



## AGENDA

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

Tuesday, November 24, 2015, 9:30 A.M.

**Hibbing City Council Chambers  
401 East 21<sup>st</sup> Street  
Hibbing, 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

***Employee and Retiree Longevity Recognition***

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.

**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.      Approve the 2016 St. Louis County Legislative Priorities. **{15-495} [From the November 3, 2015 Committee of the Whole meeting.]**
  
2.      Change of location for the December 1, 2015 County Board meeting from the Aurora City Hall to the Aurora Community Center. **{15-508} [Has not been to committee; requires consent of the Board to be considered.]**
  
3.      The County Attorney has requested a closed session of the Committee of the Whole for litigation discussion. It is requested that the County Board convene a closed session immediately after the Board meeting adjourns.

**ADJOURNED:**

**NOTE: At the conclusion of the County Board meeting, the St. Louis County Drainage Authority will convene.**



## 2016 Proposed Legislative Priorities

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

WHEREAS, The County Board was presented with a draft of legislative priorities for the 2016 Legislative Session at its Committee of the Whole meeting on November 3, 2015; and

WHEREAS, Intergovernmental Relations Director John Ongaro discussed each item with commissioners and received input in finalizing the list of priorities;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the "2016 St. Louis County Legislative Priorities" as found in County Board File No. \_\_\_\_\_, and directs its Intergovernmental Relations Director to work to achieve these outcomes and report progress on other initiatives during the 2016 Legislative Session.

## 2016 Proposed Legislative Priorities

### 2015 Unresolved county issues under consideration in “pending” Omnibus Tax Bill Conference Committee

- **PILT Funding Increase** - Payments for both County Tax-forfeited and State Administered lands would increase statewide by \$3,750,000 annually. \$700,000 of this would come to St. Louis County.
- **PILT Payments to Unorganized Townships** - A totally new payment, all of which would go to counties.
- **Outdoor Heritage Trust Account** - Requires all Outdoor Heritage Council and Legislative Commission on Minnesota Resources “purchases of land” to continue paying the property taxes levied on those lands. Basically 30 years of property taxes would be paid up-front into this new Trust Account at the time of purchase. The State Board of Investment will manage the Trust and each county will receive the equivalent property tax payment on those lands, annually, from the interest gained by the Trust. Actuarial tables verify the Trust will be sufficient to fund these payments into perpetuity.
- **Sparta Tax Forfeited Land Parcels** - Combine Personal Identification Numbers (PIN) of both building and land parcels in Sparta, (located between Gilbert and Eveleth) to avoid complicating problems with mining companies that own the land. \$1M in Senate bill is available to help facilitate the cost of removal of buildings, etc., on these lands.
- **Indian Child Welfare Act (ICWA)** - State takeover of non-federal funding share from counties. This nearly \$17M statewide assumption of current county costs would mean \$1.7M per year savings/property tax relief to St. Louis County.
- **County Program Aid (CPA) Increase** - Dozens of counties have fallen off the Tax Base Equalization Portion of the CPA formula due to recent skyrocketing Agricultural land values. The Association of Minnesota Counties sponsored an interim CPA Work Group to help resolve the problem. The recommendations of that Work Group and an extra \$40M from the legislature will get everyone back on the formula, and generate enough money for a 12% increase in overall CPA for St. Louis County.

## New Initiatives for 2016

- **Blandin Tax Court Case/Placeholder Appropriation** - Counties will soon appeal the Blandin Tax Court Case to the Minnesota Supreme Court. If the lower court ruling is upheld, St. Louis and other neighboring counties could be liable for paying several million dollars to Blandin for the overvaluation of its property.

This problem began in 2010 when the state granted \$46M to Blandin for putting 187,000 acres of its forest lands into a permanent conservation easement. Immediately thereafter, Blandin filed in the State Tax Court arguing the new conservation easement status devalued the property. The lower court ruled in Blandin's favor and reduced the property valuation by 75%. Counties argue the lower court erroneously applied the "Unit Rule" to the valuation of this property rather than the statutorily required practice of using the "Parcel Specific" approach.

Recommendation is to pursue a legislative appropriation of at least \$10M which would serve as a placeholder, should counties lose the appeal in the Minnesota Supreme Court.

- **Amend 2012 St. Louis County Lakeshore Lease lot Legislation** - Several technical amendments are needed to help with the continued implementation of this legislation.
- **Re-establish Out of Home Placement (OHP) State Aid Program** - The 2001 Omnibus Tax Act included a provision requiring the state to assume up to 30% of the non-federal OHP costs, beginning in FY 2004. Unfortunately, the severe "Dot.com" recession hit and the 2003 Legislature, in order to help balance the State's Budget, repealed this \$54M partial state takeover of county OHP Costs.

Minnesota pays only 14% of OHP costs, one of the two lowest state shares in the country. The policy decision made by the 2001 Legislature to begin a state takeover of county costs of OHP was correct and is still consistent with previous state takeovers. For example, in the early 90s the State took over the county share of costs for several income maintenance programs and by the late 90s it began the court takeover. In all three instances income maintenance, courts and out-of-home placements, the legislature realized state income and sale taxes are a much more functional way to pay for these mandated services rather than local property taxes.

- **Wetland Banking on Tax Forfeited Lands** - The 1991 Wetland Conservation Act prohibits wetland banks on tax forfeited lands. Today, nobody seems willing to claim what logic went into the decision, but it is unfairly penalizing counties from maximizing the value of their tax forfeited lands.
- **Bonding Bill Initiatives** - Support the following projects:
  1. Northeast Regional Corrections Center \$2.8M in various capital improvement projects
  2. Arrowhead Economic Opportunity Agency/Range Mental Health Center Building Project
  3. Support for other projects of State/Regional Significance. Essential Health Regional Wellness Center, Bridge Bonding, etc.
- **Electronic-Waste Program Updates** - The electronics recycling law needs to be amended so manufacturers share in more of the added costs of e-waste. Most of these added costs are unilaterally falling on local governments. St. Louis County Environmental Services Department is projecting e-waste costs will skyrocket from \$38,000 this year to over \$155,000 in 2016.

#### **Other Legislative Issues**

- Minerals Management Account
- Little Stone Dam
- Annual Tax Forfeited “Lands Bill”
- Expand Local Government Sales Tax Exemption

# **BOARD LETTER NO. 15 - 508**

## **CENTRAL MANAGEMENT & INTERGOVERNMENTAL COMMITTEE**

### **NOVEMBER 24, 2015 BOARD AGENDA NO. 2**

**DATE:** November 24, 2015                      **RE:** Change in Location of  
December 1, 2015 County  
Board Meeting

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

**RELATED DEPARTMENT GOAL:**

To provide effective and efficient county government.

**ACTION REQUESTED:**

The St. Louis County Board is requested to approve a change in location for the December 1, 2015 County Board meeting and authorize the County Auditor to publish notification of the change in the appropriate county newspapers.

**BACKGROUND:**

At the County Board's organizational meeting held on January 6, 2015, a resolution was approved that established the location of the December 1, 2015 County Board meeting as the Aurora City Hall. Commissioner Rukavina has requested that the location of this meeting be changed to the Aurora Community Center, 15 W. 1<sup>st</sup> Ave. North, in Aurora, MN, to provide for a more spacious venue.

**RECOMMENDATION:**

It is recommended that the St. Louis County Board approve the change in location of the December 1, 2015 County Board meeting from the Aurora City Hall to the Aurora Community Center, 15 W. 1<sup>st</sup> Ave. North, in Aurora, MN, and authorize the County Auditor to publish notice of this change in the appropriate county newspapers.

## **Change in Location of December 1, 2015 County Board Meeting**

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

WHEREAS, At the St. Louis County Board's organizational meeting held on January 6, 2015, a resolution was approved that established the location of the December 1, 2015 County Board meeting as the Aurora City Hall, Aurora, MN; and

WHEREAS, Fourth District County Commissioner Tom Rukavina has requested that the location of this meeting be changed to the Aurora Community Center, 15 W. 1<sup>st</sup> Ave. North in Aurora, MN, to provide a more spacious venue;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves a change in location of the December 1, 2015 County Board meeting from the Aurora City Hall to the Aurora Community Center, 15 W. 1<sup>st</sup> Ave. North in Aurora, MN;

RESOLVED FURTHER, That the County Auditor is authorized to publish the notification of change in location in the appropriate county newspapers.

**Resolution for Closed Session of the  
Committee of the Whole for Litigation Purposes**

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

WHEREAS, Pursuant to Minn. Stat § 13D.05, Subd. 3(b), the St. Louis County Board may close a meeting as permitted by the attorney/client privilege; and

WHEREAS, The County Attorney requires candid and open discussion to provide legal advice to the County Board with respect to a proposed settlement and litigation strategy in a closed session of the Committee of the Whole; and

WHEREAS, A closed session would benefit the public because potential financial liability could result in the expenditure of public funds;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board will convene in a closed meeting of the Committee of the Whole on November 24, 2015, in the Hibbing City Council Chambers, 401 East 21st Street, Hibbing, MN, for the purpose of discussing settlement and litigation strategy immediately following the Board meeting, in accord with Minn. Stat § 13D.05, Subd. 3(b).

RESOLVED FURTHER, That no other pending public business will be discussed at this closed session.