



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

January 8, 2013

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 December 18, 2012

Health & Human Services Committee

1. CY 2013 Forensic Psychological Services [13-02]
2. CY 2013 Drug Testing Renewal Purchase of Service Contract with Duluth Bethel Society [13-03]
3. Application for Funding from the Minnesota Department of Health to Expand the Nurse-Family Home Visiting Program [13-04]

Environment & Natural Resources Committee

4. Final Plat Approval – Rupert Shores on Vermilion (Beatty) [13-05]
5. Cancellation of Contracts for Repurchase of State Tax Forfeited Land – Beyer [13-06]

Finance & Budget Committee

6. Letter of Understanding for 2012 Audit by State Auditor's Office [13-07]
7. Abatement List for Board Approval [13-08]
8. Storage Area Network Backup Device and Media Cartridges Purchase [13-09]

Central Management & Intergovernmental Committee

9. Compensation for Services to the Law Library Board 2013 [13-10]

Public Safety & Corrections Committee

10. Transfer of Two All-Terrain Vehicles to Hermantown Volunteer Fire Department [13-11]

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.

Health & Human Services Committee

1. **Region 3 Human Services Redesign Project for Electronic Document Management System of Income Maintenance Programs [13-12]**
Resolution authorizing an agreement governing participation in a seven-county Region 3 Human Services Redesign Project for electronic document management of income maintenance programs.

Central Management & Intergovernmental Committee

1. **Proposed Top Priorities for the 2013 Legislative Session [13-13]**
Resolution to determine St. Louis County's top legislative priorities for 2013

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:

January 15, 2013 **Commissioners' Conference Room, Courthouse, Duluth, MN**

January 22, 2013 **Industrial Town Hall, 7519 County Road 871, Saginaw, MN**

February 5, 2013 **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, December 18, 2012

Location: Morse Town Hall, Ely, Minnesota

Present: Commissioners Jewell, Dahlberg, Sweeney, Forsman, Raukar, and Chair Nelson

Absent: Commissioner O'Neil

Convened: Chair Nelson called the meeting to order at 10:55 a.m.

CONSENT AGENDA

Raukar/Sweeney moved to approve the consent agenda. (6-0)

- Extension of the Agreement with Western Lake Superior Sanitary District for Services in South Solid Waste Service Area **[12-513]**
- Road Easement across State Tax Forfeited Land - American Bank of the North **[12-514]**
- Road Easement across State Tax Forfeited Land – Potlatch **[12-515]**
- Private Sale of State Tax Forfeited Land – Spielman **[12-516]**
- Acceptance of County Veterans Service Officer Community Outreach Grant (Correction) **[12-517]**
- 2013 Federal Lobbying Services Contract with Lockridge, Grindal & Nauen **[12-518]**

Health & Human Services Committee

Sweeney/Forsman moved to reappoint the four current Public Health and Human Services Advisory Committee members to serve additional three-year terms, authorize advertising county wide for additional applicants in order to maintain a current and active list of potential appointees, and change the term expiration dates to December 31 in order to be consistent with other Board appointed committees. Administrator Kevin Gray introduced the subject. After no discussion, the motion passed. (6-0)

Finance & Budget

Raukar/Forsman moved to conduct a public hearing on Tuesday, January 15, 2013, at 9:45 a.m. at the Duluth Courthouse to receive public input on the application for Minnesota Investment Fund Recovery Financing of \$170,000. The funds are to assist two businesses that have requested help due to flood damage: Lake States Insulation for \$150,000 located

in Proctor, the Retreat Golf Course for \$15,000 located in Floodwood, and \$5,000 in administrative costs. After no discussion, the motion passed. (6-0)

Central Management & Inter-Governmental

Nelson/Dahlberg & Forsman moved to urge Congress and especially the Minnesota Congressional Delegation to take immediate action and pass into law the provisions of the Boundary Waters Canoe Area Wilderness (BWCAW) Land Exchange contained in Laws of Minnesota, 2012, Chapter 236, and that all current law provisions pertaining to the 1948 Thye-Blatnik Act be fully honored and protected.

St. Louis County Intergovernmental Relations Director, John Ongard, spoke of a land exchange with the state of Minnesota. Mr. Ongard stated that earlier this year, the Minnesota Legislature passed into law provisions for a (BWCAW) land exchange. This law provides a framework for similar legislation on the federal level to facilitate an exchange of land between the state and federal government for 86,000 acres of State School Trust Fund (Trust) lands located within the BWCAW.

Mr. Ongard offered handouts on the 1964 Federal Wilderness Act requiring the state and federal government to conduct a land exchange concerning these isolated Trust lands in the BWCAW. The Wilderness Act requires state lands within the BWCAW be swapped for federal lands outside the area, but still located within the Superior National Forest. For various reasons, the land exchange mandated in the Wilderness Act never occurred.

Commissioner Jewell said that in September 2012, the House of Representatives passed legislation to correct this long overdue exchange; however, a last minute amendment to the legislation short-changes the three counties of Northeastern Minnesota (Cook, Lake and St. Louis) an estimated yearly increase of nearly one million dollars. Under current law, this new county funding would have automatically occurred because the 1948 Thye-Blatnik Act guarantees the three counties payment of three-quarters of 1% of market value for "all federal land owned within the BWCAW". This amendment specifically "exempted" Thye-Blatnik payments to Cook, Lake and St. Louis counties for these new 86,000 acres of federal lands, which would be added to the BWCAW.

Commissioner Jewell opened the floor for public comments.

Reid Carron spoke in opposition of the land exchange.

Becky Rom spoke in opposition of the land exchange.

Bob Tammen spoke in opposition of the land exchange.

Nancy McReady, President of the Conservationists With Common Sense, spoke in opposition of the land exchange.

Jane Koschak spoke in opposition of the land exchange.

Roger Skraba spoke in favor of the land exchange.

Kristin Larsen commented that year after year important issues are pushed through the Board-Committee-Board process thus denying transparency and citizens' rights to review these issues. Ms. Larsen spoke in opposition of the land exchange.

Tom Thompson spoke in opposition of the land exchange.

David Oliver applauds the resolution for the land exchange.

Minnesota House Representative, David Dill, Chairman of the House Environment and Natural Resources Committee, spoke in favor of the proposed land exchange.

Minnesota House Representative, Tom Rukavina, spoke in favor of the land exchange.

Commissioner Raukar thanked everyone who spoke.

Chair Commissioner Nelson said that representative Dill and Representative Rukavina have their hearts in the Northland.

Commissioner Jewell stated that he will vote in opposition of the land exchange, not because he is against mining rather his vote is for the environmentalists who spoke out against this issue.

After further discussion, the motion passed. (5-1, Jewell against.)

Jewell/Nelson moved to approve the 2012/2013 Deputy Sheriff's Unit bargaining agreement and authorize the appropriate county officials to execute a written agreement consistent with the arbitration award. After no discussion, the motion passed. (6-0)

Nelson/Jewell moved to direct the appropriate county officials to enter into effects bargaining requested on behalf of the City of Duluth Assessor employees to ensure a smooth and equitable transition to county employee's status. Upon ratification of the bargaining unit, the appropriate officials are authorized to execute said agreement with an effective date of January 1, 2013. After no discussion, the motion passed. (6-0)

Commissioner Discussion Items and Reports

Commissioner Forsman thanked Commissioner Sweeney for her years of service.

Chair Nelson stated that for 2013, he suggests Commissioner Dahlberg have the Board Chair position and Commissioner Forsman the Vice-Chair position.

Commissioner Dahlberg attended the Community Health Board meeting. Commissioner Dahlberg stated that he spoke at the State of Minnesota Legislature on December 6, 2012 on methadone.

At 1:29 p.m., December 18, 2012, Sweeney/Dahlberg moved to adjourn. (6-0)

Keith Nelson, Chair of the County Board

Roberta A. Museta, Clerk of County Board

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize Professional Service Agreements with the Human Development Center, Duluth Institute for Psychological Health, and Arrowhead Psychological Clinic for the period January 1, 2013 through December 31, 2013 at a cost of \$675 per evaluation for up to 100 forensic evaluations which may be needed at any time during CY 2013 (\$65,000 maximum for all three providers combined).

Payment for these arrangements payable from:

Fund	230	Social Services
Agency	232008	Children's Services
Expense Object	602000	Other Children's Services

CY 2013 Forensic Psychological Services

BY COMMISSIONER _____

WHEREAS, the Public Health and Human Services Department (PHHS) wishes to ensure Children in Need of Protection and Services will have mental health needs addressed and recommendations presented for delinquency proceedings, permanency planning and termination of parental rights hearings; and

WHEREAS, the Human Development Center, Duluth Institute for Psychological Health, and Arrowhead Psychological Clinic are able and willing to provide these services on behalf of the county; and

NOW THEREFORE, BE IT RESOLVED, that the St. Louis County Board authorizes Professional Service Agreements with the Human Development Center, Duluth Institute for Psychological Health, and Arrowhead Psychological Clinic for Forensic Psychological Services for the period January 1, 2013 through December 31, 2013 at a cost of \$675 per evaluation for up to 100 forensic evaluations which may be needed at any time during Calendar Year 2013 (\$65,000 maximum for all three providers combined), payable from Fund 230 (Social Services), Agency 232008 (Children's Services), Expense Object 602000 (Other Children's Services).

BOARD LETTER NO. 13 - 03

HEALTH & HUMAN SERVICES COMMITTEE CONSENT NO. 2

BOARD AGENDA NO.

DATE: January 8, 2013

**RE: CY 2013 Drug Testing Renewal
Purchase of Service Contract
with Duluth Bethel Society**

FROM: Kevin Z. Gray
County Administrator

**Ann M. Busche, Director
Public Health & Human Services**

RELATED DEPARTMENT GOAL:

Parents will be emotionally and financially able to provide for their children.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize a renewed purchase of service agreement for drug testing services provided by the Duluth Bethel Society in Duluth for Calendar Year (CY) 2013.

BACKGROUND:

St. Louis County has maintained a contract with the Duluth Bethel Society to provide urinalysis collection and drug testing services, and the Public Health and Human Services Department (PHHS) wishes to renew this contract for CY 2013. These services meet the needs of two different divisions within PHHS. The Children and Family Services Division pays for these services when the court orders parents to submit to drug testing as part of their obligation under a court order. The Income Maintenance Division pays for these services as a condition of eligibility for the Minnesota Family Investment Program (MFIP) and Supplemental Nutrition Assistance Program (SNAP) for those individuals who have been convicted of a felony level drug offense in the past ten years.

Since there is no reimbursement available from court services, MFIP or SNAP, PHHS pays for the required testing, with little control over the total use and budget for these services. The maximum budget amounts requested are based on past experience.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize a purchase of service agreement with Duluth Bethel Society for drug testing services for the period January 1, 2013 through December 31, 2013 for the following services and rates from the identified budgets:

Level 1 screening	\$11.00 per unit
Level 2 screening	\$16.00 per unit
Full screen	\$26.00 per unit
Synthetic drugs	\$47.00 per unit

These services will be authorized at the rates shown above for court-ordered drug testing services related to the work of the Children and Family Services Division up to \$101,000 for Expense Budget Fund 230-232008-602000; and for mandated random drug testing services ordered by the PHHS Income Maintenance Division up to \$1,000 for Expense Budget Fund 230-231014-629900. Should the full amount of either budget be used, an amendment to the contract may be brought to the County Board for approval.

**CY 2013 Drug Testing Renewal Purchase of Service
Contract with Duluth Bethel Society**

BY COMMISSIONER _____

WHEREAS, clients of the St. Louis County Public Health and Human Services Department (PHHS) are at times required to submit to drug testing; and

WHEREAS, PHHS has contracted with Duluth Bethel Society for many years to provide required drug testing and wishes to renew this agreement.

NOW THEREFORE, BE IT RESOLVED, that the St. Louis County Board authorizes the appropriate county officials to execute a purchase of service agreement with Duluth Bethel Society for drug testing services for the period January 1, 2013 through December 31, 2013 for the following services and rates from the identified budgets:

Level 1 screening	\$11.00 per unit
Level 2 screening	\$16.00 per unit
Full screen	\$26.00 per unit
Synthetic drugs	\$47.00 per unit

RESOLVED FURTHER, that these services will be authorized at the rates shown above for court-ordered drug testing services related to the work of the Children and Family Services Division up to \$101,000 for Expense Budget Fund 230-232008-602000.

RESOLVED FURTHER, that these services will be authorized at the rates shown above for mandated random drug testing services ordered by the PHHS Income Maintenance Division up to \$1,000 for Expense Budget Fund 230-231014-629900.

BOARD LETTER NO. 13 – 04

HEALTH & HUMAN SERVICES COMMITTEE CONSENT NO. 3

BOARD AGENDA NO.

DATE: January 8, 2013

RE: Application for Funding from
the Minnesota Department of
Health to Expand the Nurse-
Family Home Visiting Program

FROM: Kevin Z. Gray
County Administrator

Ann M. Busche, Director
Public Health & Human Services

RELATED DEPARTMENT GOALS:

Children will be born healthy, live a life free from abuse and neglect and will have a permanent living arrangement.

ACTION REQUESTED:

The St. Louis County Board is requested to allow the Public Health and Human Services Department to contract with the Carlton-Cook-Lake-St. Louis County Community Health Board (CHB) to expand its existing Nurse-Family Partnership program.

BACKGROUND:

The Public Health and Human Services Department (PHHS) has received federal funding from the Temporary Assistance for Needy Families grant to operate the Nurse-Family Partnership program since 2001. These funds have been used to pay for Public Health Nurse positions to support first-time mothers to have a healthy pregnancy, become knowledgeable and responsible parents, and provide their babies with the best possible start in life. Current staffing allows service to be delivered to 100 families at a time. Additional funding will allow PHHS to expand this program to at least 156 families.

The Minnesota Department of Health (MDH) has applied for and received approximately \$2 million of new Federal Maternal, Infant, and Early Childhood Home Visiting funds made available to states through the 2010 Patient Protection and Affordable Care Act. MDH has identified seven counties in Minnesota as being the highest maternal/child health at-risk communities in the state and has invited the Community Health Boards of those areas to apply on a competitive basis for funds to support either the Healthy Families America or the Nurse-Family Partnership home visiting models. St. Louis County was one of the seven counties identified. The CHB was awarded \$545,000 over a two and a half-year period to carry out this programming. There is no match requirement involved in this grant.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize a contract with the Carlton-Cook-Lake-St. Louis County Community Health Board to accept \$305,684 over a 27-month period to hire a Public Health Nurse I to carry out the additional activities required to expand the current Nurse-Family Partnership program, and if the grant funding expires and is not renewed in March, 2015, the new Public Health Nurse I position will be eliminated.

**Application for funding from the Minnesota Department of Health
to Expand the Nurse-Family Home Visiting Program**

BY COMMISSIONER _____

WHEREAS, the Minnesota Department of Health has made Patient Protection and Affordable Care Act funding available for seven counties with at-risk communities most in need of additional evidenced-based home visiting services, with St. Louis County having been identified as one; and

WHEREAS, the Carlton-Cook-Lake-St. Louis County Community Health Board has applied for and has been awarded \$545,000 of these available funds, to be used to support the Nurse-Family Partnership models.

NOW THEREFORE, BE IT RESOLVED that the St. Louis County Board authorizes the Public Health and Human Services Department to accept Federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) funds through a contract with the Carlton-Cook-Lake-St. Louis Community Health Board in the amount of \$305,684 for the period October 1, 2012 to March 31, 2015 to be placed as follows:

MIECHV 1: 10/1/12 - 9/30/13: \$50,000
Fund 230, Agency 233999, Grant 23321, Project Code 23082012, Grant Year 2012.

MIECHV 2: Phase One: 1/1/13 - 3/31/13: \$33,955
Fund 230, Agency 233999, Grant 23322, Grant Year 2013.

MIECHV 2: Phase Two: 4/1/13 - 3/31/14: \$112,754
Fund 230, Agency 233999, Grant 23322, Project Code 23082013, Grant Year 2013.

MIECHV 2: Phase Three: 4/1/14 - 3/31/15: \$108,975
Fund 230, Agency 233999, Grant 23322, Grant Year 2014.

RESOLVED FURTHER, that St. Louis County's allocation of \$305,684 will be used to fund 1.0 FTE Public Health Nurse I to carry out Nurse-Family Partnership home visiting services and to pay for the costs associated with this model.

RESOLVED FURTHER, that the St. Louis County Board authorizes the Public Health and Human Services Department to increase its FTE complement by 1.0 FTE Public Health Nurse I, and if the grant funding expires and is not renewed in March, 2015, the new Public Health Nurse I position will be eliminated.

Reset Form

Print Form

GRANT APPROVAL FORM

GRANT NAME: MIECHV Expansion Project GRANT AMOUNT: \$445,000
 GRANTOR: MN Department of Health MATCH AMOUNT: 0
 FUND: 230 AGENCY: 233999 GRANT: 23322 GRANT YEAR: 2013-2014
 AGENCY NAME: St Louis County Public Health and Human Services
 CONTACT PERSON: Guy Peterson PHONE: 218-725-5267
 GRANT PERIOD: BEGIN DATE: Jan 1, 2013 END DATE: March 31, 2015
 STATE GRANT AWARD NUMBER OR FEDERAL CFDA # _____

FILL IN THE ABOVE INFORMATION ON THIS FORM AND IDENTIFY THE CATEGORY OF THE GRANT FROM THE CHOICES BELOW. ATTACH THIS FORM TO THE GRANT APPLICATION AND ANY OTHER PERTINENT OTHER DOCUMENTATION AND ROUTE THE PACKET TO THE INDIVIDUALS LISTED FOR THE TYPE OF GRANT.

IT IS ESSENTIAL THAT DEPARTMENTS SUBMIT THE COMPLETED APPROVAL FORM ON THOSE GRANTS THAT DO NOT REQUIRE BOARD RESOLUTION TO THE AUDITOR'S OFFICE ACCOUNTING DEPARTMENT FOR BUDGETING PURPOSES. NO GRANT ACTIVITY WILL BE RECORDED WITHOUT AN ESTABLISHED BUDGET.

GRANTS OF \$25,000 OR LESS

A grant of \$25,000 or less may be applied for and/or accepted by the department without a separate County Board Resolution if it meets the following:

1. The grant fits within the department's functions, and
2. If the grant requires a County match (not to exceed in money or value an amount equal to the actual grant), and if that match is "in kind", that "in-kind" match is part of the ongoing operations, or if the match is monetary, that the department can find the necessary amount within its existing budget.

DOES THIS GRANT QUALIFY UNDER "GRANTS OF \$25,000 OR LESS"?

YES NO

If so, this type of grant requires the following review approval:

County Auditor	_____	Date: _____
County Administrator	_____	Date: _____
County Attorney	_____	Date: _____

The Grant Budget must be entered into the accounting system. Send a copy of the grant, this signed approval form and any other pertinent information to the Auditor's Office-Accounting, so the budget can be entered into the system. Without a budget, no expenditures or revenues will be recorded.

NEW GRANTS GREATER THAN \$25,000

All new grants that exceed \$25,000 and all recurring grants that exceed \$25,000 that contain changes in the grant's requirements which may affect either County resources or the scope of the grant need two (2) board resolutions. One board resolution is required to apply for the grant and a second resolution is required to accept the grant.

DOES THIS GRANT QUALIFY UNDER "GRANTS GREATER THAN \$25,000"?

YES NO

If this is a new grant greater than \$25,000, it requires the following review approval:

County Auditor _____ Date: _____
County Administrator _____ Date: _____

The Grant Budget must be entered into the accounting system. Send a copy of the grant, this completed approval form and the Board Resolution to the Auditor's Office-Accounting, so a budget can be entered into the system. Without a budget, no expenditures or revenues will be recorded.

RECURRING GRANTS GREATER THAN \$25,000

A recurring grant greater than \$25,000 that is a repeat of a grant which has been received by the County in past year(s) and that has no changes in the use of County resources or in the scope of the grant, requires one Board Resolution to both apply for and/or accept the grant.

DOES THIS GRANT QUALIFY AS "RECURRING GRANTS GREATER THAN \$25,000"?

YES NO

If yes, this recurring grant greater than \$25,000 requires the following review approval:

County Auditor Nancy Nelson - Chief Deputy Date: 11/3/13
County Administrator Carl Jochenberg Date: 1/3/13

The Grant Budget must be entered into the accounting system. Send a copy of the grant, this completed approval form and the Board Resolution to the Auditor's Office-Accounting, so a budget can be entered into the system. Without a budget, no expenditures or revenues will be recorded.

Final Plat Approval – Rupert Shores on Vermilion (Beatty)

BY COMMISSIONER _____

WHEREAS, the St. Louis County Planning Commission held a public hearing regarding the preliminary plat of Rupert Shores on Vermilion on November 10, 2011, and granted preliminary approval for the plat; and

WHEREAS, the final prints have been submitted and conform with the requirements set forth by the Planning Commission.

NOW, THEREFORE, BE IT RESOLVED, that the St. Louis County Board grants final approval to the plat of Rupert Shores on Vermilion, located in Section 9, Township 63N, Range 18W (Beatty Township).

**MINUTES OF A PUBLIC HEARING CONDUCTED BY THE ST. LOUIS COUNTY
PLANNING COMMISSION THURSDAY, NOVEMBER 10, 2011, NORTHLAND OFFICE
BUILDING, THIRD FLOOR CONFERENCE ROOM**

9:30 A.M. – 11:05 A.M.

Planning Commission members in attendance: Tom Coombe
Darlene Saumer
Roger Skraba
Jack Huhta
Sonya Pineo
John Lukan
Ray Svatos

Planning Commission members absent: Don Nienas
Christopher Dahlberg

Decision/Minutes for the following public hearing matters are attached:

NEW BUSINESS:

Drew Johnson, developer, a preliminary subdivision plat consisting of three riparian lots. The proposed name of the plat is Rupert Shores on Lake Vermilion. Part of Government Lot Four, S9, T63N, R18W (Beatty Township).

OTHER BUSINESS:

Motion by Pineo/Svatos to approve minutes from Planning Commission hearing held October 13, 2011.

In Favor: Coombe, Saumer, Pineo, Svatos, Lukan – 5

Opposed: None – 0

Abstained: Huhta, Skraba – 2

Motion carries 5-0-2

Reports of committees:

Coombe reported five variances were approved and one denied at the Board of Adjustment hearing held September 13, 2011.

Meeting adjourned at 11:05 a.m.

The first hearing item was Drew Johnson, developer, a preliminary subdivision plat consisting of three riparian lots. The proposed name of the plat is Rupert Shores on Lake Vermilion. Part of Government Lot Four, S9, T63N, R18W (Beatty Township).

Jack Huhta, Chair, called the hearing to order.

Tyler Lampella, St. Louis County Planner, reviewed the staff report for Drew Johnson, as follows:

DESCRIPTION OF REQUEST: The applicant is requesting to create three riparian lots. Lot One is 2.3 acres, plus or minus, Lot Two is 2.4 acres, plus or minus, and Lot Three is 2.4 acres, plus or minus, according to the preliminary survey plat of ARRO of the North, LLC dated September 26, 2011.

ZONING AND LAND USE: The project area is zoned Residential (RES)-8 which requires one acre/200 feet of width. The project site is in the Lake Vermilion Planning area, and is situated in north central St. Louis County on the western side of Lake Vermilion. The total acreage for the proposed plat map is 7.1 acres, plus or minus, with 732 feet of lake frontage and 690 feet of road frontage with direct access to Raps Road (TWN Rd 4517).

CONCLUSIONS:

The following issues of access to the plat, zoning, wetland delineation, wastewater treatment, and archaeological survey have been addressed:

1. The lots meet minimum zoning requirements for Residential (RES)-8 district.
2. The lots have direct access from Raps Road.
3. Onsite sewage treatment sites have been identified.
4. Wetland delineation has been completed and verified.
5. Phase I Archaeological survey report was completed on April 26, 2010.

Tyler Lampella stated two letters of correspondence supporting the proposed project. One letter received was Dale Lundblad, B.I.C. Realty, and the other was Amy Loiselle, Minnesota Department of Natural Resources.

RECOMMENDATION from staff:

Based on the staff report and conclusions, staff recommends that the preliminary plat, Rupert Shores on Lake Vermilion, be approved with the following conditions:

1. Develop the property in accordance with Wetland Conservation Act requirements.
2. Construct the driveway and mitigate any wetland impacts prior to final plat approval.
3. Locate a shared driveway between Lot One and Lot Two within one rod (16.5 feet) of either side of the common lot line between said lots.

APPLICANT TESTIMONY:

Mr. Drew Johnson, developer, 1107 West 53rd Street, Minneapolis, MN 55419, asked that staff delete the recommendation and condition that requires mitigation before the final plat approval. He stated that a mitigation before the final plat phase would limit a perspective buyer's design plans for improvements. *Mary Anderson*, Planning Commission secretary, stated staff will assist a potential buyer with building design, permits and/or conditional use permits when the lots are sold.

DECISION:

Motion by Coombe/Skraba to approve the preliminary subdivision plat consisting of three riparian lots known as Rupert Shores on Lake Vermilion, based on staff's conclusions and recommendations, with the following conditions:

1. Develop the property in accordance with Wetland Conservation Act requirements.
2. Mitigate any wetland impacts prior to final plat approval. Mitigation shall be completed by the developer.
3. Allow for present or future driveway access to the lake front for Lot One and Lot Two within one rod of the common boundary line between said lots at a common wetland crossing.

In Favor: Coombe, Skraba, Lukan, Saumer, Pineo, Svatos, Huhta - 7

Opposed: None – 0

Motion carries 7 – 0

RUPERT SHORES ON VERMILION

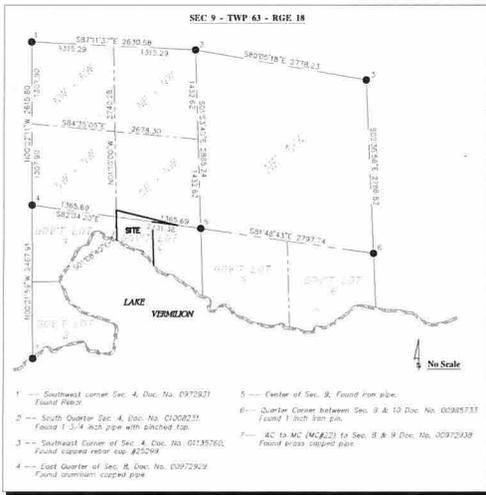
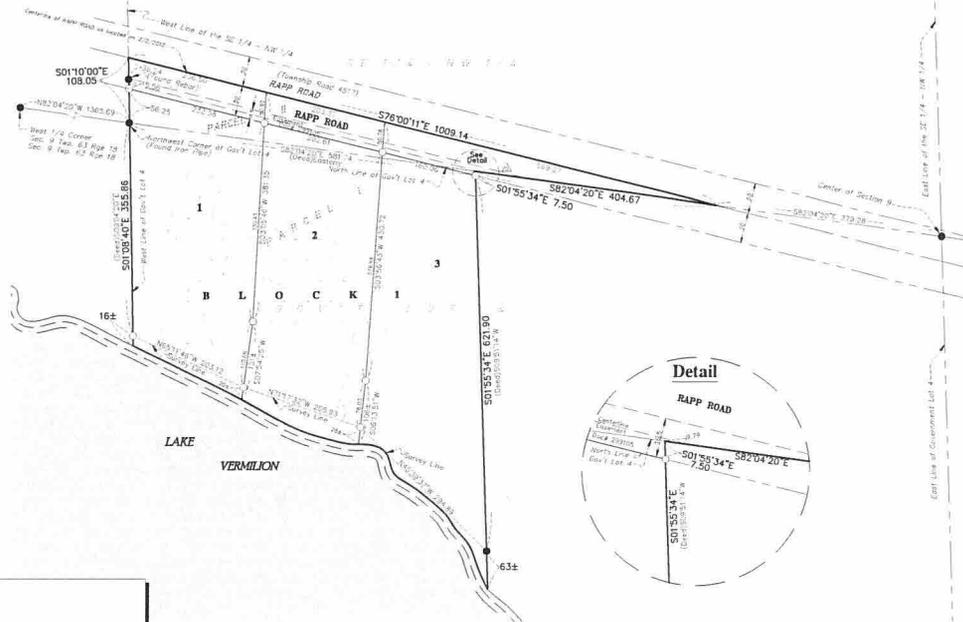
Located in the SE 1/4 of NW 1/4 & Gov't Lot 4,
Sec. 9, T.63N., R.18W., 4th P.M.
COUNTY OF ST. LOUIS, STATE OF MINNESOTA

LEGEND:

- DENOTES 1/2 INCH X 1/4 INCH IRON PILE SET AND MARKED WITH PLS 42380 CAP
- DENOTES FOUND SURVEY MONUMENT
- △ DENOTES BENCHMARK
- DENOTES WET LAND
- - - DENOTES SIXTEENTH LINE
- - - DENOTES QUARTER LINE
- - - DENOTES SECTION LINE

SURVEYOR'S NOTES:

- Bearing Orientation: The front line of the Gov't Lot 4 of Section 9, Township 63, Range 18 is assumed to have a bearing of South 85 degrees 04 minutes 20 seconds East.
- Benchmark: 1/2 inch x 1/4 inch iron pile set and marked with PLS 42380 cap. Northing: 144130.00; Easting: 45379.812; Elevation: 1145.623.
- Ordinary High Water Line (MNI OAR): Elevation: 1158.4 (MNV23).



I hereby certify that I have surveyed and platted the land described in the dedication of the plat RUPERT SHORES ON VERMILION, that this plat is a correct representation of said survey, that all distances are correctly shown on said plat in figures denoting feet and hundredths of a foot; that all monuments have been correctly placed on the ground as shown on the plat; that there are no wetlands or public highways to be designated on said plat other than as shown thereon; and that the outside boundary lines are correctly designated on this plat; and that the plat has been prepared in accordance with the requirements of Chapter 505.031 Minnesota Statutes.

David Serrano _____ County of _____ State of _____
Licensed Land Surveyor
License Number: 42380

This foregoing instrument was acknowledged before me, this _____ day of _____ 20____
by David Serrano.

Notary Public, _____ County of _____ State of _____
My commission expires _____

I hereby certify that this plat has been checked and approved this _____ day of _____ 20____

Thomas J. O'Malley _____
St. Louis County Surveyor

We do hereby certify that on the _____ day of _____ 20____ the Board of Commissioners of St. Louis County, Minnesota approved this plat.

Chair _____ Attest _____

KNOW ALL MEN BY THESE PRESENTS, That Charles E. Reader and Corinne M. Rupert, husband and wife, City of Los Angeles, County of Inglewood, State of CA; Scott Kambar and Marsha R. Kambar, husband and wife, City of Golden Valley, County of Hennepin, State of MN; Jeannette M. Rupert, Trustee of the JEANNETTE M. RUPERT REVOCABLE TRUST dated December 30, 1999 are owners of an estate IN FEE SIMPLE of and in the following described property, located in the County of St. Louis, State of Minnesota to wit:

Parcel 1:
That part of Government Lot 4, SECTION 9, TOWNSHIP 63 North of RANGE 18, West of the Fourth Principal Meridian, as shown on a plan, Commission of the Northwest Corner of said Government Lot 4, thence Easterly along the front line of said Government Lot 4 a distance of 205.74 feet to a point; thence Southerly at an angle of 09 degrees 51 minutes 14 seconds East a distance of 620.40 feet more or less to the more line of Lake Vermilion, thence Northwesterly along said shore line to a point on a line extending from the point of beginning South 09 degrees 04 minutes 20 seconds East; thence Northwesterly along said shore line a distance of 140.77 feet more or less to the point of beginning EXCEPT minerals.

Parcel 2:
That part of the SE 1/4 of NW 1/4, SECTION 9, TOWNSHIP 63 North of RANGE 18 West of the Fourth Principal Meridian, lying South of Rapp Road, EXCEPT MINERALS.

Have caused the same to be surveyed and platted as RUPERT SHORES ON VERMILION and do hereby dedicate to the public for public use forever Rapp Road as shown on this plat.

In witness whereof Jeannette M. Rupert has hereunto set her hand this _____ day of _____ 20____

Jeannette M. Rupert _____
State of _____
County of _____
This foregoing instrument was acknowledged before me, this _____ day of _____ 20____
by Jeannette M. Rupert.

Notary Public, _____ County of _____ State of _____
My commission expires _____

In witness whereof Charles E. Reader has hereunto set his hand this _____ day of _____ 20____

Charles E. Reader _____
State of _____
County of _____
This foregoing instrument was acknowledged before me, this _____ day of _____ 20____
by Charles E. Reader.

Notary Public, _____ County of _____ State of _____
My commission expires _____

In witness whereof Corinne M. Rupert has hereunto set her hand this _____ day of _____ 20____

Corinne M. Rupert _____
State of _____
County of _____
This foregoing instrument was acknowledged before me, this _____ day of _____ 20____
by Corinne M. Rupert.

Notary Public, _____ County of _____ State of _____
My commission expires _____

In witness whereof Scott Kambar has hereunto set his hand this _____ day of _____ 20____

Scott Kambar _____
State of _____
County of _____
This foregoing instrument was acknowledged before me, this _____ day of _____ 20____
by Scott Kambar.

Notary Public, _____ County of _____ State of _____
My commission expires _____

In witness whereof Marsha R. Kambar has hereunto set her hand this _____ day of _____ 20____

Marsha R. Kambar _____
State of _____
County of _____
This foregoing instrument was acknowledged before me, this _____ day of _____ 20____
by Marsha R. Kambar.

Notary Public, _____ County of _____ State of _____
My commission expires _____

Tax Statement: I hereby certify on this _____ day of _____ 20____ that all current and delinquent taxes on the land described herein are paid.

Bonded Clerk
St. Louis County Auditor

I hereby certify that this instrument was filed in the office of the Registrar of Titles for record on this _____ day of _____ 20____ at _____ o'clock _____ M. affecting Certificate of Title number 283510

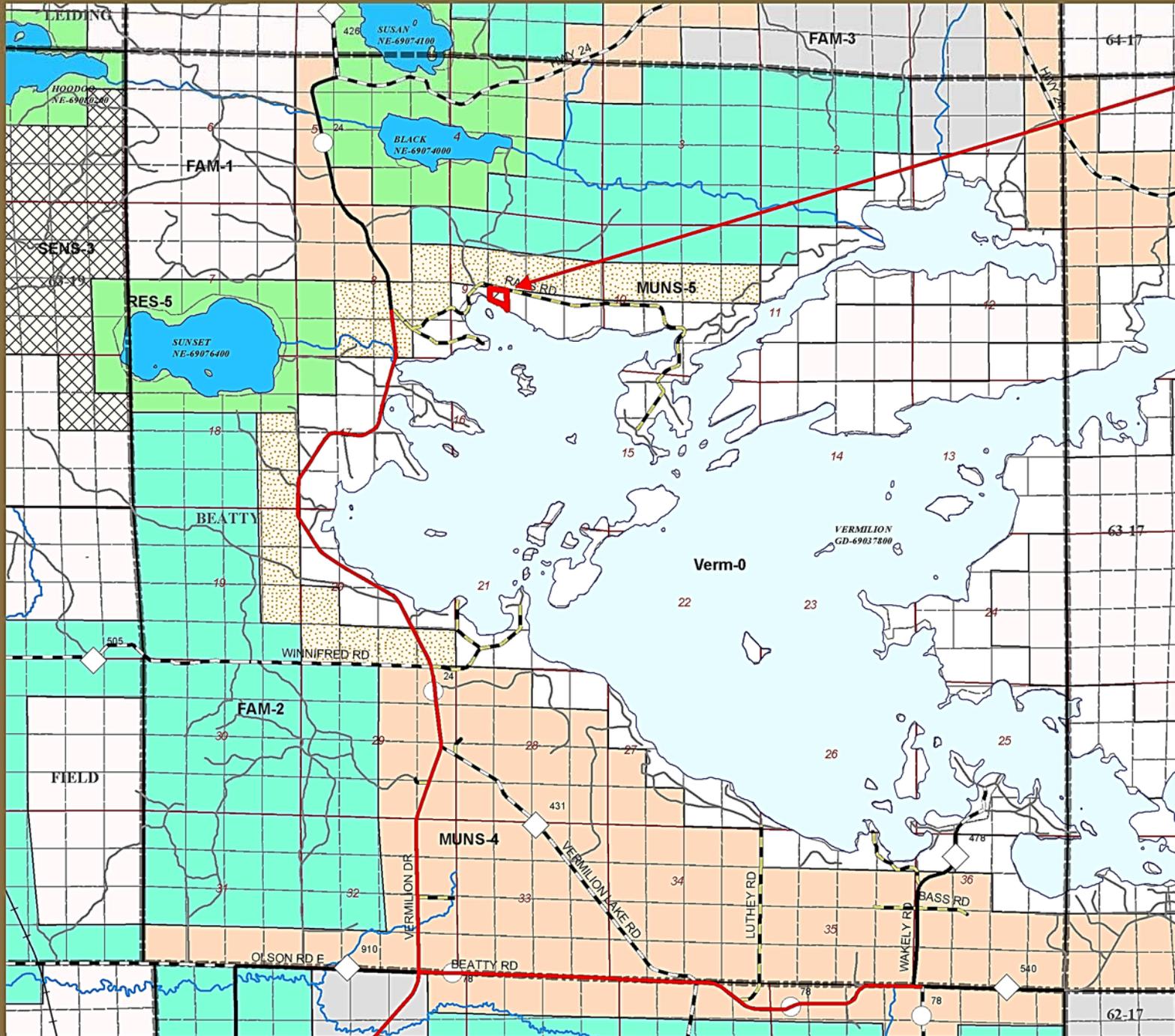
Man A. Monzoni
St. Louis County Recorder



St. Louis County MN

Beatty 63-18, Section 9

St. Louis County Zoning Map



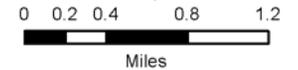
Proposed Project

Lake Classification & Shoreline Setbacks

	General Development - GD	75ft.
	Recreational Development - RD	100ft.
	Natural Environment - NE	150 ft.
	Tributaries	100 ft.
	Primitive	300 ft
	SLC Remote	200 ft
	Recreational	150 ft
	Rural / Agricultural	200 ft
	Urban	100 ft
	Trout Streams	150 ft
	DNR Remote	200 ft
	DNR Forested	150 ft

Road Functional Classifications & Road Setbacks

	Principal and Minor Arterial	110 ft.
	Major Collectors	85 ft.
	Minor Collectors	68 ft.



Prepared By: Planning & Development
Planning, Research, & GIS Division
(218) 725-5000
www.co.st-louis.mn.us

Team Credits: Planning, Land, Public Works, 911

Source: St. Louis County, DNR

Map Created: 10/09/2011

Disclaimer
This is a compilation of records as they appear in the St. Louis County Offices affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein contained.

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BOARD LETTER NO. 13 - 06

ENVIRONMENT & NATURAL RESOURCES COMMITTEE CONSENT NO. 5

BOARD AGENDA NO.

DATE: January 8, 2013 **RE:** Cancellation of Contracts for
Repurchase of State Tax
Forfeited Land - Beyer

FROM: Kevin Z. Gray
County Administrator

Robert Krepps, Land Commissioner
Land and Minerals

Donald Dicklich
County Auditor

RELATED DEPARTMENT GOAL:

Performing public services; financial return to the county and taxing districts.

ACTION REQUESTED:

The St. Louis County Board is requested to cancel a contract for repurchase of state tax forfeited land.

BACKGROUND:

The County Auditor has attached information in reference to a state tax forfeited land contract which has been entered into under the provisions of Minn. Stat. § 282. The repurchase agreement has defaulted due to the purchaser's failure to provide proof of insurance. The purchaser, Joshua Beyer of Duluth, MN, has been served with Notice of Cancellation of Contract by civil process but has failed to cure the default.

RECOMMENDATION:

It is recommended that the St. Louis County Board approve cancellation of this contract and authorize the disposal of abandoned personal property that may remain on the site.

Joshua Beyer, Duluth, MN

Legal Description	TOWN OF RICE LAKE LOTS 50 & 51, BLOCK 2, COLMANS 4TH ACRE TRACT ADDN TO DULUTH Parcel Code: 520-0090-00770 C22100087
Purchase Price	\$5,814.43
Principal Amount Remaining	\$2,525.91
Date of Last Payment	10/4/2011
Installment Payments Not Made	\$0.00
Subsequent Del Taxes and Fees	\$66.59
Amount Needed to Cure Default	\$66.59
Insurance	Failure to provide insurance

Cancellation of Contract for Repurchase of State Tax Forfeited Land - Beyer

BY COMMISSIONER _____

WHEREAS, the contract with Joshua Beyer of Duluth, MN, for the repurchase of state tax forfeited land is in default for failure to provide proof of insurance; and

WHEREAS, the purchaser was properly served with Notice of Cancellation of Contract by civil process and has failed to cure the default for lands legally described as:

TOWN OF RICE LAKE
LOTS 50 & 51, BLOCK 2, COLMANS 4TH ACRE TRACT ADDN TO DULUTH
Parcel Code: 520-0090-00770
C22100087

WHEREAS, Minn. Stat. § 282.04, Subd, 2(d) and 504B.271 authorizes the County Auditor to dispose of abandoned personal property; and

WHEREAS, the previous owners of the property will be notified by posting of the property or by mail.

NOW, THEREFORE, BE IT RESOLVED, that the St. Louis County Board approves the cancellation of contract for the repurchase of state tax forfeited land described above, according to the provisions of Minn. Stat. § 282.01, Subd. 5, and Minn. Stat. § 282.40, and according to the procedures of Minn. Stat. § 559.21.

RESOLVED FURTHER, that the St. Louis County Auditor is authorized to dispose of abandoned personal property from the above described state tax forfeited property.



St. Louis County Land Department Tax Forfeited Land Sales

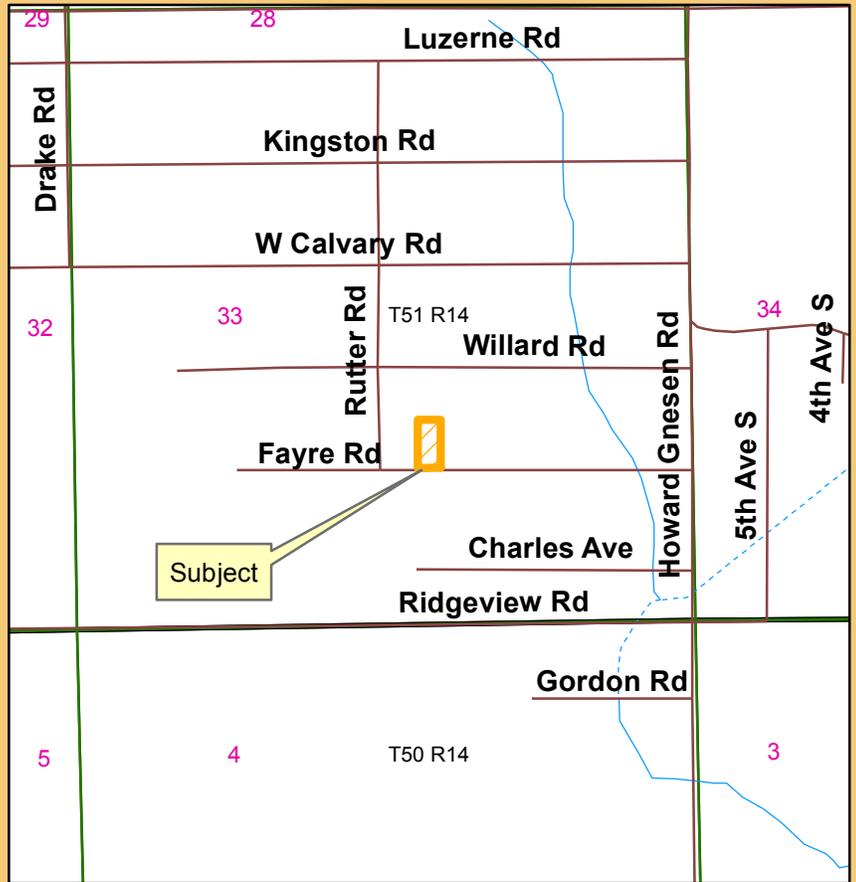
Cancellation of Contract

Legal : TOWN OF RICE LAKE
LOTS 50 & 51, BLOCK 2
COLMANS 4TH ACRE TRACT ADDN TO
DULUTH

Parcel Code : 520-0090-00770

LDKEY : 62257

Address: 4187 Fayre Rd
Duluth, MN 55803

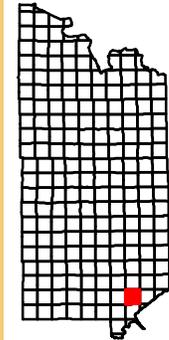


Town of Rice Lake

Sec: 33 Twp: 51 Rng: 14

Commissioner District # 5

- State Tax Forfeited Land
- Water
- Road
- Area of Interest
- Tract



St. Louis County, Minnesota

This drawing is neither a legally recorded map nor a survey and is not intended to be used as such. This drawing is a compilation of recorded information and data located in various city, county, state and federal offices. St. Louis County is not responsible for any incorrectness herein.

St. Louis County
Land Department

January 2013



2003 NAIP Photo

BOARD LETTER NO. 13 - 07

FINANCE & BUDGET COMMITTEE CONSENT NO. 6

BOARD AGENDA NO.

DATE: January 8, 2013

RE: Letter of Understanding for
2012 Audit by State Auditor's
Office

FROM: Kevin Z. Gray
County Administrator

Don Dicklich
County Auditor/Treasurer

RELATED DEPARTMENT GOAL:

Provide professional finance and accounting services in compliance with best practices.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize a Letter of Understanding with the State Auditor's Office for an audit of 2012 financial records.

BACKGROUND:

Minnesota statutes provide that the county be audited annually by the State Auditor's Office. The Letter of Understanding from Rebecca Otto, State Auditor, details the scope of the proposed audit of the county's 2012 financial records. The letter also references the professional standards on which the audit will be based.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the required signatories to execute the Letter of Understanding for the audit of the county's 2012 financial records.

Letter of Understanding for 2012 Audit by State Auditor's Office

BY COMMISSIONER _____

RESOLVED, that the St. Louis County Board authorizes the required signatories to execute the Letter of Understanding which details the scope and basis of the 2012 proposed audit of St. Louis County by the State Auditor's Office.

RECEIVED

2 2012



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR **St. Louis CO. Auditor**

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)

state.auditor@state.mn.us (E-Mail)
1-800-627-3529 (Relay Service)

RECEIVED

DEC 24 2012

St. Louis CO. Auditor

December 21, 2012

The Honorable Donald Dicklich
County Auditor/Treasurer
St. Louis County Courthouse
100 N. 5th Avenue W.
Duluth, Minnesota 55802

Board of Commissioners
County Administrator
St. Louis County

We are pleased to confirm our understanding of the services we are to provide pursuant to Minn. Stat. § 6.48 for St. Louis County for the year ended December 31, 2012. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of St. Louis County as of and for the year ended December 31, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement St. Louis County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to St. Louis County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

- Management's discussion and analysis
- GASB-required supplementary other post-employment benefits schedules and related notes

We have also been engaged to report on supplementary information other than RSI that accompanies St. Louis County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- Combining and individual fund statements
- Budgetary presentations for other funds

- Schedule of investments and interest earning deposits
- Schedule of intergovernmental revenue
- Schedule of expenditures of federal awards

We will also issue our management and compliance report that will include the schedule of expenditures of federal awards that will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and upon which we will provide an opinion in relation to the financial statements as a whole.

The following other information accompanying the financial statements in your comprehensive annual financial report (CAFR) will not be subjected to the auditing procedures applied in our audit of the financial statements and for which our auditor's report will not provide an opinion or any assurance.

- Introductory section
- Statistical section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance, and the result of that testing, and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and in accordance with OMB Circular A-133 in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the

Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of OMB Circular A-133; and the legal provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports and to report in conformity with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*. If our opinions on the financial statements or the Single Audit compliance opinion are other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs, for understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. In order to meet your responsibilities for the financial statements, notes, and schedule of expenditures of federal awards, you agree to have information completed and available for audit by the dates identified in a schedule of completion document provided to auditors. If you are unable to prepare the information needed for the financial statements, notes, or schedule of expenditures of federal awards, or if the completion schedule varies significantly, we will, based on our staffing availability, provide the additional non-audit services necessary to assist in the preparation of your draft financial statements, notes, and schedule of expenditures of federal awards based on management's chart of accounts and other information determined and approved by management. St. Louis County understands this will result in additional costs and agrees to pay for these services.

You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements, notes, and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any non-audit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. Louis County and the respective changes in financial position and, where applicable, cash flows in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. You are also responsible for providing us with (a) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings, if applicable, should be available for our review.

You are responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (b) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with generally accepted accounting principles (GAAP); (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those financial audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the auditor's report, you understand that you must obtain our prior consent to reproduce or use our report in bond offering official statements or other documents.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of

certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of St. Louis County's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of St. Louis County's major programs. The purpose of those procedures will be to express an opinion on St. Louis County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration and Other

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. Additional copies of the reporting package may be required. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for your audit.

The audit documentation for this engagement is the property of the Office of the State Auditor. We may be requested to make certain audit documentation available to a cognizant or oversight agency for audit or its

designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under our supervision. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies

The audit documentation for this engagement will be retained, pursuant to our record retention plan, for a period of ten years after the date the auditor's report is issued. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact those contesting the audit finding for guidance prior to destroying the audit documentation. We will be available throughout the year to answer questions, provide assistance, or assist you in implementing any of our recommendations.

Our fees are based on standard hourly rates plus travel and any out-of-pocket expenses. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Progress billings will be mailed to you every four weeks. The condition of your records and the assistance you are able to provide us affects both the timeliness and cost of the audit.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract when requested by you. Our 2012 peer review report can be found on our website at www.auditor.state.mn.us

We appreciate the opportunity to be of service to St. Louis County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact me at (651) 282-2748 or Greg Mutchler, CPA, who will be in charge of this audit, at (218) 723-4902. If you agree with the terms of our engagement as described in this letter, please sign where provided below and return it to us at:

Office of the State Auditor
411 West First Street, Suite 206
Duluth, MN 55802-1190

Sincerely,


Dianne Syverson, CPA, Audit Manager

Approved: This letter correctly sets forth the understanding of St. Louis County.

Chair of Board of County Commissioners

Date

County Auditor/Treasurer

Date

County Administrator

Date

BOARD LETTER NO. 13 - 08

FINANCE & BUDGET COMMITTEE CONSENT NO. 7

BOARD AGENDA NO.

DATE: January 8, 2013 **RE:** Abatement List for Board Approval

FROM: Kevin Z. Gray
County Administrator

Mark Monacelli, Director
Public Records & Property Valuation

David L. Sipila
County Assessor

RELATED DEPARTMENT GOAL:

The County Assessor will meet all state mandates for classifying and valuing taxable parcels for property tax purposes as outlined in Minn. Stat. § 270 through 273.

ACTION REQUESTED:

The St. Louis County Board is requested to approve the attached abatements.

BACKGROUND:

The intent of abatements is to provide equitable treatment to individual taxpayers while at the same time exercising prudence with the tax monies due to the taxing authorities within St Louis County. Abatements are processed in conformance with St. Louis County Board Resolution No. 861, dated November 30, 1993, outlining the Board's policy on abatement of ad valorem taxes. This Policy provides direction for the abatement of: 1) Current year taxes; 2) Current year penalty and costs; 3) Past year taxes; and 4) Past year penalty, interest, and costs.

RECOMMENDATION:

It is recommended that the St. Louis County Board approve the attached list of abatements.

Abatement List for Board Approval

BY COMMISSIONER _____

RESOLVED, that the St. Louis County Board approves the applications for abatements, correction of assessed valuations and taxes plus penalty and interest, and any additional accrual, identified in County Board File No. _____.

12/27/2012
2:27:40PM

Abatements Submitted for Approval by the St. Louis County Board
on 1/15/2013

<u>PARCEL CODE</u>	<u>AUD NBR</u>	<u>NAME</u>	<u>TYPE</u>	<u>LOCATION</u>	<u>APPRAISER</u>	<u>REASON</u>	<u>YEAR</u>	<u>REDUCTION</u>
10 9090 30	0 14590	BURLINGTON NORTHER	R	City of Duluth	Terry Johnson	VALUATION	2012	19,929.58
165 20 314	0 14624	LARSON, HAZEL	R	Meadowlands C.	Rodella LaFreniere	HOMESTEAD	2012	875.26
40 130 990	0 14625	NEEDHAM, BERT	R	Eveleth	Bob Kivela	HOMESTEAD	2012	740.56

BOARD LETTER NO. 13 - 09

FINANCE & BUDGET COMMITTEE CONSENT NO. 8

BOARD AGENDA NO.

DATE: January 8, 2013

RE: Storage Area Network Backup
Device and Media Cartridges
Purchase

FROM: Kevin Z. Gray
County Administrator

Martin Buscombe, Director
Information Technology

RELATED DEPARTMENT GOAL:

To provide a strong county infrastructure.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the purchase of Quantum Scalar 500 14U Base Library unit with peripheral components and 85 Sony LTO6 Media Cartridges.

BACKGROUND:

The Information Technology (IT) Department uses a matched pair of Storage Area Network electronic data storage units. These units which were purchased under the State of Minnesota contract from Datalink Corporation are located at the primary and backup data centers. To back up the files on these data storage units the department currently uses magnetic tape media cartridges which are created on a tape drive also located at the backup data center. This equipment is now at the end of its useful life and is scheduled to be replaced.

The IT Department planned for this equipment replacement and included it in the 2013 budget. A quotation for the equipment was received from Datalink Corporation in preparation for this upgrade.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the purchase of a Quantum Scalar i500 14U Base Library, associated components and three years of onsite support from Datalink Corporation at the quoted price of \$49,429.00 plus Minnesota State Sales Taxes of \$3,398.24. It is further requested that the County Board authorize the purchase of 85 Sony LTO6 Media Cartridges at the quoted price of \$8,372.50 plus Minnesota State Sales Taxes of \$575.61. Funding for both purchases is available in Fund 100, Agency 117004, Object 665300.

Storage Area Network Backup Device and Media Cartridges Purchase

BY COMMISSIONER _____

WHEREAS, St. Louis County is committed to providing a strong infrastructure for its electronic information systems.

NOW, THEREFORE, BE IT RESOLVED, that the St. Louis County Board authorizes the purchase of a Quantum Scalar i500 14U Base Library, associated components and three years of onsite support from Datalink Corporation at the quoted price of \$49,429.00 plus Minnesota State Sales Taxes of \$3,398.24.

RESOLVED FURTHER, that the County Board authorizes the purchase of 85 Sony LTO6 Media Cartridges at the quoted price of \$8,372.50 plus Minnesota State Sales Taxes of \$575.61. Funding for both purchases from Fund 100, Agency 117004, Object 665300.

BOARD LETTER NO. 13 - 10

CENTRAL MANAGEMENT & INTERGOVERNMENTAL COMMITTEE CONSENT NO. 9

BOARD LETTER NO.

DATE: January 8, 2013

RE: Compensation for Services to
the Law Library Board 2013

FROM: Kevin Z. Gray
County Administrator

RELATED DEPARTMENT GOAL:

To provide efficient, effective government.

ACTION REQUESTED:

The St. Louis County Board is requested to approve the compensation for professional services to the Law Library Board as required by Minn. Stat. §134A.08.

BACKGROUND:

On December 28, 2012 the Law Library Board entered into a professional services agreement for the provision of consulting services to the Law Library Board of Directors during the 2013 calendar year.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the Law Library professional services agreement compensation for 2013 pursuant to Minn. Stat. §134A.08. Funding is available from the Law Library Fund. Fund 180, Agency 180001.

Compensation for Services to the Law Library Board 2013

BY COMMISSIONER _____

WHEREAS, on December 28, 2012 the Law Library Board of Directors entered into an agreement with Anthony Rubin for consulting services to the Law Library Board during the 2013 calendar year; and

WHEREAS, pursuant to Minn. Stat. §134A.08 the County Board must approve the annual compensation for said services; and

WHEREAS, the Law Library has sufficient funds available in Fund 180, Agency 180001.

NOW, THEREFORE, BE IT RESOLVED, that the St. Louis County Board authorizes the 2013 professional services agreement compensation amount of \$55,200 payable from Fund 180, Agency 180001, Object 629900.

**AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN
ST. LOUIS COUNTY LAW LIBRARY BOARD
AND ANTHONY RUBIN**

THIS AGREEMENT is made and entered into between **ST. LOUIS COUNTY LAW LIBRARY BOARD**, hereinafter referred to as "Law Library," and **ANTHONY RUBIN**, 822 Baylis St. #105, Duluth, MN 55811, hereinafter referred to as "Contractor."

WITNESSETH:

WHEREAS, St. Louis County Law Library, wishes to purchase the services of the Contractor to evaluate and recommend changes in the organization of library material, records, and policies; and,

WHEREAS, the Contractor has the training, experience, and knowledge to provide this service; and,

WHEREAS, there are funds available for the purchase of this service.

NOW, THEREFORE, for good and valuable consideration, the parties agree as follows:

1. TERM OF SERVICE

The Contractor agrees to perform services for Law Library during the period commencing January 1, 2013, and terminating on December 31, 2013.

This Agreement may be renewed upon agreement of Law Library and Contractor provided that Contractor has satisfactorily performed the services herein described. The payment for services may be adjusted upon the agreement of Law Library and Contractor. Failure to agree on payment shall prevent renewal of the contract.

2. SERVICES TO BE PROVIDED

Contractor shall evaluate and recommend changes for: collection development, maintenance, and inventory tracking system; securing and preserving historic reference material; updating existing law library policies; developing and directing a successful move of the law library to the ground level; collaborating with vendors to build out the space and transport law library material; and other projects at the request of the Law Library. All services provided by Contractor pursuant to this Agreement shall be deemed for the benefit of and on behalf of the Law Library.

3. COMPENSATION

Law Library will pay Contractor \$55,200 for the entire term of this Agreement, commencing January 1, 2013 and terminating December 31, 2013, payable from the Public Law Library fund 180.

4. PAYMENT

Contractor shall invoice the Law Library monthly. The Law Library agrees to pay Contractor the amount \$4,600 per month. The Law Library agrees to pay invoices within seven (7) days of receipt and approval.

5. INDEPENDENT CONTRACTOR

A. That at all times and for all purposes hereunder, Contractor shall be an independent contractor and is not an employee of the Law Library or St. Louis County for any purpose. No statement contained in this Agreement shall be construed so as to find Contractor to be an employee of the Law Library or St. Louis County, and Contractor shall not be entitled to any of the rights, privileges, or benefits of employees of the Law Library or St. Louis County, including, but not limited to, workers' compensation, health, death benefits, and indemnification for third-party personal injury/property damage claims.

B. Contractor acknowledges and agrees that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due Contractor and that it is Contractor's sole obligation to comply with the applicable provisions of all Federal and State laws.

C. Contractor shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services identified herein.

6. SUBCONTRACTING AND ASSIGNMENT

It is understood and agreed that Anthony Rubin will provide the services purchased hereunder unless otherwise approved by the Law Library Board.

The Contractor shall neither enter into subcontracts for performance of any of the services contemplated under this Agreement nor assign this Agreement without the prior written approval of the Law Library and subject to such conditions and provisions as the Law Library may deem necessary.

7. COMPLIANCE WITH NONDISCRIMINATION LAWS

Contractor agrees to comply with all Federal, State and local laws, ordinances, rules and regulations pertaining to unlawful discrimination on account of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability or age.

8. MODIFICATIONS/ ADDENDA

Any alterations, variations, modifications, or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by the authorized representatives of the Law Library and Contractor. This Agreement shall supersede all other oral and written agreements prior to execution of this document.

9. TERMINATION

A. Either party may terminate this Agreement upon thirty (30) days' written notice.

B. Contractor shall be paid for actual work done to the date of termination. All documents completed by Contractor through the date of termination shall become the property of the Law Library.

10. NOTICES/COMMUNICATIONS

All notices and demands pursuant to this Agreement without cause shall be directed in writing to:

Contractor

Anthony Rubin
822 Baylis St.#105
Duluth, MN 55811

St. Louis County Law Library

Peg Sweeney, Law Library Board Chair
100 N. 5th Avenue West
Duluth, MN 55802

11. WAIVER

Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.

12. INSURANCE

Contractor shall execute certificate of compliance with workers compensation statutory requirements.

13. RECORDS AUDITING AND RETENTION

Contractor's bonds, records, documents, papers, accounting procedures and practices, and other evidence relevant to this Agreement are subject to the examination, duplication, transcription and audit by the County and either the Legislative or State Auditor, pursuant to Minn. Stat. § 16C.05, subd. 5. Such evidence is also subject to review by the Comptroller General of the United States, or a duly authorized representative, if federal funds are used for any work

under this Agreement. Contractor agrees to maintain such evidence for a period of six (6) years from the date of services or payment were last provided or made or longer if any audit in progress requires a longer retention period.

14. FINAL AGREEMENT

This Agreement is the final expression of the agreement of the parties and the complete and exclusive statement of the terms agreed upon and shall supersede all prior negotiations, understandings, or agreements. There are no representations, warranties, or stipulations, either oral or written, not herein contained.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates written below.

CONTRACTOR

ST. LOUIS COUNTY LAW LIBRARY

BY: 
ANTHONY M. RUBIN

BY: 
PEG SWEENEY
CHAIR

Date: 12-28-12

Date: 12/28/12
Damion No. 2013-7605

**Transfer of Two All-Terrain Vehicles to
Hermantown Volunteer Fire Department**

BY COMMISSIONER _____

WHEREAS, the Sheriff's Office has decommissioned two All-Terrain Vehicles as part of an upgrade and these vehicles are no longer needed by the county; and

WHEREAS, the Hermantown Volunteer Fire Department is in need of All-Terrain Vehicles to support its fire and rescue response.

NOW THEREFORE, BE IT RESOLVED, that the St. Louis County Board authorizes the St. Louis County Sheriff's Office to transfer ownership of two all-terrain vehicles to the Hermantown Volunteer Fire Department at no cost, except for transfer of title costs which will be paid by the department:

1. 1997 Polaris Explorer Serial # 4XACC28C3V2075275
2. 1994 Polaris 400L Serial # 9400930

BOARD LETTER NO. 13 – 12

HEALTH & HUMAN SERVICES COMMITTEE NO. 1

BOARD AGENDA NO.

DATE: January 8, 2013

RE: **Region 3 Human Services
Redesign Project for Electronic
Document Management
System of Income Maintenance
Programs**

FROM: **Kevin Z. Gray
County Administrator**

**Ann M. Busche, Director
Public Health & Human Services**

RELATED DEPARTMENT GOALS:

Develop the infrastructure to support the mission to protect, promote, and improve the health and quality of life in St Louis County.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize an agreement governing participation in a seven county Region 3 Human Services Redesign Project for electronic document management of income maintenance programs.

BACKGROUND:

On January 15, 2008, by Resolution No. 08-40, the St. Louis County Board authorized the Public Health and Human Services Department (PHHS) to accept a grant to pilot an Electronic Document Management System (EDMS) for income maintenance programs in its Ely office. Based on the success of that pilot, the Board authorized the implementation of EDMS in the remaining offices of Hibbing, Virginia and Duluth on December 22, 2009, by County Board Resolution No. 09-594. This implementation was completed with all locations live on the system in December, 2010.

During this same time period, in late 2009 and early 2010, meetings were held to discuss human service redesign projects that may be feasible for the Arrowhead region. These meetings were facilitated by staff from the Arrowhead Regional Development Commission (ARDC) and had participation of commissioners (generally two from each county), human service directors, and administrative staff from St. Louis, Lake, Cook, Koochiching, Aitkin, Itasca and Carlton counties. In October 2010, the human services directors were directed to further explore a regional EDMS system.

The region is now at the stage in this project where an agreement between St. Louis County and the other six counties of the region needs to be executed. Attorneys from the Civil and PHHS Divisions of the County Attorney's Office have crafted the agreement and associated bylaws, using the NEMESIS public safety system as a model. These documents are attached to this Board Letter.

The agreement allows for St. Louis County to host and staff the system on behalf of the other six counties in the region, the cost for which will be paid entirely by the other six counties. As required by Board policy, this model has been reviewed and approved by the Information Technology (IT) Investment and IT Steering Committees.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize an agreement with Lake, Cook, Koochiching, Aitkin, Itasca and Carlton counties for the hosting and staffing of a regional EDMS for income maintenance programs.

**Region 3 Human Services Redesign Project for Electronic Document
Management System of Income Maintenance Programs**

BY COMMISSIONER _____

WHEREAS, on January 15, 2008, by Resolution No. 08-40, the St. Louis County Board authorized the Public Health and Human Services Department (PHHS) to accept a grant to pilot an Electronic Document Management System (EDMS) for income maintenance programs in its Ely office; and

WHEREAS, based on the success of that pilot, the Board authorized the implementation of EDMS in the remaining offices of Hibbing, Virginia and Duluth on December 22, 2009, by County Board Resolution No. 09-594; and

WHEREAS, in late 2009 and early 2010, meetings were held with representatives of St. Louis, Lake, Cook, Koochiching, Aitkin, Itasca and Carlton counties to discuss human service redesign projects that may be feasible for the Arrowhead Region; and

WHEREAS, in October 2010, the human services directors of these counties were directed to further explore a regional EDMS system; and

WHEREAS, the region is now at the stage in the project where an agreement between St. Louis, Lake, Cook, Koochiching, Aitkin, Itasca and Carlton counties needs to be executed; and

WHEREAS, as required by County Board policy, this model has been reviewed and approved by the Information Technology Investment and Information Technology Steering Committees.

NOW THEREFORE, BE IT RESOLVED, the St Louis County Board authorizes the appropriate county officials to enter into an agreement with Lake, Cook, Koochiching, Aitkin, Itasca and Carlton counties for the hosting and staffing of a regional Electronic Document Management System for income maintenance programs, with all costs paid by the six partner counties.

RESOLVED FURTHER, that amendments to the licensing, maintenance and support agreements for the OnBase and Compass software may be executed by the Director of Public Health and Human Services and County Auditor, provided the funding for requested changes to the license agreement are included in the appropriate budgets.

**Charter Agreement Governing Participation
in a Seven-County Region 3 Human Service Redesign Project
for Electronic Document Management of Income Maintenance Programs**

This agreement is entered into by and between the County of St. Louis, 100 North 5th Avenue W., Duluth, MN 55802, a body corporate and politic existing under the laws of the State of Minnesota, hereinafter referred to as the “Host”, and the following Minnesota Counties: Aitkin County Health & Human Service Agency, 204 - 1st St NW, Aitkin, MN 56431; Carlton County Public Health & Human Services, 14 N. 11th St., Suite 100, Cloquet, MN 55720; Cook County Social Services, 411 W 2nd Street, Grand Marais, MN 55604; Itasca County Health & Human Services, Itasca Resource Center, 1209 SE 2nd Avenue, Grand Rapids, MN 55744; Koochiching County Community Services, 1000 - 5th Street, International Falls, MN 56649; and Lake County Human Services Department, 616 Third Avenue, Two Harbors, MN 55616, hereinafter referred to as “Charter Members”.

WITNESSETH:

WHEREAS, current public funding allocated to the provision of human services is out of alignment with the quantitative and qualitative demand for services, making the current system unsustainable for the near future; and

WHEREAS, counties can benefit through collaboration by reducing duplication of like administrative activities without negatively affecting service capacity, by adding value through sharing the specialized knowledge and experience of staff with the result of increased aggregate service capacity, and by utilizing the evolution of technology to effectively work across distances and jurisdictions, and

WHEREAS, increased efficiencies and streamlining across county lines can benefit taxpayers in cost savings, and

WHEREAS, Minnesota Statutes Chapter 402A, the “State-County Results, Accountability, and Service Delivery Redesign Act,” hereinafter referred to as “Redesign” allows counties to enter into voluntary service delivery agreements to redesign delivery of all or some essential human services; and

WHEREAS, Commissioners and Public Health & Human Services (PHHS) Directors from the seven counties of the Arrowhead Region met from July 2009 through May 2010 to discuss redesign in Region 3, engaged in intense prioritization of 23 essential human services areas, analyzed factors affecting the likelihood of success in these areas, identified key assumptions for redesign activities, reached consensus on a focus area with rationale, and completed a market survey for further investigation and due diligence; and

WHEREAS, the seven counties in Northeastern Minnesota now desire to implement a regional Redesign Project within the Income Maintenance Program Area consisting of electronic document management, appointments management, and case banking with

one standard for work flow and business process across all counties, insuring a negotiation of shared resources, authority, and accountability for human services programs; and

WHEREAS, St. Louis County will provide the technological “Host Environment” with a centrally located server in Duluth, Carlton County will serve as the “Pilot” to be the model for the Document Management System for all remaining locations outside of St. Louis County, and a Steering Committee will be responsible for all work flow decisions; and

WHEREAS, a means of financing both the anticipated startup costs and anticipated annual maintenance costs has been identified in the proposed funding formula pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, eDocument Resources, 6101 Baker Road, Suite 207, Minnetonka, MN 55345, hereinafter referred to as “Vendor”, has been chosen to provide software, software maintenance, and professional services, and Ron Michaels Consulting, Inc., PO Box 26115, St. Louis Park, MN 55426, hereinafter referred to as the “Consultant”, has been chosen as a project consultant;

NOW THEREFORE, in consideration of the mutual covenants and promises between the parties set forth herein, it is hereby agreed that:

I. DEFINITIONS

Annual maintenance costs – annual costs necessary for maintenance of the Software.

Appointments management – a client flow and schedule management tool that improves the assignment, coordination, and communication of scheduled and non-scheduled appointments.

Arrowhead Region – the seven counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis, also known as Region 3.

Business Managers – Financial Assistance supervisors and managers.

Business process – the collection of related, structured activities and tasks that result in determination of eligibility for Income Maintenance public assistance programs.

Case Banking – teams of workers divided by job function rather than individual cases, grouped according to program.

Consultant – an independent contractor providing project management and implementation direction until such time as the program is fully operational in all counties; the contract with the Consultant shall end upon completion of the project.

Charter Members – the six counties of Region 3 not serving as Host.

Electronic Document Management System (EDMS) – utilization of electronic systems and methods to store and route case information rather than traditional paper files.

Functional Specifications – collection of documents describing the business process in terms of technical system configurations and training materials.

Go Live – the first productive use of the Software on Host Environment, by each Member, after completion of Software installation, testing and training.

Host – St. Louis County.

Host Environment – test and production servers on which applications, databases, and documents reside and connectivity to those servers.

Income Maintenance Program – public assistance programs for low income and other specific populations, consisting primarily of food support, medical assistance, and cash assistance.

Interface - A programming interface consisting of the set of statements, functions, options, and other ways of expressing program instructions and data provided by a program or language for a programmer to use.

Member – Each Charter Member and any additional counties that become part of the Regional EDMS.

Participating User - projected estimate of each actual seat or user who accesses the system.

Pilot – Carlton County, the first of Counties to test the expansion of the system beyond St. Louis County.

Product Updates - those improvements and/or modifications to the software that eDocument Resources, Inc. generally makes available as part of the annual maintenance program.

Product Upgrades - any product releases, including added functionality or major enhancement of the software, that eDocument Resources, Inc. markets and licenses for additional fees separately from updates. The term includes new modules and applications marketed by Vendor that pertain to the electronic document management system.

Project – the regionalization of Income Maintenance infrastructure and business process that includes utilization of Electronic Document Management across all seven counties. The

Project is considered complete when the seventh and final county goes live and the system is fully operational.

Project Goals – Purpose and Intended Result of this project, as identified in attached Exhibit A.

Project Sponsors – Public Health/Human Service Directors from the seven counties in Region 3.

Project Manager – Consultant hired under contract until the regional system is fully implemented.

Region 3 - the seven counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis, also known as Arrowhead Region.

Regional Technical Support Team – made up of at least one member from each of the seven Counties Information Technology (IT) units

Software - EDMS, Compass Appointments and related software provided by eDocument Resources, Inc.

Startup costs – funds used to develop and implement the EDMS case banking, case file management and appointment system across Region 3.

Statement of Work (SOW) - a signed document between eDocument Resources and the six Charter Members.

Steering Committee – a project governing committee with representatives from all participating counties plus other key members, subject to the bylaws in attached Exhibit B.

Users – Region 3 Financial Workers and clerical support.

Vendor – person or business that sells products and/or services.

Work flow - a sequence of operations declared as work of a person, a group of persons, or an organization of staff.

II. DESIGNATED REPRESENTATIVES

The St. Louis County Director of Public Health and Human Services (PHHS), Ann Busche, at telephone number (218) 726-2097, is the representative of St. Louis County and will administer this Agreement for and on behalf of the Host.

Representatives of Charter Members are as follows:

Thomas Burke, Director, Aitkin County Health & Human Service Agency, 204 - 1st St NW, Aitkin, MN 56431;

Dave Lee, Director, Carlton County Public Health & Human Services, 14 N. 11th St., Suite 100, Cloquet, MN 55720;

Sue Futterer, Director, Cook County Social Services, 411 W 2nd Street, Grand Marais, MN 55604;

Lester Kachinske, Director, Itasca County Health & Human Services, Itasca Resource Center, 1209 SE 2nd Avenue, Grand Rapids, MN 55744;

Terry Murray, Director, Koochiching County Community Services, 1000 - 5th Street, International Falls, MN 56649; and

Vickie Thompson, Director, Lake County Health and Human Services Department, 616 Third Avenue, Two Harbors, MN 55616,

Changes in designated representatives shall be restricted to Directors/Director Level Administrators of charter counties.

To assist the parties in the day-to-day performance of this Agreement and to develop service, ensure compliance, and provide ongoing consultation, liaisons shall be designated by Host and each Member. The parties shall keep each other continually informed, in writing, of any change in the designated liaison.

III. VENDORS

A. Software:

eDocument Resources, 6101 Baker Road, Suite 207, Minnetonka, Minnesota 55345. The Designated Representative of the Vendor is Matt Charlson, CTO.

B. Consultant: Start-Up Project Management

Ron Michaels Consulting, P.O. Box 26115, St. Louis Park, MN 55426. The Designated Representative of the Consultant is Mike Sexe.

IV. NOTICES

All notices and demands pursuant to this Agreement shall be directed in writing to the Host and to each Member.

V. SHARED ASSUMPTIONS AND ASSURANCES

In entering into this Agreement, the Host and Charter Member Counties have shared assumptions and give shared assurances. These shared assumptions and assurances include:

- A. The business development approach is to establish a common infrastructure which will be used as a catalyst to redesign and streamline business processes across all Region 3 counties.
- B. St. Louis County will provide the host and test environments for the electronic document management system software.
- C. All counties in Region 3 will participate in the Project.
- D. Business processes to be adopted by all counties are electronic document management, appointments, and case banking.
- E. Agreed upon technical findings and recommendations will be implemented by each impacted county.
- F. Region 3 business processes will conform to the standards established in St. Louis County in order to support work flow with the outcome being one standard work flow for Income Maintenance business units across the Region.
- G. Support personnel will be acquired by St. Louis County and funded by all counties in the Region.
- H. Governance shall be by a Steering Committee, to be made up of representatives of all seven counties.
- I. A Regional Technical Support Team will be established to manage all IT functions; duties will include assisting eDocument Resources with local installations and system support for training, go-live, and related activities.
- J. If at some point a request is made to Host to change the Functional Specifications, the Host PHHS Technology Support Manager will:
 - 1) Determine if a solution will meet the requesting county's business requirements exactly without impacting Host or Members;
 - 2) Determine if a current business process can be changed to accommodate the requesting county's needs; and
 - 3) Decide, with the approval of the Host PHHS Director, to initiate a change to the Functional Specifications or to deny the request.
- K. If a request to change the Functional Specifications is denied pursuant to the above paragraph J, the decision may be appealed by the Member to the Steering Committee. If the Steering Committee approves the proposed change(s), the Software will be modified for all Counties in the Region. Costs for changes may be assessed to the requesting Member only.

VI. COST ALLOCATIONS

In entering into this Agreement, the Host and Charter Member Counties agree to purchase and maintain Software licenses, support, maintenance, and training as follows:

A. Initial Costs

- 1) **License** – Host and Members must obtain and maintain, at their own cost, a limited, non-exclusive, perpetual license to the Software and Interfaces, including all future revisions, Product Upgrades and Product Updates. Any additional software licenses acquired by a Member are the financial responsibility of the individual acquiring Member. The invoice for the licenses purchased, as well as the associated ongoing maintenance should be billed directly to the acquiring Member by eDocument Resources.
- 2) **Software Support and Maintenance** – Host and Members must obtain and continue, at their own cost, maintenance services from Software Vendor to comply with the License requirements above.
- 3) **Training and Consulting** - All Training and/or Consulting Services Costs that are required only for a Member shall be paid directly by the Member receiving such services.

B. Start-up Costs:

- 1) St. Louis County shall not be included in any costs associated with Discovery and Implementation activities of the Members in acquiring the Electronic Document Management System, Compass Appointments, Case Banking, hardware and software acquisition, or related acquisition expenses. The Charter Members of Region 3 (Aitkin, Carlton, Cook, Itasca, Koochiching, and Lake Counties) shall be responsible for their own individual hardware and infrastructure improvements. The Charter Members allocation for their own hardware, licenses, and maintenance will be the costs of the actual hardware purchased, the number of licenses purchased, and the software maintenance for the licenses purchased.
- 2) Charter Member start-up allocations for services provided by Ron Michaels Consulting and eDocument Resources are based on percentage (number of Financial Workers) as follows:

Startup Cost Allocation Table

Description	Cook	Aitkin	Koochiching	Carlton	Itasca	Lake
# of Financial Workers	3	9	7	16	21	4
Cost Allocation Percentage	5%	15%	12%	26%	35%	7%

- 3) There shall be no net increase in costs to Host. St. Louis County will be responsible for costs related to the establishment of a Hosting Environment and a Test Environment prior to full implementation in Region 3.
- 4) All training for the **Start-up** of the Charter Members is defined as Initial Training. The cost allocation to the Charter Member Counties for Initial Training is based on the Startup Cost Allocation Table, above.

C. Ongoing and Special Costs:

- 1) After the last Charter Member Go Live on the EDMS system, including Appointments and Case Banking, Host and Charter Members will pay all usual and customary costs attributable to their individual EDMS systems. This will include annual maintenance, additional software license costs, training costs, consulting costs, local network and/or telecommunications costs, and any miscellaneous costs directly attributable to their EDMS system.
- 2) Host County and Members agree to allocate special costs proportionately based on the number of licenses. This number will be adjusted annually by the Steering Committee as number of licenses increase. Host and Members agree to notify each other whenever new licenses are obtained.
- 3) Special costs may include upgrades and also costs associated with changes to the business model. Special costs will be identified and approved by the Steering Committee as defined in Section VII Governance. If the Steering Committee fails to reach a consensus or vote regarding any costs not explicitly identified in this agreement, such costs shall be payable by the Members in equal percentage.
- 4) Special costs do not include costs incurred by a Member to meet its individual needs (i.e. not intended to be shared by or to benefit other Members), such as consulting, implementation, customization, education and training-related services, service to other products; maintenance of software that has been modified or repaired by someone other than Vendor; and modification or repair of damage to hardware or software caused by failure to continually provide a suitable operating environment (regardless of cause) or by using the software for other than the purposes for which licensed. Such costs shall be paid directly by the Member receiving such services.
- 5) Host will prepare quarterly invoices for costs. Members shall remit payment to Host for invoices within thirty (30) days.

D. Database and Server Costs

- 1) The server and database licenses have been purchased by Host with software assurance so as to keep both the server operating system and the database software up to date and supported. Costs for licenses and maintenance shall be

shared proportionately based on the number of licenses as outlined in Section C, Paragraph 2 above.

- 2) The production server hardware has been purchased and will be maintained by Host IT. Costs for purchase and ongoing support shall be shared proportionately based on the number of licenses as outlined in Section C, Paragraph 2 above.
- 3) The backup server hardware has been purchased and will be maintained by Host IT. Costs for purchase and ongoing support shall be shared proportionately based on the number of licenses as outlined in Section C, Paragraph 2 above.
- 4) Host IT will be responsible for initial load and ongoing maintenance and support of all server hardware and server operating and database management software with associated costs, including personnel time, to be shared proportionately based on the number of licenses as outlined in Section C, Paragraph 2 above.
- 5) Host IT will provide at least one, but no more than three, full-time equivalent position(s) to support and maintain the software, servers and databases, and to staff the IT Help Desk. Members shall equally share the costs of any necessary Host staff beyond the first FTE.
- 6) Member service requests to Software Vendor shall pass through the Host IT Help Desk at (218) 726-2426.

VII. FILES NOT NECESSARY FOR “GO LIVE”

Back file conversion is not in the scope of this project and therefore not considered. However, the preparation of the manual case file and the scanning of the manual case files into the eDocument Resources System (referred to as File Prep and File Scanning) are the responsibility of each of the Members as they prepare for their individual EDMS “Go Live”.

VIII. GOVERNANCE

Governance of the Region 3 EDMS project will be assumed by a Steering Committee, subject to the bylaws attached as Exhibit B. The Steering Committee members shall be the Directors of Health and Human Services from each of the seven participating counties, the Department Head of St. Louis County Information Technology, and one rotating Member among the Information Technology Departments of the remaining participating counties. During Start-up, the Member Information Technology representative will be from the then current “Go Live” County (e.g. during the pilot implementation, the Carlton County Information Technology Department Head is the representative). During the “Ongoing” phase, the Information Technology member will be chosen by the Region 3 Health and Human Services Directors and will serve a one year term.

IX. DURATION

The term of this Agreement shall commence upon execution by all of the parties and continue in effect for three (3) years. After that time, the Agreement shall be automatically renewed on a year-to-year basis under the same terms and conditions by all the parties unless written notice of termination is provided by a Member pursuant to the terms of this Agreement.

X. NOTICE OF TERMINATION

Written notice of termination shall be made by certified mail or personal delivery directed to the each party specified in the Notice section of this Agreement. Notices are deemed effective upon delivery to the Host and each Member's authorized representative. Written notice is required 180 days prior to renewal to be effective for the following year.

XI. EFFECT OF TERMINATION

Termination of this Agreement shall not discharge any liability, responsibility, or right of any party which arises from the performance or failure to adequately perform the terms of this Agreement prior to the effective date of termination, nor shall termination discharge any obligation which by its nature would survive after the date of termination. Early termination prior to the termination terms herein will not absolve any parties from the funding obligations set forth in this contract.

XII. FUTURE MEMBERS

The Region 3 project may be expanded in the future to include other counties. The Host and Charter Members must agree to the addition of new Members, subject to approval by the appropriate county boards. New Members will be held to the same requirements, policies, governance, financial obligations, and duties for all other matters as they relate to this Agreement. New Members will be incorporated into this written Agreement and into all other legal documents related to this project.

XIII. EXHIBITS

This Agreement includes the following Exhibits which are incorporated by reference: [A] Project Goals and Expected Benefits and [B] Steering Committee Bylaws.

XIV. ASSIGNMENT

No party may assign this Agreement without the prior written consent of every other party, and such consent shall not be unreasonably withheld.

XV. NEUTRAL CONSTRUCTION

The parties to this Agreement agree that this Agreement was negotiated fairly between them at arm's length and that the final terms of this Agreement are the product of the parties' negotiations. Each party warrants and represents that it has sought and has received legal counsel of its own choosing with regard to the contents of this Agreement and the rights and obligations affected hereby. The parties agree that this Agreement shall be deemed to have been jointly and equally drafted by them and that the provisions of this Agreement therefore should not be construed against a party or parties on the grounds that the party or parties drafted or was more responsible for drafting the provision.

XVI. DATA PRACTICES

Pursuant to Minnesota Statutes Chapter 13 (the Minnesota Government Data Practices Act, or MGDPA), Host and Members agree that they will continue to be responsible authorities for data created by their agency. Nothing in this Agreement shall result in any change in responsibilities for data practices requests, data access procedures, and compliance responsibilities of the individual agencies. Host and Members agree that the originator of the data continues to own the data and responsibilities attendant to creation and maintenance of such data. All requests for data under the MGDPA will be forwarded to the agency that created the data.

XVII. SEVERABILITY

If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

XVIII. ENTIRE AGREEMENT AND REMEDY

In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties, or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing executed by the parties to this Agreement and by no other means. Each party waives its future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

XIX. MINNESOTA LAW

This Agreement shall be governed by the laws of the State of Minnesota. Any litigation regarding this Agreement or its contents shall be filed in the County of St. Louis, if in state court, or in the federal district court nearest to St. Louis County, if in federal court.

XX. AUTHORITY

All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with.

XXI. INDEMNIFICATION

Each party will be responsible for its own acts and behavior and the results thereof.

THIS SPACE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed intending to be bound thereby.

CHARTER MEMBERS

AITKIN COUNTY

By: _____
[NAME]
Board Representative

Date: _____

CARLTON COUNTY

By: _____
[NAME]
Board Representative

Date: _____

COOK COUNTY

By: _____
[NAME]
Board Representative

Date: _____

HOST

ST. LOUIS COUNTY

By: _____
[NAME]
Board Representative

Date: _____

ITASCA COUNTY

By: _____
[NAME]
Board Representative

Date: _____

KOOCHICHING COUNTY

By: _____
[NAME]
Board Representative

Date: _____

LAKE COUNTY

By: _____
[NAME]
Board Representative

Date: _____

APPROVED AS TO FORM AND EXECUTION:

ST. LOUIS COUNTY ATTORNEY

By: _____
[NAME]

Date: _____

EXHIBIT A: Project Goals and Expected Benefits

Project Goals

Goal 1: Implement Electronic Document Management, based on the St. Louis County model, that support Income Maintenance Programs and the Programs, Services, and Vision of the Region 3 Human Service Departments.

Goal 2: Implement Electronic Document Management and Work Flow Tools which serve as a catalyst to standardize and streamline; thus reducing manual labor and improve the efficiency, security, & compliance of the business processes within the Region 3 Human Services Departments.

Goal 3: Provide Electronic Document Management and Work Flow Tools which can provide secure, accurate, intuitive, and efficient electronic tools which significantly reduces manual processing of paper by capturing and storing records at point of contact, and sharing records electronically across the Region 3 Income Maintenance Departments.

Goal 4: Provide clear and consistent direction, as well as timely feedback, to eDocument Resources resulting in effective, one-time and ongoing application support, training, and regular software enhancements for Region 3 Human Services Department users.

Goal 5: Provide appropriate inquiry, reporting and analysis tools across the Income Maintenance Departments in order to facilitate electronic access to real time information, including standard reporting and analysis as well as “Ad Hoc” reporting tools for departmental users.

Goal 6: Provide application software and hardware which leverages the investment in Region 3 Counties technology platforms standards.

Goal 7: Implement an information system that provides the infrastructure to leverage Redesign opportunities across the region, including such things as data sharing, development of regional expertise, Blurring County Lines, Kiosks, Home access to information, etc.

Goal 8: Provide tools and/or process for business continuity during those period where the system is unavailable for short periods of time (e.g. data communications lost for a half day).

Anticipated Benefits

- Reduces manual labor by automating current paper-based processes
- Eliminates paper forms, files, and documents
- Provides ability to streamline and standardize services across the Region
- Provides opportunities for synergy and leveraging of local expertise
- Standardizes and streamlines transfer of information between counties
- Provides improved handling and tracking of files and documents within files
- Provides improvements in data privacy and security across the department
- Creates efficiencies that allow current staff to handle higher case loads
- Provides best practices from counties that have already implemented EDMS solution
- Reduces barriers due to transportation issues and aging populations
- Provides cost effective solution for counties in Region
- Insures greater portability of data and accountability for information (tracking)
- Supports a generalist approach and staff back-up between counties
- Reduces the need for physical storage of documents
- Provides for case transfer across Region that is easy to use and intuitive
- Improves compliance to DHS and County Department policies
- By utilizing the same system, EDMS provides power and leverage at the State level
- Provides a common system that can be the foundation for future standardization and redesign of additional essential services: Regional Financial Workers, Regional Supervision, Regional Call Center

EXHIBIT B: Steering Committee Bylaws

Region 3 Electronic Document Management System (EDMS)

Steering Committee

BYLAWS

INTRODUCTION

The seven county region in Northeast Minnesota, known as "Region 3" and comprised of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St Louis, have subscribed to a common Electronic Document Management System (EDMS) for an Income Maintenance information integration project.

St. Louis County has provided technical services as Host for the other counties in the region using this common system through the chosen vendor of EDocumentResources. To foster communication among these counties and address common information management or integration issues, those counties desire to create an organization known as the Region 3 EDMS Steering Committee (hereinafter "Region 3 EDMS Steering Committee").

These Bylaws are established to determine the membership, organization, and procedures governing the Region 3 EDMS Steering Committee operations.

Article I. MEMBERSHIP

Section 1. Identification of Membership

- A. Members: The voting members of the Region 3 EDMS Steering Committee shall be the Human Services Directors from each county participating in the EDMS hosted by St. Louis County, the Information Technology (IT) Director from the St Louis County, and a rotating membership among the IT Directors of the remaining participating counties. The initial number of voting members shall be nine.
- B. Ex officio Members
 - 1. A representative from the chosen vendor, EDocumentResources
 - 2. A representative from the project management consultant of Ron Michaels Consulting
 - 3. A representative from each of the seven county's Income Maintenance supervisors
 - 4. A representative from St Louis County Public Health and Human Services information technology unit
 - 5. Any other agency representative or technical advisor as approved by a majority vote of the voting members.

Section 2. Vacancies

If a member becomes unable to participate in the Region 3 EDMS Steering Committee, the affected County shall make another appointment to fill the vacancy. Such appointments shall be made at the earliest possible convenience.

Section 3. Term of Appointment

Each appointment to the Region 3 EDMS Steering Committee shall be for one (1) calendar year. Any vacancy appointment shall be for the unexpired duration of the term.

Section 4. Alternate Members

Each appointing authority may appoint, in writing, an alternate member to the Region 3 EDMS Steering Committee to provide representation if the original member is temporarily unable to attend.

Section 5. Withdrawal

The right to be represented on the Region 3 EDMS Steering Committee is automatically withdrawn if the representative's county discontinues participation in the Region 3 EDMS Income Maintenance information integration project. Representation ceases on the effective date of the agency's discontinuance of participation.

Article II. ORGANIZATION

Section 1. Officers

At the annual meeting of the Region 3 Steering Committee, the voting membership shall elect a chair and vice-chair from amongst its members. These appointments shall last for the calendar year. An organizational meeting shall be held in January of each year, at which time these positions shall be elected from the voting membership of the Region 3 Steering Committee.

Section 2. Duties of Officers

A. Chair. The chair shall have the following responsibilities:

1. Supervise the affairs of the Committee;
2. Preside at all meetings;
3. Appoint subcommittees as may be necessary and serve as an ex-officio member on all committees;
4. May vote on all issues;
5. Schedule special meetings;
6. Determine meeting location in the event change is needed prior to regularly scheduled meetings.

The Chair shall preserve order and decorum and shall decide questions of order, subject, however, to an appeal to the Committee. The members shall refrain from private discussions while the committee is in the process of committee business. The Chair shall call a member to order and the member shall immediately suspend remarks unless permitted to explain. If no appeal is made, the decision of the chair shall be deemed conclusive; but, if a member chooses to appeal from the decision of the chair, the Committee shall decide the point without debate.

B. Vice-Chair. The vice-chair shall have the following responsibilities:

1. Perform those duties delegated by the chair;
2. Act as chair in the event of the chair's illness, disability, absence from meeting, or inability to readily function as chair.

Section 3. Vacancies in Officer Positions

A. Chair. In the absence of the chair, the vice-chair shall be chair.

B. Vice-chair. If a vacancy occurs in the office of vice-chair, the regular members shall elect an individual to fill the remaining time left in the term.

Section 4. Committees

- A. Standing Committees. The Region 3 Steering Committee may establish standing committees pursuant to Article III of these Bylaws.
- B. Special Committees. The chair may appoint special committees as there is a need, and the chair of the Region 3 Steering Committee will appoint a chair of each such special committee. Special committees shall, in all cases, report to the Region 3 Steering Committee. All reports by special committees shall be presented in writing in a regular or special meeting of the Region 3 Steering Committee. Matters referred to special committees shall be acted upon without undue delay.

Article III. PROCEDURES

Section 1. Bylaws to Govern Operations of Region 3 Steering Committee

- A. Application of Bylaws. Unless otherwise specifically indicated, these Bylaws shall apply to the transaction and administration of all Region 3 Steering Committee business and to the conduct of all meetings. Nothing in these Bylaws is intended to conflict with the provisions of other contracts or agreements the individual counties may have with vendors or other agencies. In the event any such conflict arises, the terms of the relevant agreement shall prevail.
- B. Robert's Rules of Order to Govern. In the absence of any rule upon any matter of business, the Region 3 Steering Committee shall be governed by Robert's Rules of Order.
- C. Parliamentary Procedures. The Chair of the Region 3 Steering Committee shall make all parliamentary rulings.
- D. Suspension of Bylaws. These Bylaws may be suspended by a majority vote of the Region 3 Steering Committee present and voting.
- E. Amendment of Bylaws. These Bylaws may be amended by a majority vote of the Region 3 Steering Committee members present and voting. All proposed amendments shall be presented in writing to all voting Region 3 Steering Committee members. All voting members shall have a minimum of ten (10) days to review the written proposed amendments prior to Region 3 Steering Committee action.
- F. Adoption. These Bylaws shall be approved upon approval of the Region 3 EMDS Participation Agreement, which is attached as Exhibit A. Any amendments hereto, shall become effective immediately upon approval by the voting members.

Section 2. Meetings

- A. Meeting arrangements.
 - 1. Regular Meetings of the Region 3 Steering Committee shall be held upon a schedule established by the Chair. The time of the meetings shall be set by the Chair and shall be generally convenient for all members.
 - 2. The Chair may call special meetings of the Region 3 Steering Committee.
 - 3. Location. The Region 3 Steering Committee shall select a meeting location which shall be convenient and suitable for the members.

4. Notice. All Region 3 Steering Committee members shall be notified of any meeting of the Region 3 Steering Committee at least 24 hours in advance of the meeting.
- B. Order of Business. The following shall be the order of business conducted during the Region 3 Steering Committee:
1. Roll Call;
 2. Approval of minutes of previous meeting;
 3. Communications;
 4. Unfinished business;
 5. New business;
 6. Reports of officers and committees;
 7. Other business that may be appropriately brought before the Board;
 8. Adjournment
- C. Members and Quorum. Individual members of the Region 3 Steering Committee may attend meetings by means of a speaker phone system or interactive video system and may vote with the same privilege. In the event of unavailability by a voting member, the appointing authority may designate an alternate. The alternate shall have voting privileges. A quorum shall consist of a majority of voting members, including alternates. No motions shall be voted on in the event that a majority of the voting members or their alternates are absent.
- D. Precedence of Items. Proposals under consideration shall have the following precedence:
1. To lay on the table;
 2. To postpone;
 3. To commit, that is, to refer to committee;
 4. To amend;
 5. To adjourn. A motion to adjourn shall be entertained only after the completion of the formal agenda and shall be decided without debate.
- E. Decision Making. Each matter considered shall be decided by consensus of the voting members. If the matter cannot be decided by consensus, it will then be decided by a majority vote (the majority must include the Members representing St. Louis County) or according to these Bylaws. The manner in which each member votes upon all propositions will be entered in the journal of the proceedings of the Committee.
- F. Conflict of Interest. Each member, including the chair, shall be entitled to vote on all questions unless a particular issue involves a conflict of interest. A decision to abstain from voting shall also extend to discussion.

Any question of whether a particular issue involves a conflict of interest sufficient to disqualify a member from voting thereon shall be decided by a majority vote of the attending members except the member who is being challenged.

Any member who believes he or she may have a conflict of interest, or who has a relative who has an interest, in any decision to be made by the Committee shall disclose such interest and either disqualify him or herself or seek a ruling pursuant to these Bylaws.

Any person may, in person or in writing, challenge whether any member may have a conflict of interest.

G. Records. The Region 3 Steering Committee shall keep a written record of its transactions, findings, and determinations on all matters referred to it.

Section 3. Compensation

The members of the Region 3 Steering Committee are not to be compensated for their services; no per diem for attending meetings will be provided to the members.

Section 4. Data Practices

Pursuant to Minnesota Statutes Chapter 13, all members and participating agencies agree that they will continue to be responsible authorities only for data created by their agency. Nothing in this Agreement shall result in any change in responsibilities for data practices requests, data access procedures, and compliance responsibilities of the individual agencies. All members and participating agencies agree that the originator of the data continues to own the data and responsibilities attendant to creation and maintenance of such data.

Section 5. Financial

The Region 3 Steering Committee may not collect monies from individual counties and shall not maintain a budget.

IN WITNESS WHEREOF, the parties have caused these Bylaws to be duly executed intending to be bound thereby.

Region 3 Steering Committee

By: _____

Date: _____

BOARD LETTER NO. 13 - 13

CENTRAL MANAGEMENT & INTERGOVERNMENTAL COMMITTEE NO. 1

BOARD AGENDA NO.

DATE: January 8, 2013 **RE:** Proposed Top Priorities for the
2013 Legislative Session

FROM: Kevin Z. Gray
County Administrator

John Ongaro, Director
Intergovernmental Relations

RELATED DEPARTMENT GOAL:

To provide effective and efficient government.

ACTION REQUESTED:

The St. Louis County Board is requested to approve its top legislative priorities for the 2013 Legislative Session.

BACKGROUND:

The County Board will discuss its top priorities for the 2013 Legislative Session at its Committee of the Whole meeting on January 8, 2013. A list of proposed priorities for 2013 was first presented to Commissioners at the October 26, 2012 Board Workshop by John Ongaro, Intergovernmental Relations Director.

Subsequently, two additional items were requested by Commissioners Raukar and Forsman. The original list, including the two new items, was discussed at the November 27th Committee of the Whole meeting but failed to receive a positive vote of the Board, failing on a tie vote of 3/3. During that discussion, Commissioners indicated that the first nine (9) priorities listed and the three (3) carry-over items from the 2012 Legislative Session would be acceptable, however the items listed under the category "Other Potential Legislative Issues" did not enjoy full support of the Board.

Therefore, the first twelve (12) priorities will be considered on the January 8th Committee of the Whole agenda. Any additional items may be proposed by Commissioners as amendments for consideration at that time.

RECOMMENDATION:

It is recommended that the St. Louis County Board determine its top legislative priorities for the 2013 Legislative Session and direct the Intergovernmental Relations Director to achieve these outcomes during the session.

Priorities for the 2013 Proposed Legislative Session

BY COMMISSIONER _____

WHEREAS, The County Board was presented with a draft of legislative priorities for the 2013 Legislative Session at its Committee of the Whole meeting on January 8, 2013; and

WHEREAS, The county's Intergovernmental Relations Director discussed each item with commissioners and received input in finalizing the list of priorities.

NOW, THEREFORE, BE IT RESOLVED, that the St. Louis County Board approves the "2013 St. Louis County Top Legislative Priorities" as found in County Board File No. _____, and directs its Intergovernmental Relations Director to work to achieve these outcomes during the 2013 Legislative Session.

St. Louis County's Top Legislative Priorities

New items for the 2013 Legislative Session:

- **Limits to Large State Conservation Easements**

Four Counties in NE MN are currently embroiled in a tax court case over the Blandin Conservation Easement which was granted to for 187,000 acres of land by the State and the Lessard-Sams Outdoor Heritage Council. Although Blandin (through its parent company in Finland) was paid \$43 million to surrender some of its “bundle of rights” and thereby agreed that the highest and best use of this land would now be for forestry and recreation purposes only, Blandin has now asked for a property tax reduction State Tax Court. Blandin claims the conservation easements limits its full use of the land and, therefore, it deserves an across the board property value reduction. We contend that Blandin has already been prepaid for losing its “bundle of rights” via the \$43 million and that most of the highest and best use of these lands has always been for forestry and recreation purposes.

We propose to include a stipulation that the land is assessed “at fee simple estate” in all future large state-sponsored conservation easement property transactions. Thus, the land owners will be walking into their desired conservation easement with eyes wide open. They will be fully aware that the easement granted and the cash given is done so with the understanding that the land will be assessed as if the full “bundle of rights” were still present. If Blandin is successful in tax court, St. Louis County will have to pay abatement costs of \$313,000 for 2011 and 2012. It would also reduce future income by \$175,000 per year. Itasca County is much more severely impacted- \$2 million over the next two years. Some Itasca County townships would witness astronomical property tax increases.

- **County Concerns for Tax Reform**

The Dayton Administration has promised major Tax Reform Legislation this coming Session. When it comes to reforms in the area of property taxes, counties have serious concerns that our interests could be overlooked in any serious reform effort. Included in our list of concerns are: City-centric focus of property tax relief, i.e., LGA doesn't address comprehensive property tax reform; Counties levy the largest portion of property taxes as well as administer the program; Counties administer a number of programs on behalf of the state and thus the state has certain fiscal obligations to counties relating to these programs.

- **Minerals Management Legislation**

This includes ensuring timely information sharing by Minnesota Department of Natural Resources minerals group; providing for a change in accounting for taconite royalties and taxation; and explore with the Iron Range Legislative Delegation various taxation options which would enhance county revenues from Scram Mining operation and also the Taconite Production Tax.

Minnesota's Mine Inspector law has barely been touched since 1905. Changes proposed will update archaic language in this law. For example, the mine inspector's salary is capped at \$7,500 and the qualifications for holding the position are equally outdated. Finally, the county requests full flexibility to appoint the Mining Inspector beyond emergency situations such as filling a sudden vacancy. Significant outreach to stakeholders, such as the Steelworkers Safety Committee, has occurred, and there is support for these proposed changes.

- **Payment In Lieu of Taxes (PILT)**
 Both our State and Federal PILT funding have recently become “front burner” issues. Focusing on our State PILT, a special statewide task force has just completed a year-long study. At the top of its recommendations is the restoration of annual inflation payments to PILT.
- **Protect Disparity Reduction Aid, County Program Aid and Taconite Tax**
 The property tax increases that would accompany the elimination of these programs would be absolutely devastating to our citizens. Two years ago, all three of these programs were targeted for substantial reductions during the debate of the 2012-13 Biennial Budget.
- **Oppose Cost Shifts to Counties**
 Recently, counties have been hit with cost shifts (from state funding) to local property taxes. Sex Offender Civil Commits, Chemical Dependency Treatment, and nursing home care costs for adults under age 55 have been the most costly shifts which we’ve had to endure.
- **Bonding Bill**
 Normally there is not a bonding bill in odd numbered years, because of the focus needed to produce a new biennial budget. However, with continuing difficult economic times, there may be an emergency bonding bill next Session. Last Session we were successful in getting bonding dollars for NERCC, but not for the \$3 million “Minerals Economic Development Corridor” outside of Hoyt Lakes. This project currently is not eligible for state or federal aid, since it is a local county road. The county will seek a designation of this route as “Regional Significance,” so that state G.O. Bonding can apply. Finally, Highland Street (CSAH 89) located in West Duluth might also be another project we wish to have funded through Local Road Improvement Program bonding dollars, if sufficient FHWA dollars are not provided. Additionally, the county continues to support statewide funding for the local road improvement program, bridge bonding and wetland mitigation funding (BWSR).
- **Increased Greater MN Park and Trail Funding**
 The County Board passed a resolution in August to support efforts to obtain more funding for Greater MN from the voter approved 3/8 cent sales tax increase for the Legacy Amendment. One of the four areas of dedicated funding which gets to share of the \$250 million annually generated from this sales tax is Parks and Trails. So far, the metropolitan area and the DNR have been receiving a disproportionate percentage of the Parks & Trails funding (43% Metro, 37% DNR and only 20% to Greater MN). Greater Minnesotans pay a significant share of state sales taxes and already host many times more DNR parks than the Metro area. Greater MN counties deserve their fair share of funding to carry out the State Parks and Trails Legacy Plan and the corresponding public sentiment for high quality projects of regional or statewide significance.
- **Unresolved & New Flood-related Issues**
 Further discussions with county Department Heads and other regional partners are needed. Flood impacted jurisdictions have fixed what could be seen, but subsurface damage is only now becoming evident. Additional bridge repairs are also necessary.

Carry-over items from 2012 Legislative Session:

- **Pursue ARMER Sales Tax Exemption on Equipment**

All other regions in the state (that have implemented this mandate) have thus far received this exemption, so this is a simple question of fairness. Our alternative proposal is to tap the 9-1-1 State Account (surplus) to help fund these costs for the remaining counties who have not yet implemented ARMER.

- **Change Legislation Stipulating Interest and Penalty Calculations Associated with Delinquent Property Tax Payments**

Given the current real estate and economic situation, this change would be more in line with the ability for a delinquent property owner to catch up with a payment plan. The P&I in current law has not been adjusted since 1991 when the Prime Rate was at 10% and today it is below 4%. There was a Fiscal Note which scored this legislation as costing school districts, statewide, just over \$2 million. Not taken into consideration, however, was the offsetting loss of income if the property ends up going into tax forfeiture.

- **Intermediate Auction (IA) Sales**

Pursue in conjunction with the other 13 forested counties, an amendment to current state law (limiting IA sales to state timber contracts only) and grant counties the “flexibility” to also conduct such sales. Many of our fellow counties already conduct IA sales, but do so under their own rules and regulations, including the threshold of employees a logging company must have in order to qualify for participation in an IA.

