



## AGENDA

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

**Tuesday, April 7, 2015, 9:30 A.M.**

**County Board Room, Second Floor  
St. Louis County Courthouse  
100 N. 5<sup>th</sup> Avenue West  
Duluth, Minnesota**

**PETE STAUBER, Chair  
Fifth District**

**FRANK JEWELL  
First District**

**PATRICK BOYLE  
Second District**

**CHRIS DAHLBERG  
Third District**

**TOM RUKAVINA  
Fourth District**

**KEITH NELSON  
Sixth District**

**STEVE RAUKAR, Vice-Chair  
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

***Proclamation: Public Health Week***

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 Resolution No. 15-161, adopted March 10, 2015, to consider allegations of a liquor law violation by Arrowhead Lodge, Inc., d/b/a Arrowhead Lodge & Resort, Kabetogama Township. **{15-119}**

**CONSENT AGENDA**

*All matters listed on 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.*

**REGULAR AGENDA**

**Central Management & Intergovernmental Committee – Commissioner Jewell, Chair**

1. Commissioner Rukavina is requesting that the County Board consider a resolution relating to changes in legislative decisions affecting the distribution of the Taconite Production or Occupation Tax. **{15-118}**

**ADJOURNED:**



S A I N T  
**LOUIS**  
**COUNTY**  
M I N N E S O T A

**- Proclamation -**  
**PUBLIC HEALTH WEEK**  
**April 6 - 10, 2015**

**WHEREAS, The St. Louis County Public Health Division promotes healthy communities and behaviors; and**

**WHEREAS, Public Health Nurses play a significant role in educating the public about the safety and health benefits of immunizations such as flu shots and the MMR vaccine; and**

**WHEREAS, St. Louis County Public Health and Human Services this year implemented a 24/7 ban on smoking in licensed daycare homes; yet the county's adult smoking rate is 22%; 6% higher than the state average; and**

**WHEREAS, 19% of children in St. Louis County live below the poverty line, and studies show that people facing financial, education, transportation and other barriers are often limited in their access to healthy foods and activities; and**

**WHEREAS, St Louis County 8<sup>th</sup>, 9<sup>th</sup> and 11<sup>th</sup> graders are more likely than the state average to use alcohol and smoke marijuana, substance abuse prevention and intervention specialists were hired this year to target substance abuse among adolescents; and**

**WHEREAS, By working together, primary care physicians and public health workers are now providing easier access and more comprehensive health care in several communities in our county; and**

**WHEREAS, Disaster preparedness is a key service of public health, including readiness for natural and manmade disasters, as well as disease outbreak;**

**NOW, THEREFORE BE IT RESOLVED, That the St. Louis County Board hereby proclaims the week of April 6-10, 2015, as PUBLIC HEALTH WEEK in St. Louis County, and urges all citizens to focus on steps they can take to live a healthier life and to work as a community to eliminate barriers to making healthy choices.**



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 Arrowhead Lodge, Inc. d/b/a Arrowhead Lodge & Resort, including but not limited to, imposition of civil penalties for the violation.

**Public Hearing on Allegations of Liquor Law Violation – Arrowhead Lodge, Inc.  
(Kabetogama Township)**

BY COMMISSIONER \_\_\_\_\_

WHEREAS, The St. Louis County Liquor Licensing Committee met on March 3, 2015, to consider recommending action to be taken by the County Board as a result of an alleged liquor law violation on September 28, 2014, against Arrowhead Lodge, Inc. d/b/a Arrowhead Lodge & Resort, Kabetogama Township; and

WHEREAS, The Liquor Licensing Committee recommended a ten (10) day suspension and \$1,000.00 civil penalty, with nine (9) days of the suspension and \$1,000.00 of the civil penalty stayed for one year, with no same or similar violations during that year; and

WHEREAS, After hearing testimony on the matter at a public hearing conducted on April 7, 2015, at 9:40 a.m., in the St. Louis County Courthouse, Duluth, MN, the St. Louis County Board determined the recommendation of the St. Louis County Liquor Licensing Committee to be an appropriate penalty for the liquor law violation.

THEREFORE, BE IT RESOLVED, That Combination On/Off-Sale Intoxicating Liquor License No. CMB151 and Sunday On-Sale Intoxicating Liquor License No. SUN151, issued to Arrowhead Lodge, Inc. d/b/a Arrowhead Lodge & Resort, Kabetogama Township, are hereby suspended for ten (10) days and a \$1,000.00 civil penalty is due, with nine (9) days of the suspension and \$1,000.00 of the civil penalty stayed for one (1) year, with no same or similar violations during that period.

RESOLVED FURTHER, That the date of suspension of the liquor licenses will be April 13, 2015.

RESOLVED FURTHER, That a new violation within the next year (ending April 7, 2016) will result in the imposition of the remainder of the suspension and civil penalty, and 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**  
**March 3, 2015**  
**ST. LOUIS COUNTY LIQUOR LICENSING COMMITTEE MEETING**

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The meeting was called to order at 8:38 a.m., by Chair Keith Nelson, with the following members present: Deputy Auditor Phil Chapman, Sheriff Ross Litman, and Assistant County Attorney James Nephew. Commissioner Chris Dahlberg arrived shortly after the meeting convened; Auditor Dicklich arrived at 8:44 a.m.

Dahlberg/Litman moved to approve the minutes of the January 13, 2015 meeting. (5-0)

Robert Pierce and Dennis Fink appeared for Eagle's Nest Resort, Fredenberg Township, requesting a Special Event License to expand the designated serving area for the date of March 7, 2015. After discussion of the rules and regulations of Ordinance No. 28 and security measures to be taken, Dahlberg/Dicklich moved to recommend approval of the application to the Board, contingent on notification to Fredenberg Township. (5-0)

There was discussion regarding the alleged liquor law violation at Arrowhead Lodge, Inc. d/b/a Arrowhead Lodge & Resort, Kabetogama Township, sale to minor on September 28, 2015. Larry and Betsey Warrington appeared on behalf of Arrowhead Lodge, Inc. d/b/a Arrowhead Lodge & Resort. Dahlberg/Dicklich moved to recommend to the County Board, a ten (10) day suspension and \$1,000.00 fine, nine (9) days and \$1,000.00, stayed, if no same or similar violations occur within one year, subject to additional penalties that may be imposed by the County Board. A public hearing will be scheduled on April 7, 2015, at the St. Louis County Court House, Duluth, Minnesota. (5-0)

An application for Off-Sale Intoxicating Liquor made by The Pines of Kabetogama, LLC d/b/a The Pines of Kabetogama Resort, Kabetogama Township, was brought before the Liquor Licensing Committee. The applicant, Steven Strobbe, did not appear, but was contacted via telephone. The applicant was asked relevant questions from the Liquor Licensing Checklist including the location and propriety of the business. He exhibited familiarity with the rules and regulations on operations. Dicklich/Dahlberg moved to recommend approval of the application to the Board. A copy of the checklist was added to the applicant's file. A public hearing date will be determined at a later date. (5-0)

There was discussion regarding the disposition/agreement for first time liquor law violations. Chair Nelson said that the process would only be for first time offenders with no aggravating circumstances. Chair Nelson asked the Auditor to work with the Attorney, to bring back a recommendation to the Liquor Licensing Committee. A special meeting may be needed just for this discussion.

Dahlberg/Dicklich moved to adjourn the meeting at 9:30 a.m. (5-0)

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Keith Nelson, Chair

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Wendy M. Johnson, IS II

# **BOARD LETTER NO. 15 - 118**

## **CENTRAL MANAGEMENT AND INTERGOVERNMENTAL COMMITTEE NO. 1**

### **APRIL 7, 2015 BOARD AGENDA NO. 1**

**DATE:** March 24, 2015                      **RE:** Resolution Requesting  
Changes in Legislative  
Decisions Affecting  
Distribution of the Taconite  
Production Tax

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

#### **ACTION REQUESTED:**

The St. Louis County Board is requested to approve a resolution asking the State Legislature to restore the \$.05 per ton distribution of Taconite Production Tax proceeds to counties, and to ask for a review of the decision to reduce the Iron Range fiscal disparities distribution if the production tax is insufficient to service bonds.

#### **BACKGROUND:**

Commissioner Rukavina has requested that the County Board be given the opportunity to consider a resolution related to changes made by the 2014 Minnesota Legislature regarding the Taconite Production Tax formula and distribution methods. The topic was discussed at the County Board Workshop held on March 17, 2015. The attached memo from MICA Executive Director Keith Carlson provides an overview of the impact of the Taconite Production Tax changes on St. Louis County and the region.

Two focal points of the workshop discussion were a decision to reduce the distribution of Taconite Production Tax proceeds to counties by \$.05 per ton, which accounted for a loss of \$1,679,209 to St. Louis County in 2015, and legislative changes related to the service of bonds that will impact Iron Range fiscal disparities distribution.

As highlighted in the MICA memo, "if the distribution from the taconite production tax is insufficient to service any bonds that are issued, then the Iron Range fiscal disparities distribution is reduced proportionately to all local government recipients and the difference used to fill the gap." Commissioner Rukavina indicated this would have a detrimental effect on annual budgets of municipalities, schools and townships located in the taconite relief area.

Another theme of the workshop discussion was the significant dilution of the county's share of taconite tax proceeds in the past 30 years. Overall, St. Louis County's share of taconite tax proceeds from taconite mined within the county has been reduced over the years from 25% down to about 8%, with the inflation factor eliminated in 1986.

**RECOMMENDATION:**

Should Commissioners wish to request that the State Legislature to restore the \$.05 per ton taconite production tax distribution to counties and also ask the Range Legislative Delegation to review the negative impacts of reducing the Iron Range fiscal disparities distribution if the production tax is insufficient to service bonds, a resolution is attached.

**Resolution Requesting Changes in Legislative Decisions  
Affecting Distribution of the Taconite Production Tax**

BY COMMISSIONER \_\_\_\_\_

WHEREAS, Changes made by the 2014 Minnesota Legislature regarding the Taconite Production Tax formula and distribution methods have negatively affected St. Louis County and could impact the annual budgets of municipalities, schools and townships located in the taconite relief area; and

WHEREAS, The decision to reduce the distribution of Taconite Production Tax to counties by \$.05 per ton accounted for a loss of \$1,679,209 to St. Louis County's anticipated revenues for 2015; and

WHEREAS, The decision to fill any insufficiency needed to service bonds from the taconite production or occupation tax by reducing the Iron Range fiscal disparities distribution to local government recipients will create unexpected budgetary distress on these entities;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board respectfully requests the State Legislature to restore the \$.05 per ton Taconite Production Tax distribution to counties.

RESOLVED FURTHER, That the St. Louis County Board requests the Iron Range Legislative Delegation review the decision and the anticipated negative impacts of reducing the Iron Range fiscal disparities distribution, if the Taconite Production or Occupation Tax is insufficient to service bonds.



**minnesota inter-county association**

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benton·blue earth·carver·crow wing·dakota·olmsted·otter tail·rice·st. louis·scott·sherburne·stearns·washington·winona

**MEMORANDUM**

**DATE: March 2, 2015**

**TO: Commissioner Tom Rukavina**

**FROM: Keith Carlson**

**SUBJECT: Update on Impact of Taconite Production Tax Changes on St. Louis County**

Effective for distribution in 2015, the distribution of taconite production tax was amended so as to:

1. reduce the distribution to counties by \$.05 per ton,
2. reduce the distribution to the taconite economic development fund by \$.05 per ton,
3. eliminate the indexing of (and reduce) the distribution of the **\$.03 per ton distribution to towns**, and the \$.065 per ton distribution to the IRRRB for three years,
4. eliminate the indexing of (and reduce) the \$.0335 per ton distribution to the Douglas J. Johnson economic protection trust fund for three years, and
5. create a new \$.10 per ton distribution to an Iron Range School Consolidation and Cooperatively Operated School Account. The account also receives a distribution equal to 2/3 of the reduced distribution under #3 and #4. The Douglas J. Johnson economic protection trust fund receives a distribution equal to 1/3 of the reduced distribution under #3 and #4. Finally, the account receives the equivalent of \$.06 per ton from the occupation tax. Expenditures from the account shall be made to assist school districts with the payment of bonds that are issued for school projects within the taconite assistance area as defined in section 273.1341, which are (1) approved, by referendum, after December 7, 2009; and (2) approved by the commissioner of education. **If the distribution from the taconite production tax are insufficient to service any bonds that are issued then the Iron Range fiscal disparities distribution is reduced proportionately to all local government recipients and the difference used to fill the gap.**

At the time of enactment, the legislation was estimated to have the following impact on all counties:

2015	2016	2017
(\$1,980,00)	(\$1,990,000)	(\$2,020,000)

I have now calculated the 2015 impact of the changes **using 2014 production figures** that were not available when I wrote the previous memo. They are as follows:

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Cook	0
Itasca	(\$171,118)
Lake	(\$121,521)
St. Louis	(\$1,679,209)
<hr/> TOTAL	<hr/> (\$1,971,848)

The loss or gain for the other affected funds are as follows:

Doug Johnson Economic Protection Trust Fund	(\$85,747)
Taconite Economic Development Fund	(\$1,971,848)
\$.03 per Ton Township Distribution	(\$18,562)
Iron Range School Consolidation Account	\$3,943,697

Please contact me if you have questions.

cc: Kevin Gray  
John Ongaro