



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

January 6, 2015

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 16, 2014

Health & Human Services Committee

1. CY 2015 Purchase of Service Contract with Arrowhead Center, Inc., and Rescind Resolution No. 14-706 [15-02]
2. CY 2015 Employment Services for Persons with Developmental Disabilities [15-03]

Public Works & Transportation Committee

3. Application to Local Road Improvement Program for Rice Lake Road and Airport Road Traffic Signal Project [15-04]
4. Acquisition of Right of Way – Replacement of County Bridge 303 (Angora Township) [15-05]
5. Acceptance of Grant for Bridge 69A21 Replacement Project (Hermantown) [15-06]
6. Acceptance of Grant for Bridge 69A19 Replacement Project (Sturgeon Township) [15-07]
7. Preparation of Right of Way Plat No. 34 CSAH 89/57th Avenue West/Highland Street and Amendment to Right of Way Plat No. 33 (Duluth) [15-08]

Finance & Budget Committee

8. Letter of Understanding for 2014 Audit by State Auditor's Office [15-09]
9. Professional Service Contract and Related Documents for the Review of Wetland Bank Application [15-10]

REGULAR AGENDA:

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

Finance & Budget Committee

1. **Restructure South St. Louis County Fair Association/Lakehead Racing Association Loan [15-11]**
Resolution authorizing an amendment to the existing loan agreements with the South St. Louis County Fair Association and the Lakehead Racing Association.

Central Management & Intergovernmental Committee

1. **Appointment to the Civil Service Commission [15-12]**
Resolution appointing Arik C. Forsman, as an alternate Civil Service Commission member, for a three-year term ending January 13, 2018.

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 13, 2015 St. Louis County Courthouse, 100 North Fifth Avenue West, Duluth, MN

January 27, 2015 Mesabi Station, 111 Station 44 Road, Eveleth, MN

February 3, 2015 St. Louis County Courthouse, 100 North Fifth Avenue West, 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 16, 2014

Location: Morse Town Hall, Ely, Minnesota

Present: Commissioners Jewell, Boyle, Dahlberg, Stauber, Nelson, Raukar, and Chair Forsman

Absent: None

Convened: Chair Forsman called the meeting to order at 11:22 a.m.

CONSENT AGENDA

Raukar/Nelson moved to approve the consent agenda without Item #13, Update the St. Louis County Comprehensive Water Management Plan [14-506]. The motion passed. (7-0)

- Minutes of December 2, 2014
- CY 2015 Mental Health Contracts with Human Development Center [14-494]
- CY 2015 Mental Health Contracts with Range Mental Health Center [14-495]
- CY 2015 Contract for Service of Process for Child Support Cases [14-496]
- CY 2015 Detox and Hold Services Contracts [14-497]
- CY 2015 Purchase of Service Contract with Legal Aid Service of Northeastern Minnesota [14-498]
- CY 2015 Purchase of Service Contract with First Witness Child Abuse Resource Center [14-499]
- CY 2015 Purchase of Service Contract with Program for Aid to Victims of Sexual Assault [14-500]
- CY 2015 Purchase of Service Contract with Arrowhead Center, Inc. [14-501]
- CY 2015 Purchase of Service Contract with Duluth Bethel Society [14-502]
- Contract for Medical Consultation Services [14-503]
- Transfer Trailer Haulage Contract [14-504]
- Canister Site Solid Waste Haulage Agreements [14-505]
- Final Plat Approval – Early Bird (Unorganized Township 61-13) [14-507]
- Final Plat Approval – Floodwood Lake South (Cedar Valley Township) [14-508]
- Access Easement across State Tax Forfeited Land for the plat of Floodwood Lake South (Cedar Valley Township) [14-509]
- Final Plat Approval – Linwood (Unorganized Township 56-14) [14-510]
- Final Plat Approval – Little Birch Lake (Unorganized Township 61-14) [14-511]
- Approval of Registered Land Survey No. 100 (Brevator Township) [14-512]
- Repurchase of State Tax Forfeited Land – Ratarac [14-513]
- Agreement with City of Floodwood for Water Main System Construction and Future Ownership of CR832/7th Avenue [14-514]
- Agreement with Minnesota Department of Revenue for Collection of the Greater Minnesota Sales and Use Tax [14-515]

- Abatement List for Board Approval [14-516]
- Occupational Medicine Services Agreement [14-517]
- Drug and Alcohol Testing Services Agreement [14-518]
- Designation of the Safety and Risk Manager to Discharge the Duties of Interim County Mine Inspector [14-519]
- NEMESIS Consulting Services [14-520]
- Professional Services Agreement with Kristi Louis [14-521]

REGULAR AGENDA

Public Works & Transportation Committee

Stauber/Raukar moved to award a bid to Northland Constructors of Duluth, LLC, of Duluth, MN, in the amount of \$683,330.50 for project CP 0696-185317, SAP 69-598-054, Bridge 69A21, located on CR 696 (St. Louis River Road) 0.7 miles west of Junction CSAH 13 (Midway Road), over West Rocky Run in Hermantown, MN [14-522]. The motion passed. (7-0)

Forsman/Raukar moved to award a bid to Northland Constructors of Duluth, LLC, of Duluth, MN, in the amount of \$5,244,956.55 for a combined bituminous surfacing project in Cherry, Clinton, Fayal and Great Scott Townships, CP 0016-153268/SAP 69-616-053(Low), CP 0016-207383/SAP 69-616-054 (Tied), CP 0025-207531/SAP 69-625-013 (Tied). [14-522]. The motion passed. (7-0)

Forsman/Nelson moved to award a bid to Casper Construction, Inc, of Grand Rapids, MN, in the amount of \$1,484,890.00 for a Mesabi Trail project, SP 69-090-018/CP 0000-3623, in Biwabik Township located South of Junction TH 135 and CSAH 20 from McKinley to Biwabik [14-523]. The motion passed. (7-0)

Finance & Budget Committee

Forsman/Raukar moved to approve the Official Terms of Offering for the Issuance of General Obligation Capital Improvement Refunding Bonds, Series 2015A [14-524]. St. Louis County Auditor Don Dicklich discussed the cost savings as a result of refinancing the bonds. The motion passed. (7-0)

Forsman/Jewell moved to approve the Official Terms of Offering for the Issuance of General Obligation Capital Improvement Refunding Bonds, Series 2015B [14-525]. The motion passed. (7-0)

Forsman/Stauber moved to authorize the County Auditor-Treasurer to negotiate a contract with Springsted, Inc., of St. Paul, MN, for Municipal (financial) Advisor services for issuance of general obligation capital improvement refunding bonds, subject to approval of the County Attorney [14-526]. The motion passed. (7-0)

Forsman/Nelson moved to authorize the County Auditor-Treasurer to authorize a grant of \$114,173.97 from Economic Development Funds – Minnesota Investment Fund repayments to the City of Virginia for the East Range Clinic demolition project, and authorize the appropriate county officials to execute the grant agreement, along with all the necessary documents, on behalf of the county [14-527]. The motion passed. (7-0)

Central Management & Inter-Governmental Committee

Nelson/Raukar moved to ratify the 2012-2014 Merit System Supervisory contract and authorize the appropriate county officials to execute the Collective Bargaining Unit Agreement, a copy of which is on file in County Board File No. 59997 [14-528]. Commissioner Dahlberg stepped out of the meeting from 12:16 p.m. to 12:17 p.m. The motion passed. (6-0, Dahlberg absent)

Forsman/Dahlberg moved to appoint the following individuals to the Community Development Block Grant (CDBG) Citizen Advisory Committee with a term ending April 30, 2017: John Werner, Rice Lake Township Representative and Kirsten Reichel, At-Large Representative [14-529]. After further discussion, the motion passed. (7-0)

Environment & Natural Resources Committee

Dahlberg/Jewell moved to authorize the Planning and Community Development Department to initiate updates to the Comprehensive Water Management Plan consistent with requirements set forth by the Minnesota Board of Water and Soil Resources [14-506]. Commissioner Jewell discussed the importance of the water management plan. The motion passed. (7-0)

COMMISSIONER DISCUSSION ITEMS

Commissioner Nelson thanked Chair Forsman for his involvement with Iron Range Youth in Action and said efforts of the program have reached the Duluth area; youth participating in the program have been volunteering at Bentleyville, CHUM, and Ruby's Pantry.

Commissioner Boyle thanked the City of Duluth for following the St. Louis County Board's lead by sending a letter to the Minnesota Department of Human Services urging the shut down of the Lake Superior Treatment Center. Commissioner Boyle discussed a recent Community Health Board meeting and said next year the Community Health Board will develop best practices regarding methadone clinics. Commissioner Boyle said he would like to meet with other entities to share ideas on how to deal with mental health issues.

Commissioner Forsman expressed his concern regarding the impacts of mental health issues.

Commissioner Stauber wished Chair Forsman well in retirement and wished everyone a happy holiday.

At 12:35 p.m., Nelson/Stauber moved to adjourn the Committee of the Whole meeting. The motion passed. (7-0)

Mike Forsman, Chair of the County Board

Phil Chapman, Clerk of the County Board

BOARD LETTER NO. 15 - 02

HEALTH & HUMAN SERVICES COMMITTEE CONSENT NO. 1

BOARD AGENDA NO.

DATE: January 6, 2015

RE: CY 2015 Purchase of Service Contract with Arrowhead Center, Inc., and Rescind County Board Resolution No. 14-706

FROM: Kevin Z. Gray
County Administrator

Ann M. Busche, Director
Public Health & Human Services

RELATED DEPARTMENT GOAL:

Adults will be self-sufficient, providing for their own welfare and that of their children.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize a purchase of service contract with Arrowhead Center, Inc. for Calendar Year 2015, and rescind County Board Resolution No. 14-706, which contained a clerical error.

BACKGROUND:

Due to clerical error, the annual maximum amount for Children and Family Drug Testing by Arrowhead Center, Inc. in Resolution No. 14-706, adopted December 16, 2014, was listed at \$10,000, when in fact the maximum amount should be \$100,000.

Arrowhead Center provides chemical dependency and substance abuse services for people in northern St. Louis County. The Public Health and Human Services Department (PHHS) proposes to renew a purchase of service contract that includes assessment and treatment services, aftercare services, and urinalysis collection and drug testing. Since there is no reimbursement available from court services or the Income Maintenance programs, PHHS pays for the required testing, with little control over the total use and budget for these services.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize a purchase of service contract between PHHS and Arrowhead Center, Inc. for the following services and rates for the period January 1, 2015 through December 31, 2015:

<u>Service</u>	<u>Rate</u>	<u>Annual maximum</u>	<u>Budget</u>
Assessment and Treatment	\$259.22 per person	\$ 44,585.66	230-232006-608000
Aftercare	\$253.33 per person	<u>\$ 22,292.34</u>	230-232006-608000
Combined annual maximum		\$ 66,878.00	230-232006-608000
Child. & Fam. Drug Testing	\$35.00 per unit	\$100,000.00	230-232008-602000
Income Maint. Drug Testing	\$35.00 per unit	\$ 5,000.00	230-231014-629900

It is further recommended that County Board Resolution No. 14-706 be rescinded.

**CY 2015 Purchase of Service Contract with Arrowhead Center, Inc.,
and Rescind County Board Resolution No. 14-706**

BY COMMISSIONER _____

WHEREAS, Arrowhead Center, Inc. provides chemical dependency and substance abuse assessment, treatment, and aftercare services, as well as urinalysis collection and drug testing services; and

WHEREAS, The Public Health and Human Services Department wishes to renew its current purchase of service contract with Arrowhead Center; and

WHEREAS, Due to clerical error, the annual maximum amount for Children and Family Drug Testing in Resolution No. 14-706, adopted December 16, 2014, was listed at \$10,000, when in fact the maximum amount should be \$100,000;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the appropriate county officials to enter into a purchase of service contract with Arrowhead Center, Inc. for the following services and rates for the period January 1, 2015 through December 31, 2015:

<u>Service</u>	<u>Rate</u>	<u>Annual maximum</u>	<u>Budget</u>
Assessment and Treatment	\$259.22 per person	\$ 44,585.66	230-232006-608000
Aftercare	\$253.33 per person	<u>\$ 22,292.34</u>	230-232006-608000
	Combined annual maximum	\$ 66,878.00	230-232006-608000
Child. & Fam. Drug Testing	\$35.00 per unit	\$100,000.00	230-232008-602000
Income Maint. Drug Testing	\$35.00 per unit	\$ 5,000.00	230-231014-629900

RESOLVED FURTHER, While the Public Health and Human Services Department will do everything possible to stay within the contract maximums, these services are primarily court or legislatively mandated; if the full amount of either Drug Testing budget becomes exhausted before the end of the year, the department will make the necessary budget adjustments and inform the Board through Board Memo notification;

RESOLVED FURTHER, That County Board Resolution No. 14-706, dated December 16, 2014, is rescinded.



*Resolution
of the
Board of County Commissioners
St. Louis County, Minnesota
Adopted on: December 16, 2014 Resolution No. 14-706
Offered by Commissioner: Nelson*

CY 2015 Purchase of Service Contract with Arrowhead Center, Inc.

WHEREAS, Arrowhead Center, Inc., provides chemical dependency and substance abuse assessment, treatment, and aftercare services, as well as urinalysis collection and drug testing services; and

WHEREAS, The Public Health and Human Services Department wishes to renew its current purchase of service contract with the Arrowhead Center;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the appropriate county officials to enter into a purchase of service contract with Arrowhead Center, Inc., for the following services and rates for the period January 1, 2015 through December 31, 2015:

<u>Service</u>	<u>Rate</u>	<u>Annual maximum</u>	<u>Budget</u>
Assessment and Treatment	\$259.22 per person	\$44,585.66	230-232006-608000
Aftercare	\$253.33 per person	<u>\$22,292.34</u>	230-232006-608000
Combined annual maximum		\$66,878.00	230-232006-608000
Child & Fam. Drug Testing	\$35.00 per unit	\$10,000.00	230-232008-602000
Income Maint. Drug Testing	\$35.00 per unit	\$ 5,000.00	230-231014-629900

RESOLVED FURTHER, That while the Public Health and Human Services Department will do everything possible to stay within the contract maximums, these services are primarily court or legislatively mandated; if the full amount of either Drug Testing budget becomes exhausted before the end of the year, the department will make the necessary budget adjustments and inform the Board through Board Memo notification.

Commissioner Nelson moved the adoption of the Resolution and it was declared adopted upon the following vote:
Yeas – Commissioners Jewell, Boyle, Dahlberg, Stauber, Nelson, Raukar and Chair Forsman - 7
Nays – None

STATE OF MINNESOTA
Office of County Auditor, ss.
County of St. Louis

I, DONALD DICKLICH, Auditor of the County of St. Louis, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 16th day of December, A.D. 2014, and that this is a true and correct copy.

WITNESS MY HAND AND SEAL OF OFFICE at Duluth, Minnesota, this 16th day of December, A.D., 2014.

DONALD DICKLICH, COUNTY AUDITOR

By

Deputy Auditor/Clerk of the County Board

BOARD LETTER NO. 15 - 03

HEALTH & HUMAN SERVICES COMMITTEE CONSENT NO. 2

BOARD AGENDA NO.

DATE: January 6, 2015 **RE:** CY 2015 Employment Services
for Persons with
Developmental Disabilities

FROM: Kevin Z. Gray
County Administrator

Ann M. Busche, Director
Public Health & Human Services

RELATED DEPARTMENT GOAL:

Adults will live in the least restrictive living arrangement that meets their health and safety needs.

ACTION REQUESTED:

The St. Louis County Board is requested to approve the renewal of purchase of service agreements to provide extended employment services for persons with disabilities in St. Louis County.

BACKGROUND:

Occupational Development Center, Inc. (ODC) in North St. Louis County (Virginia, Buhl, and Hibbing Programs) and Goodwill Industries Vocational Enterprises, Inc. (GIVE) in the Duluth area provide extended employment to persons with developmental disabilities, mental illness, chronic/debilitating chemical dependency problems, blindness or brain injuries. Extended employment includes pre-vocational assessment, work activity, in-house manufacturing and production, on-the-job training, supported employment and job coaching. ODC reported providing extended employment services to 43 contract-eligible residents with disabilities during 2014 in North St. Louis County. GIVE reported providing similar services to 61 contract-eligible residents with disabilities under the contract during this same period in South St. Louis County.

The Public Health and Human Services Department requested, and both agencies have agreed, to renew their current contracts at the present rates and contract maximums through Calendar Year 2015.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize purchase of service agreements with the Occupational Development Center, Inc. and Goodwill Industries Vocational Enterprises, Inc. for extended employment services at the rates listed below for shelter-based work, supported employment, and job coaching at the contract maximum of \$90,407 for each agreement for the period January 1, 2015 through December 31, 2015, payable from Fund 230, Agency 232006, Object 604800.

<u>Agency</u>	<u>Services</u>	<u>Rates</u>
ODC	Shelter-Based Work	\$15.00/worker/day
	Supported Employment	\$15.00/worker/day
	Job Coaching	\$30.00/hour
GIVE	Shelter-Based Work	\$15.00/worker/day
	Supported Employment	\$15.00/worker/day
	Job Coaching	\$30.00/hour

CY 2015 Employment Services for Persons with Developmental Disabilities

BY COMMISSIONER _____

WHEREAS, St. Louis County purchases employment services for persons with disabilities; and

WHEREAS, The Department of Public Health and Human Services has contracted with Occupational Development Center, Inc. and Goodwill Industries Vocational Enterprises, Inc. for over 30 years to provide extended employment services for persons with disabilities and wishes to renew these agreements;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the appropriate county officials to enter into purchase of service agreements with the Occupational Development Center, Inc. (Virginia, MN) and Goodwill Industries Vocational Enterprises, Inc. (Duluth, MN) for extended employment services at the rates listed below for shelter-based work, supported employment, and job coaching at the contract maximum of \$90,407 for each agreement for the period January 1, 2015 through December 31, 2015; payable from Fund 230, Agency 232006, Object 604800.

<u>Agency</u>	<u>Services</u>	<u>Rates</u>
ODC	Shelter-Based Work	\$15.00/worker/day
	Supported Employment	\$15.00/worker/day
	Job Coaching	\$30.00/hour
GIVE	Shelter-Based Work	\$15.00/worker/day
	Supported Employment	\$15.00/worker/day
	Job Coaching	\$30.00/hour

BOARD LETTER NO. 15 - 04

PUBLIC WORKS & TRANSPORTATION COMMITTEE
CONSENT NO. 3

BOARD AGENDA NO.

DATE: January 6, 2015 **RE:** Application to Local Road Improvement Program for Rice Lake Road and Airport Road Traffic Signal Project

FROM: Kevin Z. Gray
County Administrator

James T. Foldesi
Public Works Director/Highway Engineer

RELATED DEPARTMENT GOAL:

Provide a safe, well maintained road and bridge system.

ACTION REQUESTED:

The St. Louis County Board is requested to support a project application to the Local Road Improvement Program to secure funding to install a traffic signal on County State Aid Highway (CSAH) 4/Rice Lake Road and Airport Road in Duluth.

BACKGROUND:

The Local Road Improvement Program (LRIP) is established by Minn. Stat. §174.52 to provide funding assistance to local agencies on projects that address a transportation deficiency. The Minnesota Department of Transportation State Aid for Local Transportation Office administers the LRIP.

The Public Works Department has received feedback from the public that the intersection of CSAH 4/Rice Lake Road and Airport Road is experiencing significant delay for vehicles turning from Airport Road onto Rice Lake Road. This has been confirmed by multiple observations. This is a "T" intersection located within the city of Duluth. Rice Lake Road is a minor arterial with an annual average daily traffic (AADT) of 11,200 vehicles per day and serves as a primary corridor connecting the city of Duluth to the residential areas and townships north of Duluth. Airport Road is also a minor arterial and has an AADT of 4,900 vehicles per day and serves as a primary access to the Duluth International Airport and industrial airpark area.

An intersection control evaluation analysis was completed in-house by the Public Works Department. The signal warrant analysis found a traffic signal is warranted under current and future traffic volumes. The total estimated project cost to install a traffic

signal with the necessary geometric improvements is \$1,300,000. The funding application will request the maximum allowed funding of \$750,000 from LRIP. The remainder of the project budget would be covered by local county funds or county state aid highway funds.

RECOMMENDATION:

It is recommended that the St. Louis County Board approve the project application to the Local Road Improvement Program to secure funding to install a traffic signal at the intersection of County State Aid Highway 4/Rice Lake Road and Airport Road located within the city of Duluth.

Application to Local Road Improvement Program for Rice Lake Road and Airport Road Traffic Signal Project

BY COMMISSIONER _____

WHEREAS, The Local Road Improvement Program was established in Minn. Stat. §174.52 to provide funding assistance to local agencies on transportation projects that address a transportation deficiency; and

WHEREAS, The intersection of County State Aid Highway 4/Rice Lake Road and Airport Road, located in the city of Duluth, is experiencing significant delay for vehicles turning from Airport Road; and

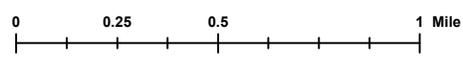
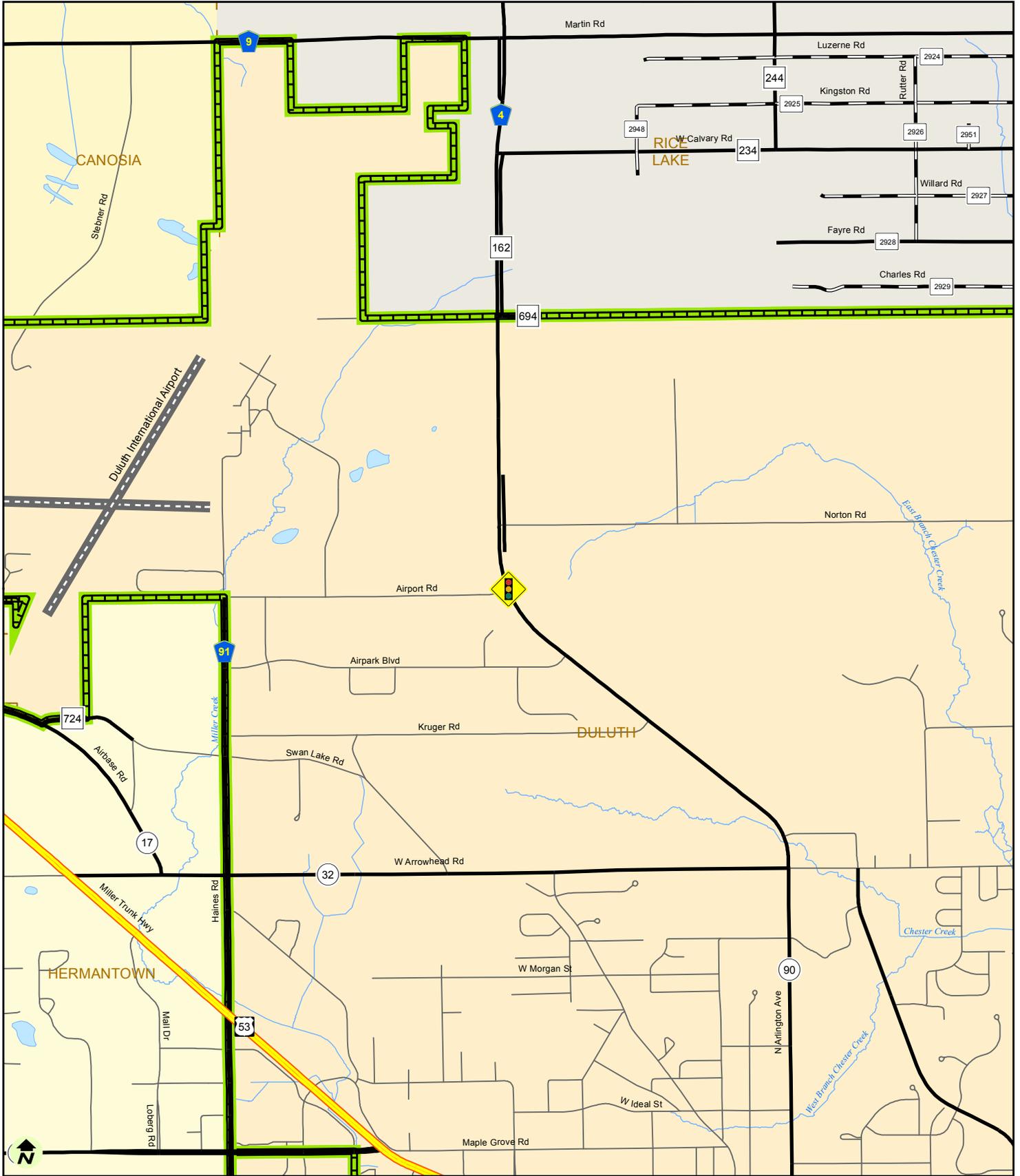
WHEREAS, The Public Works Department has completed an intersection control evaluation analysis that concluded a traffic signal is the best alternative; and

WHEREAS, The Public Works Department intends to submit a project application to the Local Road Improvement Program to secure funding to install a traffic signal at the intersection of Rice Lake Road and Airport Road;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the project application to the Local Road Improvement Program to secure funding to install a traffic signal at the intersection of County State Aid Highway 4/Rice Lake Road and Airport Road located in Duluth, MN;

RESOLVED FURTHER, The total project cost is estimated at \$1,300,000, with the Local Road Improvement Program application request in the amount of \$750,000, and the remainder of the project budget to be covered by local county funds or county state aid highway funds.

Rice Lake Road and Airport Road Traffic Signal



Map Components			
	Traffic Signal		County Road - Paved
	County Road - Gravel		Local Road/City Street
	Railroad		Commissioner District
	Interstate Highway		Township Boundary
	U.S./State Highway		City/Town
			Lake
			River/Stream

BOARD LETTER NO. 15 - 05

PUBLIC WORKS & TRANSPORTATION COMMITTEE CONSENT NO. 4

BOARD AGENDA NO.

DATE: January 6, 2015 **RE:** Acquisition of Right of Way –
Replacement of County Bridge
303 (Angora Township)

FROM: Kevin Z. Gray
County Administrator

James T. Foldesi
Public Works Director/Highway Engineer

RELATED DEPARTMENT GOAL:

Provide a safe, well maintained road and bridge system.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the acquisition of right of way for County Project (CP) 213057, State Aid Project 069-598-058, and to authorize the County Auditor to grant the necessary easements for this project over tax forfeited lands.

BACKGROUND:

The Public Works Department plans to reconstruct a short segment of the East Anton Road County Road 492 and to replace the existing bridge (County Bridge 303, State Bridge 7828) over the Rice River in Angora Township. Additional right of way will be needed from adjacent private property and from adjacent parcels of tax forfeited land. Minn. Stat. §282.04, Subdivision 4, provides that the county auditor may grant easements on tax-forfeited land for highways and that future sale or lease of the land affected by such easement would be subject to the easement. The project will affect two parcels of land that are currently Tax Forfeited property:

1. The Northeast Quarter of the Northwest Quarter (NE 1/4 of NW 1/4), Section 19, Township 61 North of Range 18 West. (parcel ID No. 215-0010-03230)
2. The Southeast Quarter of Southwest Quarter (SE 1/4 of SW 1/4), Section 18, Township 61 North, Range 18 West. (parcel ID No. 215-0010-03140)

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the acquisition of right of way necessary for the reconstruction of County Road 492 and the replacement of County Bridge 303 and authorize the County Auditor to grant the necessary easements over tax forfeited land. Right of Way acquisition is payable from Fund 200, Agency 203001.

**Acquisition of Right of Way – Replacement of County Bridge 303
(Angora Township)**

BY COMMISSIONER _____

WHEREAS, The St. Louis County Public Works Department plans to reconstruct a small segment of the East Anton Road/County Road 492 and to replace County Bridge 303 over the Rice River in Angora Township, County Project 213057; and

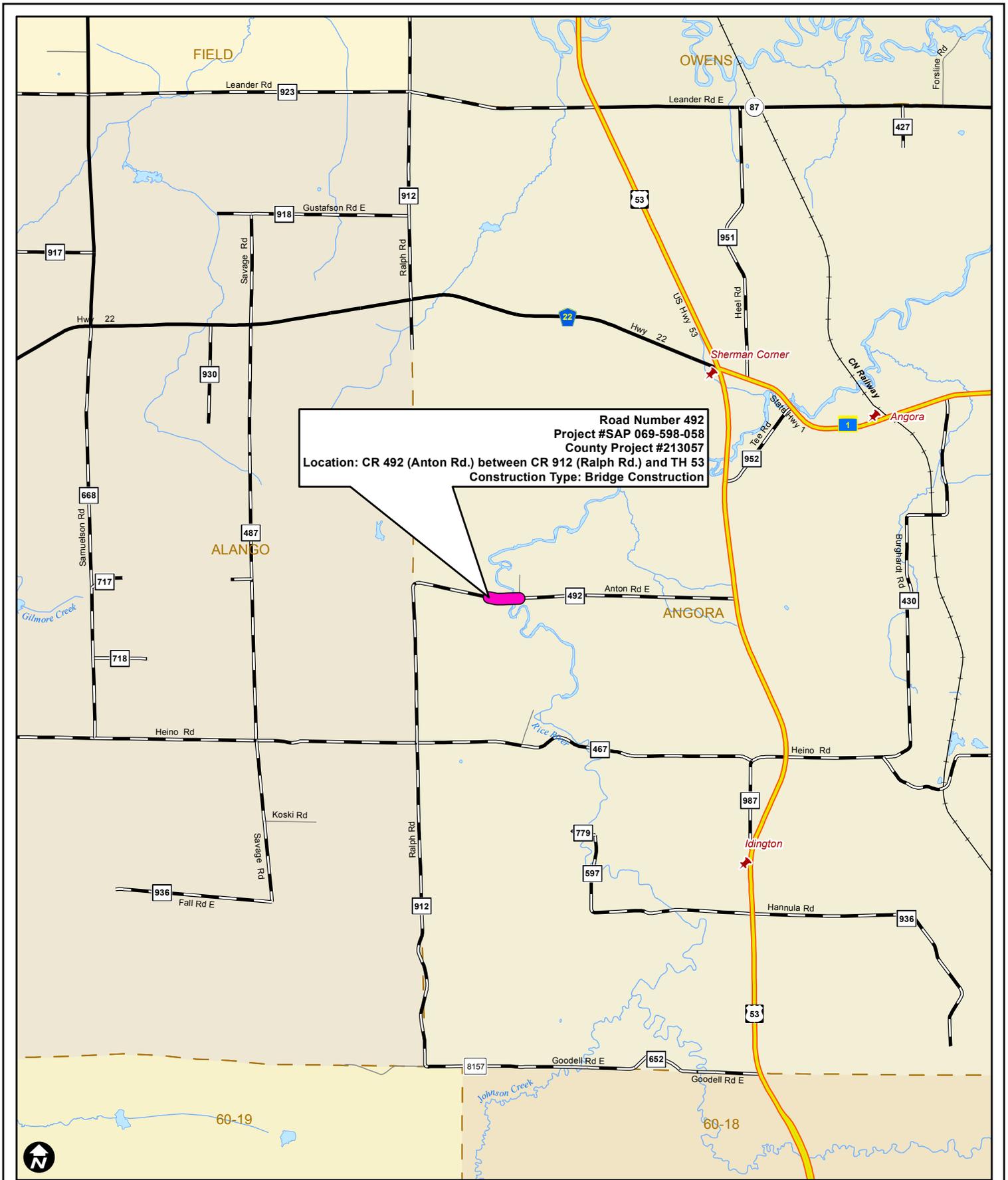
WHEREAS, These improvements consist of replacing the existing bridge with a single span, concrete beam bridge at the same location and reconstructing the roadway as determined necessary to provide for the safety and convenience of the public; and

WHEREAS, In addition to the existing highway right of way, certain lands are required for this construction, together with temporary construction easements;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the Public Works Director to proceed with the acquisition of the necessary lands and temporary easements for this project, payable from Fund 200, Agency 203001;

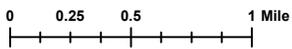
RESOLVED FURTHER, That pursuant to Minn. Stat. §282.04, Subdivision 4, the St. Louis County Board authorizes the County Auditor to grant the necessary easements for highway purposes over the following tax forfeited parcels:

1. The Northeast Quarter of the Northwest Quarter (NE 1/4 of NW 1/4), Section 19, Township 61 North of Range 18 West. (parcel ID No. 215-0010-03230)
2. The Southeast Quarter of Southwest Quarter (SE 1/4 of SW 1/4), Section 18, Township 61 North, Range 18 West. (parcel ID No. 215-0010-03140)



Road Number 492
Project #SAP 069-598-058
County Project #213057
Location: CR 492 (Anton Rd.) between CR 912 (Ralph Rd.) and TH 53
Construction Type: Bridge Construction

St. Louis County 2015 Road & Bridge Construction



Map Components	
2015 Road & Bridge Construction	County/Unorg. Twp. Road - Paved
Bridge Construction	County/Unorg. Twp. Road - Gravel
Interstate Highway	Local Road/City Street
U.S./State Highway	Railroad
	Commissioner District
	Township Boundary
	City/Town
	Lake
	River/Stream

BOARD LETTER NO. 15 - 06

PUBLIC WORKS & TRANSPORTATION COMMITTEE
CONSENT NO. 5

BOARD AGENDA NO.

DATE: January 6, 2015 **RE:** Acceptance of Grant for Bridge
69A21 Replacement Project
(Hermantown)

FROM: Kevin Z. Gray
County Administrator

James T. Foldesi
Public Works Director/Highway Engineer

RELATED DEPARTMENT GOAL:

Provide a safe, well maintained road and bridge system.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize an agreement accepting a Minnesota State Transportation Fund grant and committing to the use of local funds to pay for that portion of the cost exceeding the grant amount for the reconstruction of bridge 69A21 in Hermantown, MN.

BACKGROUND:

Bids for the reconstruction of State Bridge 69A21 (CP 0696-185317; SAP 69-598-054) were let on December 4, 2014, and the project was awarded under Resolution No. 14-727 on December 16. Northland Constructors of Duluth submitted the successful bid of \$683,330.50. Final approval of a grant for bridge reconstruction from the Minnesota State Transportation Bridge Bond was received on December 19. The grant will offset \$460,479.00 in local funds which were anticipated for this project.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize agreements with the Minnesota Department of Transportation to accept Transportation Grant funds and commit to the use of local funds for costs of County Project CP 0696-185317 which exceed the grant amount.

Acceptance of Grant for Bridge 69A21 Replacement Project (Hermantown)

BY COMMISSIONER _____

WHEREAS, St. Louis County has applied to the Minnesota Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for the construction of project SAP 69-598-054, CP 185317, State Bridge 69A21 on County Road 696 in Hermantown, MN; and

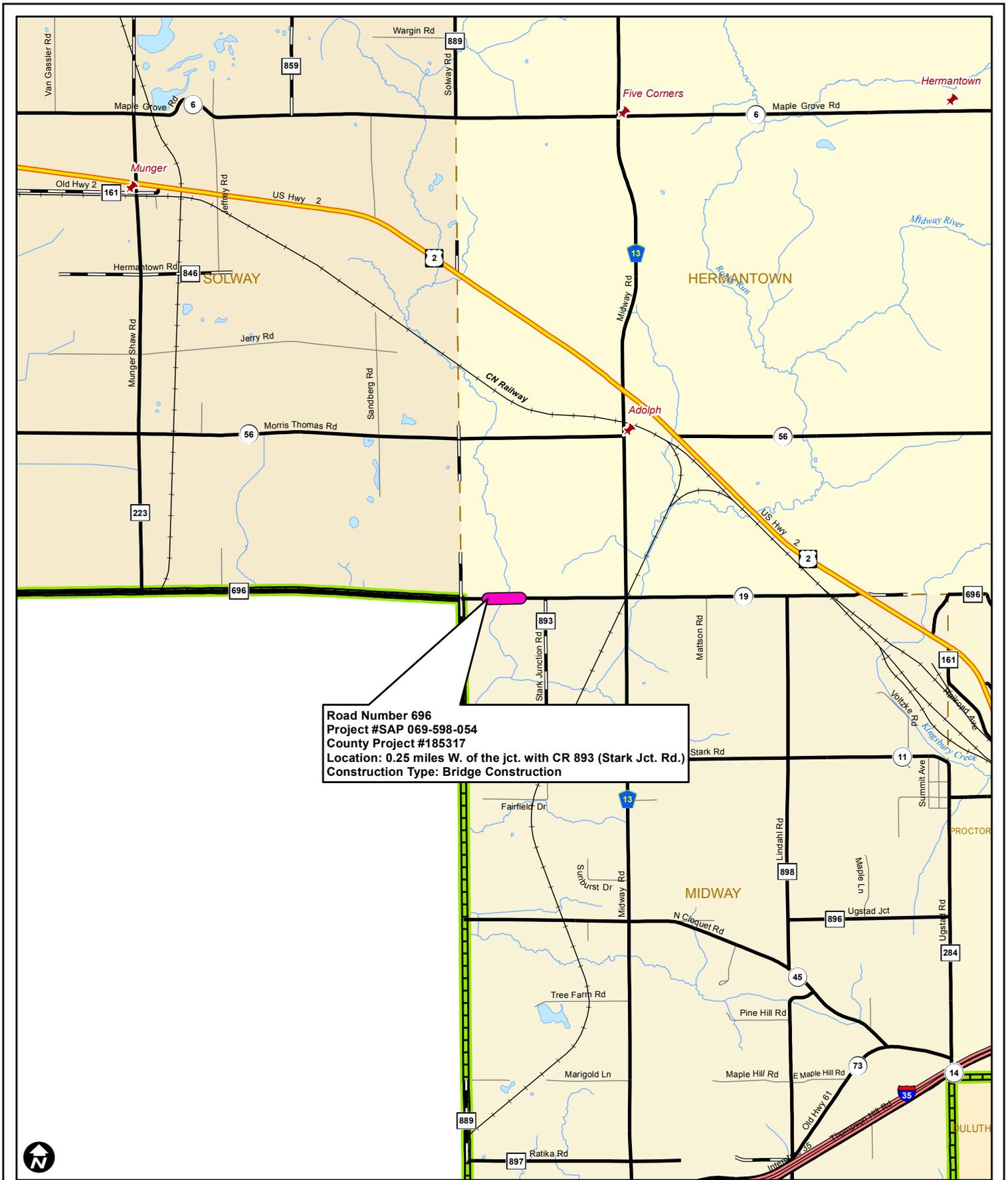
WHEREAS, The Commissioner of Transportation has given notice that funding for this bridge is available; and

WHEREAS, The amount of the grant has been determined to be \$460,479.00, and shall be deposited into Fund 220, Agency 220334;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board agrees to the terms and conditions of the grant consistent with Minn. Stat., Section 174.50, Subd. 5, (3), and will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge but not required;

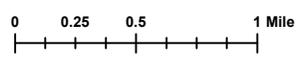
RESOLVED FURTHER, That the appropriate county officials are authorized to execute a grant agreement with the Minnesota Commissioner of Transportation concerning the above-referenced grant.

Fund 29 Bridge Bond Funds	\$460,479.00
Local Funds	\$222,851.50
Total Project:	\$683,330.50



Road Number 696
Project #SAP 069-598-054
County Project #185317
Location: 0.25 miles W. of the jct. with CR 893 (Stark Jct. Rd.)
Construction Type: Bridge Construction

St. Louis County 2015 Road & Bridge Construction



Map Components	
2015 Road & Bridge Construction	County/Unorg. Twp. Road - Paved
Bridge Construction	County/Unorg. Twp. Road - Gravel
Interstate Highway	Local Road/City Street
U.S./State Highway	Railroad
	Commissioner District
	Township Boundary
	City/Town
	Lake
	River/Stream

BOARD LETTER NO. 15 - 07

PUBLIC WORKS & TRANSPORTATION COMMITTEE
CONSENT NO. 6

BOARD AGENDA NO.

DATE: January 6, 2015 **RE:** **Acceptance of Grant for Bridge
69A19 Replacement Project
(Sturgeon Township)**

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

**James T. Foldesi
Public Works Director/Highway Engineer**

RELATED DEPARTMENT GOAL:

Provide a safe, well maintained road and bridge system.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize an agreement accepting a Minnesota State Transportation Fund grant and committing to the use of local funds to pay for that portion of the cost exceeding the grant amount for the reconstruction of bridge 69A19 in Hermantown, MN.

BACKGROUND:

Bids for the reconstruction of State Bridge 69A19 (CP 0022-176286; SAP 69-622-021) were let on November 6, 2014, and the project was awarded under Resolution No. 14-657 on November 25. Redstone Construction of Mora submitted the successful bid of \$2,764,371.15. Final approval of a grant for this project from the Minnesota State Transportation Bridge Bond was received on November 18. The grant will offset \$588,918.00 in St. Louis County State Aid funds which were anticipated for this project.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize agreements with the Minnesota Department of Transportation to accept Transportation Grant funds and commit to the use of St. Louis County State Aid funds for costs of County Project CP 0022-176286 which exceed the grant amount.

Acceptance of Grant for Bridge 69A19 Replacement Project (Sturgeon Township)

BY COMMISSIONER _____

WHEREAS, St. Louis County has applied to the Minnesota Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for the construction of project SAP 69-622-021, CP 0022-176286, State Bridge 69A19 on County State Aid Highway 22 in Sturgeon Township; and

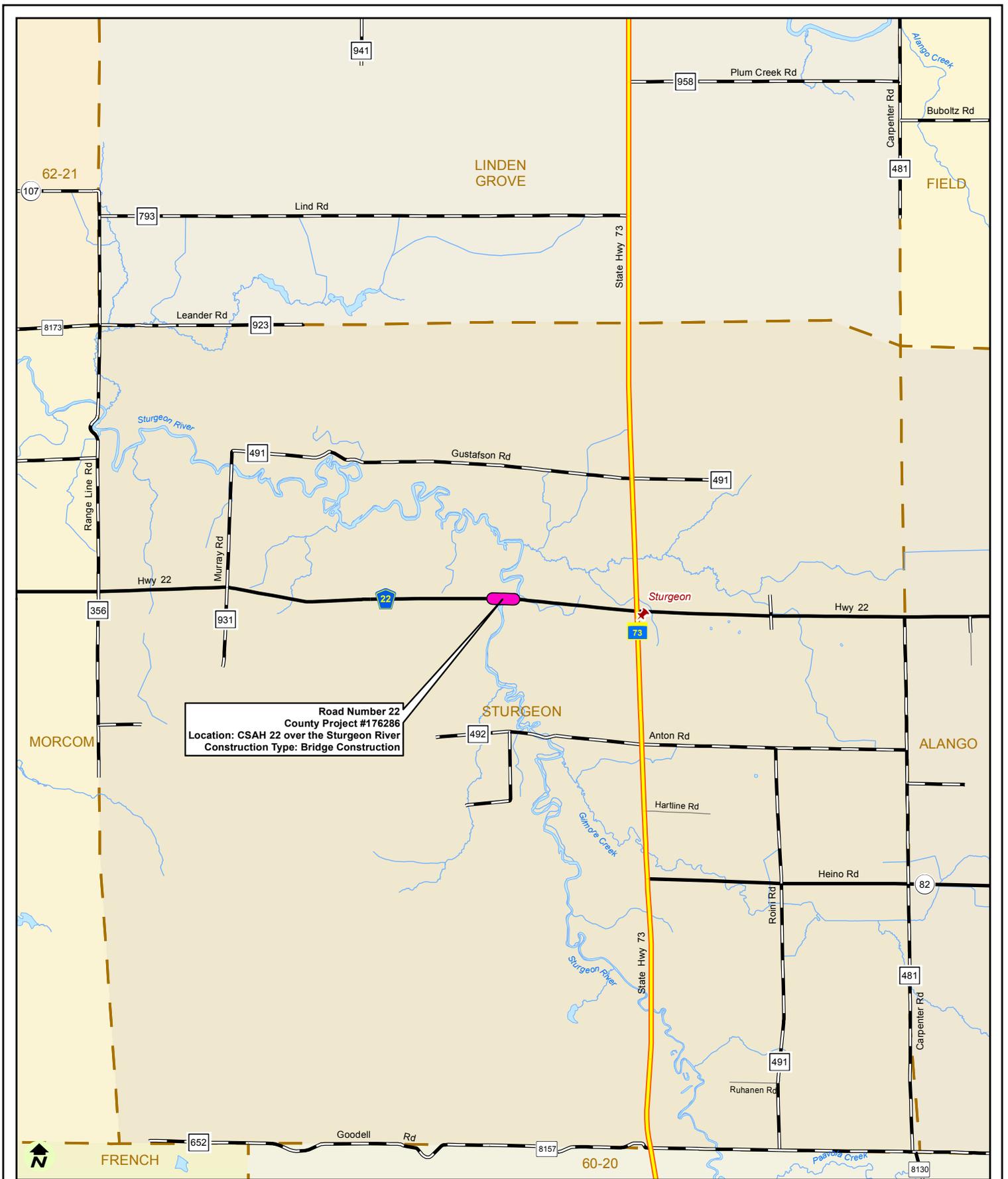
WHEREAS, The Commissioner of Transportation has given notice that funding for this bridge is available; and

WHEREAS, The amount of the grant has been determined to be \$588,918.00, and shall be deposited into Fund 220, Agency 220283;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board agrees to the terms and conditions of the grant consistent with Minn. Stat., Section 174.50, Subd. 5, (3), and will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge but not required;

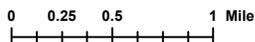
RESOLVED FURTHER, That the appropriate county officials are authorized to execute a grant agreement with the Minnesota Commissioner of Transportation concerning the above-referenced grant.

Fund 29 Bridge Bond Funds	\$588,918.00
State Aid Funds	\$2,175,453.15
Total Project:	\$2,764,371.15



Road Number 22
 County Project #176286
 Location: CSAH 22 over the Sturgeon River
 Construction Type: Bridge Construction

St. Louis County 2012 Road & Bridge Construction



Map Components

2012 Road & Bridge Construction

- Bridge Construction
- Interstate Highway
- U.S./State Highway

- County Road - Paved
- County Road - Gravel
- Railroad
- Commissioner District

- Township Boundary
- City/Town
- Lake
- River/Stream

BOARD LETTER NO. 15 - 08

PUBLIC WORKS & TRANSPORTATION COMMITTEE CONSENT NO. 7

BOARD AGENDA NO.

DATE: January 6, 2015

RE: Preparation of Right of Way Plat
No. 34 CSAH 89/57th Avenue
West/Highland Street and
Amendment to Right of Way Plat
No. 33 (Duluth)

FROM: Kevin Z. Gray
County Administrator

James T. Foldesi
Public Works Director/Highway Engineer

RELATED DEPARTMENT GOAL:

Provide a safe, well maintained road and bridge system.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the Public Works Director to proceed with the preparation of St. Louis County Highway Plat No. 34 and complete the acquisition of additional right of way to allow for the reconstruction of County State Aid Highway (CSAH) 89/57th Avenue West/Highland Street.

BACKGROUND:

The Public Works Department has completed most of the reconstruction of the 1.6 miles of CSAH 89, which included the construction of a new bridge. This reconstruction is within the city of Duluth, beginning at the intersection of CSAH 89/57th Avenue West and Cody Street, north to CSAH 89/Highland Street, along Highland Street to the intersection of Skyline Parkway and Vinland Street. At that intersection, the reconstruction encompasses a radius of 750' in each direction. Right of Way Plat No. 34 will serve as an amendment to Right of Way Plat No. 33 (County Board Resolution No. 13-181 adopted on April 12, 2013). This amended Right of Way Plat is necessary due to some changes of permanent easements to temporary easements involving city of Duluth properties.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the Public Works Department to prepare and record a right of way plat for future reference, to be named "St. Louis County Highway Right of Way Plat No. 34" which amends St. Louis County Highway Right of Way Plat No. 33.

**Preparation of Right of Way Plat No. 34 CSAH 89/57th Avenue West/Highland Street
and Amendment to Right of Way Plat No. 33 (Duluth)**

BY COMMISSIONER _____

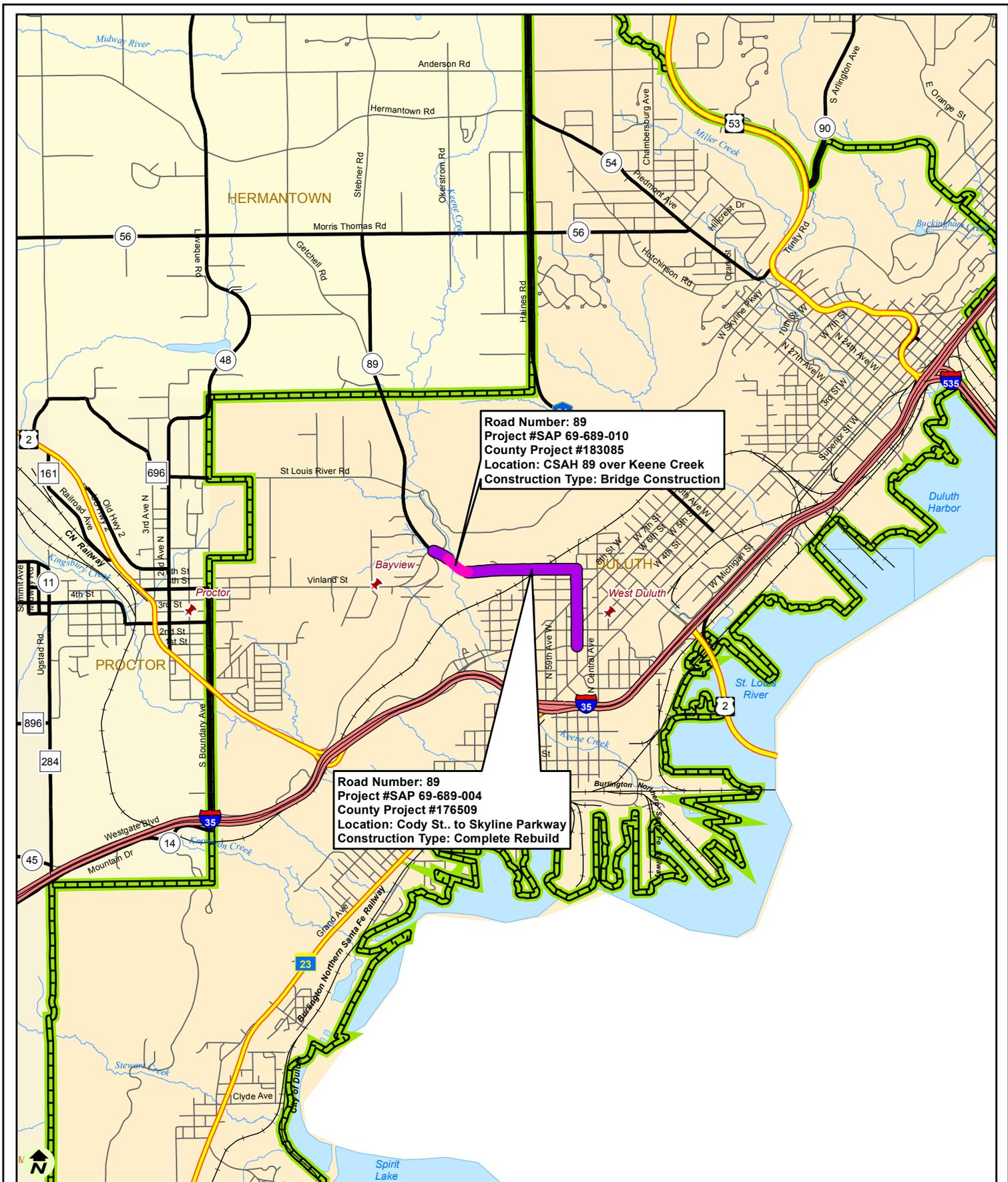
WHEREAS, The St. Louis County Public Works Department has completed most of the reconstruction of the 1.6 miles of County State Aid Highway 89/57th Avenue West/Highland Street in Duluth, MN; and

WHEREAS, The reconstruction necessitated permanent and temporary easements and the acquisition of additional right of way and an amendment to Right of Way Plat No. 33 (County Board Resolution No. 13-181 adopted April 12, 2013) is necessary; and

WHEREAS, Right of Way Plat No. 34 amends Right of Way Plat No. 33 to facilitate the necessary permanent and temporary easements involving city of Duluth properties, and additional necessary right of way purchases; and

WHEREAS, A right of way plat would be beneficial for acquisition purposes and for future reference;

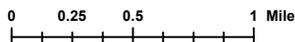
THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the Public Works Department to prepare St. Louis County Highway Right of Way Plat No. 34 for the reconstruction of County State Aid Highway 89 (County Project 176509, SP 069-689-004), amending St. Louis County Highway Right of Way Plat No. 33 to be filed with the County Recorder for future reference.



Road Number: 89
Project #SAP 69-689-010
County Project #183085
Location: CSAH 89 over Keene Creek
Construction Type: Bridge Construction

Road Number: 89
Project #SAP 69-689-004
County Project #176509
Location: Cody St.. to Skyline Parkway
Construction Type: Complete Rebuild

St. Louis County 2013 Road & Bridge Construction



Map Components

- | | | |
|--|------------------------|-------------------|
| 2013 Road & Bridge Construction | County Road - Paved | Township Boundary |
| Bridge Construction | County Road - Gravel | City/Town |
| Complete Rebuild | Local Road/City Street | Lake |
| Interstate Highway | Railroad | River/Stream |
| U.S./State Highway | Commissioner District | |

BOARD LETTER NO. 15 - 09

FINANCE & BUDGET COMMITTEE CONSENT NO. 8

BOARD AGENDA NO.

DATE: January 6, 2015

RE: Letter of Understanding for 2014
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.

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 2014 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 2014 audit of St. Louis County.

Letter of Understanding for 2014 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 2014 proposed audit of St. Louis County by the State Auditor's Office.



STATE OF MINNESOTA

OFFICE OF THE STATE 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)

REBECCA OTTO
STATE AUDITOR

December 10, 2014

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, 2014. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of St. Louis County as of and for the year ended December 31, 2014. 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 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 information

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 we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

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

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

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 our auditor's report will not provide an opinion or any assurance on it:

- 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 the provisions of laws, regulations, contracts, and 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 *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (a) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance and (b) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will 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*. We will issue written reports upon completion of our single audit. Our reports will be addressed to the governing body of St. Louis County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the single audit compliance opinion are other than unmodified, 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 issue reports, or we may withdraw from this engagement.

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) 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 nonaudit 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. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. The County understands this will result in additional costs and agrees to pay for these services.

You will be required to acknowledge in the written management representation letter our assistance, if any, 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. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes and any other nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for (a) 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; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements 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 the accuracy and completeness of that information. 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 for confirming to us in the written management 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 affecting the entity involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud 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 entity 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. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. 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 (including notes and noncash assistance received) 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 management 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) 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) 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, which we have been engaged to report on, 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 management representation letter that (a) you are responsible for

presentation of the supplementary information in accordance with generally accepted accounting principles (GAAP); (b) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) 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 (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) 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 auditing standards generally accepted in the United States of America 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, 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 your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards. We plan to use personnel from internal audit of St. Louis County to provide direct assistance to us during the testing of non-standard journal entries, performance of inventory test counts, and assistance in performing system walk-throughs of internal controls in significant audit areas. You acknowledge that those personnel will be allowed to follow our instructions and you will not intervene in their work.

Audit Procedures—Internal Control

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 provisions of applicable laws, regulations, 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 these 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.

We will provide your governing body, management, related organization representatives, and nonfederal grantor entities with copies of our reports. Management is responsible for all other distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

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 and appropriate individuals 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 Dianne Syverson at (651) 282-2748 or myself, who will be in charge of this audit, at (651) 282-2392 or at amy.ames@osa.state.mn.us. If you agree with the terms of our engagement as described in this letter, please sign where provided below and return to us at the following address:

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

Sincerely,



for

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. 15 - 10

FINANCE & BUDGET COMMITTEE CONSENT NO. 9

BOARD AGENDA NO.

DATE: January 6, 2015 **RE:** Professional Service Contract and
Related Documents for the Review
of Wetland Bank Application

FROM: Kevin Z. Gray
County Administrator

Barbara Hayden, Director
Planning and Community Development

RELATED DEPARTMENT GOAL:

Administer county ordinances and state regulations pertaining to land use in the most effective and efficient manner.

ACTION REQUESTED:

The St. Louis County Board is requested to approve a professional service contract with Emmons & Olivier Resources, Inc., of Oakdale, MN, to provide technical assistance in reviewing a large scale wetland bank application.

BACKGROUND:

Ecosystem Investment Partnership Credit Company LLC (EIP) has proposed a large scale wetland bank in St. Louis County. The proposed project is called the Lake Superior Wetland Bank. It is estimated to be over 23,000 acres in size located adjacent to the Sax-Zim Bog. A map of the proposed project is attached.

Under the Minnesota Wetland Conservation Act (WCA), Minnesota Rules Chapter 8420, wetland banking applications must be approved by the Local Government Unit (LGU) responsible for administering WCA in the project area. St. Louis County has been designated the LGU for this project.

In June of 2014, the County Board adopted a Wetland Replacement or Wetland Banking Policy, County Board Resolution No. 14-384. The policy requires that for projects greater than 20 acres in size, all costs for the preparation and review of such wetland bank applications be the responsibility of the applicant. Due to the complexity of the application, it was determined that additional technical expertise is needed from a wetland consultant to assist in reviewing the application. Planning and Community Development and Purchasing conducted a Request for Qualifications and Request for Proposal Process. Following that process and interviews with two firms, it is recommended that the county contract for professional services with Emmons & Olivier Resources, Inc. located in Oakdale, MN for an amount not to exceed \$36,390.

The County Board policy requires the wetland bank applicant to pay the cost of the consultant and estimated staff costs as determined by the County Administrator.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the appropriate county officials to execute a contract with Emmons & Olivier Resources, Inc. of Oakdale, MN, for professional services in the amount not to exceed \$36,390. It further authorizes the Planning and Community Development Director, with approval of the County Attorney, to negotiate and execute any agreements or documents related thereto, including a contract consistent with county policy requiring EIP to pay costs for the wetland bank proposal evaluation and provide access to the property to proceed with the review of the wetland bank application by St. Louis County.

**Professional Service Contract and Related Documents for the
Review of Wetland Bank Application**

BY COMMISSIONER _____

WHEREAS, St. Louis County has received a preliminary wetland bank application from Ecosystem Investment Partnership Credit Company, LLC (EIP) for a bank estimated to be over 23,000 acres in size; and

WHEREAS, St. Louis County has been designated the responsible Local Government Unit under the Minnesota Wetland Conservation Act; and

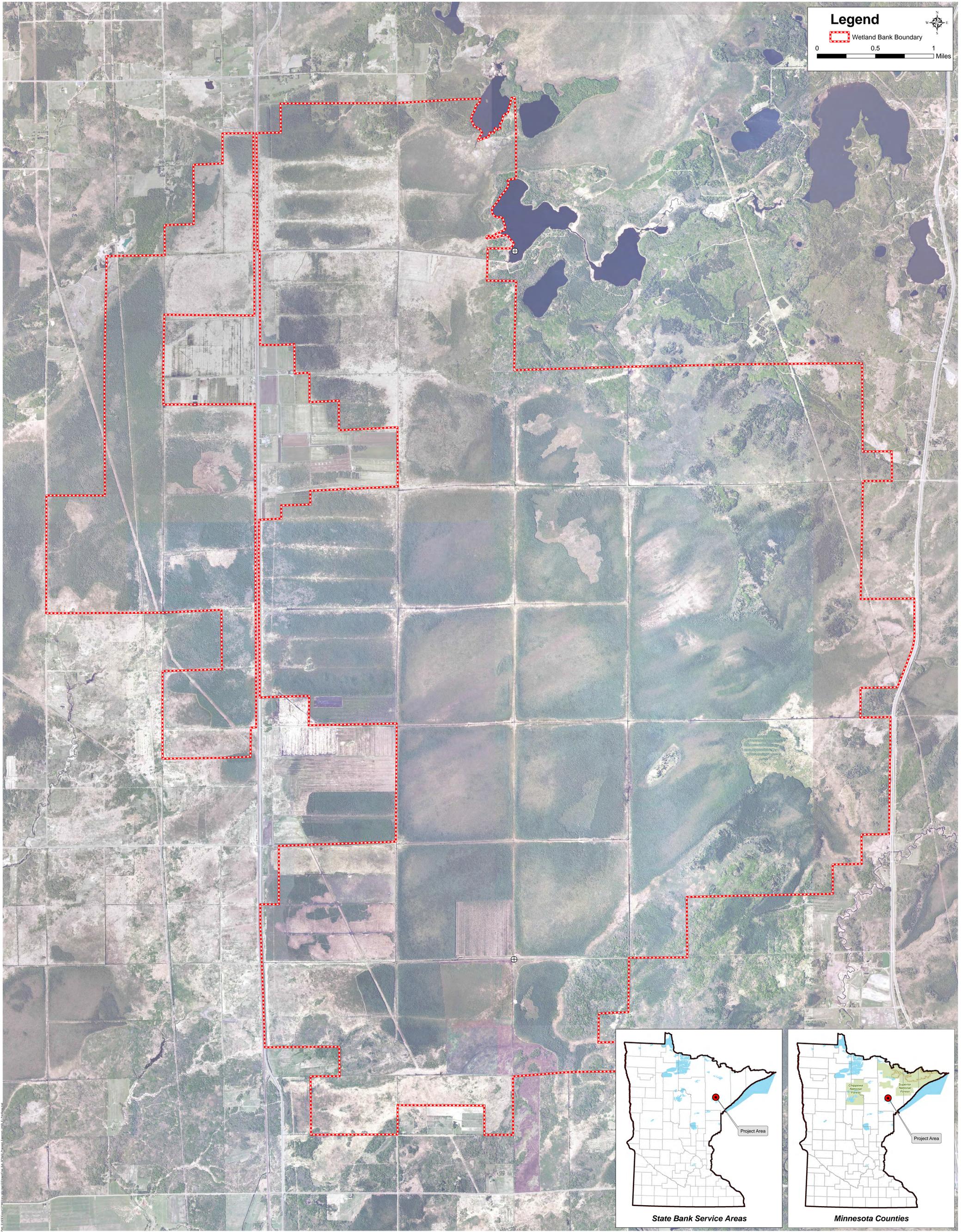
WHEREAS, St. Louis County adopted a Wetland Banking Policy (County Board Resolution No. 14-384) requiring the applicant to be responsible for all costs associated with the review of applications including required consultants and staff costs; and

WHEREAS, The Planning and Community Development Director determined that additional technical expertise was needed in reviewing the application and worked with the Purchasing Division to solicit qualified proposals and it was determined that Emmons & Olivier Resources, Inc. of Oakdale, MN, is the most qualified firm to assist St. Louis County in reviewing the proposed wetland bank application;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the appropriate county officials to execute a contract with Emmons & Olivier Resources, Inc. of Oakdale, MN, for technical services in reviewing the wetland bank application for up to \$36,390;

RESOLVED FURTHER, The St. Louis County Board authorizes the appropriate county officials to negotiate and execute agreements and documents related thereto, including a contract consistent with county policy requiring EIP to pay costs for the wetland bank proposal evaluation and provide access to the property, to complete the review of the proposed application;

RESOLVED FURTHER, That the funds shall be deposited and paid from the Planning and Community Development Fund 100, Agency 109002, Object 629900 or its designated fund.



Legend

Wetland Bank Boundary

0 0.5 1 Miles



Project: ECOSY 127166
Print Date: 11/1/2014

Map by: B. Tischer
Projection: NAD 1983 UTM Zone 15N
Source: St. Louis County, SEH, Inc., MNDNR
Background: MNDNR, 2009



EIP Lake Superior Wetland Bank
EIP Credit Co., LLC

State Bank Service Areas

Minnesota Counties

FIGURE 2
Proposed Easement Map

BOARD LETTER NO. 15 - 11

FINANCE & BUDGET COMMITTEE NO. 1

BOARD AGENDA NO.

DATE: January 6, 2015 **RE:** Restructure South St. Louis County
Fair Association/Lakehead Racing
Association Loan

FROM: Kevin Z. Gray
County Administrator

RELATED DEPARTMENT GOAL:

To provide effective and efficient government.

ACTION REQUESTED:

The St. Louis County Board is requested to approve the restructure of two outstanding loans with the South St. Louis County Fair Association on behalf of the Lakehead Racing Association.

BACKGROUND:

Fifth District County Commissioner Pete Stauber has been approached by the South St. Louis County Fair Association and the Lakehead Racing Association about the annual payments due on two outstanding loans for improvements at the Proctor Raceway. Since 1999, the St. Louis County Board has provided \$817,500 in loans and grants to the Fair Association for improvements at the South St. Louis County Fairgrounds, now owned by the city of Proctor.

The balance remaining on two original loans totaling \$530,000 for grandstands and racetrack lighting and a concession/multi-purpose building is \$252,859.67. Current annual repayment requirements for the two loans total \$32,000 to be collected from the Fair Association and the Racing Association. In cooperation with the County Auditor, County Attorney and County Administration, a restructure of the current loan is being proposed to provide some relief for both organizations which will extend the payback period by reducing the annual repayment to \$13,500. This amount is more reflective of the ability to pay based upon the original loan terms and requires \$8,500 from the Racing Association (the approximate proceeds from a \$1.00 ticket surcharge) and \$5,000 from the Fair Association (currently derived from annual county support payment to the Fair Association).

Commissioner Stauber and County Administration have met with representatives of both organizations regarding this loan restructure proposal, and they are in agreement with the plan. The city of Proctor has also expressed approval for the loan restructure.

RECOMMENDATION:

It is recommended that the St. Louis County Board approve an amendment to the existing loan agreements with the South St. Louis County Fair Association and the Lakehead Racing Association, which will provide substantial relief for the operations of both organizations and authorize the appropriate county officials to implement the amendment.

**Restructure of Loan Agreements with the South St. Louis County Fair
Association and Lakehead Racing Association**

BY COMMISSIONER _____

WHEREAS, Since 1999, the St. Louis County Board has provided \$817,500 in loans and grants to the South St. Louis County Fair Association for improvements at the South St. Louis County Fairgrounds, now owned by the city of Proctor; and

WHEREAS, The Fair Association and the Lakehead Racing Association are seeking relief from the repayment requirements on the balance of \$252,859.67 remaining on two original loans totaling \$530,000 for grandstands and racetrack lighting and a concession/multi-purpose building; and

WHEREAS, Current annual repayment requirements for the two loans total \$32,000 to be collected from the Fair Association and the Racing Association; and

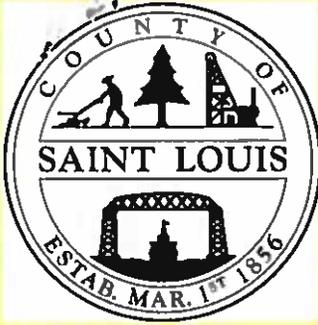
WHEREAS, In cooperation with the County Auditor, County Attorney and County Administration, a restructure of the current loan is being proposed to provide some relief for both organizations which will extend the payback period by reducing the annual repayment to \$13,500; requiring \$8,500 from the Racing Association and \$5,000 from the Fair Association;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves an amendment to the existing loan agreements with the South St. Louis County Fair Association and the Lakehead Racing Association, which will provide substantial relief for the operations of both organizations, and authorizes the appropriate county officials to implement the amendment.

Appointment to the Civil Service Commission

BY COMMISSIONER: _____

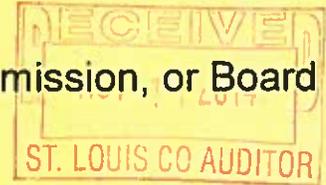
RESOLVED, The St. Louis County Board appoints Arik C. Forsman, as an alternate Civil Service Commission member, for a three-year term ending January 13, 2018.



Revised 1-2006
APP-CACCB

Application

Citizen Advisory Committee, Commission, or Board
St. Louis County



Return Application to:
Clerk of the County Board
100 N. 5th Avenue West, #214
Duluth, MN 55802-1293

Note: Please mail or deliver your completed application to the Clerk of the Board at the adjacent address. Your application will be on file for approximately one year.

Application For: Civil Service Commission

Please list the committee, commission, or board for which you are applying

Applicant Name: Forsman Arik C Mr. Mrs. Ms.
Last Name First Name Middle Initial

Home Address: 4024 McCulloch St
Street
Duluth MN 55804
City State Zip

Telephone/Fax/ E-Mail: 218-290-5496 218-723-7416 aforsman@allete.com
Home Work Fax E-mail Address

1. How long have you lived in St. Louis County? 26 years

2. List other community groups, boards, committees, or commissions for which you are, or have been a member?

- *Board Member - Northland Human Resource Association (2010 - Present)
- *Finance Committee Member - Animal Allies (2013 - 2014)
- *United Way of Greater Duluth Fund Distribution Panel Member (2014)
- *Fuse Duluth Mentoring Program Participant (2013 - 2014)
- *Disability Mentoring Day Committee Member - Northern Lights Special Ed Coop (2014)

3. What interests you about becoming a member of the committee, commission or board for which you are applying?

I have a passion for the human resources field and for public service. Having grown up on the Range and having lived in Duluth for the past eight years, I feel like I have a strong grasp of the issues impacting St. Louis County residents. My previous employment experience includes working in the St. Louis County HR Department. This uniquely qualifies me to understand the important role that the Civil Service Commission plays in ensuring accountability that Civil Service Rules are upheld.

4. Please describe your education, employment, areas of interest, and expertise.

Certified Professional in Human Resources. President-Elect for the Northland Human Resource Association. Five years of professional HR experience in both the public & private sector (St. Louis County and ALLETE). Labor background - interned for UFCW Local 1116 during college. Graduated summa cum laude from UMD in 2009 with a Bachelor's of Business Administration (HR major). Mesabi East graduate.

5. Please provide additional information you believe is important in considering your application?

I would be very excited to serve my County by offering my experience, skills, and education in this role! My prior employment opportunities have allowed me to see problems from both the Union and HR perspectives, which I believe will be valuable as an independent third party reviewer of issues that are brought to the Commission.

6. Please list two references including name, address, and telephone number.

Nicole Johnson, 30 W Superior St, Duluth, MN 55802 218-723-7557

Thor Underdahl, 30 W Superior St, Duluth, MN 55802 218-723-3209

I have sufficient time to devote to this responsibility and will attend the required meetings if appointed.

Signature:

At Forrester

Date

11/12/14

THANK YOU!

Office Use Only

Date Received

Appointment Date

Date Entered

Term End Date

Commissioner District

Retention Date

Appointed: Yes No

Committee/Board/Commission: