



COMMITTEE OF THE WHOLE AGENDA
Board of Commissioners, St. Louis County, Minnesota

July 5, 2011

Immediately following the Board Meeting, which begins at 9:30 A.M.
Commissioners' Conference Room, St. Louis County Courthouse, Duluth, MN

CONSENT AGENDA:

All matters listed under the consent agenda are considered routine and/or non-controversial and will be enacted by one unanimous motion. If a commissioner requests, or a citizen wishes to speak on an item on the consent agenda, it will be removed and handled separately.

Minutes of June 28, 2011

Finance & Budget Committee – Commissioner Nelson, Chair

1. Sale of Surplus Fee Land – T50N, R15W, Section 22 (City of Hermantown) [11-255]
 2. Sale of Surplus Fee Land – T56N, R18W, Section 2 (McDavitt Township) [11-256]
 3. Sale of Surplus Fee Land – T52N, R15W, Section 16 (Fredenberg Township) [11-257]
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REGULAR AGENDA:

For items on the Regular Agenda, citizens will be allowed to address the Board at the time a motion is on the floor.

Finance & Budget Committee – Commissioner Nelson, Chair

1. **Purchase of Property Insurance [11-258]**
Resolution authorizing the renewal of property insurance for county structures, equipment and machinery from Otis-Magie Insurance Agency, Duluth, MN.

Central Management & Intergovernmental Committee – Commissioner Raukar, Chair

1. **Discussion Regarding State Shutdown**
If necessary, Administration will update the County Board on continued county preparations.
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COMMISSIONER DISCUSSION ITEMS AND REPORTS:

At this time, Commissioners may introduce items for discussion or report on past and future activities.

ADJOURNED:

NEXT COMMITTEE OF THE WHOLE MEETING DATES:

July 12, 2011 **Commissioners' Conference Room, Courthouse, Duluth, MN**
July 26, 2011 **Floodwood City Hall, Floodwood, MN**
August 2, 2011 **Commissioners' Conference Room, Courthouse, Duluth, MN**

BARRIER FREE: *All St. Louis County Board meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual needs for special services. Please contact St. Louis County Property Management (218-725-5085) early so necessary arrangements can be made.*

**COMMITTEE OF THE WHOLE
ST. LOUIS COUNTY BOARD OF COMMISSIONERS**

Tuesday, June 28, 2011

Location: Semer's Park Pavilion, Ely, MN
Present: Commissioners O'Neil, Jewell, Dahlberg, Forsman, Sweeney, Nelson and Raukar
Absent: None
Convened: Chair O'Neil called the meeting to order at 11:08 a.m.

CONSENT AGENDA

Sweeney/Raukar moved the consent agenda (7-0). There was discussion on penalties for second violations and scheduling repeat liquor law violations as a board workshop topic.

-Minutes of June 14, 2011

1. Mesabi ACT Offsite Workspace, Olcott Plaza, Virginia, MN
2. Embarrass Township Canister Site Lease
3. Rescind St. Louis County Board Resolution No.11-329
4. Cancellation of Contracts for Purchase of State Tax Forfeited Lands - Schweiger, Hartmark, Knazze, Mian, Ready, and D&D Salvage
5. Abatement List for Board Approval
6. Authorization to Accept the 2010 State Homeland Security Grant for Interoperable Communications Equipment
7. Authorization to Accept the 2010 Interoperable Communications Grant for Training
8. Authorization to Accept Amended 2010 ARMER Integration Grant for Interoperable Communications Equipment to Allow Additional Funding
9. Establish Public Hearing for Suspension/Revocation of Liquor Licenses for Property Tax Non-Payment (Tuesday, July 26, 2011, 9:40 a.m., Floodwood City Hall, Floodwood, MN)
10. Establish Public Hearing to Consider Allegations of Liquor Law Violations – Dry Dock Bar & Restaurant – Midway Township (Tuesday, July 26, 2011, 9:45 a.m., Floodwood City Hall, Floodwood, MN)
11. Establish Public Hearing to Consider Allegations of Liquor Law Violations – Cold Country Liquor, Inc., Embarrass Township (Tuesday, July 26, 2011, 9:50 a.m., Floodwood City Hall, Floodwood, MN)
12. Establish Public Hearing to Consider Allegations of Liquor Law Violations – Hi Banks Resort, Fredenberg Township (Tuesday, July 26, 2011, 9:55 a.m., Floodwood City Hall, Floodwood, MN)
13. Establish Public Hearing to Consider Allegations of Liquor Law Violations – Island Lake Inn, Gnesen Township (Tuesday, July 26, 2011, 10:00 a.m., Floodwood City Hall, Floodwood, MN)
14. Establish Public Hearing to Consider Allegations of Liquor Law Violations – K.T.'s Floodwood Lake Resort, Cedar Valley Township (Tuesday, July 26, 2011, 10:05 a.m., Floodwood City Hall, Floodwood, MN)

REGULAR AGENDA

Nelson/Raukar moved to authorize the Planning and Community Development Director to execute the U.S. Housing and Urban Development (HUD) grant agreements and contracts for the 2011 Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Shelter Grant (ESG) programs. Planning and Community Development Director Barbara Hayden said the final federal budget decreased HOME and CDGB, adding the 2012 funding is uncertain. After further discussion, the motion passed (7-0).

Raukar/O'Neil moved to approve a joint powers agreement with National Joint Powers Alliance (NJPA). Administrator Kevin Gray distributed a handout on the legislative authority and said the purpose is to increase purchasing efficiencies. Commissioner Nelson requested that it be move without recommendation and the makers agreed (7-0).

DISCUSSION REGARDING STATE SHUTDOWN

Administrator Gray and Deputy Administrator Linnea Mirsch distributed a presentation of the St. Louis County State Shutdown Planning. Administrator Gray and Deputy Administrator Mirsch reviewed impact scenarios and cash flow and department impacts. Public Health and Human Services (PHHS) Director Anne Busche presented three areas of risk for PHHS programs including 1) Life and Safety Risks, 2) Services Paid or Delivered- Loss or Delay in Funding Risks, and 3) Cash Flow Only Risks. Jim Foldesi presented an extensive list of impacts to current and planned public works projects and the associated risks for each project. After discussion, the board agreed on administration's recommendations regarding the shut down. Auditor Donald Dicklich said he agrees with Administrator Gray in the short-term, but has concerns about cash flow in the longer term. Auditor Dicklich informed the board that the auditor has limited authority on what can be paid with property tax dollars. Auditor Dicklich said it is important to have cash flows to fund the approved budget, noting the board has money set aside in other funds, but it would take board action to access. Employee Relations Director Jim Gottschald suggested a communication to employees if a shutdown occurs to insure a consistent message.

ADJOURNED

At 1:33 p.m., Nelson/Jewell moved to adjourn the committee of the whole meeting (7-0).

Steve O'Neil, Chair of the County Board

Patricia Stolee, Clerk of County Board

BOARD LETTER NO. 11 - 255

FINANCE & BUDGET COMMITTEE CONSENT NO. 1

BOARD AGENDA NO.

DATE: July 5, 2011

RE: Sale of Surplus Fee Land –
T50N, R15W, Section 22
(City of Hermantown)

FROM: Kevin Z. Gray
County Administrator

Tony Mancuso
Property Management Director

RELATED DEPARTMENT GOAL:

Facilitate county fee land purchase, sale and easement activities.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the sale of surplus fee owned land pursuant to the requirements and procedures of Minn. Stat. § 373.01, and establish the time for bid consideration.

BACKGROUND:

The St. Louis County Public Works Department acquired this property in the City of Hermantown in 2001 as part of LaVaque Road reconstruction project. At that time, the owner requested that the entire parcel be purchased. The site was vacant land and additional right of way was reserved at the time of purchase. The remaining parcel is not needed. The property is approximately 8.2 acres in size and is located in T50N, R15W, Section 22.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the Property Management Director to offer for sale this parcel of surplus county fee owned land, and set the time for bid consideration at 9:40 A.M. on Tuesday October 4, 2011, St. Louis County Courthouse, Duluth, MN.

**Sale of Surplus Fee Land – T50N, R15W, Section 22
(City of Hermantown)**

BY COMMISSIONER _____

WHEREAS, the Property Management Team has approved the public sale of the property legally described in the attached Exhibit “A”; and

WHEREAS, a review of assessed value and comparable sales has determined a minimum bid amount for this property at \$24,500.

NOW, THEREFORE, BE IT RESOLVED, that the St. Louis County Board authorizes the Property Management Director to advertise for written bids for the above described property, a parcel of land approximately 8.2 acres in size, pursuant to the requirements and procedures of Minn. Stat. § 373.01.

RESOLVED FURTHER, the County Board establishes the time for bid consideration at 9:40 A.M. on Tuesday October 4, 2011, St. Louis County Courthouse, Duluth, MN.

Exhibit "A"

E1/2 of SE1/4 SECTION 22 TOWNSHIP 50 North RANGE 15 West of the Fourth Principal Meridian EXCEPT the following described parcels:

(1) That part of the NE1/4 of SE1/4 Section 22 Township 50 Range 15 lying W of the LaVaque Road and between the following described two parallel lines:

(a) 675 feet South and parallel to the Northern boundary of said forty and

(b) 900 feet South and parallel to the Northern boundary of said forty;

(2) That part of the NE1/4 of SE1/4 Section 22 Township 50 Range 15 lying east of the LaVaque and between the following described two parallel lines

(a) 500 feet South and parallel to the North boundary of said forty and

(b) 1150 feet South and parallel to the North boundary of said forty;

(3) That part of the NE1/4 of SE1/4 Section 22 Township 50 Range 15 lying West of the LaVaque Road and between the following described two parallel lines;

(a) 1175 feet South and parallel to the Northern Boundary of said forty and

(b) 1300 feet South and parallel to the Northern boundary of said forty;

(4) That part of the E1/2 of SE1/4 Section 22 Township 50 North Range 15 West of the LaVaque Road between the two sets of parallel lines, line A & B for one parcel and lines C & D for the second parcel.

Line A-1100 feet South and parallel to the Northern boundary of said forty.

Line B-1175 feet South and parallel to the Northern boundary of said forty.

Line C-1300 feet South and parallel to the Northerly line of said E'ly 1/2 of SE1/4

Line D-1400 feet South and parallel to the Northerly boundary line of said E'ly 1/2 of SE1/4

(5) N'ly 300 feet of the S'ly 820 feet of the E1/2 of SE1/4 Section 22 Township 50 Range 15 West of the Fourth Principal Meridian, St. Louis County, Minnesota.

(6) That part of the NE1/4 of SE1/4 Section 22 Township 50 Range 15 lying West of the LaVaque Road and between the following described two parallel lines:

(a) 640 feet South and parallel to the Northern boundary of said forty; and

(b) 675 feet South and parallel to the Northern boundary of said

forty.

(7) All that part of the NE1/4 of SE1/4 of Section 22 Township 50 North Range 15 West of the Fourth Principal Meridian, lying E of the LaVaque Road and North of a line 500 feet South and parallel to the Northern boundary of said forty.

(8) That part of the NE1/4 of SE1/4 Section 22 Township 50 Range 15 lying west of the LaVaque Road and between the following described two parallel lines:

(a) 865 feet South and parallel to the Northern boundary of said forty

(b) 1100 feet South and parallel to the Northern boundary of said forty.

(9) All that part of the N'ly 100 of the S'ly 920 feet of the E1/2 of the SE1/4 Section 22 Township 50 Range 15 which lies East of LaVaque Road.

(10) All that part of the E1/2 of SE1/4 Section 22 Township 50 Range 15 lying east of the LaVaque Road and lying between the following described lines:

(a) The N'ly line of the S'ly 920 feet of said Eighty.

(b) The N'ly line of the SE1/4 of SE1/4

(11) S'ly 520 feet of the SE1/4 of SE1/4 Section 22 Township 50 Range 15

(12) That part of the North 640 feet of the NE1/4 of SE1/4 lying W'ly of the centerline of Lavaque Road (CSAH 48) Section 22 Township 50 North Range 15 West, Subject to easement for Lavaque Road over the East 50 feet herein.

(13) That part of the NE1/4 of the SE1/4 lying East of the E'ly line of the LaVaque Road EXCEPT the North 1150 feet thereof.

AND ALL MINERALS AND MINERAL RIGHTS TO:

That part of the North 640 feet of the NE1/4 of SE1/4 lying W'ly of the centerline of Lavaque Road (CSAH 48) and that part of the NE1/4 of the SE1/4 lying East of the E'ly line of the LaVaque Road EXCEPT the North 1150 feet thereof Section 22 Township 50 North Range 15 West

SUBJECT to an easement for highway purposes, over and across the land with the right and permission to go upon adjacent lands for proper construction of highways, slopes, fills side ditches and offtake ditches recorded in the office of the Register of Deeds, in Book 679 of Deeds, page 689.

BOARD LETTER NO. 11 - 256

FINANCE & BUDGET COMMITTEE CONSENT NO. 2

BOARD AGENDA NO.

DATE: July 5, 2011

RE: Sale of Surplus Fee Land –
T56N, R18W, Section 2
(McDavitt Township)

FROM: Kevin Z. Gray
County Administrator

Tony Mancuso
Property Management Director

RELATED DEPARTMENT GOAL:

Facilitate county fee land purchase, sale and easement activities.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the sale of surplus fee owned land pursuant to the requirements and procedures of Minn. Stat. § 373.01, and establish the time for bid consideration.

BACKGROUND:

The Public Works Department acquired property in McDavitt Township in 1994 as part of a bridge re-construction project over the adjacent St. Louis River. The property had a small vacant home that was removed for bridge approach construction. Highway right of way has been reserved over this parcel located in T56N, R18W, Section 2, approximately six acres in size.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the Property Management Director to offer for sale this parcel of surplus county fee owned land, and set the time for bid consideration at 9:40 A.M. on Tuesday, October 11, 2011, St. Louis County Courthouse, Duluth, MN.

**Sale of Surplus Fee Land – T56N, R18W, Section 2
(McDavitt Township)**

BY COMMISSIONER _____

WHEREAS, the Property Management Team has approved the public sale of the following property, legally described as follows:

The West 440 feet of Government Lot Seven (7), Section Two (2), Township Fifty-six (56) North, Range Eighteen (18) West according to the U.S. Government Survey.

WHEREAS, a review of assessed value and comparable sales has determined a minimum bid amount for this property at \$7,650.

NOW, THEREFORE, BE IT RESOLVED, that the St. Louis County Board authorizes the Property Management Director to advertise for written bids for the above described property, a parcel of land approximately 6 acres in size, pursuant to the requirements and procedures of Minn. Stat. § 373.01.

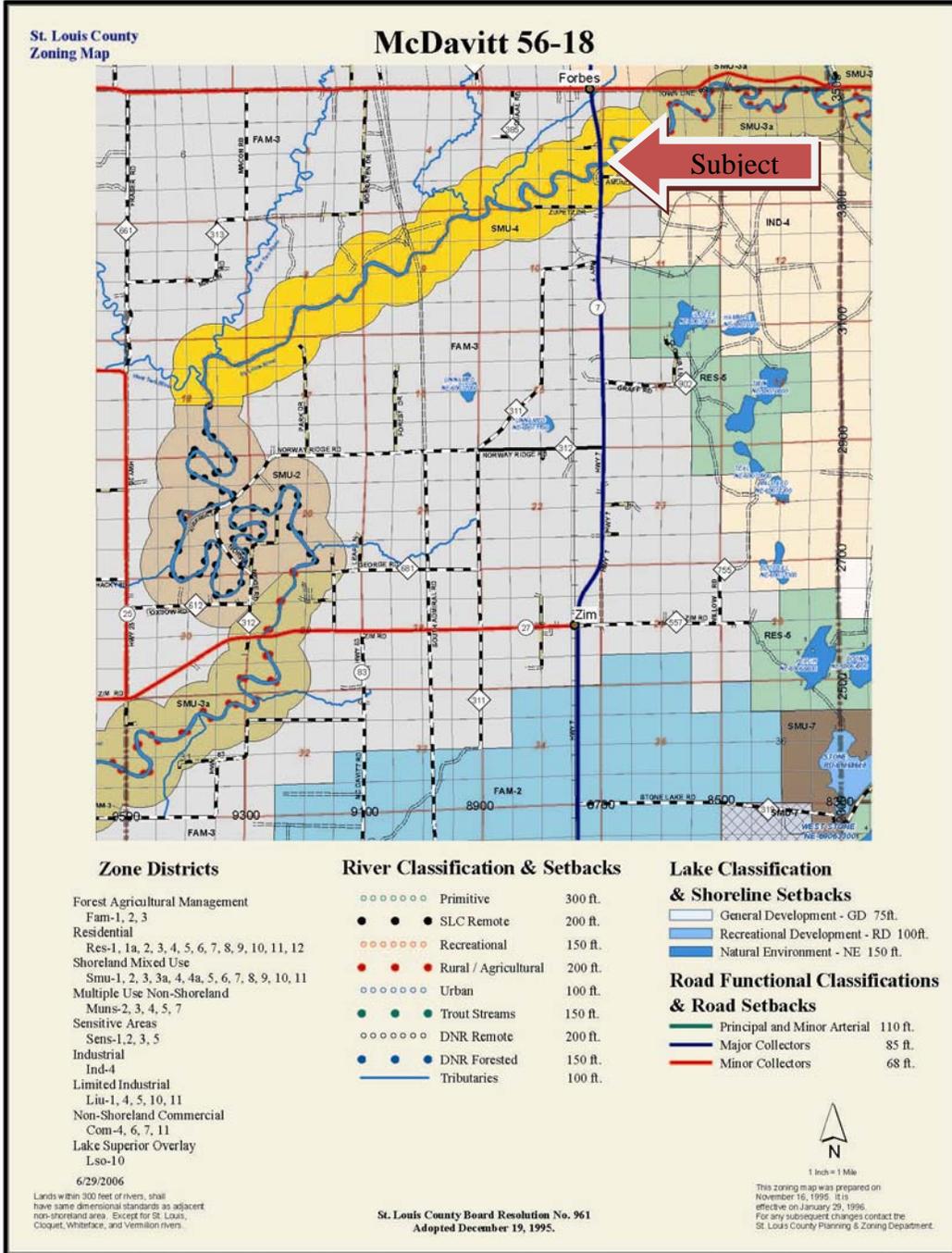
RESOLVED FURTHER, the County Board establishes the time for bid consideration to be at 9:40 A.M. on Tuesday, October 11, 2011, St. Louis County Courthouse, Duluth, MN.

Sale of County Fee Land

Section 2, T56N, R18W

Parcel 435-0010-00280

McDavitt Township



BOARD LETTER NO. 11 - 257

FINANCE & BUDGET COMMITTEE CONSENT NO. 3

BOARD AGENDA NO.

DATE: July 5, 2011

RE: Sale of Surplus Fee Land –
T52N, R15W, Section 16
(Fredenberg Township)

FROM: Kevin Z. Gray
County Administrator

Tony Mancuso
Property Management Director

RELATED DEPARTMENT GOAL:

Facilitate county fee land purchase, sale and easement activities.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the sale of surplus fee owned land pursuant to the requirements and procedures of Minn. Stat. § 373.01, and establish the time for bid consideration.

BACKGROUND:

The St. Louis County Public Works Department acquired this site in Fredenberg Township in 1937 for gravel pit purposes. It is depleted of gravel and is no longer needed. Highway right of way has been reserved over this parcel of approximately 5.5 acres in size.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the Property Management Director to offer for sale this parcel of surplus county fee owned land, and set the time for bid consideration at 9:45 A.M. on Tuesday, October 11, 2011, St. Louis County Courthouse, Duluth, MN.

**Sale of Surplus Fee Land – T52N, R15W, Section 16
(Fredenberg Township)**

BY COMMISSIONER _____

WHEREAS, the Property Management Team has approved the public sale of the following property, legally described as follows:

The South one-half of the Southeast one-quarter of the Northwest one-quarter of the Southeast one-quarter (S $\frac{1}{2}$ of SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of SE $\frac{1}{4}$) of Section Sixteen (16), Township Fifty-two (52) North, Range Fifteen (15) West containing 5.00 acres, more or less.

And

The southerly thirty-three (33) feet of the North one-half of the Southeast one-quarter of Northwest one-quarter of the Southeast one-quarter (N $\frac{1}{2}$ of SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of SE $\frac{1}{4}$) of Section Sixteen (16), Township Fifty-two, (52) North, Range Fifteen (15) West, containing 0.50 acres, more or less.

WHEREAS, a review of assessed value and comparable sales has determined a minimum bid amount for this property to be \$26,100.

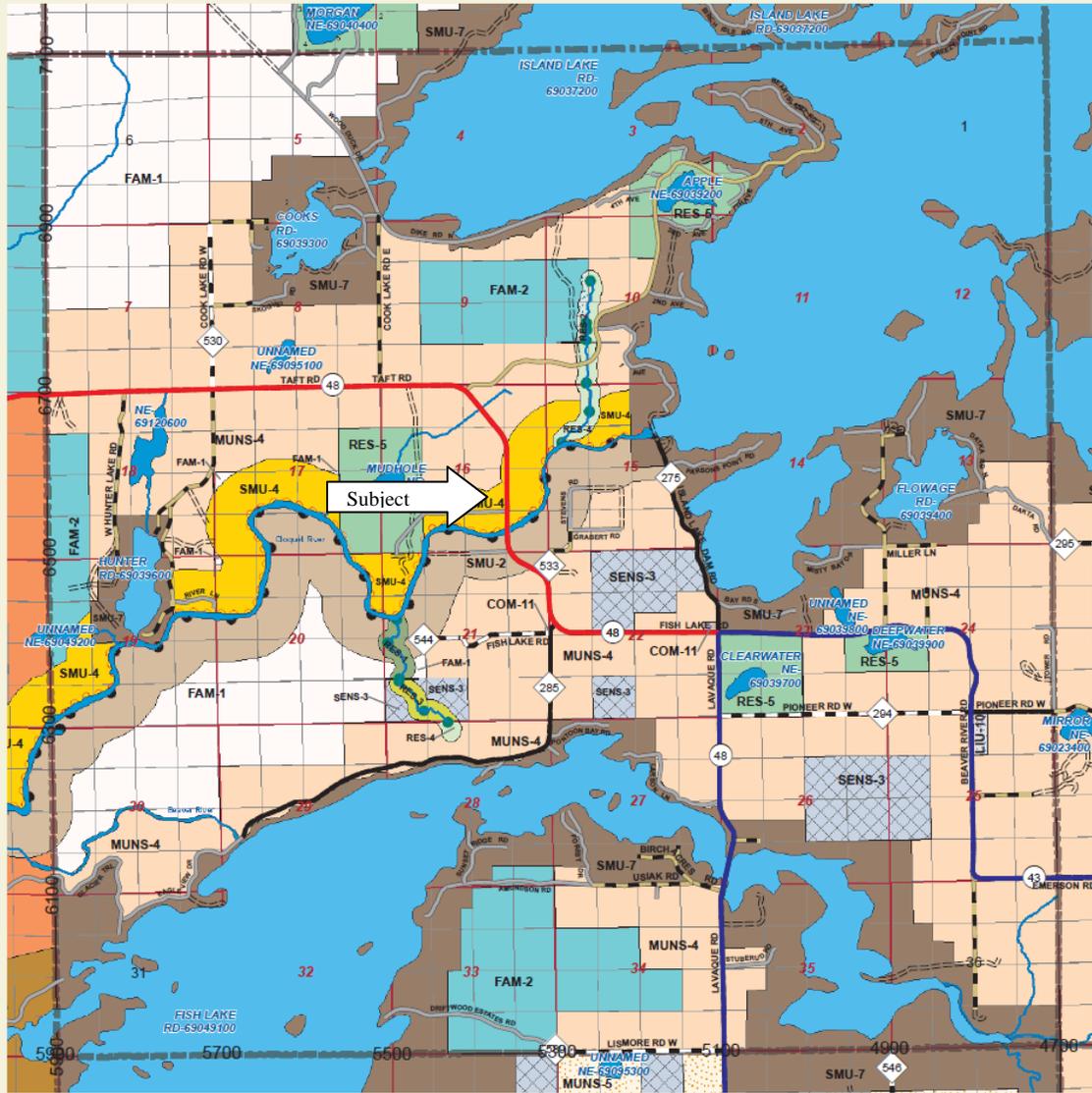
NOW, THEREFORE, BE IT RESOLVED, that the St. Louis County Board authorizes the Property Management Director to advertise for written bids for the above described property, a parcel of land approximately 5.5 acres in size, pursuant to the requirements and procedures of Minn. Stat. § 373.01.

RESOLVED FURTHER, the County Board establishes the time for bid consideration at 9:45 A.M. on Tuesday, October 11, 2011, St. Louis County Courthouse, Duluth, MN.

Sale of County Fee Land
Section 16, T52N, R15W
Parcel 365-0010-02890
Fredenberg Township

County
Map

Fredenberg 52-15



BOARD LETTER NO. 11 - 258

FINANCE & BUDGET COMMITTEE NO. 1

BOARD AGENDA NO.

DATE: July 5, 2011 **RE: Purchase of Property Insurance**

FROM: Kevin Z. Gray
County Administrator

Gary E. Eckenberg
Deputy Administrator, Purchasing Division

RELATED DEPARTMENT GOAL:

Increase cost saving opportunities throughout St. Louis County.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the purchase of property insurance in the amount of \$180,806 from the Otis-Magie Insurance Agency of Duluth, Minnesota.

BACKGROUND:

St. Louis County has been purchasing property insurance on a loss limit basis versus a blanket property basis for several years. This type of coverage has provided favorable rates and lower deductibles on an exposure which has increased annually. The current policy expires on July 24, 2011.

The Chubb Group of Insurance Companies, which has insured the county's account since 2005, has offered to renew at the same rate currently paid, with no change in deductibles. The Statement of Values for 2011, which includes all buildings, Business/Personal Property, vehicles, contractors' equipment, the county's heavy equipment, and \$2.5 million of Business Income & Extra Expense Coverage totals \$263,564,691. Based upon the premium proposal of \$180,806 submitted by the Chubb Group, the rate is \$0.0686 per \$100 of value.

The insurance has a loss limit of \$50,000,000 per occurrence during the policy period. Based upon annual review by the Purchasing Division, this will provide adequate protection of the largest county exposures. The recommended proposal provides coverage for all the county's requirements under one policy and one insurance group. All contractors' equipment will be covered on and away from the premises, subject to a \$5,000,000 loss limit and \$20,000 deductible per occurrence.

The property rate guarantee has been offered by the Chubb Group because St. Louis County has met the following conditions over the past three years: Property exposures did not increase more than 25 per cent; No material change in operations

or exposures occurred; and the loss ratio did not exceed 35 percent over the policy period.

The Chubb Group proposes Property and Related Insurance coverage on major structures and equipment with a \$25,000 per occurrence deductible unless otherwise indicated below:

- Contractors' Equipment: \$20,000 deductible, insures equipment on and away from the scheduled premises
- Electronic Data Processing, Valuable Papers & Accounts Receivable: \$2,500 deductible
- Towers and Boiler and Machinery Property Damage: \$5,000 deductible
- Auto/Equipment Physical Damage: Wind & Hail only, \$100,000 deductible
- Earthquake and Flood: \$100,000 deductible
- Crime: \$5,000 deductible

RECOMMENDATION:

It is recommended the St. Louis County Board approve the purchase of Property and Related Insurance coverage on major structures, equipment, amended contents and boiler and machinery from the Chubb Group of Insurance Companies through Otis-Magie Insurance Agency at a premium of \$180,806 for the period July 24, 2011 through July 24, 2012 payable from fund 720, Agency 720001, Object 635100.

It is further recommended the County Board authorize the addition and/or deletion of property from the policy as required throughout the policy period.

Purchase of Property Insurance

BY COMMISSIONER _____

WHEREAS, St. Louis County has in excess of \$263,564,000 in property to insure; and

WHEREAS, St. Louis County has been purchasing property insurance on a loss limit basis which is less expensive with lower deductibles than a scheduled buildings type of insurance; and

WHEREAS, the current policy expires on July 24, 2011, and St. Louis County has received a proposal from the current insurer, Chubb Group of Insurance Companies, through Otis Magie Insurance Agency of Duluth, MN, to provide coverage at the existing rate for another year.

NOW THEREFORE BE IT RESOLVED, the St. Louis County Board authorizes the purchase of Property and Related Insurance coverage on major structures and equipment, amended contents, and boiler and machinery from Chubb Group of Insurance Companies through Otis-Magie Insurance Agency of Duluth, MN, for the period July 24, 2011 to July 24, 2012 at the annual premium of \$180,806 payable from: Fund 720 (Property, Casualty, Liability), Agency 720001 (Property, Casualty, Liability), Object 635100 (Insurance).

RESOLVED FURTHER, the Purchasing Division is authorized to add or delete county properties to the policy, or increase the base amount on future determination of valuation of county structures during the policy period.