

**TRANSCRIPT AND REPORT OF PROCEEDINGS  
CASS COUNTY BOARD OF COMMISSIONERS  
COUNTY OF CASS  
December 20, 2011**

- 1A. Chairman Dowson convened the regular meeting of the Cass County Board of Commissioners at 9:00 a.m. on Tuesday, December 20, 2011, with the flag pledge, in the Board Room of the Courthouse, Walker, MN. Commissioners present: Downham, Dowson, Gaalswyk, Kangas, and Peterson. Commissioners absent: None.

Others present during portions of the meeting included:

<u>NAME</u>	<u>REPRESENTING</u>	<u>NAME</u>	<u>REPRESENTING</u>
Robert Yochum	Administrator	Larry Wolfe	Chief Financial Officer
Josh Stevenson	Land Commissioner	Jim Schneider	Probation Director
Reno Wells	HHVS Director	John Ringle	ESD Director
Dave Enblom	Highway Engineer	Tom Burch	Sheriff
Sharon Anderson	Auditor-Treasurer	Tim Richardson	Central Services Director
Jerry Lamon	Land Department	Bob Kovanen	County Surveyor
Don Hoppe	Cass County MIS Dept.	Bruce London	Cass County landowner
Gail Levenson	Cass County EDC	Alan Olson	Cass Lake Times
Monica Lundquist	Brainerd Dispatch	Gail DeBoer	Pilot Independent

- 1B. M/S/P Kangas, Peterson – To approve the agenda items for discussion as presented and the addition of Items 2G. (Authorize - Acceptance of Conservation Easement from Richard Nelles on Lake Washburn in Crooked Lake Township), 3D. (Report on expedited land trades), and 7C. (Report on courthouse security). Unanimous.

- 2A. County Administrator Robert Yochum presented to the Board the following matters:

M/S/P Downham, Kangas – To waive reading and approve the consent agenda. Unanimous.

Approve - Board Minutes of December 8, 2011.

Approve - Auditor warrants dated November 30, 2011 in the amount of \$452.00.

Approve - (Batch#1) Manual warrants dated November 30, 2011 in the amount of \$3,221,987.63.

Approve - (Batch#2) Manual warrants dated November 30, 2011 in the amount of \$409,524.65.

Approve - Auditor warrants dated December 8, 2011 in the amount of \$392,114.50.

Approve - HHVS Commissioner's warrants dated December 9, 2011 in the amount of \$106,631.61.

Approve - HHVS Auditor warrants dated December 9, 2011 in the amount of \$70,517.25.

Approve - Auditor warrants dated December 15, 2011 in the amount of \$331,106.00.

Receive & file - Monthly Budget Reports.

Approve - Personnel actions - A. Budgeted positions scheduled for replacement: None. B. Positions scheduled for no replacement at this time: 1. Receive & file - Notice of resignation of Hannah Propeck Public Health Nurse, grade 32, step 1, effective December 08, 2011. 2. Receive & file - Request to table filling the budgeted Public Health Nurse position, Grade 32, Step 1 being vacated by Hannah Propeck pending review of current department structure. C. Other: 1. Receive & file - Notice of probation completion for Barbara Hiniker, Office Support Specialist, grade 15, step 3, on December 15, 2011. 2. Receive & file - Notice of probation completion for Lori Muller, County Agency Social Worker, grade 28, step 1, on December 20, 2011. 3. Receive & file - Draft order adjusting salary & compensation for Probation Director/Officer James L. Schneider, grade 40, step 7, effective January 1, 2012 (same as non-union). 4. Receive & file - Draft order adjusting salary & compensation for Probation Officer Jodi DeSkeere, grade 28, step 7, effective January 1, 2012 (same as non-union). 5. Receive & file - Draft order adjusting salary & compensation for Probation Officer Michelle Nistler, grade 28, step 3, effective January 1, 2012 (same as non-union). 6. Receive & file - Draft order adjusting salary & compensation for Probation Officer Daniel Jones, grade 28, step 2, effective January 1, 2012 (same as non-union). 7. Receive & file - Draft order adjusting salary & compensation for Probation Officer Bryan Harris, grade 28, step 2, effective January 1, 2012 (same as non-union).

Approve licenses – Tobacco - Cedar Street Market - SYLMAE, Inc., Pillager; Corner Store - David A Sheley, Jr., Powers; Remer Junction - Northern Star Coop Services, Remer City; Holter's Grocery - Holter's Super Valu, Inc., Remer City; Lone Wolf Liquor - Lone Wolf Outpost, Inc., Remer Twp; Lake Country Grocery & Liquor - Sara Smith, Crooked Lake; Legacy Golf Course - Cragun Enterprises, East Gull Lake; Mule Lake Store -Patricia Underwood, Wabedo; Jake's City Grille - Gull Lake Jakes, Inc., Fairview; Ole & Lena's Sweet Revenge - Debbie Oliver, Pine River City; Long Pine Store - Cynthia K Bussian, Ponto Lake; ABE's/Campbell, Inc., Lorina Lynn Campbell, Federal Dam; Riverside Quick Stop, Guy Greene, Federal Dam. The following tobacco licenses are approved contingent upon receiving proper documentation & fees - Winnibigoshish Historical Center, Inc - Arnold T Dahl, Unorganized; 64 Stop - 64 Stop, Inc., Meadowbrook; Remer Clark - Cynthia Lee Swankier, Remer City; McGuire's Inn On Woman Lake - M & M, Inc, Woodrow; Pillsbury Junction - Staples Express, Pillager; Legacy Glassworks, LLC - Joshua Wilken-Simon, Turtle Lake. On & Off Sale 3.2 Beer - All Pine Inn Resort - Richard A Anderson, Beulah; Long Bow Golf Club - Long Bow Golf Club, LLC, Leech Lake; Birch Villa Resort - Birch Villa Resort, LLC, Pike Bay. Off Sale Intoxicating Liquor - 371 Liquor Locker - 371 Liquor Locker, LLC, Powers.

Receive & file - Auditor -Treasurer's Interest Income Report for November 2011.

M/S/P Downham, Kangas – To approve the 2012 standard mileage rate for miles driven after December 31, 2011 – Full rate (No county department vehicle available) at 55.5¢ per mile, adjusted rate (County department vehicle available and not used) 27.5¢ per mile. Unanimous.

M/S/P Downham, Kangas - To authorize per diem payment to Board appointed citizen committees for FY2012, in the amount of \$75.00 (same as commissioners per diem) and mileage per Cass County Personnel Rules and Policies. Unanimous.

Approve - Home and Community Based Services Contracts for 2012-2014 with Cass County HHVS.

Approve - Purchase of Service Host County Agreement between Cass County HHVS and Little Sand Group Homes.

Approve - Local Public Health Act Funding 2012 Assurances and Agreement between MN Department of Health and Cass County HHVS.

Approve - Northland Early Childhood Collaborative Agreement between Cass County Public Health, Northland Community Schools, Bi-County Community Action Programs, Inc., Northland Area Family Service Center and Leech Lake Early Childhood Development.

Approve - Host County Agreement between Beltrami County (acting as agent) and Northwestern Minnesota Juvenile Center.

Approve - Memorandum of Agreement between Cass County HHVS and Pequot Lakes Physical Therapy Services, Inc.

Approve - Cass County Emergency General Assistance (EGA) Program Plan effective Nov. 1, 2011, per Dept. of Human Services criteria.

Approve - Pay request for Cass County ARMER Project-Dispatch Center to XYBIX Systems, Inc. in the amount of \$36,372.17.

Approve - Pay request for Cass County ARMER Project-Dispatch Center to Bay Carpet & Tile in the amount of \$2,204.15.

Approve - Pay request for Cass County ARMER Project-Base Stations (27) to DSC Communications in the amount of \$5,647.11.

Approve - Pay request for Cass County ARMER Project-Dispatch Center & Pillager Tower to Olson Electric in the amount of \$31,369.00.

Approve - Pay request for Cass County ARMER Project-Pillager Tower to RMAS in the amount of \$2,500.00.

Receive & file - November 2011 Cass County EDC Activity Report.

Approve - Accepting the low quote for Sheriff's Office Dispatch Center custom cabinets (ARMER Project) to Moore Custom Cabinets LLC in the amount of \$600.00 (sales tax not included).

<u>Bidder</u>	<u>Bid Amount</u>
Moore Custom Cabinets LLC	\$600.00 (tax not included)
Lampert Cabinets, Inc.	\$1,126.00 (tax included)

Approve - Resolution No. 65-11 Snowmobile Safety Enforcement Grant (#38468) with MN Department of Natural Resources in the amount of \$5,713.00 from Dec. 15, 2011 through June 30, 2012 and \$5,713.00 from July 1, 2012 through June 30, 2013.

Commissioner Downham offered Resolution No. 65-11 and moved its adoption; Commissioner Kangas seconded:

BE IT RESOLVED that the Cass County Board of Commissioners hereby approves the Snowmobile Safety Grant Agreement (#38468) for \$11,426.00 from December 15, 2011 through June 30, 2013 with the State Department of Natural Resources, and authorizes signatures of the Chairman, Auditor or Administrator, and Sheriff to execute the Agreement.

Resolution No. 65-11 was adopted by majority vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

Authorize - 25% Fund allocation use of \$3,650.00 for environmental education at Deep Portage for WHA Elem. School (60 students and 13 adults) on December 1-2, 2011.

Accept - Statewide Health Improvement Plan (SHIP) Grant from MN Department of Health in cooperation with the Morrison, Todd, and Wadena Counties Community Health Board in the amount of \$343,603.10 from January 1, 2012 - June 30, 2013.

Approve - David Enblom out of state travel to attend the National Association of County Engineers meeting in Kentucky in April 2012.

Authorize - Sheriff's Department to enter into a lease agreement with Arctic Cat and purchase additional equipment as needed for trail monitoring not to exceed a total of \$3,000.00 per year (Land Department Recreation Account).

Accept - 2011 Sheriff's Office - Emergency Management Performance Grant (A-EMPG-2011-CASSCO-00238) in the amount of \$38,004.00.

Approve - Submission of a multi-County proposal developed by Rural Minnesota CEP for Department of Human Services Innovation Funds, and if approved, Cass County would be designated as the fiscal agent.

Accept - 2012 MN Dept. of Public Safety grant (#34267) in the amount of \$113,700.00 to support the Cass County/Leech Lake Wellness Court - Cass County Probation Office.

Approve - Pay request for Cass County ARMER Project-Whipholt, Cass Lake, Draper, Bena, Oshawa, Leader Tower's to Dept. of Transportation in the amount of \$1,900.00 and KOJB in the amount of \$270.00.

Approve - Pay request for Cass County ARMER Project-Ice Bridge Kit/Decking to DSC Communications in the amount of \$2,517.34.

Approve - Milestone completion form for the ARMER -MN-101136A Project.

Accept - Crime Victim Services Grant (A-CVS-2012-CASSAO-00030) in the amount of \$42,309.00 from Oct. 2011 - Sept. 30, 2012.

Approve - Assessor's Abatements - Jane A Bailey - 49-019-2307 - Wilkinson - Class Change 2010/2011 - \$222.00; Seasonal to Homestead - 2009/2010 - \$126.00 - 2008/2009 - \$148.00 totaling \$496.00.

Approve - Joint Powers Agreement for \$30,000 with MN Pollution Control Agency to serve as lead partner on the Phase I Leech Lake River Watershed Restoration and Protection Project.

Approve - Serving as fiscal agent for the Initiative Foundation \$5,000 Implementation Grant awarded to the Ponto Lake Association and serving as fiscal agent for the Initiative Foundation \$5,000 Implementation Grant awarded to the Boy/Swift Lake Association.

- 2B. Administrator Yochum reported on the tabled Kitchigami Regional Library System (KRLS) mobile library schedule and routes for service in Boy River, Remer, Hackensack, and Leader destinations located in Cass County. In addition, Administrator Yochum presented a memorandum from KRLS Director Marian Ridge explaining the mobile library usage trends and noted that the mobile library is used more intensively than any of the small branch libraries in KRLS.

M/S/P Downham, Gaalswyk - To receive and file the Kitchigami Regional Library System report and request that the Kitchigami Regional Library System Board present service alternatives for the 2013 budget. Unanimous.

- 2C. Administrator Yochum presented exhibits summarizing the proposed 2012 budget including: Funding sources and uses; History of County and Unorganized township property tax rates; A summary of the 2012 budget by fund and departments; Recommendations from the Cass County Citizen Budget Committee. Mr. Yochum presented Resolution No. 66-11 establishing the Cass County property tax levies by fund for collection in the year 2012.

Commissioner Kangas offered Resolution No. 66-11 and moved its adoption, Commissioner Peterson seconded:

WHEREAS, a County Board shall conduct a public hearing prior to the adoption of its final property tax levy, and  
WHEREAS, after proper public notice said public hearing was held on December 8, 2011, and  
WHEREAS, M.S. 275.07 requires the County Board to adopt a property tax levy prior to December 28, 2011, and  
WHEREAS, M.S. 275.50 to 275.56 define the levying authority of the County Board, and  
WHEREAS, the 2012 Citizen Budget Committee has evaluated financial information and formulated recommendations.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Commissioners do hereby approve the following individual fund tax levies for 2012 in the stated amounts:

General Revenue	\$ 9,571,872
Library	328,023
Road and Bridge	4,100,977
Welfare - PH/SS/VS	4,888,692
Welfare - Public Assistance Administration	1,055,065
Longville Ambulance Subordinate Service District	<u>461,000</u>
GROSS LEVY	\$20,405,629
Less County Program Aid	<u>(359,016)</u>
Certified Levy	<u>\$20,046,613</u>

BE IT FURTHER RESOLVED: That the Cass County Auditor-Treasurer is hereby authorized and directed to spread the levy on the tax rolls of the County.

Resolution No. 66 -11 was declared adopted upon the following vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

- 2D. Mr. Yochum presented Resolution No. 67-11 establishing the 2012 Cass County budgeted revenues and expenditures by fund.

Commissioner Downham offered Resolution No. 67-11 and moved its adoption, Commissioner Gaalswyk seconded:

WHEREAS, the County Board considered information relevant to the 2012 Cass County Budget, and  
WHEREAS, the budget requests, revenue projections, levy data, and needs of Cass County have been duly considered,

NOW, THEREFORE, BE IT RESOLVED: That upon the recommendation of the Cass County Budget Committee the Board of Commissioners do hereby approve the 2012 budget as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General Revenue	18,263,192	17,354,575
Self Insurance	4,330,000	4,330,000
Road & Bridge	9,652,977	9,652,977
Health, Human, & Veterans Services	13,140,817	13,140,817
Unorganized Towns	287,000	287,000
Land Department	3,196,300	3,196,300
Environmental Trust	125,000	50,000
Kitchigami Library	<u>328,023</u>	<u>328,023</u>
 TOTAL	 <u>49,323,309</u>	 <u>48,339,692</u>

details of which are available in the office of the Cass County Chief Financial Officer for public inspection during normal business hours.

Resolution No. 67-11 was declared adopted upon the following vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

2E. Mr. Yochum presented Resolution No. 68-11 regarding the 2012 Unorganized Levy, Revenues and Expenditures.

Commissioner Peterson offered Resolution No. 68-11 and moved its adoption, Commissioner Downham seconded:

WHEREAS, the Cass County Board of Commissioners acts as township authority for unorganized areas of Cass County; and  
WHEREAS, the Cass County Board has considered revenue projections, levy data, and budget needs of the unorganized areas of Cass County for 2012.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners do hereby approve the following tax levy and budget for 2012 for Cass County Unorganized Townships:

CERTIFIED NET LEVY	\$245,000.00
REVENUE BUDGET	\$287,000.00
EXPENDITURE BUDGET	\$287,000.00

Resolution No. 68-11 adopted by majority vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

2F. Mr. Yochum reported that per Board action an AdHoc Committee (Gaalswyk, Peterson) had met on three occasions with related staff to discuss the County tax abatement policy. The committee recommended the following: 1.) that applications for tax abatement events that occurred prior to the August 2, 2011 be considered using past practice until January, 2012, 2.) that the staff will provide additional public information on abatement policy including more emphasis on the significant tax impact for failure to return property tax classification forms, 3.) that the Auditor-Treasurer and Assessor will report annually the amount of taxes abated, and any abatements denied, 4.) that the policy continue to allow for abatements whenever there is any type of error (within the limits of current year tax and two prior years per statute), and 5.) that the policy be amended to clarify that hardship requests will not be considered due to their inherent subjective nature.

M/S/P Gaalswyk, Peterson – To approve the AdHoc Committee recommendations as presented and adopt Resolution No. 69-11. Unanimous.

Commissioner Gaalswyk offered Resolution No. 69-11 and moved its adoption, Commissioner Peterson seconded:

#### CASS COUNTY TAX ABATEMENT POLICY

WHEREAS, Minnesota Statutes 375.192 authorizes county boards to consider and grant reductions or abatements of estimated market value or taxes and any costs, penalties or interest as the board deems to have been erroneously or unjustly paid or to correct errors or inequities within the tax system; and,  
WHEREAS, it is the intent of the County of Cass to ensure fairness and equity within the real estate tax billing and tax collection system; and  
WHEREAS, abatements should be used only as a last resort method to correct assessments and/or collection errors due to costly administrative expense and reduced tax levy revenues for all local units of government, with no statutory levy authority to recover these levy dollars from any other source.

NOW, THEREFORE, BE IT RESOLVED, that the abatement policy of the Cass County Board of Commissioners is as follows:

I. NO ABATEMENT WILL BE CONSIDERED IF:

1. A petition has been filed with tax court and the outcome is still pending.
2. A confession of judgment has been signed by taxpayer/applicant.
3. The actual tax reduction for any one year is less than \$50.00. If the actual tax reduction exceeds \$50.00, the abatement will involve only the amount that exceeds the first \$50.00 per year abated. There shall be no minimum for cancellations.
4. It involves a year other than current tax or the two (2) previous year's tax.
5. The abatement involves a homestead classification and the applicant owned and occupied the property as of the assessment date in question and was sent a:
  - a) Homestead Verification Form
  - b) 2nd notice to return Homestead Verification Form
  - c) Notice of Valuation and Classification showing Non-Homestead, and
  - d) Proposed Property Tax notice showing Non-Homestead
 to the address of record, as listed in the Cass County Courthouse and no response was received as of December 15 of the assessment year.
6. The abatement involves a relative homestead as defined in MN Stat. §273.124, Subdivision 1 and application for homestead treatment was not made as of December 15 of the assessment year in question.
7. The abatement involves property which requires applications or annual reapplications and are not returned by the statutory deadline and was sent a:
  - a) 2<sup>nd</sup> notice for reapplication or annual declarations

- b) Notice of Valuation and Classification showing the different classification, and
- c) Proposed Property Tax notice showing the different classification and tax consequence.

Applications/reapplications include but are not limited to:

- 1c/4c Resort Questionnaire,
- 4c (10) Restaurant on Lake Certification,
- 4c (3)(II) Charitable Donations,
- Green Acres and Rural Preserve,
- 1b Disability or Blindness,
- 4c (11) Marina Allowing Public Use.

- 8. The abatement involves a reduction of a special assessment unless it is accompanied by a written recommendation for approval by the governmental unit responsible for the original special assessment.
- 9. Due to the inherent subjective nature of such requests, and notwithstanding the provisions of Minnesota Statutes 375.192, abatements will not be considered for the sole reason of a claimed hardship.

II. ABATEMENTS SHALL BE CONSIDERED IN ORDER TO CORRECT A VALUATION OR CLASSIFICATION ERROR AS FOLLOWS:

Objective assessment errors shall be abated for current year and the two (2) previous years only. Objective errors are defined to include:

- 1. Exemption by public ownership.
- 2. Double assessments or other overlapping listings.
- 3. Homestead classification for new applicants.
- 4. Measurable units, i.e., acres, square feet, etc., providing that an adjustment does not reduce the estimated market value below its actual market value.
- 5. Mobile home ownership or location changes.
- 6. Personal property ownership changes.
- 7. Lease cancellations.

Subjective assessment opinions shall be abated for no further back than the time that the taxpayer made the difference of opinion known. The taxpayer shall indicate this by appearance at a board of review or filing a written request for review with the assessor. This shall be done within the same time limits imposed as noted above. Subjective opinions are defined to include:

- 1. Exemption based on private ownership and use.
- 2. Subjective property attributes, i.e., condition or construction quality.
- 3. Value before razing.
- 4. Classification based on use only.
- 5. Market trends.

III. ABATEMENTS OF PENALTY ON CURRENT TAXES:

Abatements of penalty on current taxes shall be approved in the following situations:

- 1. An abatement of the penalty on a current tax will be approved if an error on the part of the County resulted in nonpayment of the tax.
- 2. Pursuant to Minnesota Stat. §279.01, Subdivision. 2, the Cass County Board delegates to the Treasurer of Cass County the power to abate the penalty for late payment of taxes in the current year, upon finding that the imposition of the penalty would be unjust and unreasonable.
- 3. If an abatement application submitted under part II above is in process at the tax due date, consideration will be given to waive penalty for a reasonable period of time after a corrected tax statement is issued, to be determined by the Treasurer.

It is also the policy of the County of Cass that penalty abatements shall NOT be granted:

- 1. To taxpayers who have inadvertently omitted one parcel when making payment.
- 2. If the only reason is that the taxpayer failed to receive a tax statement (MN Stat. §276.04).
- 3. If the only reason is that a contract for deed vendor, upon cancellation of contract, failed to be aware of unpaid taxes.
- 4. If, pursuant to Minnesota Statute 276.017, the postmark of the United States Postal Service shows the payment was not made timely.

IV. ABATEMENTS OF PENALTIES, INTERESTS AND COSTS ON DELINQUENT TAXES:

An abatement of the penalty, interest and cost on a delinquent tax will be approved if an error on the part of the County resulted in nonpayment of the tax.

An abatement of the portion of the penalty and interest on a delinquent tax will be approved if an abatement is granted under Sections I or II of the Cass County Tax Abatement Policy, subject to the limitations therein, related to the portion of the tax being abated, that has not heretofore been paid.

An abatement of the penalty, interest and cost on a delinquent tax will NOT be approved if the only reason given is that a contract for deed vendor, upon cancellation of a contract, failed to be aware of unpaid taxes.

History

Adopted:	Resolution No. 38-90	October 9, 1990
Revised:	Resolution No. 08-93	February 2, 1993
Revised:	Resolution No. 33-11	August 2, 2011
Revised:	Resolution No. 69-11	December 20, 2011

Resolution No. 69-11 was adopted by majority vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

- 2G. ESD Director John Ringle explained a request to accept a donated perpetual conservation easement to protect the water resources of Cass County. Richard Nelles proposes to donate a conservation easement to Cass County to protect 38.6 acres and 1194 ft. of shoreline on Lake Washburn in Crooked Lake Township. Mr. Nelles requests Board action prior to December 31, 2011 so that he may report the contribution for tax purposes in 2011.

M/S/P Downham, Peterson – To authorize acceptance of a Conservation Easement from Richard Nelles that protects 38.6 acres and 1,194 ft. of shoreline on Lake Washburn in Crooked Lake Township. Ayes: Downham, Dowson, Kangas, Peterson. Nays: Gaalswyk.

- 3A. Land Commissioner Josh Stevenson informed the Board that the Land Department has been working with the Lake Country Nordic Ski Club regarding cross country ski trail grooming as they organize as a 501(c) club. Mr. Stevenson explained that per State grant requirements a club must be an established non-profit before a sponsor can reimburse the club for grooming and maintenance. The Land Department and the club have agreed to treat club members as volunteers until the 501(c) application is approved. The plan is to accept an increased grant amount from the State of MN (from \$4,500 to \$9,300) and the club will do the grooming. Mr. Stevenson presented a draft a lease agreement for the grooming equipment, which is also consistent with the agreement between the County and Snowmobile Clubs when they took over the grooming of the trails.

M/S/P Peterson, Gaalswyk – To approve the Lake Country Nordic Ski Club lease agreement as presented for use of County owned cross country trail grooming equipment in consideration of grooming services as volunteers through April 1, 2016. Unanimous.

- 3B. Mr. Stevenson informed the Board that the Land Department has been working with the Woodtick Wheelers to put together an ATV Grant In Aid Application. The club has been working with local units of government and other agencies to complete the application, and has met with all Townships and has put together an application consistent with the request of the Townships. Mr. Stevenson added that the grant in aid process requires a local unit of government sponsor to submit the application. The club is requesting Cass County to sponsor this application. The application may change pending the engineering report on the CSAH 5 portion of the trail route Mr. Stevenson requested Board authorization to sponsor the trail by passing the Resolution No. 70-11 and authorize the Land Department to submit the application to the MNDNR for approval.

Commissioner Kangas offered Resolution No. 70-11 and moved its adoption, Commissioner Peterson seconded:

Whereas, Cass County desires to maintain trails for the enjoyment of the public and will act as legal sponsor for an application for the DNR Trails Assistance Program, the MN DNR Grant-in-aid Trail Permit, and

Whereas, Cass County may enter into agreement with the State of Minnesota for the Woodtick Wheelers ATV Club Trail located in Cass County, and

Whereas, Cass County will comply with all applicable laws and regulations as stated in the grant contract agreement, permits and by all applicable federal and state laws and regulations, and

Whereas, Cass County recognizes and assigns Joshua Stevenson, Cass County Land Commissioner to act as a fiscal agent on behalf of Cass County.

Now, therefore be it resolved, that Cass County agrees to continue to act as legal sponsor for the above applications and agreements of the DNR Trails Assistance Program until such time Cass County rescinds this sponsorship.

Resolution No. 70-11 was adopted by majority vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

- 3C. Mr. Stevenson and County Surveyor Bob Kovanen updated the Board on the public corner monumentation project that is nearing completion. Mr. Stevenson presented background information on the program that established approximately 135 Township Corners as well as 65 incidental corners, a summary of those participating contractors, and presented a map with status information. Mr. Kovanen added that the improvement to the public land survey has been significant.

M/S/P Kangas, Gaalswyk – To authorize County Surveyor Bob Kovanen to approve progress and final payments to the contractors upon completion of the public corner monumentation project not to exceed the original contract value and further authorize the Land Commissioner to utilize Land Department fund balance to make related payments. Unanimous.

- 3D. Mr. Stevenson presented a draft amendment to MN Statutes 94.3495 that expedites land exchanges of public land ownership. The consolidation of public land would reduce management costs and aids in the reduction of forest fragmentation. Mr. Stevenson added the MN Land Commissioners Association has approved the proposed amendments to MN Statutes. Administrator Yochum reported inviting the Cass County State legislative delegation to the regular Commissioners Board Meeting of January 3, 2012. By consensus the Board added the draft statute for discussion at the January 3, 2012 Board Meeting.

Chairman Dowson at this time presented Land Department Resource Manager Jerry Lamona a certificate of appreciation thanking Mr. Lamona for his many years of dedicated service with Cass County including serving on with AFSCME Local #2195, the Cass County Insurance Committee and the Personnel Policy Committee. The Board also noted his contribution to training four Land Commissioners.

- 4A. Probation Director Jim Schneider informed the Board that his department has initiated an electronic record storage project. With assistance from staff and Carole Martin 1,566 client files have been scanned and archived and an estimated 6,000 files are remaining. Mr. Schneider reported that the initial scanning should be completed by June of 2012. The resulting space savings allows the relocation of a rolling file system to the Sheriff's Office and installing an updated workstation for existing data entry personnel.

M/S/P Downham, Kangas - To approve transfer of a rolling filing system to the Sheriff's Office, to authorize use of fund balance for workstation improvements not to exceed \$2,500, and to accept the bid of North Country Business Products in the amount of \$2,201.80 (tax included). Unanimous.

<u>Bidder</u>	<u>Bid Amount</u>
North Country Business Products	\$2,201.80(tax included)
Marco Workplace Interiors	\$2,233.03 (tax included)

- 4B. Probation Director Jim Schneider reported the receipt of a notice of retirement of Hal Solem, Diversion Worker effective January 6, 2012. Mr. Schneider explained his intent to fill the vacated Diversion Worker position with an appointed Probation Officer, grade 28. The new position would allow Cass County to seek reimbursement from the State of Minnesota. Cost comparisons of a Diversion Worker grade 24, would be an annual pay of \$54,657, and the Probation Officer grade 28, annual pay would be \$60,177 less estimated 29% reimbursement for a net cost of \$42,726. Director Schneider added that his department will work with Cass County HHVS on in-home counseling at-risk youth that are currently on probation.

M/S/P Gaalswyk, Peterson - To receive and file the retirement resignation of Diversion Worker Hal Solem effective January 6, 2012, to express appreciation for Mr. Solem's years of dedicated service to Cass County, and to approve filling the vacated Diversion Worker position with a Probation Officer, grade 28 upon confirmation of State of Minnesota reimbursement of not less than 29%. Unanimous.

- 5A. HHVS Director Reno Wells updated the Board on the MinnesotaCare for Volunteer Firefighters and Ambulance Attendants (MVFAA) Program. The 2011 Minnesota Legislature enacted a law that provides MN volunteer firefighters and ambulance attendants the opportunity to purchase MinnesotaCare coverage. The MVFAA program has very few eligibility and verification requirements and provides the MinnesotaCare Basic Plus One benefit set. The premium for MVFAA for 2011 is \$427.00 per month. Only individuals who are volunteer firefighters and ambulance attendants qualify for this program. The Board discussed the feasibility of adding other public safety volunteers to MnCare coverage and by consensus requested Mr. Yochum to add the inquiry to the list for the upcoming meeting with the Cass County legislative delegation on January 3, 2012.

- 6A. Highway Engineer Dave Enblom requested Board authorization to purchase replacement equipment from the adopted 2012 budget consisting of one tandem truck with plow equipment and a semi-tractor (replace a 988 Freightliner).

M/S/P Kangas, Downham – To authorize the Highway Department to proceed with competitive bids for the purchase of budgeted 2012 replacement equipment of one tandem truck with plow equipment and one semi-tractor. Unanimous.

- 7A. Sheriff Tom Burch updated the Board on the Sheriff's Office staffing plan that had been presented to the Personnel Committee of the Board on November 15, 2011. The committee reviewed the staffing plan and recommended approval of a market adjustment for Data Records Coordinator from grade 18 to grade 21; to eliminate the Records Clerk position grade 13 and combine duties with Data Entry Clerk position grade 16; eliminate Transport Officer position grade 19 and combine duties with the Jailer position grade 21; and upon 2012 budget adoption add 1 Deputy position assigned to civil process supervised by the Jail Administrator.

M/S/P Downham, Gaalswyk - To approve the recommendations of the Personnel Committee of the Board regarding the Sheriff's Office staffing plan that includes the approval of a market adjustment for Sheriff's Office Data Records Coordinator - Charlene Erickson, from grade 18 to grade 21, step 8; the elimination of the position of Records Clerk grade 13 and combine duties with Data Entry Clerk position; receive and file the appointment of Darcey Karswick to Data Entry Clerk grade 16, step 8; the elimination of the position of Transport Officer grade 19 and combine duties with the Jailer position; receive and file the appointment of Ron Propeck to Jailer grade 21, step 9; receive and file the appointment of Rodney Helms to Jailer grade 21, step 6, and upon adoption of the 2012 budget add 1 Deputy position grade 27 assigned to civil process supervised by the Jail Administrator; all positions and grade changes to be effective December 24, 2011. Unanimous.

- 7B. Sheriff Burch invited the full Board to tour the Cass County Dispatch Center following the Tuesday, February 7, 2012 Board Meeting.

- 7C. Sheriff Burch noted the recent violence at the Cook County Courthouse in Grand Marais and reported initial strategies to elevate security in County facilities. Administrator Yochum discussed the potential repair and replacement of existing security systems utilizing the ARMER capital contingency budget. Sheriff Burch added that he will report back at a future board meeting.

- 8A. Bruce London requested to be heard regarding trespass, vandalism, theft, damage to property and underage beer parties in Loon Lake Township. Mr. London expressed appreciation for the Cass County Sheriffs Office prompt and professional assistance in resolving the related problems. On behalf of himself and neighboring Cass County land owners Bob Everett, Ignatius O'Shaughnessy, Kevin Ferrel, and Dick Baurer he presented a gift of law enforcement equipment to the Cass County Sheriff's Office.

M/S/P Kangas, Gaalswyk - To accept the gift of law enforcement equipment from Cass County land owners Bruce London, Bob Everett, Kevin Ferrel, Dick Bauer and Ignatius O'Shaughnessy to the Sheriff's Office. Unanimous.

- 9A. Chief Financial Officer Larry Wolfe presented the FY 2011 year end fund transfers.

M/S/P Gaalswyk, Kangas - To approve the 2011 year end fund transfers as follows: Transfer from Land Department to General Fund for Indirect Costs - \$90,000.00; Transfer from ESD Zoning & Solid Waste to General Fund for Indirect Costs - \$155,000.00; Transfer from General Fund to Kitchigami Library for revenue shortage caused by CPA reduction and market value credit reductions - \$15,000.00; Transfer from General Fund to Capital Projects Fund to segregated long term capital resources in the Capital Projects Fund - \$6,000,000.00. Unanimous.

- 9B. Mr. Wolfe explained the Governmental Accounting Standards Board Statement 54 (GASB 54) new fund balance classification for reporting governmental funds.

Commissioner Gaalswyk offered Resolution No. 71 -11 and moved its adoption, Commissioner Kangas seconded:

WHEREAS, Governmental Accounting Standards Board Statement 54 (GASB 54) is a new fund balance classification for reporting governmental funds, and WHEREAS, The classification hierarchy is "based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts can be spent".

NOW, THEREFORE, BE IT RESOLVED:

1. That fund balances will be organized and reported consistent with Governmental Accounting Standards Board Statement 54 as one of the following classifications:
  - Nonspendable - Such as inventory, prepaid expense, or corpus of a permanent fund
  - Restricted - Amounts constrained for specific purpose by external parties, constitution, or legislation
  - Committed - Amounts of existing fund balance for a specific purpose by resolution of the Board
  - Assigned - Amounts intended to be used for specific purposes
  - Unassigned - Only in general fund for amounts not classified otherwise
2. That the attached restatement of audited 2010 fund balances under Governmental Accounting Standards Board Statement 54 is received and filed for information purposes.
3. That this resolution is effective upon its adoption.

Resolution No. 71-11 was declared adopted upon the following vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

Mr. Wolfe presented Resolution No. 72-11 that commits \$4,000,000 of existing fund balance at December 31, 2011, in the General Fund for the funding of future increased health insurance benefits.

Commissioner Downham offered Resolution No. 72-11 and moved its adoption, Commissioner Peterson seconded:

WHEREAS, The Cass County Board has adopted Governmental Accounting Standards Board Statement 54, Fund Balance Reporting Governmental Fund Type Definitions (GASB 54), and

WHEREAS, Cass County maintains a self insured health plan for its employees and retirees, and

WHEREAS, Significant capital is required to effectively manage a self insured health plan, and

WHEREAS, Health care costs continue to increase faster than general inflation, and

WHEREAS, the County's ability to generate additional revenue to fund this benefit is limited.

WHEREAS, the Cass County Board of Commissioners has the authority to commit fund balance for specific purposes.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Commissioners do hereby commit \$4,000,000 of existing fund balance at December 31, 2011, in the General Fund for the funding of future increased health insurance benefits. This amount is an estimate and will be adjusted by the Chief Financial Officer after final revenues and expenditures are determined for the self insured plan, after year end.

Resolution No. 72-11 was declared adopted upon the following vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

Mr. Wolfe presented Resolution No. 73-11 that commits \$2,700,000 of existing fund balance at December 31, 2011, in the General Fund for the funding of compensated absence payments.

Commissioner Gaalswyk offered Resolution No. 73-11 and moved its adoption, Commissioner Kangas seconded:

WHEREAS, The Cass County Board has adopted Governmental Accounting Standards Board Statement 54, Fund Balance Reporting Governmental Fund Type Definitions (GASB 54), and

WHEREAS, Cass County has a liability for compensated absences for its employees as determined by GASB 16, and

WHEREAS, Compensated absences are a significant liability for the County, and

WHEREAS, The Cass County Budget Committee has recommended the full funding of this liability.

WHEREAS, the Cass County Board of Commissioners has the authority to commit fund balance for specific purposes.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Commissioners do hereby commit \$2,700,000 of existing fund balance at December 31, 2011, in the General Fund for the funding of compensated absence payments. This amount is an estimate and will be adjusted by the Chief Financial Officer after final calculations are completed after year end.

Resolution No. 73-11 was declared adopted upon the following vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

Mr. Wolfe presented Resolution No. 74-11 that commits \$2,000,000 of existing fund balance at December 31, 2011, within the General Fund, for the completion of the ARMER project.

Commissioner Peterson offered Resolution No. 74-11 and moved its adoption, Commissioner Downham seconded:

WHEREAS, The Cass County Board has adopted Governmental Accounting Standards Board Statement 54, Fund Balance Reporting Governmental Fund Type Definitions (GASB 54), and

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, The County has been presented with a public safety communication assessment (hereinafter "Assessment") conducted by GeoComm, Incorporated, which included an assessment of the alternatives that exist for the County to replace the public safety communication infrastructure within the County, and

WHEREAS, The County has undertaken the project of replacing the public safety communication infrastructure within the County, and

WHEREAS, the project at year end is not complete and funds are needed to successfully complete this task.

WHEREAS, the Cass County Board of Commissioners has the authority to commit fund balance for specific purposes.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Commissioners do hereby commit \$2,000,000 of existing fund balance at December 31, 2011, within the General Fund, for the completion of the ARMER project. This amount is an estimate and will be adjusted by the Chief Financial Officer after final calculations are completed after year end.

Resolution No. 74 -11 was declared adopted upon the following vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

Mr. Wolfe presented Resolution No. 75-11 that commits \$3,000,000 of existing fund balance at December 31, 2011, in the Health, Human and Veteran Services Fund for the funding of future increased Out of Home Placement Costs.

Commissioner Kangas offered Resolution No. 75 -11 and moved its adoption, Commissioner Gaalswyk seconded:

WHEREAS, The Cass County Board has adopted Governmental Accounting Standards Board Statement 54, Fund Balance Reporting Governmental Fund Type Definitions (GASB 54), and

WHEREAS, Cass County has significant Out of Home Placement Costs, and

WHEREAS, State programs and special projects have aided the County in managing those costs, and

WHEREAS, State revenues, in general, have been reduced and County cost shares have been increased, and

WHEREAS, Out of Home Placement Costs are unpredictable and can vary significantly by year, and

WHEREAS, the County's ability to generate additional revenue to fund this mandate is limited.

WHEREAS, the Cass County Board of Commissioners has the authority to commit fund balance for specific purposes.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Commissioners do hereby commit \$3,000,000 of existing fund balance at December 31, 2011, in the Health, Human and Veteran Services Fund for the funding of future increased Out of Home Placement Costs.

Resolution No. 75 -11 was declared adopted upon the following vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

Mr. Wolfe presented Resolution No. 76-11 that commits \$350,000 of existing Unorganized Town fund balance at December 31, 2011, for the funding of maintenance and improvements of Unorganized Town Highways.

Commissioner Downham offered Resolution No. 76 -11 and moved its adoption, Commissioner Peterson seconded:

WHEREAS, The Cass County Board has adopted Governmental Accounting Standards Board Statement 54, Fund Balance Reporting Governmental Fund Type Definitions (GASB 54), and

WHEREAS, The Cass County Board acts as the Town Board for the Unorganized Townships in Cass County, and

WHEREAS, The Board has the authority to levy property tax dollars for the purposes of maintaining and improving Unorganized Township Roads, and

WHEREAS, Significant costs are anticipated in maintaining the Unorganized Town road system.

WHEREAS, the Cass County Board of Commissioners has the authority to commit fund balance for specific purposes.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Commissioners do hereby commit \$350,000 of existing Unorganized Town fund balance at December 31, 2011, for the funding of maintenance and improvements of Unorganized Town Highways. This amount is an estimate and will be adjusted by the Chief Financial Officer after final calculations are completed after year end.

Resolution No.76 -11 was declared adopted upon the following vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

Mr. Wolfe presented Resolution No. 77-11 that authorizes the Chief Financial Officer to add additional assignments of fund balance and to modify existing assignments as the annual audit progresses and to report those final assignments to the Board upon completion of the audit.

Commissioner Kangas offered Resolution No. 77-11 and moved its adoption, Commissioner Peterson seconded:

WHEREAS, The Cass County Board has adopted Governmental Accounting Standards Board Statement 54, Fund Balance Reporting Governmental Fund Type Definitions (GASB 54), and

WHEREAS, Cass County may assign fund balance in the General Fund for a specific purpose, and

WHEREAS, Cass County in the past has designated fund balance for specific purposes, and

WHEREAS, The Cass County Board may authorize an individual to assign fund balance for specific purposes, and

WHEREAS, The Board desires to make assignments for the year ending December 31, 2011.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Commissioners do hereby assign the following amounts in the General Fund; \$1,000,000 for uninsured claims, \$200,000 for the Longville Ambulance Subordinate Service District, \$2,251 for petty cash, \$150,000 for environmental grants, from existing fund balance at December 31, 2011. These amounts are an estimate and will be adjusted by the Chief Financial Officer after final calculations are completed after year end.

BE IT FURTHER RESOLVED: That the Cass County Board authorizes the Chief Financial Officer to add additional assignments of fund balance and to modify existing assignments as the annual audit progresses and to report those final assignments to the Board upon completion of the audit.

Resolution No.77 -11 was declared adopted upon the following vote: Ayes: Downham, Dowson, Gaalswyk, Kangas, Peterson. Nays: None.

- 9C. Chief Financial Officer Larry Wolfe presented the 2012 budgeted capital equipment list and requested authorization for departments to make related purchases based upon solicitation of competitive prices per state law.

M/S/P Kangas, Downham – To approve the 2012 equipment list in the budgeted amount of \$1,130,330.00 and to authorize purchases based upon solicitation of competitive prices pursuant to applicable law. All technology purchases to receive prior approval from the Central Services Director and all other equipment list purchases – notify Administrator and Chief Financial Officer prior to order. Unanimous.

- 9D. Mr. Wolfe requested Board approval to amend the capitalization policy in the Cass County accounting manual changing the capitalization threshold of tangible fixed assets from \$25,000.00 to \$50,000.00. Further, to establish an intangible capitalization threshold of \$150,000.00. Mr. Wolfe explained that the intangible threshold would apply to software purchases, and all amendments would be effective for assets acquired after December 31, 2010.

M/S/P Gaalswyk, Kangas – To approve amendments to the capitalization policy in the Cass County accounting manual as presented. Unanimous.

10A. Auditor-Treasurer Sharon Anderson discussed the 2012 Citizen Budget Committee offer to assist in the Capital Improvement Plan annual update. Ms. Anderson presented a proposed plan update schedule: December 20, 2011 - County Board approval of timeline for 2012; December 20, 2011 - Notice to department heads of new timeline and request for updates; January 13, 2012 - Departmental updates submittal deadline; January 24, 2012 - Budget Committee meeting to review plan and proposed updates; February 10, 2012 - Additional Budget Committee meeting, if needed; and March/April, 2012 - Public hearing.

M/S/P Kangas, Peterson – To accept the offer from the 2012 Citizen Budget Committee to assist with the annual Capital Improvement Plan and further, to approve the upcoming schedule beginning December 20, 2011 - County Board approval of timeline for 2012; December 20, 2011 - Notice to department heads of new timeline and request for updates; January 13, 2012 - Departmental updates submittal deadline; January 24, 2012 - Budget Committee meeting to review plan and proposed updates; February 10, 2012 - Additional Budget Committee meeting, if needed; and March/April, 2012 - Public hearing. Unanimous.

11A. Central Services Director Tim Richardson updated the Board on the operations and maintenance contract with Honeywell which covers certain components and pieces of equipment. Currently, the contract is \$15,000/quarter. Central Services had planned on adding and budgeted for the 3 server room cooling units and the two units in Court Administration and Probation Department to the contract this year at a rate of \$18,000 for full coverage. Honeywell has proposed a full coverage maintenance contract to cover all of our mechanical systems in an amount of \$83,036 per year, which would be an increase of \$5,000.00 per year for maintenance coverage. Cass County has spent \$48,000 over the last 2.5 years on uncovered items, and have about \$4,000.00 waiting now. The Honeywell agreement amount would be reviewed annually.

M/S/P Peterson, Downham – To approve a new contract with Honeywell for a 1 year term at \$83,036, and further to authorize the Central Services Director to sign the contract effective January 1, 2012. Unanimous.

8. M/S/P Kangas, Dowson – To adjourn the meeting at 11:45 a.m. Unanimous.

SIGNED: \_\_\_\_\_  
Jim Dowson, Chairman  
Cass County Board of Commissioners

ATTEST: \_\_\_\_\_  
Robert H. Yochum  
Cass County Administrator