

AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF ST. LOUIS COUNTY, MINNESOTA



Tuesday, March 25, 2014, 9:30 A.M.

**Joint Public Works Facility
2210 East Sheridan
Ely, Minnesota**

Highway 53 North through Virginia, merge onto MN 169 North toward Ely. MN 169 becomes Sheridan Street and takes you through Ely. Proceed all the way through town to 2210 East Sheridan, the facility is on the right.

**MIKE FORSMAN, Chair
Fourth District**

**FRANK JEWELL
First District**

**PATRICK BOYLE
Second District**

**CHRIS DAHLBERG
Third District**

**PETE STAUBER, Vice-Chair
Fifth District**

**KEITH NELSON
Sixth District**

**STEVE RAUKAR
Seventh District**

County Auditor
Donald Dicklich

County Administrator
Kevin Gray

County Attorney
Mark Rubin

Clerk of the Board
Phil Chapman

The St. Louis County Board of Commissioners welcomes you to this meeting. This agenda contains a brief description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, you will be allowed to address the Board when a motion is on the floor. If you wish to speak on a matter that does not appear on the agenda, you may do so during the public comment period at the beginning of the meeting. Except as otherwise provided by the Standing Rules of the County Board, no action shall be taken on any item not appearing in the agenda.

When addressing the Board, please sign in at the podium and state your name and address for the record. Please address the Board as a whole through the Chair. Comments to individual Commissioners or staff are not permitted. The St. Louis County Board promotes adherence to civility in conducting the business of the County. Civility will provide increased opportunities for civil discourse in order to find positive resolutions to the issue before the Board. Tools of civility include: pay attention, listen, be inclusive, do not gossip, show respect, be agreeable, apologize, give constructive criticism and take responsibility [County Board Resolution No. 560, adopted on September 9, 2003]. Speakers will be limited to five (5) minutes.

****In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify Property Management 72 hours prior to the meeting at (218)725-5085.****

All supporting documentation is available for public review in the County Auditor's Office, 100 North 5th Avenue West - Room No. 214, St. Louis County Courthouse, Duluth, MN, during regular business hours 8:00 A.M. - 4:30 P.M., Monday through Friday. Agenda is also available on our website at <http://www.stlouiscountymn.gov/GOVERNMENT/BoardofCommissioners.aspx>

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9:30 A.M. Moment of Silence
Pledge of Allegiance
Roll Call

AT THIS TIME CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD ON ITEMS NOT ON THE AGENDA. [Speakers will be limited to 5 minutes each.]

FOR ITEMS LISTED ON THE BOARD AGENDA OR COMMITTEE OF THE WHOLE AGENDA, CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD AT THE TIME A MOTION IS ON THE FLOOR.

9:40 A.M. PUBLIC HEARING, pursuant to Resolution No. 14-136, adopted March 11, 2014, to consider the granting of an off-sale intoxicating liquor license to H & H at The Rocky Ledge, LLC d/b/a The Rocky Ledge, Kabetogama Township. **{14-105}**

9:45 A.M. PUBLIC HEARING, pursuant to Resolution No. 14-137, adopted March 11, 2014, to consider allegations of a liquor law violation by Ash-Ka-Nam Resort & Lodge, LLC d/b/a Ash-Ka-Nam, Unorganized Township 68-19). **{14-106}**

CONSENT AGENDA

Approval of business submitted on the consent agenda.

REGULAR AGENDA

Finance & Budget Committee – Commissioner Nelson, Chair

1. Contract with Aramark Uniform Services, La Crosse, WI, at an annual cost of \$30,447.20 for uniform rental, mat rental and shop supplies. **{14-79} [Tabled from the March 11, 2014 meeting.]**
2. Amend County Board Resolution No. 13-694, Sale of Chris Jensen Health & Rehabilitation Center, adopted November 12, 2013 and amended by Resolution No. 14-92, adopted February 4, 2014. **{14-107} [Has not been to committee; requires consent of the Board to be considered.]**

ADJOURNED:

Off-Sale Intoxicating Liquor License (Kabetogama Township)

BY COMMISSIONER _____

WHEREAS, H&H at The Rocky Ledge LLC d/b/a The Rocky Ledge, Kabetogama Township, St. Louis County, Minnesota, has applied for an off-sale intoxicating liquor license; and

WHEREAS, Minn. Stat. § 340A.405, Subdivision 2(d), requires that a public hearing be held prior to the issuance of an off-sale intoxicating liquor license; and

WHEREAS, A public hearing was held on March 25, 2014, at 9:40 a.m. in the Joint Public Works Facility, Ely, Minnesota, for the purpose of considering the granting of the off-sale intoxicating liquor license; and

WHEREAS, With regard to the application for said license, The Rocky Ledge has complied in all respects with the requirements of Minnesota Law and St. Louis County Ordinance No. 28; and

WHEREAS, The Liquor Licensing Committee of the St. Louis County Board of Commissioners has considered the nature of the business to be conducted and the propriety of the location and has recommended approval of the application;

THEREFORE, BE IT RESOLVED, That Off-Sale Intoxicating Liquor License (License Number CMB14158) shall be issued to H&H at The Rocky Ledge d/b/a The Rocky Ledge, Kabetogama Township, located in Area 3, for an annual fee of \$150;

RESOLVED FURTHER, That said liquor license shall be effective March 25, 2014 through June 30, 2014;

RESOLVED FURTHER, That said license is approved contingent upon payment of real estate taxes when due;

RESOLVED FURTHER, That if named license holder sells the licensed place of business, the County Board may at its discretion, after an investigation, transfer the license to a new owner, but without pro-rated refund of license fee to the license holder.

BOARD LETTER NO. 14 - 106

FINANCE & BUDGET COMMITTEE

MARCH 25, 2014 BOARD AGENDA 9:45 A.M. PUBLIC HEARING

DATE: March 25, 2014

RE: Public Hearing to Consider
Allegations of Liquor Law
Violation – Ash-Ka-Nam Resort &
Lodge (Unorganized Township 68-
19)

FROM: Kevin Z. Gray
County Administrator

Donald Dicklich
County Auditor

Mark Rubin
County Attorney

RELATED DEPARTMENT GOAL:

Provide mandated and discretionary licensing services in a timely manner.

ACTION REQUESTED:

The St. Louis County Board is requested to consider penalties and/or suspension of liquor licenses for an alleged violation of St. Louis County Ordinance No. 28 by Ash-Ka-Nam Resort & Lodge, LLC d/b/a Ash-Ka-Nam, Unorganized Township 68-19.

BACKGROUND:

The County Attorney and the County Auditor have received reports from the St. Louis County Sheriff's Office concerning a violation of St. Louis County Ordinance No. 28 on August 30, 2013, by Ash-Ka-Nam Resort & Lodge, LLC d/b/a Ash-Ka-Nam, Unorganized Township 68-19.

On February 11, 2014, the St. Louis County Liquor Licensing Committee met to discuss the alleged liquor law violation against Ash-Ka-Nam. After consideration of the allegations and circumstances, the committee recommended a two (2) day license suspension and \$500 civil penalty, with \$200 of the civil penalty stayed if a written apology is received. The date of the two (2) day suspension will be April 1 and 2, 2014.

A public hearing was scheduled before the St. Louis County Board on March 25, 2014. The purpose of the hearing, pursuant to St. Louis County Ordinance No. 28, Section 13.01, is for the County Board to determine whether the licensee violated any liquor laws,

regulations, or provisions of Ordinance No. 28, and, if so, what consequence should be imposed upon the licensee. Ordinance No. 28 permits that a liquor license may be suspended or revoked for up to sixty days, a civil penalty of up to \$2,000 may be imposed for each violation, or a combination of any of these sanctions.

RECOMMENDATION:

It is recommended that the St. Louis County Board receive testimony at the public hearing and consider suspension, revocation, or other sanctions of the liquor licenses issued to Ash-Ka-Nam Resort & Lodge, LLC d/b/a Ash-Ka-Nam, Unorganized Township 68-19, including but not limited to, imposition of civil penalties for the violation.

Public Hearing on Allegations of Liquor Law Violation – Ash-Ka-Nam Resort & Lodge (Unorganized Township 68-19)

BY COMMISSIONER _____

WHEREAS, The St. Louis County Liquor Licensing Committee met on February 11, 2014, to consider recommending action to be taken by the County Board as a result of an alleged liquor law violation on August 30, 2013, against Ash-Ka-Nam Resort & Lodge, LLC d/b/a Ash-Ka-Nam, Unorganized Township 68-19; and

WHEREAS, The Liquor Licensing Committee recommended a two (2) day suspension and \$500 civil penalty, with \$200 of the civil penalty stayed if a written apology is received; and

WHEREAS, After hearing testimony on the matter at a public hearing conducted on March 25, 2014, at 9:45 a.m. in the Joint Public Works Facility, Ely, MN, the St. Louis County Board determined the recommendation of the Liquor Licensing Committee to be an appropriate penalty for the liquor ordinance violation;

THEREFORE, BE IT RESOLVED, That the Combination On/Off-Sale Intoxicating Liquor License No. CMB14107 and Sunday On-Sale Intoxicating Liquor License No. SUN14107, issued to Ash-Ka-Nam Resort & Lodge, LLC d/b/a Ash-Ka-Nam, Unorganized Township 68-19, are hereby suspended for two (2) days and a \$500 civil penalty is due, with \$200 of the civil penalty stayed if a written apology is received;

RESOLVED FURTHER, That the date of suspension of the liquor licenses will be April 1 and 2, 2014;

RESOLVED FURTHER, That a new violation within the next year (March 25, 2015) may also be cause for additional action against the liquor licenses of the licensee pursuant to St. Louis County Ordinance Number 28, Section 13.

Minutes
February 11, 2014
ST. LOUIS COUNTY LIQUOR LICENSING COMMITTEE MEETING

The meeting was called to order at 8:30 a.m., by Commissioner Keith Nelson, Chair, with the following members present: Phil Chapman, Deputy Auditor, Auditor Donald Dicklich, James Nephew, Attorney's Office, Lt. Dave Rolland, and Lt. Jason Akerson, Sheriff's Office; Sheriff Ross Litman arrived just after the meeting convened.

Assistant Attorney Nephew asked for nominations for the Chair of the Liquor Licensing Committee for 2014. Lt. Rolland nominated Commissioner Nelson; no other nominations were received. Auditor Dicklich entered the meeting. Lt. Rolland, supported by Auditor Dicklich, moved to approve Commissioner Nelson as Chair. (5-0)

The minutes of the October 8, 2013 meeting were approved. (Dicklich/Litman) (5-0)

Timothy Henrikson, Susan Hoffman and Daniel Tomczak (chef), appeared for H&H at The Rocky Ledge LLC d/b/a The Rocky Ledge, Kabetogama Township, requesting transfer of Combination On/Off-Sale and Sunday On-Sale Intoxicating Liquor Licenses. The applicants were asked relevant questions from the Liquor Licensing Checklist. They exhibited familiarity with the rules and regulations on operations. In addition, they were also asked the following:

1. If they had read and understood St. Louis County Ordinance No. 28
2. If they will abide by the rules governing liquor licenses

The applicants answered yes to each question. The application was recommended to the Board for approval, contingent on proof of liquor liability insurance and workers' compensation insurance company name and policy number. A copy of the checklist was added to the applicant's file. A public hearing for the Off-Sale Intoxicating Liquor License will be held on March 25, 2014. (Dicklich/Rolland) (5-0)

At the request of Sheriff Litman, Mark and Lynette Hraban, Ash-Ka-Nam Resort & Lodge, LLC d/b/a Ash-Ka-Nam, Unorganized Township 68-19, appeared regarding the compliance check that took place August 30, 2013. After a discussion regarding the incident, Auditor Dicklich made a motion, supported by Chair Nelson to recommend to the Board a two (2) day suspension and \$500.00 fine, with \$200.00 stayed if a written apology is received. Recommended suspension dates are April 1 and 2, 2014. (5-0)

The committee considered five (5) Special Event Permit Applications submitted by Ash-Ka-Nam Resort & Lodge, LLC d/b/a Ash-Ka-Nam, Unorganized Township 68-19, for the dates of March 7-9, 2014, May 2-3, 2014, July 25-27, 2014, August 8-10, 2014 and September 18-20, 2014. The applications were recommended to the Board for approval. (Rolland/Dicklich) (5-0)

The meeting was adjourned at 9:35 a.m. (Dicklich/Rolland) (5-0)

Keith Nelson, Chair

Wendy M. Johnson, IS II

ASH-KA-NAM RESORT AND LODGE

February 16, 2014

St. Louis County Liquor Licensing Committee

St. Louis County Board of Commissioners

Ely City Hall

Re: August 30, 2013

Violation of MSA 340A and St. Louis County ordinance No. 28

Ladies and Gentlemen,

Please accept my sincere apology for the violations above referenced. You have my personal Assurance that the violations will not be repeated by either myself or my staff. I have signed the Agreement proposal by Mr. Rubin and appreciate the opportunity I have been given to resolve This matter, in this fashion.

Please feel free to contact me is you have any further questions.

Sincerely, 

Mark Hraban

Uniform Rental, Mat Rental and Shop Supplies

BY COMMISSIONER _____

WHEREAS, The current St. Louis County uniform rental, mat rental and shop supply contracts expire on March 31, 2014; and

WHEREAS, St. Louis County Purchasing Division solicited, received and evaluated three proposals from vendors for this service; and

WHEREAS, Aramark Uniform Services received the highest evaluation score based upon pricing, services offered, qualifications and experience;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the appropriate county officials to execute a one-year contract, with five (5) possible one-year extensions, with Aramark Uniform Services of La Crosse, WI, at an annual cost of \$30,447.20.

RECOMMENDATION:

It is recommended that the St. Louis County Board amend Board Resolution No. 13-694 to reflect the requirements of the special legislation, which authorized the private sale of the Chris Jensen property.

**Amendment to County Board Resolution No. 13-394,
Sale of Chris Jensen Health & Rehabilitation Center**

BY COMMISSIONER _____

WHEREAS, During the 2012 Minnesota Legislative Session, St. Louis County requested authority to conduct a private sale of Chris Jensen to the current lessee, and was granted special legislation to pursue the sale of the property, provided the conveyance is executed by October 31, 2014; and

WHEREAS, While the county and the purchaser have pursued the necessary due diligence required to produce an Asset Purchase Agreement, it has become clear that an earlier proposed close of the sale transaction for March 31, 2014, is unrealistic; and

WHEREAS, The St. Louis County Attorney has requested that County Board Resolution No. 13-694 be amended to reflect the requirements of the special legislation which authorized the private sale of the Chris Jensen property;

THEREFORE BE IT RESOLVED, That the St. Louis County Board hereby amends County Board Resolution No. 13-694, adopted November 12, 2013, so that the first "resolved" reads as follows:

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the sale of Chris Jensen Health & Rehabilitation Center to the current lessee, or its assigns, for \$2,300,000, and authorizes the County Administrator and County Attorney to complete the necessary due diligence required to produce an Asset Purchase Agreement, within the time line provided in special legislation approved by the 2012 Minnesota Legislature.



Resolution
of the
Board of County Commissioners
St. Louis County, Minnesota

Adopted on: November 12, 2013 Resolution No. 13-694, Amended
Offered by Commissioner: Raukar

**Sale of Chris Jensen Health & Rehabilitation Center
to Health Dimensions Group**

WHEREAS, St. Louis County and Health Dimensions Group (HDG) entered into a long term lease arrangement of the Chris Jensen Health & Rehabilitation Center, with an initial five year term, with three five year renewable terms. The initial five year term of the lease started November 1, 2009, and will end October 31, 2014; and

WHEREAS, During the 2012 Minnesota Legislative Session, St. Louis County requested authority to conduct a private sale of Chris Jensen to the current lessee, and was granted special legislation to pursue the sale of the property, provided the conveyance is executed by October 31, 2014; and

WHEREAS, After a period of negotiations, on October 25, 2013, the county received a purchase proposal from Health Dimensions Group outlining HDG's history with the facility, its plans for the future, and some of the key terms for purchasing the Chris Jensen Health & Rehabilitation Center building and its contents, and surrounding land from the county, described as:

Legal Description:

Those parts of the East Half of the Southwest Quarter of the Northwest Quarter and the West Half of the Southeast Quarter of the Northwest Quarter all in Section 16, Township 50 North, Range 14 West of the Fourth Principal Meridian lying westerly of Rice Lake Road, described as follows:

Commencing at the west quarter corner of said Section 16; thence along the south line of said Northwest Quarter on an assigned bearing of North 89 degrees 28 minutes 29 seconds East 663.45 feet to the southwest corner of said East Half of Southwest Quarter of Northwest Quarter, said point being the point of beginning; thence continuing along said south line North 89 degrees 28 minutes 29 seconds East 468.51 feet to a one inch aluminum square tube; thence North 0 degrees 23 minutes 13 seconds West 182.56 feet to a one inch aluminum square tube; thence North 89 degrees 28 minutes 29 seconds East 761.50 feet to the westerly right-of-way of said Rice Lake Road; thence North 20 degrees 01 minute 27 seconds West along said westerly right-of-way line 1131.68 feet; thence South 71 degrees 35 minutes 04 seconds West 680.47 feet; thence 167.91 feet along a non-tangential curve, concave left, having a radius of 362.20 feet, a central angle of 26 degrees 33 minutes 37 seconds, and a chord bearing of South 52 degrees 11 minutes 48 seconds West; thence 76.24 feet along a non-tangential curve, concave right, having a radius of 92.69 feet, a central angle of 47 degrees 07 minutes 33 seconds, and a chord bearing of South 69 degrees 40 minutes 14 seconds West to the west line of said East Half; thence South 0 degrees 20 minutes 14 seconds East along said west line 914.41 feet to the point of beginning, containing 1,070,506 square feet of 24.58 acres, more or less.

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the sale of Chris Jensen Health & Rehabilitation Center to the current lessee, or its assigns, for \$2,300,000, and authorizes the County Administrator and County Attorney to complete the necessary due diligence required to produce an Asset Purchase Agreement, providing for a close of the sale transaction by March 31, 2014, or sooner.

Resolution No. 13-694, Amended
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RESOLVED FURTHER, That proceeds from the sale of Chris Jensen Health & Rehabilitation shall be distributed in the following manner:

\$1,500,000 for future liability associated with the management of historical workers compensation claims. These include county employee workers compensation benefits, ongoing medical and rehabilitation costs and potential settlement and/or litigation related expenses, to be deposited in the Workers' Comp Fund balance to offset the remaining departmental charge, Fund 730, Agency 999999, Object 311500.

\$500,000 for future capital improvements to the remaining and active laundry portion of the Safety and Risk Management building, or other required capital improvements there, to be deposited in Fund 400, Agency 400036, Object 663100.

\$300,000 for Public Safety campus, including Safety & Risk Management building and both entrance site improvements to be deposited in Fund 400, Agency 400003, Object 630900.

Commissioner Raukar moved the adoption of the Resolution and it was declared adopted upon the following vote:
Yeas – Commissioners Jewell, Miller, Forsman, Stauber, Nelson, and Raukar - 6
Nays – None
Abstained – Chair Dahlberg - 1

Commissioner Nelson moved the adoption of Amended Resolution No. 13-694, pursuant to Resolution No. 14-92, dated February 4, 2014, 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 4th day of February, A.D. 2014, and that this is a true and correct copy.

WITNESS MY HAND AND SEAL OF OFFICE at Duluth, Minnesota, this 4th day of February, A.D., 2014.

DONALD DICKLICH, COUNTY AUDITOR

By

Deputy Auditor/Clerk of the County Board