000.00. Commissioner Bjerke expressed a desire to consider all cost implications.

Bob Cummings who serves on the airport commission expressed concern that two impacted landowners could dictate a decision on the airport issue. Mr. Cummings expressed concern that the Board considers what Houston County may lose in the event the airport is closed, rather than attempting to forecast what business may be brought in. Mr. Cummings expressed concern regarding circle approach, which is dangerous, and he expressed his support for instrument approach, which he indicated is necessary.

In closing, Mr. Benson expressed his appreciation to the Highway Department for the exceptional winter maintenance.

File No. 6 -- Eldon Pohlman, representing the Houston County Agricultural Society, requested that the Board consider sponsoring this organization on a grant application with the Pepsi Refresh campaign. The application is for a grant in the amount of \$5,000.00 which would be used to install a new floor in floral hall. Mr. Pohlman reported that there will be another grant opportunity through Pepsi in November. Commissioner Corcoran expressed his opinion that Pepsi has a good idea of offering funds to local communities. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to sponsor the grant application and to adopt the following resolution;

RESOLUTION NO. 10-22

WHEREAS, the Houston County Agricultural Society (Fair Board) desires to apply for a grant from PEPSI; and

WHEREAS, the grant must be submitted by a 501C3 organization; and

WHEREAS, the Houston County Agricultural Society (Fair Board) is not a 501C3 organization;

NOW, THEREFORE, BE IT RESOLVED THAT Houston County act as sponsoring agency for the Houston County Agricultural Society's (Fair Board) grant application and acknowledges herewith that it is willing to be the project sponsor and accepts responsibility for seeing this project through to its completion, with compliance of all applicable laws, rules and regulations.

File No. 7 -- Surveyor Walter reported that the County has a program whereby private surveyor's are reimbursed \$500.00 for the location, monumenting and certifying of unperpetuated Section and Quarter Section corners. Winona County has a similar program. Winona County reduced their reimbursement rate by 1/2 in 2009. Surveyor Walter has spoken with private surveyors who have indicated that they would continue to participate even at a reduced rate of compensation. Survey Walter reported that the program works well. However, he recommended reducing the reimbursement rate in an effort to reduce expenses. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the following resolution;

RESOLUTION NO. 10-23

WHEREAS, On March 25, 1997 The Houston County Board of Commissioners adopted Resolution No. 97-25 providing that Houston County will pay the sum of \$400.00 to any private surveyor locating, monumenting, and preparing a certificate for any unperpetuated Section or Quarter Section corner; and

WHEREAS, on February 6, 2007 the Houston County Board of Commissioners adopted Resolution No. 07-08 increasing the amount they will pay private surveyors for this service to from \$400.00 to \$500.00; and

WHEREAS, Houston County is facing a financial crisis due to state aid cuts which is forcing the county to make budget reductions;

NOW, THEREFORE, BE IT RESOLVED that the Houston County Board of Commissioners does hereby decrease the amount they will pay private surveyors for this service from \$500.00 to \$250.00 per Section, Quarter Section or Meander corner;

BE IT FURTHER RESOLVED that all other provisions of Resolution No. 97-25 shall remain in effect.

File No. 8 -- Engineer Pogodzinski reported that he has reviewed the plans for CSAH 5. He recommended amending the plans to eliminate the impact of the project on one landowner and reported that it was his expectation that the amendment would be acceptable to the State. As a result of the amendment, Engineer Pogodzinski requested approval of Houston County Right of Way Plat No. 32 in connection with S.P. 28-605-13. Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve Right of Way Plat No. 32 and to adopt the following resolution;

RESOLUTION NO. 10-24

RESOLUTION TO APPROVE AND ACCEPT HOUSTON COUNTY RIGHT OF WAY PLAT NO. 32 FOR STATE PROJECT 25-605-12

WHEREAS; Houston County desires to improve and reconstruct County State Aid Highway No. 5, Between 270 feet South of the Junction with County State Aid Highway No. 14 and the South Corporate Limits with the City of Caledonia, with Grading, Bridge Replacement (No. 88415 Old) (No. 28J25 New), Concrete Curb and Gutter, and Aggregate Base, identified as SP 28-605-12; and

WHEREAS; the Houston County Highway Department and the Houston County Surveyor have prepared Houston County Right of Way Plan Number 32 to amend that portion of Houston County Right of Way Plan No. 21 which identifies and delineates the right of way and temporary slope easement located adjacent to the South Prairie Drive (T-95) and Simmental Road (T-96) segments adjacent to County State Aid Highway No. 5; and

NOW, THEREFORE BE IT RESOLVED; that Houston County approves and accepts Houston County Right of Way Plat No. 32 as designating the definite location of that part of South Prairie Drive (T-95) and Simmental Road (T-96), located in Section 31, Township 102 North, Range 5 West, Houston County, Minnesota as presented on this date, March 9, 2010, and authorizes it to be filed of record with the Houston County Recorder.

BE IT FURTHER RESOLVED that Larry Connery, County Board Chairperson, is hereby authorized to execute and sign the Certification statement on said plat on behalf of Houston County.

File No. 9 -- EDA Coordinator Wilms reported on a flood recovery loan which had been approved for Tri-State Auto Corporation. Since July 2009, Finance Director Bradley, Attorney Bublitz, he and the customer have been working to bring the loan into compliance and have been unable to do so. Therefore, it is the recommendation of EDA Coordinator Wilms to withdraw the

offer of funding and to adopt a resolution in this regard to officially close out the loan. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution;

RESOLUTION 10-25

RESOLUTION OF WITHDRAWAL OF FUNDING FOR BUSINESS FLOOD RECOVERY REVOLVING LOAN FUND LOAN

WHEREAS: the Houston County EDA and the EDA Flood Recovery Loan Review Committee reviewed applications from Tri-State Auto following flooding in 2007 and 2008, and approved financing up to \$398,242 for qualified flood recovery expenses pending compliance with the signed Loan Agreement;

WHEREAS: the Houston County EDA and Houston County Finance Department in a review of Tri-State Auto's flood recovery portfolio, found multiple compliance issues with said loan document which needed to be rectified before a final release of funds could be completed;

WHEREAS: the Houston County EDA, Finance Department and County Attorney's Office have worked with Tri State Auto and Weiser Law Office to bring the loan into compliance with the loan requirements to no avail;

NOW THEREFORE BE IT RESOLVED that the Houston County Economic Development Board hereby withdraws the availability of the unused \$177,817 for the purpose of flood recovery for **Tri-State Auto, Inc., 601 US HWY 16, Hokah, Minnesota.**

File No. 10 -- Auditor Meiners reported that she had received notification that Joyce Iverson has resigned from the Southern Minnesota Tourism Association Board. Discussion was held regarding action to appoint a new member to said Board. It was agreed that the Board would seek a recommendation from the EDA Board and will wait until such time when a recommendation is made to take action. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to accept the resignation of Joyce Iverson on the Southern Minnesota Tourism Association Board.

File No. 11 -- Emergency Manager Kuhlert provided a brief update on the status of the emergency siren grant project. He requested approval of A Memorandum of Understanding that local city or township officials will be required to enter into for the maintenance of the sirens following installation. Emergency Manager Kuhlert has met with several local entities, all of which have indicated a willingness to maintain the sirens after installation and enter into an agreement in this regard. Commissioner Bjerke asked for clarification regarding the activation of the sirens. Emergency Manager Kuhlert reported that the sirens are solar powered, have alerts to indicate tampering, rotation, dysfunction, low battery and activation. The sirens will be activated by dispatch either individually or countywide. Emergency Manager Kuhlert reported that the

project is ready to go out for bid and requested authorization to advertise. Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the MOU and authorize emergency Manager Kuhlert to advertise for bids.

Emergency Manager Kuhlert reported that spring flood predictions for Houston County are low.

Chairperson Connery clarified that the Board would wait to take action until the EDA Board has recommended an appointee for the seat vacated by Joyce Iverson.

Discussion was held regarding attendance at the AMC 2010 Legislative Conference. It was agreed that Commissioner's Miller, Bjerke and Connery would attend the Wednesday sessions.

Commissioner Bjerke reported that the Bear Creek watershed has been awarded stimulus funding for structures and a media signing event has been scheduled. Commissioner Bjerke requested that the Board designate an individual to attend the media event and grant said individual authorization to sign the agreement on behalf of the County. Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve the stimulus funding agreement and to authorize Commissioner Bjerke to sign said agreement on behalf of Houston County.

Chairperson Connery reported that he had received an e-mail from a representative of a metro county group which includes Hennepin and Olmsted, who have expressed support of AMC's 10 Point Plan.

Commissioner Corcoran reported on a Solid Waste meeting which he attended.

Commissioner Augedahl reported on a SEMCAC meeting which he had attended recently.

File No. 12 -- Chairperson Connery reported on the SEMCAC meeting which he attended with Commissioner Augedahl recently where discussion was held regarding the possible discontinuation of services to Semcac by MCIT. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution;

RESOLUTION 10-26

WHEREAS Semcac Community Action is a valued partner of Houston County, and

WHEREAS the cost and effectiveness of Semcac Community Action's insurance program has both direct and indirect impacts on Houston County and the citizens we all serve, then

BE IT RESOLVED, that the Houston County Board hereby encourages MCIT to take all steps necessary to assure that Semcac Community Action's MCIT membership is continued well into the future.

Commissioner Bjerke reported on a Highway Building Committee meeting which he attended. There was concern expressed regarding the viability of the Roverud Building as an option. He reported that today the committee will be viewing another possible option.

Commissioner Bjerke also reported on the department head meeting which he attended.

Chairperson Connery reported that he also attended the Highway Building Committee meeting.

Commissioner Miller reported on yesterday's department head meeting. He provided a reminder of the meeting with MN DOT scheduled for tomorrow in Rushford, and he reported that he would be attending an upcoming meeting in La Crescent regarding the possible development of the Twilight Street area on the Pike.

File No. 13 -- Chairperson Connery reported on correspondence he had received regarding establishment of a TIF district in the City of Houston.

The time being 11:00 p.m., the Board met with the following department heads to discuss potential 2010 budget cuts: Veteran Services Officer Gross, Auditor Meiners, IS Manager Milde and Finance Director Bradley.

The time being 12:30 p.m. the Board recessed for lunch.

The time being 1:45 p.m. the Board reconvened and met with the following department heads to discuss potential 2010 budget cuts: Sheriff Ely, E911 Coordinator Krzoska, Court Administrator Larson and Recorder Bauer.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 14 -- Correspondence to legislators regarding resolution passed in support of continued State funding of the STS Program

File No. 15 -- Correspondence regarding AMC's 2010
Legislative Conference

File No. 16 -- Correspondence from Representative Davids
regarding proposed cuts to the STS Program and State budget issues

There being no further business and the time being 3:30 p.m., motion was made by
Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to adjourn
the meeting, the next advertised meeting being Tuesday, March 16, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, March 16, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; Maintenance Foreman Molling; Jail Administrator Schiltz; Sheriff Ely; Chief Deputy Sheriff Yeiter; Wayne Stenberg; HR Director Arrick-Kruger; Finance Director Bradley; HS Director Wilms; Social Services Supervisor Poepping; HS Accountant Bahr; PHN Director Rock; PHN Accountant Lillegraven; County Attorney Bublitz; EDA Coordinator Wilms; Assessor Dybing

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the March 9, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$29,038.91
Road & Bridge Fund	26,128.73

Total	\$55,167.64
	=====

File No. 2 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve license center disbursements.

File No. 3 -- Maintenance Foreman Molling reported on the bids received for C.P. 2010-01 (Maintenance Aggregate). He recommended accepting the low bid of Bruening Rock Products, Inc. in the amount of \$69,287.40, which is \$5.49 per ton delivered. This pricing is approximately \$0.11 per ton less than 2009 pricing which was \$5.60 per ton. Maintenance Foreman Molling recommended accepting all bids for stockpiles which has been the practice in past years. Accepting all bids allows the County to haul it from the closest available stockpile to

the site where rock is required. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to accept the low bid of Bruening Rock Products, Inc. for delivered rock at a rate of \$5.49 per ton and all bids for stockpile.

Maintenance Foreman Molling reported on the bids received for the purchase of calcium chloride. The low bid is that of Univar in the amount of \$0.846 per gallon delivered to Caledonia and \$0.846 per gallon delivered to Spring Grove. Last year the delivered price was \$0.89. On the recommendation of Maintenance Foreman Molling, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to accept the low bid of Univar in the amount of \$0.846 per gallon.

Maintenance Foreman Molling reported that he expects maintenance rock to be approximately \$6,000.00 below budget. He also expects Calcium Chloride to be under budget. However, this is more difficult to project due to the fact that townships purchase under the County contract and reimburse the County.

Maintenance Foreman Molling reported that he anticipates soliciting seal coating bids in the next couple of weeks. He expects the pricing to remain flat provided there is no spike in the price of oil.

Maintenance Foreman Molling reported that spring weight restrictions went into effect on Monday, March 8.

Chief Deputy Sheriff Yeiter reported that it was his intent to present a proposal to the Board for the purchase of 21 radios. However, an additional vendor has expressed interest in providing a proposal. Chief Deputy Sheriff Yeiter has one vendor who is offering a \$300.00 per radio rebate through the end of March which would allow the County to purchase 3 additional radios at no additional cost. He has \$10,800.00 of local match grant funds within the budget for the purchase. Chief Deputy Sheriff Yeiter expects to present the contract for the purchase of the radios next week.

File No. 4 -- Chief Deputy Sheriff Yeiter reported on a resolution which is the next step in the process to migrate to the ARMER radio system. On the recommendation of Chief Deputy Sheriff Yeiter, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to adopt the following resolution;

RESOLUTION NO. 10-27

RESOLUTION ADOPTING A PLAN FOR PUBLIC SAFETY COMMUNICATION WITHIN HOUSTON COUNTY

WHEREAS, it is a basic responsibility of the County to provide for the health and welfare of its citizens; and

WHEREAS, the Federal Communications Commission (FCC) has issued regulations which require the replacement of wideband Land Mobile Radio (LMR) systems operating in the Very High Frequency (VHF) and Ultra High Frequency (UHF) spectrum by 2013; and

WHEREAS, public safety agencies throughout the country, including public safety agencies within Houston County, have relied upon wideband LMR systems to provide vital public safety communications for law enforcement, fire, emergency medical services, public works, disaster response and other vital government services; and

WHEREAS, the County has worked with the Southeast Minnesota Regional Radio Board (SERRB), of which it is a participating member, to complete a comprehensive assessment of public safety communication within the County; and

WHEREAS, the County has been presented with a public safety communication assessment (hereinafter "Assessment") conducted by Federal Engineering, Inc, which included an assessment of the alternatives that exist for the County to replace the public safety communication infrastructure within the County.

NOW, THEREFORE, BE IT RESOLVED the Houston County Board of Commissioners hereby accepts the Assessment as an accurate assessment of public safety communication needs within the County and of the alternatives that reasonably exist to replace the public safety communication infrastructure within the County, and be it further;

RESOLVED, that the Houston County Board of Commissioners adopt the Allied Radio Matrix for Emergency Response (ARMER) participation alternative specified in the Assessment as the most appropriate and best option for the County to replace the public safety communication infrastructure within the county, and be it further;

RESOLVED, that the Houston County Sheriff (hereinafter "Sheriff") is instructed to develop a participation plan (hereinafter "Plan") for the migration of and participation of all county and local governments and public safety agencies located and operating within the County to the ARMER public safety communication system, and be it further;

RESOLVED, that the Plan developed by the Sheriff shall include and provide for a proposed budgets for the integration of public safety agencies to the ARMER public safety communication system, for competitive bids documents and proposals for local enhancements or improvements required for county participation and proposed contracts for equipment and services necessary to complete the integration of public safety agencies to the ARMER public safety communication system, and be it further;

RESOLVED, the Assessment providing the basis of this action shall be submitted to the SERRB with a recommendation that the Assessment be incorporated into the SERRB regional

public safety communication plan and that the Sheriff is authorized to submit the Assessment and the Plan to the SERRBN, to the Minnesota Departments of Transportation and Public Safety and to the Statewide Radio Board, as may be necessary to gain final approval for the County participation in the ARMER public safety communication system as provided for in the Plan.

Chief Deputy Sheriff Yeiter reported that he will be submitting the resolution. He expects the Participation Plan to be prepared following said submission. Houston County has a grant from the Regional Radio Board in the amount of \$33,000.00 for the plan. In an effort to keep expenses low, the County plans to work with Fillmore County to share in the travel expenses of the consultant drafting the plan. Once the plan is complete, the data may be used to develop the RFP that will be used for bids.

Chief Deputy Sheriff Yeiter reported that work is being done on the grant application that would provide funding for local Fire Departments and EMS to transition to ARMER.

Chief Deputy Sheriff Yeiter reported that there is a grant available through The Regional Radio Board in the amount of \$84,000.00. Each county represented on the Regional Radio Board could qualify for this amount. Originally, the funds were intended to be used to advance interstate communications. However, Chief Deputy Sheriff Yeiter expressed his belief that, without knowing what neighboring states were pursuing with regard to the transition to narrow band, the funds may be better spent on equipment. He also reported that Jail Planners are requesting costs associated with communications which will not be available until the participation plan has been completed which is expected to take three to four months.

File No. 5 -- Wayne Stenberg with Bluff Country HRA met with the Board to present an overview of the past year's projects and future goals. Mr. Stenberg reported on projects including the TIF authority in Spring Grove, the acquisition of the Spring Grove Manor, and the creation of the revolving loan program. He discussed the benefits of the completed housing study. Future goals to grow the revolving loan program, preserve affordable housing and increase investment and property values were also discussed.

Chairperson Connery announced that Semcac of Caledonia is hosting an open house at the food shelf.

File No. 6 -- Finance Director Bradley reported on Houston County's allocation of recovery zone bond funds in the amount of \$174,000.00 for use in Economic Development and \$261,000.00 for use of Facilities. Finance Director Bradley is unaware of any projects within the County which could benefit from and utilize the funds. Therefore, it is the recommendation of Finance Director Bradley to waive the right to utilize the bond funds. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to waive the County rights to the bond funds and to adopt the following resolution;

RESOLUTION NO. 10-28

WHEREAS, Houston County was declared a Presidential Disaster Area following the 2007 and 2008 flood events; and

WHEREAS, Houston County was subsequently awarded a Recovery Zone Bond Allocation, being \$174,000 in Economic Development Bonds and \$261,000 in Facilities Bonds; and

WHEREAS, Houston County does not intend to utilize these bonds,

NOW, THEREFORE BE IT RESOLVED, that the Houston County Board of Commissioners hereby waives the allocation of said Recovery Zone Bonds.

File No. 7 -- Finance Director Bradley reported on an agreement with St. Mary's Catholic Church for the rental of 42 parking stalls through September 30, 2011. The agreement has been reviewed by Attorney Bublitz, and the City of Caledonia has indicated their position that the agreement is acceptable. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the agreement with St. Mary's Catholic Church for the lease of 42 parking stalls, contingent upon Father Leif's approval, and to authorize the signature of Chairperson Connery on said agreement.

Jail Administrator Schiltz reported that the parking stalls in the St. Mary's Catholic Church lot will be available to employees during construction. He reported that parking stalls available in the Masonic Lodge lot will be utilized by construction workers. In addition, construction workers will park in the city lot and along the streets in those areas. The west courthouse lot will continue to be available for visitor parking with limited employee parking during construction. There will be no parking available on the west side of Pine Street or the south side of East Street. These areas will be utilized to unload trucks delivering supplies to the construction site. All of this information will be designated in the plan. Maps will be compiled and shared with staff at a later date.

File No. 8 -- Jail Administrator Schiltz provided a draft schedule regarding the Justice Center construction project.

HR Director Arrick-Kruger reported that, during her review of maintenance issues, it came to her attention that there are four security cameras and corresponding ports available for use. She has discussed this with Emergency Manager Kuhlert, IS Pierce and IS Director Milde. HR Director Arrick-Kruger has identified several areas where the installation of these cameras would be beneficial to Courthouse security. They include installation near the north and south entrance doors, a blind area near the courtroom, outside the elevator on the second floor or in the Commissioner's Room. She recommended installation in all locations excluding the Commissioner's Room because of the possibility of relocating the room following the

completion of the Justice Center. HR Director Arrick-Kruger solicited an estimate from Viking Electric to install the cameras. Installation was estimated at \$1,550.00. The wiring would need to be completed by a licensed electrician. Other work required for completion could be done by County Maintenance Staff. She reported that there are funds available within the courthouse operations budget to cover the expense and if approved she would acquire three quotes from vendors around the County. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to authorize the installation of four cameras in areas noted with the exception of the Commissioner's Room in an amount not to exceed \$1,600.00.

Chairperson Connery reported that there will be security cameras covering the construction site. These will be provided by the contractor.

HR Director Arrick-Kruger was instructed to look into security for the Commissioner's Room.

Auditor Meiners reported on a liquor license application on behalf of Rick Kowalewski dba Little Miami. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve said liquor license.

Commissioner Corcoran reported on a road enhancement meeting he attended recently in Rushford.

Commissioner Augedahl reported on a CJC meeting which he attended.

Commissioner Miller reported on a road enhancement meeting which he attended with Commissioner Corcoran. He also reported on a meeting he attended regarding the possible development of 15 acres in the area of Twilight Street in La Crescent.

Chairperson Connery reported that there is a vacancy on the Semcac Board for a private sector member. Interested persons may suggest candidates to Chairperson Connery.

The time being 10:16 a.m. Attorney Bublitz requested a closed session to discuss pending civil action against the County. Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to go into closed session.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to return to regular session.

The time being 10:25 a.m. the Board recessed to conduct the Human Services meeting.

The time being 11:30 a.m., the board reconvened in open session to discuss proposed 2010 budget cuts with the Human Services Department.

The time being 12:20 p.m., the Board recessed for lunch.

The time being 1:00 p.m., the Board reconvened in open session to review potential 2010 budget cuts in the following departments: Public Health Nursing, Corrections, County Attorney, EDA and Assessor.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 9 -- Correspondence to Hank Koch regarding tons delivered to Xcel in February 2010

File No. 10 -- Correspondence to MCIT regarding support for continued membership of Semcac

File No. 11 -- Information regarding Annual Meeting and election of the Houston County Township Officers Association

File No. 12 -- Correspondence to Joyce Iverson in appreciation for service on Southern MN Tourism Association Board

File No. 13 -- Correspondence from Benson Technical Works regarding recent meeting with the County Board

File No. 14 -- Notice of special meeting scheduled for Wednesday, March 17, 2010

File No. 15 -- Correspondence from the MN Department of Human Services regarding Audit Amendments and Procedures

There being no further business and the time being 3:50 p.m., motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, March 23, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Wednesday, March 17, 2010

10:30 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Financial Director Bradley; Zoning Administrator Scanlan; Surveyor Walter; Jerry Tesmer; LuAnn Hiniker; Ann Walter; District Manager Tuck; Human Services Director Arrick-Kruger; Treasurer Petersen

Presiding: Larry Connery, Chairperson

Call to order.

File No. 1 -- Finance Director Bradley reported on proposed legislation which would reduce our Market Value Credit by \$192,434. In addition, further cuts are being proposed for County Program Aid. The proposal would allow counties, cities and towns to sell certificates of indebtedness to cover shortfalls during a fiscal year when final property tax levies have already been certified.

The Board met with Zoning Administrator Scanlan regarding proposed 2010 budget cuts.

Discussion was held regarding a proposal made by Ralph Tuck to explore the possibility of combining Soil & Water with Environmental Services. After discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to appoint a committee consisting of Commissioners Corcoran and Bjerke, Zoning Administrator Scanlan, Environmental Services Director Frank, Finance Director, District Manager Tuck and a member of the Soil & Water Board to explore the possibility of combining planning & zoning, solid waste, recycling, water planning and soil and water under Environmental Services. It was agreed that the Soil and Water Board should determine which member they want to represent them on this committee.

The Board met with Surveyor Walter and representatives of Extension to discuss potential 2010 budget cuts.

The time being 11:50 a.m. the Board recessed for lunch.

The time being 1:05 p.m. the Board reconvened in open session.

The Board met with District Manager Tuck, Personnel Director Arrick-Kruger and Treasurer Petersen regarding potential 2010 budget cuts.

File No. 2 -- Placed on file was information regarding Beltrami County's change to a combined Soil and Water District and Environmental Services Department.

Discussion was held regarding the amount that would be saved if unpaid furloughs were implemented. Finance Director Bradley informed the Board that the savings would amount to approximately \$253,000 for 80 hours of furlough per employee, and approximately \$125,000 for 40 hours per employee.

There being no further business and the time being 3:10 p.m., motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, March 23, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; PHN Director Rock; Finance Director Bradley; Jail Administrator Schiltz; IS Director Milde; Sheriff Ely; HR Director Arrick-Kruger

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the March 16, 2010 meeting.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the March 17, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 62,473.10
Road & Bridge Fund	110,387.19

Total	\$172,860.29
	=====

File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the license center disbursements.

File No. 3 -- Engineer Pogodzinski reported on a Utility Relocation Agreement with Tri-County Electric necessary for the CSAH 5 project. The estimated cost of construction labor and materials is \$28,898.07. The estimated cost of labor for removal is \$10,074.63. Total costs associated with the relocation agreement are \$38,972.70 of which 82% or \$31,957.61 would be the responsibility of Houston County. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the Utility Relocation Agreement with Tri-County Electric.

File No. 4 -- Engineer Pogodzinski reported on an administrative settlement for each of two parcels related to the CSAH 5 project. It is the recommendation of both Yaggy Colby Associates and Engineer Pogodzinski to approve both administrative settlements. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the two administrative settlements.

Engineer Pogodzinski reported on the Shady Hollow Road/CSAH 5 project. This project currently qualifies for approximately \$170,000.00 in federal funding. Agreements for the purchase of right of way have been reached with all except one landowner. The federal funding is requiring that all agreements and checks must be submitted to the State prior to April 15 to ensure the availability of federal funding for the project, and not submitting said paperwork will jeopardize the funding. Engineer Pogodzinski reported that the State has suggested that the County consider filing eminent domain paperwork to satisfy the requirements and the April 15 deadline. He reported that negotiations with the landowner could continue even following the filing of eminent domain paperwork. Engineer Pogodzinski expressed reluctance to proceed with eminent domain. However, he admitted that it may be the only option to retain the federal funding. In addition to jeopardizing \$170,000.00 in federal funding, failure to come to agreement with the landowner could necessitate the redesign of the project at an estimated cost of \$20,000.00-30,000.00, delay the completion of the project, and risk re-negotiation with other landowners. Commissioner Bjerke asked what is factoring into the inability to reach an agreement. Engineer Pogodzinski reported that the project would divide the landowners' agricultural field and separate 1.7 acres from the balance of property. Engineer Pogodzinski indicated that acquisition of the 1.7 acre parcel has been considered. Ralph Tuck has indicated that Soil and Water has considered the site for a flood control structure. Engineer Pogodzinski reported on the process of eminent domain. Engineer Pogodzinski reported that no action is required of the Board at this time. He is simply providing the Board with an update and making the Board aware of the options available to deal with the situation.

File No. 5 -- Auditor Meiners reported on an application for abatement on behalf of David A. Johnson, Parcel No. 14.0180.001 and 14.0179.000, as the Assessor's property tax records inadvertently omitted homestead classification which had been requested. If approved, the payable 2010 tax would be reduced from \$2,850.00 to \$1,942.00, being a reduction of \$908.00. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the same.

PHN Director Rock reported on the local public health expenditure report. The report is a requirement of the Minnesota Department of Health. It requires expenses and revenue sources to be broken down into six specific areas. PHN Director Rock indicated that the local expenditure reports will need to be approved during the Joint Board of Health meeting and then individually by their respective Board of Commissioners. Discussion was held regarding the main differences in the area of home care expense and revenue. PHN Director Rock indicated that it may be beneficial in the future to consider a consolidated form of the report. PHN Director Rock

reported that she is unaware of how the recently passed healthcare reform bill will affect Public Health. She indicated that she will keep the Board apprised of what she learns in this regard.

File No. 6 -- The time being 9:45 a.m. the board recessed to hold the scheduled Joint Board of Health teleconference.

The time being 9:51 a.m., the Board reconvened in regular session with all members present.

File No. 7 -- On the recommendation of PHN Director Rock, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution and to submit it to the Commissioner of Health;

RESOLUTION NO. 10-29

BE IT RESOLVED that the Houston County Board of Commissioners, by this resolution, do hereby approve the 2009 Local Public Health Expenditure Report and recommend it be submitted to the Commissioner of Health for approval.

File No. 8 -- Finance Director Bradley reported on a proposed parking plan and map for the Justice Center construction period. If approved, the information contained will be presented to department heads at a meeting scheduled later today and then to staff at one of several ½ hour information meetings to be scheduled for a later date. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the parking plan and map as presented.

File No. 9 -- IS Director Milde reported on quotes received for the year's computer hardware purchases. There are five quotes which make up the total expenditure. The quotes were submitted individually because there are departments which have retained their computer hardware line item within their budgets for this year. In the future, all hardware expense will be included in the IS budget. IS Director Milde reported that 20% of the County computer hardware will be replaced. This will establish a rotation schedule whereby computer hardware will be replaced on a five year rotation. IS Director Milde was able to save an additional \$10,000.00, or 20%, by participating in the Buy-IT program. He reported that computers which are replaced will be rotated to replace public use terminals. The very oldest computers will have their hard drives removed, bundled and sold at public auction. IS Director Milde reported that the total cost to purchase the year's computer hardware is \$31,413.02, all of which has been budgeted for. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the purchase of computer hardware at an amount of \$31,413.02.

IS Director Milde requested authorization to attend a training session in La Crosse, Wisconsin on April 19th thru 23rd. This is an advanced Windows server training session and would be most beneficial since the County is operating a new Windows server. The cost of the

training session is \$1,350.00 which has been included in the IS budget. IS Director Milde reported that, due to the training session being hosed in La Crosse, there would be no travel or hotel expense to attend. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve IS Director Milde's attendance at the training session.

Sheriff Ely reported that he had been issued a Smart phone last year as part of a bundle of five. However, he expressed his preference to continue utilizing his phone and to discontinue carrying two phones. In addition, he is aware of a need for IS Director Milde to be accessible to staff to provide technical assistance which is becoming more difficult due to staff being located at multiple County campuses. Therefore, he has given the Smart phone to IS Director Milde for use. IS Director Milde expressed appreciation for the added accessibility it provides for staff to reach him. Recorder Bauer will pay for the cost of the phone through the technology fund.

Commissioner Corcoran reported on recent budget meetings which he has attended.

Commissioner Augedahl reported on a Semcac meeting which he attended with Chairperson Connery where Wayne Stenberg was hired as director.

Chairperson Connery reported on a RAIL meeting which he attended in La Crosse with Transportation Commissioners from Wisconsin and Minnesota. He did this as a member of the public, not in his capacity as Houston County Commissioner.

Chairperson Connery reported on a Semcac meeting which he attended. .

At this time, the Board recessed until 10:25 a.m.

File No. 10 -- The time being 10:25, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to go into closed session to discuss union negotiation strategies.

The time being 10:54 a.m., motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to reconvene in open session.

HR Director Arrick-Kruger reported that she has been researching options with regard to electronic timecards. She will be acquiring full quotes from both Kronos and RT Vision. Discussion was held regarding options, limitations, and concerns.

Chairperson Connery inquired as to the Board's wishes with regard to combining the offices of Auditor and Treasurer. He reported that if the question were included on the ballot and passed, the County may save money by paying out a salary for one elected official. He reported that added duties resulting from a combined office may result in a need to hire additional staff. However, any additional staff would be hired at a lower rate of pay than that of the elected

official currently in office resulting in a savings to the county. Commissioner Corcoran expressed concern that there is too little time for this to be included on the ballot for the upcoming election. Commissioner Bjerke indicated that other options, such as reviewing job descriptions to include only those duties which are statutorily expressed and set the salary according to those duties only, may result in a similar cost savings. Discussion was held regarding the evolution of positions as a result of having hired staff with specific expertise to whom duties have been shifted. It was agreed that this discussion should be held in an off election year as related to the term for the offices in question.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 11 -- Correspondence from MCIT regarding support
for continued membership of Semcac

File No. 12 -- Department of Human Services Title IV-D
Cooperative Agreement

There being no further business and the time being 11:07 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, April 6, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, April 6, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Maintenance Foreman Molling; Engineer Pogodzinski; Zoning Administrator Scanlan; EDA Coordinator Wilms; Finance Director Bradley; Ralph Tuck; HR Director Arrick-Kruger; IS Director Milde; Sheriff Ely; Attorney Bublitz; Environmental Services Director Frank; See attached listing of additional guests (See File No. A1)

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the March 23, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$88,003.81
Road & Bridge Fund	25,236.89

Total	\$113,240.70
	=====

File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve license center and Human Services disbursements.

Engineer Pogodzinski reported that he has been working on the CSAH 5 project. The project will require a detour. A portion of the detour will direct traffic down South Prairie Drive, a township road. In an effort to maintain safety, Engineer Pogodzinski anticipates applying chloride on the full length of the posted detour on said road. In addition, the Highway Department will be assessing the road to ensure it can handle the additional traffic, draft an agreement for its use with the township and provide a stipend for the additional wear and tear on

the road. Engineer Pogodzinski expects the detour to be in effect throughout the summer. However, he plans to open the CSAH 5 road before winter.

Engineer Pogodzinski requested authorization to purchase the county's salt supply through the state bid. Due to the mild winter, the County has salt remaining which will reduce the amount of salt required for the next snow season. Engineer Pogodzinski reported that recently the County has not secured as low of pricing as the State, and in one instance, the County received no bids for salt. Engineer Pogodzinski will request an amount of salt from the State. The County is required to take between 80 and 120% of the amount requested. Engineer Pogodzinski projected that the County has the potential to save \$100,000.00 by participating on the state bid. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to purchase the county's supply of salt through the state bid.

Maintenance Foreman Molling requested authorization to advertise for approximately 20 miles of seal coating. Chairperson Connery queried Mr. Molling regarding a specific list of projects. Maintenance Foreman Molling reported that sections of the following roads are on the listing of proposed project areas: County Roads 4, 17, 9, 6, 29, 249 and 24. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to authorize advertising for seal coating.

At the request of Maintenance Foreman Molling, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to grant authorization to advertise for crack filling.

Engineer Pogodzinski and HR Director Arrick-Kruger met with the board and reported that Gary Bolstad is nearing the expiration of his probationary period. It is their recommendation to approve changing Mr. Bolstad's status from probationary to regular, effective his anniversary date. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve changing the employment status of Engineering Supervisor Gary Bolstad from probationary to regular status.

File No. 3 -- Zoning Administrator Scanlan reported on a zoning amendment relative to the application of Myron and Neil Mathison. Zoning Administrator Scanlan reported that currently there are no provisions to allow for hardship housing within the zoning ordinance. In an effort to define and retain parameters so that involved parties are aware of what is expected, the Mathison's desired to have previously proposed interim use language adopted. Interim use language would define resident, septic and well requirements. It would also establish limitations and periodic review/renewal obligations. Zoning Administrator Scanlan reported that, in the past, similar requests for housing have been applied for as a conditional use under "other". Zoning Administrator Scanlan expressed concern that conditional use orders do not have the flexibility to define criteria and he is responsible for "policing" the orders. Both Commissioner's Miller and Bjerke expressed concern that similar situations have been addressed using existing ordinances, and changing the ordinance has the potential to set precedence. Commissioner Bjerke expressed

concern that Interim Use verbiage has been presented to the Board and was not adopted. Now it is being presented again, however, only a portion of five originally proposed interim use scenarios is being presented. Zoning Administrator Scanlan reported that only one scenario is presented because it is the only scenario which impacts the Mathison's and their application. Chairperson Connery expressed concern regarding definitions within the Interim Use verbiage. Zoning Administrator Scanlan reported that the adoption of Interim Use language would simplify his job by establishing guidelines which could then be monitored and enforced. Commissioner Bjerke expressed disagreement that the additional regulation would make Mr. Scanlan's job easier. Both Commissioner's Bjerke and Miller expressed a desire to help the Mathison's. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to have the Mathison's reapply for a conditional use permit with the \$300.00 fee waived and to deny the following zoning amendment:

Myron and Neil Mathison – Black Hammer Township - Zoning Amendment to the County Land Use Map to allow an additional home for parents to reside in under an interim use.

File No. 4 -- On the recommendation of the Planning Commission, motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to approve the issuance of the following Conditional Use Permits:

George and Tammy Mauss – Jefferson Township - Build a cabin in an agricultural district.

Ken Johnston – Money Creek Township - Start a campground in an agricultural district.

File No. 5 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Zoning Permits:

Larry Egofske – Brownsville Township - Build porch on existing garage (10' x 20')

Dennis Doering – Brownsville Township - Build lean-to on shed (24' x 72')

John and Melanie Jore – Sheldon Township - Build 2nd story addition to garage – 1 bedroom addition (8' x 30')

Gerald Hallum – Yucatan and Black Hammer Townships - Repair of flood damage on south fork of Root River

H.A. Hetland – Money Creek Township - Move house (27' x 40') kitchen addition (17' x 23') move barn (32' x 42')

Gene Pohlman – Jefferson Township - Change use of existing pole shed to a 3 bedroom dwelling (46' x 36') attached garage (26' x 36')

Ryan Shirk – Sheldon Township - Build dwelling (30' x 32')

Farmer's Co-Op Elevator – Houston Township - Build addition on existing warehouse/office (60' x 80')

File No. 6 -- Environmental Services Director Frank reported that he had received one bid for the purchase of a truck which had been advertised for sale. On the recommendation of Environmental Services Director Frank, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to accept the bid of Fred Arnold in the amount of \$2,501.00 for the truck.

EDA Coordinator Wilms reported that earlier this year he was authorized to apply for two grants. As a result, Houston County has been awarded an energy conservation block grant from the Federal Department of Energy in the amount of \$95,000.00 to replace the two boilers in the courthouse. EDA Coordinator Wilms indicated that the RFP will be prepared soon.

File No. 7 -- Finance Director Bradley reported that he had received a request from Extension to have shelving installed for their use. The County has shelving available. However there is a need for 16 uprights. Finance Director Bradley reported on a quote for the uprights in the amount of \$303.52. He reported that HR Director Arrick-Kruger has funds available within her budget to cover the expense. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to accept the quote by FSS Business Systems, Inc. in the amount of \$303.52 for the purchase of the necessary uprights to complete the shelving.

Finance Director Bradley reported that the state is finalizing budget cuts. He indicated that the County should have information on the budget cut numbers by the end of the week. Finance Director Bradley requested the Board schedule a meeting when they could receive an update following the state's finalizing the budget cuts. It was agreed that the Board would meet on Monday, April 12 at 9:30 a.m.

File No. 8 -- IS Director Milde reported that the tape drive for the Sheriff's office back up has failed. The County has the hardware to replace the failed unit. However, the County will need to purchase the appropriate licensing to operate the hardware. The cost of the licensing is \$1,783.15. IS Director Milde reported that this hardware and licensing will be able to be utilized in the new Justice Center. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to authorize the purchase of said licensing.

File No. 9 -- Following brief discussion, motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-30

BE IT RESOLVED that the Houston County Board of Commissioners does hereby approve the Minnesota Lawful Gambling Application for Exempt Permit on behalf of ABLE Foundation, Inc. for gambling activities to be conducted at Ma Cal Grove Country Club in Caledonia Township.

File No. 10 -- Following brief discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve a tax abatement for Tri-State Forest Products in the amount of \$621.79.

File No. 11 – Auditor Meiners reported on an application for Disaster Credit for taxes payable 2009, and an abatement for taxes payable 2010 on behalf of the Francis Keefe Revocable Trust, Parcel #20.0004.004. The house on this property burned to the ground and received a Disaster Credit in 2008. They are also eligible for the credit in 2009 in the amount of \$1,616.00. For taxes payable 2010, the house value should have been removed from the parcel, however, due to a technical error this did not happen. Therefore, the taxes should be reduced from \$2,646.00 to \$1,026.00, being a reduction of \$1,620.00. Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve said disaster credit and abatement.

Auditor Meiners reported that Bob Klug contacted her questioning whether the Board will be informing the taxpayers regarding the cost of the Justice Center and the impact on property taxes. Chairperson Connery responded that until bids have been submitted and accepted the impact on taxes is unknown. Bids will be received on April 20th, and the County plans to award the bids on April 27th. After the bids are awarded, this information should be available. In addition, Mr. Klug inquired whether another public meeting would be held regarding the Justice Center project. Chairperson Connery indicated that all of the discussion regarding the Justice Center has been held at open meetings and the public has been welcome to attend. The Board agreed that bringing in all of the professionals for a separate public meeting would be costly and that there was no need for such a meeting.

File No. 12 -- Ralph Tuck reported that RRSWCD has been awarded a grant from NRCS through the American Recovery and Reinvestment Act (ARRA) for the Bear Creek Watershed. The grant provides 100% funding for two flood control structures in an amount not to exceed \$204,000.00. Mr. Tuck reported that when he submitted the agreement the RRSWCD employer ID number was required. The agreement was kicked back because the employer ID number came back as inactive. Houston County processes RRSWCD payroll, therefore the County's employer ID number is utilized. Mr. Tuck requested that Houston County accept the grant on behalf of

RRSWCD, submit the Houston County employer ID number as required on the agreement, and act as fiscal agent for the grant. Mr. Tuck reported that all necessary land has already been acquired, there is no financial match and Iowa NRCS is providing technical assistance for the project so there would be a minimum obligation on behalf of the County. Finance Director Bradley reported that the County would be required to maintain all applicable documentation to satisfy the requirements of the grant. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve sponsoring this project and to act as the fiscal agent for said project.

At this time the board recessed until 10:15 a.m.

The time being 10:15 a.m., the board reconvened with all members present.

At this time Karen Budd-Falen, an attorney from Cheyenne, Wyoming, met with the Board along with a group of citizens. Attorney Budd-Falen stated that she is working with a group of approximately 500 landowners and with Dwight Luhmann, who is an attorney licensed in Minnesota. She indicated that the landowners she represents are concerned with the way Houston County's land use plan is written and that they want to discuss it with the Board. She has further documentation to detail their concerns. One point she stressed is that they want to work with the Commissioners to fix what they see as problems. She recognizes that in Minnesota, counties are a creation of the state, and counties cannot act without state rules or regulations. This is not the same in all states. In Minnesota a state law or regulation is required to allow counties to act. This group wants to be sure that the land use plan fits squarely within Minnesota Statutes on land use plans, and they are concerned that it may not. She indicated that, while Minnesota absolutely allows land use planning, it is not mandated and that requirements in Minnesota are minimal. She stated that one of the aspects important in Minnesota state statutes is that ag land, or open space, is not to be elevated over other uses. She felt that the statutes indicate that ag land and open land are to be considered by the county commissioners, but not necessarily protected over other land uses. She felt the Board needed to consider all aspects and make informed decisions.

Attorney Budd-Falen stated that the concerned citizens of Houston County believe some of the requirements are being abused through the current land use plan. In the documents she will give the Board today, there are numerous examples of how the land use planning requirements may not consider and protect the uses in Houston County, or may not follow statutory mandate. She expressed her concern that similarly situated situations need to be treated the same. She is concerned that what is allowed in one case, is not allowed in another case. If issues in separate cases are similar and the facts are similar, results should be the same. She believes they have documented instances where the results are not the same for no apparent reason. Another issue important to recognize is that land use planning cannot go so far as to take private property rights away from landowners. She stated that both the Minnesota and the U.S. Constitution allow government regulation of private property under very specific circumstances. However, private property cannot be taken except for a public purpose, and cannot be taken without due process

and just compensation. She questioned whether Houston County is really regulating the public purpose. She indicated that protecting farm ground for economic purpose can be difficult in this economy. In order to keep ag use on the ground, landowners need to be able to subsidize their income. There are cases where sometimes second uses are allowed, and sometimes they are not. Sometimes additional workers live on the farm, and sometimes they do not. She questioned whether the land use plan is really protecting the ag use.

Attorney Budd-Falen stated that when the Board reviews the documentation she will present, they will see that there are instances in which the implementation of the land use plan fall outside statutory requirements. The citizens she represents believe these can be rectified and they are willing to work with Houston County to do so. She felt they represent what is a good frame work for a land use plan, and that this frame work would get back to considering constitutional requirements for uses of property and treating similar situations the same.

Attorney Budd-Falen stated that she is not asking for a vote today. However, these citizens are requesting the Board's serious consideration of these issues. They have spent a long time working on this, and they want to be part of a discussion to protect the uses of their land and the economy of Houston County. They also want to bring uniformity to the land use planning process. She indicated that she would be happy to answer any questions the Board may have.

Commissioner Miller stated that it would be very difficult for the County to work closely with such a large group, and he inquired whether there would be 3 or 4 representatives who the Board could meet with. Attorney Budd-Falen responded that she would get a list of several individuals who are willing act as representatives of the group to the County Auditor.

File No. 13 -- At this time Attorney Budd-Falen presented six copies of a "Notice of Intent to Sue Regarding Application of Houston County Land Use Plan".

File No. 14 -- HR Director Arrick-Kruger reported that, due to re-organization, the accounting manager job description has been amended. HR Director Arrick-Kruger reported that she and Finance Director Bradley worked together to ensure that the job description is accurate and reflects duties being performed. She requested approval of the job description and authorization to submit the job description for banding. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the job description for accounting manager and authorize HR Director Arrick-Kruger to submit the description for banding.

File No. 15 -- HR Director Arrick-Kruger reported that the position of Sheriff's Office Administrative Assistant was subject of a 2008 comparable worth study. However, a review of documentation found that the submission was incomplete. The information was reviewed, updated, completed and re-submitted. Upon re-submission, it was determined that the job should be banded as B-2-1 and not A-1-3 as it was banded. It is the strong recommendation of HR Director Arrick-Kruger and the recommendation of Sheriff Ely that the band change be

approved. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the band of B-2-1 for the position of Sheriff's Office Administrative Assistant.

Environmental Services Director Frank requested that drop site supervisor Jody Griffin be reinstated as a 67-day employee to assist as needed. Environmental Services Director Frank reported that it is necessary to have employees available to cover for vacations during the summer months. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to reinstate Jody Griffin as a 67-day employee.

At this time, Melvin Davy reported that his zoning appeal had been denied. He indicated that, as a result of the denial, he will be filing suit in district court. Mr. Davy indicated that it is not his desire to spend tax payer dollars on litigation. He also expressed his feelings that he has no choice but to pursue litigation. Mr. Davy questioned whether the Commissioners could make a motion that would "put on hold" his situation until after a review of the land use plan as suggested by the Concerned Landowners group. Chairperson Connery noted that no motion was heard. Mr. Davy indicated that he would be speaking with his attorney.

Scott Halverson, a resident of Hokah Township, met with the board to discuss a cartway which runs parallel to his property. Mr. Halverson reported that he was denied a variance for the planting of shrubs/trees due to setback requirements related to the cart way. However, the cartway is not maintained, and he inquired who is responsible for the maintenance. Commissioner Corcoran expressed a desire to obtain an opinion on whether the cartway is the responsibility of the township or county. Mr. Halverson expressed his opinion that there are shrubs/trees in many places which do not meet the setback requirements presented to him. He cited examples in Hokah City and La Crescent City. He expressed concern that the setback has been enforced in his situation but not in other situations. Commissioner Corcoran responded that the cities and La Crescent township have their own zoning ordinances, and that Houston County has no jurisdiction in them.

File No. 16 -- Engineer Pogodzinski reported on the status of land acquisitions related to the CSAH 5 project at Shady Hollow Road. Engineer Pogodzinski reported on the history of the situation, options available to the County, obligations and requirements to secure and retain funding awarded by the Federal Government and conversations with the landowner. Following a recent review of an appraisal performed on the property involved, Engineer Pogodzinski recommended submitting a final offer in the amount of \$12,000.00 for a 1.688 acre parcel required for the road project, and adoption of a resolution authorizing the pursuit of eminent domain in the event that negotiations to secure the property are unsuccessful. Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to submit a final offer in the amount of \$12,000.00 to the landowner, authorize the pursuit of eminent domain under statute 117, authorize submission of a fee in the amount of $\frac{3}{4}$ of the award be submitted to the courts per requirement and to adopt the following resolution:

RESOLUTION NO. 10-31

**RESOLUTION AUTHORIZING ACQUISITION OF RIGHT-OF-WAY
FOR HOUSTON COUNTY HIGHWAY PROJECT SP 28-605-15**

WHEREAS, the Houston County Highway Department proposes to reconstruct County State Aid Highway No. 5, located 1.8 miles NW of the JCT with County State Aid Highway No 23 in Winnebago Township, which project is numbered SP 28-605-15 (hereinafter "Project"); and

WHEREAS, the Project consists of realigning and reconstructing said County State Aid Highway No. 5 to provide for the safety of the traveling public, and

WHEREAS, in addition to the existing easements, certain land and interest therein are required to construct the Project; and

WHEREAS, the land interest therein which are needed to construct the Project are described in Exhibit A and B, which is attached hereto (hereinafter "New Right-of-Way"); and

WHEREAS, the Houston County Board of Commissioners desires to begin construction of the Project in the summer of 2010; and

WHEREAS, Houston County has the authority to acquire right of way for said highway by eminent domain pursuant to Minn. Stat. Sec. 163.02, subd.2, and

WHEREAS, to begin construction of the Project in the summer of 2010, the County will require title and possession of the New Right-of-Way prior to the filing of an award by the court appointed commissioners, pursuant to Minn. Stat. Chapter 117:

NOW, THEREFORE, BE IT RESOLVED, that the Houston County Board of Commissioners hereby authorizes the county highway engineer to proceed to acquire the New Right-of-Way in accordance with Minnesota Statutes.

BE IT FURTHER RESOLVED that the Houston County Board of Commissioners hereby authorizes the acquisition of the New Right-of-Way that cannot be successfully acquired through negotiation, by eminent domain and to take title and possession hereinto prior to the filing of an award by the court appointed commissioners, pursuant to Minn. Stat. Secs. 163.02, subd. 2, Chapter 117, and

BE IT FURTHER RESOLVED that the Houston County Board of Commissioners hereby requests that the Houston County Attorney file the necessary Petition therefore, and to prosecute such action to a successful conclusion or until it is abandoned, dismissed, or terminated by the county or the court.

Commissioner Miller expressed appreciation for the letter in commendation of the service provided by Veteran Service Director Gross.

Commissioner Augedahl reported on the Association of Township Officers meeting which he attended.

Commissioner Bjerke reported on a Regional Radio Board meeting which he attended.

Commissioner Miller reported on the zoning meeting which he attended. He also reported on a PSAP study meeting he attended where it was approved to allow Rochester to join the PSAP study group.

Chairperson Connery reported on an HVMHC meeting which he attended recently where discussion was held regarding the pursuit of substance abuse offices in La Crosse.

Commissioner Miller reported that Human Services no longer has a staff person assigned to perform chemical dependency assessments. Therefore, he is unsure who will perform these assessments if the judge orders one. Commissioner Miller reported that it was presented that Human Services will need to go through an outside agency and negotiate a contract for the service. Chairperson Connery expressed concern regarding who is performing chemical dependency. He indicated that it was his understanding that HVMHC was going to provide the service.

Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 17 -- Correspondence from veteran in appreciation of the work done by Veteran Service Director Gross

File No. 18 -- Correspondence to David A. Johnson regarding abatement

File No. 19 -- Correspondence regarding Southeastern MN Development Corp Annual meeting

File No. 20 -- Information regarding Joint Board of Health meeting held Tuesday, April 6, 2010

File No. 21 -- Board of Adjustment denial of zoning appeal of Melvin Davy

There being no further business and the time being 10:59 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, April 13, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Monday, April 12, 2010

9:30 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl and Tom Bjerke

Others Present: Auditor Meiners; Finance Director Bradley; HR Director Arrick-Kruger; HS Director Wilms

Presiding: Larry Connery, Chairperson

Call to order.

File No. 1 -- Placed on file was correspondence from MN DOC regarding the Sentence to Service Program. The state had originally proposed cutting all state funding for this program. However, due to the negative feedback they have been receiving, the state has agreed to continue funding 25% of the cost of the program. This will increase Houston County's cost by \$18,997.25. The Board directed that this be placed on the agenda for the April 13th board meeting.

File No. 2 -- Finance Director Bradley reported on H.F. 1671 which will reduce Houston County's 2010 Market Value credit by \$192,434.00. Houston County has already cut the \$243,243.00, being our reduction in CPA. With the new law that passed, the state must take all of a county's market value credit before they can make additional reductions to County Program Aid. Finance Director Bradley stated that Phase 1 of the state cuts were to CPA and Market Value Credit, while Phases 2 and 3 are cuts to Health and Human Services and K12. If the Governor veto's the K12 cuts, Mr. Bradley is concerned that the legislature may make further reductions in funding to local government.

HS Director Wilms stated that she hopes the Human Services bill will be voted on this afternoon. She indicated that the state is cutting funding for the sex offender treatment program. Currently the cost for housing sex offenders is \$320.00 per day, and this has been funded 90% state and 10% county. Legislation is pending which would make the program 100% county funded. Currently, Houston County is not housing any sex offenders.

HS Director Wilms stated that Human Services has already had a 10% across the board funding reduction. An additional 10% reduction in mental health funding and CREST funding is being proposed. Also, counties currently pay 37% of the cost of IRTS program (Intensive Residential Treatment Site), and the proposal is for this to be 100% county funded.

Human Services Director Wilms reported that the GAMC Program has been extended to May 1, 2010. At that time, there are 17 facilities eligible to receive the grant funding to serve the people on this program. Clients will have to go to one of these facilities to receive care through this program. Mayo has indicated that they will not accept the funding, because if they do, they will be required to accept all GAMC eligible clients and they feel that the funding from the state will not begin to cover the costs involved. To date, only Hennepin County Medical Center has agreed to accept the funding for this program.

Human Services Director Wilms reported that there has been no reduction in the amount we can receive for adult mental health targeted case management. They currently have 55 cases, and they can receive \$1,000 a month per case.

Chairperson Connery inquired whether there are additional programs that we could outsource to HVMHC. Human Services Director Wilms responded that they are already outsourcing Chemical Dependency assessments to HVMHC and Zumbro Valley, as they can provide the services for less money than we can. She is also recommending giving a 30 day notice to HVMHC to end our day treatment program at Bluff Country Learning Options on June 1, 2010 which will result in a savings of approximately \$22,000.00.

Chairperson Connery inquired whether there are any additional cuts coming up. Finance Director Bradley reported on an e-mail received from Becca Price, the lobbyist for MACO, which indicates that leaders in the House and Senate do not plan any further reductions to local units of government. However, he felt there is still some risk there if the Governor decides not to allow the K12 cuts, or if the Supreme Court rules that the unallotments were not legal. Commissioner Miller inquired where we are at if no additional cuts come through. Mr. Bradley responded that we have to cut \$192,434.00 to make up for the loss in Market Value Credit.

File No. 3 -- Placed on file was a list of proposed 2010 budget cuts totaling \$611,059.72. Finance Director Bradley stated that, while Human Services is proposing to increase their revenues by \$61,000.00 for collections, he is not comfortable with this, as their numbers are based on one quarter only. Human Services Director Wilms indicated that she is comfortable with removing this from the budget.

Discussion was held regarding the fact that Human Services has been leasing 3 vehicles from the Department of Administration for approximately 7 years. This has been an excellent deal for the county, as the state pays for the fuel and all maintenance costs. The state is discontinuing this program. Therefore, the HS Department would like to utilize a portion of the additional collections to purchase 3 cars to replace the leased vehicles. They do not want staff transporting clients in their private vehicles.

Finance Director Bradley reported that the Highway Department received notice from the state that they will receive additional funding in the amount of \$126,238.00 due to the increase in gas tax, as well as an additional \$6,711.00 for their municipal maintenance budget.

Commissioner Miller expressed his concern with the costs associated with the new Justice Center. He questioned whether there is a need for the Jail Consultant in addition to the architect and construction manager. Also, we have been told we will need to add 5 new positions for the new CJC. He questioned whether the cost of things such as janitorial services, food service, heating costs, etc. have been figured into the total cost. He is also concerned with the demographics used to come up with the need for the size of facility we are building. He felt the trend indicates that our population will decrease. Commissioner Bjerke stated that kids do not have the family orientation at home that they used to have, and preventive programs are being eliminated. He feels that this will result in an increasing jail population. Further, he stated that the county ended the contract with Johnson Controls as owner's representative, at a huge cost savings.

Commissioner Miller stated that the statement is made over and over again that OSHA will shut us down. He indicated that the BCA could make us a 72 hour hold, but not OSHA. Chairperson Connery responded that he has chosen his words very carefully in this regard and he indicated that OSHA could implement costly fines. He added that the Board has placed a cap of \$19,306,000.00 on the project. Finance Director Bradley added that all of the professional service contracts were negotiated and approved by the Board.

Commissioner Bjerke suggested that we concentrate on the necessary budget cuts, and he asked that projections be made now for next year's costs. Finance Director Bradley stated that \$611,059.72 is the projected amount of the 2010 proposed budget reductions. However, he has highlighted in red the items that either he or the board were not comfortable with. If these are removed, the proposed reductions amount to \$546,231.36 without furloughs. If 40 hour furloughs were implemented across the board, this would result in an additional savings of approximately \$125,000.00. However, he indicated that requiring furloughs in the Sheriff's Department would eat into the savings, as we would have to backfill at time and a half to provide 24/7 coverage. Also, reducing hours in Public Health would reduce revenues.

Finance Director Bradley estimated that the 5 full-time staff that will be required for the new CJC will cost approximately \$65,000.00 each with benefits. This amounts to \$325,000.00 annually. Commissioner Bjerke pointed out that if the proposed health insurance changes are implemented, this will result in a large cost savings. Finance Director Bradley also pointed out that the Highway Department has budgeted \$150,000.00 for a bridge project which will drop off next year's budget. HR Director Arrick-Kruger stated that she felt it would be prudent to budget for one additional maintenance position once the CJC is operational. It was pointed out that the inmates are responsible for cleaning the jail portion of the building. Discussion was held regarding the possibility of having the STS crew clean the remainder of the facility. HR Director Arrick-Kruger pointed out that we are unable to cover the current facilities with existing staff, and have to backfill with HHA's. She felt it would be wise to budget for an additional part-time position.

Commissioner Bjerke stated that we should also estimate the cost savings which will result from not having to house inmates in other jail facilities. Discussion was also held regarding estimating the percentage of levy increase due to bond payments, the reduction in Market Value Credit, additional staff at the jail, etc. Commissioner Miller indicated that Houston County is also one of the counties that will be hardest hit by the loss of reciprocity with Wisconsin.

Finance Director Bradley reported that HR Director Arrick-Kruger had originally offered to reduce her mileage budget from \$2,500.00 to \$500.00. However, she has reviewed the meetings/trainings she plans to attend, and would like to amend this. After discussion, it was agreed to set the HR budget for mileage for 2010 at \$2,000.00.

Commissioner Miller inquired whether the groundwork is being done to implement mandatory furloughs. HR Director Arrick-Kruger responded that she has been working with the local union representatives, and a sample agreement has been drafted which she felt looks good. However, she indicated that if the cuts are not as dire as originally projected, she was not sure how the union membership would view mandating furloughs. Finance Director Bradley inquired whether the salary cuts for elected officials should be implemented if furloughs are not mandated. Discussion was held.

Human Services Director Wilms reported that public health feels they can absorb the cost of the jail nurse through grant funding. She inquired whether the Board wants her to proceed with cutting the practice of having on-call social workers. She estimated a cost savings to her department in the amount of \$7,323.00. However, she indicated that this would be a shift in costs to the Sheriff's Office.

Human Services Director Wilms requested that the Board consider her request to increase a social worker position from ½ time to full-time, as another full-time social worker will be tendering her resignation today. After discussion, it was agreed to table this one week, as the total amount of state cuts to Human Services programs is not yet known.

Human Services Director Wilms reported on potential program cuts in 2011 in the areas of foster care respite and supported employment.

After discussion, it was the consensus of the Board to proceed with implementing 40 hours of unpaid furlough for 2010.

There being no further business and the time being 11:12 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, April 13, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; HR Director Arrick-Kruger; EDA Coordinator Wilms; Veterans Service Director Gross; Maintenance Foreman Molling; Sheriff Ely; Zoning Administrator Scanlan; Environmental Services Director Frank; Finance Director Bradley; Jail Administrator Schiltz

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the April 6, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$118,790.76
Road & Bridge Fund	83,531.29

Total	\$202,322.05
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

Engineer Pogodzinski recommended approval of equipment rental rate contracts. He reported that rates are similar to previous years. Engineer Pogodzinski noted that this year a provision was included to satisfy state requirements regarding prevailing wage. Contractors submitting bids are utilized on an as needed basis, pursuing the lowest bidder based on availability. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the equipment rental contracts.

Engineer Pogodzinski reported on three quotes which were received for crack sealing. In 2009 the successful quote was \$1.245 per pound applied. This year two contractors submitted the same low quote in the amount of \$1.29 per pound applied for option 1. The low quote of \$1.15 per pound applied was submitted for option 2. It is the recommendation of Engineer Pogodzinski to accept both quotes for option 1 in the amount of \$1.29 per pound applied and to divide the work in half with each contractor receiving approximately 50% of the total project. Both of the contractors submitting low quotes are local. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to accept the low quote for option 1 in the amount of \$1.29 per pound applied and to divide the total project so that approximately 50% is awarded to each contractor submitting quotes.

Engineer Pogodzinski provided an update on the CR 249 project. The Highway Department is preparing for utility relocation. It is the intention of the Highway Department to begin the project following school closing for summer break. As a result of the project, it is expected that the road will be closed for approximately three weeks.

Maintenance Foreman Molling reported that a new box culvert will be installed on County 20. Maintenance Foreman Molling will place the message boards to alert travelers that the road will be closed once a replacement date has been determined.

Zoning Administrator Scanlan reported that a letter in response to the denial of a zoning application is required within ten days of a decision. The letter must include a valid reason for denial based on criteria. On April 6th, the Board denied the application of Neil and Myron Mathison in regard to an interim use amendment even though the application was recommended for approval by both the Planning Commission and Zoning Administrator Scanlan. Commissioner Bjerke stated that a valid reason for denial is that there are no provisions in the current ordinance regarding interim use terminology. Zoning Administrator Scanlan reported that the application of the Mathison's was to amend the current ordinance in this regard. This is similar to the applications of others requesting that there be amendments to zoning maps. Zoning Administrator Scanlan indicated that the Planning Commission has been discussing the use of interim use terminology for over a year, and the majority of county residents want interim use terminology available to address their needs. Commissioner Miller expressed concern that recommendations of the Planning Commission are not automatically approved. The recommendations are taken under advisement. Commissioner Miller expressed that it is not the desire of the Board to incorporate interim use terminology at this time. Commissioner Bjerke expressed concern that, with potential litigation regarding the Houston County Land Use Plan, it is his opinion that it would not be a good time to make changes to the plan. Zoning Administrator Scanlan indicated that there is potential for litigation by the Mathison's if the denial is not criteria based. Chairperson Connery expressed his preference that the Planning Commission should have come to the Board with the request for changes to the plan, rather than it coming from a private individual in conjunction with additional requests, (i.e. Adopt language and allow additional housing as a result of newly adopted language). Zoning Administrator Scanlan expressed concern with the gray area surrounding additional housing on a single site. It is the desire of both the

Planning Commission and himself to suggest changes which would further define the gray areas. Zoning Administrator Scanlan reported that the Mathison application was submitted per requirements, and as a result, he had no choice other than to accept the application. Chairperson Connery assured Mr. Scanlan that he did his job. On the recommendation of Commissioner Corcoran, it was agreed that Commissioner's Miller and Bjerke, along with Zoning Administrator Scanlan and Environmental Services Director Frank would meet with Attorney Bublitz to draft a letter as required. In regard to the waiving of fees for re-application by the Mathison's, it was agreed that the recording fee would come out of the commissioners' budget.

File No. 3 -- Veterans Service Director Gross met with the board to review the annual expenditure report for 2009 of Veterans Service. He explained that the report reflects three years of expenditures. Veterans Service Director Gross reported that there has been good growth in programs. The report does not include non-VA programs, such as programs provided by the Department of Defense, Minnesota Assistance for Veterans, or those funded by the state. Veterans Service Director Gross stated that he is unaware of any proposed reductions to VA benefits as such reductions are unpopular at this time. He reported that many benefits have been mandated since the time of President Lincoln and would take an act of congress to repeal. Veterans Service Director Gross reported that it has been customary for benefits to have a cost of living adjustment (COLA) on an annual basis in the amount of 2 to 3%. However, there was no COLA this year. Healthcare programs have been strengthened recently. When asked how many veterans are being served in Houston County, Veterans Service Director Gross responded that he has 1,400 active cases with a total of 5,000 case files. He shared a federal statistic which estimates that 10% of the population are veterans. However, Mr. Gross indicated that the concentration of veterans seems to be greater in rural communities as opposed to urban communities.

Veteran Service Director Gross provided a reminder that the military ball will take place this weekend at the Spring Grove Fest building.

Sheriff Ely reported that there was a huge turnout for the funeral of Fallen Marine Swenson in Houston this past Saturday.

File No. 4 -- Sheriff Ely reported on a grant contract in the amount of \$16,907.54 providing for the purchase and installation of three control stations or fixed mobile radios which will allow Houston County to communicate with the state via ARMER, prior to Houston County migrating to the ARMER system. The state, MN DOT and State Patrol have already migrated to the ARMER technology. There is no cost to the county. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the grant contract and to authorize the signatures of Chairperson Connery and Auditor Meiners on said contract.

Sheriff Ely reported that the participation plan is moving forward.

File No. 5 -- EDA Coordinator Wilms provided information from the 2009 annual report of the EDA. The report summarizes 2009 activities, highlights the number of jobs created and retained, provides information on the number of subsidies, flood recovery loans, and repayments and reflects the goals for the coming year.

File No. 6 -- EDA Coordinator Wilms indicated that changes at the state level are necessitating changes to the Houston County EDA Revolving Loan Policy. He reported that the current policy hasn't been revised since 2004. The proposed changes to the policy would bring the policy in line with state guidelines. The proposed changes have been approved by the EDA Board. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-32

**RESOLUTION ADOPTING UPDATED REVOLVING LOAN POLICY FOR THE
HOUSTON COUNTY EDA**

WHEREAS, the State Legislature has adopted Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Statutes") governing business subsidies granted by units of government; and

WHEREAS, Houston County and the Houston County Economic Development Authority (EDA) recognize the need to keep their policies updated to comply with Minnesota Statutes;

NOW, THEREFORE, BE IT RESOLVED by the Houston County Board of Commissioner, hereby approve and adopts the Updated Houston County EDA RLF policy as forwarded by the Houston County EDA board on April 13, 2010.

File No. 7 -- Auditor Meiners reported that Attorney Bublitz has reviewed and approves of a letter drafted in response to Scott Halverson's question regarding a cartway in the Wagner Subdivision located in Hokah Township. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the letter, authorize the signature of Chairperson Connery and authorize sending the letter to the Hokah Township Board members in addition to Mr. Halverson.

File No. 8 -- Following brief discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-33

**RESOLUTION AUTHORIZING PARTICIPATION IN THE INTEROPERABLE
EMERGENCY COMMUNICATIONS GRANT PROGRAM GRANT**

WHEREAS, Houston County will enter into an Agreement with the State of Minnesota, SE MN Regional Radio Board, and Olmsted County, fiscal agent for the SEMN RRB for the 2009 Interoperable Emergency Communications Grant Program (IECGP) effective from date grant is signed thru 02/28/2011, in which each County or City within the SE MN Regional Radio Board is required to pay matching funds of \$912.92 for P25 interoperable equipment (portable radios/mobile radios/control stations).

WHEREAS, no equipment can be purchased for a specific County or City of the SE MN Regional Radio Board until their match has been received by the fiscal agent, Olmsted County.

BE IT RESOLVED that Houston County enters into an Agreement with the State of Minnesota, SE MN Regional Radio Board, and Olmsted County, fiscal agent for the SE MN Regional Radio Board for the 2009 HSEM Interoperable Emergency Communications Grant Program (IECGP) Grant.

Commissioner Bjerke reported that following the April meeting of the EDA, it is their recommendation that Kris Nolte be appointed to represent Houston County on the MN Tourism Association Board. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the same.

Auditor Meiners reported that she has received a request from the administrator of driver license testing to assign three parking stalls for those taking skills tests on Thursdays during construction of the Justice Center. Jail Administrator Schiltz recommended having building maintenance staff set out temporary signs on Thursdays designating the parking stalls. It was agreed that three parking stalls should be reserved each Thursday for those taking driver license skills tests during construction of the Justice Center.

File No. 9 -- Finance Director Bradley reported that he has received a letter notifying him that the State will continue funding of the Sentence to Service (STS) program at a rate of 25% with 75% funding by participating counties. As a result, should the county continue participation it would be required to fund an additional \$18,997.25. In addition, the county would need to indicate their desire to continue with the program. If the county chooses to continue participation with the program, we will need to notify them so that a contract amendment may be drafted. Commissioner Corcoran expressed concern that, historically the program was funded 50% each by the state and the county, with work for each entity being equal to the funding. Since, the funding will change to 25% coming from the state and 75% coming from the county, he questioned whether the work completed will be at an identical proportion. Finance Director Bradley reported that currently we are under no obligation to participate and a decision to participate would be based on the contract amendment provisions. Motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to indicate that the county is interested in continuing with the program contingent upon review and acceptance of the contract amendment. Finance Director Bradley will provide the response in writing.

Commissioner Miller reported that all issues raised during standing committee have been brought forth to the whole board. He reported that he attended the budget meeting yesterday and will be attending a meeting regarding refuse contracts tonight.

Commissioner Bjerke reported on an EDA and a budget meeting which he attended.

Commissioner Augedahl reported on a SEMCAC meeting he attended with Chairperson Connery.

Chairperson Connery reported that the entire Board was in attendance at the Joint Board of Health meeting last week.

File No. 10 -- Chairperson Connery reported on a SEMCAC meeting he attended where the purchase of a new bus was approved. He also indicated that anyone desiring to review the SEMCAC annual report may obtain his copy.

Chairperson Connery noted that food shelf donations from Houston County have increased significantly.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 11 -- Correspondence to payroll regarding change in status of Gary Bolstad and hire of Jody Griffin

File No. 12 -- Correspondence to MCIT regarding a "Notice of Intent to Sue Regarding application of Houston County Land Use"

File No. 13 -- Public Notice for special budget meeting on Monday, April 12, 2010

File No. 14 -- Correspondence to Fred Arnold regarding award of bid for F-800 recycling truck

File No. 15 -- Correspondence to Francis Keefe Revocable Trust regarding disaster credit/abatement

File No. 16 -- Correspondence to Xcel regarding tons delivered in March 2010

There being no further business and the time being 10:05 a.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, April 20, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, April 20, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; PHN Director Rock; Dave Geske; Finance Director Bradley; Emergency Manager Kuhlert; HR Director Arrick-Kruger; Environmental Services Director Frank; Conrad Curran; Tom Andrews; Joe McCarthy

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the April 13, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 56,427.41
Road & Bridge Fund	126,651.21

Total	\$183,078.62
	=====

Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the April 12, 2010 meeting.

PHN Director Rock reported that Joan Breeser has tendered her resignation effective May 31, 2010. Mrs. Breeser has been with the county since November 1999. The job that Mrs. Breeser has done has changed significantly during her tenure. PHN Director Rock requested that the Board accept Mrs. Breeser's resignation and thank her for her years of service. Commissioner Corcoran expressed his appreciation for the work of Mrs. Breeser as did the other commissioners. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously to accept the resignation of Joan Breeser.

PHN Director Rock reported that she has been working with HR Director Arrick-Kruger regarding hiring a replacement for the position vacated by Joan Breaser. There is a significant need for an office support specialist to work with various programs performing state mandated accounting, assist the health educator, perform receptionist functions and cover for the HHA scheduler. It is the recommendation of HR Director Arrick-Kruger to advertise for this position immediately. HR Director Arrick-Kruger reported that the goals in filling this position would be to hire at or as close to step 1 as possible and to have an employee in place by mid-June 2010. HR Director Arrick-Kruger provided historical and cost saving information related to this position and information supporting the conclusion that revenue could be lost as a result of not filling the position. Chairperson Connery confirmed that the Public Health budget is revenue neutral. Joan Breaser reported that as part of her duties she covers for the person responsible for scheduling the HHA's for 125 clients. She stated that, while she can perform both her duties and those of the scheduler for a couple of days, she stated that it would not be possible to perform all duties for an extended period of time. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to authorize advertising for the position to be vacated by Joan Breaser.

HR Director Arrick-Kruger requested authorization to replace a roster HHA due to the resignation of the same. Roster positions are used to fill in when HHA's are out due to illness or on vacation. On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to authorize advertising for a roster HHA.

PHN Director Rock introduced Dave Geske who works with the county to control the local mosquito population. Mr. Geske reported that he has a long history of working with the county. Mr. Geske reported that approximately 30 years ago when he first began working with the county the goal of his program was to control the population of the variety of mosquito known to carry La Crosse encephalitis. When the program began there were an average of 27 cases of the disease in a six county area annually. Now, there are approximately five cases reported in the same geographic area annually. Mr. Geske provided information on the life cycle and passing of the virus from generation to generation of mosquitoes. He explained a unique characteristic of the bacteria to pass through generations of mosquito's transovarian making it difficult to eradicate. He explained that tree holes provide a breeding ground for the mosquitoes. However, the natural progression of the wooded areas has reduced prime breeding grounds. Tires which are not properly disposed of have provided a manmade breeding ground which boasts 20 generations of mosquitoes which have a 95% survival rate as opposed to tree holes which host three generations with only a 5% survival rate. Houston County has had a very good tire recycling program historically which has greatly reduced mosquito breeding opportunities. Mr. Geske reported that La Crosse Encephalitis is costly to treat. It affects the nervous system and leaves 50% of those affected by the disease suffering from nervous system deficiencies following recovery. Mr. Geske reported that a new invasive species of Asian mosquito is here. The species is human aggressive, mobile and travels more widely. The mosquito has access to more breeding locations and is a competent carrier of the West Nile virus and will feed on birds as well as

humans. Mr. Geske reported that his efforts target species known to competently carry human disease. Mr. Geske reported that tick borne illnesses are becoming more and more prevalent. Native ticks were not effective at transferring. With the arrival of the deer tick this has changed. 30% of ticks are carriers of each disease. The diseases are both deep bacterial infection, which left untreated, can affect lives dramatically or be life threatening. Lyme disease has worsening symptoms as the disease progresses. Aniplasmosis starts out with severe symptoms. Mr. Geske reported that good ways to control the tick population are by burning off grasses, keeping grasses clipped short, staying on paths and by using DEET to deter ticks. He did express concern that DEET be used following label instructions. Education regarding the diseases and how to protect yourself is very important.

File No. 2 -- Finance Director Bradley reported on the proposed budget reductions totaling \$488,594.00. He reported that the auditor's office has experienced overages related to advertising which have been incorporated. Due to the inability of Human Services to cover the cost of the jail nurse, the line item has been moved back into the Jail budget line items. In addition, the anticipated cost to continue the STS program has been included. The elected officials pay decrease was removed and will be addressed in conjunction with the employee furlough program. Any changes related to insurance costs will be incorporated when decisions have been made. There was discussion regarding state decisions related to the Human Services budget. If approved, the proposed reductions will ensure that the county will meet or exceed budget expectations. Finance Director Bradley reported that the highway department is receiving significantly more revenue from the gas tax distribution than budgeted. Currently, the state will reduce payments to the county by approximately \$192,000.00, and the savings above this will carry forward to the next year. On the recommendation of Finance Director Bradley, motion was made Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the budget cuts as proposed and to amend the corresponding budgets to reflect the changes.

File No. 3 -- Auditor Meiners reported that the cost to publish the delinquent tax list came in significantly higher than projected. She indicated that the County has the ability to charge back costs to cover publishing to those owning parcels appearing on the listing. Auditor Meiners reported that in the past we charged \$20.00 for each parcel with delinquent taxes. This was increased in 2007 when it failed to cover the cost to publish the list. The current fee assessed to each parcel is \$30.00. However, based on the cost to publish this year, the county would need to charge \$55.00 per parcel. Auditor Meiners reported that both Fillmore and Winona counties charge a fee of \$25.00 and the fee covers their advertising costs. Winona County reported that they advertise in the legal section and use a smaller type font. When queried, one of the local papers expressed an unwillingness to use a smaller font. Auditor Meiners reported that in Houston County the local papers do a collaborative bid instead of a competitive one. They justify the practice because they choose to share the information and publish in each newspaper. Auditor Meiners reported that Minnesota Statutes require that an individual mailing be sent to each taxpayer with delinquent taxes, and also requires publishing a complete list in a legal newspaper. Charlie Warner, a reported and Fillmore county resident and previous owner of two newspapers,

reported that he was unaware of the practice of collaborative bidding until becoming employed with the Caledonia Argus. Previously, was only involved in competitive bidding. Chairperson Connery confirmed that we have time to discuss this further before soliciting bids for 2011.

File No. 4 -- Emergency Manager Kuhlert reported on three bids received until 2:00 p.m. on April 9th for the purchase of outdoor warning sirens. It is the recommendation of the committee to accept the bid of Federal Warning Systems in an amount of \$208,393.20. This was the only bid to meet or exceed bid specifications. The other bidders did not meet the bid specifications. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to accept the bid of Federal Warning Systems in the amount of \$208,393.20.

File No. 5 -- HR Director Arrick-Kruger requested approval of a position description and authorization to submit said description for banding for the IT position in the Sheriff's Department held by Lindsey Pierce. As a result of county initiated reorganization in 2009, she has worked to update affected position descriptions. She has worked with Sheriff Ely, Chief Deputy Yeiter, IS Director Milde and Lindsey Pierce to update the description of network manager and digital evidence technician. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the job description and to authorize HR Director Arrick-Kruger to submit the description for banding.

HR Director Arrick-Kruger reported that she has been notified by the Department of Labor and Industry that Houston County has been awarded a grant for the purchase of two AED units to be located at the County Community Services Building and the Jail. Once the new Justice Center has been constructed, the AED located in the jail will be moved to the Highway Department building. Motion was made by Commissioner Miller seconded by Commissioner Augedahl and unanimously carried to accept the grant for the purchase of AED's from the Department of Labor and Industry.

HR Director Arrick-Kruger reported that the county has utilized the same vendor for banding for several years. In an effort to compare the services received, she will be submitting one description to two vendors who utilize similar banding methodology.

File No. 6 -- HR Director Arrick-Kruger provided information on the insurance committee recommendations for plan options related to the county's group health insurance. The committee, with the assistance of Bill Colopoulos, are proposing reducing the options from three to two. This will result in administrative savings. One plan will be a traditional health care plan with a \$500.00 deductible. The second plan option will be a consumer driven health plan with a corresponding HSA or VEBA account. HR Director Arrick-Kruger indicated that these plans are a result of collaboration and consideration of the approximately 70 responses to a health care survey. The plan options should result in reduced costs to both the participants and the county and make a family option more affordable. HR Director Arrick-Kruger requested approval of the recommendations and authorization to proceed by scheduling Bill Colopoulos to offer individual

meetings with employees. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to authorize HR Director Arrick-Kruger to move forward with the recommended plan options and scheduling Bill Colopoulos.

Environmental Services Director Frank reported that last Wednesday he hosted meetings with the cities in Houston County to discuss the fulfillment of contract obligations with La Crosse County. Environmental Services Director Frank explained how the County has contract obligations with the Xcel incinerator and the La Crosse County Landfill which are not being met because outside haulers are securing city contracts and hauling the waste to various landfills other than the La Crosse County landfill. In addition to falling short of contract obligations, there are liability issues which could arise as a result of non-compliance. In order to meet contract obligations and reduce liability, the county and the cities need to revise ordinances and ensure that city ordinances mirror those of the county. The county has an attorney on retainer to accomplish this. Cities are supportive of County efforts and willing to cover a portion of the expenses on a per capita fee and will enter into an agreement regarding this. Environmental Services Director Frank reported that the attorney would require an additional \$6,000.00 to \$9,000.00 to complete the ordinance revisions for the county and an additional \$4,000.00 for the cities. Environmental Services Director Frank requested the necessary funding to complete the ordinance revision so that contract obligations can be met and the risk to the county minimized. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to continue negotiations with various parties involved.

Conrad Curran expressed appreciation for the opportunity to address the Board today as he was not on the agenda. He indicated that, following discussion with members of the Concerned Landowners group and the press, he felt it necessary to clarify that the group is not attempting to get even for past events through the notice of intent to sue. It was his understanding that Attorney Budd-Falen was to bring forward the important issues for discussion. He expressed his belief that it is not the desire of the members of the Concerned Landowners group to completely do away with zoning. Mr. Curran expressed the importance of continued discussion. Mr. Curran requested a resolution to move forward with discussions. Commissioner Connery thanked Mr. Curran for the information.

File No. 7 -- Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve a tax abatement for Steven Persinger on parcel #10.0025.002 and 10.0023.000, being a reduction of \$2,804.00. The abatement is due to incorrect values utilized in calculating the tax.

Commissioner Corcoran reported that he and Commissioner Miller recently attended solid waste meetings.

Commissioner Corcoran reported that Assessor Dybing has been preparing for upcoming tax meetings and has expressed concern that due to extensive law changes there could be an increase in tax abatements.

At this time, discussion was held regarding the planning of a groundbreaking ceremony for the Justice Center.

Chairperson Connery reported that, in regard to the land use intent to sue, MCIT will not get involved until the situation becomes litigation. He recommended the Board consider placing Attorney Jay Squires on retainer to advise the Board regarding the intent to sue. Chairperson Connery reported that originally it was believed that the Concerned Landowners group was interested in working with the county regarding specific land use ordinance items. The intent to sue was presented, and when the Board requested a listing of committee members from the Concerned Landowners group who would work with the county, it received pre-conditions. Commissioner Bjerke questioned whether retaining Attorney Squires could be delayed due to the expense it would create. Commissioner Bjerke expressed concern that if committees were established to work on the land use ordinance issues, perhaps there would be no litigation. Commissioner Corcoran expressed concern that the county has spent money to hire consultants to assist the county in revising and updating the land use plan, and the county has hosted meetings and conducted public hearings which have met with opposition. There have been threats of litigation if the plan is changed and threats of litigation if the plan is not changed. It is the opinion of Commissioner Corcoran that the land use issues the county is facing will come to a head. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and carried to place Attorney Squires on retainer. Commissioner Miller voted against the motion.

Conrad Curran expressed a desire to talk to members of the Concerned Landowners group and to others. He expressed his opinion that the purpose of the pre-conditions was to establish recognition of certain rights of property owners. Mr. Curran expressed a willingness to speak with Attorney Budd-Falen to discuss any confusing verbiage regarding the pre-conditions. Board members expressed concern that the County has been served with legal notice and it is imperative that the county take this into consideration moving forward. Commissioner Bjerke expressed concern that discussion will not take place with the potential for litigation. Once lawyers become involved, open discussion ceases. For discussion to take place there cannot be a threat of litigation. Mr. Curran expressed his desire to work together to resolve the land use plan issues. Mr. Curran expressed that it is his understanding that, if there was discussion, the intent to sue would go on hold. Commissioner Miller requested that written clarification be submitted to the Board prior to the next scheduled meeting.

Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 8 -- Correspondence to Myron Mathison and Neil Mathison regarding denial of application

File No. 9 -- Notice of change in bid opening date

File No. 10 -- Correspondence from Representative Davids
regarding AMC's 10 Point Redesign Plan

File No. 11 -- Resolutions approved by JBOH at 4/6/2010
meeting

There being no further business and the time being 10:48 a.m., motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, April 27, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, April 27, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; HR Director Arrick-Kruger; Jail Administrator Schiltz; Dave Prachar; Mark Casey (MCIT); Andrea Geerdes (Drea Designs St. Paul); PHN Director Rock; Finance Director Bradley; Engineer Pogodzinski; Maintenance Foreman Molling; Sheriff Ely; HS Director Wilms; Social Services Supervisor Poepping; Tina Harper; HS Accountant Bahr; Recorder Bauer; Surveyor Walter; Attorney Bublitz; Bruce Schwartzman; Dave Foley; John Pristash

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the April 20, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$46,898.49
Road & Bridge Fund	59,990.26

Total	\$106,888.75
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve license center disbursements.

File No. 3 -- At this time Finance Director Bradley met with the Board. He requested that, in order to comply with recommendations of the State Auditor, the Board grant approval of an agreement for cash management services with Bank of the West. Finance Director Bradley reported that there is an agreement in place for some services and this will expand the services to cover ACH transfers. As a result of increased services, the ACH service fees will be reduced to

\$60.00 per month from \$80.00 per month. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the agreement for cash management services with Bank of the West and to adopt the following resolution:

RESOLUTION NO. 10-34

RESOLVED, The Finance Director, Casey Bradley of this Corporation is authorized to enter into any cash management services agreements with Bank of the West, to designate from time to time persons, in such number as may be directed, to manage any cash management service and otherwise give instructions regarding this organization's cash management service(s).

RESOLVED, further that the authority conferred is in addition to any other authorizations in effect and shall remain in force until Bank receives written notice of its revocation at the office where the account is maintained or at such other location as Bank may direct.

File No. 4 -- Finance Director Bradley requested approval of several budget amendment requests. Human Services has requested three amendments which are a result of final grant amount notifications and adjustments due to categorization. The Human Resources budget amendment is to recognize the grant which was awarded for the purchase of AED's. The Emergency Management budget amendment is to recognize the grant for the purchase and installation of outdoor warning sirens. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve budget amendments for Human Services, Human Resources and Emergency Management as presented.

File No. 5 -- Finance Director Bradley requested authorization to purchase a Builder's Risk Insurance Policy from MCIT. The policy would be effective for a period of 18 months and provide \$15,000,000.00 coverage, subject to a \$2,500.00 deductible. Finance Director Bradley reported that the expense was budgeted for within the project budget. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to authorize the purchase of a Builder's Risk Insurance Policy from MCIT in the amount of \$14,871.00.

On the recommendation of Finance Director Bradley, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to authorize Audrey Petersen, Char Meiners, and Larry Connery as signers for checks on behalf of Houston County.

File No. 6 -- Engineer Pogodzinski reported on the following bids, received until 1:00 p.m. on April 26, 2010, for S.A.P. 28-599-64 (Riceford Bridge):

Minnowa Construction, Inc.
Harmony, MN

\$411,571.65

Brennan Construction Lansing, IA	\$427,615.40
Duininck Inc. Prinsburg, MN	\$492,975.30
Structural Specialties, Inc Hutchinson, MN	\$571,185.36

On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to accept the low bid of Minnowa Construction, Inc. in the amount of \$411,571.65.

Maintenance Foreman Molling requested authorization to advertise for bids for the sale of outdated aviation jet fuel. He reported that there are approximately 2,600 gallons. Maintenance Foreman Molling reported that the county could have the fuel recertified at a cost of approximately \$900.00. Re-certified fuel could then be sold to aviators as was originally intended. However, there have been no jet fuel sales in the past year. Engineer Pogodzinski expressed concern that the fuel is 18 months old, making it unlikely that it would pass recertification requirements. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to advertise for bids of the outdated aviation fuel.

File No. 7 -- Sheriff Ely presented a State of Minnesota Annual County Boat and Water Safety Grant Agreement for approval. Sheriff Ely reported that the grant amount is \$4,785.00, which is less than past years. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the grant agreement and to authorize the signature of Chairperson Connery.

File No. 8 -- Social Services Supervisor Poepping reported that Tina Harper, a child protection social worker has resigned. HS Director Wilms expressed her appreciation for Ms. Harper's years of service. The commissioners expressed their appreciation also. HR Director Arrick-Kruger recommended advertising for a replacement and provided dashboard indicators to support her recommendation. There was discussion regarding the budget implications of filling the position. Commissioner Corcoran questioned whether Human Services contracted out for the services that the child protection workers are responsible for. HS Director Wilms reported that, with budget cuts, there are less and less services being provided by outside vendors. Commissioner Miller had questions regarding the process which transpires once a child has been placed in out of home placement. HS Director Wilms provided information on the process. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to authorize advertising for a child protection worker.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to accept the resignation of Tina Harper.

File No. 9 -- At this time, Mark Casey of MCIT presented information related to the 2010 member report.

File No. 10 -- PHN Director Rock requested approval of a corporate foster care (adult) contract. The contract would provide another option for seniors. Thelma Rose House Corporate Foster Care provides 24 hour supervision for approximately 4 residents. However, staff does not live on site. Following completion of a long term care consultation, payment is determined based on care needs. This cost is reimbursable through MA. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the contract with Thelma Rose House Corporate Foster Care and to authorize the signature of Chairperson Connery.

File No. 11 -- Surveyor Walter reported that, in early April, it was necessary to put out approximately six targets measuring 2.5 feet by 20 feet. Minimal expenses were incurred as a result. It was agreed by the land use committee that the expenses would qualify for payment from the compliance fund. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the aerial photography target marker placement expenses in the amount of \$96.57 could be paid for by the compliance fund. It was agreed that Attorney Bublitz would review guidelines regarding the use and approval procedure of compliance funds to discover whether a minimum expenditure amount could be blanket approved and board action could be reduced in regard to minimal expenditures.

At this time the Board recessed until 10:30 a.m.

The time being 10:30 a.m. the Board reconvened in open session with all members present.

File No. 12 -- Dave Prachar reported on 174 bids which were received for the justice center project. The construction budget maximum was set at \$19,306,135.00 and the building committee is recommending awarding \$17,356,234.00 worth of bids today. Mr. Prachar was pleased to report that bids came in at \$1,949,901.00 below projections. In addition, Mr. Prachar reported that if the board approves awarding bids as recommended, 15% will be awarded to local vendors and 26% will be awarded within a 75 mile radius. This equates to approximately \$4.5 million being spent in the area. An Executive Summary was provided with the award recommendations. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to award contracts as represented on the Executive Summary, contingent upon certification requirements being met.

Bruce Schwartzman reported that, going forward, the building committee will be meeting two times per month. He also indicated that construction will begin Wednesday, May 5, 2010.

File No. 13 -- Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the ground breaking ceremony invitation, date and time.

File No. 14 -- Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve a letter to City of Caledonia Mayor, Robert Burns in response to the Fire Chief's concerns regarding the justice center.

File No. 15 -- Dave Prachar requested approval of a letter of agreement with Drea Designs for interior design work of the justice center. The building committee has recommended approval. Andrea Geerdes of Drea Design reported that she has worked as a commercial interior designer for 10 years, and has worked on several government buildings. She will field all calls, procure items, and monitor installation and placement. She will remain within budget. Mr. Prachar reported that the letter of agreement is necessary to move forward and to enable to county to solicit and award bids for furniture, fixtures, equipment and carpeting for inclusion in the September bonding financial needs. The expenses related to this agreement have been budgeted for. Commissioner Miller expressed concern that furnishings be utilitarian, not showy. Andrea Geerdes indicated that she will choose items based on direction provided by the board. She will work to provide items which are practical and long term. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the contract with Drea Designs in the amount of \$24,895.00, contingent upon the approval of Attorney Bublitiz.

File No. 16 -- Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve an abatement for Sharon Wheaton on parcel #06.0219.000, being a reduction of \$1,512.00 due to incorrect classification; and also an abatement for Phyllis Buchner on parcel #02.0325.000, being a reduction of \$386.00 due to overstated improvements to a lot.

Chairman Connery reported that currently there are no commissioners appointed to the SELCO Board for contract negotiation purposes. Soon, SELCO will be negotiating a new contract. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to appoint Commissioner's Bjerke and Miller to the SELCO Board.

Commissioner Augedahl reported on a planning commission meeting which he attended last week.

Commissioner Miller reported on a Trails meeting he attended. EDA Coordinator Wilms was also in attendance.

Chairperson Connery reported on a lower Root River flood plain conservation meeting which he attended.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to place on file the following items from the consent agenda:

File No. 17 -- Correspondence to Steven Persinger regarding tax abatement

File No. 18 -- SE MN Development Corporation Annual Report

File No. 19 -- Correspondence to successful and unsuccessful bidders of project 28-599-64 (Riceford Bridge)

File No. 20 -- Letter of appreciation to Joan Breeser for years of service

There being no further business and the time being 11:01 a.m., motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, May 11, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, May 11, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Sheriff Ely; Zoning Administrator Scanlan; PHN Director Rock; HR Director Arrick-Kruger; Environmental Services Director Frank; Engineer Pogodzinski; Emergency Manager Kuhlers; Deputy Sheriff Brownlee, Sass and Privet; Attorney Bublitz; Finance Director Bradley; HS Director Wilms; HS Accountant Bahr; Jail Administrator Schiltz; See attached listing of additional guests (See File No. A1)

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the April 27, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$134,803.34
Road & Bridge Fund	72,197.71

Total	\$207,001.05
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File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve license center disbursements.

Sheriff Ely reported that it is law enforcement week. As part of law enforcement week, he would like to recognize Deputy Sheriff Duane Brownlee as Officer of the Year. Deputy Sheriff Brownlee was nominated by a group of his peers to receive this honor.

Sheriff Ely introduced Deputy Sheriff Luke Sass and also K-9 Chance. He reported that K-9 Chance will be joining the force as soon as a lease agreement has been executed. Chance is

certified through the State of Minnesota in drug detection, tracking, vehicle and article search, and apprehension. He will be the second K-9 to join Houston County.

File No. 3 -- Environmental Services Director Frank reported that the Highway Department has two bridge replacement projects which will temporarily impact wetlands during the period when a bypass is required. Both projects are located within Houston Township, one on Traff Drive and the other on Torgerson Drive, and were washed out as a result of the August 2007 flood event. Engineer Pogodzinski will include TEP recommendations in the construction plans for both projects. The recommendations are to restore temporary impacts to pre-project contours and conditions within six months of impact and to seed the impact area with a wetland seed mixture. On the recommendation of Environmental Services Director Frank, motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve a no loss determination and to follow TEP panel recommendations for restoration and seeding.

Engineer Pogodzinski reported on the bids received for seal coating. The low bid came in approximately \$30,000.00 over budget. Engineer Pogodzinski indicated that oil prices are higher than anticipated. He recommended rejecting all bids, revising the project specifications and advertising the new specifications in an effort to obtain a bid that will be within budget. The Highway Department does not have funds available within their budget to cover \$30,000.00 in overages. Engineer Pogodzinski reported that a less expensive oil could be utilized and/or the footage could be reduced to lower the cost of the project. Commissioner Miller expressed appreciation for the diligence to remain within budget. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to reject all bids.

File No. 4 -- Zoning Administrator Scanlan reported on a variance which was approved by the Board of Adjustment for Mike Ingvalson of Caledonia Township in the amount of 1,048 feet to expand an existing feedlot within 1,320 feet of an existing dwelling.

File No. 5 -- On the recommendation of the Planning Commission, motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the issuance of the following Conditional Use Permits:

Tom and Jim Welscher – Caledonia Township - Substantial land alteration in an agricultural district.

Jeff Langen – Mound Prairie Township - Home Occupation – Level II – General Repair.

Mikal Sylling – Wilmington Township - Build a dwelling on less than 40 acres in an ag district.

File No. 6 -- Zoning Administrator Scanlan reported that on April 29, 2010 the Board of Adjustment held a public hearing which resulted in a variance for Ingvalson Dairy being approved. There was a second hearing conducted for consideration of a conditional use permit that would allow for feedlot expansion of Ingvalson Dairy. The conditional use permit application proposed an increase of manure storage and animal units. The animal unit maximum applied for was 967, up from 557. The Planning Commission and concerned neighbors visited the Eric Nelson farm which has a manure management system similar to the system proposed in the Ingvalson Dairy application. As a result of information presented, the Board of Adjustment approved the variance, and the Planning Commissioner recommended approval of the CUP. Since the April 29, 2010 meeting, a citizen's petition for an EAW has been submitted to the Environmental Quality Board. Zoning Administrator Scanlan reported that, as a result of said petition, the 60 day decision clock goes on hold. No decision may be made in regard to the CUP until a decision has been made on the environmental assessment worksheet (EAW). The county may need to assess the need for an EAW or an alternative plan must be submitted. The petition alleges that there is a sinkhole located approximately 800 feet from the proposed manure storage basin on the Robert Ellenz property. In an effort to address the concerns of the petition, Jeff Green a DNR groundwater specialist, has been contacted and an appointment for him to visit the site has been scheduled for May 12, 2010. Mr. Green will view the topography and landscape in an attempt to locate and identify the alleged sinkhole. Zoning Administrator Scanlan reported that there are varying factors which determine who the regulatory authority is. He provided examples that feedlots containing in excess of 1,000 animal units are governed by Federal regulation, while the presence of sinkholes within 1,000 feet would fall under the regulation of the State. Zoning Administrator Scanlan reported that there was a karst survey completed earlier and identified no sinkholes within 2,300 feet of the proposed basin sites. The setback from sinkholes is only 300 feet. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to table this until after a report has been received from Jeff Green.

Zoning Administrator Scanlan reported that the county has 30 days in which to make a determination regarding the need for EAW. Commissioner Bjerke questioned whether hydrogen sulfide fumes have been taken into consideration in regard to this application. Mr. Scanlan reported that fumes were considered by the Board of Adjustment. As part of their consideration, site visits were conducted to observe manure holding basins, both solid and liquid, with a separator. The liquid basin has much less sulfide fumes.

At this time, Judy Coursalle addressed the board. She requested that the Planning Commission meeting minutes be amended to reflect the total number of animal units submitted by Ingvalson Dairy on their applications. Ms. Coursalle indicated that the minutes list the animal units as 990. Zoning Administrator Scanlan reported that the number of animal units listed on the application is 967. Compliance is measured based on the application. Ms Coursalle expressed concern that Greg Downing of the state indicated that the pollution control agency may be involved, and that could result in the county not being the regulatory body. She requested

clarification whether now would be the time to request conditions, since the issue has been tabled. She indicated that either she or her brother, Bob Ellenz, would answer any questions which the Commissioners may have. Ms. Coursalle indicated that it was her understanding that a 2005 visual assessment of sinkholes is no longer valid. The State doesn't have anything else in this regard. She, along with Mr. Ellenz, request that any assessments which are required to be completed be performed by independent parties. They want any project that may be completed to be a safe one.

Commissioner Miller questioned how the animal unit threshold is monitored. Zoning Administrator Scanlan reported that building size and capacity are considered, in addition to actually counting livestock. There was discussion regarding annual monitoring and also the basis for which an animal unit is comprised of. It is not simply 1 animal equaling 1 animal unit. It is a formula of so many pounds to make up an animal unit. Therefore, it would take multiple calves to equal one animal unit and a large cow may be considered in excess of one animal unit depending on the weight of the animal.

File No. 7 & 8 -- At this time, Arlo Haben, the site designer for the proposed expansion of Ingvalson Dairy, addressed the Board. Mr. Haben expressed a desire to address the hydrogen sulfide issue. It is his opinion that much concern is being expressed based on a single Thief River Falls dairy which has not operated in an environmentally friendly manner. The system proposed at the Ingvalson site includes a sand and solid separation system where liquids can be irrigated instead of hauled up and down the roads. Materials from the parlor holding pen would go through separation, with solids being directed to a solid holding basin, and liquids being diverted and pumped to a liquid collection basin. The liquid basin would create an environment for purple sulfur bacteria which proves less than 0.5% of solids and perhaps as little as a 0.25% of solids would be resented in the liquid basin. By reducing the available solids the odor is also reduced. The purple sulfur bacteria strips the sulfur off of the organics/solids and contains it within the solution. In slurry pits, hydrogen sulfide is a byproduct of decomposition and continually "bubbles" up. Several tests have been conducted on the proposed type of structure in regard to the odor producing potential for the design. The tests reflect that this design is equal to or better than digesters for odor abatement. Mr. Haben distributed a paper written in this regard for reference. Mr. Haben reported that there is considerably less odor with this type of system. In Houston County both Eric Nelson, and the Meyers have similar systems to the one being proposed. This type of system is also operating in Fillmore and Winona counties and in the Red Wing area. A DVD virtual tour has been included with the handouts distributed. These systems have been designed for dairies with as few as 280 to as many as 1,600 cows. Many of these systems were developed as part of an expansion, which made the manure handling system affordable.

Mr. Haben reported that Ingvalson Dairy was out of compliance due to winter application of manure. Mr. Ingvalson implemented additional guidelines which were difficult to accommodate. Mr. Haben indicated that it is his belief that Mr. Ingvalson was looking to the future, considering good stewardship and possible additional regulation when he requested that

his expansion design include the catching of leachates and surface water runoff. These additional items are not required to be considered. Being environmentally minded, Mr. Ingvalson requested that these standards be met.

Environmental Services Director Frank questioned whether the leachates from silage slabs would change the makeup of the liquid basin. Mr. Haben responded that the paper he distributed outlines that under normal conditions for a dairy and silage, there is very little to no chance of disrupting the purple sulfide bacteria. This is for the system designed for this dairy. The change in PH is insignificant due to the volume and leachates. Commissioner Bjerke expressed concern regarding fumes and gases and how these may affect the neighbors. Mr. Haben shared with the Board that during many site visits to dairies operating this type of system, often the smell of water in the liquid basin is compared to that of Mississippi river water or to a musty type smell. Participants have not indicated that the smell is like that of manure. Houston and Fillmore County feedlot officers may testify to these analogies. The alternative to this system would be to have a traditional "shit pit", which stinks, gurgles and must be hauled up and down the road. The Ingvalson Dairy proposed system makes it possible to irrigate the liquids. A regular pit would require that the contents, which stink, be hauled. The proposed system will result in only 1/3 of the animal waste being hauled. The rest may be irrigated. Mr. Haben indicated that only 92 acres of corn land would be necessary to apply the liquids resulting from a 1,600 cow herd served by this type of system to maintain compliance with regard to nitrogen. The acreage requirement would be reduced significantly if liquids were irrigated on alfalfa land because alfalfa requires more phosphorus than corn. A farmer operating this type of system could apply 7.3 inches of liquid irrigation to crops, 1/2 inch at a time, and maintain compliance with regard to nitrogen and phosphorus levels. The proposed system will create less odor than the system presently in place. Mr. Haben reiterated that basins like these will have less odor. Lagoons which break down solids would have significantly more odors. Purple sulfur bacteria prevents the odor and keeps it in the water. Kansas State developed the best system Mr. Haben has witnessed. Commissioner Bjerke inquired as to how long this type of system has been effectively utilized. Mr. Haben indicated that he knows of systems which were constructed in 1996 and 1997. The original goal of the system was to separate out the water from the solids. The purple sulfur bacteria and decreased phosphorous just happened. The Ingvalson expansion will require only 45 acres to remain within phosphorous maximums. Commissioner Bjerke inquired what the risk to Beaver Creek would be in the event the basins were to burst and the contents were to reach the creek. Mr. Haben responded that straight manure has a high oxygen demand which depletes the oxygen availability in creeks affected by a spill causing the fish to die. When liquids have been separated off from the solids, the need for oxygen is greatly reduced, therefore reducing the pollution potential. Commissioner Bjerke questioned what the affect a flood would have on this type of system. Mr. Haben indicated that the State requires that the systems be designed to handle 4.9 inches of storm water within a 24 hour period. In the event that 13 inches of rainfall was received, the water would separate off into the liquid basin causing the water level to rise, in addition it would dilute the liquid contents and reduce the nutrients and organic matter. Mr. Haben explained the berm, core trench and effects of overflow. He expressed his belief that a system cannot be designed to handle a 100 year flood. However, because of the separation of

solids and liquids, he expressed confidence that the basin holding solids would not flow over unless there was a screen and/or pump failure. In regard to the liquid basin, he indicated that he will be introducing bullheads to an existing liquid basin to see if the fish can survive.

Ms. Coursalle expressed concern that the maps do not show the lay of the land or the pond below the liquid basin. Mr. Ellenz stated that the pond provides water for his dry cows and he is concerned that the water quality could be affected as a result of any expansion at the Ingvalson Dairy. Zoning Administrator Scanlan reported that in May 2009 a karst report was completed by Chosen Valley Testing. Mr. Haben reported that a geologist was on site during the completion of soil borings. Mr. Ellenz indicated that, if an expansion is approved for Ingvalson Dairy, he would like to see water testing and monitoring of the pond.

Mike Ingvalson expressed his desire to develop this expansion to be as environmentally friendly as possible. He indicated that he is not required to contain leachate from the silage bunkers, however he instructed the designers to collect the leachate so it doesn't run down the hill and may be managed in a responsible way.

Ms. Coursalle requested that the Board consider the proximity of the houses not on the Ingvalson property to the proposed expansion when making decisions in regard to the proposed expansion.

File No. 9 -- On the recommendation of the Planning Commission, motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the issuance of the following Zoning Permits:

Peter Molling – Brownsville Township - Build house (30' x 52') garage (30' x 26')

Scott Feller – Brownsville Township - Repair of flood damaged ravine

Donald Meyer – Mound Prairie Township - Build addition for bathroom (10' x 12')

Barbara Scottston – Jefferson Township - Build pole shed (62' x 136')

William and Joan Bosch – Mound Prairie Township - Build deck (17' x 17')

James and Lisa Kleist – Money Creek Township - Build pole shed (36' x 36')

PHN Director Rock reported that Tracy Benson has submitted her resignation effective June 3, 2010. Ms. Benson provides administrative support in Public Health and will be leaving within 4 days of Ms. Breaser who also provided administrative support to the department.

File No. 10 -- HR Director Arrick-Kruger indicated that the positions held by Ms. Breaser and Ms. Benson share the same position description. As a result, current advertising could be utilized to fill both positions. She recommended that a search begin immediately to replace Ms. Benson in addition to Ms. Breaser. There will be no budgetary impact in regard to these positions. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to accept the resignation of Tracy Benson and authorize hiring a replacement for the position.

HR Director Arrick-Kruger reported that, as part of re-organization, the position description for accounting manager was reviewed and submitted for banding. Fox Lawson & Associates have banded said position at C-4-3, non-union and exempt. HR Director Arrick-Kruger recommended approval of the banding and salary at 98.1% of wage range, retroactive to April 8, 2010, the date which the position description was submitted for banding. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the same.

HR Director Arrick-Kruger reported that she anticipates that it will take approximately three months to fill the vacated child protection social worker position. There is concern that during the interim other social workers will have to take on additional cases delaying work towards the completion of twelve county adoptions. As reported before, each child awaiting adoption is in out of home placement which costs approximately \$1,000.00 per month per child. In an effort to complete pending adoptions by September 1st, 2010 Human Services is requesting authorization to hire a 67 day employee to handle the cases of Tina Harper so that the other social workers can remain focused on current duties and caseloads. HR Director Arrick-Kruger provided statistics regarding FTE trends in the Human Services Department. HR Director Wilms reported that, as of this morning, each child protection worker had 27 cases. Commissioner Miller expressed concern that child protection remain a priority. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the hire of a 67 day employee for child protection.

HR Director Arrick-Kruger requested authorization to hire Thomas E. Osborne Jr. as a drop-site supervisor. It was agreed to table this request for a period of one week.

HR Director Arrick-Kruger was pleased to report that, the year to date savings, which may be attributed to the voluntary unpaid leave program, total \$4,003.41.

HR Director Arrick-Kruger reported that the copier agreement is up for renewal. It is her recommendation to allow the contract to automatically renew for 12 months. This will allow time for the completion of the Justice Center so that needs of the center may be included making the

next contract more inclusive. In addition, automatic renewal will provide for continued coverage at the same rates as are currently in place. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to allow the copier agreement to automatically renew.

HR Director Arrick-Kruger reported that there has been no decision with regard to mandatory furloughs due to the ongoing research of financial implications of one union.

HR Director Arrick-Kruger reported that she is working with Bill Colopoulos to identify dates when employee information sessions could be conducted with regard to proposed health benefits changes.

File No. 11 -- PHN Director Rock reported that the bylaws and joint powers agreement of the Joint Board of Health have been reviewed. There were no changes to the bylaws. The joint powers agreement has been revised to provide for transfer and rotation of the fiscal agent responsibilities once each 5 years. Motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to approve the joint powers agreement.

File No. 12 -- Emergency Manager Kuhlers requested approval of several Memorandums of Understanding between Houston County and area cities and townships accepting outdoor warning sirens. Emergency Manager Kuhlers reported that Mound Prairie Township declined the county's offer to install one of the sirens in their jurisdiction. However, the City of Spring Grove requested that they be allowed to have the siren installed within their city. The City of Spring Grove has no functioning weather alert sirens. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve installation of a siren in the City of Spring Grove and to approve all Memorandums of Understanding presented.

Jail Administrator Schiltz introduced Rich Reding, the site supervisor from Knutson Construction who will be overseeing the Justice Center project. Jail Administrator Schiltz indicated that Mr. Reding or Mr. Pristash will update the Board at 9:00 a.m. during the first Board meeting of each month throughout the duration of the project. Mr. Reding reported that the parking lot area is down to sub-grade, and if the rain holds off, will be prepared to have rip rap and class 5 rock brought in. This will allow for the completion of the temporary road and pouring of the temporary sidewalk. Additional soil correction work will proceed with anticipated completion in mid-June. There is approximately a days worth of work to complete the project perimeter fence. Once completed, the area will be locked at the end of each workday with keys being issued to both Jail Administrator Schiltz and Sheriff Ely.

File No. 13 -- Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve an abatement for James F. and Patricia A. Puchter on parcel #04.0352.001, being a reduction of \$1,326.00 due to an error in valuation.

File No. 14 -- Received and filed from the Gopherland Snowmobile Club was a Maintenance and Grooming application. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolutions:

RESOLUTION NO. 10-35

BE IT RESOLVED By the Board of County Commissioners, Houston County, Minnesota, that it approves the application of the Gopherland Trail Snowmobile Club and authorizes the Board Chairman and the County Auditor to sign an agreement with the Department of Natural Resources.

Commissioner's Augedahl and Connery reported on a Semcac meeting which they attended.

Commissioner Miller reported on a PSAP meeting which he attended. The RFP is currently being developed.

Chairperson Connery provided a reminder of the district AMC meeting coming up in Lanesboro.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 15 -- Correspondence from MCIT regarding community action agencies membership

File No. 16 -- Correspondence to Phyllis Buchner regarding abatement

File No. 17 -- Correspondence to Sharon Wheaton regarding abatement

File No. 18 -- Correspondence to Hank Koch regarding tons delivered to Xcel

File No. 19 -- Correspondence to Hiawatha Valley Mental Health Center Executive Director regarding discontinuation of funding for Children's Day Treatment Program

File No. 20 -- Correspondence from MN Department of Human Services regarding review of county single audit reports

File No. 21 -- Notice of Disbursement from MPCA regarding
second half score block grant

File No. 22 -- Notice of Public Hearing for City of Houston
Proposed Redevelopment TIF District

File No. 23 -- Correspondence to Tina Harper in appreciation
of her service

There being no further business and the time being 10:39 a.m., motion was made by
Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to adjourn
the meeting, the next advertised meeting being Tuesday, May 18, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, May 18, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; Chief Sheriff Deputy Yeiter; Finance Director Bradley; Emergency Manager Kuhlers; PHN Director Rock; Sheriff Ely; Recorder Bauer; EDA Coordinator Wilms

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the May 11, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 19,822.04
Road & Bridge Fund	175,107.26

Total	\$194,929.30
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File No. 2 -- PHN Director Rock reported that the county contracts with AEGIS Therapies, Inc. for physical and occupational therapy services for home care clients. These services are reimbursed by MA. Contract rates have been in effect since June 28, 2004. She requested approval of a contract amendment which provides for an updated rate structure, with therapy increased from \$60.00 to \$80.00 per visit, mileage increased from \$0.37 to \$.045 per mile and it was established that when therapists are required to meet with the county, \$1.00 per minute will be charged. PHN Director Rock indicated that meetings with therapists are extremely rare, happening perhaps one time each year. PHN Director Rock reported that, for similar services, Winona County pays \$250.00 per visit. Chairperson Connery indicated that standard GSA rates for mileage reimbursement should be considered in the event there are further amendments to the contract in the future. Motion was made by Commissioner Bjerke, seconded

by Commissioner Miller and unanimously carried to approve the agreement with AEGIS Therapies, Inc. for outsourcing therapy services.

File No. 3 -- Engineer Pogodzinski recommended approval of a detour agreement. The agreement is related to the CSAH 5 project, utilizes the township road, South Prairie Drive, has been reviewed by the county attorney, and has been approved by the township board. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve said detour agreement.

Engineer Pogodzinski reported that a June 14th bid opening has been scheduled for the CSAH 5 project with work expected to begin in early July.

Commissioner Connery queried Engineer Pogodzinski in regard to resident concerns regarding the Perkin's Bridge project. Engineer Pogodzinski reported that he is scheduled to meet with one resident later today to discuss the concerns.

File No. 4 -- Chief Deputy Sheriff Yeiter requested approval of a Federal Boating Safety Supplement Grant in the amount of \$5,000.00. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the grant agreement and adopt the following resolution;

RESOLUTION 10-36

BE IT RESOLVED that the Houston County Board of Commissioners hereby approves Contract Number B43184, being the State of Minnesota Federal Boating Safety Supplement Grant Agreement.

BE IT FURTHER RESOLVED that Sheriff Ely, Chairperson Connery and Auditor Meiners are hereby authorized to sign said grant agreement on behalf of Houston County.

File No. 5 -- Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve \$39,702.53 in budget amendments directly related to line items within the recorder's budget and also \$1,204.00 in budget amendments to the IT software support line item.

Recorder Bauer reported that during the April 27th board meeting, discussion was held regarding the possibility of approving a blanket resolution to cover minimal expenditures which would qualify for payment through the use of the compliance fund. Finance Director Bradley, the State Auditor, and Attorney Publitz have reviewed the request and have recommended that resolutions in the future include a not to exceed amount. In the past, the exact invoice amount has been included. There have been occasions when a minimal adjustment was made necessitating a return to the board for approval of the additional amount. By including a "not to exceed" figure,

any minimal overages could be included in the figure and would not necessitate additional approval.

File No. 6 -- Auditor Meiners reported on a petty cash/change fund resolution. Finance Director Bradley reported that a previous resolution noted change funds only. The funds listed were both petty cash and change funds. Each has a specific policy to govern use, and this resolution will be inclusive of both. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adopt the following resolution;

RESOLUTION NO. 10-37

BE IT RESOLVED, that the Houston County Board of Commissioners hereby authorizes the following petty cash/change funds:

County Revenue Fund:	
Treasurer	\$ 500.00
Motor Vehicle	100.00
Driver License	35.00
Auditor's Office/License Center	100.00
Sheriff	500.00
Public Health Nursing	200.00
Extension	200.00
Recycling	15,000.00
Solid Waste	300.00

Total County Revenue Fund	\$16,935.00
Road & Bridge Fund	\$100.00

Total	\$17,035.00
	=====

File No. 7 -- Received and filed from the La Crescent Snowmobile Club and Houston-Money Creek Snowriders Snowmobile Club were Maintenance and Grooming applications. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolutions:

RESOLUTION NO. 10-38

BE IT RESOLVED By the Board of County Commissioners, Houston County, Minnesota, that it approves the application of the La Crescent Snowmobile Club and authorizes the Board Chairman and the County Auditor to sign an agreement with the Department of Natural Resources.

RESOLUTION NO. 10-39

BE IT RESOLVED By the Board of County Commissioners, Houston County, Minnesota, that it approves the application of the Houston-Money Creek Snowriders Snowmobile Club and authorizes the Board Chairman and the County Auditor to sign an agreement with the Department of Natural Resources.

File No. 8 -- Emergency Manager Kuhlers requested approval of a grant agreement for an annual Emergency Management Performance Grant in the amount of \$20,594.00. This is a \$4,358.00 increase over last year's grant award. Emergency Manager Kuhlers reported that the safety committee has discussed concern regarding the ability to notify staff of emergency situations which could be addressed through the purchase of a notification system. The State has indicated that such a system would be an approved use of grant funds. A notification system would be two way, identify the exact location of any incident where the panic button was triggered and would be available at all work stations, in all county buildings. Currently, emergency notification is limited to 16 stations within the courthouse building, and identifies an area rather than a specific location. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the grant agreement.

File No. 9 -- EDA Coordinator Wilms requested approval of a grant contract in the amount of \$95,000.00 to be used to replace the courthouse boilers. He reported that Attorney Bublitz has reviewed the contract. EDA Coordinator Wilms indicated that he will be working with HR Director Arrick-Kruger to prepare the RFP. EDA Coordinator Wilms reported that there is a "buy American" provision which will be included in the RFP requirements. The total cost of the project is expected to come in below the total grant award of \$95,000.00. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the grant contract and to authorize the signature of Chairperson Connery

Commissioner Augedahl reported on the mock trial, held here at the courthouse, as well as an ABLE meeting which he attended.

Commissioner Augedahl shared an invitation to the Board to attend the Lancer House ribbon cutting to be held June 13, 2010 from 1:00 p.m. to 5 p.m.

There were no other meeting reports.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 10 -- Correspondence to payroll regarding increase of comparable worth band of accounting manager

File No. 11 -- Correspondence to unsuccessful bidders of project C.P. 2010-03

File No. 12 -- Request for appropriations to Southern MN Initiative Foundation

File No. 13 -- Short Interval Schedule for Justice Center Project

File No. 14 -- Correspondence to Tracy Benson in appreciation for years of service

There being no further business and the time being 9:50 a.m., motion was made by Commissioner Augedahl, seconded by Commissioner Miller and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, May 25, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, May 25, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Sheriff Ely; Engineer Pogodzinski; HR Director Arrick-Kruger; EDA Coordinator Wilms; PHN Director Rock; Zoning Administrator Scanlan; Mrs. Sweeney's Ninth Grade

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the May 18, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$76,578.30
Road & Bridge Fund	30,340.46

Total	\$106,918.76
	=====

File No. 2 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve license center disbursements.

File No. 3 -- Engineer Pogodzinski requested approval of two quit claim deeds and a resolution. Together the documents will vacate, and turn back to adjoining landowners, property which is no longer necessary for road right of way due to re-alignment performed under project S.P. 28-632-02. This property is located near the intersection of County 32 and Malay Road. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve two quit claim deeds and to adopt the following resolution:

RESOLUTION NO. 10-40

WHEREAS, CSAH 32 was relocated and altered and opened for travel, and;

WHEREAS, CSAH 32 as relocated and altered took the place and serves the same purpose as the portion of old CSAH 32 as referenced in Houston County Right of Way Plat No. 19, and;

WHEREAS, the County Board may, according to Minn. Stat. 163.11, When a newly established, relocated, or altered County Highway is opened for travel which takes place of and serves the same purpose as any portion of another County Highway, the County Board may vacate any such portion of highway by resolution, and;

WHEREAS, the vacation shall be subject to utility easements, if any, and;

WHEREAS, on May 25, 2010, the Houston County Board, by majority vote, voted that pursuant to Minn. Stat. 163.11 it resolved to vacate the portion of old CSAH32 as reference in Houston County Right of Way Plat No. 19;

NOW THEREFORE BE IT RESOLVED,

1. That the portion of old CSAH 32 as reference in Houston County Right of Way Plat No. 19 in Plat Cabinet B, Envelope 198F, Doc. No. 251702 of the Houston County Recorder's Office, indicated as area of turnback, shall be vacated pursuant to Minn. Stat. 163.11;
2. That the Houston County Board directs that this resolution shall be served personally on each occupant of land through which the vacated portion of highway passes;
3. That this vacation shall not affect existing Easements therein except for any County Highway Easements which are hereby being vacated, nor shall it affect the authority of any persons, corporation, or municipality owning or controlling electric poles or lines, telephone, gas, and sewer lines, or water pipes, mains, and hydrants, thereon or thereunder to continue maintaining the same or to enter upon such way or portion thereof vacated to maintain, repair, replace, remove, or otherwise attend thereto;
4. That the Houston County Board directs that this resolution shall be posted for a period of at least ten (10) days in the Office of the Houston County Auditor;
5. That the Houston County Board directs that a copy of this resolution together with proof of service and affidavit of posting shall be filed in the Office of the Houston County Auditor.

Engineer Pogodzinski reported that a site meeting is scheduled regarding the CSAH 5 project eminent domain proceedings. The site meeting is a court required event for the pursuit of eminent domain.

Engineer Pogodzinski indicated that there continues to be interest in purchasing a small parcel of land with minimal value on which a water detention structure could be constructed that adjoins the road right of way.

Engineer Pogodzinski reported that a road safety plan has been completed. The plan will assist in the identification of key areas where the completion of improvement projects would decrease the potential for accidents and/or reduce the severity of accidents at intersections, curves or along segments of roadway which cause concern. By having this plan, the County will have access to additional revenue sources. Engineer Pogodzinski reported that there are approximately 5 to 6 criteria which are evaluated, including the number of accidents, severity of accidents and geometric features, when identifying key areas which would benefit from improvement.

Commissioner Miller queried Mr. Pogodzinski regarding road striping. Engineer Pogodzinski reported that the striping contract has been delayed due to the decision to reject bids submitted for seal coating.

At this time, discussion was held regarding the sweeping of roadways with bike lanes, availability of sweeping equipment and various jurisdictions responsible for sweeping.

Commissioner Miller questioned whether there were restrictions on the simultaneous replacement of bridges within close proximity of one another. Engineer Pogodzinski reported that he is unaware of any restrictions. Currently, the county has a project which will replace four bridges within a seven mile segment of roadway.

Engineer Pogodzinski indicated that the State 16 project, which will take place between Houston and Hokah, is generating many questions from the public. There is a pre-construction meeting scheduled which he will attend along with representatives from MN DOT, the utility companies, and the contractor. He expects discussion to be held regarding the schedule and hauling of materials. It is the understanding of Engineer Pogodzinski that the road will be closed from the start of construction thru the third week of July. When it re-opens, it will still be necessary to lay the second layer of asphalt and complete the shoulder work. Engineer Pogodzinski understands that it will be necessary to provide continuous access to private individuals. However, he is unaware of how the State and contractor plan to provide this. Engineer Pogodzinski expressed concern that an agreement needs to be worked out between the County and Mathy Construction for Mathy to travel County Road #25 and #21 with materials from the Abnet Quarry on Evans Hill where the asphalt plant will be located to the job site. The only other option would be to route truck traffic through the City of La Crescent.

File No. 4 -- Sheriff Ely reported that recently the city scheduled a power outage for maintenance purposes. This outage triggered a backup generator, located in the jail, to kick in. A switch malfunctioned and the generator did not function properly causing the dispatch center to follow emergency procedures and begin operating out of La Crescent. Brad's Electric has submitted a quote for the replacement of the malfunctioning switch at \$2,250.00. This includes parts and installation. They also submitted a quote for the replacement of the 1960's generator with a 13KW natural gas generator in the amount of \$3,769.23, which includes the unit and installation. The quote does not include hook up to the natural gas source. The new unit could be utilized at a PSAP relay station once the Justice Center opens. E911 Coordinator Krzoska reported that the expense is eligible to utilize E911 funds. Commissioner Corcoran expressed a desire to purchase the new generator for a cost that isn't double of switch replacement alone. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve Option 2 from the Brad's Electric quote in an amount not to exceed \$4,500.00.

Sheriff Ely reported that Houston County's Jail is at full capacity and six inmates are being housed out of county. In addition, an individual wanted on a felony warrant has turned himself in to law enforcement in Las Vegas, Nevada and will be going to court for a reciprocity hearing. Following the hearing, Houston County will be responsible to transport the individual back to Minnesota. Sheriff Ely has contacted a private firm who can transport the prisoner for a fee of \$1,073.00.

Sheriff Ely reported that a window was kicked out of a squad car recently. The repair shop has been able to locate used parts which could be used to repair damage. Sheriff Ely indicated that the cost of used parts would be considerably less than new, restitution for the repair expense could be pursued and use of used parts would not require an insurance claim to be processed.

EDA Coordinator Wilms reported that, during the last meeting, a grant contract for new boilers was approved. At this time, he requested Chairperson Connery sign the originals which are now available. He reported that the RFP for the project has been completed and is currently being reviewed by County Attorney Bublitz. He anticipates bringing the reviewed RFP to the Board for approval during next week's meeting.

EDA Coordinator Wilms reported that the grant will provide for boiler replacement of 60% efficient to 90% efficient boilers.

EDA Coordinator Wilms reported that, during recent EDA meetings, there has been discussion regarding updating the website. He has had discussion with IS Director Milde regarding the possible purchase of software on a 50/50 cost share. He also reported that design work is being performed on a new logo for the County.

HR Director Arrick-Kruger reported that Union agreement allows employees to take a different position within the organization provided they are qualified for said position. On the recommendation of HR Director Arrick-Kruger and PHN Director Rock, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to hire Cindy Thorson for the position of Office Support Specialist in the Public Health department. HR Director Arrick-Kruger indicated that PHN Director Rock and HS Director Wilms will work together to coordinate the transition.

On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to hire Arlie Blexrud as a 67 day employee to work as a Veterans Service driver as needed.

Based on the full support of his department head, HR Director Arrick-Kruger recommended Jordan Wilms be moved from probationary to regular status employment effective June 8, 2010. She indicated that his position as EDA Coordinator is beneficial to the county and also the business community. He has secured grants in amounts which have more than justified the position. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to move Jordan Wilms from probationary to regular status employment effective June 8th.

File No. 4a -- HR Director Arrick-Kruger provided a reminder to the members of the Board that Andrew Milde is approaching his six month trial period and a mid-term review should be scheduled and/or performed per county policy.

File No. 5 -- Received and filed from the Viking Ridge Riders was a Maintenance and Grooming application. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-41

BE IT RESOLVED By the Board of County Commissioners, Houston County, Minnesota, that it approves the application of the Viking Ridge Riders and authorizes the Board Chairman and the County Auditor to sign an agreement with the Department of Natural Resources

File No. 6 -- Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve an abatement for Jerry Von Arx on parcel #14.0161.001, being a reduction of \$934.00 due to incorrect classification.

Chairperson Connery reported that there will be an IRS audit of payroll taxes conducted. He expressed concern that payroll accounting should be subject to supervision by the finance department.

Zoning Administrator Scanlan provided information regarding a site visit to the Ingvalson and Eric Nelson farms for information gathering purposes only. Those wishing to attend should meet in at 1:00 p.m. in the Courthouse lobby today.

Commissioner Augedahl reported on a MN Department of Health meeting which he attended.

Commissioner Bjerke reported on an EDA meeting which he attended.

Commissioner Miller reported on a meeting he attended in La Crescent.

Commissioner Connery reported on the District AMC meeting which he attended with Commissioner Miller.

Commissioner Miller reported on a standing committee meeting where members met with representatives of the Sheldon Town Board regarding the town plat.

Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to place on file the following items from the consent agenda:

File No. 7 -- Correspondence to payroll regarding hire of Katie Stueber

There being no further business and the time being 10:12 a.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, June 1, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, June 1, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Zoning Administrator Scanlan; Environmental Services Director Frank; PHN Director Rock; Diane Sullivan; Mary Thompson; Bob Ellenz; Joe Ellenz; Judy Coursolle; Jail Administrator Schiltz; Arlo Haben; GIS Coordinator Krzoska; Mike Ingvalson

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the May 25, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 12,693.08
Road & Bridge Fund	146,336.81

Total	\$159,029.89
	=====

At this time, John Pristash of Knutson Construction provided a project update with regard to the Justice Center. He reported that the basement is dug, they are working through the permitting process with the State, they expect to begin pouring footings and foundation early next week, soil correction is taking place, the temporary sidewalk has been completed and pre-cast samples will be reviewed and approved later today. Jail Administrator Schiltz reported that the remaining mature tree was removed as a result of root damage resulting from excavation to meet slope requirements which would have resulted in the death of the tree. The tree will be replaced.

File No. 2 – At this time Zoning Administrator Scanlan met with the Board regarding the Ingvalson Hilltop Dairy permit application. Zoning Administrator Scanlan provided criteria and

thresholds which impact the need for an EAW. The first item that would exempt the need for an EAW is capacity less than 1,000 animal units (a.u.). The permit application requests approval for expansion to 967 a.u. The second item is in regard to location near an “environmentally sensitive location” defined as a location within 1,000 feet of a known sinkhole. Zoning Administrator Scanlan reported that, to date, and following numerous tests and inspections by multiple third party professionals, no sinkholes have been found within 1,000 ft of the expansion area. Both Jeff Green of the Minnesota DNR and Calvin Alexander of the University of Minnesota have submitted documentation regarding their findings that no sinkholes were identified. The proposed expansion area is not located in an environmentally sensitive location as defined. Based on the fact that the proposed expansion does not exceed 1,000 a.u. nor is it located within an environmentally sensitive location, it is the recommendation of staff that a negative finding be approved in regard to the need for an EAW. At this time, Mr. Scanlan reminded the Board that they have 30 days within which to make a determination regarding the need for an EAW. The time allowed will expire on Sunday, June 7, 2010. Chairperson Connery requested that Mr. Scanlan read correspondence received from MPCA. Mr. Scanlan read the correspondence. Discussion was held regarding the holding capacity of the liquid basin as submitted in the original plan versus the capacity of the liquid basin as revised.

Judy Coursolle questioned whether additional studies would be conducted in an effort to identify existing sinkholes. Ms. Coursolle indicated that Calvin Alexander has e-mailed both Mr. Frank and Mr. Scanlan with information on additional activities which could be conducted in an effort to exhaust all sinkhole identifying discovery methods. She expressed concern that upon the visual inspections which have been conducted no sinkholes have been identified. However, the area is subject to sinkholes and one may be discovered if the suggestions of Mr. Alexander are exhausted. Zoning Administrator Scanlan is aware that Southeast Minnesota is a karst region and that there is the possibility that sinkholes may develop.

Commissioner Miller inquired what will happen in the event that a sinkhole develops following the completion of the proposed project. Zoning Administrator Scanlan reported that individuals would continue to abide by their manure management plan, and in addition, would be prohibited from spreading manure within a given distance of the sinkhole. Mr. Scanlan stated that rules are written to establish restrictions regarding known sinkholes, of which there are none.

Bob Ellenz indicated that professionals researching the site and surrounding area for the presence of sinkholes did not seek permission to search his property although he would have provided access and assisted in any way possible. Zoning Administrator Scanlan reported that the original engineer inspected an area 2,000 feet south and in excess of 2,000 feet north of the proposed site.

Environmental Services Director Frank reported that he met with Calvin Alexander at the proposed expansion site. They reviewed maps dating from 2008 back to the 1930's from county flyovers, soil conservation and Google maps. Site visits were conducted for areas which were identified on maps as suspect. Throughout this process, no sinkholes have been identified.

Mr. Ellenz inquired whether the revised plans had been submitted to MPCA. Zoning Administrator Scanlan reported that MPCA is not required to review the revised plans. In addition, the revised plans were received this morning and have not been submitted to MPCA for review.

Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve a negative declaration as the Board's findings do not support a need for an EAW and is therefore exempt.

Commissioner Bjerke questioned whether the reduction to 300 day capacity creates any problems for Mr. Ingvalson's manure hauling.

Judy Coursolle requested clarification regarding the motion which was passed because she is having difficulty hearing the discussion.

Ms. Coursolle questioned how the liquid basin plans can so easily be reduced from 10 million gallons to 7 million gallons without further investigation. She expressed concern that there is insufficient data for the revision. Ms. Coursolle requested that the Board research this revision more, prior to making a decision to ensure that there is not a potential for an environmental problem.

Zoning Administrator Scanlan reported that a licensed engineer from the State of Minnesota revised the plans. Engineers take into consideration practices and standards. The liquid basin capacity may be reduced because the surface water and silage leachate will be re-directed across a filter strip for treatment instead of collecting in the liquid basin. The original manure management plan remains intact. There is no need for additional review.

Commissioner Corcoran expressed his opinion that he is in agreement with Zoning Administrator Scanlan that there is no need for additional review by the Planning Commission. Commissioner Miller expressed concern that at any level of government, when there is conflict, there is reliance upon the information and/or opinion provided by someone. He expressed his belief that, in this particular case, Mr. Ingvalson has gone the extra mile and utilizing the data available at this time the Board must move forward on this issue.

File No. 3 -- Judy Coursolle confirmed that the CUP was being considered for approval at this time. It should be noted that correspondence in regard to the Ingvalson Hilltop Farms Dairy Feedlot Expansion from Peters & Peters PLC was distributed prior to the convening of this meeting by Mr. Bob Ellenz to Commissioners. She expressed concern that a decision is being made even though the presence, or lack thereof, of sinkholes has neither been proven nor disproven at this time.

Zoning Administrator Scanlan stressed again that, at this time, there is no known sinkhole within 1,000 feet of the proposed expansion site and therefore there is no basis to delay approval of the expansion. Ms. Coursolle stated that the Ellenz family has been aware of a sinkhole on their property for 30 to 50 years. She requested clarification regarding the definition of sinkhole. She also stated that the sinkhole had been filled.

File No. 4 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve a conditional use order for Mike Ingvalson to expand a feedlot with more than 300 animal units subject to compliance with all federal, state and local regulations and to include screening.

File No. 5 -- Finance Director Bradley requested approval of four policies. The Grants policy will ensure that funding is properly coded and properly accounted for. An Electronic Funds Transfer policy establishes secondary controls. A petty cash policy and also a journal entries policy puts into writing, procedures already in place. Commissioner Bjerke reported that these policies have been reviewed by the investment committee. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the policies as presented.

Following brief discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to change the name of the standing investment committee to finance committee.

PHN Director Rock reported on an opportunity to collaborate with Fillmore County, to apply for grant funding and develop a peer support program for breastfeeding WIC mothers. There are two phases related to this grant. Phase I will provide funding for the program planning and development. Phase II will provide funding to support the program and expenses related to the program.

File No. 6 -- Diane Sullivan reported that the Minnesota WIC program has encouraged local agencies to provide a support group for breastfeeding WIC mothers. The program's goal would be to increase the number of mother's who breastfeed successfully beyond 2 weeks. Currently, approximately 80% of mother's try breastfeeding, the number who are still breastfeeding two weeks later declines sharply to just 9%. The program would seek assistance from mothers with successful breastfeeding experience to assist, encourage and provide support to new mothers who try breastfeeding, but experience difficulty and frustration with continuing to do so. The funding would be utilized to cover staff and training time to get the program functional, compensation for training costs, phone expense, travel time, recruitment, materials, etc. There would be no county funds necessary. Funding to cover staff time involved in the program would be included in the grant. The vision of the program would be to have one peer assigned to 10 to 14 contacts. PHN Director Rock indicated that there could be a need for a 10-15 hour per week coordinator for the program. Any position created and/or filled as a result of the

grant could be directly tied to grant funding and subject to said grant. Mary Thompson reported that, currently, she and Mary Zaffke work with breastfeeding mothers. Securing this grant would free up their time while providing additional contacts and support for breastfeeding mothers. The initial grant is for a one year period. They expect funding to be available for this program for an additional two years. PHN Director Rock indicated that this would present a collaborative opportunity for sharing of staff between Houston and Fillmore counties. She also reported that there have been community members who have expressed a desire to provide assistance for this type of program and Public Health has an intern who has expressed special interest in the program. A successful program has the potential for costs savings by reducing funding for formula to non-breastfeeding mothers, in addition to many health benefits which breastfeeding provides. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the submission of the joint grant application.

Commissioner Augedahl reported on a SCHAC meeting and a Planning and Zoning meeting which he attended.

Commissioner Miller reported on discussion held during a standing committee meeting regarding application for a grant which would support a peer breastfeeding support group.

Commissioner Connery reported on a Trails meeting he attended.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 7 -- Correspondence to payroll regarding hire of Cindy Thorson & Arlie Blehrud, and change of employment status of Jordan Wilms

File No. 8 -- Sign in sheet for guests of the 6/1/2010 Board meeting

There being no further business and the time being 10:14 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, June 8, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, June 8, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Environmental Services Director Frank; HR Director Arrick-Krueger; EDA Coordinator Wilms; Attorney Bublitz; IS Director Milde; Engineer Pogodzinski; Maintenance Foreman Molling; Chief Deputy Sheriff Yeiter; PHN Director Rock

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the June 1, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$39,386.47
Road & Bridge Fund	48,811.32

Total	\$88,197.79
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File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Auditor Meiners reported on a Sentence to Service (STS) contract amendment. The amendment reflects reduced funding by the State, and increased funding on the part of the County. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the contract amendment and to authorize the signatures of Chairperson Connery and Chief Deputy Sheriff Yeiter on behalf of Sheriff Ely.

File No. 4 -- Engineer Pogodzinski reported that he had received one bid for S.A.P. 28-610-19 (Paving) on CSAH 10. The bid submitted is approximately 25% below the engineer's estimate. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to accept the bid of Dunn Blacktop Company in the amount of \$137,158.28 for S.A.P. 28-610-19.

File No. 5 -- Auditor Meiners reported on the beer & liquor licenses renewals. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Liquor, Wine and Beer Licenses effective July 1, 2010 through June 30, 2011, and to authorize the signatures of Auditor Meiners and Chairperson Connery:

LIQUOR LICENSES, WINE AND STRONG BEER

Rushford Golf Club, Inc. dba Ferndale Country Club with Deck
Daniel Joseph Albert dba Skyline Supper Club
Amanda J. Myhre dba Amanda's Back 40 LLC
Ma Cal Grove Country Club, Inc. dba Ma Cal Grove Country Club
Valley High Golf, Inc. dba Valley High Country Club
Rick A. Kowalewski dba Little Miami
Denstad Enterprises, Inc. dba Shellhorn Roadhouse
City of La Crescent dba Pine Creek Golf Course (Wine & Strong Beer)

ON SALE BEER LICENSES

La Crescent Snowmobile Club
City of La Crescent dba Pine Creek Golf Course
Donna Marie & Daniel Earl Boser dba Lawrence Lake Marina
Gopher State Sportsmans Club

OFF SALE BEER LICENSES

La Crescent Snowmobile Club
City of La Crescent dba Pine Creek Golf Course
Donna Marie & Daniel Earl Boser dba Lawrence Lake Marina
Houston Food Mart

At this time, discussion was held regarding the process by which the employee review of Tess Arrick-Kruger will be conducted.

File No. 6 -- Environmental Services Director Frank reported on a variance which was approved by the Board of Adjustment for Richard Wagner of Jefferson Township for a Variance of 45 feet to meet the required 50 foot setback from the west property line to build a shed.

File No. 7 -- Environmental Services Director Frank reported on the history of the Hokyoji Zen Practice Community which has been operating since the late 1970's without

complaint or concern. The conditional use permit approved by the Planning Commission and recommended for approval is after the fact. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the issuance of the following Conditional Use Permit:

Hokyoji Zen Practice Community – Jefferson Township - Operate a church

Environmental Services Director Frank reported that the Milestone Materials Conditional Use Hearing has been tabled. The permit is for expansion of the old Roverud Quarry. An environmental assessment has been completed. There is a need to discuss findings regarding actual property lines prior to action.

File No. 8 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Zoning Permits:

Matthew and Elizabeth Malott – Brownsville Township - Build house (50' x 40') garage (36' x 30') deck (10' x 20')

Bob Chase – Mound Prairie Township - Install sign (3' x 5')

Dennis Holte – Black Hammer Township - Build addition on existing pole shed (64' x 112')

Mark and Dawn Tewes – Caledonia Township - Replace existing barn with pole shed (40' x 80')

Chris Lorenz – Hokah Township - Excavation of flood damaged field

Daniel Krage – Sheldon Township - Build lean-to on barn (20' x 64')

Ken Johnston – Money Creek Township - Build dwelling (22' x 28') porch (10' x 22') storage (20' x 28')

Curt and Stephanie Mann – Mayville Township - Build deck (16' x 20')

Bruce Nelson – Sheldon Township - Replace manufactured home (26' 8" x 76')

Julann Twite – Crooked Creek Township - Build a screened in porch (15' x 26')

Myron and Neil Mathison – Black Hammer Township - Install a mobile

home (16' x 80')

Jacob and Katherine Olson – Union Township - Build pole shed (48' x 64')
– replace existing shed

JC Land Management LLP – Spring Grove Township - Install billboard
(14' x 10')

Yucatan Properties LLC/Thomas Ferris – Yucatan Township - Build a deck
(11' 8" x 20' 4")

Stanley and Linda Bahr – Union Township - Build house and porch (32' x
54') garage (24' x 27')

Andrew and Meghan Von Arx – Brownsville Township - Build shed (20' x
45') with 14' lean-to

Russel and Diane Hummel – Money Creek Township - Build deck (6' x
52')

Robert Nagel – Houston Township - Replace deck on blocks (destroyed by
fire) (8' x 14')

Gary Anderson – Houston Township - Build shop (40' x 48')

Tom and Lynn Colsch – Caledonia Township - Build house (53' x 42')
garage (42' x 32') porch (27' x 8') deck (26' x 10')

Mikal and Amy Sylling – Wilmington Township - Build house (30' x 62')
garage (30' x 36') covered porch (10' x 20')

Houston County / Root River SWCD – Spring Grove Township - Construct
2 flood control structures

Robert Von Arx – Union Township - Do stream bank repair and debris
removal

Steve and Darla Zahn – Jefferson Township - Build addition to house with
garage and deck (56' x 40')

Gary and Denise Wiemerslage – Wilmington Township - Build pole shed
for machinery (40' x 64')

Environmental Services Director Frank reported that he has met with the Attorney who he has been working with on the revision to the County Solid Waste Ordinances. He has reviewed the revisions to city ordinances and provided feedback regarding them. The next step will be to provide drafts of the ordinances to the Public Works Committee and the cities.

File No. 9 -- HR Director Arrick-Kruger recommended the hire of Kelly Petersen for the position of Office Support Specialist in Public Health. PHN Director Rock reported that Ms. Petersen has experience with long term care, good technical skills and clinical background. PHN Director Rock expressed appreciation for the Human Resources Office who assisted with scheduling interviews, and was very accommodating to her office which resulted in the ability to fill these vacancies quickly. She also expressed her appreciation for HS Director Wilms' assistance in making the transition of Cindy Thorson a smooth one. PHN Director Rock reported that several candidates provided positive comments with regard to why they wanted to be an employee of Houston County. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to hire Kelly Petersen at step 2 of the appropriate wage scale effective June 28, 2010.

HR Director Arrick-Kruger reported that, due to the resignation of a 67 day employee, her office will be advertising for a 67 day employee for the La Crescent drop-site.

At this time, HR Director Arrick-Kruger has decided not to make a banding recommendation regarding the position of the network administrator/digital evidence technician.

File No. 10 -- HR Director Arrick-Kruger reported that the RFP for courthouse boiler replacement is complete. The RFP has been reviewed by County Attorney Bublitz. HR Director Arrick-Kruger expressed appreciation for the work of EDA Coordinator Wilms on this project. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the RFP for courthouse boiler replacement and authorize the project to move forward.

HR Director provided a reminder regarding the health benefits informational sessions to be hosted later today.

File No. 11 -- IS Director Milde requested authorization to purchase website development software in the amount of \$1,754.21, and also a card printer for Human Resources in the amount of 1,435.06. He reported that the website development software expense will be shared equally between IS and EDA. Human Resources utilizes the card printer to imprint the image on ID badges. The current printer is six years old and there have been maintenance issues recently which have prompted the purchase of a replacement unit. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the purchase of both the website development software and also a card printer for Human Resources.

At this time, the board recessed.

The time being 10:09 a.m. the Board reconvened.

At the request of Attorney Bublitz, the Board went into closed session to discuss pending litigation.

The time being 10:29 a.m., meeting returned to open session.

Commissioner Corcoran reported on a La Crosse Solid Waste and an Extension meeting which he attended.

Commissioner Bjerke reported on a PSAP and a water planning meeting which he attended.

Commissioner Miller reported on a meeting with the study committee for PSAP which he attended.

Commissioner Connery reported on a HVMHC meeting which he attended.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 12 -- Correspondence from Southern Minnesota
Tourism Association requesting financial support

There being no further business and the time being 10:30 a.m., motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, June 15, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, June 15, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, and Tom Bjerke

Others Present: Deputy Auditor Quinn; Reporters Warner & Moorhead; Carla Blahnik; Yvonne Krogstad; Finance Director Bradley; Sheriff Ely; Scott Siegersma; Danielle Burg; HS Director Wilms; HS Accountant Bahr

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the June 8, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 51,069.90
Road & Bridge Fund	118,400.00

Total	\$169,469.90
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File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve license center disbursements.

At this time, the Board agreed to take a 5 minute recess.

The time being 9:28 a.m., the Board reconvened in regular session.

Yvonne Krogstad inquired what the summons listed on the agenda was, and why the Board felt it necessary to hire an outside attorney. Ms. Krogstad expressed her opinion that this could have been avoided. Commissioner Bjerke explained the County's coverage regarding litigation.

The Board agreed to recess until the scheduled 10:00 a.m. appointment arrived or until a time when the Human Services meeting could convene.

The time being 9:35 a.m., the Board reconvened in regular session.

Sheriff Ely reported that Digital Evidence Technician, Lindsay Pierce, has been awarded a laptop from Target Corporation. No software is included with this gift. On the recommendation of Sheriff Ely, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to accept the laptop at market value and to have the Sheriff's Department send a letter of appreciation.

The time being 9:41 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to recess the regular scheduled meeting to convene the Human Services meeting.

The time being 10:14 the Board reconvened in regular session.

Carla Blahnik, of the State Auditor's Office, met with the Board and reported that her office will begin the financial portion of the audit. She reported that her agency's responsibilities include performing the audit and expressing an opinion regarding the County financial statements, to provide reasonable assurance that the financial statements are sound, to consider internal controls and to communicate significant matters to the Board. The County has the responsibility to provide requested documentation and to ensure that financial records are accurate, complete and made available to the auditors, and to implement appropriate corrective measures where indicated. Ms. Blahnik reported that they will be primarily auditing large accounts. In addition, they will review relationships between accounts and financial statements for anything that appears to be significantly out of balance.

Ms. Blahnik reported that her office has completed some single audit work in regard to specific programs. A findings report will be prepared in this regard.

She indicated that the financial audit is expected to take 3 to 4 weeks, and any fraudulent activity will be immediately reported. Ms. Blahnik affirmed that the County contact person is Finance Director Bradley and that Chairperson Connery would be an additional contact person.

Chairperson Connery inquired whether recent Securities and Exchange Commission regulations regarding identity theft prevention programs impacts the County. Ms. Blahnik responded that she is unaware of any County implications and will follow up if she learns differently.

Yvonne Krogstad inquired why the Board accepted the recommendation of the land use committee two years ago when, in her opinion, the land use committee was not taking into consideration the wishes of constituents. Commissioner Bjerke explained that when litigation is threatened and/or pending the County acts under the advisement of counsel.

File No. 3 -- Danielle Burg and Scott Siegersma representing ICAN met with the Board to provide an overview of the ICAN program and services. Ms. Burg provided a history of the company which started in 2000. She provided information on staff, staff longevity, tax status, real estate holdings, and client numbers and on their ability to maintain client services despite reductions in State associated funding streams. Ms. Burg was pleased to report that some services offered through ICAN can cost as much as \$4.00 per hour less than other providers. Scott Siegersma reported on his position with ICAN, the benefits resulting from low staff turnover and reasons he believes there is little staff turnover at ICAN. Commissioner Miller inquired what population is served by their company. Mr. Siegersma reported that clients include persons ranging from age 21 to 64. Many of the clients have developmental disabilities. However, ICAN also provides services to an individual who has experienced a traumatic brain injury. HS Director Wilms indicated that they are an option for clients, just as ABLE is an option for similar services. The services provided by either agency are largely waiver funded. It is rare that a client would be one to private pay. HS Director Wilms expressed her opinion that it is important to offer clients options. Some clients will benefit from receiving services provided by the smaller organization as opposed to those provided by a larger organization and vice versa. Each organization is unique. Ms. Burg indicated that ICAN desires to expand its organization and wishes to be considered when there are clients in need of services which her organization provides.

Commissioner's Augedahl and Connery reported on a Semcac meeting which they attended.

Commissioner Bjerke reported on an insurance committee meeting and a Regional Radio Board meeting which he attended.

Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to place on file the following items from the consent agenda:

File No. 4 -- Correspondence to payroll regarding the hire of Kelly Petersen

File No. 5 -- Correspondence to Hank Koch regarding tons delivered to Xcel

File No. 6 -- Correspondence from Benson Technical Works, Inc.

File No. 7 -- Summons from Landowners Concerned About Property Rights

File No. 8 -- Correspondence to MCIT regarding summons from Landowners Concerned About Property Rights

There being no further business and the time being 10:47 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, June 22, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, June 22, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Jim Nissen; Sheriff Ely; Mr. Wieser; Environmental Services Director Frank; PHN Director Rock; HR Director Arrick-Kruger; Engineer Pogodzinski; Finance Director Bradley; Recorder Bauer; HS Accountant Bahr; HS Director Wilms

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the June 15, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$187,559.36
Road & Bridge Fund	35,482.50

Total	\$223,041.86
	=====

File No. 2 -- At this time, Jim Nissen, U.S. Fish and Wildlife Service, met with the Board and reported that Houston County received a payment of \$33,922.00 for Refuge Revenue Sharing. This is compensation for the loss of tax revenue on lands that are part of the National Wildlife Refuge System. The funds are derived from economic uses on the refuges. The amount approved for 2010 is equal to 30.7% of the full entitlement amount. The payment issued to Houston County in 2010 is \$743.00 greater than that which was issued in 2009.

File No. 3 -- Mr. Nissen reported on the status of the Pool 8 Islands Habitat Rehabilitation and Enhancement Project. Eight islands are being constructed in 2010. It is expected that all eight islands will be completed in 2011. In addition, JF Brennan has been awarded the bid for the construction of the final three islands.

File No. 4 -- Mr. Nissen reported that, all buildings on the 664 acre tract of land adjacent to County Highway 26 which was acquired by the U.S. Fish and Wildlife Service in 2009, have been removed. Currently, a hydrogeomorphic study is being conducted that will be used to develop a use plan for the property. In the short term, farming operations will continue. The property is also available for deer hunting, hiking, cross country skiing and bird watching.

Sheriff Ely reported that recently a squad car was damaged when it struck a deer. The damage was estimated at \$1,056.00. Parts have been ordered and repairs will be completed soon.

Sheriff Ely reported that a new 2010 car has been ordered. The car was budgeted for. The dealership placed a courtesy call to Sheriff Ely to notify him that pricing he had received would be expiring and new pricing on 2011 models was unavailable. Sheriff Ely indicated that he will be returning to the Board to discuss disposal options for the squad car that is being replaced.

Sheriff Ely reported that he recently attended a Radio Board meeting with Commissioner Bjerke and Chief Deputy Sheriff Yeiter.

Sheriff Ely reported that he has received numerous complaints regarding speeding on the Highway 16 posted detour. The detour is State run and the State is responsible for speed enforcement. However, Deputies may issue tickets also. Sheriff Ely has informed the State of the concerns.

Sheriff Ely expressed concern that State Troopers are often unavailable in outstate Minnesota. County resources are often responsible for accident response on State roadways. The County calls in the accidents and it is very common that there are no Troopers within an hour of the scene. Often County Deputies complete necessary tasks associated with a minor accident. In the event of a critical accident, the County waits for a State Trooper to arrive and take over the duties.

File No. 5 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the minutes of the June 15, 2010 Board of Equalization meeting.

File No. 6 -- Auditor Meiners reported on the requirement that Counties have an AB Ballot Board and a resolution authorizing such. Following discussion, motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to adopt following resolution:

RESOLUTION NO. 10-42

RESOLUTION AUTHORIZING A COUNTY ABSENTEE BALLOT BOARD

WHEREAS, Houston County is permitted by Minnesota Statute 203B.13, Subd. 1 to authorize a County Absentee Ballot Board effective April 27, 2010; and

WHEREAS, this authorization will bring uniformity in the processing of accepting or rejecting returned absentee ballots to the Houston County Auditor that would consist of a sufficient number of election judges as provided in sections 204B.19 to 204B.22; and

WHEREAS this will eliminate the need for election judges to perform this technical and time consuming task on election day wherein the county absentee ballot board can begin this process 46 days prior to an election; and

WHEREAS this will speed the processing of accepted absentee ballots delivered to the precincts to be incorporated into the vote counts on election day; giving election judges more available time for the voters at the polls and

THEREFORE, BE IT RESOLVED THAT, the Houston County Board of Commissioners hereby authorizes the Houston County Auditor to implement a County Absentee Ballot Board that would consist of a sufficient number of election judges as provided in sections 204B.19 to 204B.22 to perform the task.

On the recommendation of Auditor Meiners, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to cancel both the August 10 and November 1, 2010 scheduled Board meetings and to schedule a Board meeting for November 30, 2010.

File No. 7 -- On the recommendation of Auditor Meiners, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve a tax abatement on parcel #26.0224.000 in the amount of 168.03 for a code 80 special assessment which was collected by the city.

Veteran Service Director Gross reported that the family of Richard Penrose has asked that Veteran Service accept memorials donated in Mr. Penrose's honor. They request the memorial donations be used to assist other veterans in Houston County. Veteran Service Director Gross reported that to date \$455.00 has been received, and he requested the Board to authorize the acceptance of said donations in addition to any others which come in Mr. Penrose's honor. Veteran Service Director Gross indicated that there have been many legislative changes which may impact Houston County Veterans and the donations could be used to advertise these changes. Motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to accept all donations resulting from memorials of Mr. Penrose and to issue a letter of appreciation.

File No. 8 -- Ralph Tuck and Environmental Services Director Frank presented information regarding a Wetland Application of WB Properties, LLP (Wieser Brothers). The TEP panel is recommending approval of the revised application for no loss/exemption. Mr. Tuck reported that he has reviewed the site, placement of fill will be monitored and fill is to be clean

with no broken concrete or asphalt. Commissioner Miller expressed appreciation for having a business, such as Wieser Brothers, in the La Crescent community. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the wetland application of WB Properties, LLP as no loss/exempt.

Ralph Tuck reported that the low bidder for a Bear Creek Watershed project has secured the required bonding, has been offered the contract and been authorized to proceed. This project will drain in excess of 2,000 acres once completed. Mr. Tuck indicated that his office is working through permitting issues at this time and expects the project to begin in July. Mr. Tuck indicated that he will return to the board with a wetland application for this project in the future.

File No. 9 -- HR Director Arrick-Kruger reported that, following review of the listing of Roster Home Health Aides and taking into consideration the numerous attributes of several candidates, it is the recommendation of both she and PHN Director Rock to hire the following three individuals; Barry Stahl, Laurie Meyer and Dorothy Schulte. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to hire Barry Stahl, Laurie Meyer and Dorothy Schulte as Roster Home Health Aides.

File No. 10 -- HR Director Arrick-Kruger recommended approval of an agreement with TASC, the Houston County flex account administrator, providing for HIPPA compliance. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the agreement with TASC.

HR Director Arrick-Kruger reported that recently the courthouse AC unit suffered some parts failure. The parts have been ordered and are scheduled to be installed later this week. This equipment failure has resulted in great difficulty maintaining a comfortable temperature throughout the building. HR Director Arrick-Kruger reported that funds are available to cover the cost of repairs and requested authorization to spend up to \$2,000.00 to have the unit repaired. An estimate for repairs is \$1,700.00. Motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to authorize AC unit repairs in an amount not to exceed \$2,000.00.

HR Director Arrick-Kruger provided a reminder about the department head meeting to be held later today. She indicated that she will be presenting a Data Practices Policy and Compliance Manual.

As a follow-up to recent healthcare benefits presentations, Finance Director Bradley, HR Director Arrick-Kruger and healthcare consultants will be organizing a series of round table discussions to gather employee sentiment. These round table discussions will be hosted in lieu of another survey.

File No. 11 -- Finance Director Bradley reported on budget amendment requests from Highway and Human Services. Finance Director Bradley, Engineer Pogodzinski and HS

Accountant Bahr recapped account details outlined on the request forms. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the budget amendment requests of both the Highway and Human Services departments as presented.

HS Director Wilms reported that the department is over budget by approximately \$33,000.00 in two accounts. Both accounts are for expenses related to court ordered placement. The history of these accounts shows the volatility of the expenses and difficulty in projecting the annual expenses. She reported that Houston County Social Workers may work with Courts and probation regarding individuals subject to court ordered placement. However, the Department of Corrections makes the final determination which Human Services is financially responsible for.

Finance Director Bradley reported that Human Services claims are not processed in the same way as other County claims, and in an effort to provide consistency, he is recommending that Human Services claims be processed on a weekly basis in the same manner as other County claims. This procedural change has been presented to the State Auditor who has indicated that this is an acceptable change. Finance Director Bradley will implement the change starting next week.

File No. 12 -- Recorder Bauer reported that her office has been a satellite office for providing UCC filing and retrieval services. The agreement is up for renewal. Attorney Publitz has reviewed the agreement. Recorder Bauer reported that in 2008 there was \$4,022.00 in revenue, in 2009 there was \$5,860.00, to date this year there has been \$3,700.00 in revenue. The revenue trend continues to increase, therefore Recorder Bauer is recommending approval of the new agreement. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the Satellite Office Agreement.

Recorder Bauer reported that legislative changes will impact ex-officio notaries. Ex-officio notaries include the recorder and auditor, their deputies, city and town clerks and commissioners. Legislative changes require that each person exercising ex-officio notary powers have their own personal stamp. This is an expense that was not budgeted for. Recorder Bauer is currently trying to find out the effective date of the change.

Commissioner Augedahl reported on an emergency management services meeting which he attended and also accomplishments as reported by Workforce Development.

Commissioner Bjerke reported on the Board of Equalization meeting he attended.

Commissioner Miller reported on an Active Living meeting which he attended.

Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to place on file the following items from the consent agenda:

File No. 13 -- Correspondence from MCIT regarding community action agency membership in MCIT

File No. 14 -- Correspondence from MCIT regarding summons

File No. 15 -- Application for Building Permit w/MN Dept Labor & Industry regarding Justice Center

File No. 16 -- Correspondence from Budd-Falen Law Offices

There being no further business and the time being 10:40 a.m., motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, July 6, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, July 6, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; Jail Administrator Schiltz; John Pristash; HS Director Wilms; Attorney Bublitz; Emergency Manager Kuhlert; HR Director Arrick-Kruger; IS Director Milde; HS Accountant Bahr; Mike Murphy; Frank Mahr; Nick Jones; Brad Freiling

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the June 29, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$126,533.38
Road & Bridge Fund	204,859.74

Total	\$331,393.12
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File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve license center disbursements.

File No. 3 -- IS Director Milde requested authorization to purchase a new server for the highway department. The current server will not meet the needs of the new Civil 3D software which Highway is required to migrate to. The expense has been budgeted for with half of the proceeds coming from the Highway Department budget and half coming from the IS budget. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to authorize IS Director Milde to purchase a new server for Highway in the amount of \$15,502.80.

John Pristash reported that phase I of the waterline project and soil corrections have been completed. In addition, the historic jail sanitary line was discovered and has been successfully re-routed. Mr. Pristash indicated that the first wall pour is set to take place tomorrow morning. He also reported that, in spite of the rain, the project remains on track.

File No. 4 -- At this time, Mike Murphy met with the Board on behalf of Frank Mahr, Brad Freilinger, and Nick Jones. Mr. Mahr submitted a bid for S.P. 28-605-14, Mr. Freilinger submitted a bid for S.P. 28-605-13, and Mr. Jones submitted a bid for S.P. 28-605-15, and each was the low bidder for the project they submitted bids for. Mr. Murphy provided an overview of the timeline, bidding process and options by which contractors obtain bid information. He also reported that the three contractors submitting bids were the low bidders providing the County with a combined savings of approximately \$150,000.00. Mr. Murphy indicated that he would like to see these firms to be awarded the projects. The contractors were not responsible for missing the addenda. The contractors are also willing to sign and finalize the bids. The addenda for the above referenced projects have no direct impact on pricing. Commissioner Miller questioned how the contractors submitting bids could be unaware of the addenda, and how the addenda would not affect bid amounts. It was pointed out that the addenda pertained to material suppliers. The suppliers were aware of the addenda and bid accordingly. Therefore, there has been no impact to the bid. Mr. Murphy is concerned that bids could be rejected based solely on the unacknowledged addenda. Engineer Pogodzinski reported that, because these are Federal projects and the original bids were not submitted with the required acknowledgement of addenda, the County is unable to accept the bids. The County has the option to reject all bids and rebid the projects. However, this process would delay the project by six weeks, and to retain Federal funding which has been awarded, the first building site must begin in 2010. Mr. Murphy stated that the bidders were not provided the addenda through no fault of theirs, but at the fault of Docunet who was hired by the County.

Emergency Manager Kuhlert reported on flood damage which occurred between June 17 and 26, 2010. A FEMA declaration has been passed to cover storm, tornado and flood damage in several neighboring communities. Three townships within Houston County suffered significant damages due to flooding. Preliminary damage estimates have been gathered and come in well above the FEMA assistance thresholds for qualification. Reports are being completed to be submitted to the State in hopes of qualifying for the FEMA declaration which was passed for neighboring communities. Culvert damage, rip rap used to repair 2008 flood damage, infrastructure and crop damage add up to over a half a million dollars.

File No. 5 -- Emergency Manager Kuhlert reported that the Southeast Minnesota Region 1 Joint Powers Board has been established and has begun conducting business. As a result, the Joint Powers Board (JPB) is in need of operating capital. During the June 25, 2010 meeting of the JPB it was approved to invoice members \$1,000.00 each. Emergency Manager Kuhlert is unsure whether funds are available within the Sheriff's Department budget or not. Emergency Manager Kuhlert reported that duties as fiscal agent and primary legal counsel will rotate among members on a three year rotation. At present, Olmsted County has been made the fiscal agent,

and Dodge County has been made primary legal counsel. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to authorize payment of the JPB invoice in the amount of \$1,000.00, amount to be paid from the Sheriff's Department budget if available.

Emergency Manager Kuhlers reported that there is a significant amount of funding available through federal grants provided the County can come up with minimal amounts to cover overages. A regional grant in the amount of approximately \$19,672.26 is available for use in purchasing an ITV system and one year maintenance agreement for the Justice Center at a cost of \$20,609.26. The County would be required to cover the balance necessary in the amount of \$937.00. The grant expires in September and Board action will be required prior to its expiration. Chairperson Connery instructed Emergency Manager Kuhlers to work with Finance Director Bradley to identify where the funding could come from. There is also a Regional Radio Board grant in the amount of \$18,562.50 available for the purchase of interoperable radios. This grant could fund the purchase of three radios capable of communicating with both 800 MHz and VHF. The County would need to fund an estimated \$280.00 shortfall prior to the expiration of the grant in March. Commissioner Bjerke indicated that, since it is the Sheriff's Department which would most greatly benefit from the radios, the funding for the shortfall should come from their budget.

Emergency Manager Kuhlers reported that siren installation was originally planned to begin today. However, they are waiting on the poles which the sirens will be mounted to and expect installation to begin next week. Emergency Manager Kuhlers reported that \$14,800.00 remains of the total grant award. There has been discussion regarding a desire to place an additional siren in the City of La Crescent in the Shore Acres area. If the addition of another siren is approved, there would be a need to fund the cost of the pole in the amount \$69.00.

File No. 6 -- Auditor Meiners reported that Engineer Pogodzinski has recommended the renewal of the Airport Lot Lease for Charles Rollins Lot 12. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the lease with Charles Rollins for Lot 12 for a period of one year, expiring on June 30, 2011 and to authorize the signatures of Chairperson Connery and Auditor Meiners.

File No. 7 -- At this time, discussion was held regarding non-county employees serving on county committees and the per diem and/or mileage paid. Chairperson Connery queried whether the ABC Board reimbursed any of its members. HS Director Wilms responded that they do not, and non-payment of per diems and/or mileage isn't expected to impact participation. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to discontinue the practice of reimbursing mileage for individuals serving on the ABC Board. No per diem is paid to ABC Board members. Auditor Meiners will send correspondence to committee members in this regard.

File No. 8 -- Auditor Meiners reported that Ralph Tuck and a supervisor on the RRSWC Board will be in attendance at the Water Management Summit. It was agreed that as long as Mr.

Tuck is attending the Water Management Summit, there is no need to send additional county staff.

File No. 9 -- Auditor Meiners reported that the contract and agreement in regard to the SE MN Workforce Investment Joint Powers Board are renewals of previous contracts which have been addressed and require no action of the Board. They are file copies.

Attorney Bublitz reported on a State contract which would provide between \$200.00 and \$400.00 of reimbursement to Human Services staff who conduct home visits at the request of private attorney's. Previously, there was no reimbursement, and Human Services did not conduct many, if any, of these requested visits. Human Services will continue to have the option to decline performing the visit if there is no staff available to conduct the visit. The contract is simple. However, there is a date change necessary. Once a final contract is received it will be presented to the Board for approval.

File No. 10 -- HS Accountant Bahr reported on the Intraoffice Mileage and Travel Time Policy. She expects the policy to result in some cost savings. The policy mirrors that of the Public Health Nursing Department, and will provide clarification and consistency. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the Intraoffice Mileage and Travel Time Policy pending the approval of County Attorney Bublitz.

Pursuant to M.S. 13D.05 subd. 3(b) Attorney Bublitz requested the Board convene a closed session at 9:50 a.m. to discuss matters protected by attorney-client privilege. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to go into closed session.

The time being 10:00 a.m. the Board reconvened in open session. The Board took a brief break.

Environmental Services Director Frank reported that his office has recently been notified that they are the recipient of a grant in the amount of approximately \$9,000.00 to upgrade the GIS system to include septic system data. The original grant application requested \$33,000.00 which would have provided funding to complete the project. Environmental Services Director Frank expressed his desire to utilize the funding to increase the FTE of Holly Felten by .3 until the funding has been expended at which time the FTE would return to the pre-award amount. It has been estimated that the grant would provide funding for the increased FTE thru the end of the year. Commissioner Bjerke expressed concern with starting the project without adequate funding to complete it. Commissioner Miller questioned whether the grant was renewable. HR Director Arrick-Kruger questioned the hesitation to utilize the funding awarded to start the project. Commissioner Bjerke again expressed concern that, if the project begins without being fully funded, there would be a desire to leverage county funding in the event that the State funding was not renewable to complete the project. Commissioner Corcoran agreed and provided information

on a very similar situation. Environmental Services Director Frank reported that, even though State budget issues have resulted in a reduction of wetland and shore land funding, it has not affected feedlot funding. Houston County feedlot grants have actually increased due to superior performance, due to feedlot grant incentives which are based on performance. Environmental Services Director Frank empathized with the Commissioner's concerns and will find out whether future funding will be available or whether the grant will be renewable.

File No. 11 -- Environmental Services Director Frank requested authorization to hire two 67 day employees to work at the County drop-sites. He reported that recently a drop-site supervisor working at the Hokah site submitted his resignation and he would like to hire David Stewart to fill the vacancy. In addition, he would like to hire Ryan Frank to fill in for employees who call in and are unable to work their scheduled shifts. Because Ryan Frank is a related party, HR Director Arrick-Kruger would be the direct supervisor. HR Director Arrick-Kruger reported that Ryan Frank is qualified and extra care has been taken to ensure he is the most qualified candidate for the position. Motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to hire both David Stewart and Ryan Frank as 67 day employees as drop-site supervisors.

HR Director Arrick-Kruger requested that ad hoc positions be added to the insurance committee membership. She suggested ad hoc positions to provide for two members per collective bargaining unit. Commissioner Bjerke expressed concern and requested that a meeting of the insurance committee be called to discuss the addition of ad hoc positions. It was agreed that the insurance committee would meet to discuss ad hoc membership and return to the Board with a recommendation.

Chairperson Connery reported that, in regard to the upcoming evaluation of HR Director Arrick-Kruger, individual commissioners are to submit their evaluations to Attorney Bublitz who will compile the results and retain the individual submissions. The evaluations are to be submitted to Attorney Bublitz by Thursday, July 8, and the employee evaluation of Ms. Arrick-Kruger is to be scheduled for the next regularly scheduled Board meeting.

HR Director Arrick-Kruger reported that there a possibility that there could be asbestos in the refractory of the boilers to be replaced. As a precaution, it will be ordered that samples be taken to test for asbestos. She reported that there are funds available in the maintenance budget to cover the testing of samples.

Pursuant to M.S. 13D.05 subd. 3(b) Attorney Bublitz requested the Board convene a closed session at 10:29 a.m. to discuss matters protected by attorney-client privilege. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to go into closed session.

The time being 10:56 a.m. the Board reconvened in open session.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to reject all bids for S.P. 28-605-13, S.P. 28-605-14, and S.P. 28-605-15 and to advertise the projects for re-bid.

Commissioner Bjerke reported on a water meeting which he recently attended.

Commissioner Miller reported on a roundtable discussion regarding insurance which he attended.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 12 -- Correspondence to payroll regarding the hire of several Roster HHA's

There being no further business and the time being 10:59 a.m., motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, July 13, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, July 13, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; Sheriff Ely; HR Director Arrick-Kruger; Finance Director Bradley; Jail Administrator Schiltz; Eric Benson; Environmental Services Director Frank; Ralph Tuck; EDA Coordinator Jordan Wilms; Sheriff Ely; See File A1 for a listing of additional guests

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the July 6, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$49,427.00
Road & Bridge Fund	21,520.83

Total	\$70,947.83
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File No. 2 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Engineer Pogodzinski reported on the following bids, received until 1:00 p.m. on June 14, 2010, for S.P. 28-605-12:

Griffin Construction Company, Inc.	\$2,026,192.78
Chatfield, MN	

JB Holland Construction, Inc. Decorah, IA	\$2,093,221.00
Reilly Construction Company, Inc. Ossian, IA	\$2,139,825.16
CJ Moyna 4 Sons, Inc. Elkader, IA	\$2,340,041.28

Engineer Pogodzinski commented that the low bid came in approximately 10% below the engineer's estimate. Other bids exceeded the engineer's estimate by approximately 3-5%. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to accept the low bid of Griffin Construction Company, Inc. in the amount of \$2,026,192.78.

Engineer Pogodzinski reported on a single bid which was received for the Jet A fuel. The bid, provided by Krause Oil, was in the amount of \$0.94 per gallon. Engineer Pogodzinski indicated that there was approximately 2,600 gallons of Jet A fuel. The options in regard to the fuel are to retest the fuel or accept the bid. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to accept the bid of Krause Oil in the amount of \$0.94 per gallon.

Engineer Pogodzinski reported that, in regard to the Riceford bridge project, the working days will begin Monday. However, the contractor will not be on the site until July 26th. The bridge will remain open to traffic until the contractor arrives, at which time the bridge will be closed to traffic for approximately six weeks.

Engineer Pogodzinski reported that County 249, near the church, is now closed and it is expected to remain closed for a few weeks. Signs to this affect have been posted for some time.

Sheriff Ely reported that there are nine vehicles available in the event the Board approves moving forward with a county auction. He indicated that some of the vehicles are nice, which is not typical of forfeiture vehicles. He also reported that Fourth of July celebrations in Eitzen were uneventful for law enforcement.

File No. 4 -- Auditor Meiners reported that she has been gathering a list of items which area government entities would be interested in selling at a county auction. Both the Sheriff's Department and the City of Spring Grove have vehicles to be included. Auditor Meiners reported that, historically, the county has required the auctioneer to publish an ad which refers interested parties to the auctioneer's website for sale bill. Last year, the successful bidder did not have a website and missed the publishing deadline for the local newspaper. Commissioner Corcoran suggested that the county publish a short version of the auction items to ensure a minimal amount of advertising of the items. In addition, the auctioneer would have the option do additional

advertising. Possible dates for the sale were discussed. Commissioner Miller inquired whether it would be beneficial to gather additional data prior to making a decision. Sheriff Ely reported that his department is renting storage space on the fairgrounds and is required to move the cars stored there prior to August 1st. He is also required to keep these items stored and secure which creates issues. Sheriff Ely indicated that proceeds from forfeiture items could be used to cover the cost of advertising. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to schedule a county auction to be held at the Highway Department on Tuesday, August 17, 2010, and to have the county advertise a short version of the auction bill with the advertising cost to be covered by the Sheriff's Department forfeiture proceeds.

Auditor Meiners reported that the Wildcat Lottery will be conducted soon. She questioned commissioners on the Wildcat Park Committee if a meeting should be scheduled to discuss questions regarding the lottery and fees. Commissioner Miller expressed his desire to schedule a meeting. Commissioner Corcoran requested that the Auditor's Office survey area campgrounds.

File No. 5 -- Auditor Meiners reported that each year the county appropriates a set dollar amount to each of the county's ambulance and first responder crews. The county has required financial reports prior to dispersing the funds. Auditor Meiners has reports from each organization. She inquired whether the commissioners wish to continue the financial statement requirement. It was agreed that the county will continue to require the reporting. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to disburse payments to these organizations.

File No. 6 -- Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve an abatement for Gregory and Lauri Theisen on parcels #10.0021.004 and 10.0113.000, being a reduction of \$2,066.00 due to incorrect classification.

File No. 7 -- Ralph Tuck requested the Board consider approval of two wetland applications. The first application is on behalf of Root River SWCD and would allow for the construction of an earthen dam that would collect runoff of 1,900 acres of drainage area. This will impact wetlands in two ways. The first impact will be placing fill in a wetland to create the dam. The second impact will be the pool area which will fill wetlands with 2 meters of water creating a deepwater habitat where wetlands had been. The TEP panel has reviewed the application, determined that the project meets the criteria for exemption and recommends approval. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the exemption application. Mr. Tuck reported that additional permits in regard to this project are still needed and have been applied for. Modifications to the plans have been made in an effort to appease the DNR who has concern regarding increasing water temperatures of a nearby trout stream as a result of the project and construction is expected to begin in mid July.

File No. 8 -- Ralph Tuck reported that the second application, submitted by Northern Natural Gas Company, is for no loss/temporary impact exemption. Proposed work will temporarily impact 500 square feet of wetland. The Company has submitted the appropriate bond. On the recommendation of the TEP panel, motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve the same.

Environmental Services Director Frank reported that the county has been awarded a grant in the amount of \$9,700.00 to index and post to GIS septic system data. The grant is the result of a competitive grant application for Legacy funds. Legacy funds are not guaranteed, and additional grant funding would require reapplication. Commissioner Bjerke indicated that four large counties secured funding for Yohara software to map septic system data. The counties are large counties like Olmsted. Environmental Services Director Frank requested the Board act to accept or return the grant funding. Commissioner Bjerke expressed concern that awarded funding is not adequate to complete the project and questioned whether the project could begin, be tabled, and picked up when funding again became available. Environmental Services Director Frank indicated that this project could. The concern regarding increasing staff FTE's for the term of external funding was discussed. Environmental Services Director Frank indicated that he has been unable to discuss legalities of increasing and decreasing staff FTE's based on external funding awards.

File No. 9 -- Matt Wagner, an airport engineer from Mead & Hunt, met with the board to discuss expansion options for the airport and timelines associated with each option. As part of the planning documents an airport inventory was taken, downfalls were identified and recommendations were formulated. Options, benefits and drawbacks were discussed. A layout plan was updated in 2005. Since then, an airport fueling system and public restrooms were installed. These were significant improvements. The next step necessary to move forward with an option other than closing down the airport would be to conduct an environmental assessment. The environmental assessment is a planning document which includes justification and provides environmental analysis taking into consideration wetlands, farmland and historical properties and is required prior to any construction. The three options are: do nothing which will result in airport closure at a minimum cost of \$390,000.00; maintain the current runway which will result in an airport for recreational flying only; or shift the runway to the East which would qualify the airport for instrument landing and open the airport up for business use in addition to recreational flying. The recommendation is to move the current runway. This project would qualify for 95% federal funding, requiring only 5% funding at the local level. However, it would also require the acquisition of approximately 60 acres and easements for an additional 40 acres around the airport. The 5% local share could be funded in part by the annual appropriation for the airport and also through the repayment of funds loaned to the Winona airport. Commissioner Corcoran inquired if the obstructions were the only issue and whether their removal would bring the current airport into compliance so that the instrument landing could go into effect. The obstructions are a major concern and the reason the instrument landing certification was

rescinded. However, the hangars are obstructions and the cost of moving those would not qualify for federal funding. Therefore, the entire expense to move them would need to be funded locally. EDA Coordinator Wilms reported that having an airport is a tool to increase economic development. EDA Coordinator Wilms indicated that there are several studies available regarding economic impact of communities with airports. There are no studies specific to our immediate area which provides information on how many local businesses utilize the airport. Eric Benson utilizes the airport daily for his business. The recommendation to move the runway to the east would be an estimated \$4 million dollar project, with 95% of the necessary funding being provided by outside sources. Local businesses would likely benefit from the construction by being awarded bids, restaurants would benefit, and other businesses as well. Proceeding with the environmental assessment (EA) for use as a planning document would cost a minimal amount locally. In the event the project did not move past the EA, no repayment of outside funding for the EA would be required. The Houston County Flyers continue to be willing to pay \$3,350.00 of the local share to conduct the EA. Commissioner Miller expressed support for economic development, and questioned those with a long history with the airport what has been the economic impact, was the economic impact positive during the period when instrument landing was available and did it suffer when the instrument landing was rescinded? Why would having an airport be a significant benefit when the La Crosse airport is so close? Duane Deters spoke in response and expressed concern that, unless you live close to the airport, the general public is not aware of how many planes use the airport. Many planes may land, pilots or passengers would attend a few hour meeting and they would return to the plane and fly out. This generates business within the county. Commissioner Bjerke expressed his opinion that the airport is an asset. The airport is deficient and not being utilized to the fullest. He questioned what the impact would be if the airport were closed. Commissioner Bjerke indicated that there are other assets within our county which attract birders, turkey hunters etc. all which have an economic impact. The question seems to be whether the airport is an important enough asset to invest in keeping. Mike Fields expressed concern that increased air traffic may not be desirable to those who live close to the airport and under the flight paths like he does. Eric Benson indicated that improvements to the airport likely won't impact the recreational flyers who practice landings and takeoffs. It will likely increase business travel. Planes for business often land, conduct business and take off again. A member of the public inquired why the county couldn't just provide a shuttle service for business flyers from other airports to the county. Vern Fruechte expressed his opinion that a significant drawback contributing to the lack of use of the airport was that, until recently, there wasn't fuel available. Improvements have been made and there is a fueling system in place now. The other concern is the lack of instrument approach. Planes leaving the airport need to be able to return to the airport, and a lack of instrument landing complicates landing during inclement weather. It also prevents planes that are unable to land in La Crosse or Decorah from considering landing in Houston County. There is a belief that small airports are an untapped resource. In an effort to improve this, funding is available to small airports that make significant improvements. Tom Falbo, airport commissioner and EDA member, expressed his opinion that previously the EDA did not actively promote the airport. This is changing now that the county has a full-time staff member whose job is to promote economic development. Shirley Schroeder stated that she lives in the area of the proposed airport expansion. She lives under the flight path and watches

planes landing and taking off from her living room. She expressed concern for others like her if the airport moves ahead with improvements. Katherine Lamb expressed frustration with having spent time at three meetings to discuss the same concerns over and over. Ms. Lamb indicated that the county has a staff person working full time on economic development, therefore, a study should be conducted to provide information about the economic impact. Ann Emery, who works in the medical profession, expressed support to keep the airport. She indicated that the airport is the only location for Mayo 1 to land because they utilize instrument flight. MedLink flies by visual and has additional options. She supports endeavors which would again qualify the airport for instrument landing. Mr. Fields expressed concern that property bordering airports has depressed values. Both Mr. Fields and Ms. Schroeder expressed concern with some planes "buzzing" their homes. Tom Falbo stated that these flyers can be reported to the FAA, and the FAA will sanction pilots who do not follow the rules. Bob Cummings, a member of the airport commission, expressed concern that it seems that everyone is concerned with the economic impact. There are studies which support the finding that for each \$1.00 spent on airports, \$2.85 is returned to the community. Mr. Falbo reported that the EDA passed a resolution officially requesting that the EA study be completed. EDA Coordinator Wilms indicated that there isn't a certain way to determine the economic impact, especially since significant improvements could take up to five years for completion. John Benten, also of the airport commission, expressed frustration that the same recommendation had been made two years ago, and at that time, a study conducted in Wisconsin regarding economic impact was provided. Bob Burns, mayor for the City of Caledonia, expressed support and his belief that the airport has good potential. The airport services the cities of Spring Grove, Eitzen and Caledonia. Even though businesses aren't currently expanding, he indicated that there could be a benefit to improving the airport and being proactive and prepared for when businesses do expand. Ron Schmall reported that the Houston County Airport is less expensive to utilize than the La Crosse airport which requires either a landing fee or refueling with fuel being sold at a premium. Mr. Schmall has a hangar at the airport and flies to Dubuque and Waterloo. However, in inclement weather he is unable to land at the airport because there is no instrument landing and he is forced to land at La Crosse. He expressed his opinion that the airport is not small aircraft friendly. He indicated that he knows flyers who will land at our airport for fuel because it is less expensive than La Crosse. There was discussion regarding the lack of instrument landing and any possibilities of having it temporarily re-instated if the EA were approved. The representative from the state was unable to indicate whether reinstatement of instrument landing was an option or not. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to authorize that the EA study be conducted. Commissioner Bjerke indicated that the study will take approximately a year to complete, during which time the EDA may be able to gather economic impact data.

The time being 10:37 a.m., the Board took a brief recess. The Board reconvened at 10:49 a.m.

File No. 10 -- Finance Director Bradley requested authorization to advertise for the Justice Center Furniture Package. He reported that the bid specifies ergonomically correct

furniture with a minimum 10 year warranty with an anticipated award date in August. There is some resurfacing included in the specifications for court administration items which will move from the present office space to space in the new Justice Center. The projected price of furniture is \$286,000.00, which is slightly less than previously estimated. Bid documents provide the successful bidder with 25% up front once proof of order and storage location has been provided and the balance being paid upon installation. Finance Director Bradley reported that, by advertising the project now, the county will have solid numbers to bond for. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to authorize advertising for the Justice Center Furniture Package.

Engineer Pogodzinski reported that the new seeding on the county owned land for the proposed highway department building is ready to be harvested, and he has solicited quotes. Engineer Pogodzinski reported that the bales would be wrapped, weigh approximately 1,200 pounds, remain on site until they could be sold at a later date, and have an estimated value of \$30.00 to \$35.00 each. Engineer Pogodzinski recommended accepting the quote of Hoscheit Brothers. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to accept the quote of Hoscheit Brothers in the amount of \$25.00 per bale.

Engineer Pogodzinski requested authorization to advertise for standing second crop hay. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to authorize the same.

Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to authorize Engineer Pogodzinski to solicit quotes for pavement striping.

File No. 11 -- HR Director Arrick-Kruger recommended accepting the resignation of Greg Skaug and advertising for the vacancy created in the Maintenance Specialist position. She provided information to support filling the position and also possible costs associated with doing nothing with the vacancy. Commissioner Bjerke inquired whether the position could remain vacant until fall. HR Director Arrick-Kruger provided information supporting her recommendation that it would be more fiscally beneficial to advertise and fill the position immediately. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to accept the resignation of Greg Skaug and authorize advertising for a 1 FTE Maintenance Specialist.

HR Director Arrick-Kruger reported that the support staff positions in the Environmental Services/Zoning office are currently under review. At this time she is requesting that the FTE of Holly Felten be increased from .7 FTE to 1 FTE. This increase, including benefits expenses, will be covered by external grant funds. Once the grant funds have been exhausted, Ms. Felten's FTE will revert back to .7 FTE. It would be understood that the increase is temporary for the term of the external funding. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously passed to accept the grant funding and to utilize the funding to

temporarily increase Felten's position to 1 FTE which will revert back to .7 FTE once the grant funding has been exhausted.

HR Director Arrick-Kruger reported that, last week, 4 candidates were interviewed for the position of child protection worker. One of these was an internal applicant. HR Director Arrick-Kruger recommended hiring Karen Sanness for the vacant child protection worker position. Ms. Sanness previously held a ½ time position with the department. That vacancy will be assessed and evaluated. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to authorize the hire of Karen Sanness for the position of child protection worker.

HR Director Arrick-Kruger reported that recently an IRS Employment Tax audit was conducted. As a result, 5 adjustments have been proposed. The adjustments are related to moving expense, tool rental (highway mechanic and surveyor) and a take home vehicle of the former highway engineer. Mr. Wesley, who conducted the audit, has provided the county the opportunity to collect Form 4669. Form 4669 may be used in situations such as this and serves as proof that even though the county did not collect applicable payroll taxes, the individual receiving the money reported the income on their taxes. The county would still be liable for applicable FICA and Medicare taxes on the monies. In the event the individuals do not return the form, the county would be liable for all tax withholdings.

The time being 11:24 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to go into closed session at the request of Tess Arrick-Kruger to discuss her performance evaluation.

The time being 11:54 a.m., the meeting reconvened in open session.

Chairperson Connery stated that the performance evaluation of Ms. Arrick-Kruger had been completed. Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to change the status of Tess Arrick-Kruger from probationary to regular.

The time being 11:55 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to recess the meeting until 1:00 p.m.

The time being 1:00 the Board reconvened in open session to discuss the 2011 budget process.

File No. 12 -- Finance Director Bradley reported that June financial sheets should be available this week and then he will get budget worksheets sent out. Recent legislation allows for a special levy for aid and credit loss.

Finance Director Bradley expressed his concern regarding legislation clarifying that counties must budget based on the state's aid certification, whether or not unallotments are made.

Legislation was also passed to make the \$243,243 CPA, which was unallotted to Houston County in 2009, a permanent cut.

The state is requiring that state property tax collected by counties be submitted earlier.

Finance Director Bradley reported that the state is setting up a Council on Local Results and Innovation to develop a standard set of performance measures for counties and cities by February 2011.

Finance Director Bradley reported that in 2010 Houston County levied \$556,861 for the debt service obligations of the 2009A Capital Notes, 200B Capital improvement Bonds and 2009C Jail Bonds. In September 2010 we anticipate issuing the second portion of the jail project bonds which will be called 2010A Capital Improvement Bonds and 2010B Jail Bonds. Currently, we are anticipating our 2011 debt service obligations to increase by another \$556,861 over the 2010 level. He indicated that we are looking at a 5.9% increase in the county tax levy for the second round of bonding.

It appears our overall levy limit for 2011 will be around 1 – 2 % over last year's levy. This means roughly \$61,026 - \$122,052.

Discussion was held regarding the cost of additional employees needed for the new jail.

Finance Director Bradley reported on the state budget forecast, which is very bleak.

Commissioner Miller reported on the following meetings which he has attended recently; SMART, PSAP and EDA.

Commissioner Bjerke reported on an EDA and Water Board meeting which he attended.

Chairperson Connery reported on a meeting which he attended regarding area highway conditions. This was not attended as a county function.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to place on file the following items from the consent agenda:

File No. 13 -- Correspondence to payroll regarding the hire of David Stewart & Ryan Frank as 67 day employees to assist at the drop-sites

File No. 14 -- Correspondence to ABC Board members regarding discontinuation of paying mileage and per diems for members

File No. 15 -- Semcac request for appropriations

File No. 16 -- Correspondence to Hank Koch regarding tons delivered in June 2010

File No. 16 -- Correspondence to State Auditor regarding pending or threatened litigation

There being no further business and the time being 1:42 p.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, July 20, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, July 20, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Emergency Manager Kuhlers; Engineer Pogodzinski; Shirley Johnson; HR Director Arrick-Kruger; Environmental Services Director Frank; Anita Palmquist; HS Director Wilms

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the July 13, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$131,169.50
Road & Bridge Fund	29,235.40

Total	\$160,404.90
	=====

File No. 2 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Miller and unanimously carried to approve license center disbursements.

File No. 3 -- Emergency Manager Kuhlers reported that a resolution is required to participate in the Homeland Security and Emergency Management grant (HSEM) in the amount of \$19,062.50 which has been awarded for Video Conferencing Equipment. Emergency Manager Kuhlers reported that Finance Director Bradley has identified funds which are available to cover the minimal county match to said grant. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-43

**RESOLUTION AUTHORIZING PARTICIPATION IN THE 2008 HOMELAND
SECURITY AND EMERGENCY MANAGEMENT GRANT (HSEM)**

WHEREAS, Houston County will enter into an Agreement with the State of Minnesota, SE MN Region One Emergency Managers Board, and Olmsted County, fiscal agent for the SE MN Region One Emergency Managers Board for the 2008 HSEM grant effective from date grant is signed thru 3/31/2011, in which each County within the SE MN Region One Emergency Managers Board is required to utilize \$19,062.50 for Video Conferencing Equipment.

BE IT RESOLVED that Houston County enters into an Agreement with the State of Minnesota, SE MN Region One Emergency Managers, and Olmsted County, fiscal agent for the SE MN Region One Emergency Managers Board for the 2008 Homeland Security and Emergency Management Grant.

Emergency Manager Kuhlert reported that 10 townships suffered significant damage as a result of June 20th storms. Damage estimates have been completed and are currently under review by FEMA. Emergency Manager Kuhlert is waiting to be informed of the decision by FEMA regarding the damage estimates.

Emergency Manager Kuhlert was pleased to report that all 10 new storm sirens have been installed and are functional.

File No. 4 -- Engineer Pogodzinski requested approval of a final estimate on behalf of Minnowa Construction in the amount of \$25,778.73 for S.A.P. 28-599-69 (Perkins Valley Drive Bridge Replacement). Engineer Pogodzinski reported that this job was bid at \$512,931.77. However, a change order was issued to address a buried tank which required being dug out and removed. The total cost of the project was \$515,574.60. This was a township bridge, therefore, no county funds were used. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the payment and adopt the following resolution:

RESOLUTION NO. 10-44

WHEREAS, Contract No. 189 has in all things been completed, and the County Board being fully advised in the premises,

NOW, THEN BE IT RESOLVED, That we do hereby accept said completed project for and in behalf of the County of Houston and authorize final payment as specified herein.

File No. 5 -- Engineer Pogodzinski requested approval of a final estimate on behalf of Bruening Rock Products, Inc. in the amount of \$3,456.67 for C.P. 2010-01 (Maintenance Rock). Engineer Pogodzinski reported that \$70,000.00 was budgeted for this job. The total cost of the project was \$69,133.43. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the payment and adopt the following resolution:

RESOLUTION NO. 10-45

WHEREAS, Contract No. 197 has in all things been completed, and the County Board being fully advised in the premises,

NOW, THEN BE IT RESOLVED, That we do hereby accept said completed project for and in behalf of the County of Houston and authorize final payment as specified herein.

File No. 6 -- Engineer Pogodzinski reported on the following bids, received until 1:00 p.m. on June 19, 2010, for S.P. 28-599-70:

Brennan Construction Company Chatfield, MN	\$219,441.75
Minnowa Construction, Inc. Harmony, MN	\$224,233.75
Duininck, Inc. Prinsburg, MN 56281	\$1,739,304.55

Engineer Pogodzinski reported that the engineer's estimate was \$248,304.25. The low bid of Brennan Construction Company was 11.6% below the engineer's estimate. Engineer Pogodzinski indicated that this bridge replacement project is a township project with legislative bond funds associated. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to accept the low bid of Brennan Construction Company in the amount of \$219,441.75.

File No. 7 -- Engineer Pogodzinski reported on the following bids, received until 1:00 p.m. on June 19, 2010, for S.P. 28-599-71:

Minnowa Construction, Inc. Harmony, MN	\$326,833.00
Brennan Construction Company Chatfield, MN	\$346,830.00

Duininck, Inc.
Prinsburg, MN 56281

\$349,800.53

Engineer Pogodzinski reported that the engineer's estimate was \$337,622.00. The low bid of Minnowa Construction, Inc. was 3.2% below the engineer's estimate. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to accept the low bid of Minnowa Construction, Inc. in the amount of \$326,833.00.

Engineer Pogodzinski reported that he recently attended a meeting with officials from both the City of Caledonia and MN DOT to discuss Highway 76 and Highway 44 road projects. The school has been interested in access to Highway 76 from the school campus. In addition, the plans for the proposed Highway Department Building include an access road to Highway 76. An access road in this area would benefit several entities in addition to the two listed. If it is the desire to have this access road included in the MN DOT plans for the Highway 76 project, it will be necessary for one of the entities to apply for an access permit. Either the City of Caledonia or the County may apply for said permit. Commissioner Corcoran expressed his opinion that there is a need for an access road in the area being discussed. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to authorize Engineer Pogodzinski to apply for an access permit to Highway 76.

Commissioner Miller reported that La Crescent City officials indicated that street sweeping will take place in the next week.

Engineer Pogodzinski reported that striping quote requests have gone out.

File No. 8 -- At this time Shirley Johnson and Anita Palmquist met with the board to discuss the budget and goals of the Historical Society. Mrs. Johnson was pleased to report that the building project has begun in earnest, last year the Historical Society had visitors from 31 states and 2,700 people visited the historical society buildings during the fair. Mrs. Johnson indicated that there will be a need to secure additional funding for continued building project completion. She hopes that some grants will be secured in this regard. Commissioner Bjerke inquired whether the project would qualify for Legacy grant funding. Mrs. Johnson reported that just last week the grant application information for said funds was downloaded. Mrs. Johnson reported that donations have increased with the commencement of the building project. Ms. Palmquist indicated that the State Historical Society has discontinued the service of microfilming newspapers which is an expensive process. Mrs. Johnson reported that the Historical Society has been in conversation with newspapers regarding their electronic forms for archival purposes. However, some of the newspapers are not available electronically. Ms Palmquist commented on an expensive project of the State Historical Society which could deplete the funds available to the smaller historical societies around the state. Mrs. Johnson reported that this year marks a significant milestone in the history of the Houston County Historical Society and since its reorganization in 1950. They are planning to commemorate the milestone by celebrating in

October. Mrs. Johnson also reported that upon completion of the building project there will be hands on things for children in the new museum and a chronological timeline of the settling of Houston County.

File No. 9 -- HR Director Arrick-Kruger reported that recently a Case Aide I position was vacated as the result of a lateral move of the employee to the Public Health department. As a result, Human Services management and Human Resources has reviewed the needs of the department and assessed the duties of the vacated position. It has been determined that, as a result of several factors, duties of this position would more accurately be represented as a Clerk I instead of a Case Aide I. By creating this entry level Clerk I position, a savings will result. Commissioner Corcoran inquired if this change impacted the FTE's of the department. HR Director Arrick-Kruger reported that the vacancy was a 1 FTE position and the new Clerk I position will be a 1 FTE position. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve backfilling the vacated Case Aide I position with a Clerk I hire.

HR Director Arrick-Kruger reported that, due to unforeseen events, Human Services will have two individuals on long term medical leave. In order to cover the duties of the individuals on medical leaves, they are requesting a temporary increase in the FTE of Liza Jandt from .9 FTE to 1 FTE for the duration of the medical leave. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the temporary increase of Liza Jandt from .9 to 1 FTE for the duration of the medical leaves in the department.

HR Director Arrick-Kruger reported that, during a recent search for a child protection social worker, a temporary was hired to cover the backlog. During the last meeting, a hire for said position was approved. That person will begin in the position soon. As a result, the temporary employee will be released from county employment.

File No. 10 -- HR Director Arrick-Kruger reported on a single bid which was received for Courthouse Boilers Replacement. The bid, in the amount of \$98,900.00, was provided by Winona Controls, Inc. The bid is slightly higher than the grant award of \$95,000.00. However, HR Director Arrick-Kruger reported that there are funds available within the maintenance budget to cover the difference. As part of this project, asbestos testing was approved. The cost of the testing which was performed was \$450.00. Two door seals tested positive for asbestos. HR Director Arrick-Kruger indicated that she is soliciting quotes for the abatement of the asbestos. As a precaution, it will be requested that during replacement of the boilers that Winona Controls seal off venting in the area so that, if additional asbestos is discovered, there is minimal risk to it getting into the HVAC system. On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to accept the bid of Winona Controls, Inc. in the amount of \$98,900.00 for Courthouse Boilers Replacement.

HR Director Arrick-Kruger reported that, due to turning off the boilers completely for the summer season, extensive manual adjustments to air flow throughout the building were necessary. She indicated that the manual adjustments have yielded reasonable comfort throughout the building and she is excited to see the savings which result from the change.

HR Director Arrick-Kruger reported that last week the fire alarms at the County Community Services Building malfunctioned. As a result, the alarms have been serviced and are functioning properly. She does not expect any further malfunctions.

File No. 11 -- Environmental Services Director Frank reported that the TEP Panel met last week to discuss a wetland application on behalf of the Department of Natural Resources. The application is requesting a No Loss Certificate of Exemption for the stream bank stabilization project outlined. Environmental Services Director Frank reported that the organization qualifies for a no loss exemption and the TEP Panel is recommending approval of the application. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the application and no loss certificate of exemption.

Environmental Services Director Frank reported that, in regard to the solid waste ordinance, the county ordinance is near completion. Currently, the city ordinances are being reviewed to ensure that they mirror those of the County. The city ordinances are in draft form. Licensing forms will need to be reviewed to update those to reflect the appropriate sections of the ordinance and reference correct statutes. When questioned if funding was still available to complete the process, Environmental Services Director Frank assured the Board that the attorney working on this is aware of the budget amount available and the work yet to be completed and will remain within budget and complete the job.

Environmental Services Director Frank provided an update in regard to the Ingvalson Dairy expansion issue.

File No. 12 -- Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve a letter of appreciation to Greg Skaug and authorize all commissioners to sign said letter.

Commissioner Bjerke reported on a SELCO meeting which he recently attended.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 13 -- Correspondence to payroll regarding Holly Felten increase in FTE, hire of Karen Sanness, change of status from probationary to regular of Tess Arrick-Kruger

File No. 14 -- Correspondence to local government entities regarding county auction

File No. 15 -- Bid and correspondence to successful bidder Jet fuel

File No. 16 -- Semcac 2009 Annual Report

File No. 17 -- Correspondence from Robert Goede regarding Ex Officio Notary Publics

There being no further business and the time being 10:05 a.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, July 27, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, July 27, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Sheriff Ely; HR Director Arrick-Kruger; Zoning Administrator Scanlan; Engineer Pogodzinski; Chief Deputy Sheriff Yeiter; Finance Director Bradley

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the July 20, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$379,301.25
Road & Bridge Fund	219,983.91

Total	\$599,285.16
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Engineer Pogodzinski requested approval of a final estimate on behalf of Minnowa Construction in the amount of \$27,217.26 for S.A.P. 28-626-07 (CSAH 26 Bridge Replacement). This was a FEMA project. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the payment and adopt the following resolution:

RESOLUTION NO. 10-46

WHEREAS, Contract No. 190 has in all things been completed, and the County Board being fully advised in the premises,

NOW, THEN BE IT RESOLVED, That we do hereby accept said completed project for and in behalf of the County of Houston and authorize final payment as specified herein.

Engineer Pogodzinski reported that Houston County has been notified that they qualify for FEMA assistance for damages resulting from storms which went through the county at the end of June. Due to extensive paperwork required, Engineer Pogodzinski requested authorization to hire two 67 day employees who worked on FEMA paperwork for Houston County in the past, because he does not have staff time available to perform the additional work. Commissioner Corcoran expressed his opinion that the staff Engineer Pogodzinski seeks is very well qualified. Engineer Pogodzinski reported that the cost of the administrative staff would likely be covered by FEMA funding. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to authorize Engineer Pogodzinski to work with HR Director Arrick-Kruger to hire the appropriate staff.

Engineer Pogodzinski reported that the FEMA kick-off meeting will be held at 10:00 a.m. on August 6th in the Commissioner's Room.

Engineer Pogodzinski reported that the Highway Department has a 2001 S10 pickup to dispose of. The vehicle is 2 wheel drive, has 105,000 miles and is mechanically sound. He had intended to sell the vehicle on the county auction. However, he has been made aware of a need in the building maintenance department for a vehicle which could be used to transport furniture and equipment between campuses. Building maintenance currently utilizes personal vehicles for their needs. Engineer Pogodzinski proposed transferring the vehicle to building maintenance. When the vehicle is to be disposed of, it would be transferred back to the Highway Department and sold on the county auction. HR Director Arrick-Kruger expressed the building maintenance departments need for a pickup was important. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve said transfer of the Highway Department 2001 S10 pick up to the Building Maintenance Department.

File No. 4 -- Chief Deputy Sheriff Yeiter reported that there has been discussion regarding adding a second canine unit. The canine units are paid for by donations. Currently, there is a fund balance sufficient to cover operating expenses of two canine units for a period of one year. He expressed confidence that donations and fundraising events will continue to generate sufficient funds to sustain the two units. A lease agreement for the second canine unit will need to be approved. The Police Canine Lease Agreement with Deputy Luke Sass for the services of canine Chance is essentially the same as the Lease Agreement with Deputy Tracy Erickson for the services of Virgil. Commissioner Bjerke queried Chief Deputy Sheriff Yeiter whether any annually renewable funding was available to assist the funding of the canine units. There have been one time grants. However, those have not been renewable. There are individuals and organizations who do donate on an annual basis. The department demonstrates the canine's skills to generate donations. One of the Commissioners questioned how often the dogs are utilized and if there was data available in this regard. Sheriff Ely reported that the dogs are on

patrol with their handlers on a daily basis. They have been called to assist both Winona and Fillmore Counties recently. This assistance is performed gratis. Winona County will provide the assistance of their canine in return and those services are also gratis. Sheriff Ely reported that the canine units will be on rotating shifts so that there is a canine available more often and coverage is not overlapping. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve the Police Canine Lease Agreement subject to the approval of Attorney Bublitz.

File No. 5 -- HR Director Arrick-Kruger reported that last week boilers were tested for asbestos. As a result, approximately 40 linear feet of asbestos materials have been identified and will require abatement. Immediate Response Abatement, Inc. (IRA, Inc.) has provided a proposal for the abatement of said materials in the amount of \$680.00. HR Director Arrick-Kruger reported that funds are available within the maintenance budget to cover the expense. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to accept the proposal of IRA, Inc. in the amount of \$680.00 for boiler asbestos abatement.

HR Director Arrick-Kruger reported that the new boilers have been ordered and are currently being manufactured with delivery expected in approximately 4 weeks. She expects the boiler replacement to be completed prior to any fall heating needs.

File No. 6 -- Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve an abatement for Arlin and Jeanette Gran on parcel #04.0245.000, being a reduction of \$538.00 due to incorrect classification; and also an abatement for A.B.L.E. Inc. on parcel #21.1175.019, being a reduction of \$2,802.00 due to incorrect classification.

At this time, Zoning Administrator Scanlan met with the board and provided an update regarding the Ingvalson Dairy issues.

File No. 6a -- At this time, the quotes for the county auction were opened and read:

Kevin McCormick & Steve Schuldt	3.75%
Johnston Auction Service	4%
Sanden Realty and Auctions	8%
Mark Dokken	8.99%
Zenke Auction & Realty, Inc.	9.73%

Motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to accept the low bid of Kevin McCormick and Steve Schuldt in the amount of 3.75%.

Commissioner Miller reported on a Wildcat committee meeting which he attended last week.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 7 -- Correspondence from MN Regional Medical Examiner's Office regarding 2011 budget request

File No. 8 -- Correspondences to auctioneer's regarding county auction

File No. 9 -- Correspondence to payroll regarding increased FTE of Liza Jandt

File No. 10 -- Correspondence to successful bidder for boiler replacement

There being no further business and the time being 9:42 a.m., motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, August 3, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, August 3, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Zoning Administrator Scanlan; Finance Director Bradley; Michael Sieve; HR Director Arrick-Kruger; Attorney Bublitz; John Pristash; Jail Administrator Schiltz; Ron Garrison; Jamie Hammell; Julie Abnet-VonArx; See File A1 for listing of additional guests.

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the July 27, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$434,061.70
Road & Bridge Fund	38,186.74

Total	\$472,248.44
	=====

File No. 2 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve license center and Human Services disbursements.

John Pristash of Knutson Construction reported that all soil correction work has been completed. He expects that the pouring of the basement and backfilling will be completed the week of August 9 thru 13 allowing for the erection of steel structure. The plumbing and electrical service will need to be completed prior to pouring the basement floor. Following completion of the waterline expected later this week, water service will be restored to the courthouse and the sidewalk will be re-installed. Installation of pre-cast is expected to begin next week. All plank and double-T's manufacturing is complete. Wall panels are being poured now. The pre-

manufactured steel cells are being assembled in Georgia. In mid-September pre-cast panels will begin arriving. The building is slated to be “closed” by Thanksgiving.

File No. 3 -- Zoning Administrator Scanlan reported that the Milestone Materials Conditional Use Permit for expansion would more accurately be described as a description correction. Following a survey, it was discovered that the description did not include portions of the quarry. This CUP corrects the issue with the description. On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Conditional Use Permits:

Milestone Materials – Mayville Township – Mineral extraction

File No. 4 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the issuance of the following Zoning Permits:

Dan Wiste – Black Hammer Township - Build grain bin (5,000 bushels)

Mike Felten – Caledonia Township - Build shed (20’ x 30’) 4-season room (20’ x 20’) deck (10’ x 14’) –

Eric Goetzinger – Crooked Creek Township - Build addition to house (10’ x 16’)

Franklin Hahn – Yucatan Township - Build grain bin (20,000 bushels)

Peggy Chapel – Mound Prairie Township - Build shed (50’ x 80’)

Daniel and Jeanne Gade – Jefferson Township - Build house (56’ x 54’) deck (10’ x 20’) porch (8’ x 20’) garage (26’ x 34’)

David Bauer – Winnebago Township - Build addition to house (16’ x 34’) living room, rec room, bedroom

Richard Wagner – Jefferson Township - Build shed (32’ x 56’)

Richard Hartwick – Money Creek Township - Build garage (28’ x 36’)

Charles and Donna Chapel – Money Creek Township - Enclose deck (14’ x 20’)

Henry Vogel – Brownsville Township - Build dwelling (15’ x 37’) 2 decks

(37' x 8') (15' x 8')

Jim Scanlan – Mayville Township - Build ag building (24' x 40')

Patrick Burke – Winnebago Township - Flood related project/pond construction

Richard Mullvain – Yucatan Township - Build shed (24' x 32')

Robert Karlsbrotten – Mound Prairie Township - Build addition on garage (16' x 28')

Ben Schieber – Mound Prairie Township - Do stream bank stabilization

Dale Horn – Winnebago Township - Build grain bin (24')

Todd and Margaret Kowalski – Brownsville Township - Remodel and build additions – house addition (22' x 22', 10' x 17') garage addition (14' x 36', 14' x 16') deck (12' x 12')

James Gilmer – Houston Township - Build a yurt (24' diameter)

Neil Rostvold – Yucatan Township - Build office/machinery storage (22' x 22') with lean-to (8' x 8')

Dan and Sandy Shimshak – Mound Prairie Township - Build machine shed (40' x 50')

Kevin Kruse – Winnebago Township - Build hay shed (24' x 32')

James and Robin Schlegel – Union Township - Build shed (32' x 40')

Brian and Leah Bjerke – Black Hammer Township - Build garage (30' x 40')

Hokyoji Zen Practice Community – Jefferson Township - Build deck (30' x 30')

Bob Conway – Union Township - Flood related land alteration project

Jay McNamer – Money Creek Township - Build house (38' x 48') garage (38' x 26')

Aaron Klinski – Union Township - Build grain bin (30' x 27')

Root River SWCD – Winnebago Township - Do substantial land alteration
– construct earthen dam for flood control

File No. 5 -- Finance Director Bradley reported on a reallocation request from the Auditor's office. The reallocation would transfer funds from the Auditor's Office to Motor Vehicle allowing motor vehicle to take advantage of an extremely competitive quote for a two year supply of special envelopes. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the budget amendment of the Auditor's office.

File No. 6 -- Finance Director Bradley reported that the County has the option to enter into a one year or three year agreement with the University of Minnesota Extension for the continuation of services. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the three year contract with the University of Minnesota Extension pending approval by the County Attorney.

Finance Director Bradley reported that funds which had not been loaned out have been paid back to DEED.

Finance Director Bradley reported that flood loans and EDA loans each require unique documentation. In order to better account for funds, Finance Director Bradley recommended establishing two accounts. This will not affect the loan process. It will only affect the accounting of the related funds. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve establishing two unique accounts and the transfer of funds to the newly established EDA loan accounts.

File No. 7 -- Auditor Meiners reported that the County Canvassing Board is required to include the membership of two commissioners whose names do not appear on the ballot. The County Canvassing Board is scheduled to meet on Friday, August 13, 2010 at 9:00 a.m. in the Commissioner's Room. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to appoint Commissioners Miller and Bjerke to the County Canvassing Board.

HR Director Arrick-Kruger reported that insurance rates should be available in mid-August. This will allow proposals to be presented regarding insurance.

File No. 8 -- HR Director Arrick-Kruger requested that one individual from each labor unit be included as ad hoc committee members for the insurance committee. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the same.

HR Director Arrick-Kruger reported that four of five Form 4669s have been returned and the fifth will not be returned. These forms were requested as a result of the payroll audit. In conclusion, the county is liable for \$1,821.00. Chairperson Connery reported that this is standard for an employer to be liable for the employee portion in the event the county did not withhold the appropriate amounts. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the payment of the penalties in the amount of \$1,821.00.

File No. 9 -- HR Director Arrick-Kruger reported that water has leaked into the County Community Services Building. The roof is in need of repairs. Recently a local roofing contractor along with HR Director Arrick-Kruger inspected the roof. During the inspection they were able to locate the source of the leaks. The roof is made up of two materials, one of which is failing. HR Director Arrick-Kruger reported that there are two options for remediation. The first option is to "patch" areas identified. Patching would cost approximately \$500.00 and there would be no guarantee with regard to its effectiveness or the length of time it would prevent further leaking. The second option would be to replace the roof. Replacing the roof would cost approximately \$11,000.00 if a 30 year shingle was used. HR Director Arrick-Kruger reported that there are funds within the maintenance budget for this expense. Commissioner Corcoran encouraged HR Director Arrick-Kruger to utilize staff at the Highway Department to prepare the specifications and RFP. It was agreed that the project should be put out for bid. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve having HR Director Arrick-Kruger work with staff from the Highway Department to draw up specifications and create the RFP and to put the project out for bids.

HR Director Arrick-Kruger reported that three labor units have expressed interest in entering negotiations.

HR Director Arrick-Kruger reported that quotes have been gathered from three E-time solutions providers. The quotes do not provide service for the Highway Department. RtVision is web based and lacks a card swipe option. RtVision would cost approximately \$14,000.00 the first year and \$11,000.00 each year thereafter. PeopleSoft is designed for larger organizations than ours. They were difficult to reach and did not provide requested information in a timely manner. The initial cost for PeopleSoft would be approximately \$186,500.00 with continuing monthly fees for hardware (\$5,900.00) and application management (\$8,900.00). Kronos is also better suited for larger organizations and understands the difficulty small employers have with budgets. The initial cost for Kronos would be approximately \$213,014.00 with an annual support fee in the amount of \$5,400.00. Commissioner Corcoran reported that Kronos is used at Franciscan Skemp and spoke highly of the benefits. HR Director Arrick-Kruger indicated that she is aware that the expense is great. However, she felt that the system would generate significant savings over the long term.

Attorney Bublitz reported that a session may be closed pursuant to M.S. 13.43 and also 13D.05. The purpose of the meeting is to discuss employee concerns regarding harassment

subsequent to M.S. 609.456. Following a closed session under these provisions, no additional reporting is necessary upon re-opening of the meeting.

At this time the board recessed briefly.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to go into closed session as allowed under M.S. 13.43 and 13D.05.

The time being 10:46 a.m., motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to return to open session.

File No. 10 -- Attorney Bublitz conducted a Decision Maker Training in the Complaint Process for the members of the Board. Several of the Commissioners asked questions to clarify their understanding of the subject matter. The training was concluded at 11:20 a.m.

HR Director Arrick-Kruger reported that recently two State employees were required to provide bailiff coverage after hours when staff from the Sheriff's Department was not available. Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to authorize payment from the appropriate budget to Joanne Schuldt in the amount of \$50.00 and Sue Kasten in the amount of \$50.00.

File No. 11 -- Michael Sieve met with the Board to share information supporting his position that Minnesota has a valuable renewable resource of world class quality whitetail deer and that if the herd were better managed the State could gain millions of dollars in revenue. Mr. Sieve provided information and statistics on various factors from Minnesota's Boone and Crocket rating several years ago to the declined rating today, representation and/or mention in multiple publications highlighting big game hunting, the ratio of resident to non-resident hunters and the cost of out-of-state licenses. In closing, Mr. Sieve inquired whether the Board would consider passing a resolution to support the establishment of a taskforce to study herd management techniques that would result in increased trophy animals which would equate to increased economic potential. Commissioner Bjerke encouraged Mr. Sieve to draft a resolution that closely links herd management changes to positive economic benefits.

Commissioner Bjerke reported on the following meetings which he recently attended; insurance committee, and Regional Radio Board. He also provided information regarding an invitation from the Bear Creek Watershed to attend an event to take place at 10:00 a.m. on Friday, August 13, 2010.

Commissioner Miller reported an AMC Policy Board for Human Resources meeting and also a PSAP meeting which he attended.

File No. 12 -- Commissioner Connery provided a reminder regarding the Woodland Industries luncheon to celebrate their 30th anniversary on Tuesday, August 17th.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 13 -- Correspondence to successful & unsuccessful auctioneers and participants

File No. 14 -- Notice of Public Auction

File No. 15 -- 2010 Notice of Dividend from MCIT

File No. 16 -- Hiawatha Valley Mental Health information

There being no further business and the time being 12:25 p.m., motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, August 17, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, August 17, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; PHN Director Rock; HR Director Arrick-Kruger; IS Director Milde; Court Administrator Larson; Attorney Bublitz; Health Educator Myhre; Environmental Services Director Frank; Engineer Pogodzinski; Jesie Melde

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the August 3, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$204,539.56
Road & Bridge Fund	244,333.40

Total	\$448,872.96
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File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Environmental Services Director Frank reported that each year Houston County enters into an agreement with URT Processing, LLC for electronics recycling. The Agreement provides for the recycling of 200,000 pounds of electronic waste at no charge to the County. Additional pounds of electronic waste will be recycled at a cost of \$0.16 per pound plus \$0.02 per pound to cover transportation. The fees and amounts in the new agreement remain unchanged from the previous agreement. Environmental Services Director Frank indicated that the County has worked with URT Processing, LLC and has been very satisfied with the working relationship and he recommended approval of said agreement. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve said agreement.

Environmental Services Director Frank reported that he has been approached by a qualified individual who has secured grant funding, made available as a result of the Clean Water Legacy Act, and would like to create a geological atlas of Houston County. An informational meeting has been scheduled for 10:30 a.m. on August 25, 2010 in the Commissioner's Room. Environmental Services Director Frank indicated that there may be an in-kind cost to the County.

File No. 4 -- Engineer Pogodzinski requested approval of a final estimate on behalf of Brennan Construction in the amount of \$17,256.94 for S.A.P. 28-599-72 (Yucatan Road Bridge Replacement). Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the payment and adopt the following resolution:

RESOLUTION NO. 10-47

WHEREAS, Contract No. 162 has in all things been completed, and the County Board being fully advised in the premises,

NOW, THEN BE IT RESOLVED, That we do hereby accept said completed project for and in behalf of the County of Houston and authorize final payment as specified herein.

Engineer Pogodzinski reported that he had solicited quotes for pavement marking. A quote of \$61,010.00 was received from Traffic Marking Services. Engineer Pogodzinski reported that the County has used Traffic Marking Services in the past and work has been completed satisfactorily. Provided that paint is available, the work will be completed before school starts on September 7th. The total amount budgeted was \$70,000.00. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to accept the bid of Traffic Marking Services in the amount of \$61,010.00 for pavement marking.

Commissioner Miller expressed concern regarding student crossings located on Elm Street which is a County Road. The school has expressed a desire to hire adult crossing guards because there is mounting concern for youth crossing guard safety. Engineer Pogodzinski indicated that school districts are liable to cover the costs for crossing guards.

File No. 5 -- Engineer Pogodzinski reported on the following bids, received until 1:00 p.m. on August 16, 2010, for S.A.P. 28-599-67 (Torgerson Bridge) and S.A.P. 28-599-68 (Traff Bridge):

Minnowa Construction, Inc. Harmony, MN	\$559,241.65
Brennan Construction Lansing, IA	\$604,691.65

Lunda Construction Company
Black River Falls, WI

\$628,365.60

Engineer Pogodzinski indicated that the low bid is approximately 5% below the engineer's estimate. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to accept the low bid of Minnowa Construction, Inc. in the amount of \$559,241.65.

File No. 6 -- Engineer Pogodzinski reported that an agreement has been reached with a landowner for the purchase of property necessary for highway right of way in regard to project S.P. 28-605-15. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to accept the survey and to adopt the following resolution:

RESOLUTION NO. 10-48

RESOLUTION TO APPROVE AND ACCEPT HOUSTON COUNTY CERTIFICATE OF SURVEY "EXHIBIT A", FOR THE RECONSTRUCTION OF STATE PROJECT 28-605-15

WHEREAS; Houston County desires to improve and reconstruct County State Aid Highway No. 5, located 1.8 miles northwest of the junction with C.S.A.H. 23 in Winnebago Township, with Grading, Bridge Replacement (No. 4044 Old) (No. 28J28 New), Aggregate Base, identified as SP 28-605-15; and

WHEREAS; the Houston County Highway Department and the Houston County Surveyor have prepared Houston County Certificate of Survey "Exhibit A" to identify and delineate the adjacent land negotiated with right of way and temporary slope easement required for this project; and

NOW THEREFORE BE IT RESOLVED; that Houston County approves and accepts Houston County Certificate of Survey "Exhibit A" as designating the definite location of that part of County State Aid Highway No. 5, located in Section 16, Township 101 North, Range 5 West, as presented on this date, August 17, 2010, and authorizes it to be filed of record with the Houston County Recorder.

Commissioner Miller question Engineer Pogodzinski regarding various payments for equipment rental. Engineer Pogodzinski reported that the county accepts bids for various pieces of equipment and an operator each year and "rents" equipment for county jobs. He reported that rent is paid only during working time. No payments are made for down time, even if the operator remains on site.

PHN Director Rock requested approval for a fee for DTAP (diphtheria, tetanus and pertusis) vaccine. She reported that there has been an increase in pertusis (whooping cough) cases in the state. PHN Director Rock recommended a fee in the amount of \$47.00 be adopted for the vaccine. She reported that the cost of the vaccine is \$32.50 and her department customarily charges \$14.50 for administration. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve a fee in the amount of \$47.00 for the DTAP vaccine.

File No. 7 -- PHN Director Rock reported that the joint Fillmore/Houston County WIC grant has been amended to include additional funding for a peer breastfeeding support program. On the recommendation of PHN Director Rock, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to enter into said grant project amendment and to adopt the following resolution:

RESOLUTION NO. 10-49

WHEREAS; the agreement is being amended to increase breastfeeding support available to WIC participants, leading to increases in breastfeeding initiation and duration rates.

NOW THEREFORE BE IT RESOLVED; that the Houston County Board of Commissioners does enter into a grant project amendment adding the Minnesota WIC Program Peer Breastfeeding Support Program (hereinafter "WIC PBSF") to the original Fillmore-Houston CHB WIC Grant Project Agreement (hereinafter WIC Program.); and

BE IT FURTHER RESOLVED; that Deb Rock, as agent for the Fillmore-Houston Community Health Board is authorized to execute such project agreement amendment.

PHN Director Rock reported that Jesie Melde will be completing her internship with the County soon. PHN Director Rock indicated that her department desires to hire Ms. Melde effective August 26th, her duties would be comprised by a .5 FTE position as Peer Breastfeeding Counselor Supervisor funded externally for a period of five years with additional hours for work on SHIP initiatives also covered by external grant funding guaranteed through June 2011 and perhaps 4 hours of work on medical reserve corps duties which are currently being completed by Michelle Severson but would be transferred to Ms. Melde if a decrease in FTE is approved for Ms. Severson.

File No. 8 -- At this time, Health Educator Myhre reported that the goal of the SHIP grant is to change environments in the community, schools, healthcare and worksite by reducing tobacco use and encouraging physical activity. She provided information on activities and initiatives which have been hosted or planned.

Chairperson Connery provided various statistics regarding STD's as reported from 2009 screening results provided by Semcac.

Chairperson Connery reported on an upcoming Bridges Out of Poverty seminar to be hosted in Rushford.

File No. 9 -- HR Director Arrick-Kruger recommended the Board act to approve and fill the position of WIC Breastfeeding Peer Counselor Supervisor/Coordinator. HR Director Arrick-Kruger reported that there are grant requirements which must be met and the approval of the position and immediate filling of the position is necessary to meet requirements. She indicated that a competitive search will need to be completed at a later date to meet EEO requirements. This position is contingent upon external grant funding. On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the position of WIC Breastfeeding Peer Counselor Supervisor/Coordinator at C-4-2 banding and to hire Jesie Melde for said .5 FTE position.

File No. 10 -- HR Director Arrick-Kruger requested approval of the position description for WIC Breastfeeding Peer Counselor and authorization to hire 2 part-time employees for said position. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the position description and to authorize the hire of two WIC Breastfeeding Peer Counselors.

File No. 11 -- HR Director Arrick-Kruger recommended that the FTE of Michelle Severson be reduced from 1 FTE to 0.95 FTE at the request of the employee. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve a decrease in the FTE of Michelle Severson from 1 FTE to 0.95 FTE.

HR Director Arrick-Kruger recommended the Board accept the banding review findings that the Digital Technician position, currently held by Lindsey Pierce, be changed to C-4-3 and the salary be adjusted accordingly effective August 5, 2010. The change in banding is a result of reorganization and review of all IT positions. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the change in banding of the Digital Technician position to C-4-3 and the resulting salary increase.

HR Director Arrick-Kruger requested approval for Kwik Trip and Voyager gas cards for the maintenance pick up. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve gas cards for the maintenance vehicle.

On behalf of the Safety Committee, HR Director Arrick-Kruger is requesting authorization to purchase a countywide duress and mass notification system called "LYNX". The system has been reviewed by IS, Emergency Management and HR. The LYNX system would tie into the current PA system and enhance emergency notification. There are funds available to cover the cost of the system through Emergency Management grants. Motion was made by

Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the purchase and installation of LYNX.

Court Administrator Larson reported on bids received for the Court Appointed Attorney RFP. She recommended accepting the bid provided by Kurt Knuesel in the amount of \$52,500.00. However, there are agreement details which need to be agreed upon prior to accepting the bid. Court Administrator Larson reported that the details will not affect the overall bid amount. Court Administrator Larson requested authorization to negotiate towards final agreement details, with no adjustment to the pricing submitted. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to authorize County Attorney Bublitz and Court Administrator Larson to negotiate contract terms and/or details with Mr. Knuesel.

Court Administrator Larson reported that, following a recent trend of public defenders that have pulled out from representing individuals facing misdemeanor charges, a Steele County Judge commented that he may order the county to pay for representation of these individuals. Court Administrator Larson reported that Public Defenders have indicated that they are unable to handle the caseload expected and are keeping only felony cases.

IS Director Milde is up for a mid-term employee performance review regarding his probationary period. Mr. Milde requested the review be conducted in closed session.

The time being 10:07 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to convene a closed session for the performance evaluation of IS Director Milde.

At 10:18 a.m., motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to adjourn the closed session and to reconvene in open session.

Chairperson Connery stated that, per the result of the employee performance evaluation, the Board finds the performance of IS Director Milde to be satisfactory. Motion was made by Commissioner Corcoran and seconded by Commissioner Miller to change the status of IS Director Milde from probationary to regular. The motion and the second were withdrawn following a report from HR Director Arrick-Kruger that action in this regard would be premature and not according to policy, because this was a mid-term review, not a review near the completion of the probationary period of Mr. Milde.

Pursuant to M.S. 13D.05, Attorney Bublitz requested that the Board convene a closed session to discuss matters protected by attorney-client privilege, specifically allegations of a person subject to Board authority. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to go into closed session.

The time being 11:14 a.m. motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to return to open session.

At this time a brief recess was taken.

File No. 12 -- Following brief discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to adopt the following resolutions:

RESOLUTION NO. 10-50

BE IT RESOLVED that the Houston County Board of Commissioners does hereby approve the Minnesota Lawful Gambling Application for Exempt Permit on behalf of Whitetails Unlimited for gambling activities to be conducted at Valley High Golf Club in Mound Prairie Township.

File No. 13 -- Following brief discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to deny the request of Historic Bluff Country for a door prize donation.

File No. 14 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the minutes of the August 12, 2010 budget meeting.

Commissioner Corcoran reported on an extension meeting which he attended.

Commissioner Bjerke reported on the county canvassing board and Bear Creek Watershed meetings which he attended.

Commissioner Miller reported on a Bear Creek Watershed meeting which he attended.

Chairperson Connery reported on a Semcac meeting which he attended.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 15 -- Correspondence to Canvassing Board Members regarding canvassing the Primary

File No. 16 -- Correspondence to payroll regarding addition of Joanne Schuldt and Sue Kasten as temporary employees to assist with bailiff duties

File No. 17 -- Correspondence to Hank Koch regarding tons delivered to Xcel July 2010

File No. 18 -- Notice of Public Hearing for Zoning Permit in City of Caledonia

File No. 19 -- Correspondence regarding the economic impact of MN weatherization programs

File No. 20 -- Correspondence regarding HVMHC open house

There being no further business and the time being 11:24 a.m., motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, August 24, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, August 24, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporter Moorhead; Chief Deputy Yeiter; Sheriff Ely; Justin Zmyewski; HR Director Arrick-Kruger; Kevin Hinrichs; Engineer Pogodzinski; Jail Administrator Schiltz; Finance Director Bradley; Teresa Walter; Brian Swedberg; Maintenance Foreman Molling; Dave Prachar; IS Director Milde; Recorder Bauer; HR Technician Diersen; HR Accountant Bahr; City Librarians LaVonne Beach, Marla Burns, Barb Bissen, Liz Gibson, and Dawn Johnson; Ann Hutton; Attorney Bublitz

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the August 17, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 80,798.39
Road & Bridge Fund	123,132.76

Total	\$203,931.15
	=====

File No. 2 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve license center and/or Human Services disbursements.

On the recommendation of HR Director Arrick-Kruger and Veteran Service Director Gross, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to hire Richard Orth and Jim Felten as 67-day employees as veteran services drivers contingent upon successful completion of the VA background check and driving test.

Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the audit and payroll findings report, authorize payment in the amount of \$1,884.33 for tax, social security and Medicare and to authorize the signature of Auditor Meiners on the responsive documents.

File No. 3 -- Kevin Hinrichs, business agent with law enforcement labor services (LELS), met with the Board to discuss a grievance filed by Lt. Brian Swedberg. Mr. Hinrichs reported that Lt. Swedberg requested vacation for September 17-19 which has been denied. Following review of the collective bargaining agreement, Mr. Hinrichs indicated that the grievance is a result of differing interpretations of the contract language. Mr. Hinrichs reported that Lt. Swedberg applied for the vacation in July, well in advance of the requirement to apply for vacation of 3 or more days, 30 days prior. In section 12.2.2 of the collective bargaining agreement it is stated that two employees may be scheduled for vacation at the same time in the same job class, and Lt. Swedberg is the only person in his job class requesting vacation on these days. Lt. Swedberg has followed the grievance procedure by first filing a grievance with his direct supervisor and then going to the department head. Lt. Swedberg has followed all required actions in applying for vacation and filing the grievance, and there is no reason to deny the vacation request. Therefore, it is requested that his vacation be granted. Lengthy discussion followed regarding contract language and also the rights of the Sheriff to schedule staff to provide adequate coverage to ensure public safety. Sheriff Ely indicated that the vacation request is during Applefest in the City of La Crescent. Chairperson Connery questioned whether public safety sets precedence over contract language. Mr. Hinrichs expressed his opinion that flood events may constitute safety issues to be taken into consideration. However, there is no history of spikes in calls resulting from Applefest, and the level of activity during this festival doesn't support the vacation request being denied. Chairperson Connery indicated that proper staffing for an event would also be a reason that no spike in calls has been documented. Mr. Hinrichs expressed his opinion that there are other tools available to the Sheriff to meet staffing needs besides denying the vacation request. An example would be to assign overtime shifts. Commissioner Miller questioned whether there is specific contract language to support the denial. Mr. Hinrichs indicated that the denial was based on a perceived staffing need. Commissioner Bjerke expressed concern that law enforcement staff be available to protect the public from harm. Mr. Hinrichs again stated that there are other ways to ensure adequate staffing without denying vacation. Mr. Hinrichs questioned how the County determines staffing needs.

Sheriff Ely reported that in article 4 establishes the county right to schedule hours and workforce in order to establish a safe community. Sheriff Ely indicated that it is common practice to schedule extra shifts during festivals hosted within the county and it has been common practice that no vacation is granted over the 4th of July holiday. In addition, Sheriff Ely has been able to schedule six additional shifts during the Applefest celebration without any overtime.

HR Director Arrick-Kruger reported that inherent rights are established in article 4 and limited in article 12. The Sheriff has the right to direct, plan, and schedule vacation. He is

responsible to appropriately staff before the fact. It would be easy to reflect on staffing needs after the fact. In regard to possible call back, alcohol consumption may restrict call back options. HR Director Arrick-Kruger indicated that past procedure does set precedent when contract language is vague.

HR Director Arrick-Kruger expressed concern that her office is not familiar with the formal grievance process and would like to be aware of the proper procedures. Contract language identifies specifically that the employee is responsible to present the grievance at Step 1, and that the union becomes involved at Step 2. In this situation, the Union has filed on behalf of an employee. There are two competing standards that HR would like clarified. Mr. Hinrichs expressed that as a practical matter it would work to have the employee or local union steward present Step 1 grievances. Step 2 and any additional Steps should be presented by the union. Chief Deputy Yeiter expressed agreement with Mr. Hinrichs that employees should present Step 1 grievances and feel comfortable doing so.

Commissioner Bjerke indicated that he felt strongly that the Sheriff needs to be allowed to staff accordingly and granting the grievance would set a precedence which could impede his ability to do so. Motion by was made by Commissioner Bjerke, seconded by Commissioner Augedahl and carried, with Commissioner Miller voting in the negative, to deny the grievance of Lt. Swedberg. Sheriff Ely indicated that he has offered to grant one day of vacation to Lt. Swedberg during that period.

File No. 4 -- Engineer Pogodzinski met with the Board and requested approval of Houston County Right of Way Plat No. 35 in connection with S.A.P. 28-609-12, bridge replacement on CSAH 9 over Silver Creek. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve Right of Way Plat No. 35 and to adopt the following resolution;

RESOLUTION NO. 10-51

RESOLUTION TO APPROVE AND ACCEPT HOUSTON COUNTY RIGHT OF WAY PLAT NO. 35 FOR THE RECONSTRUCTION OF STATE AID PROJECT 28-609-12

WHEREAS; Houston County desires to improve and reconstruct County State Aid Highway No. 9, Between 1.34 miles and 1.78 miles North of the JCT With CSAH 21 located 3.5 miles north of the city of Houston, with Grading, Bridge Replacement (No. 28502 Old) (No. 28541 New), Aggregate Base, identified as SP 28-609-12; and

WHEREAS; the Houston County Highway Department and the Houston County Surveyor have prepared Houston County Right of Way Plat Number 35 to identify and delineate the right of way and temporary slope easement required for this project; and

NOW THEREFORE BE IT RESOLVED; that Houston County approves and accepts Houston County Right of Way Plat No. 35 as designating the definite location of that part of County State Aid Highway No. 9, located in Section 14, Township 104 North, Range 6 West, as presented on this date, August 24, 2010, and authorizes it to be filed of record with the Houston County Recorder.

BE IT FURTHER RESOLVED that Larry Connery, County Board Chairperson, is hereby authorized to execute and sign the Certification statement on said plat on behalf of Houston County.

File No. 5 -- Engineer Pogodzinski reported on the following bids, received until 1:00 p.m. on August 9, 2010, for S.P. 28-605-13, S.P. 28-605-14, & S.P. 28-650-15:

Minnowa Construction, Inc.	\$885,041.95
Harmony, MN	

Engineer Pogodzinski reported that additional bids had been received. However, they did not meet specifications, and as a result, were not read aloud. Also, the bid of Minnowa Construction, Inc. is approximately 17.1% below the engineer's estimate. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to accept the low bid of Minnowa Construction, Inc. in the amount of \$885,041.95.

Engineer Pogodzinski reported that County 25 has been utilized as a haul road for the State 16 project. As a result, the road has suffered damage. The agreement entered into when the County agreed to allow County 25 to be used as a haul road specifies that the road will be returned to its pre-construction condition. Engineer Pogodzinski reported that County 25 had many patches prior to being used as a haul road. He expressed concern that patching the patches to return it to pre-construction will do little to extend the road life. He indicated that a thin lift overlay could be completed on the road at a very good rate of \$50.94 per ton and the overlay would require 1,900 tons of asphalt. This pricing includes tack coat. Engineer Pogodzinski indicated that the County will receive \$15,000.00 for the State's use of CSAH 9 and County 21 as the posted detour, and Mathy will pay the county an estimated \$1,700.00 to \$2,000.00 for utilizing a 7 ton road as the haul road. Also, due to the high bids for seal coat, the Highway Department decided to forego seal coating and has \$300,000.00 which had been budgeted for sealcoat. He recommended re-allocating a portion of these funds to cover the balance to do the overlay on County 25. Engineer Pogodzinski recommended the overlay because he believes it will significantly extend the road life. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the thin lift overlay to repair County 25.

At this time Ann Hutton Executive Director of SELCO, met with the Board. She reported that a new contract is required. The county is required by the State to participate in SELCO and

the Department of Education requires SELCO to have contracts in place with each participant. Ms. Hutton reported that they have contracts of varying lengths ranging from one year to five years. She also reported that she has met with Commissioners Bjerke and Miller in preparation.

Librarians from cities within the county provided a presentation highlighting each of the cities libraries and programs hosted at each.

File No. 6 -- Liz Gibson provided a recap and statistics related to the period 2006 to 2009. Public computer access has increased by approximately 50%. Ms. Gibson indicated that the challenging economic times have driven this, as individuals forego personal internet access or lack the money to repair and or replace computers or printers. They come to the library to prepare resumes, file for unemployment or to conduct employment searches on-line. Ms. Gibson indicated that county financial support has not kept up with this level of use. Ms. Gibson reported that in 2010 the county contributed \$12.68 per capita for residents living outside a city. In comparison, area cities contributed close to \$33.00 per capita for residents. Compared to other counties, Houston County contributes the second lowest per capita amount, with only Dodge County ranking lower. Commissioner Bjerke expressed that he is very impressed by the programs being offered. He expressed his belief that the computer access which allows individuals to seek employment likely results in fewer individuals seeking assistance with the County Human Services Department. Ms. Gibson reported that when new contracts are negotiated, they try to incorporate an increase to bring contracts in-line with others in SELCO and provide modest cost of living type adjustments for the duration. She reported that a 10% increase over the expiring Houston County contract would increase the per capital contribution to \$13.82. Commissioner Miller expressed irony with the disproportionate spending between the justice center, which houses criminals versus the library, which provides resources and activities. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to enter into a one year contract with SELCO that will reflect a 10% increase for a total of \$123,000.00.

File No. 7 -- Finance Director Bradley reported on budget amendment requests from both Human Services and the Surveyor's Office. Neither request will increase nor decrease the department's budget. The amendments are to adjust individual line items where funds are not required to other line items where expenses have been incurred. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve both budget amendments.

Finance Director Bradley requested that a meeting time be set to continue budget discussions because the deadline for adopting the "not to exceed" budget is approaching in early September. It was agreed that a budget meeting would be held on Tuesday, August 31, 2010 at 9:00 a.m. and that the appropriate staff from the Sheriff's, Highway, and Human Services Departments would be available if requested. Discussion was held regarding bonding, the current market and interest rates.

File No. 8 -- Jail Administrator Schiltz and Dave Prachar reported on the bids received for Justice Center furniture. Mr. Prachar indicated that since there were no qualifying bids received for either the miscellaneous, refurbishment or installation portions. A minimum of three quotes will be solicited and recommendations in their regard will be made to the Board at a later date. On the recommendation of the building committee, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to accept the bid of Hendricksen for categories A thru E in the amount of \$221,594.00 plus reimbursables.

Jail Administrator Schiltz reported that Bruce Schwartzman had resigned from Klein McCarthy, and that co-worker Mark Schneider along with Scott Fettig will be handling the work that Mr. Schwartzman had been doing for the Justice Center project.

File No. 9 -- Recorder Bauer reported that the Recorder's Office began scanning documents in 1996. The first scanner lasted until 2002, when it was replaced with the model currently used in the department. The current scanner has started showing signs that it is nearing the end of its useful life. Recorder Bauer reported that soon her department will begin using the Torrens, landlink and marriage program. The current scanner is not compatible with the new program. Recorder Bauer reported that she will be purchasing a new scanner which is the recommendation of the imaging company. Funds from the Technology Fund will cover the expense. The cost of the maintenance agreement is \$375.00 per year, which will be covered by the Technology Fund. Recorder Bauer requested the Board agree to cover the cost from the General Fund in the event the Technology Fund is no longer available. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to agree to cover the cost of the maintenance agreement in the event the Technology Fund is no longer available.

File No. 10 -- Zoning Administrator Scanlan reported that Permit #233 was up for renewal. The Welscher's have requested an extension and indicated that they expect to start excavation this year. Zoning Administrator Scanlan reported that the Welscher's will abide by the following conditions; limit the size of excavation to 2 acres and follow the conservation plan. On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the request of Jim and Tom Welscher to renew permit #233 for a period of one year.

File No. 11 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10- 52

WHEREAS; Whitetail deer are a valuable and renewable natural resource; and

WHEREAS; Minnesota is home to a large deer herd and vast amounts of high quality deer habitat, much of it available to the public for hunting; and

WHEREAS; Minnesota was once the top state in the nation for producing high numbers of Boone and Crockett record book bucks, but because of the way the herd has been managed for more than 35 years, Minnesota has fallen steadily in the record books; and

WHEREAS; this dramatic fall in the numbers of trophy bucks is an indication of the number of mature bucks in the deer herd in this state, and is also an indicator of the health of the Minnesota deer herd; and

WHEREAS; because of the relatively few mature bucks in the deer herd, this has cost the state of Minnesota millions of dollars in lost revenue, and has cost the private sector in this state many millions of dollars more in revenue from lost opportunity as well as in real dollar costs; and

WHEREAS; Deer management decisions and changes have proven to be very difficult for the DNR to make and for the deer hunting community to accept,

NOW THEREFORE BE IT RESOLVED; that the Houston County Board of Commissioners urges that a commission of all interested stakeholders including the hunting and conservation, government, political, agriculture, business and tourism communities be formed in order to evaluate the current deer management system in Minnesota, and to consider management practices, changes and goals that could be made to the current system in order to maximize the recreational and economic potential of the deer resources of Minnesota in the future.

At this time the Board recessed until 11:00 a.m. at which time it reconvened with all members present.

Pursuant to M.S. 13D.05, and in regard to M.S. 13.43, Attorney Bublitz requested that the Board convene a closed session to discuss matters protected by attorney-client privilege, specifically allegations of a person subject to Board authority. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to convene a closed session.

The time being 11:08 a.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to return to open session.

Chairperson Connery reported that the result of closed session and in response to a grievance filed against Theresa Arrick-Kruger regarding the Houston County Policy Against Offensive Conduct, Harassment, and Violence, an independent investigator concluded that none of the four claims against Ms. Arrick-Kruger were founded. Ms. Arrick-Kruger questioned what each allegation was. Attorney Bublitz responded that; on one or more occasions Ms. Arrick-Kruger initiated investigation of the subject without authority or just cause, she recommended the extension of the probationary period without reasonable basis, intentionally violated the open meeting law by failing to provide an adequate representation of what was to be discussed prior to

convening, failed to tape record the meeting, continued discussion in closed session following the exiting of the complainant and upon completion of the closed session failed to provide a summary of the meeting held September 15, 2009 and on September 24, 2009 raised her voice to the complainant in the presence of other staff while discussing another investigation.

Ms. Arrick-Kruger expressed that she has a reputation of honesty, integrity and fairness. She endeavors to uphold her reputation and does not want to be perceived as conducting herself in any manner suggestive of impropriety. She takes her job seriously and her duty to serve the residents of Houston County by serving those who serve them with integrity. She expressed dismay that “this” made it to a point where it was determined that the involvement of an external investigator was necessary. Ms. Arrick-Kruger received a complaint nearly immediately when she accepted employment with Houston County which she was mandated to report. There were no records of this matter, nor record that a colleague had addressed the issue. Ms. Arrick-Kruger indicated that she is pleased with the outcome. She hopes that this matter has finally gotten to a point where she will be able to put it behind her. Ms. Arrick-Kruger will not misrepresent fact to others or on public record. As a Human Resources Professional, it is not her place to determine whether complaints presented to her are credible or valid. She is to be an impartial party. Ms. Arrick-Kruger expressed that her first year with Houston County has been difficult, it is likely the most difficult of her entire professional career. She expressed concern that, by carrying out duties outlined in her position description and in Minnesota Statute, accusations to the contrary have escalated to a point they interfered with her office just in their nature.

Pursuant to M.S. 13D.05, and in regard to M.S. 13.43, Attorney Bublitz requested that the Board convene a closed session to discuss matters protected by attorney-client privilege, specifically allegations of a person subject to Board authority. The time being 11:18 a.m., motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to convene a closed session.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to return to open session.

Chairperson Connery reported that a complaint had been filed against Andrew Milde regarding behavior in regard to Houston County’s Acceptable Use Policy for Electronic Communication Systems, Personal Use of County Electronic Communication Systems by Employees, Copyright Infringement, Conduct Unbecoming and Harassment as stated in correspondence which should have been received by Mr. Milde last Friday.

Chairperson Connery recommended disciplinary action in the form of written reprimand to be placed in the individuals personnel file. Commissioner Miller commented that Mr. Milde is often responsible to make technology requests of the Board. He queried Mr. Milde regarding the estimated cost of a DVD duplicating machine and the average lifespan of such a machine. Mr. Milde responded that the cost would likely be between \$400.00 and \$600.00 and the lifespan would be variable. Commissioner Miller indicated that those costs are borne by the taxpayers.

Mr. Milde expressed his understanding that actions were unacceptable and have repercussions. Commissioner Miller expressed concern regarding accountability.

Chairperson Connery reported that a complaint had been filed against Casey Bradley regarding Houston County Position on Reporting Fraud set forth in M.S. 609.456, and Houston County Policy Against Offensive Conduct, Harassment, and Violence. Chairperson Connery reported that in regard to the Houston County Position on Reporting Fraud set forth in M.S. 609.456 Mr. Bradley failed to provide the report to the State Auditor's Office. A written reprimand will be placed in his personnel file in this regard. The complaint in regard to harassment was found to be unsubstantiated resulting in no disciplinary action. Mr. Bradley indicated that he had no questions.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 12 -- Correspondence to payroll regarding several changes and or additions

File No. 13 -- Listing of additional guests at meeting

There being no further business and the time being 12:08 p.m., motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, September 7, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, September 7, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; HR Director Arrick-Kruger; Zoning Administrator Scanlan; Surveyor Walter; Engineer Pogodzinski; Attorney Bublitz; Environmental Services Director Frank; PHN Director Rock; Finance Director Bradley; HS Director Wilms; John Pristash; Jail Administrator Schiltz; Social Services Supervisor Poepping; Chief Deputy Sheriff Yeiter; Sheriff Ely; See attached listing of additional guests (See File No. A1)

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the August 24, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$118,568.97
Road & Bridge Fund	263,825.31

Total	\$382,394.28
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the August 31, 2010 budget meeting.

John Pristash provided an update regarding the building project. He indicated that the basement floor was poured last week, and the remaining basement level walls will be completed

this week allowing for back-filling and site leveling. He anticipates that pre-cast planking to cover the basement will be placed later this week. He expects to be placing standing panels the week of September 20th. Mr. Pristash stated that the next three months will be extremely critical because the building will need to be closed in to allow for inside work to move forward.

Engineer Pogodzinski reported that he had intended to bring forth information regarding the hire of Mead & Hunt for airport projects. However, the contracts are not prepared. Engineer Pogodzinski indicated that he will return to the Board next week with this item.

File No. 4 -- Engineer Pogodzinski requested authorization to utilize Bridge Bond funds for S.P. 28-605-12 on CSAH 5 over Crooked Creek. This project is a qualifying use of said funds. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-53

S.P. 028-605-012

**RESOLUTION FOR BRIDGE BONDING TO CONSTRUCT BRIDGE NO. 28J25 ON CSAH 5
OVER CROOKED CREEK**

WHEREAS, The County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for the Construction of County Bridge No. 28J25 over Crooked Creek, and

WHEREAS, the Commissioner of Transportation has given notice that funding for this bridge is available; and

WHEREAS, the amount of the Grant has been determined to be \$260,961.40 by reason of the lowest responsible bid.

NOW THEREFORE, be it resolved that Houston County does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge but not required.

Commissioner Miller questioned several claims. Discussion was held.

At this time, discussion was held regarding the rollout of a new cell phone policy, and the budgetary implications.

File No. 5 -- Surveyor Walter reported that he has \$2,000.00 available in his budget and requested approval of a contract with Cole Kelleher for work on Surveyor Office projects.

Surveyor Walter reported that Mr. Kelleher has interned with the County each of the past four summers. He has a Bachelor of Science in land surveying and mapping and a minor in GIS and has training in AutoCAD. Surveyor Walter reported that Mr. Kelleher would be working on re-monumentation of section corners, GPS of wells for the Geological Atlas and training of staff on AutoCAD. HR Director Arrick-Kruger recommended approval of the contract with Mr. Kelleher. She stated that she has carefully reviewed the status requirements for independent contractors and indicated that she felt confident that she could defend the classification of Mr. Kelleher as an independent contractor if the status were challenged. Discussion was held regarding implications whether Mr. Kelleher were to be viewed as an employee versus an independent contractor. On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the contract with Cole Kelleher for professional services in an amount not to exceed \$2,000.00 contingent upon the approval of said contract by Attorney Bublit.

File No. 6 -- Surveyor Walter provided information regarding the site dedication of the Initial point of the Iowa Minnesota boundary survey. He requested the presence of a Commissioner who would be willing to participate in the dedication ceremony by reading a portion of the original proclamation. Commissioner Bjerke agreed to participate in the dedication ceremony.

HR Director Arrick-Kruger reported that the position descriptions for both administrative positions within the Environmental Services Department have been updated. She indicated that she will begin working on the review of position descriptions in the Public Health Department now.

File No. 7 -- HR Director Arrick-Kruger requested authorization to proceed with the hiring process for a full time Case Aide in the Human Services Department. HR Director Arrick-Kruger reported that this is the position vacated by Cindy Thorson. The Human Services Department reviewed their needs and believed it would be more cost effective to replace the vacant case aide position with a clerk position. However, upon further review it has been determined by the Human Services Department that the duties which must be completed by this position are more in-line with a Case Aide position. It had been approved to hire a full time clerk. However, no action in this regard was taken and additional review of needs and duties has led to the request today. HR Director Arrick-Kruger reported that there are still potential savings due to the Case Aide position remaining vacant for this period, and as a result of filling the position at a lower step. HS Director Wilms reported that for three months the Case Aide position has been vacant. Required work is being completed by an employee who holds a B-2-3 position. Duties such as filing, records retention and destruction are not being performed. SSIS errors have increased dramatically during this period resulting in delayed or reduced reimbursement. In addition, the department is working with one-half time social worker less than previously. Social Workers are straining to keep up with their duties in addition to taking on the caseload which had been covered by the half time position. HS Director Wilms reported that a portion of the salary for a Case Aide is reimbursable. This is dependent upon the amount of time spent on

reimbursable duties, such as those related to child support. Commissioner Bjerke questioned whether the position could be filled at half time instead of full time. He expressed concern with regard to the budget and future budgetary concerns. Commissioner Miller expressed concern regarding the budget and shared information from several Minnesota counties that have reduced staff, held positions open and combined departments in an effort to reduce costs. HR Director Arrick-Kruger urged the Board to consider looking at the county as a whole to determine which, if any, positions should be cut. It may be ill advised to simply decide to hold open vacated positions. Commissioner Bjerke expressed that he isn't comfortable adding a position before looking closer at the budget and levy. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to table the request to hire a case aide.

HR Director Arrick-Kruger reported that the old boilers have been removed and the new boilers are on-site. Installation is expected to be complete ahead of schedule.

HR Director Arrick-Kruger reported that the low roofing bid for replacing the roof at CCSB came in at \$24,948.00 with the next lowest bid coming in at \$37,746.00. These bids are significantly higher than anticipated. HR Director Arrick-Kruger reported that there are funds available in the budget to cover the repairs. However, this would deplete improvement funds. When asked if there was an immediate need to replace the roof, HR Director Arrick-Kruger reported that there is currently a patch on the roof. It is not known how long the patch will continue to hold. HR Director Arrick-Kruger expressed concern that waiting could be costly if additional damage occurs to the ceiling. She reported that, before the patch was installed, water actually pooled in fixtures and desk drawers. It was agreed that HR Director Arrick-Kruger would hold discussion with Attorney Bublitz regarding legalities with having obtained bids, possibly rejection of bids and possible solicitation of quotes.

Commissioner Corcoran inquired how the drug testing policy was coming along. HR Director Arrick-Kruger reported that the policy has been completed since November 2009. At the Board's instruction, the policy was put on hold until negotiations are entered into.

File No. 8 -- Environmental Services Director Frank reported that the solid waste ordinance is nearing completion. Information meetings are scheduled for Wednesday, September 15, 2010. The Board set the budget at \$9,000.00 to cover the County portion of the ordinance and \$4,000.00 to cover the cities portion. These limits have been exceeded due to issues related to solid waste being hauled across State lines and the merging of city and county ordinances. There is still work to be completed on the license applications and forms and also some final meetings. Environmental Services Director Frank has reviewed the budget and can cover the additional expenses of \$4,500.00 if the Board approves a budget amendment. Environmental Services Director Frank had allocated funds for equipment that would provide for the accepting of bagging plastics because the ordinance revision project is important he would forego the purchase of this equipment at this time. In addition, it is anticipated that the equipment will not be available until early 2011. Environmental Services Director Frank reported that he has been aware of the budget concerns related to this project. The attorney working on the project has been

cognizant of the budget concerns and has provided associate Sarah Johnson Phillips time at no additional cost to the County. This time is valued at approximately \$10,000.00. The attorney has also billed the County at a special reduced rate. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the budget amendment to cover the additional expense to complete the solid waste ordinance revision.

File No. 9 -- On the recommendation of the TEP Panel, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve a no-loss decision with conditions on behalf of Tri-County Electric.

File No. 10 -- Finance Director Bradley requested approval for two budget amendments. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the budget amendments for both Human Resources and Highway.

Sheriff Ely reported that the Verizon claim in the amount of approximately \$51.00 is for the cell phone of Kurt Kuhlert and includes a wireless card. He also indicated that the fee for the wireless card will be decreasing by \$9.00 per month. Sheriff Ely reported that the Verizon claim in the amount of approximately \$400.00 covers 13 cell phones utilized by deputies and transport vehicle drivers. The cost is \$10.00 per month per phone plus a per minute usage fee. The Sheriff's Department has a unique Verizon account because they were able to secure a lower rate. Chief Deputy Sheriff Yeiter reported that this plan fluctuates as a result of usage. However, this plan is still the least expensive option available to the department. Discussion was held regarding the need for cell phones, the cost, and possible changes to county policy regarding cell phones.

County Attorney Bublitz reported that it was called to her attention that no motion was made regarding the decision resulting from closed session meetings involving either Mr. Milde or Mr. Bradley during the August 24, 2010 Board meeting. This has been confirmed with Auditor Meiners. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to place a letter of reprimand in the personnel file of Mr. Milde and Mr. Bradley.

PHN Director Rock reported that it is flu season again. She requested authorization to continue the county's practice of providing vaccinations to employees. She reported that this year the CDC is recommending everyone over the age of 6 months get vaccinated. This year's vaccine consists of influenza A, B and H1N1. Public Health has vaccine on hand at this time. PHN Director Rock also reported that there is a new high potency vaccine available for elderly individuals. PHN Director Rock reported that over the past couple of years participation by employees has increased from 35% the first year to 45% the second year. She is hoping that, if approved, participation this year will meet or exceed 50%. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve flu vaccinations for county employees.

PHN Director Rock requested authorization to apply for a grant renewal for the Medical Reserve Corps (MRC). The grant would be for \$5,000.00 to cover recruitment and training of volunteers for the on-line registry. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve grant application for the MRC renewal.

File No. 11 -- Zoning Administrator Scanlan reported on the following variances which were approved by the Board of Adjustment. The first variance is for Paul Rosaaen of Black Hammer Township for a variance of 11 feet to meet the required 65 foot setback from the centerline of township road to build a calf barn. The second is for Richard Steele and Lisa Fultz of Winnebago Township for a variance of 23 feet to meet the required 65 foot setback from the centerline of township road and a variance of 21 feet to meet the required 50 foot setback from the south property line to build a house. Engineer Pogodzinski expressed concern regarding a bridge and possible impact on the lot of Mr. Steele and Ms. Fultz in the event of a bridge replacement or bank work.

File No. 12 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the issuance of the following Conditional Use Permits:

Jeffery and Jennifer Jarchow – Yucatan Township - Build a dwelling on less than 40 acres in an ag district.

Kathy Unnasch – Houston Township - Rezone from Ag to Residential (1 lot subdivision)

File No. 13 -- On the recommendation of the Planning Commissioner, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to deny the issuance of the following Conditional Use Permit:

Michael Sieve – Yucatan Township - Run a Level II home occupation (Studio Gallery)

File No. 14 -- On the recommendation of the Planning Commission, motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Zoning Permits:

Richard and Karen Tisthammer – Black Hammer Township - Build shop (24' x 32')

Lyle and Joan Pohlman – Jefferson Township - Build addition on house – replace part of old house (28' x 36') deck (8' x 12')

Dennis Holte – Black Hammer Township - Build lean-to on existing shed (20' x 126')

Scott and Ellen Bulman – Union Township - Build replacement addition on house with new garage (36' x 28') and porch (8' x 52') (no new bedrooms).

Karla Beach and Kim Mitera – Mound Prairie Township - Build garage (14' x 24')

Ken Bartsch – Mound Prairie Township - Build pole building for equipment storage (40' x 72')

Tom Hoscheit – Mayville Township - Build calf barn (40' x 40') no expansion – replaces open lot

John Felten – Mayville Township - Build addition to calf barn (18' x 43') no expansion

Morken Farms – Black Hammer Township - Build confinement cattle feeding pole shed (54' x 112')

Charlie Wiegrefe – Caledonia Township - Build grain bin (15,000 bushels)

Richard and Bonita Giesler – Winnebago Township - Build addition on house – kitchen and dining room (10' x 21')

The time being 10:45 a.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to recess the meeting until 1:00 p.m.

File No. 14a -- The time being 1:00 p.m. the Board reconvened to discuss proposed 2011 budgets. Finance Director Bradley suggested reviewing the proposed cuts in the Human Services Budget. HS Director Wilms stated that the Board requested that all departments bring in proposed 2011 budgets with a zero percent increase. She indicated that there are cuts in their budget due to funding cuts imposed by the governor. In order to meet the targeted budget and not increase, they made additional cuts. In addition to the zero percent increase, the Board directed departments to look at what services are mandatory. Human Services has cut all non-mandated services with the exception of two programs, being extended employment and respite care for foster parents. She clarified that non-mandated means that the state does not consider the lack of these services to compromise the health and safety of the population served by Human Services. With the state and federal funding cuts, plus the Board's directive to have a zero percent increase, they needed to come up with significant cuts. Therefore, they decided to cut the final two programs that are non-mandated. She estimated a savings of \$100,000 by cutting extended employment and between \$25,000 and \$30,000 by eliminating respite foster care.

Commissioner Bjerke stated that, when the Human Services Department recommended cutting the \$8.30 a day for the Woodland folks, he did not realize the cut would completely eliminate the jobs provided to the Woodland clients. Further, he stated that this cut had not yet been finalized by the Board, however, letters were mailed out to the clients indicating that their jobs were being cut at year end.

HS Director Wilms stated that she talked to Judy Wandling and Steve Hill on August 24th and indicated to them that the Board recommended these cuts. Mr. Hill said he would take it to his board that afternoon, and they have been waiting to hear back from him. She stated that she had indicated to him that they would be willing to help look at additional funding streams for the clients impacted. She estimated that, of the 44 clients impacted, 36 would not have a funding stream once the county funding was eliminated. 8 clients will be funded through their waiver. She indicated that ABC sent letters to the clients indicating their jobs would end at year end.

Commissioner Bjerke stated that the Human Services Department recommended the elimination of this funding to the Board. HS Director Wilms responded that she stands by that recommendation.

Tom Murphy, a member of the ABC Board of Directors, asked to address the Board. He indicated that his wife, Angela, is currently on the ABC Board and that she was previously on the Networks Board. Judy Tollefsrud has been on the ABC Board for many years, while he himself has served on this Board for 4 years. He stated that the ABC Board has been very concerned about the people they serve, as well as being stewards of the tax dollars that come from Human Services. They are very attentive to the financial end of ABC and Woodland. The matter of cutting the funding was discussed at the ABC Board meeting, and Mr. Hill informed the ABC Board that approximately 28 clients may be able to obtain new funding sources, which would leave about half of the clients without funding. Mr. Murphy reported that Woodland's finances involve state and county funding as well as some private funding. The work flow is not consistent and varies dramatically. The financials are also very unpredictable and difficult to manage.

Mr. Murphy stated that ABC would be happy and appreciative of the opportunity to sit down and go through the financial end of things on a case by case basis. He indicated that ABC's program is comprised of approximately 80% for Olmsted County and 20% for Houston County. Having sat on that Board, he has seen firsthand that this is a very mission driven agency which concentrates on the people served. He indicated that, for those of us from a background of a "for profit" business, it is very different.

Chairperson Connery inquired how many clients Woodland currently serves. Judy Wandling responded that they serve 64 clients. HS Director Wilms indicated that 36 of the clients are completely funded with county dollars. Chairperson Connery inquired as to the wages

paid to the clients. Steve Hill responded that they pay commensurate wages according to their productivity rate, and that the average is between \$3.00 and \$6.00 per hour.

Discussion was held regarding forming a committee to perform a case by case review of funding for the Woodland clients. Chairperson Connery suggested that both ABC and ABLE be represented on this committee. HS Director Wilms asked that Financial Director Bradley also serve on this committee. Nel Rommes asked that foster parents be represented on the committee, as some of them would need to quit their jobs to provide care if their foster children lost their jobs at Woodland. Chairperson Connery suggested that we also consider the businesses involved, as they have a stake in this too.

Commissioner Bjerke suggested that Houston County provide half of the funding, or \$50,000.00 toward the extended employment program in 2011. It was agreed that the county would work with the committee to attempt to find funding sources for the remainder of the program.

Commissioner Miller stated that he appreciates Tom Murphy's presentation and he likes the spirit of working together on this.

Steve Hill stated that he wanted to clarify the issue of the letter which was mailed by ABC. He stated that the letter indicated that they had heard officially that the county funding was being eliminated from their program. He indicated that there has been an ongoing spirit of cooperation between ABC and the county Human Services staff, and he intends for that to continue. He felt that, if we work together, there is some flexibility in terms of what we can do and offer, especially for the 28 to 30 people for which funding is doubtful. He felt it would certainly be a workable solution if the county can fund at least half of the program.

Karli Harguth stated that she likes the idea of a committee. She is against totally cutting funding for the program, as a lot of people count on this money. She indicated that she moved out on her own last year and is totally happy where she is and is proud of herself. She stated that the Woodland clients are very happy with the program and take pride in their achievements every day. The letter that came out last week was very upsetting and has been weighing on their minds.

The Board thanked everyone for coming and for their interest in supporting this program.

At this time the Board continued their budget discussion with HS Director Wilms and her staff regarding other areas of their department's budget.

Commissioner Miller inquired if we have cut a number of services, why we need the same level of staff. HS Director Wilms responded that, even if we cut extended employment, they have to provide case management for those clients. Many of the services are provided by vendors, and the reduction in programs does not diminish the work done by her staff.

Chairperson Connery stated that a number of months ago they looked at developing a “dashboard” system for the Human Services Department, and he inquired as to the progress on this. HS Director Wilms stated that it is not any further along than when they started. Social Services Supervisor Poepping indicated that her being on family medical leave was part of the delay in completing this.

Discussion was held regarding the caseload guidelines set by the state. HS Director Wilms indicated that the maximum caseload the state wants to see is 30 adult cases or 15 child cases per worker. HS Accountant Bahr reported that, when they have social workers handling in excess of these numbers, the state reduces the reimbursement rate.

Commissioner Bjerke inquired as to several line items in the proposed budget which were increased dramatically between the 2010 and 2011 budgets, and suggested removing these increases. It was pointed out that several other line items have been under budgeted since the Board gave the directive to have a zero percent budget increase. The Board indicated that the budget reductions have to be realistic. HS Accountant Bahr inquired as to the possibility of them ending up with an increase in their budget. The Board stated that the budget should reflect realistic numbers, and then adjustments could be made from there.

File No. 14b -- At this time the Board met with Engineer Pogodzinski regarding reductions to his proposed 2011 budget. The line items being reduced were reviewed and discussed.

Commissioner Miller inquired as to upcoming retirements in the department, and whether some positions could remain vacant. After discussion, it was agreed that there is the possibility of not replacing one position.

Commissioner Miller inquired as to the possibility of contracting with Spring Grove and La Crescent cities to plow the county’s portion of streets within city limits. Engineer Pogodzinski responded that the number of streets this amounts to is very minimal, and would not be worth the time and effort of bill swapping.

Commissioner Miller stated that he serves on the social services policy committee, and he felt it would be beneficial to attend an upcoming policy meeting in Alexandria on September 16th and 17th. The Board indicated that this was a budgeted item and it was agreed attending the same would be beneficial.

Commissioner Miller reported that at a recent trails meeting there was discussion on the former railroad right-of-way and the uncertainty as to who the landowners were. He spoke with Dan Krzoska and Recorder Bauer on this. Recorder Bauer indicated that this would entail a weeks worth of work which would cost approximately \$5,000.00. Discussion was held.

Finance Director Bradley reported that he has been accepted in the You Lead Program through the University of Minnesota and is being offered funding for the same. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to authorize Finance Director Bradley to participate in the You Lead Program and to accept the funding for the same.

Commissioner Bjerke reported briefly on the insurance committee. It was agreed to hold a meeting of this committee next Tuesday without Mr. Colopoulos or the Blue Cross representative present.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 15 -- Correspondence to unsuccessful bidder for Justice Center furniture

File No. 16 -- Correspondence to legislators regarding deer management resolution

File No. 17 -- Correspondence to payroll regarding hire of Richard Orth & Jim Felten

File No. 18 -- Public Notice regarding August 31, 2010 budget meeting

File No. 19 -- Public Notice regarding September 15, 2010 special informational meeting

File No. 20 -- Correspondence to Kevin Hinrichs regarding Step 3 Grievance

File No. 21 -- Correspondence from citizen regarding superweeds

File No. 22 -- Cooperative Agreement Southeast MN Chemical Dependency Pilot Project

File No. 23 -- Invitation to open house for the Mower County Justice Center

There being no further business and the time being 3:35 p.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, September 14, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, September 14, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Emergency Manager Kuhlers; Engineer Pogodzinski; Sheriff Ely; Tim Penny; Bruce Kimmel; Finance Director Bradley; Dale Setterholm; Chief Deputy Sheriff Yeiter; Mimi Carlson; IS Director Milde; Justin Zmyewski; HR Director Arrick-Kruger

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the September 7, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 58,927.19
Road & Bridge Fund	142,734.91

Total	\$201,662.10
	=====

File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Tim Penny met with the Board to discuss the Southern Minnesota Initiative Foundation (SMIF). Mr. Penny expressed his appreciation for the financial support which Houston County has provided to SMIF. Mr. Penny reported that only 8% of their total funding comes from counties and cities within their 20 county area, and SMIF is a 501C3 non-profit organization. SMIF focuses on economic development opportunities through workforce and business development and early childhood education. SMIF provides loans, gap funding and grants, some on a competitive basis to businesses and community action projects. Mr. Penny reported that they work closely with many organizations including, but not limited to, the

Southeastern Minnesota Development Corporation, Workforce Development, Semcac, local EDA organizations, various Chambers of Commerce, and AmeriCorps. He provided information on initiatives which SMIF has recently assisted or has ongoing involvement with such as the partnership with IBM to provide computers for Early Childhood, quick start loans which were distributed quickly following flooding in SE Minnesota and multiple grants in the amount of \$20,000.00 each which are distributed on a competitive basis annually. Mr. Penny reported that there is a 10:1 return on investment for the local dollars which are appropriated to SMIF. Mimi Carlson reported that 20-30 AmeriCorps individuals work in SE Minnesota in early childhood and 20% of what SMIF is involved with is related to early childhood.

File No. 4 -- Chief Deputy Sheriff Yeiter provided general information on a vehicle monitoring/tracking program through Wright Express called WEXSMART. He indicated that the Sheriff's Department has been considering this and other similar products for future implementation. These programs can assist in the identification of the closest squad to a call, provide the location of a deputy's squad in the event the deputy cannot be reached by radio/phone and monitor various mechanical aspects of the vehicle.

Sheriff Ely reported that there is a product on the market called "K2", which is a synthetic marijuana that is growing in popularity. K2 is similar in chemical compound to marijuana. However, it lacks THC, the illegal component. The effects of K2 are similar to marijuana and can be 3 to 100 times stronger. Chief Deputy Sheriff Yeiter reported that Houston County has had to respond to 911 calls from a user of K2 because the user suffered severe effects which caused the user to believe they were suffering from a heart attack. The long term health impacts are not known and are of great concern. Chief Deputy Sheriff Yeiter is working on a countywide ordinance for the Board's consideration. He anticipates that the State will enact an ordinance. However, a timeline to state action is unknown and it is expected that legislature will be more concerned with budgetary issues which will delay action on K2. Chief Deputy Sheriff Yeiter will keep a countywide ordinance moving forward and ensure that it does not get pushed to the back burner.

Chief Deputy Sheriff Yeiter reported that he is assembling a large radio order so that funds available from five grants are utilized before they expire. He anticipates purchasing 51 Motorola radios for approximately \$158,465.53. This will require local funding in the amount of approximately \$11,946.00, \$10,805.00 of which has already been line item budgeted. There will be a need to come up with an additional \$1,150.00. The radios will be used by law enforcement within the county and should provide radios to both county and city agencies. Radios vary in cost. Chief Deputy Sheriff Yeiter has been waiting for a Motorola competitor to come out with a radio to meet the needs at a less expensive cost, however, none have made it to market. Therefore, he will be purchasing Motorola. The manufacturer is providing a fourth year of warranty on the radios in addition to rebates ranging from \$300.00 to \$800.00 per radio. Once the radios have been purchased, a request will be submitted for reimbursement which is expected within 30 days of request. Currently, Olmsted County is the fiscal agent for the various grants being utilized for the purchase.

File No. 5 -- Emergency Manager Kuhlers recommended approval of an amendment to the NOAA grant which provided funding for warning sirens to utilize excess funds for the purchase of software to enhance interoperability. The grant was for \$226,210.00. The amendment seeks to reduce the portion for warning sirens to \$208,393.00 and to approve the balance of \$17,817.00 be approved for use in purchasing the software to increase interoperability. This proposed amendment has been approved by both the State and NOAA. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the grant contract amendment per request.

Engineer Pogodzinski requested authorization to utilize Bridge Bond funding for several qualifying projects and to adopt the appropriate resolutions in this regard.

File No. 6 -- Engineer Pogodzinski reported that S.A.P. 28-599-71 on Bush Valley Road in Mound Prairie Township qualifies for \$331,622.00 in bridge bond funding. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-54

For Agreement to State Transportation Fund (Flood Relief Bonds)

Grant Terms and Conditions

Date: September 14, 2010

WHEREAS, the County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for bridge or roadway repairs associated with Southeast Minnesota Flood located on Bush Valley Road in Mound Prairie Township (SAP 28-599-71); and

WHEREAS, the Commissioner of Transportation has given notice that funding for this reconstruction project is available; and

WHEREAS, the amount of the grant has been determined to be \$ 331,622.00 by reason of the detail damage cost estimated prepared by the agency and approved by Minnesota Department of Transportation, District State Aid Engineer;

NOW THEREFORE, be it resolved that the Houston County does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and the Houston County will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge and road but not required.

File No. 7 -- Engineer Pogodzinski reported that S.A.P. 28-599-70 on Cork Hollow Road in Brownsville Township qualifies for \$248,304.00 in bridge bond funding. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-55

For Agreement to State Transportation Fund (Flood Relief Bonds)

Grant Terms and Conditions

Date: September 14, 2010

WHEREAS, the County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for bridge or roadway repairs associated with Southeast Minnesota Flood located on Cork Hollow Road in Brownsville Township (SAP 28-599-70); and

WHEREAS, the Commissioner of Transportation has given notice that funding for this reconstruction project is available; and

WHEREAS, the amount of the grant has been determined to be \$ 248,304.00 by reason of the detail damage cost estimated prepared by the agency and approved by Minnesota Department of Transportation, District State Aid Engineer;

NOW THEREFORE, be it resolved that the Houston County does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and the Houston County will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge and road but not required.

File No. 8 -- Engineer Pogodzinski reported that S.P. 28-605-13 on CSAH 5 near Balentine Road qualifies for \$30,090.80 in bridge bond funding. Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-56

S.P. 028-605-013

**RESOLUTION FOR BRIDGE BONDING TO CONSTRUCT BRIDGE NO. 28J26 ON CSAH 5
OVER DRY RUN**

WHEREAS, The County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for the Construction of County Bridge No. 28J26 over Dry Run, and

WHEREAS, the Commissioner of Transportation has given notice that funding for this bridge is available; and

WHEREAS, the amount of the Grant has been determined to be \$30,090.80 by reason of the lowest responsible bid.

NOW THEREFORE, be it resolved that Houston County does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge but not required.

File No. 9 -- Engineer Pogodzinski reported that S.P. 28-605-14 on CSAH 5 near Kubitz Road qualifies for \$35,653.60 in bridge bond funding. Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-57

S.P. 028-605-014

RESOLUTION FOR BRIDGE BONDING TO CONSTRUCT BRIDGE NO. 28J30 ON CSAH 5 OVER UNNAMED TRIBUTARY TO WINNEGAGO CREEK

WHEREAS, The County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for the Construction of County Bridge No. 28J26 over Unnamed tributary to Winnebago Creek, and

WHEREAS, the Commissioner of Transportation has given notice that funding for this bridge is available; and

WHEREAS, the amount of the Grant has been determined to be \$35,653.60 by reason of the lowest responsible bid.

NOW THEREFORE, be it resolved that Houston County does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge but not required.

File No. 10 -- Engineer Pogodzinski reported that S.P. 28-605-15 on CSAH 5 near Cork Hollow Road qualifies for \$35,653.60 in bridge bond funding. Motion was made by

Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-58

S.P. 028-605-015

**RESOLUTION FOR BRIDGE BONDING TO CONSTRUCT BRIDGE NO. 28J28 ON CSAH 5
OVER DRY RUN.**

WHEREAS, The County of Houston has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for the Construction of County Bridge No. 28J28 over Dry Run, and

WHEREAS, the Commissioner of Transportation has given notice that funding for this bridge is available; and

WHEREAS, the amount of the Grant has been determined to be \$35,559.40 by reason of the lowest responsible bid.

NOW THEREFORE, be it resolved that Houston County does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, clause (3), and will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge but not required.

File No. 11 -- Engineer Pogodzinski reported that Attorney Bublitz has reviewed Amendment #1 To Professional Services Agreement extending the expiration of an agreement with Mead & Hunt, Inc. to December 31, 2011. The original agreement signed in 2004 was set to expire in 2009. However, Mead & Hunt, Inc. continued to provide services. As a requirement of the FAA, we need to have an agreement in place. This amendment will satisfy the requirement. Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve amendment #1 extending the expiration of the Professional Services Agreement with Mead & Hunt, Inc. to December 31, 2011.

Engineer Pogodzinski reported that the Airport Storm Water Pollution Prevention Plan (SWPPP) is past due and in need of revision due to changes to requirements. The cost to prepare a new plan is \$8,855.00, of which, 95% will be covered by FAA grant funding and 5% being local responsibility. On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve completion of an Airport SWPPP.

Engineer Pogodzinski reported that an Airport Environmental Assessment (EA) study was authorized during the July 13, 2010. The cost for the EA would be 95% covered by FAA grant funding and 5% local.

The Houston County Flyers has agreed to pay \$3,350.00 towards the local share of the EA study. The local share to perform both the SWPPP and EA following application of FAA grant funding and the amount covered by the Houston County Flyers would be approximately \$4,800.00.

File No. 12 -- On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve Task Order #7 and Task Order #8 with Mead & Hunt, Inc. for professional services related to the SWPPP and EA.

File No. 13 -- On the recommendation of Engineer Pogodzinski, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the grant agreement with the FAA for a maximum of \$155,599.00 to cover 95% of the cost of an SWPPP and EA for the Airport, contingent upon the approval of Attorney Bublitz.

HR Director Arrick-Kruger reported that the new boilers are in place, connection to the gas line has been completed, and the water connection is being worked on. The project is on schedule.

HR Director Arrick-Kruger reported that CCSB roof repair bids came in significantly higher than anticipated. The RFP clearly reserves the right to cancel the RFP at anytime. Cancelling the RFP would allow the County to continue to solicit quotes from local contractors for the necessary roof repairs. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to rescind the RFP and to secure additional quotes. Commissioner Corcoran expressed concern that asphalt shingles do not hold up over time and there should be serious consideration to installing a steel roof.

HR Director Arrick-Kruger reported that the contract for professional services for the surveyor's office which was approved contingent upon County Attorney approval has been approved by Attorney Bublitz. She presented the contract for the appropriate signatures.

File No. 14 -- HR Director Arrick-Kruger provided information regarding Kronos, an electronic time keeping system. It is agreed by Accounting Manager Lapham, HR Technician Diersen, IS Director Milde, Finance Director Bradley and HR Director Arrick-Kruger that the program would meet the needs of the County. HR Director Arrick-Kruger has also researched PeopleSoft and RT Vision. The cost for PeopleSoft was significantly more than any other system and is designed for organizations much larger than the County. RT Vision lacks a card swipe option and is web based. Kronos has a card swipe and touch option, a manageable annual maintenance fee, will interface with the current system, has FEMA timekeeping, a separate

payroll package option and administrative layers regarding access. HR Director Arrick-Kruger expressed her belief that the Kronos system would reduce the time required by her office related to timekeeping by one-third to as much as half. The quote does not include service for the Highway Department, which currently utilizes RT Vision through MN DOT. There would be additional costs to incorporate Kronos with the Highway Department system. Commissioner Corcoran expressed his belief that it didn't take long at Franciscan Skemp for the system to pay for itself. Commissioner Miller expressed concern that Houston County has departments with only 5 individuals, whereas, Franciscan Skemp employs 3,000. Chairperson Connery expressed his thought that the system may be beneficial, as well as concern regarding funding the purchase.

File No. 15 -- Finance Director Bradley reported that Bruce Kimmel is with us today to discuss the upcoming bond issue for the Justice Center. Mr. Kimmel indicated that bonds are currently in a low rate environment and it is his hope that Houston County is able to secure near all time low rates with this issue of bonds. Mr. Kimmel expressed that timing couldn't be better. Mr. Kimmel reported that, following our first issue of Jail and CIP bonds, the state's credit enhancement program was discontinued. However, the program has been re-implemented and he encouraged the Board to move forward with enrolling this issue of jail bonds into the state credit enhancement program so that the county can benefit from the states AAA rating. Finance Director Bradley reported that initial projects budgeted 75% for jail and 25% for administrative and courts. Now that we have actual costs Mr. Kimmel stated that the planning was good because, now that actual costs are known, it has been determined that 71% is for jail and 29% for courts which is close to what was planned for. Mr. Kimmel explained the need and reason for a public hearing for the CIP bonds. If there are excess proceeds from the bond issue, an additional hearing would be required to re-allocate the funds for a different project. Finance Director Bradley recommended amending the initial public hearing to cover projects which excess funds may be used for. It was agreed to include these other projects in the initial public meeting.

Mr. Kimmel explained the tax impact resulting from the debt service, front load and back load and also the call feature. Commissioner Miller stated there would be additional tax impacts resulting from operating and staffing costs once the Justice Center is completed. Commissioner Corcoran stated that there would also be savings realized once the Justice Center is completed related to transportation and the boarding of prisoners out of county.

Mr. Kimmel reviewed the schedule of events leading up to and completing the bond sale process.

File No. 16 -- Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-59

Resolution Providing for the Sale of
\$5,245,000 General Obligation County Jail Bonds, Series 2010B

- A. WHEREAS, the Board of Commissioners of Houston County, Minnesota, has heretofore determined that it is necessary and expedient to issue the County's \$5,245,000 General Obligation County Jail Bonds, Series 2010B, to finance Criminal Justice Center improvements; and
- B. WHEREAS, the County has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Houston County, Minnesota, as follows:

1. Authorization; Findings. The County Board hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The County Board shall meet at 11 a.m. on November 16, 2010, for the purpose of considering sealed proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the County are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the County upon its completion.

File No. 17 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to schedule the public hearing on the capital improvement plan the issuance of CIP bonds for Tuesday, October 12, 2010 at 10:00 a.m. and to authorize Finance Director Bradley to publish notice of the same.

Chairperson Connery stated that additional operating expense will be necessary when the new Justice Center comes online. However, in 2009 Houston County housed, on average, 8 inmates out of county at an average cost per inmate of \$20,000.00 equaling approximately \$160,000.00 plus transportation costs which will be saved and can be used to offset the operating expenses of the Justice Center. It has been estimated that approximately \$80,000.00 to \$90,000.00 will be saved once the new Justice Center is functional.

File No. 18 -- Finance Director Bradley reported that the County is required to certify the "not to exceed" levy amounts to the Auditor by September 15, 2010. He provided information regarding several of the line items. In conclusion, the levy would not exceed \$9,880,925.00 which represents a 5.35% increase. If debt service were not included, the increase is only 0.31% over last year. This levy may be reduced following adoption. Chairperson Connery indicated that Fillmore County Commissioners were anticipating adopting a levy reflecting a

3.5% increase. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-60

BE IT RESOLVED, that the proposed levy after the deduction of County Program Aid (CPA), in the amount of \$9,880,925 be made on all taxable property in the County of Houston for taxes payable in 2011 in the following amounts by County Fund:

County Revenue	\$6,152,268
Road & Bridge	2,531,981
Human Services	1,019,205
Bond Fund – 2009A G.O. Bonds (Equipment)	262,910
Bond Fund – 2009B Jail CIP Bonds	242,000
Bond Fund – 2009C Jail Bonds	268,289
Bond Fund – 2010A Jail CIP Bonds	93,703
Bond Fund – 2010B Jail Bonds	254,973

Total	10,825,329
Less CPA	(944,404)

Total Levy	\$9,880,925
	=====

File No. 19 -- Auditor Meiners presented a proposed letter to the State Auditor, per their request, in connection with the recently completed audit. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the letter to the State Auditor and to authorize the signature of Chairperson Connery.

File No. 20 -- Received and filed from the Houston Money Creek Snowmobile Club was a Capital Improvement Grant Agreement. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-61

BE IT RESOLVED By the Board of County Commissioners, Houston County, Minnesota, that it approves the Capital Improvement Grant Agreement of the Houston/Money Creek Snowmobile Club and authorizes the Board Chairman and the County Auditor to sign an agreement with the Department of Natural Resources.

Commissioner Augedahl reported on a Semcac meeting which he attended.

Commissioner Bjerke reported on the dedication ceremony of the initial survey post of the Iowa Minnesota border which he participated in.

Commissioner Miller reported on SMART and PSAP meetings which he attended.

File No. 21 -- Chairperson Connery reported on a Semcac meeting which he attended.

Brief discussion was held regarding the upcoming AMC annual conference.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to recess the meeting until the next scheduled appointment at 1:00 p.m.

The time being 1:00 p.m., the Board reconvened. Dale Setterholm, University of Minnesota, made a presentation regarding the possibility of doing a geological survey for Houston County.

There being no further business and the time being 3:00 p.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, September 21, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, September 21, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Environmental Services Director Frank; Teresa Walter

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Miller and unanimously carried to approve the minutes of the September 14, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 40,694.53
Road & Bridge Fund	216,358.55

Total	\$257,053.08
	=====

File No. 2 -- Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Environmental Services Director Frank requested approval of the annual Natural Resources Block Grant agreement. The grant provides state money that is utilized to implement the following programs; wetlands, feedlots, shore land and SSTs (septic system). The fiscal year 2011 grant is in the amount of \$85,358.00. Environmental Services Director Frank reported that funding is down from the previous year for several of the programs, in kind funding and tracking how the funds are expended are required. Commissioner Bjerke questioned whether legacy funds are a portion of this. Commissioner Bjerke expressed concern that the funding has declined to a level that supports only the administration of the programs and very few projects. Motion was made by Commissioner Bjerke seconded by Commissioner Corcoran and unanimously carried to approve the FY2011 State of Minnesota Board of Water and Soil

Resources Natural Resources Block Grant Agreement and to authorize the signature of Chairperson Connery.

Environmental Services Director Frank reported that meetings have been held with haulers and cities regarding the solid waste draft ordinances. However, not all the cities attended. During the meetings the draft ordinances were reviewed. There was good discussion and questions which are now being taken into consideration. Environmental Services Director Frank expressed confidence that the ordinance and meetings are setting the stage for a good working relationship amongst those involved with the handling of solid waste in our county. There was no strong opposition. Environmental Services Director Frank will continue to take questions and concerns until September 30th.

Environmental Services Director Frank reported that a second meeting has been scheduled to discuss the geological atlas and the various departmental staff time which would be necessary.

File No. 4 -- Auditor Meiners presented a contract with SELCO, which was approved during the August 24, 2010 Board of Commissioners meeting, for the appropriate signatures.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to schedule the TNT meeting for December 2, 2010 at 6:01 p.m.

Commissioner Miller questioned whether a formal motion is necessary to ensure that additional investigation takes place regarding events which led to recent disciplinary action. Commissioner Corcoran expressed displeasure with having spent a significant amount of money to investigate actions which were addressed some time ago. Chairperson Connery stated that the County Attorney was directed to follow up regarding Commissioner Miller's concern, and to date, she has not reported back to the Board in this regard.

Commissioner Miller reported on an AMC meeting which he attended.

Chairperson Connery provided a reminder about the Annual Township Officers Association Meeting scheduled for Wednesday, September 22, 2010.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 5 -- Note of appreciation regarding Woodland funding

File No. 6 -- SMIF Annual Luncheon information

File No. 7 -- Greater Minnesota Transit Investment Program

File No. 8 -- Correspondence regarding tons delivered to Xcel

File No. 9 -- Correspondence from Southern MN Initiative
Foundation & SE MN Dev Corp

File No. 10 -- Correspondence to the Barbara O'Grady
Excellence in Public Health Nursing Award

There being no further business and the time being 9:45 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, September 28, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, September 28, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; GIS Coordinator Krzoska; Environmental Services Director Frank; Jeanne Peterson Feldmeier; Maintenance Foreman Molling; Recorder Bauer; Surveyor Walter; Zoning Administrator Scanlan; HR Director Arrick-Kruger

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the September 21, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 53,212.97
Road & Bridge Fund	384,975.45

Total	\$438,188.42
	=====

File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Engineer Pogodzinski requested approval of a final estimate on behalf of Dunn Blacktop Company in the amount of \$6,565.85 for S.A.P. 28-610-19 CSAH 10 Paving. Engineer Pogodzinski reported that this job was bid at \$137,158.28. The total cost was \$131,317.00. Motion was made by Commissioner Augedahl, seconded by Commissioner Miller and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-62

WHEREAS, Contract No. 196 has in all things been completed, and the County Board being fully advised in the premises,

NOW, THEN BE IT RESOLVED, That we do hereby accept said completed project for and in behalf of the County of Houston and authorize final payment as specified herein.

File No. 4 -- County Engineer Pogodzinski reported on the proposed 5 year bridge replacement priority list. The list is updated annually and submitted to the state. Bridges may be added and may rise or fall on the priority list depending on preparation status and available funding. Commissioner Bjerke questioned how the bridges are prioritized. Engineer Pogodzinski responded that the deficiency rating of a bridge impacts a bridges placement on the listing. Engineer Pogodzinski reported that the listing has not changed greatly from last year. Two bridges were added. They are located on CSAH 10 and 17. On the recommendation of County Engineer Pogodzinski, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the 5 year bridge replacement priority list as presented and to adopt following resolution:

RESOLUTION NO. 10-63 Prioritized Bridge Replacement List September 28, 2010

WHEREAS, Houston County has reviewed the pertinent data on bridges requiring replacement, rehabilitation, or removal, supplied by local citizenry and local units of government, and

WHEREAS, Houston County has identified those bridges that are high priority and that require replacement, rehabilitation, or removal within the next five years;

NOW, THEREFORE, BE IT RESOLVED that the following deficient bridges are high priority and Houston County intends to replace, rehabilitate, or remove these bridges as soon as possible when funds are available,

Old Bridge #	Road # or Name	Total Project Cost	Township Bridge/or State Aid Funds	Federal Funds	Bridge Bonding	Local Funds	2007 Legislative Bond Funds	Proposed Construction Year
6312	CSAH 22	571,084	174,534	0	0	0	396,550	2011
28502	CSAH 9	1,360,825	897,432	0	463,393	0	0	2011
L4575	Day Valley Road	480,298	104,348	0	0	20,600	355,350	2011
L4574	Day Valley Road	393,460	290,460	0	82,400	20,600	0	2011
R0507	Perkins Valley Road	468,569	97,769	0	0	20,600	350,200	2011
L3993	South Prairie Drive	470,710	450,110	0	0	20,600	0	2011
7033	CSAH 4	479,527	254,086	180,353	45,088	0	0	2012
6938	CR 249	424,360	0	185,353	45,088	198,919	0	2012
88418	CSAH 9	1,273,080	1,273,080	0	0	0	0	2012

L5826	Benson Drive	588,800	282,465	228,094	57,023	21,218	0	2012
L2546	Daley Creek Drive	384,046	230,215	0	132,613	21,218	0	2012
L4556	Charlie Drive	421,177	240,824	0	159,135	21,218	0	2012
L3980	Quarry Road	331,001	230,215	0	79,568	21,218	0	2012
6671	CR 249	630,503	0	0	382,454	248,049	0	2013
28503	CSAH 3	726,663	305,963	0	420,700	0	0	2013
88417	CSAH 8	1,942,519	550,227	1,392,292	0	0	0	2013
L2547	Daley Creek Drive	455,667	248,048	0	185,764	21,855	0	2013
L3983	Wiebke Hill Road	395,567	248,048	0	125,664	21,855	0	2013
6940	CR 249	396,179	0	0	140,689	255,490	0	2014
88419	CSAH 10	396,179	396,179	0	0	0	0	2014
88425	CSAH 17	396,179	396,179	0	0	0	0	2014
1703	Looney Valley Road	396,179	238,608	0	135,061	22,510	0	2014
L3985	Rood Road	306,138	193,587	0	90,041	22,510	0	2014
L4560	Lorenz Road	597,620	209,565	365,545	0	22,510	0	2014

FURTHERMORE, Houston County does hereby request authorization to replace, rehabilitate, or remove such bridges; and

FURTHERMORE, Houston County does hereby request financial assistance with eligible approach grading and engineering costs on township bridges, as provided by law.

File No. 5 -- Auditor Meiners reported that three campers have requested approval to switch sites. It was agreed that Auditor Meiners would contact committee members and if there was no opposition to the request, approval would be granted.

File No. 6 -- Environmental Services Director Frank reported that state statute requires that a market price be established and submitted to the Department of Revenue prior to any hauler collected service fee being established. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Augedahl, and unanimously carried to adopt the following resolution:

RESOLUTION 10-64

WHEREAS, Minnesota Statutes Chap. 297H requires political subdivisions to identify by resolution a market price for solid waste services; and

WHEREAS, the market price is identified as the “lowest price available in the area;” and

WHEREAS, Houston County has performed research to identify the lowest price available in the area as summarized below and outlined in Attachment 1:

Locations of MSW Disposal and Transfer Facilities	Tipping Fee Per Ton	Miles Per Round Trip	Cost Per Mile	Transport Cost Per Trip	Transport Cost Per Ton	Total Market Price/Ton
WWI Transfer Station – Austin, MN	\$66.00	212	\$3.00	\$636.00	\$31.80	\$97.80

WMI Landfill Lake Mills, Iowa	\$31.40	297	\$3.00	\$891.00	\$44.55	\$75.95
Olmsted Co., MN	\$83.00	220	\$3.00	\$660.00	\$33.00	\$116.00
Winneshiek Co., Frankville, Iowa	\$60.00	100	\$3.00	\$300.00	\$15.00	\$75.00
Monroe Co., Sparta, WI	\$39.00	130	\$3.00	\$390.00	\$19.50	\$58.50
La Crosse County Resource Recovery and Disposal System	\$66.00	50	\$3.00	\$150.00	\$7.50	\$73.50
Cranberry Creek, Wisconsin Rapids, WI	\$52.75	262	\$3.00	\$786.00	\$39.30	\$92.05

NOW THEREFORE BE IT RESOLVED, the County of Houston declares a market price of \$58.50 per ton based on a tipping fee amount of \$39.00 per ton at Monroe Co. Landfill and additional transportation cost of \$19.50 per ton.

GIS Coordinator Krzoska reported that the University of Minnesota (U of M) has contacted Houston County regarding completing a geological atlas of Houston County. They have requested assistance with well location and/or identification. GIS Coordinator Krzoska indicated that many wells can be identified by current information on hand. However, there are some wells that will require GPS location. Recorder Bauer reported that Cole Kelleher is working, under contract, for the Surveyor's Office. GIS Coordinator Krzoska and Recorder Bauer would like to have Mr. Kelleher's contract amended to include well location work for the geological atlas. Recorder Bauer reported that the Compliance Fund may be used to cover the cost of the GPS location of wells and recommended a not to exceed amount of \$5,000.00. GIS Coordinator Krzoska reported that the cost of completing a geological atlas such as this would be approximately \$750,000.00. Currently, the county does not have any data such as the information that the geological atlas will provide, making this a valuable resource that could be available to us for a minimal amount of in-kind participation. The commissioner's questioned whether the surveyor's office projects for the highway department would be delayed by work performed for the completion of the geological atlas. Surveyor Walter responded that, because Mr. Kelleher would be performing the work for the geological atlas, there would be no delay in the work his office performs for the Highway Department.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to agree to participate in the geological survey of Houston County and to commit the necessary in-kind resources for its completion.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve an amount not to exceed \$5,000.00 from the Compliance Fund to be used to cover the cost of well location work performed by Cole Kelleher which is necessary for the completion of the geological survey of the county.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to amend the contract with Cole Kelleher from a not to exceed amount of \$2,000.00 to \$7,000.00, and a not to exceed per week amount of \$520.00. There will be no change in regard to the expiration of the contract which is November 30, 2010.

File No. 7 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the letter of support to MCIT regarding CCWSD's application for membership with MCIT, and to authorize the signature of Chairperson Connery on said letter.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve membership dues to NACO in the amount of \$412.00 for the year 2011.

File No. 8 -- Auditor Meiners reported that HR Director Arrick-Kruger had expressed interest in participating on the Board for the Southeast Service Cooperative who is currently calling for nominations. Commissioner Bjerke indicated that he finds it difficult to work with some representatives from the Cooperative, and he felt it may be beneficial to have a member of our organization sitting on the Board. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to nominate HR Director Arrick-Kruger to the Southeast Service Cooperative Board.

File No. 9 -- Auditor Meiners reported that it has been common practice to sponsor the Fair Board when applying for grants. The County is a 501C.3 organization. The Houston County Agricultural Society (Fair Board) is not a 501C.3 organization and has requested sponsorship which will allow them to apply for a grant from SEMAC. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-65

WHEREAS, the Houston County Agricultural Society (Fair Board) desires to apply for a grant from SEMAC (Southeast Minnesota Arts Council); and

WHEREAS, the grant must be submitted by a 501C3 organization; and

WHEREAS, the Houston County Agricultural Society (Fair Board) is not a 501C3 organization;

NOW, THEREFORE, BE IT RESOLVED THAT Houston County act as sponsoring agency for the Houston County Agricultural Society's (Fair Board) grant application and acknowledges herewith that it is willing to be the project sponsor and accepts responsibility for seeing this project through to its completion, with compliance of all applicable laws, rules and regulations.

Commissioner Bjerke reported on an insurance meeting which he attended.

Commissioner Miller reported on a meeting he attended regarding Human Services Redesign.

Discussion was held regarding correspondence from MCIT regarding Community Action Partnerships.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 10 -- Correspondence from MCIT regarding
Community Action Partnership

There being no further business and the time being 9:50 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, October 5, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, October 5, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; HR Director Arrick-Kruger; Carla Blahnik; HS Director Wilms; Jail Administrator Schiltz; John Pristash; Assessor Dybing; Finance Director Bradley; Engineer Pogodzinski; Justin Zmyewski

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the September 28, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 45,634.70
Road & Bridge Fund	133,391.51

Total	\$179,026.21
	=====

File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

John Pristash reported that pre-cast is being set, the pieces are fitting together nicely and they expect to gain back some of the time lost due to rain during the five weeks of setting pre-cast. Site utilities have been installed, the parking lot has been established and is being utilized as a staging area. The jail cells are expected to arrive in December. Jail Administrator Schiltz reported that the city administrator has addressed a neighbor's complaint. Commissioner Miller inquired whether the color on the pre-cast was a match. Mr. Pristash reported that the architects are responsible for color match determination. It is possible that an acid wash will be used to change the color to better match. It was agreed that the contractor performing acid wash on the new panels should supply a quote to acid wash the existing courthouse while they are on site.

File No. 3 -- HR Director Arrick-Kruger and Assessor Dybing recommended that Michael Paulson's banding be increased from B-2-3 to B-2-4 based on his successful completion of classes which qualify him as a Commercial Appraiser. This request is in line with past practice. Assessor Dybing reported that having staff qualified in this regard creates efficiencies which save money. HR Director Arrick-Kruger reported that the increase in banding will provide a compensation level adequate for Mr. Paulson's level of training. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to increase the banding of Michael Paulson from B-2-3 to B-2-4 effective October 10, 2010.

HR Director Arrick-Kruger reported on several quotes which have been solicited for the replacement of the roof on the County Community Services Building (CCSB). She recommended accepting the quote of Allen Construction in an amount not to exceed \$19,400.00. HR Director Arrick-Kruger provided quote information for steel roofing which ranged from \$27,900.00 to \$60,000.00. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to accept the quote of Allen Construction in an amount not to exceed \$19,400.00 for the replacement of the roof on the CCSB. HR Director Arrick-Kruger indicated that the contractor expects to have the new roof installed by the end of November.

HR Director Arrick-Kruger reported that the boiler installation is behind schedule by one to two weeks due to fabrication complications. She has been fielding several calls from colleagues regarding the temperature throughout the building.

HR Director Arrick-Kruger and Engineer Pogodzinski requested the Board approve a conditional offer of employment and recommended the hire of Joseph Allen for the position of maintenance specialist at Step 1 of the appropriate wage scale. The conditional offer of employment is contingent upon the favorable review of Mr. Allen's DOT testing records and upon his passing the DOT physical and drug testing requirements. Engineer Pogodzinski reported that Mr. Allen comes with three and a half years of maintenance specialist experience from Dodge County. The job in Houston County would reduce his work commute. However, the compensation is less than he currently makes. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to extend a conditional offer of employment to Joseph Allen.

File No. 4 -- HR Director Arrick-Kruger requested approval of four personnel policies. She recommended that the Alcohol and Drug Policy be approved subject to the inclusion of updated federal drug policy information that is forthcoming. The updates to the federal drug policy relate to increased thresholds and a change in screening from five panels to seven. The policies have been reviewed by department heads and suggestions have been incorporated where appropriate. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve the following policies; Alcohol and Drug Policy (HC Policy 9.28) subject to the inclusion of changes to the federal policy once released; Public Access to Government Data and Rights of Subjects of Data (HC Policy 9.29); Acceptable Use of

Computers and Information Technology Resources (HC Policy 9.30); and Cellular and Other Mobile Computing Devices (HC Policy 9.31).

File No. 5 -- At this time Carla Blahnik of the State Auditor's Office met with the Board to discuss the findings of the 2009 audit. Ms. Blahnik provided information on the State Auditor's responsibilities and those of the County. Houston County received an unqualified opinion regarding the 2009 audit. This is the best level of opinion that a county may receive. Ms. Blahnik provided charts and graphs representing various data from 2004 through 2009 and explained each. Ms. Blahnik took care to call attention to spikes which were a direct result of the flood events of 2007 and 2008. She explained that various increases are related to infrastructure improvements and/or additions. Commissioner Bjerke inquired whether she has seen any trend among county's which may be tapping unreserved balances to balance budgets. She responded that to this point she has not seen this. Ms. Blahnik explained what the Schedule of Findings is and that the findings are based on review of internal controls, legal compliance issues and management practices. She reported that, because Houston County exceeds a threshold for federal grants, a single audit of federal awards was also conducted. She indicated that several material audits were required which signals a lack of oversight during the preparation of the financial statements. Improved oversight should result in a decrease in these material adjustments. Commissioner Connery questioned Finance Director Bradley regarding action being taken to improve oversight. Finance Director Bradley reported that the grant policy has been implemented and should reduce adjustments in the future. Commissioner Miller questioned recommended fund balances. It is the recommendation of the State Auditor that county's maintain five months operating expense in their fund balance. However, the state does not appear to follow its own recommendations. Ms. Blahnik indicated that the State Auditor makes these recommendations to the counties. The counties are responsible for their own determination. She does not provide recommendation or oversight to the State. It was noted that the high fund balance maintained prior to flooding in both 2007 and 2008 provided the county with funds to address the needs of the county and to request less in the amount of emergency loans needed to get through the disaster. Ms. Blahnik reported that the area of Treasury lacks various internal controls and there are many opportunities to improve this. Currently, the treasury performs many functions autonomously without secondary oversight or review. She provided several examples. Commissioner Bjerke expressed a desire to discuss improvement of internal treasury controls during an upcoming finance meeting. Finance Director Bradley indicated that the greatest shortfall may be the lack of actual balancing of the bank statements back to the books. Ms. Blahnik indicated that independent review of these areas may also result in errors being identified much sooner in the process. Ms. Blahnik encouraged a practice that would result in written policies. There was discussion regarding a lack of internal controls regarding ACH transactions and changes which have been implemented to improve the controls. Ms. Blahnik encouraged written policies from IT/data processing regarding security, back up procedures, e-mail encryption and employees leaving. She reported that there were no findings regarding the single audit. She recommended continued work on a disaster recovery plan and the official delegation from the Board for those processing claims prior to Board approval. In closing, Ms. Blahnik

expressed appreciation for the departmental cooperation during her organizations audit of Houston County.

File No. 6 -- Finance Director Bradley reported that a new claim form has been created and requested approval of the new form for county use. This form will replace the old two-sided half sheet forms which are costly. The new form will be available on-line. He reported that the Highway Department and Human Services will likely modify the form slightly to better meet their needs. The Highway Department has unique cost accounting needs and Human Services has unique coding needs. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the claim form as presented.

File No. 7 -- Auditor Meiners requested approval of four Maintenance and Grooming Grant Agreements for the county's snowmobile clubs. She reported that Houston County is simply a pass through agency for the funding, and approval of the agreements does not cost the county and has been common practice for many years. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve maintenance and grooming grant agreements for Gopherland Trails, La Crescent Trail, Viking Ridge Trail, and Houston Money Creek Trail and to authorize the signatures of Chairperson Connery and Auditor Meiners on said agreements.

File No. 8 -- Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve a tax abatement for Dean and Debra Kerrigan on parcels #11.0020.001 and 11.0370.002, being a reduction of \$432.00. The abatement is due to incorrect classification.

HS Director Wilms reported that Social Services Supervisor Poepping was out of the office, therefore, the appointment regarding telecommuting will be rescheduled for another meeting when they may both be present.

File No. 9 -- HS Director Wilms reported that Human Services contracts with Hiawatha Valley Mental Health Center for Rule 25 assessments because it is more efficient for them to perform said assessments. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the contract with HVMHC and to authorize the signature of Chairperson Connery.

HS Director Wilms reported that a hearing is being held today regarding an appeal related to the denial of mental health services for a non-MA client. The client was notified of changes regarding services for non-MA clients. The client did not qualify for MA. The client was offered services on a sliding fee scale which they declined. Therefore, no services have been provided because there is no county funding to cover the cost and no other billing mechanism available to the client.

Commissioner Bjerke reported on a water planning meeting which he attended.

Chairperson Connery reported on a HVMHC meeting which he recently attended.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to place on file the following items from the consent agenda:

File No. 10 -- Notice of Public Hearing City of Caledonia

File No. 11 -- Correspondence from the U of M regarding geological survey

File No. 12 -- Correspondence from Kittson County regarding court of appeals ruling on drainage ditches in Kittson County

File No. 13 -- Nomination Petition of Tess Arrick-Kruger to the Southeast MN Service Coop

File No. 14 -- Amendment to contract with Cole Kelleher

There being no further business and the time being 10:12 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, October 12, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, October 12, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Public Health Director Rock; Zoning Administrator Scanlan; Bruce Kimmel; Finance Director Bradley; HR Director Arrick-Kruger

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the October 5, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$172,131.54
Road & Bridge Fund	677,431.53

Total	\$849,563.07
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

HR Director Arrick-Kruger reported that the County has received notice from the Bureau of Mediation Services requesting a meeting to discuss the grievance filed by Lieutenant Brian Swedberg. It was agreed that Commissioners Bjerke and Connery would attend in addition to HR Director Arrick-Kruger and Sheriff Ely. Commissioner's Bjerke and Connery were selected because they are assigned to the negotiating committee. HR Director Arrick-Kruger will schedule the meeting and notify those whose attendance is expected. She indicated that the Bureau of Mediation Services has offered meeting times of either 1:00 p.m. on either November 1st or 15th or 10:00 a.m. on November 15th.

File No. 3 -- At this time, PHN Director Rock met with the Board to share a PowerPoint presentation showcasing the Beacon Grant, the purpose, initiatives and desired outcome. \$12.3 million dollars has been awarded to Mayo and eleven southeastern Minnesota counties including Houston for an initiative that will develop and improve Health Information Technology across facilities ranging from healthcare providers, local public health agencies and schools that will result in improved health. Two demonstration projects have been identified, being projects focusing on childhood asthma and adult diabetes. PHN Director Rock will continue to provide the Board with updates as the plan for this grant develops and information in this regard becomes available.

File No. 4 -- Zoning Administrator Scanlan reported on the following variance which was approved by the Board of Adjustment: Alan and Joyce Strub of Mayville Township for a variance of 15 feet to meet the required 50 foot setback from the west property line and a variance of 26 feet to meet the required 50 foot setback from the north property line to build a garage.

Chairperson Connery expressed concern regarding treating individuals equitably regarding zoning issues. Discussion was held regarding the process by which decisions are rendered, equitable treatment, findings, criteria and public access to findings and criteria. Charlie Warner reported that he is provided with a copy of the findings and/or criteria for each zoning item which comes before the board.

File No. 5 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Conditional Use Permit subject to the completion of a required survey:

Tim and Tammy Boldt – Houston Township - Build a dwelling on less than 40 acres in an ag district.

File No. 6 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Conditional Use Permit subject to a preliminary plat for a single lot subdivision:

Chris and Amy Lorenz – Hokah Township - Rezone from Ag to Residential.

Zoning Administrator Scanlan reported that Conditional Use Permit #262 issued to Zenke Partnership on December 13, 2006, for substantial land alteration (create wetlands) in a shore land district (Millers Corner in Sections 27 & 28 of Hokah Township) and renewed in 2007, 2008 and 2009 was up for renewal. Mr. Zenke faxed back his intent to request an extension. Zoning Administrator Scanlan indicated that he had not received any feedback regarding the

Zenke project. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve a one year extension to Conditional Use Permit #262.

File No. 7 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Zoning Permits:

Ruth Horihan – Hokah Township - Install house (28’ x 60’) garage (28’ x 28’)

Troy Schroeder – Caledonia Township - Build deck (24’ x 18’)

Myron Mathison – Black Hammer Township - Build garage (18’ x 20’) deck (8’ x 30’) ramp (8’ x 18’)

James Kreutzer – Brownsville Township - Install mobile home (16’x 80’) replacement of 2nd farm dwelling

Joe Driscoll – Brownsville Township - Build storage building (14’ x 56’)

Alan Schmitz – Mayville Township - Build garage (28’ x 32’)

Jeromy Johnson – Brownsville Township - Install sign (4’ x 6’)

Allton Peterson – Houston Township - Build addition on house – bedroom and bathroom (18’ x 24’)

Paul Rosaaen – Black Hammer Township - Build lean-to’s on ag buildings (14’ x 50’) (30’ x 70’) and L-shaped livestock building (16’ x 72’ and 20’ x 36’)

Dan and Imelda Cuhel – Mound Prairie Township - Build 2 decks (16’ x 23’) and (20’ x 30’)

Rick Torgeson – Money Creek Township - Do excavation of creek bank – ’07 flood related

Eric Johnson – Houston Township - Build grain bin (24,000 bushels)

Mark and Rachel Udstuen – Spring Grove Township - Build addition on house (18’ x 47’)

Mike Schleinz and Shawn Kraft – Yucatan Township - Build pole shed –

riding arena, storage (60' x 120') with lean-to (12' x 120')

Ruth Boyum – Houston Township - Build house (68' x 34') garage (30' x 30') porch (30' x 8' x 6")

Dean and Cindy Lager – Brownsville Township - Build pole shed – mono slope (20' x 20')

Jeff and Jennifer Jarchow – Yucatan Township - Build house (60' x 40') garage (28' x 28') deck (10' x 20') storage building (40' x 60')

Rick Steele and Lisa Fultz – Winnebago Township - Build house (26' 6" x 45') garage (30' x 26' 6") deck (26' 6" x 6') porch (6' x 20')

Richard Snow – Houston Township - Replace 3-season porch with 4-season room (14' x 20')

File No. 8 -- Auditor Meiners reported on a contract amendment which extends the expiration of Contract No. 3000-1398 to August 31, 2011. The contract provides for reimbursement of overtime expenses incurred by Digital Evidence Technician Pierce to investigate ICAC cases. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve Amendment No. 1 To Contract No. 3000-1398.

File No. 9 -- Chairperson Connery reported on correspondence received from Winona County regarding Winona County's "Clean Hotel" Policy and Resolution. They are encouraging other counties to adopt similar policies and resolutions.

File No. 10 -- Chairperson Connery reported that he has received correspondence from Tom Falbo indicating that Mr. Falbo is not seeking re-appointment to the EDA Committee once his current term expires on December 31, 2010. In addition, Mr. Falbo is resigning from the Airport Commission effective immediately. It was agreed that a letter of appreciation for Mr. Falbo's service on these committees will be sent.

The time being 10:08 a.m., a public hearing was convened to consider CIP Bonding.

Finance Director Bradley introduced Bruce Kimmel of Ehlers and Associates. He provided information regarding the reason for this public hearing and the process by which the hearing would be conducted.

File No. 11 -- Mr. Kimmel reported that the CIP portion of financing requires that a public hearing be conducted. He provided information on statutory requirements, the Capital Improvement Plan, the size of the bond issue, statutory references, and financing authorities. Mr. Kimmel pointed out that Houston County will have approximately \$18.4 million in debt which is

conservative considering the County has a statutory debt limit of approximately \$54 million. Houston County will be utilizing less than half of its statute allowed debt capacity. Commissioner Miller questioned how the statutory limit is determined. Mr. Kimmel responded that statute determines debt capacity by taking a percentage of taxable market value.

File No. 12 -- Finance Director Bradley reported that proper notification of the public hearing was made.

Mr. Kimmel provided an overview of the draft of the Capital Improvement Project Plan.

At this time the meeting was opened up for public comment. Reporter Warner clarified his understanding of the information provided.

Mr. Kimmel provided information on the call feature which would allow the bonds to be paid off early.

File No. 13 -- Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-66

**RESOLUTION RELATING TO APPROVAL OF A CAPITAL IMPROVEMENT PLAN AND
ISSUANCE OF GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS,
SERIES 2010A**

BE IT RESOLVED BY THE Board of County Commissioners (the Board) of Houston County, Minnesota (the Issuer), as follows:

WHEREAS, the Issuer has published notice of its intent to hold a hearing on the issuance of capital improvement plan bonds under Minnesota Statutes, Section 373.40 (the "Bonds") and on its proposed Capital Improvement Plan (the "Plan"), at least fourteen (14) but not more than twenty-eight (28) days prior to the date hereof, pursuant to and in accordance with Minnesota Statutes, Section 373.40 (the "Act"); and

WHEREAS, the Board held a public hearing on the date hereof on the Plan and on the issuance of the Bonds to finance capital improvements including construction and equipping of new courtroom facilities, as described in the Act and in the Plan (the "Project");

WHEREAS, the Board has considered the factors described in subdivision 3 of the Act with respect to the Plan;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby a) authorizes the issuance of the Bonds in an amount not to exceed \$2,750,000 and b) approves the Plan. Ehlers & Associates, Inc. is hereby authorized, pursuant to Minnesota Statutes, Section 475.60,

Subdivision 2, paragraph (9), to prepare and distribute an Official Statement and to solicit proposals for the Bonds on behalf of the County on a negotiated basis. This Board shall meet on November 16, 2010, for the purpose of considering proposals for the purchase of the Bonds and of taking such action thereon as may be in the best interests of the County.

Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-67

**RESOLUTION AUTHORIZING THE ISSUANCE OF \$5,255,000 GENERAL
OBLIGATION JAIL BONDS, SERIES 2010B AND AUTHORIZING THE
COUNTY TO ENTER INTO AN AGREEMENT WITH THE PUBLIC
FACILITIES AUTHORITY**

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

1. Authorization. This Board hereby determines that it is in the best interests of the County to issue its General Obligation Jail Bonds, Series 2010B (the "Bonds"), in the aggregate principal amount of \$5,255,000 to finance a portion of the cost of certain new jail/law enforcement facilities located in the County.

2. Sale. The County has retained Ehlers & Associates, Inc. ("Ehlers"), as independent financial advisor in connection with the sale of the Bonds. Ehlers is hereby authorized, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), to solicit proposals for the Bonds on behalf of the County on a negotiated basis. The Board shall meet at 11 a.m. on November 16, 2010, for the purpose of considering proposals for and awarding the sale of the Bonds.

3. Credit Enhancement Program. The Board Chair and Finance Director are hereby authorized to submit, on behalf of the County, an Application to the Minnesota Public Facilities Authority (the "PFA") Credit Enhancement Program (the "Program"), along with a nonrefundable application fee in the amount of \$500 and to enter into an agreement with the PFA, all in accordance with and as required by Minnesota Statutes, Section 446A.086 (the "Act"). The County covenants that it will comply with and be bound by the provisions of the Act. The Board Chair and Finance Director are authorized to execute any and all applicable forms prescribed by the PFA with respect to the Program.

4. Official Statement. In connection with the sale of the Bonds, the officers or employees of the County are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the County upon its completion.

5. This resolution shall be in full force and effect from and after its passage.

Having no other public comments and the time being 10:34 a.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to adjourn the public hearing and reconvene the regularly scheduled Board Meeting.

Commissioner Corcoran reported on an Extension meeting he attended recently.

Commissioner Bjerke reported on insurance committees meetings which he has attended.

Commissioner Miller reported on an EDA meeting which he attended.

Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to place on file the following items from the consent agenda:

File No. 14 -- Correspondence to payroll regarding Michael Paulson banding change and also hire of Joseph Allen

File No. 15 -- Correspondence to Xcel regarding tons delivered

File No. 16 -- Correspondence from U of M regarding geological survey

File No. 17 -- Quote from Allen Construction for CCSB roof replacement

There being no further business and the time being 10:34 a.m., motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, October 19, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, October 19, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Zoning Administrator Scanlan; Luann Hiniker; Jerry Tesmer; Accounting Manager Lapham; HR Director Arrick-Kruger; Engineer Pogodzinski; Kelly Wilkins; Justin Zmyewski; Norbert Schroeder; IS Director Milde;

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the October 12, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$211,727.91
Road & Bridge Fund	18,254.53

Total	\$229,982.44
	=====

File No. 2 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve license center and Human Services disbursements.

Engineer Pogodzinski indicated that he will schedule an appointment with the Board to have a resolution adopted regarding recently approved airport items. He explained that the State will be the pass through agency for Federal funding which will be used to cover the expenses for said projects.

Engineer Pogodzinski reported that the Riceford project is going well. The road is currently closed. However, it is expected to re-open for local traffic tomorrow. The re-alignment portion of the Shady Hollow Road project has been completed. Fill from the Shady Hollow project is being taken to the Balentine Road project. Tomorrow, Balentine Road will be closed to

traffic. The electronic messaging boards are being utilized to alert traffic. It is Engineer Pogodzinski's intent to have Balentine Road re-opened before the CSAH 5 detour in that area goes into effect.

File No. 3 -- Accounting Manager Lapham reported on a budget amendment request from HR Director Arrick-Kruger. The request is to move funds between accounts and results in no increase to the budget. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the budget amendment as presented.

File No. 4 -- Accounting Manager Lapham requested approval of an Agreement for Consulting Services with Hildi Inc. to perform an actuarial study. The County is required to perform an actuarial study every three years. The study is expected to cost between \$4,500.00 and \$5,000.00, and is a budgeted item. In addition, there is a Confidentiality and Indemnification Agreement which should be approved. Both agreements have been reviewed by Finance Director Bradley, HR Director Arrick-Kruger and Attorney Bublitz. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve both the Agreement for Consulting Services and the Confidentiality and Indemnification Agreement and to authorize the signature of Chairperson Connery.

File No. 5 -- Auditor Meiners reported that the District 9 AMC meeting will be held October 25, 2010. Finance Director Bradley indicated to her that he felt attendance was important. It was agreed that Commissioners Bjerke and Connery would attend provided HR Director Arrick-Kruger is successful in re-scheduling a negotiation meeting.

File No. 6 -- Auditor Meiners has received a request from MCIT to submit any changes to voting delegates. She reported that currently Commissioner Bjerke is the delegate with Commissioner Connery as the alternate. It was agreed that the delegate and alternate should remain the same.

At this time, Luann Hiniker, representing Extension, recognized Commissioner Corcoran for his dedicated and distinguished service from 1993-2010, and presented him with a certificate of appreciation. Ms. Hiniker recognized Commissioner Corcoran for both his expertise and his humor. Commissioner Corcoran expressed his support of 4H because it is great program.

File No. 7 -- Jerry Tesmer reported on programs and educational opportunities hosted by Extension in 2010. He provided information on the programs and educational opportunities being planned for 2011. Mr. Tesmer reported that the Tree ID program had to be expanded to allow for participation of all those expressing interest.

File No. 8 -- Kay Loven provided information on the food and nutrition program. She was pleased to share that, due to interest and a federal grant, an increase in staff time was approved and the organization will be hiring a .75 FTE employee to work with organizations to expand the program and provide additional educational opportunities.

File No. 9 -- Ann Walter is the 4H educator for the six county region. Ms. Walter shared a PowerPoint presentation highlighting 4H, the goals, and outcomes.

Kelly Wilkins, 4H Coordinator, reported that there are 16 local clubs in Houston County serving 346 enrolled participants. She pointed out a significant jump in those with a one-time experience with 4H which may be attributed to Kid's Day hosted during this year's fair. There were four 4H experiences offered to youth. Ms. Wilkins expects that a portion of those having a one-time experience will become traditionally enrolled in 4H. She provided information on participation and project rates.

In closing, Ms. Walter expressed appreciation for the county's financial support. Commissioner Corcoran expressed appreciation for the opportunities which 4H provides.

File No. 10 -- Zoning Administrator Scanlan reported the Norbert Schroeder had been issued a Conditional Use Permit due to hardship, allowing for a second farm dwelling. The CUP was recorded with the deed. The Schroeder's never utilized the CUP by bringing in a second farm dwelling. Recently, the bank performed a title search which uncovered the CUP. The bank is requesting that the CUP be removed from the deed, therefore, Mr. Schroeder is requesting the CUP be revoked. Zoning Administrator Scanlan indicated that revoking the CUP will allow for its removal from the title. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to revoke Norbert Schroeder's CUP.

File No. 11 -- Chairperson Connery reported on correspondence he received from MPCA. Houston County was awarded a SCORE block grant in the amount of \$55,950.00. This amount is unchanged from the previous year. The county has met all requirements and the first-half payment in the amount of \$27,975.00 will be distributed to the county treasurer.

File No. 12 -- HR Director Arrick-Kruger reported that, as a result of re-structuring within the Environmental Services Office and a review of the Environmental Services Clerk position, position descriptions for both the Environmental Services Clerk and Planning and Zoning Technician were reviewed and submitted for banding. These positions were last reviewed in 1997. The banding review has resulted in the recommendation to increase the banding of the Environmental Services Clerk position from B-2-1 to B-2-2, and the position of Planning and Zoning Technician from B-2-1 to B-2-3. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to increase the banding of Environmental Services Clerk from a B-2-1 to B-2-2 and the position of Planning and Zoning Technician from B-2-1 to B-2-3 and to approve the resulting salary changes effective retroactive to September 9, 2010.

HR Director Arrick-Kruger reported that both the boiler upgrade and CCSB roof projects have been completed.

HR Director Arrick-Kruger reported that the insurance committee has provided a recommendation to offer the following health plans: CMM \$500, CMM \$1,500, and also an HSA/VEBA (major medical) \$3,000. It was the consensus of the Board to proceed with the recommendations of the Insurance Committee.

HR Director Arrick-Kruger reported that she has been working with Jail Administrator Schiltz regarding Jail Maintenance Policy and Procedure. This is ahead of schedule.

File No. 13 -- Michelle Herman requested approval of a grant in the amount of \$43,172.00 for Ongoing Crime Victim Services 2011. There is no match required. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the grant agreement and to authorize the signatures of Chairperson Connery and Auditor Meiners.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 14 -- Correspondence to Ed Hammell in appreciation for service on the EDA committee

File No. 15 -- Correspondence to Tom Falbo in appreciation for service on the EDA committee & Airport commission

There being no further business and the time being 10:07 a.m., motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, October 26, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, October 26, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Howard Vatland; Engineer Pogodzinski; Finance Director Bradley; Court Administrator Larson; Sheriff Ely; Treasurer Petersen; Chief Deputy Sheriff Yeiter; Environmental Services Director Frank; HR Director Arrick-Kruger; HS Accountant Bahr; Jail Administrator Schiltz; Rich Reedy

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the October 19, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$514,804.34
Road & Bridge Fund	520,000.49

Total	\$1,034,804.83
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve license center disbursements.

File No. 3 -- At this time, Howard Vatland met with the Board to discuss two concerns. Mr. Vatland's first concern is to have a "no wake" zone established on and near Lawrence Lake. The second concern is to have an assessment performed on a failing levee meant to prevent Root River spring and storm runoff from entering the north end of Lawrence Lake.

Mr. Vatland submitted a petition signed by residents and property owners affected by wake creating traffic on and near Lawrence Lake and those concerned for the degradation of the environment and habitat of Lawrence Lake. Many of those who have signed the petition are

members of CARP (Concerned About River People Association), the Brownsville Boathouse Association, and property owners bordering areas of concern. All signatures were gathered within an eight hour period. Mr. Vatland explained that individuals were eager to sign the petition as soon as he explained its purpose.

Mr. Vatland reported that he has met with the Corps on two occasions regarding his concerns. He expressed frustration with the lack of response from the state level of government. Mr. Vatland has reviewed the law in regard to the concerns. He expressed his belief that it is an appropriate time to bring forth these concerns to the County Board. Mr. Vatland expressed understanding that multiple government entities may be involved in any changes resulting from his requests including but not limited to, the county, DNR, Fish and Wildlife and Corps of Engineers.

Mr. Vatland has discussed no wake zones similar to the one being proposed for the Lawrence Lake area with officials in counties with established no wake zones. It is his understanding that the DNR does provide language, expertise and funding for such projects. Mr. Vatland indicated that 73 of 87 counties receive grant funding to cover expenses such as staffing water patrol, boat, fuel and equipment maintenance and expenses. This funding comes at no cost to the counties. Chief Deputy Sheriff Yeiter provided clarification that Houston County does participate in DNR grant funding for the very expenses Mr. Vatland highlighted. However, grant funding only covers approximately 80% of the cost expended by the county on water patrol. In addition, this funding has been steadily decreasing.

Mr. Vatland reported that Lawrence Lake Marina owners have purchased four “no wake” buoys which are installed. However, there is no enforcement mechanism to accompany the posting. Commissioner Miller expressed his awareness regarding the concerns Mr. Vatland has brought to the Board. He queried Chief Deputy Sheriff Yeiter regarding the boat patrol and the hours which patrols are taking place. Chief Deputy Sheriff Yeiter provided details regarding the schedule for the boat patrol. When questioned about the need for weekday presence and patrolling, Chief Deputy Sheriff Yeiter responded that weekdays have less traffic which results in increased assistance calls. During weekends when there is heavy traffic boaters provide assistance to one another. Also, weekdays are often the period when “pre-fishing” for tournaments takes place and violations occur. Sheriff Ely reported that pleasure craft ownership has been on the rise across the state making water patrol an increasingly important aspect of the Sheriff’s Department. He also expressed concern that there is not adequate funding for water patrol.

Commissioner Bjerke clarified that officially established no wake zones would be enforceable and recognized that there is a cost associated with enforcement. Sheriff Ely expressed concern that there isn’t adequate funding available to cover all of this. Other entities such as DNR and Fish and Wildlife could enforce an officially established no wake zone. Chairperson Connery agreed that there is just cause for concern regarding funding. Buoys would need to be purchased, placed and maintained and enforcement must be adequately funded. Chief

Deputy Sheriff Yeiter recommended the Board refer this matter to the County Attorney for additional research if they choose to pursue the establishment of a no wake zone.

Mr. Vatland reported that La Crosse City has an established ordinance which La Crosse County also adopted. La Crosse County issues DNR citations. They write citations on reported hull numbers and let the courts deal with the issues arising afterward. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to proceed with research regarding establishing a no wake zone in the Lawrence Lake area.

Mr. Vatland reported that Section 205 of the law concerning flood control and levees allows for entities to request a review and assessment of any flood control structure. Federal legislation requires that an assessment be performed upon request. A photo is included to show the levee near County 7 and 26. This levee was originally 8 feet but has degraded to a 4 foot structure which is often overflowed. Mr. Vatland expressed his belief that Lawrence Lake is a “jewel” in the county and should be protected. Sheriff Ely agreed that the Lawrence Lake area is popular and likely contributes to economic benefits for the county. There was discussion that the lake used to be 10 to 15 feet deep and has filled in with sediment and is now only 7 feet deep. Commissioner Miller clarified that Mr. Vatland is requesting the county contact the corps to request the assessment of the levee breach which is contributing to sediment depositing in Lawrence Lake. Chairperson Connery suggested having the corps assess all levees in the Root River Basin and within Houston County. Commissioner Miller inquired whether the lake could be dredged. Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to request the Corps perform an assessment and repair on the levee south of County Roads 26 and 7. It was agreed that a copy of said request would be forwarded to other federal and state agencies involved.

Mr. Vatland expressed his willingness to assist in any way possible. He has experience writing grants and is pleased to share that he has been successful 100% of the time. He would be willing to write grants to secure necessary funding for one or both of the projects which he has presented today.

File No. 4 -- Engineer Pogodzinski recommended the Board act to adopt a resolution required as part of the SWPPP and EA for the airport which was approved during the September 14, 2010 Board of Commissioners meeting. He reported that Attorney Bublitz has reviewed and approved the resolution. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-68

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT

BE IT RESOLVED by the Houston County Board of Commissioners as follows:

1. That the State of Minnesota Agreement No. 97842, "Grant Agreement for Airport Consultant Services," for State Project No. A2801-19 at the Houston County Airport is accepted.
2. That the County Board Chairperson and County Auditor are authorized to execute this Agreement and any amendments on behalf of Houston County.

HR Director Arrick-Kruger reported that Engineer Pogodzinski has received a resignation from Thomas Moenck effective January 7, 2011, and requested authorization to immediately begin the process to hire a maintenance specialist. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to accept the resignation of Mr. Moenck and to authorize the process to hire a maintenance specialist. HR Director Arrick-Kruger indicated that she may contact previous applicants to inquire if the individuals are still interested.

HR Director Arrick-Kruger reported that Environmental Services Director Frank has received an intent to retire from Environmental Services Clerk Helen Houlihan, effective December 31, 2010. Ms. Houlihan performs detailed work. Therefore, a two week overlap is being requested for training. HR Director Arrick-Kruger indicated a desire to hire at step 1 of the appropriate wage scale if possible. This would result in a cost savings. Chairperson Connery inquired whether Ms. Houlihan's duties could be absorbed within the organization. HR Director Arrick-Kruger reported that this has been carefully reviewed. The findings support a need to hire for this position. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to accept the resignation of Ms. Houlihan, to authorize the search for a re-placement and to approve a two week overlap for training purposes.

File No. 5 -- Chief Deputy Sheriff Yeiter recommended adoption of a resolution providing for matching grant funding. He reported that additional funding is available provided a 20% match requirement is met. It is being required that the additional funding be expended by December 2010. In order to meet the match requirement, Finance Director Bradley will be requesting a budget amendment. If approved, Chief Deputy Sheriff Yeiter will be utilizing the proceeds to purchase additional portable units. When agreements have been executed, radios will be distributed for testing. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-69

RESOLUTION AUTHORIZING PARTICIPATION IN THE PUBLIC SAFETY INTEROPERABILITY COMMUNICATIONS GRANT

WHEREAS, **Houston** County will enter into an Agreement with the State of Minnesota, SE MN Regional Radio Board, and Olmsted County, fiscal agent for the SEMN RRB for the

2007 HSEM Public Safety Interoperability Communications (PSIC) Grant, effective 07/01/2008 thru 05/31/2011, in which each County or City within the SE MN Regional Radio Board is required to pay matching funds of \$8,377.92 for equipment.

WHEREAS, no equipment can be purchased for a specific County or City of the SE MN Regional Radio Board until their completed resolution has been received by the fiscal agent, Olmsted County.

BE IT RESOLVED that Houston County enters into an Agreement with the State of Minnesota, SE MN Regional Radio Board, and Olmsted County, fiscal agent for the SE MN Regional Radio Board for the 2007 HSEM Public Safety Interoperability Communications Grant.

Chief Deputy Sheriff Yeiter reported that the county purchased extended warranty on the radios which have been purchased for the migration to 800 MHz. Grant funding was utilized to cover the cost. However, grant requirements have changed disallowing coverage for warranty extending beyond the grant sunset. Chief Deputy Sheriff Yeiter indicated that recently he submitted invoices for reimbursement and he expects that a portion of warranty costs will be disallowed due to this requirement change. He stated that grant renewals could be utilized to cover warranty costs provided the coverage period falls within the grant period. He explained that three unique grants were utilized to purchase 40 radios. Each radio and its warranty will need to be tied to a specific grant. Grant renewals will need to be monitored to see if funding is available to cover portions of warranty for qualified radios. Chief Deputy Sheriff Yeiter expressed concern that once all 500 radios are purchased there could be a substantial amount of record keeping involved. Currently, Chief Deputy Sheriff Yeiter expects \$2,000.00 to \$3,000.00 of a recent submittal will be disallowed because of this grant coverage change. Commissioner Bjerke questioned whether the county should self-insure the radios instead of purchasing extended warranty. Chief Deputy Sheriff Yeiter reported that each radio costs between \$2,800.00 and \$5,300.00 and recommended the continued practice of purchasing extended warranties. Commissioner Miller clarified that 45 radios have been purchased utilizing 3 grants. He expressed his opinion that bookkeeping for this doesn't seem overwhelming. Sheriff Ely agreed that currently the record keeping is manageable. However, once 500 radios have been purchased he is unsure how manageable the record keeping will be. When the budget for the switch to 800 MHz was established, it was believed that of \$140,000.00, approximately \$1,100.00 would require levy funding. With this change, levy funding necessary may be \$3,000.00 to \$4,000.00. One commissioner questioned whether required matching funds could be used to cover the cost for the extended warranty. Chief Deputy Sheriff Yeiter responded that the match funds may not be used for expenses which do not qualify for coverage by grant funds themselves. Commissioner Bjerke questioned whether warranties could be covered by the entity receiving the radio. Sheriff Ely reported that this is not the way the county presented the cost sharing to entities receiving the radios. Sheriff Ely expressed concern. It was agreed that the Sheriff's Department would keep the Board informed of the situation with grant funding and the extended warranties for radios.

File No. 6 -- Finance Director Bradley presented a budget amendment request from the Sheriff's office. The request is to reallocate funds between accounts. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the budget amendment as presented.

File No. 7 -- Finance Director Bradley presented several budget amendments requested by Human Services. He explained the requests. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the budget amendments as presented.

File No. 8 -- Finance Director Bradley reported that the State Auditor advised him to put the Auditor Warrant policy in writing and have the Board delegate authority to pay claims prior to their approval in certain instances. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the Auditor Warrant policy as presented.

Following discussion, it was agreed that a budget and policy meeting would be scheduled for Monday, November 8th, at 8:30 a.m.

File No. 9 -- Court Administrator Larson reported that she has finalized details regarding the court appointed agreement, and presented it for the appropriate signature. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to authorize the signature of Chairperson Connery on said agreement.

File No. 10 -- Treasurer Petersen reported that the lease for the postage machine will be expiring soon and pricing per month for a new 5 year lease would be \$314.14 which is less than the current rate. Treasurer Peterson expressed her opinion that the machine works well and the only other option would be to go back to stamps. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the new 5 year lease for the postage machine.

Rich Reedy, the justice center project superintendent, reported that three weeks of good weather have been beneficial. At this time, double t's are being set, underground plumbing is being installed and there are plans to install the curb and gutter and put down one layer of blacktop on the street with the sally port. Approximately 1/3 of the roof materials have been delivered and are on-site. The air handling units are ready to be shipped. There are approximately 24 to 25 loads of double t and 12 inch plank to be delivered and set. There are approximately 20 loads of cells which will be shipped in from the Georgia manufacturer. They expect to be setting cells the second week of December.

Discussion was held regarding whether counties in our region had recently built new jail facilities, remodeled and/or added onto existing facilities.

Auditor Meiners requested the participation of two commissioners at the canvassing board scheduled for 9:00 a.m. on Friday, November 5, 2010. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to appoint Commissioners Bjerke and Miller to the canvassing board.

Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to cancel the December 7th Board of Commissioners meeting as the commissioners will be attending the AMC Annual Meeting that week in St. Cloud, Minnesota.

Chairperson Connery reported that many counties have combined the departments of planning and zoning with soil and water. The newly created departments are being called Environmental Services.

Chairperson Connery reported that he had attended the District 9 meeting.

Chairperson Connery provided information on the MCIT board elections and the AMC conference.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 11 -- Correspondence to payroll regarding banding changes

File No. 12 -- MCIT 2010 Annual Meeting Announcement and Notice of Board Election

There being no further business and the time being 10:31 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, November 9, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, November 9, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Engineer Pogodzinski; Richard Markos; Kermit McRae; PHN Director Rock; HR Director Arrick-Kruger; Finance Director Bradley; HS Director Wilms; HS Accountant Bahr; Attorneys Bublitz & Ashmore; Zoning Administrator Scanlan; Social Services Supervisor Poepping

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the October 26, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$ 80,686.12
Road & Bridge Fund	938,399.22

Total	\$1,019,085.34
	=====

File No. 2 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- Engineer Pogodzinski reported that MN DOT will be doing a mill overlay project on Trunk Highway 76 from Caledonia to I-90. As part of said project, MN DOT has proposed a detour utilizing C.S.A.H. 10. MN DOT has requested approval of an agreement whereby the State of Minnesota would pay Houston County \$6,853.18 in compensation for road life and maintenance. This fee takes into consideration pavement condition, traffic volume, and time utilized as the posted detour which is estimated to be 32 working days. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve said detour agreement and to adopt the following resolution:

RESOLUTION NO. 10-70

IT IS RESOLVED that Houston County enter into Mn/DOT Agreement No. 97883 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for payment by the State to the County for the use and maintenance of County State Aid Highway 10 as a detour route during the contract construction to be performed upon, along and adjacent to Trunk Highway No. 76 from the north junction of Trunk Highway 44 to the east junction of Trunk Highway 16 under State Project No. 2807-18 (T.H. 76 = 076).

IT IS FURTHER RESOLVED that the Board Chairperson and the County Auditor are authorized to execute the Agreement and any amendments to the Agreement.

Engineer Pogodzinski reported that the seeding on the Bush Valley Road project was scheduled to be completed yesterday and the road has been re-opened. The Riceford project road has re-opened. Cork Hollow is scheduled to re-open later this week. Traff and Torgerson roads are expected to re-open soon. Kubitz Road is expected to remain closed for a short period yet. CSAH 5 is expected to re-open within the next three weeks. Engineer Pogodzinski reported that projects are nearing completion and work on them will continue until the ground freezes. He anticipates that all roads closed due to projects will re-open before winter.

At this time Richard Markos and Kermit McRae, as representatives for the Houston County Township Association, presented David Corcoran with a certificate of appreciation for his 18 years of service.

Auditor Meiners reported that the Lawrence Lake Marina has been sold to Kim Benson. She recommended that the Board take action to transfer the "on-sale" and "off-sale" 3.2 Beer Licenses to the new owners. All required background checks have been completed. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the transfer of the Lawrence Lake Marina 3.2 Beer Licenses to the new owner, Mr. Benson.

File No. 4 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve a letter to Thomas Moenck thanking him for his years of service.

Auditor Meiners reported that a gubernatorial recount is scheduled for Tuesday, November 29 and requested authorization to hire five election judges to assist with this process. Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to authorize the hire of five election judges as 67 day employees to assist with the recount.

File No. 5 -- HR Director Arrick-Kruger reported that Robert Jacobson has resigned from the Highway Department. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to accept the resignation of Sign Specialist Robert Jacobson.

HR Director Arrick-Kruger reported that Engineer Pogodzinski will return at a later date regarding backfilling the sign specialist position following a review of several things which may impact the needs of the department.

HR Director Arrick-Kruger reported that she has submitted the reimbursement request to the state for the \$95,000.00 grant for the boiler replacement. She indicated that she will be tracking the savings resulting from the boiler replacement.

HR Director Arrick-Kruger reported that a recent wind storm damaged the roof which had just been completed on the County Community Services Building (CCSB). HR Director Arrick-Kruger was able to have the roof repaired for a fee of \$300.00. The historic jail roof also sustained damage during the wind storm and will have a patch applied. The cost is expected to range between \$250.00 and \$300.00.

On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to hire Kevin Collins as a 67-day employee assist as needed as a drop site supervisor.

File No. 6 -- HR Director Arrick-Kruger reported that a mediated settlement agreement has been reached regarding the grievance filed by Brian Swedberg which requires Board approval. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the mediated settlement agreement contingent upon a correction of reference to the appropriate labor union involved with said grievance.

On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to accept the resignation of HS Director Wilms. HS Director Wilms indicated that she has accepted a position with Crow Wing County as their Director of Community Services. The Board expressed their appreciation for the work done by HS Director Wilms during her tenure with Houston County.

HR Director Arrick-Kruger reported that she has met with both HS Director Wilms and PHN Director Rock regarding the HS Director vacancy created by Ms. Wilms' resignation. Together, they have exhausted external options for an interim HS Director candidate who would be available immediately during the short term. They decided to look within the organization and it is the recommendation of HR Director Arrick-Kruger to appoint PHN Director Rock as interim HS Director in addition to her current duties. HR Director Arrick-Kruger stated that the positions of HS Director and PHN Director are full time and will require realignment of duties accordingly.

which is expected to impact supervisory positions, may require additional temporary administrative assistance and will require the re-banding of the interim position. PHN Director Rock expressed her willingness to accept the additional duties and responsibility. She reported that she is familiar with Minnesota Redesign and has been attending many meetings regarding it. She expressed confidence that she possesses the necessary skills to direct the Human Services Department during this interim period. Commissioner Miller expressed concern regarding the structure of the interim position and whether a single individual would be able to deal with matters of Redesign if the State suddenly mandated changes within a time sensitive deadline. HR Director Arrick-Kruger indicated that the interim position could be terminated at any time prior to the year term with adequate notice. She reported that she would be carefully studying whether the combined position gains any efficiencies or if it is cost prohibitive. HS Director Wilms reported that Winona and other counties are transitioning to a combined Public Health, Human Services and Veteran Services with one director. She did point out that Houston County is a merit system county, and any permanent hire must satisfy all appropriate testing requirements to qualify for federal funding. HS Director Wilms also pointed out that she has been acting as supervisor for the income maintenance area along with other areas of Human Services, and recommended that HR review the supervisory needs and address them so that employees are not left without support during the interim. Commissioner Miller expressed concern that PHN Director Rock is currently located off site from the Human Services Department. HR Director Arrick-Kruger assured the Board that she will be reviewing needs, monitoring efficiencies and any increase in costs as a result of a blended position. Motion was made by Commissioner Corcoran, and seconded by Commissioner Miller, to appoint Deb Rock as interim HS Director for a period not to exceed one year effective December 11, 2010. Commissioner Bjerke abstained from the vote.

Attorney Bublitz reported that there is a very specific process which must be followed should the Board desire to have a no wake zone established on and near Lawrence Lake. She recommended that the Board establish a committee consisting of the following individuals: Attorney Ashmore, Scott Fritz, local conservation officer, Kim Elverum, Minnesota DNR Boat and Water Safety Coordinator, Howard Vatland and a designee from the Sheriff's Department to work together through the process. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to form the committee as recommended.

File No. 7 -- Social Services Supervisor Poepping reported that ABC Works has requested consolidation of two day training and habilitation sites into a single site with a satellite location. This will reduce licensing costs. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the application for need determination of services.

At this time the Board recessed until the next scheduled appointment.

On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve

the preliminary plat of Lorenz Subdivision, Hokah Township, contingent upon review and approval of both Engineer Pogodzinski and Surveyor Walter.

Zoning Administrator Scanlan reported that the final plat of Lorenz Subdivision has been presented with the preliminary plat. The plat is for a residential sub-division comprised of a single lot. On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve said plat, contingent upon review and approval of both Engineer Pogodzinski and Surveyor Walter and the acquisition of all required signatures.

File No. 8 -- Zoning Administrator Scanlan reported that he has received requests to renew conditional use permits for both Old Hickory Orchards, LLC and Van Lin Orchards. The permits were first issued in 2002 and 2005 for temporary farm worker housing and have been renewed each year since. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve a one year renewal for each of the following permits:

Van Lin Orchards – Conditional Use Permit No. 216 Renewal
Old Hickory Orchards, LLC – Conditional Use Permit No. 146 Renewal

File No. 9 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the issuance of the following Zoning Permits:

David Winnes – Crooked Creek Township - Build hoop building (42' x 108')

Janet Fossum – Spring Grove Township - Replace storage building on existing foundation (20' x 32')

Patrick and Holly Dvorak – Winnebago Township - Build shed (30' x 32')

Mike and Kelly Beckman – Mound Prairie Township - Build additions (16' x 14') and (8' x 8') – one new bedroom

Curt Myrah – Wilmington Township - Build lean-to on existing shed (16' x 48')

Neil and Pam Beckman – Sheldon Township - Build house (78' x 46') and garage (28' x 22')

Russell Smith and Holly Shi – Money Creek Township - Build pole barn

(32' x 52')

Keith Vonderohe – Money Creek Township - Build addition on existing pole shed (16' x 30')

Dale Vetsch – Caledonia Township - Build addition on garage (12' x 22')

Alan and Joyce Strub – Mayville Township - Build garage (30' x 40')

Leon and Susan Spinden – Wilmington Township - Build addition (15' x 48') garage (32' x 24') deck (16' x 20') no new bedrooms

Hidden Bluffs Inc. – Black Hammer Township - Build 6 cabins (24' x 26') and 3 cabins (12' x 30') to replace existing tent sites

Hidden Bluffs Inc. – Black Hammer Township - Build addition on shop/game room (24' x 24')

Peter Rosendahl – Spring Grove Township - Build grain bin (7,000 bushels)

Dan Leaver – Union Township - Build additions on house (4' x 8') and (832 sq. ft.) upper deck (300 sq. ft.) lower deck (540 sq ft.)

Tracie Erickson – Yucatan Township - Build 3-sided calf shelter (12' x 32')

Commissioner Augedahl reported on jail meetings which he has attended.

Commissioner Bjerke reported on EDA, Water Planning, Canvassing Board, and AFSCME negotiating meetings which he has attended.

Commissioner Miller reported on 7 Rivers and Minnesota Redesign meetings which he attended.

Commissioner Connery reported on Jail, Semcac, and AFSCME negotiating meetings which he attended.

Motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to place on file the following items from the consent agenda:

File No. 10 -- Public Notice regarding budget meeting
scheduled for Monday, Nov 8, 2010 at 8:30 a.m.

File No. 11 -- Hendrickson PSG proposal for furniture and installation to be completed at the Justice Center

File No. 12 -- Correspondence to canvassing board members regarding scheduled meeting

File No. 13 -- Correspondence to U.S. Army Corps of Engineers requesting levee assessment

There being no further business and the time being 10:38 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, November 16, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, November 16, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Finance Director Bradley; Steve Zmyewski; Justin Zmyewski; Jamie Edwards; Ralph Tuck; HR Director Arrick-Kruger; Teresa Walter; Caroline Drude

Presiding: David Corcoran, Vice-Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the November 9, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$74,739.00
Road & Bridge Fund	15,874.59

Total	\$90,613.59
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File No. 2 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve license center and Human Services disbursements.

File No. 3 -- HR Director Arrick-Kruger reported that M.S. 3.088 provides that any appointed officer or employee of a political subdivision who is elected to a full-time county office in Minnesota is entitled to a leave of absence for a period not to exceed 10 years. She reported that Char Meiners is requesting a ten year leave of absence beginning January 3, 2010 pursuant to M.S. 3.088. Commissioner Corcoran indicated that it has been standard operating procedure of the county to grant such requests. Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve said request.

File No. 4 -- Auditor Meiners indicated that it is time to solicit proposals for required newspaper publishing. She reported that, in regard to the delinquent tax list, the county has

assessed each parcel appearing on the list a \$30.00 fee since 2006. This fee has covered the expense of publishing the list. In 2010 there was a dramatic increase in the cost to publish the delinquent tax list. Auditor Meiners determined that she would have needed to assess a fee of \$54.84 to each parcel to cover the publishing cost. She suggested a committee meet with representatives of the newspapers providing bids to discuss costs and the possibility of the newspapers submitting competitive bids as opposed to a group bid. It was agreed that Commissioners Bjerke and Miller would meet with newspapers representatives.

Following discussion, it was agreed that Commissioners Bjerke and Miller would be attending the AMC meeting in December.

File No. 5 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve letters to both Beth Wilms and Robert Jacobson thanking them for their years of service to Houston County.

File No. 6 -- At this time Jamie Edwards, representing the DNR, met with the Board to discuss a proposed land purchase by the DNR in Houston County. Ms. Edwards reported that there is a 2.9 acre parcel of property available. The property is a high quality dry prairie. She indicated that she had contacted the Mound Prairie Town Board and offered to attend one of their meetings to present information regarding the acquisition, answer questions and listen to any concerns. The Mound Prairie Board declined her offer and expressed no concern regarding said purchase. There was discussion regarding payment in lieu of tax (PILT), the formula by which said payment is determined and whether the PILT payment would be less than or exceed the amount received from real estate tax revenues. There was also discussion held regarding Wisconsin's Land Conservancy and DNR in relation to Minnesota's Conservancy and DNR. When asked about the volume of land acquisitions by the DNR, Ms. Edwards responded that currently acquisitions are slow, budgets are tight and many alternate funding streams require matching funds which is limiting the financial ability to acquire land. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to approve the request of the DNR for the purchase of 2.9 acres from Jean Moen and to adopt the following resolution:

RESOLUTION NO. 10-71
Review of Proposed State Land Acquisition and Designation

In accordance with Minnesota Statutes 84.944, Subd. 3 and 97A.145, Subd. 2, 2004 and accordance with Minn. Sess. Law Serv. CH. 262, Sec. 3 (West), Amending Minn. Stat. Sec. 84.033 (2002), the Commissioner of the Department of Natural Resources on November 16, 2010 provided the county board with a description of lands to be acquired and designated by the State of Minnesota as a Scientific and natural Area. Lands to be acquired and designated are described as follows:

See Exhibit A, attached.

IT IS HEREBY RESOLVED, by the Board of County Commissioners of Houston County on November 16, 2010 that the State's proposed acquisition and designation of the lands as a Scientific and Natural Area be approved.

Ralph Tuck met with the Board to provide information regarding the Root River corridor. Mr. Tuck reported that Commissioner Bjerke presented the concerns of Howard Vatland regarding the levee breach which allows flood sediment to be deposited into Lawrence Lake to the Water Planning Board. Mr. Tuck explained that there is a Root River Committee that was established years ago to address issues such as this. They also participated in a project where State funding was used to rip rap river banks along the Root River from Mound Prairie south. Multiple agencies including the DNR, Fish and Wildlife, the Corps of Engineers, and the county were involved. Following this project, the committee met to discuss flood concerns along the Root River in the same area. Five scenarios were developed in hopes that a study would be completed to see which flood control and mitigation project would be most beneficial to said area. In addition, various agencies were able to acquire property along this corridor that was offered on a willing seller basis. The committee was never able to secure funding to have the necessary study completed. Following the 2007 flooding, lidar technology became available. This technology has increased the information available to begin evaluating the five scenarios. At one point, the City of Hokah was granted a significant amount of funding for flood mitigation. The city was unable to overcome obstacles related to use requirements and put the funding to use before the project application deadline expired. The greatest obstacle was a requirement that any flood mitigation projects take place within city limits. The city had identified several projects within a short distance of city limits that would have greatly enhanced flood protection for the city. Mr. Tuck explained that the levee or dike that has been discussed and has been breached allowing for sediment to fill in Lawrence Lake may not be a dike at all. Mr. Tuck explained that there was a time when equipment was brought in to dig a channel that would allow steamboat traffic to travel from the Mississippi River north up the Root River to the City of Houston and this "dike" is only the cast off material from this project which was dumped near the channel. Private landowners likely maintained and perhaps built up these cast off piles over time. Mr. Tuck reported that the Root River is a fast moving stream, and because of that, it carries a heavy sediment load. Mr. Tuck reported that there is a contract for computer modeling. However, there are no funds available for completion. This modeling needs to be completed prior to going forward with any decisions and/or projects. Mr. Tuck indicated that projects in this area would require the collaboration of several agencies and could impact a significant number of residents. Commissioner Miller questioned whether the agencies involved are cognizant of the economic issues related to Lawrence Lake. Commissioner Bjerke questioned whether a completed study could be a detriment to Lawrence Lake. Mr. Tuck responded that the agencies are cognizant of the economic issues related to flooding in the corridor. He expressed uncertainty whether they are cognizant of the economic issues related to Lawrence Lake. Mr. Tuck indicated that the State has taken a more active interest in the area recently.

The time being 10:11 a.m., the Board recessed to convene the Human Services Meeting.

The time being 10:49 a.m., the Board reconvened the regular meeting of the Board of Commissioners.

At this time, Finance Director Bradley introduced Caroline Drude representing Ehlers. Ms. Drude reported that bids were received for GO CIP Bonds Series 2010A and also GO Jail Bonds Series 2010B until 9:30 a.m. today. Ms. Drude reported on the bids received for the GO CIP Bonds Series 2010A. The low bid was submitted by UMB Bank, N.A. Ms. Drude noted that the bids were not close. She attributed the range to uncertainty in the market. Finance Director Bradley reported that the projected interest rate for this issue was 3.03%. The low bid came in slightly lower at a true interest rate of 2.8722%. Ms. Drude explained the bond issue, discount, and term length which all affect bidding. She provided information on how the true interest rate is determined and that the formula used to calculate this is widely accepted and used nationwide. Commissioner Miller requested clarification regarding the discount, true interest rate, and the amount that would be deposited into the construction account as a result of the bond sale. Finance Director Bradley responded that due to rounding, \$3,000.00 over the amount requested would be deposited into the construction account. He also reported that last year a similar issue was bid at 2.51% or just slightly lower than the bid received today.

File No. 7 -- Ms. Drude explained the county's Standard & Poor's rating. This rating is arrived at following a comparison of Houston County to other counties in Minnesota and across the nation. Ms. Drude commented that Houston County has a very fine rating. She discussed the additional rating given the county that is associated with the Jail bond issue. As a result of the credit enhancement program the county will receive the Minnesota State rating of AAA.

Ms. Drude reported on the bids received for GO Jail Bonds, Series 2010B. She was pleased to report that five bids were received. Baird provided the best bid with a true interest rate of 4.1524%. The estimate for this issue was 3.8%. The economy appears to be trending upward and the bid reflects this. Finance Director Bradley reported that these rates are still historically low.

Ms. Drude provided information regarding the call feature of the bonds. She indicated that entities have saved money by utilizing the call feature on bonds to refinance debt. Depending on what the market does in the future will determine whether the call feature is beneficial to Houston County. Commissioner Bjerke questioned whether requesting bid for non-call bonds would have been beneficial. Ms. Drude responded that there was no way to know this.

File No. 8 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to accept the bid of UMB Bank, N.A. with a true interest rate of 2.8722% and to adopt the following resolution:

RESOLUTION NO. 10-72
RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE,
PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE
PAYMENT OF GENERAL OBLIGATION CAPITAL IMPROVEMENT
PLAN BONDS, SERIES 2010A

BE IT RESOLVED by the Board of Commissioners (the “Board”) of Houston County, Minnesota (the “County”), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. On October 12, 2010, this Board held a public hearing on the questions of approving the County’s Capital Improvement Plan (the “Plan”) and issuing general obligation capital improvement plan bonds (the “Bonds”) after notice duly published in the official newspaper of the County as set forth in Minnesota Statutes, Section 373.40, subdivision 2, and approved the Plan and issuance of the Bonds in an amount not to exceed \$2,750,000 to finance improvements described in the Plan, including court-related capital costs in the Criminal Justice Center (the “Project”) pursuant to Minnesota Statutes, Section 373.40 and Chapter 475. No petition requesting a vote on the question of issuing the Bonds was filed within 30 days following said public hearing. This Board hereby finds that the Bonds may be issued without an election pursuant to Minnesota Statutes, Section 373.40, subdivision 2 and hereby authorizes the issuance and sale of the Bonds, to be designated “General Obligation Capital Improvement Plan Bonds, Series 2010A” in the aggregate principal amount of \$2,695,000.

1.02. Sale. Pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Official Statement prepared on behalf of the County by Ehlers & Associates, Inc., sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of UMB Bank, N.A. in Kansas City, Missouri and associates (the “Purchaser”), to purchase \$2,695,000 principal amount of Bonds at a price of \$2,670,745.00 plus accrued interest, if any, on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Chairperson of the Board and the County Auditor are hereby authorized and directed to execute a contract on the part of the County with the Purchaser for the sale of the Bonds in accordance with the terms of the proposal. The good faith deposit of the Purchaser, if any, shall be retained and deposited by the County until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Board to establish the form and terms of the Bonds, to provide for the security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations; Payment; Dates. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of \$5,000, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of original issue until paid or duly called for redemption at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2013	\$325,000	1.05%	2018	\$315,000	2.45%
2014	195,000	1.20%	2019	325,000	2.90%
2015	175,000	1.50%	2020	325,000	3.10%
2016	215,000	1.85%	2021	420,000	3.25%
2017	170,000	2.15%	2022	230,000	3.45%

For purposes of compliance with Minnesota Statutes, Section 475.54, the maturity schedule for the Bonds shall be combined with the maturity schedules for County's general obligation debt issued in 2009.

This Board hereby finds that the maximum amount of principal and interest to become due in any year on all outstanding bonds (including the Bonds) issued by the County pursuant to Minnesota Statutes, Section 373.40 will not equal or exceed 0.12 percent of the taxable market value of property in the County for taxes payable in 2010.

The Bonds shall be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal thereof, shall be payable by check or draft issued by the Registrar described herein; provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2011, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month next preceding such

Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing in 2020 and later years shall be subject to redemption and prepayment at the option of the County, in whole or in part, in such order of maturity dates as the County may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000 as to Bonds maturing on the same date, on February 1, 2019, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The County Auditor shall cause notice of the call for redemption thereof to be published if and as required by law and, at least thirty days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the registered holders of any Bonds to be redeemed at their addresses as they appear on the bond register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

2.05. Appointment of Initial Registrar. The County hereby appoints Bond Trust Services Corporation in Roseville, Minnesota, as the initial bond registrar, transfer agent and paying agent (the "Registrar"). The Chair and the County Auditor are authorized to execute and deliver, on behalf of the County, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The County agrees to pay the reasonable and customary charges of the Registrar for the services performed. The County reserves the right to remove the Registrar upon not fewer than thirty (30) days written notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender to the Registrar for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like series, aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of the transfer of any Bond or portion thereof selected or called for redemption.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney duly authorized in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the County.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The County and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of the Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form,

substance and amount satisfactory to it, in which both the County and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the County. If the mutilated, lost, stolen or destroyed Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. *The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.*

(j) Valid Obligations. *All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the County, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.*

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction and shall be executed on behalf of the County by the signatures of the Chair and the County Auditor, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been prepared, executed and authenticated, the County Auditor shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the County agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the County shall be affected by any notice to the contrary. Neither the Registrar nor the County shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the County’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the County determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the County may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the County and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chair or County Auditor, if not previously filed with DTC, is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HOUSTON

GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BOND, SERIES 2010A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
	February 1, 20__	December 7, 2010	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

HOUSTON COUNTY, MINNESOTA (the "County"), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue hereof or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2011 (each such date, an "Interest Payment Date"), to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month, all subject to the provisions herein with respect to redemption of the principal of this Bond before maturity. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation in Roseville, Minnesota, as Bond Registrar

and Paying Agent, or its designated successor under the Resolution described herein (the "Registrar"). For the prompt and full payment of such principal and interest as the same become due, the full faith and credit and taxing powers of the County are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of \$2,695,000 (the "Bonds"), issued pursuant to a resolution adopted by the Board of County Commissioners on November 16, 2010 (the "Resolution") to finance certain capital improvement projects in the County, including construction and equipping of new courtroom facilities (the "Project"), as described in the County's Capital Improvement Plan. This Bond is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Section 373.40 and Chapter 475. The Bonds are issuable only in fully registered form, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in 2020 and later years are each subject to redemption and prepayment at the option of the County, in whole or in part, and if in part in such order of maturity dates as the County may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000 as to Bonds maturing on the same date, on February 1, 2019, and on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date of redemption. Prior to the date specified for the redemption of any Bond prior to its stated maturity date, the County will cause notice of the call for redemption to be published as required by law, and, at least thirty days prior to the designated redemption date, will cause notice of the call to be mailed by first class mail (or, if applicable, provided in accordance with the operational arrangements of the bond depository), to the registered owner of any Bond to be redeemed at the owner's address as it appears on the bond register maintained by the Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the County at the office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the County will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same

date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The County and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the County nor the Registrar shall be affected by any notice to the contrary.

The Bonds have been designated as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the County.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the County in accordance with its terms have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the Board of County Commissioners has levied ad valorem taxes on all taxable property in the County, which taxes will be collectible for the years and in amounts sufficient to produce sums not less than five percent in excess of the principal of and interest on the Bonds when due, and has appropriated such taxes to its General Obligation Capital Improvement Plan Bonds, Series 2010A Bond Fund for the payment of such principal and interest; that, if necessary to pay such principal and interest, additional ad valorem taxes are required by law to be levied upon all taxable property in the County, without limitation as to rate or amount and that the issuance of this Bond, together with all other indebtedness of the County outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the County to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

SECTION 3. GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2010A CONSTRUCTION FUND. *There is hereby established in the official books and records of the County a separate General Obligation Capital Improvement Plan Bonds, Series 2010A Construction Fund (the “Construction Fund”). The County Auditor shall continue to maintain the Construction Fund until all costs and expenses incurred in connection with the Project have been duly paid or provided for. The County hereby appropriates to the Construction Fund all the proceeds of the Bonds,*

exclusive of accrued interest and capitalized interest, if any. After payment of all costs incurred with respect to the Project, the Construction Fund shall be discontinued and any proceeds of the Bonds remaining therein shall be credited to the Bond Fund described in Section 4 hereof.

SECTION 4. GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2010A BOND FUND. The Bonds shall be payable from a separate General Obligation Capital Improvement Plan Bonds, Series 2010A Bond Fund (the "Bond Fund"), which the County agrees to maintain until the Bonds have been paid in full. If the moneys in the Bond Fund should at any time be insufficient to pay principal and interest due on the Bonds, such amounts shall be paid from other moneys on hand in other funds of the County, which other funds shall be reimbursed therefor when sufficient moneys become available in the Bond Fund. The moneys on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. Into the Bond Fund shall be paid (a) any amount received from the Purchaser, other than amounts deposited to the Construction Fund in accordance with Section 3 hereof; (b) excess proceeds of the Bonds remaining after completion of the Project as provided in Section 3; (c) all taxes collected pursuant to Section 5 hereof; and (d) any other funds appropriated by the Board for the payment of the Bonds.

SECTION 5. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit, and unlimited taxing powers of the County shall be and are hereby irrevocably pledged. In order to produce aggregate amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the County, the taxes to be levied and collected in the following years and amounts:

Levy Years

Collection Years

Amount

(See attached levy calculation)

The taxes shall be irrevocable as long as any of the Bonds are outstanding and unpaid; provided, that the County reserves the right and power to reduce the levies from other legally available funds, in accordance with the provisions of Minnesota Statutes, Section 475.61.

SECTION 6. DEFEASANCE. When all Bonds have been discharged as provided in this Section 6, all pledges, covenants and other rights granted by this resolution to the registered owners of the Bonds shall cease. The County may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The County may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which

are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal, interest and redemption premiums to become due thereon to maturity or earlier redemption date, provided, however, that if such deposit is made more than ninety days before the maturity date of the Bonds to be discharged, the County shall have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates.

SECTION 7. BOND FUND BALANCE RESTRICTION. In order to ensure compliance with the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations thereunder (the "Regulations"), upon allocation of any funds to the Bond Fund, the balance then on hand in the Fund shall be ascertained. If it exceeds the amount of principal and interest on the Bonds to become due and payable through February 1 next following, plus a reasonable carryover equal to 1/12th of the debt service due in the following bond year, the excess shall (unless an opinion is otherwise received from bond counsel) be used to prepay the Bonds, or invested at a yield which does not exceed the yield on the Bonds calculated in accordance with Section 148 of the Code.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The County covenants and agrees with the owners from time to time of the Bonds, that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest on the Bonds to become includable in gross income of the recipient under the Code and the Regulations, and covenants to take any and all affirmative actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The County represents and covenants that all improvements financed and to be financed from the proceeds of the Bonds are and will be owned and operated by the County as part of its public infrastructure available for use by members of the general public on a substantially equal basis. The County has not and will not enter into any lease, management contract, operating agreement, use agreement or other contract relating to the use, operation or maintenance of the Project or any part thereof which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Chair and County Auditor being the officers of the County charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will not be used in a manner that would

cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the applicable Regulations.

8.03. Qualified Tax-Exempt Obligations. This Board hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of governmental tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the County and all subordinate entities during calendar year 2010 does not exceed \$30,000,000.

8.04. Arbitrage Rebate. The County acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The County covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no “gross proceeds” of the Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

8.05. Reimbursement. The County certifies that the proceeds of the Bonds will not be used by the County to reimburse itself for any expenditure with respect to the financed facilities which the County paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the County shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided that a declaration of official intent shall not be required (i) with respect to certain de minimis expenditures, if any, with respect to the financed facilities meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the financed facilities as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

8.06. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the County hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The County is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the County fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear

necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The County will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the County, the following information at the following times:

(1) on or before 365 days after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2010, the following financial information and operating data in respect of the County (the Disclosure Information):

- (A) the audited financial statements of the County for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the County, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the County, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the County; and
- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: Current Property Valuations; Direct Debt; Tax Levies and Collections; Population Trend and Employment/Unemployment Data.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the County shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the County shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the web site of the Municipal Securities Rulemaking Board (the "MSRB"). The County shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the County have materially changed or been discontinued, such Disclosure Information need no longer be provided if the County includes in the Disclosure Information a statement to such effect; provided, however, that if such operations have been replaced by other County operations in respect of which data is not included in the Disclosure Information and the County determines that certain specified data regarding such replacement operations would be described in paragraph (2) hereof, then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the County shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events:
 - (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults, if material;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (G) Modifications to rights of security holders, if material;
 - (H) Bond calls, if material, and tender offers;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities;
 - (K) Rating changes;
 - (L) Bankruptcy, insolvency, receivership or a similar event with respect to the County;

- (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material and
- (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, a material fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a material fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
 - (A) the failure of the County to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
 - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the County under subsection (d)(2);
 - (C) the termination of the obligations of the County under this section pursuant to subsection (d);
 - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (E) any change in the fiscal year of the County.

(c) Manner of Disclosure.

- (1) The County agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).
- (2) The County further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the County and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.
- (3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the County in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this section shall terminate and be without further effect as of any date on which the County delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the County from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the County accompanied by an opinion of Bond Counsel, who may rely on certificates of the County and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the

primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the County agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration and Levy of Taxes. The County is hereby authorized and directed to file a certified copy of this resolution with the County Auditor and obtain a certificate that the Bonds have been duly entered upon the County Auditor's bond register and the tax required by law has been levied.

9.02. Authentication of Transcript. The officers of the County are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the County relating to the Bonds and to the financial condition and affairs of the County, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they 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, shall be deemed representations of the County to the facts recited herein.

9.03. Official Statement. The Official Statement relating to the Bonds, dated November 4, 2010, and the supplement thereto, relating to the Bonds prepared and distributed by Ehlers & Associates, Inc., the financial advisor for the County, is hereby approved. Ehlers & Associates, Inc. is hereby authorized on behalf of the County to prepare and distribute to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934. The officers of the County are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04 Authorization of Payment of Certain Costs of Issuance of the Bonds. The County authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Bank of America, N.A., on the closing date for further distribution as directed by the County's financial advisor, Ehlers & Associates, Inc.

File No. 9 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to accept the bid of Baird with a true interest rate of 4.1524% and to adopt the following resolution:

RESOLUTION NO. 10-73
RESOLUTION AUTHORIZING ISSUANCE, AWARDING
SALE, PRESCRIBING THE FORM AND DETAILS AND
PROVIDING FOR THE PAYMENT OF GENERAL
OBLIGATION JAIL BONDS, SERIES 2010B

BE IT RESOLVED by the Board of County Commissioners (the Board) of Houston County, Minnesota (the Issuer), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.1. Authorization. Pursuant to a resolution adopted on October 12, 2010, the Board has determined it to be in the best interest of the Issuer to authorize the issuance and sale of \$5,220,000 General Obligation Jail Bonds, Series 2010B (the Bonds) to finance a portion of the cost of constructing and equipping new jail and law enforcement facilities (the Project). The Board hereby determines that the debt service payable in any year on the Bonds and all other obligations issued by the Issuer pursuant to Minnesota Statutes, Section 641.23 (\$1,396,950) is less than 0.09671 percent of the market value of all taxable real property within the Issuer (\$1,748,889); therefore, pursuant to Minnesota Statutes, Section 641.23, the Bonds may be issued without an election.

1.2. Sale. Pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the Issuer by Ehlers & Associates, Inc., proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Baird in Milwaukee, Wisconsin and associates (the Purchaser), to purchase \$5,220,000 principal amount of Bonds at a price of \$5,193,324.67 plus accrued interest, if any, on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.3. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Chairperson of the Board and the County Auditor are hereby authorized and directed to execute a contract on behalf of the Issuer for the sale of the Bonds in accordance with the terms of the

proposal. The good faith deposit of the Purchaser, if any, shall be retained and deposited by the Issuer until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.1. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Board to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.2 Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption at the annual rates set forth opposite such years and amounts, as follows (subject to adjustment in accordance with the terms of proposals):

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2023	\$610,000	4.00%	2028	\$ 475,000	4.00%
2024	435,000	4.00%	2029	485,000	4.125%
2025	450,000	4.00%	2030	500,000	4.25%
2026	455,000	4.00%	2031	1,340,000	4.25%
2027	470,000	4.00%			

For purposes of compliance with Minnesota Statutes, Section 475.54, the maturity schedule for the Bonds shall be combined with the maturity schedules for Issuer's general obligation debt issued in 2009. The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.7 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.3. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.8 and upon any subsequent transfer or exchange pursuant to Section 2.6, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. The interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2011, to the owner of record thereof as of the close of business on the fifteenth day of the preceding month, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.4. Redemption. Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the Issuer, in whole or in part, in such order of maturity dates as the Issuer may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000 as to Bonds maturing on the same date, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The County Auditor shall cause notice of the call for redemption thereof to be published if and as required by law and, at least thirty days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the registered holders of any Bonds to be redeemed at their addresses as they appear on the bond register described in Section 2.6 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

Bonds maturing on February 1, 2023 (the Term Bonds) shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.4 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Term Bonds Maturing in 2023

<u>Year</u>	<u>Principal Amount</u>
2022	\$185,000

The remaining \$425,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2023.

Notice of redemption shall be given as provided in the preceding paragraph.

2.5. Appointment of Initial Registrar. The Issuer hereby appoints Bond Trust Services Corporation in Roseville, Minnesota, as the initial bond registrar, transfer agent and paying agent (the Registrar). The Chair and County Auditor are authorized to execute and deliver, on behalf of the Issuer, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The

Issuer agrees to pay the reasonable and customary charges of the Registrar for the services performed. The Issuer reserves the right to remove the Registrar, effective upon not fewer than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.6. Registration. The effect of registration and the rights and duties of the Issuer and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit or other legal entity) in whose name a Bond is registered in the bond register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the Issuer.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The Issuer and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner

of the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to any registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Issuer and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this resolution as the Bonds surrendered upon such transfer or exchange.

2.7. Securities Depository. The following provisions shall apply, unless otherwise designated by the Purchaser:

(a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the Issuer may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the Issuer shall be affected by any notice to the contrary. Neither the Registrar nor the Issuer shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the Issuer to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the Issuer determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the Issuer may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through

DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Issuer and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chair or County Auditor, if not previously filed with DTC, is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

2.8. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the County Auditor and shall be executed on behalf of the Issuer by the signatures of the Chair and the County Auditor, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the County Auditor shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.9. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HOUSTON
GENERAL OBLIGATION JAIL BOND, SERIES 2010B

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
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February 1, ____

December 7, 2010

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

HOUSTON COUNTY, MINNESOTA (the Issuer), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2011 (each such date, an Interest Payment Date), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the month next preceding such Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on Bond Trust Services Corporation, Roseville, Minnesota, as bond registrar, transfer agent and paying agent (the Registrar), or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of \$5,220,000 issued pursuant to a resolution adopted by the Board of County Commissioners on November 16, 2010 (the Resolution) to finance a portion of the cost of acquisition, construction and equipping of county jail and law enforcement facilities and is issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 641.23. The Bonds are issuable only in fully registered form, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in 2022 and later years are each subject to redemption and prepayment at the option of the Issuer, in whole or in part, and if in part in such order of maturity dates as the Issuer may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000 as to Bonds maturing on the same date, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date of redemption. Prior to the date specified for the redemption of any Bond prior to its stated maturity date, the Issuer will cause notice of the call for redemption to be published as required by law, and, at least thirty days prior to the designated redemption date, will cause notice of the call to be

mailed by first class mail (or, if applicable, provided in accordance with the operational arrangements of the bond depository), to the registered owner of any Bond to be redeemed at the owner's address as it appears on the bond register maintained by the Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

Bonds maturing in the years 2023 shall be subject to mandatory redemption prior to maturity by lot pursuant to the mandatory sinking fund requirements of the Resolution on February 1 in the years and in the principal amounts set forth in the Resolution at a redemption price equal to the stated principal amount thereof to be redeemed plus interest accrued thereon to the redemption date, without premium. Notice of redemption shall be given as provided in the preceding paragraph.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Issuer at the principal office of the agent of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the Issuer will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The Issuer and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the Issuer nor the Registrar shall be affected by any notice to the contrary.

The Bonds have been designated as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this

Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the Issuer.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof the Board of Commissioners has levied ad valorem taxes upon all taxable property in the Issuer, which taxes are estimated to be collectible for the years and in amounts sufficient to produce sums not less than five percent in excess of the principal of and interest on the Bonds when due, and has appropriated such taxes to the payment of such principal and interest; that if necessary for payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the Issuer, without limitation as to rate or amount; that the issuance of this Bond, together with all other indebtedness of the Issuer outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation of indebtedness and that by the Resolution, the Issuer has agreed to comply with the requirements of Minnesota Statutes, Section 446A.086 relating to the state guarantee or payment of principal of and interest on the Bonds.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

SECTION 3. GENERAL OBLIGATION JAIL BONDS, SERIES 2010B CONSTRUCTION FUND; USE OF PROCEEDS. *There is hereby established on the official books and records of the Issuer a General Obligation Jail Bonds, Series 2010B Construction Fund (the Construction Fund). The County Auditor shall continue to maintain the Construction Fund until payment of all costs and expenses incurred in connection with the construction of the Project have been paid. To the Construction Fund there shall be credited the proceeds of the Bonds, exclusive of accrued interest and capitalized interest, if any, received from the Purchaser, and from the Construction Fund there shall be paid all construction costs and expenses of the Project and the issuance of the Bonds. After payment of all costs incurred with respect to the Project and the issuance of the Bonds, the Construction Fund shall be discontinued and any proceeds of the Bonds remaining therein shall be credited to the Bond Fund described in Section 4 hereof.*

Section 4. GENERAL OBLIGATION JAIL BONDS, SERIES 2010B BOND FUND. *The Bonds shall be payable from a separate General Obligation Jail Bonds, Series 2010B Bond Fund (the Bond Fund) of the Issuer, which the Issuer agrees to maintain until the Bonds have been paid in full. If the moneys in the Bond Fund should at any time be insufficient to pay principal and interest due on the Bonds, such amounts shall be paid from other moneys on hand in other funds of the Issuer, which other funds shall be*

reimbursed therefor when sufficient moneys become available in the Bond Fund. The moneys on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. The Issuer irrevocably appropriates to the Bond Fund (a) any amount received from the Purchaser, other than amounts deposited to the Construction Fund in accordance with Section 3 hereof; (b) all taxes levied and collected in accordance with this resolution; and (c) all other moneys as shall be appropriated by the Board to the Bond Fund from time to time. If the aggregate balance in the Bond Fund is at any time insufficient to pay all interest and principal then due on all Bonds payable therefrom, the payment shall be made from any fund of the Issuer which is available for that purpose, subject to reimbursement from the Bond Fund when the balance therein is sufficient, and the Board covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to take care of any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

The Issuer has previously, pursuant to Minnesota Statutes, Section 446A.086 (the Act), entered into a Minnesota Public Facilities Authority County Credit Enhancement Program Agreement (the Agreement) with the Minnesota Public Facilities Authority (the Authority) and the Commissioner of Finance. The Issuer hereby covenants and obligates itself to notify the Authority of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 446A.086, to guarantee payment of the principal and interest on the Bonds when due. The Issuer further covenants to deposit with the Registrar three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Authority that it will be unable to make all or a portion of that payment. The Registrar is authorized and directed to notify the Authority if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Registrar. The Issuer understands that as a result of its covenant to be bound by the provision of the Act, the provisions of that section shall be binding as long as any Bonds remain outstanding.

SECTION 5. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the Issuer shall be and are hereby irrevocably pledged. In order to produce aggregate amounts which, together with the collections of other amounts as set forth in Section 4, will produce amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the Issuer, the taxes to be levied and collected in the following years and amounts:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
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See attached levy calculation

The taxes shall be irrevocable as long as any of the Bonds are outstanding and

unpaid, provided that the Issuer reserves the right and power to reduce the tax levies from other legally available funds, in accordance with the provisions of Minnesota Statutes, Section 475.61.

SECTION 6. DEFEASANCE. When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the registered owners of the Bonds shall cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal and interest which are then due, provided that notice of such redemption has been duly given as provided herein. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal, interest and redemption premiums to become due thereon to maturity or earlier designated redemption date, provided, however, that if such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the Issuer shall have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal of and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 7. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

7.1. Covenant. The Issuer covenants and agrees with the registered owners from time to time of the Bonds, that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986 (the Code) and applicable Treasury Regulations (the Regulations), and covenants to take any and all affirmative actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The Issuer has not and will not enter into any lease, management contract, operating agreement, use agreement or other contract relating to the use or operation of the Project, or any portion thereof, which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

7.2. Arbitrage Certification. The Chair and County Auditor being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the applicable Regulations.

7.3. Arbitrage Rebate. The Issuer acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The Issuer covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no “gross proceeds” of the Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

7.4. Reimbursement. The Issuer certifies that the proceeds of the Bonds will not be used by the Issuer to reimburse itself for any expenditure with respect to the Project which the Issuer paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the Issuer shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that a declaration of official intent shall not be required (i) with respect to certain de minimis expenditures, if any, with respect to the Project meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the Project as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

7.5. Qualified Tax-Exempt Obligations. This Board hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of governmental tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the Issuer and all subordinate entities during calendar year 2010 does not exceed \$30,000,000.

7.6. County Credit Enhancement Program. Notwithstanding anything else to the contrary contained herein, the terms of the Agreement are hereby incorporated in this resolution.

7.7. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit

the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the Issuer hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The Issuer is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the Issuer fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The Issuer will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the Issuer, the following information at the following times:

- (1) on or before 365 days after the end of each fiscal year of the Issuer, commencing with the fiscal year ending December 31, 2010, the following financial information and operating data in respect of the Issuer (the Disclosure Information):
 - (A) the audited financial statements of the Issuer for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the Issuer, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally

accepted accounting principles for reasons beyond the reasonable control of the Issuer, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the Issuer; and

- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: Current Property Valuations; Direct Debt; Tax Levies and Collections; Population Trend and Employment/Unemployment Data.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the Issuer shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the Issuer shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the web site of the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the Issuer have materially changed or been discontinued, such Disclosure Information need no longer be provided if the Issuer includes in the Disclosure Information a statement to such effect; provided, however, that if such operations have been replaced by other Issuer operations in respect of which data is not included in the Disclosure Information and the Issuer determines that certain specified data regarding such replacement operations would be described in paragraph (2) hereof, then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the Issuer shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults, if material;
- (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-

- TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (G) Modifications to rights of security holders, if material;
- (H) Bond calls, if material, and tender offers;
- (I) Defeasances;
- (J) Release, substitution, or sale of property securing repayment of the securities;
- (K) Rating changes;
- (L) Bankruptcy, insolvency, receivership or a similar event with respect to the Issuer;
- (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material and
- (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, a material fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a material fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:

- (A) the failure of the Issuer to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

- (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the Issuer under subsection (d)(2);
- (C) the termination of the obligations of the Issuer under this section pursuant to subsection (d);
- (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
- (E) any change in the fiscal year of the Issuer.

(c) Manner of Disclosure.

- (1) The Issuer agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).
- (2) The Issuer further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the Issuer and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.
- (3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the Issuer in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the Issuer under this section shall terminate and be without further effect as of any date on which the Issuer delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the Issuer to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the Issuer from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds,

by a resolution of this Board filed in the office of the recording officer of the Issuer accompanied by an opinion of Bond Counsel, who may rely on certificates of the Issuer and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the Issuer or the type of operations conducted by the Issuer, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the Issuer agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 8. CERTIFICATION OF PROCEEDINGS.

8.1. Registration and Levy of Taxes. The County Auditor is hereby authorized and directed to file a certified copy of this resolution in the records of the Issuer, together with such additional information as required, and to issue a certificate that the Bonds have been duly entered upon the County Auditor's bond register and the tax required by law has been levied.

8.2. Certification of Records. The officers of the Issuer are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the Issuer relating to the Bonds and to the financial condition and affairs of the Issuer, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they 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, shall be deemed representations of the Issuer to the facts recited herein.

8.4. Official Statement. The Official Statement relating to the Bonds, dated November 4, 2010, and the supplement thereto, relating to the Bonds prepared and distributed by Ehlers & Associates, Inc., the financial consultant for the Issuer, is hereby approved. Ehlers & Associates, Inc. is hereby authorized on behalf of the Issuer to prepare and distribute to the Purchaser within

seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934. The officers of the Issuer are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

8.5 Authorization of Payment of Certain Costs of Issuance of the Bonds. The Issuer authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Bank of America, N. A., on the closing date for further distribution as directed by the Issuer's financial advisor, Ehlers & Associates, Inc.

Commissioner Miller reported on a Tourism meeting which he attended.

Commissioner Bjerke reported on the Joint Board of Health meeting which he and Commissioner Augedahl attended.

Commissioner Augedahl reported on several Jail meetings which he has attended recently.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 10 -- Correspondence to the payroll department regarding hire of 5 election judges, hire of Kevin Collins and appointment of Deb Rock as interim Director of Human Services

File No. 11 -- Notice of 2010 MCIT Dividend payment

There being no further business and the time being 11:17 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, November 23, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
David Corcoran, Vice-chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, November 23, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Sheriff Ely; HR Director Arrick-Kruger; Chief Deputy Sheriff Yeiter; Environmental Services Director Frank; Teresa Walter; Justin Zmyewski

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the minutes of the November 16, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$155,812.30
Road & Bridge Fund	47,249.53

Total	\$203,061.83
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

Sheriff Ely met with the board to request approval to exercise the new cell phone per diem policy within his department. Sheriff Ely reported that 14 employees within his department require the use of cell phones to perform the functions of their jobs. Three employees including himself, Emergency Manager Kuhlers and the Drug Task Officer require the use of a Smartphone, the other eleven employees require only a basic cell phone. Currently, the department provides the phone and is responsible for the contract cost for each phone. In addition, several employees carry two cell phones, a county issued phone for job related purposes and a personal phone. Exercising the new cell phone policy would make budgeting easier as the expense would remain flat, result in savings to the county, and it would reduce the number of phones carried by employees. Chief Deputy Sheriff Yeiter indicated that the change would

reduce paperwork. Currently, each cell phone bill is reviewed monthly. He did question how the per diem would be paid. He expressed a desire to keep claims for per diems at a minimum by including payment with payroll or providing an annual payment as opposed to generating a unique per diem payment each month for each employee. Chief Deputy Sheriff Yeiter indicated that the department would like to retain two contracts for individual cell phones to be used for department business. The phones would be primarily used for the transport vans by the drivers. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to authorize cell phone per diems based on the Sheriff's recommendations.

Commissioner Corcoran questioned how law and order was within the county. Sheriff Ely provided a brief report.

File No. 3 -- Auditor Meiners stated that Southeastern Minnesota Development Corporation has distributed Restated Articles of Incorporation which would change the name of the organization to Community & Economic Development Associates. She explained that this is due to the organization branching out and serving a larger area. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to vote in favor of adopting the Restated Articles of Incorporation.

File No. 4 -- Auditor Meiners reported that the Southeast Service Cooperative has distributed ballots for the election of their 2010 Board of Directors members. She noted that Theresa Arrick-Kruger is a candidate. Auditor Meiners indicated that she will return the voted ballots together as instructed. Each commissioner should vote his ballot and return it to Auditor Meiners.

File No. 5 -- Environmental Services Director Frank reported that the solid waste ordinances have been completed and are in final draft form. The city ordinances are included and mirror county ordinances. These ordinances will allow Houston County to achieve fulfillment of the contract with La Crosse County regarding solid waste. The process to revise the ordinance has been ongoing during the past two years. The cities have been involved since May 2010. Commissioner Bjerke questioned whether there should be a township ordinance. Environmental Services Director Frank responded that the townships fall under the county ordinance. The townships have not been involved to any great extent in the process. Both Commissioners Miller and Corcoran have been involved with the ordinance revision process. On the recommendation of Environmental Services Director Frank, motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to schedule the public hearing regarding the Solid Waste Ordinance for Tuesday, December 23, 2010 at 10:00 a.m.

Commissioner Miller questioned a claim for the recycling of appliances. Environmental Services Director Frank explained the process and fees charged to each drop site.

HR Director Arrick-Kruger presented the LELS Mediated Settlement Agreement for signature. The agreement was approved on November 9, 2010.

HR Director Arrick-Kruger reported that M.S. 3.088 provides that any appointed officer or employee of a political subdivision who is elected to a full-time county office in Minnesota is entitled to a leave of absence for a period not to exceed 10 years. She reported that Jamie Hammell is requesting a ten year leave of absence pursuant to M.S. 3.088. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve said request effective January 3, 2011.

On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to return Suzanne Bublitz to her former position as Assistant County Attorney, and to return her salary to the appropriate banding for said position effective January 3, 2011.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to place on file the following items from the consent agenda:

File No. 6 -- Correspondence to Hank Koch regarding tons delivered to Xcel

File No. 7 -- Request for 2010 appropriation from Historic Bluff Country

File No. 8 -- Agreements Relating to Paying Agency. Registrar, and Transfer Agency for both Bond Series 2010A & 2010B, Proposal Form for Series 2010B

There being no further business and the time being 9:36 a.m., motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, November 30, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, November 30, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Justin Zmyewski; HR Director Arrick-Kruger; IS Manager Milde; John Pristash; Jail Administrator Schiltz; PHN Director Rock; Recorder Bauer; GIS Coordinator Krzoska

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the November 23, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$31,991.22
Road & Bridge Fund	297,026.84

Total	\$329,018.06
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

John Pristash, of Knutson Construction, reported that the roof on the new Justice Center is approximately 40% completed. The roof over the jail portion is approximately 75% complete and the portion over courts is approximately 15% complete. He indicated that, once the roof has been completed, they will be able to pour slabs inside. Once the slabs have been poured, a multitude of other tasks will begin inside. The windows are being installed. He stated that it was the goal to have the building closed in by December 1st. They are about one week behind. Mr. Pristash reported that heat is being blown into portions of the building, half of the inside is prepared for and awaiting the concrete to be poured, and the electrical and natural gas service has

been installed to the building. Commissioner Miller questioned if there were any concerns being voiced by the neighbors. Jail Administrator Schiltz reported that there are no issues at this time.

File No. 3 -- PHN Director Rock recommended participation in the Great Rivers United Way Memorandum of Understanding (MOU) regarding the Compass Now: 2011 project. This project includes the counties of Monroe, Vernon, La Crosse, Trempealeau and Houston. The project's goal is to provide an assessment as required under the Patient Protection and Affordable Care Act of 2010 and the requirements of county health departments to conduct community needs assessments. The cost to Houston County for participation would be \$750.00. This fee is based on population. PHN Director Rock indicated that she has funds available within her budget to cover the expense. Commissioner Miller asked questions to clarify his understanding of the assessment and its uses and benefits. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the Memorandum of Understanding with Great Rivers United Way and to authorize the signature of Chairperson Connery.

PHN Director Rock reported that there is a commitment of time for participation in Compass Now: 2011. Health Educator's Myhre and Melde will be covering the time commitment.

File No. 4 -- PHN Director Rock reported that Olmsted County has approached Houston County to partner with them to contract for treatment services for active TB cases. Treatment would be provided by the Olmsted County Tuberculosis Clinic who specializes in active TB case treatment. Houston County does not have an expert in the treatment of TB. Having access to the experts in Olmsted County could be beneficial. PHN Director reported that Houston County has not had an active TB case in ten years. There was discussion regarding TB and safety measures. The care provider would bill insurance or MA, and the only charges that Houston County may be responsible for would be transportation cost and/or interpreter services. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the Service Agreement with Olmsted County Public Health Services for the treatment of patients with active TB.

File No. 5 -- IS Director Milde provided information on a software quote from SHI for Microsoft Exchange Software and other software licensing. This is a budgeted item and has been planned for. All items included on the quote, with the exception of the Microsoft Exchange Software, have been implemented. The licensing is required for the County to continue to be in compliance for our use of the software. IS Director Milde anticipates launching the Microsoft Exchange Software during the first quarter of 2011. IS Director Milde reported that, overall, the computer count for the county will be increasing and the licensing represented in the quote will accommodate the increase. IS Director Milde reported that the State requires the county to conduct business on their network. Therefore, the State is working to increase the available bandwidth to counties. This will be a significant benefit to Houston County. Once this is done, the county will experience greater speed with regard to internet connectivity. There was

discussion regarding web meetings, webinars and the bandwidth required to utilize these technologies.

IS Director Milde stated that HS Director Wilms is leaving. She currently has a county issued Smartphone. This is a month to month contract and will be terminated after her final day of employment. There are others with county issued Smartphones. These individual plans will be phased out due to the new cell phone per diem policy.

File No. 6 -- GIS Coordinator Krzoska stated that Cole Kelleher has been working on well location for the geological atlas. His contract is set to expire today. GIS Coordinator Krzoska reported that there are still well locations to be performed in two townships, and funding is available to complete the work. He requested approval of a contract addendum that would extend the contract expiration for eight business days to December 10, 2010. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the eight day extension and to approve the contract addendum.

HR Director Arrick-Kruger stated that Jessie Melde is part time at 0.5 FTE. Her position is contingent upon the availability of grant funding. PHN Director Rock indicated that SHIP grant funding is available to increase Ms. Melde's position to 0.8 FTE through June. This would allow Health Educator Melde to participate in the Compass Now: 2011 work discussed earlier today. HR Director Arrick-Kruger requested approval to increase Jessie Melde from 0.5 FTE to 0.8 FTE contingent upon grant funding. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the increase in FTE from 0.5 to 0.8 for Jessie Melde effective December 1, 2010 and contingent upon grant funding availability.

HR Director Arrick-Kruger met with the board and reported that Andy Milde is nearing the expiration of his probationary period. Based on the evaluation responses received from commissioners, it is her recommendation to approve changing Mr. Milde's status from probationary to regular, effective his anniversary date. She indicated that this probationary period was the result of Mr. Milde having been promoted to the position of IS Director. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve changing the employment status of IS Director Milde from probationary to regular status.

Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to appoint Bob Mierau to the Crooked Creek Watershed Board to a three year term to expire in November 30, 2013.

File No. 7 -- Due to a request received from the Ag Society, motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to change the appropriations payment to the Ag Society from semi-annual to a single lump sum payment to be made in January.

Commissioner Bjerke reported on an AFSCME negotiating meeting and also a Radio Board meeting which he attended.

Commissioner Miller reported on a department head meeting which he attended.

Commissioner Miller stated that he met with Conrad Curran. Mr. Curran advised Commissioner Miller that there is a group concerned with the feedlot ordinance for Houston County.

Chairperson Connery reported that he attended the AFSCME negotiating meeting with Commissioner Bjerke.

There being no further business and the time being 9:57 a.m., motion was made by Commissioner Augedahl, seconded by Commissioner Miller and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, December 14, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, December 14, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; HR Director Arrick-Kruger; Environmental Services Director Frank; Zoning Administrator Scanlan; Jail Administrator Schiltz; Engineer Pogodzinski; HS Accountant Bahr; Greg Myhre; Dan Griffin; Wayne Stenberg

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the November 30, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$115,981.22
Road & Bridge Fund	162,665.65

Total	\$278,646.87
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve license center and Human Services disbursements.

HR Director Arrick-Kruger stated that a search for the position of Environmental Services Clerk has been completed. Environmental Services Director Frank and HR Director Arrick-Kruger recommended the hire of Julie Amundson at Step 2 of the appropriate wage scale. HR Director Arrick-Kruger commented that Ms. Amundson has knowledge in all areas necessary to perform well in this position. Environmental Services Director Frank was pleased that Ms. Amundson has experience with FEMA reporting because of her job as clerk of a town board. Motion was made by Commissioner Miller seconded by Commissioner Bjerke and unanimously carried to hire Julie Amundson at Step 2 of the appropriate wage scale effective December 15, 2010.

Engineer Pogodzinski stated that highway department staff worked through the most recent snowstorm. Staff is tired, however, there is still cleanup work needing completion.

Engineer Pogodzinski indicated that the 2009 Highway Department Annual Report is complete, copies have been provided and questions may be directed to Engineer Pogodzinski.

Engineer Pogodzinski reported that Winona County had requested a speed study on Winona County 1 which turns into Houston County CSAH 29. MN DOT is recommending the speed be reduced from 55 mph to 50 mph. Engineer Pogodzinski stated that it makes sense to reduce the speed limit on the ½ mile of CSAH 29 from La Crescent to the Winona County border.

Engineer Pogodzinski expressed concern that adopting the MN DOT proposed Mississippi River Trail resolution could result in liability and financial responsibility. He will be meeting with area county engineers and will discuss the resolution, concerns and intentions of other counties, and return to the Board with a recommendation.

Engineer Pogodzinski reported that all county roads are open to traffic. Several projects were completed at the end of the construction season. Many areas were seeded and mulched and grass growth will be monitored in the spring. There are some areas that were seeded and mulched that will require being smoothed out next season. Kubitz Road will also be reduced to one lane in the spring for completion of box culvert approaches.

Engineer Pogodzinski stated that in Spring Grove the county has a Coverall structure for salt storage. Coverall has recommended that owners of Titan Coverall structures have them privately inspected. More recently, they have recommended that all Coverall structures be inspected. There is concern that the structures are deficient and may not perform under high wind or heavy snow load. There is no warranty or manufacturer coverage because Coverall has gone bankrupt. County Engineers are working together to consider contracting an individual inspector to analyze all county owned Coverall structures. Engineer Pogodzinski estimates that the fee to analyze each structure may range from \$5,000.00 to \$8,000.00. He estimates that repairs would cost an additional \$5.00 to \$10.00 per square foot. MCIT will not cover costs resulting from faulty design, poor craftsmanship, or deficient manufacturing of a product. The repairs to these structures have been the installation of additional bracing.

Engineer Pogodzinski reported that there are three employees who will be unable to reduce their vacation accruals to the approved carry over amounts without having all three employees on vacation for the balance of the week. If the employees had until December 31, 2010, they would be able to reduce the accruals without affecting work in the department. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to allow Thomas Molling, Shawn Peter and Rick Vesterse to reduce their vacation accruals by December 31, 2010.

File No. 3 -- Engineer Pogodzinski reported that the formula for calculating compensation for road life consumed by detour has changed. This affects an agreement for the CSAH 10 detour which was recently approved. Approval of changes to the agreement will result in an additional \$515.92 in revenue. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the amendments on the CSAH 10 Detour Agreement.

As a result of the recently approved Cell Phone Per Diem Policy, Engineer Pogodzinski requested approval for 12 cell phone per diems and 1 Smartphone per diem for the Highway Department. He expects that, following the migration to 800 MHz radio, the department will be able to eliminate some of the cell phone per diems. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve up to 12 cell phone per diems and one Smartphone per diem.

At this time, Environmental Services Director Frank met with the Board and requested approval of contracts for 2010.

File No. 4 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve a 3% cost of living increase for 2011 for Richard's Sanitation based on "producer price index industry data for solid waste collection" which satisfies contractual obligation.

File No. 5 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the 2011 Recycling Center/Drop-off Site Agreement with Ability Building Center (ABC). The agreement is for a one year period which expires December 31, 2011 and reflects a 0% increase.

File No. 6 -- Environmental Services Director Frank reported that the Caledonia Drop Site is leased. The site was developed in 1991 or 1992. The current lease will expire on December 31, 2010. He recommended approval of a five year lease to expire December 31, 2015. The current contract is structured to include a 4% cost of living increase annually. In 2010 the lease payment was approximately \$1,800.00. The proposed contract has a flat fee of \$2,000.00 per year which is slightly higher initially. Environmental Services Director Frank indicated that the cost will be lower in the end. Motion was made by Commissioner Augedahl, seconded by Commissioner Bjerke and unanimously carried to approve the lease with Keith Comstock for the Caledonia Drop Site.

File No. 7 -- Environmental Services Director Frank reported that the per ton rate for tire disposal has increased. The increase is a result of required manual unloading because the receiver has discontinued the use of a mechanical lift for unloading. The unloading process now takes approximately 2 hours. Environmental Services Director Frank is requesting approval of a new fee schedule for tires. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the new fee schedule for tires.

Zoning Administrator Scanlan reported that Dave Alstad does not desire to be re-appointed to the Planning Commission. A recommendation has been made that Dan Griffin be appointed to fill the vacancy. Norm Oseth does not desire to be re-appointed to the Board of Adjustment. Zoning Administrator Scanlan recommended Greg Myhre be appointed to fill this vacancy. Bruce Lee's appointment will also expire. Mr. Scanlan is unaware of whether Mr. Lee would accept an additional term or not. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to appoint Dan Griffin to a three year term on the Planning Commissioner and Greg Myhre to a three year term on the Board of Adjustment.

File No. 8 -- HS Accountant Bahr reported that last year a contract with Workforce Development was terminated and the duties were brought in house. Work search requirements of DWP and MFIP clients are being met now that the work is being performed in house. HS Accountant Bahr indicated that DWP and MFIP funding is regulated. The funds may not be utilized for other programs. If the county were to enter into an agreement with Workforce Development for services, she expressed concern that ensuring that DWP and MFIP funding was used for approved services would be difficult and it could open the county up to liability and put future funding at risk. Workforce Development has proposed a contract for the work with DWP and MFIP. It has been reported that Workforce Development lost a sizeable grant and there is speculation that contracts are needed for Workforce Development to remain in Caledonia. Commissioner Bjerke expressed concern that other services would be unavailable to residents if Workforce Development were not in Caledonia. Commissioner Miller stated that libraries are receiving funding to support access to the internet for job searches. In the unfortunate event that Workforce Development was no longer in the area, the libraries would provide options to those looking for work. Commissioner Bjerke would prefer that a backup plan be in place in the event that Workforce Development was no longer available in the county. Commissioner Corcoran expressed concern that there is duplication of services. Following discussion, motion was made by Commissioner Miller, seconded by Commissioner Corcoran and unanimously carried to approve a letter in response to the solicitation of Workforce Development.

File No. 9 -- At this time, the following individuals were recognized for their years of service to Houston County:

30 Year Awards

Doreen H Denstad
Gayle M Stortz

25 Year Awards

Gary L Eddy
Helen F Houlihan
Robert A Jacobson
Richard D Walter

20 Year Awards

Thomas L Molling
Nancy M Peter
Diane Sullivan

15 Year Award

Catherine A Hagen
Sheila J Kelleher
Marilyn S Moore
Marjorie B Storlie
Sheila M Schroeder

10 Year Award

Duane A Beckman
Suzanne M Bublitz
Ann E Diersen
Holly J Gleason
Jean A Meiners
Heather L Myhre
Michael A Olson
Shawn L Peter
Lindsay R Pierce
Luke T Sass
Robert S Scanlan
Susan K Schwebach
Beth M Wilms

Chairperson Connery reported that the budget meeting, which had been scheduled for later today, has been cancelled.

At this time, discussion was held regarding printing bid requests. Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to solicit bids for printing the financial statement.

File No. 10 -- Wayne Stenberg, Executive Director of Semcac, met with the Board to provide an update on Semcac. He expressed appreciation for the county's ongoing support. He provided information on sites, locations and the various programs offered through Semcac. Commissioner Bjerke queried Mr. Stenberg where the bulk of funding comes from. He provided information regarding federal, state, and local funding for community development, heating assistance, weatherization, Headstart, and the food shelf. He reported that Federal funding for several programs is declining or sun setting. Currently, State funding doesn't look too bad. However, it is expected to decline. Semcac has been working on private donation funding and Foundation funding to assist with the support of medical rides provided through the Volunteer

Driver Program. They have also applied for grant funding. Mr. Stenberg stated that he realizes that some programs live and die by the grant. Semcac is currently working on Strategic planning.

File No. 11 -- Auditor Meiners reported on two requests for Disaster Credit due to fire for taxes payable 2010 being: Marion Bills, Parcel #20.0220.000, in the amount of \$375.64 and Mark Haakenstad, Parcel #13.0431.000, in the amount of \$227.05. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve said Disaster Credits.

File No. 12 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the minutes of the Truth in Taxation meeting held Thursday, December 2, 2010.

File No. 13 -- Chairperson Connery reported on correspondence he received from the Army Corps of Engineers in response to a request for the inspection of the dike north of CSAH 26. The earthen embankments are a non-federal levee. Therefore, the Army Corps of Engineers has no authority to perform the requested inspection.

Commissioner Corcoran reported on an Extension Committee and a Solid Waste meeting which he attended.

Commissioner Bjerke reported on an AFSCME negotiating committee meeting which he and Chairperson Connery attended. He also reported on the AMC conference which he attended with Commissioner Miller.

Commissioner Miller reported on meetings regarding the transition with regard to the change in the position of Human Services Director.

Chairperson Connery reported on an FSC meeting and a strategic planning meeting for Semcac which he attended.

Commission Corcoran commented on the correspondence received in regard to courtroom security.

Motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 14 -- Correspondence to payroll regarding the status change of Andrew Milde and the increase in FTE of Jesie Melde

File No. 15 -- Correspondence to Robert Mierau regarding appointment to three year term on Crooked Creek Watershed Board

File No. 16 -- Correspondence to employees receiving recognition awards

File No. 17 -- Correspondence from Southeastern MN Development Corp regarding adoption of Restated Articles of Incorporation

File No. 18 -- Extension Committee Meeting Minutes from December 1, 2010

File No. 19 -- Correspondence from Samuel Jandt regarding courtroom security

File No. 20 -- Southeast Service Cooperative 2009-2010 Annual Report

There being no further business and the time being 10:56 a.m., motion was made by Commissioner miller, seconded by Commissioner Bjerke and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, December 21, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Monday, December 20, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl and Tom Bjerke

Others Present: Auditor Meiners, Finance Director Bradley, Human Services Accountant Bahr, Social Services Supervisor Pepping and HR Director Arrick-Kruger

Presiding: Larry Connery, Chairperson

Call to order.

Finance Director Bradley reported that there is some interest in competitive bidding for the county's 2011 printing. He suggested that Addendum 1 be sent to the newspapers requiring that they provide their circulation statistics as part of their bid. This should provide the county with information to weight the bids, based on circulation. Finance Director Bradley indicated that competitive bids could significantly reduce the county's printing costs. After discussion, it was agreed to submit Addendum 1 to the newspapers with regard to the 2011 printing bids.

Discussion was held regarding establishing the salary for the County Attorney position for 2011. HR Director Arrick-Kruger reported on a salary survey for this position on a regional basis which indicates a range from approximately \$85,000 to \$110,000. She reported that the newly elected County Attorney plans to implement a diversion program which should result in a significant cost savings to the county. This is a cost analysis type of program which provides a more cost-effective alternative to jury trials for lesser crimes.

HR Director Arrick-Kruger stated that the County Attorney's Office has to be a "jack of all trades", as they need to know things about employment, land use law, environmental law, etc. She recommended that the salary for the new county attorney not be reduced much from the current county attorney, as we have worked hard to try to make our county salaries competitive. The Board responded that Sue Bublitz was paid the same salary as former county attorney, Rick Jackson, due to her experience and the fact that she could step right into the position.

It was pointed out that Sue Bublitz's salary will decrease by approximately \$34,500, as she will be reverting to the position of Assistant County Attorney. HR Director Arrick-Kruger pointed out that Sue Bublitz and Jamie Hammell will have a role reversal.

HR Director Arrick-Kruger reported that the county attorney position is responsible for a significant amount of the trial work for the county. This involves long hours. She indicated that

expertise required by the county attorney in a small county is the same as that in a larger county. The only difference is the volume. Commissioner Miller indicated that he had several attorneys indicate to him that they felt the Houston County Attorney's salary was too high. Commissioner Bjerke indicated that he would like to see the salary range for the D63 comparable worth banding to give the Board an idea of the high and low salary based on Houston County's wage scale.

At this time discussion was held regarding ABC extended employment. Steve Hill, ABC, will be meeting with the Board tomorrow and expects a decision on Houston County's 2011 funding for this program.

File No. 1 -- HS Accountant Bahr provided the Board with information regarding the budget for the Houston County Human Services Department, information on ABC's finances, etc. She indicated that all other non-mandated services have been cut by Houston County.

Chairperson Connery inquired what cost savings would be realized due to Beth Wilms' resignation. Discussion was held regarding the fact that it is currently unknown what increase Deb Rock will be given as Director of both Human Services and Public Health.

HS Director Bahr reported that in 2009 ABC added \$219,218 to their investments. They increased their cash flow by another \$199,741, while their expenses dropped in 2009 by \$142,427. They are in very good shape financially. Commissioner Bjerke questioned what the result would be, however, if Houston County cuts their funding totally. He felt they would re-evaluate the program, and may end up cutting it totally. He felt that this program involves vulnerable adults and the County needs to take care of these folks. He suggested that we provide funding for 2011 to give us time to look at options.

Commissioner Miller reported that he and HR Director Kruger met with Social Services staff last week. The staff directly involved with these folks are very supportive of the program, however, they are also very disappointed with ABC not stepping up to the plate. ABC has not made any inquiries about possible county employment, they have not come up with innovative ideas for fund raising, etc. They seem to be sitting back and waiting for the county to simply provide funding for them. Commissioner Miller stated that Houston County is still in negotiation with our unions. Our funding levels are not concrete at this point. Further, at the AMC Conference we were told that the 2012 financial situation will probably be even more dire than 2011.

Discussion was held regarding the amount budgeted in 2010 for extended employment. Social Services Supervisor Poepping reported that \$96,000 was budgeted for 2010 in case there were new graduates. However, 100% of this amount was cut from the budget for 2011.

Finance Director Bradley and Social Services Director Poepping reported that a 30 day notice of termination of services has been negotiated into the contract with ABC.

HS Accountant Bahr reported that she expects the legislature to make cuts in Human Services Funding. Last year the Child Community Services Grant Funding was cut by 33%. The 2011 grant is set at \$221,000, however, she anticipates that it will be reduced significantly.

Chairperson Connery suggested budgeting \$20,000 for ABC for 90 days. This will allow us time to have discussions with the ABC Board and look at alternatives.

Social Services Supervisor Poepping reported that other counties using ABC services do not contribute any county funds to them. In Winona and Fillmore Counties, only Waiver clients are referred to ABC for services. Several years ago, Mower County stopped funding their provider, Cedar Valley, and they are still operating. The suggestion had been made that Steve Hill should contact Cedar Valley to find out how they continued operating without county funding. However, she does not believe Mr. Hill has followed through on this.

Social Services Supervisor Poepping indicated that clients at ABC have the right to appeal at the state level if their work levels are reduced. Discussion was held.

Discussion was held regarding the possibility of soliciting RFP's in early January to determine what options there are for obtaining services from other providers.

File No. 2 – Placed on file was information regarding the Human Services car leases.

At this time HR Director Arrick-Kruger reported back with regard to comparable worth bandings and pay scales. The pay scale for the C43 band (County Treasurer) ranges from \$42,500 to \$56,600. The pay scale for the D63 band (County Attorney) ranges from \$62,150 – \$91,200. After discussion, it was agreed that the negotiating committee will provide a recommendation to the Board.

Finance Director Bradley requested Board approval for himself and for Jordan Wilms to receive a \$50 per month cell phone per diem, due to the nature of their positions. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the same.

There being no further business and the time being 10:30 a.m., motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, December 21, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Environmental Services Director Frank; HR Director Arrick-Kruger; John Pristash; Jail Administrator Schiltz; Justin Zmyewski; Sheriff Ely; County Attorney Bublitz; Attorney Hammell; Attorney Ashmore; Hank Koch; Sig Scheurle; Gary Harter; Gary Hougom; Penny Peirce; Jerry Martell; Larry Hougom

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the minutes of the December 14, 2010 meeting and also the December 20, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$90,354.68
Road & Bridge Fund	24,334.48

Total	\$114,689.16
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve the Human Services disbursements.

John Pristash reported that they are struggling to complete the roof installation. They need 5 days without snow to complete the roof. The lack of roof completion is affecting the ability to pour concrete. Mr. Pristash stated that the north half of the courts area has been poured. Work is being performed on framing, duct work and drywall. Soon, they will be roughing in the mechanical and electrical. Overall, the project is on schedule. They may consider delaying cell installation until the first week of February instead of installing them during the first few weeks

of January. This would allow for the balance of slabs to be poured keeping the project on schedule.

Jail Administrator Schiltz stated that he, along with Dave Prachar and Sheriff Ely has been working on policies and procedures for the new facility. They are focusing on the layout of the building so that everything flows well. Once they have developed the policies and procedures they will be submitted to the State for approval. This must be completed before prisoners can be moved into the facility. Jail Administrator Schiltz reported that he is also working on signage for the building.

File No. 3 -- John Pristash stated that the drywall contractor who was awarded the bid has changed its name. The bid was awarded to Nickolaus Inc. The company has changed its name to Mulcahy Nickolaus LLC. Their insurance and bond have been updated to reflect the new business name. On the recommendation of John Pristash, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to have Attorney Bublitz draft the appropriate document to assign the contract of Nickolaus Inc. to Mulcahy Nickolaus LLC.

On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to hire Bridgette Blumenstein, Celeste Mader and Trisha Wessel as Peer Support Breast Feeding Counselors at Step 1 of the appropriate wage scale effective immediately with employment contingent upon grant funding.

File No. 4 -- HR Director Arrick-Kruger presented the Personnel Committee's recommendations for Elected Official Compensation for 2011. She provided information on the salary range for area county attorneys and those of similarly sized counties. She provided information on the number of support staff and on the role of the county attorney, whether it is more of a supervisory role or if there was a significant amount of trial work. Also discussed was the fact that some county attorneys were not considered full time. Winona County has the highest paid county attorney at approximately \$111,000.00. The low paid county attorneys are paid \$83,000.00 to \$85,000.00. However, these positions were noted as part time. Commissioner Bjerke stated that during budget discussions the range for the comparable worth band was between \$50,000.00 and \$86,000.00. HR Director Arrick-Kruger stated that her recommendation is based on the salary survey of comparable sized counties and what they are paying. Based on the salary survey of similarly sized counties, Houston County would be paying the lowest wage for their chief legal counsel.

At this time, Chairperson Connery invited comment from County Attorney Elect Hammell. Attorney Hammell stated that the wage of \$86,000.00 per year recommended by Commissioner's was appropriate. However, HR Director Arrick-Kruger's recommendation of \$89,000.00 per year is more appropriate for this geographic region. Commissioner Bjerke stated that they must start somewhere. He expressed his awareness of Attorney Hammell's intent to

establish a new program within the County Attorney's Office. Attorney Hammell stated that the program will take time and that there will not be a savings realized immediately. Over time she expects the result to be less jury trial and more time given back to the community. She stated that there would be a savings realized within a four year term. Commissioner Miller expressed concern that true comparison is difficult due to the unique demographic populations within a county. Commissioner Miller indicated that the salary approved today could be reviewed in a year. Attorney Hammell expressed concern that the rationale used to reduce the salary of the position of County Attorney should serve then to increase the salaries of the assistant county attorneys. County Attorney Bublitz reported that she has been working with Human Services in MA recovery and other new areas and caseloads have been increasing. In response to discussion about the perceived caseload of the Winona County Attorney's Office, it is likely that many lesser offenses are actually handled by the City Attorney. Therefore, this rationale would not be applicable to Houston County's situation.

HR Director Arrick-Kruger suggested providing information on how the workload is divided among staff. Chairperson Connery indicated that both he and Commissioner Corcoran have requested dashboards for just that reason. However, to date the dashboards have not been developed.

Commissioner Miller expressed interest in being advised regarding the amount of money spent to hire outside counsel. Jay Squires has handled zoning issues, and there was an attorney hired to assist with the Solid Waste Ordinance. Chairperson Connery stated that it was less expensive to outsource these specialized needs rather than hire staff that could have performed the specialized functions.

Commissioner Miller questioned whether those running for office are aware of the possibility that if elected, the salary may change. Attorney Hammell stated that she was aware of this possibility.

The following are the recommended 2011 salaries for elected officials resulting from discussion:

County Recorder	\$57,285.61
County Treasurer	\$50,000.00
County Sheriff	\$81,610.88
County Commissioner	\$18,687.00
County Attorney	\$86,000.00
County Auditor	\$62,757.77

Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the salaries as listed.

On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the return of Suzanne Bublitz to the appropriate banding for assistant county attorney being \$58,260.80 effective January 3, 2011.

File No. 5 -- HR Director Arrick-Kruger recommended adoption of the following resolution providing for a joint powers agreement for medical examiner and morgue services through Dakota County with Regina Medical Center for the calendar year 2011. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt following resolution:

RESOLUTION NO. 10-74

WHEREAS, Houston County along with Carver County, Chisago County, Dakota County, Fillmore County, Goodhue County, and Scott County contract for medical examiner and morgue services with Regina Medical Center through a Joint Powers Agreement with Dakota County; and

WHEREAS, Houston County has received and reviewed a copy of the proposed 2010 contract for medical examiner and morgue services; and

WHEREAS, the Joint Powers Agreement provides that each member county retains the right to object to the contract for medical examiner and morgue services;

NOW, THEREFORE, BE IT RESOLVED, That the Houston County Board of Commissioners hereby authorizes the Chair of the Dakota County Board of Commissioners to execute a contract with Regina Medical Center for the term of January 1, 2011 through December 31, 2011, substantially as presented on December 21, 2010, on behalf of Dakota County and Carver, Chisago, Fillmore, Goodhue, Houston and Scott Counties, subject to approval of an authorizing resolution by all seven counties.

File No. 6 -- HR Director Arrick-Kruger requested that the Board take action to adopt a resolution appointing Dr. Lindsey C. Thomas as medical examiner for Houston County, pursuant to M.S. 390.005. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-75

BE IT RESOLVED, that the Houston County Board of Commissioners hereby re-appoints Dr. Lindsey C. Thomas as County Coroner for four years, being January 1, 2011 through December 31, 2014.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the issuance of the following Tobacco Licenses for 2011: Money Creek Haven, Inc., High Plains Cenex, and Houston Food Mart.

The time being 10:00 a.m., the Public Hearing for updating the Solid Waste Ordinance was convened.

At this time, Environmental Services Director Frank provided introductions of guests in attendance for the purpose of discussing the proposed Solid Waste Ordinance.

Environmental Services Director Frank stated that Houston County closed its landfill in 1982. At that time, a county solid waste ordinance was drafted and adopted, and the recycling program was started. The ordinance was amended in 1993 or 1994. Due to changes in solid waste regulations at both the Federal and State levels, and due to court cases which have resulted in additional authority of counties to manage solid waste, a revision of the solid waste ordinance to reflect these changes was recommended. The county contracted with Kevin Johnson to assist with drafting the new ordinance to reflect all of the changes. Mr. Scheurle from MPCA has also assisted in this process. In 2008, solid waste administrators petitioned the State for model ordinances from which to guide their individual work. The old Houston County ordinance was reviewed and it was determined that it would require less time to mold the model ordinance for the needs of the county than to revise the ordinance which was in place. The ordinance requires cooperation between Houston and La Crosse counties because of the contract between them which expires in 2023. The new ordinance also covers licensing and hauler contracts which are renewed annually. Environmental Services Director Frank reported that, when Houston County closed its landfill, they learned that counties are responsible for deposits they make in landfills. The county making deposits may be responsible for monitoring and/or cleanup, and attorneys and consultants can be costly. Because of this knowledge, Environmental Services Director Frank expressed his belief that it is in the best interest of the county to have all solid waste generated in Houston County deposited at the La Crosse County facilities. In addition, a significant portion of solid waste generated in Houston County comes from La Crescent which is within 5 miles of La Crosse. La Crosse has a good program, their landfill is state of the art and the incinerator generates electricity. La Crosse County Solid Waste established a Policy Board approximately 4 years ago. Commissioner Corcoran has served on the Policy Board. Environmental Services Director Frank reported that over the past two years the county has worked through multiple drafts, hosted informational meetings and gathered information from haulers and cities which have been incorporated into the final ordinance. He indicated that the cities are supportive of the ordinance and he expects the cities to adopt an ordinance which mirrors that of the county. Also included in the ordinance are hauler contracts with a delivery agreement. The delivery agreement runs for the length of the agreement Houston County has with La Crosse County which expires in 2023. Environmental Services Director Frank reported that he held discussion with haulers both on the phone and during face to face meetings. Most of the feedback has been positive. The new ordinance takes care of our liability and limits our exposure. Through the delivery agreement all haulers are on a level playing field and bidding the same thing. The cities will continue to have

choices in regard to bags or totes. In addition, it will require that bids awarded by cities will be required to go to haulers who have delivery agreements on file with the county. This will ensure that city waste is being handled in the same way as the counties and in an acceptable manner.

Commissioner Corcoran commented that the contract with La Crosse County requires that Houston County meet a quota for garbage to the incinerator or pay assessed fees. He also expressed his belief that the advisory committee is a good thing. It allows those involved to maintain awareness regarding the budget, costs, and what is happening in general. It has also allowed for the development of educational materials and brochures.

Environmental Services Director Frank stated that the solid waste ordinance is a result of the 10 year plan. It addresses the drop site program, and curbside recycling. The agreement with La Crosse, in addition to our recycling program, takes care of the solid wastes generated.

Commissioner Miller questioned what the chain of events will be if the Board chooses to adopt the ordinance as presented. Environmental Services Director Frank indicated that his office will work on the contract renewals with haulers and also with obtaining the solid waste agreements from haulers. The haulers will abide by the ordinance and deliver all Houston County collections to the designated site(s). Chairperson Connery inquired what affect, if any, the ordinance would have on cities and townships. Environmental Services Director Frank responded that the cities and townships agree to only award contracts to haulers who have signed agreements with the County. All of the cities have indicated their support for the ordinance. They have extended their contracts for 6 months to a year to allow time for the county to approve a final ordinance and for the city to then adopt a mirror ordinance.

At this time, Chairperson Connery invited comments from those in attendance.

Hank Koch, Director of La Crosse County Solid Waste with 38 years experience with solid waste, commended Houston County for its work on the new ordinance. He expressed his full support of the ordinance and stated that the ordinance is very important in managing solid waste. The county is acting as a leader and the leadership is critical in the system and to other communities. Mr. Koch expressed his belief that this ordinance takes the county in a good direction. He indicated that La Crosse County is proud to partner with Houston County. He has followed, supported and worked with Mr. Frank on this endeavor. La Crosse County wants to be a responsible partner. They want to protect liabilities, and are committed to running an environmentally sound site. Mr. Koch was pleased to report that La Crosse County has the first landfill to hold itself, and be held by the DNR, to a higher level of standards for waste disposal. Mr. Koch reported that the Houston County ordinance will level a very competitive playing field and enhance competition in the area of solid waste hauling. Mr. Koch reported that La Crosse County Solid Waste is trying to assist by offering rebates and incentives to haulers to bring their waste to the La Crosse County site. He again reiterated that his organization is very supportive of the Houston County ordinance and the excellent leadership Houston County is showing. He also

indicated that his organization is envious of Houston County because Minnesota law is better to allow this.

Gary Harter stated that he objects to the proposed twelve year agreement. He expressed his belief that a twelve year agreement is too lengthy in the business world. Mr. Harter reported that he does not have any 12 year contracts for services. Mr. Harter indicated that 1 to 3 year contracts with renewal would be more realistic. He again stressed that 12 year agreements are too long. Chairperson Connery asked Mr. Harter how the lengthy agreement would affect his business. Mr. Harter responded that he did not know because he is not involved with any contracts of that length. Mr. Harter indicated that, if he were guaranteed a 12 year contract, in return he would gladly sign a 12 year contract. Commissioner Bjerke asked where Mr. Harter's business was allowed to drop garbage. Mr. Harter stated that it was less expensive for him to erect a building/transfer station and haul solid waste to a site in Wisconsin Rapids. However, with La Crosse County's implementation of rebates and incentives he will need to re-evaluate his options. He again expressed his displeasure with the 12 year contract terms. He again suggested that 1 to 3 year contracts would be more realistic.

Environmental Services Director Frank stated that executing one 12 year contract to be in line with Houston County's agreement with La Crosse will be more efficient and less cumbersome than reviewing, negotiating and executing contracts every 1 to 3 years. The single 12 year contract will also reflect Houston County's commitment to fulfilling the obligations it has to La Crosse because of that contract.

Gary Hougom of Hilltoppers Recycling, expressed support of Houston County's position on the 12 year agreement. He understands the logic. As a hauler, he appreciates that he will not have to commit and recommit to short term agreements.

Commissioner Miller expressed understanding of Mr. Harter's concern regarding the 12 year agreement. He also expressed his support of the County's commitment to executing 12 year agreements. Mr. Harter indicated that he understands the logic. However, 12 years in the business world is a long time.

Commissioner Bjerke indicated that Houston County is fortunate to have a long term contract for the disposal of solid waste.

Jerry Martell stated that he has been involved with Houston County solid waste since the 1980's. He provided information on the questionable program in Frankville, Iowa where the county deposited solid waste temporarily following the closure of the Houston County Landfill. He reported that the facility had monitoring wells with rusted locks and an open pond. Shortly after his visit to the Frankville facility, Mr. Tippetts was working at generating adequate solid waste for the incinerator. La Crosse had previously declined to accept Minnesota solid waste. When the incinerator was erected there was a need and they offered to accept Minnesota Solid Waste. At that time La Crosse County was a good option with a good program. Mr. Martell

expressed his opinion that today La Crosse provides an affordable option and a good solid waste program. He expressed his support of the ordinance.

File No. 6a -- Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the solid waste ordinance as presented and to adopt the following resolution:

RESOLUTION 10-76
Adoption of Revised Houston County Solid Waste Ordinance; Including
Summary Description of Revised Ordinance

WHEREAS, Houston County adopted a Solid Waste Management Ordinance governing solid waste management activities in the County in 1985 and such Ordinance has been periodically amended since 1985; and

WHEREAS, the County identified the need to update and significantly revise the Solid Waste Ordinance based upon a model solid waste ordinance developed by the Minnesota Solid Waste Administrators Association; and

WHEREAS, such revised Solid Waste Ordinance was the subject of public meetings on September 15, 2010, and of a public hearing conducted on December 21, 2010; and

WHEREAS, authority for this Ordinance is in Minnesota Statutes Chapters 115A, 116, 145 and 400; and

WHEREAS, the revised Solid Waste Ordinance is designed to provide for the management of solid waste in a manner that will protect the public health, welfare and safety, prevent the spread of disease, prevent the creation of nuisances, conserve natural resources and recover resources from solid waste, and protect the State's water, air and land resources; and

WHEREAS, it is the policy of the County to conform to the purposes outlined in the Minnesota Waste Management Act (Minn. Stat. § 115A.02) and for such Ordinance to conform with the Waste Management Act and the County Solid Waste Management Plan; and

WHEREAS, the revised Solid Waste Ordinance consists of articles addressing: purpose, authority and policy; the generation and management of solid waste on properties; storage and collection, processing and disposal of solid waste; establishment of solid waste management services charges, including authority for a hauler-collected service charge; licensing provisions governing solid waste collection and solid waste management facility development and operation; and provisions addressing inspections, violations and enforcement; and

WHEREAS, this Resolution only summarizes the revised Solid Waste Ordinance and the full text of the revised Solid Waste Ordinance is available for inspection by any person during regular office hours at the office of the County Auditor.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Houston County hereby ordains that the revised Solid Waste Ordinance is adopted and is to be effective on January 1, 2011, and that such revised Solid Waste Ordinance will, on January 1, 2011, replace the Solid Waste Ordinance adopted in 1985 and amended thereafter.

HR Director Arrick-Kruger requested a job description change of Natasha Meyer. Ms. Meyer is currently a 67 day employee working as a transport officer. Ms. Meyer has dispatch experience and Jail Administrator Schiltz has requested the addition of Ms. Meyer to the on call jailer/dispatcher roster. Her time will be monitored so that the cap for a 67 day employee is not exceeded. Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to change the job description of Natasha Meyer to jailer/dispatcher.

Commissioner Augedahl reported on a Workforce Development meeting which he attended.

Commissioner Bjerke reported on a negotiation meeting he attended with the Local 49er's Union.

Commissioner Miller reported on a meeting he attended with staff from Human Services. Commissioner Miller expressed concern regarding recent discussion about courthouse security.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to place on file the following items from the consent agenda:

File No. 7 -- Correspondence to Hank Koch regarding tons delivered to Xcel

File No. 8 -- Correspondence to payroll regarding hire of Julie Amundson and adjusted deadline for vacation accrual reduction

File No. 9 -- Correspondence to outgoing and newly appointed committee members

File No. 10 -- Public Notice regarding budget meeting scheduled for 12/20/2010

File No. 11 -- 2011 Appropriations request from CEDA (formerly Southeastern MN Development Corporation)

There being no further business and the time being 10:35 a.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, December 28, 2010.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: Tuesday, December 28, 2010

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Jack Miller, Larry Connery, Robert Augedahl, David Corcoran and Tom Bjerke

Others Present: Auditor Meiners; Deputy Auditor Quinn; Reporters Warner & Moorhead; Zoning Administrator Scanlan; Finance Director Bradley; County Attorney Bublitz; HR Director Arrick-Kruger; John Graf; Ted Hanson; Sheriff Ely; Attorney Hammell; Jail Administrator Schiltz; Commissioner Elect Zmyewski; Larry Graf

Presiding: Larry Connery, Chairperson

Call to order.

Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the minutes of the December 21, 2010 meeting.

File No. 1 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve payment of the following claims:

County Revenue Fund	\$103,833.35
Road & Bridge Fund	732,422.71

Total	\$836,256.06
	=====

File No. 2 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve license center and Human Services disbursements.

File No 2a -- Chairperson Connery questioned why his handout from the last meeting was not reflected in the minutes. Auditor Meiners stated that the handout was distributed following the December 20, 2010 budget meeting. Commissioner Augedahl agreed with Auditor Meiners regarding the timing distribution. Chairperson Connery requested that the handout regarding restructuring be placed on file.

File No. 3 -- Finance Director Bradley reported on the process resulting in the following levy figures. Commissioner Miller expressed concern regarding the debt levy. Following

discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

**RESOLUTION NO. 10-77
RESOLUTION ADOPTING 2011 LEVY**

County Revenue	\$6,405,168
Road & Bridge	2,531,981
Human Services	1,029,215
Debt Service	858,965

Total Levy	\$10,825,329
Less: CPA Certification	944,404

Net Levy	\$9,880,925

File No. 4 -- Finance Director Bradley reported on the operating budget. Discussion was held regarding fund balance. Finance Director Bradley stated that, under this budget, adequate reserves would be maintained for cash flow purposes. Following discussion, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

**RESOLUTION NO. 10-78
RESOLUTION ADOPTING 2011 OPERATING BUDGET**

	Revenue	Expenditures	Revenues Over (Under) Expenditures
	-----	-----	-----
County Revenue	\$ 11,046,918	\$ 11,136,908	(\$ 89,990)
Road & Bridge	12,829,694	14,864,694	(2,035,000)
Human Services	4,311,490	4,401,480	(89,990)
Debt Service	858,965	858,965	0
	-----	-----	-----
Grand Total			
County Funds	\$29,047,067	\$31,262,047	\$2,214,980
	=====	=====	=====

File No. 5 -- Finance Director Bradley presented multiple budget amendment requests from the following departments: Highway, Airport and County Attorney. He stated that the amendments are adjustments to reflect actual expenses. Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the budget amendments as presented.

John Graf, a lifelong resident of the Houston County, expressed concern regarding recent news articles highlighting the lack of courtroom security. He expressed a desire for improved courtroom security without the addition of staff. He stated that some staff members have had time to duplicate DVD's, so there must be staff with time available to increase courtroom security. Commissioner Connery responded that the judge has the power regarding courtroom security, and to date has made no request of the Board.

File No. 6 -- Sheriff Ely reported that County Attorney Publitz has reviewed an agreement with Short Elliott Hendrickson Inc. (SHE) for the preparation of a detailed design and implementation plan for the ARMER subsystem. Commissioner Bjerke commented that everyone migrating to 800 MHz radio is required to have an approved participation plan. Sheriff Ely stated that following completion, the county will be able to move forward with our participation plan and purchase equipment, and access grant funding for equipment and infrastructure. Commissioner Bjerke commented that this is the same organization that performed studies for the State regarding 800 MHz radio. Sheriff Ely stated that \$50,000.00 was budgeted for this. However, it was expected that the plan would be finished in 2010. The plan will not be completed until 2011. The Board directed Sheriff Ely to discuss setting aside the funds budgeted in 2010 to be utilized in 2011, and to work with Finance Director Bradley in this regard. Commissioner Bjerke questioned whether grant funds had been awarded to cover this expense. Sheriff Ely indicated that he would check into whether or not grant funds had been awarded. Following discussion, motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the agreement for professional services with SEH.

File No. 7 -- Sheriff Ely recommended approval of a jail vending service agreement with TurnKey Corrections. The county currently receives services from another provider who contributes 5% commission to the inmate fund. These funds must be used for purchasing recreational or educational items for the inmates. TurnKey is offering a 17% commission. TurnKey will install new machines, train staff and transfer the equipment from the historic jail to the Justice Center. In addition, family members or members of the public may contribute funds to an inmate's personal purchasing fund by using a kiosk or via the internet. Currently, anyone contributing funds must meet with a jailer to have the amount recorded. When asked, Jail Administrator Schiltz responded that the vending machines will contain items from a pre-approved listing. Commissioner Corcoran stated that Sheriff's Department staff used to be responsible for maintaining a "store". The vending machines have been a good thing. Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the jail vending service agreement, and authorize the signature of Chairperson Connery.

County Attorney Publitz stated that she has reviewed and approves of several Human Service contracts. They are state contract renewals. She reported that the Semcac Volunteer

Driver Program contract will be coming before other Boards today and she will review their responses to the contract and bring it forward at a later date.

File No. 8 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Corcoran and unanimously carried to approve the contract with Hiawatha Valley Mental Health Center for calendar year 2011.

File No. 9 -- Motion was made by Commissioner Augedahl, seconded by Commissioner Corcoran and unanimously carried to approve the contract with Zumbro Valley Mental Health for calendar year 2011.

File No. 10 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to approve the contract with ABLE, Inc. for calendar year 2011.

File No. 11 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the contract with Sengistix for calendar year 2011.

File No. 12 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the contract with ABC for calendar year 2011.

File No. 13 -- Motion was made by Commissioner Corcoran, seconded by Commissioner Miller and unanimously carried to approve the contract with PAT for calendar year 2011.

File No. 14 -- Motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve the contract with ICan, Inc for calendar year 2011.

File No. 15 -- Motion was made by Commissioner Miller, seconded by Commissioner Bjerke and unanimously carried to approve the contract with Winona Workforce Center for calendar year 2011. HR Director Arrick-Kruger stated that this contract will satisfy statute requirements to have two service providers. Services are also provided in-house by staff.

File No. 16 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Conditional Use Permits subject to conditions set forth by the Planning Commission:

Erik Brennan and Melissa Hansen – Yucatan Township - Build a dwelling on less than 40 acres in an ag district.

David Giles – Caledonia Township - Build a dwelling on less than 40 acres in an ag district.

File No. 17 -- On the recommendation of the Planning Commission, motion was made by Commissioner Corcoran, seconded by Commissioner Augedahl and unanimously carried to approve the issuance of the following Zoning Permits:

Jared Solum – Spring Grove Township - Build addition on house – mud room and bathroom (14' x 16') no new bedrooms

Mike Tornstrom – Sheldon Township - Build shed/garage (32' x 50')

Mike McCormick – Mayville Township - Build shop/office (60' x 64')

Kevin Steele – Mayville Township - Replace trailer with modular home (26' x 52')

Erik Wold – Brownsville Township - Build pole shed (40' x 60')

Jim and Lowell Botcher – Mound Prairie Township - Build hoop building for storage (34' x 60')

Bruce and Katrina Bauer – Hokah Township - Build porch on house (12' x 24') after-the-fact

Jerry Ladsten and Andrea Colsch – Spring Grove Township - Build lean-to for horses (24' x 12')

Gary Tweito – Spring Grove Township - Build (2) portable cattle sheds (12' x 18')

Scott Holthaus – Spring Grove Township - Build shed (24' x 40') with lean-to (18' x 40')

Todd Schroeder – Winnebago Township - Build addition on house – dining room and rec room (24' x 24')

Based on the support of her department head and direct supervisor, HR Director Arrick-Kruger recommended Kelly Petersen be moved from probationary to regular status employment effective her anniversary date. Motion was made by Commissioner Corcoran, seconded by Commissioner Bjerke and unanimously carried to approve the change of status of Kelly Petersen from probationary to regular effective her anniversary date.

File No. 18 -- HR Director Arrick-Kruger stated that recent changes to healthcare laws provide employer-provided health benefits for dependents under the age of 27. To bring Houston County's employer-provided health benefits, provided through TASC, into compliance, she

recommended the adoption of Resolution No. 10-79. Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to adopt the following resolution:

RESOLUTION NO. 10-79

BE IT RESOLVED, That the Houston County Board of Commissioners hereby amends Houston County's Full Flex Cafeteria Plan to reflect the change in tax treatment of employer-provided health benefits for children under age 27.

On the recommendation of HR Director Arrick-Kruger, motion was made by Commissioner Bjerke, seconded by Commissioner Miller and unanimously carried to approve that non-union salaries remain unchanged from 2010 and that there will be no step increases. This recommendation reflects a "hard" freeze in regard to wage increases.

Commissioner Bjerke reported on a regional radio board meeting which he attended. There was discussion regarding the amount of grant funding available to Houston County for both 800 MHz equipment and infrastructure.

Chairperson Connery reported on Semcac and Headstart meetings which he attended.

At this time, there was discussion regarding the Semcac Volunteer Driver Program and payment of unloaded miles. Houston County does not receive reimbursement from the State for unloaded miles and these charges amount to approximately \$8,100.00.

Motion was made by Commissioner Bjerke, seconded by Commissioner Augedahl and unanimously carried to place on file the following item from the consent agenda:

File No. 19 -- Correspondence to payroll regarding 2011 elected officials salaries, revert Sue Bublitz back to Assistant County attorney effective January 3, 2011, and change of job description of Natasha Meyer to jailer/dispatcher.

There being no further business and the time being 9:45 a.m., motion was made by Commissioner Miller, seconded by Commissioner Augedahl and unanimously carried to adjourn the meeting, the next advertised meeting being Tuesday, January 4, 2011.

BOARD OF COUNTY COMMISSIONERS
HOUSTON COUNTY, MINNESOTA

By: _____
Larry Connery, Chairperson

Attest: _____
Charlene Meiners, County Auditor