



## AGENDA

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

**Tuesday, March 1, 2016, 9:30 A.M.**

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

**STEVE RAUKAR, Chair  
Seventh District**

**FRANK JEWELL, Vice-Chair  
First District**

**PATRICK BOYLE  
Second District**

**CHRIS DAHLBERG  
Third District**

**TOM RUKAVINA  
Fourth District**

**PETE STAUBER  
Fifth District**

**KEITH NELSON  
Sixth 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

*“Words of Wisdom” – Commissioner Stauber, Fifth District*

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. Pursuant to Resolution No. 16-60, adopted January 12, 2016, the St. Louis County Board is requested to consider bids received for the SALE OF SURPLUS FEE OWNED LAND and authorize the sale of the land to the party submitting the highest bid (Clinton Township). **{16-86}**

9:45 A.M. PUBLIC HEARING, pursuant to Resolution No. 16-117, adopted February 16, 2016, to consider the issuance of an Off-Sale Intoxicating Liquor License to Shane Clemens d/b/a Alborn Rail Station, Alborn Township. **{16-87}**

9:50 A.M. PUBLIC HEARING, pursuant to Resolution No. 16-118, adopted February 16, 2016, to consider the issuance of an Off-Sale Intoxicating Liquor License to Cast Iron, LLC d/b/a Cast Iron, LLC, Grand Lake Township. **{16-88}**

9:55 A.M. PUBLIC HEARING, pursuant to Resolution No. 16-119, adopted February 16, 2016, to consider the issuance of an Off-Sale Intoxicating Liquor License to Side Lake Liquor, LLC d/b/a Side Lake Liquor, French Township. **{16-89}**

**CONSENT AGENDA**

Approval of business submitted on the consent agenda.

**REGULAR AGENDA**

**Health & Human Services Committee – Commissioner Boyle, Chair**

1. Agreement with the Aitkin-Itasca-Koochiching Community Health Board to coordinate and implement the Minnesota Immunization Information Connection (MIIC) regional services to the Northeast region, and authorize an increase to the Public Health and Human Services (PHHS) staffing complement by 0.5 FTE Public Health Nurse position. **{16-80} [Without recommendation.]**

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2. Authorize an increase to the PHHS 2016 Local Public Health Grant funding, and authorize an increase to the PHHS staffing complement by 1.0 FTE Health Informatics Specialist position. **{16-81R} [Without recommendation.]**

**Finance & Budget Committee, Commissioner Nelson, Chair**

3. Apportionment of the 2015 Land and Minerals Department proceeds. **{16-85} [Without recommendation.]**

**ADJOURNED:**

**NOTE: At the conclusion of the County Board meeting, the St. Louis County Housing and Redevelopment Authority (HRA) will convene.**



## Sale of Surplus Fee Land (Clinton Township)

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

WHEREAS, The Property Management Team has approved the following parcel of fee land to be sold:

That part of the Southwest Quarter of the Southwest Quarter (SW  $\frac{1}{4}$  of SW  $\frac{1}{4}$ ), Section 11, Township 57 North, Range 18 West, lying westerly of a line drawn 75.00 feet westerly and parallel to the following described centerline of highway # 7:

Commencing at the Southwest corner of said Southwest Quarter of Southwest Quarter (SW  $\frac{1}{4}$  of SW  $\frac{1}{4}$ ), Section Eleven (11); thence on an assumed bearing of South 84 degrees 53 minutes 40 seconds East, along the South line of said Southwest Quarter of Southwest Quarter (SW  $\frac{1}{4}$  of SW  $\frac{1}{4}$ ) a distance of 1,181.28 feet to the point of beginning of the line to be described; thence North 34 degrees 56 minutes 30 seconds West a distance of 1,531.75 feet and there terminating.

Except the Northerly 400 feet of said above described property.

Parcel Code 295-0014-00310; and

WHEREAS, Minnesota Power, a division of Allete, Inc., submitted the minimum bid of \$15,500 for the property;

THEREFORE, BE IT RESOLVED, That pursuant to the requirements and procedures of Minn. Stat. § 373.01, the St. Louis County Board authorizes the appropriate county officials to execute a quit claim deed conveying the above listed property to Minnesota Power, a division of Allete, Inc., for the minimum bid amount of \$15,500, payable to Fund 100, Agency 128014, Object 583100. Buyer is also responsible for deed tax and recording fees.



# For Sale

Minimum Bid \$15,500, Bids Due February 19, 2016  
For Information call 218-725-5085 or 218-343-3505  
43XX Highway 7 Parcel 295-0014-00310  
Or visit: [www.stlouiscountymn.gov](http://www.stlouiscountymn.gov) Fee Land Sales



Parcel is approximately 17.8 acres in size. Portion of Property to be sold is shown in Yellow.

Parcel is encumbered with a High Voltage Power Line near the southerly property line and a powerline running along the west line of the property. A gas pipeline also crosses the property.

The road right of way will be retained in fee ownership by St. Louis County.

Zoning: Parcel is in Zoning District MUNS-4,



Prepared By: **St. Louis County Property Management**

Source: St. Louis County, DNR

Map Created: 1/8/2016

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

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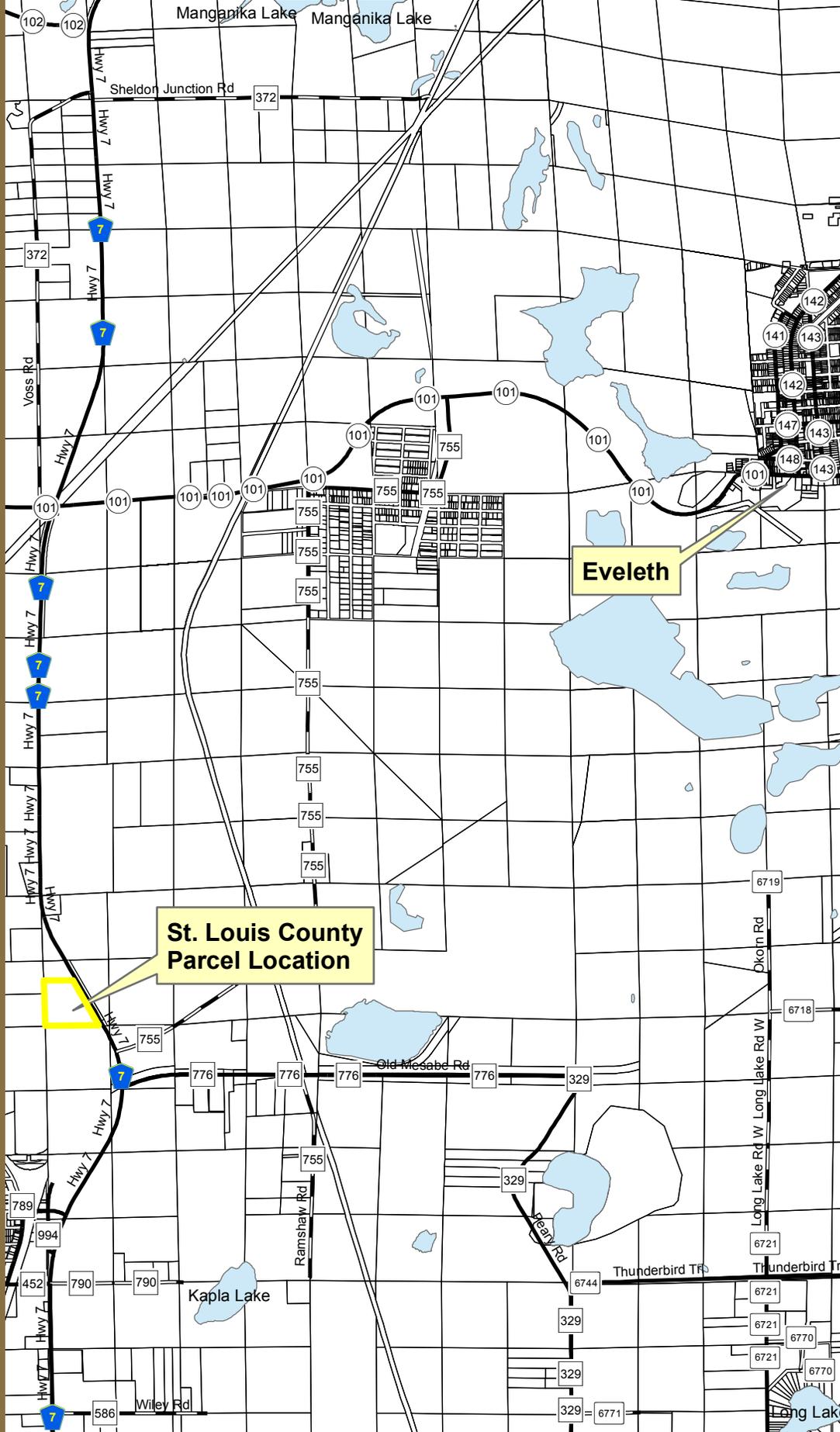




# Fee Land Sale Parcel Location Map



## 43XX County State Aid Highway # 7 Clinton Township, Township 57 - 18



**Saint Louis County  
Planning Department  
GIS Division**

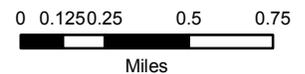
**Road Surface Class. Twp**

**SURF\_TYPE**

- Paved Road
- Gravel Road
- sde.STLOUIS.ENVIRO\_Lakes
- sde.STLOUIS.CDSTRL\_ParcelsInfo

**St. Louis County  
Parcel Location**

**Eveleth**



**Property Managemen**

(218) 725-5085  
www.stlouiscountymn.gov

Source: St. Louis County, DNR

Map Created: 1/4/2016

**Disclaimer**

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



# Saint Louis County

Property Management Department • Duluth Courthouse, 100 North 5<sup>th</sup> Ave. W., Room 2  
Duluth, MN 55802-1209 • Phone: (218) 725-5085 • Fax: (218) 725-5086

## St. Louis County Property Management Bid Form

**St. Louis County** is offering for sale (fee) land at 43XX Highway 7 in Clinton Township. Property is approximately 17.8 acres located within the SW ¼ of SW ¼, Section 11, Township 57 North, Range 18 West. (Parcel Code 295-0014-00310).

The property has a minimum bid value of \$15,500. All bids shall be considered and the one most favorable to the County accepted. The County Board may, in the interest of the County, reject any or all bids. Upon acceptance and payment receipt, a quit claim deed will be executed. Deed tax and a recording fee of \$46.00 are the responsibility of the purchaser. Do not include payment with this bid form. You will be contacted for payment upon County Board approval. Unless mutually agreed, payment will be due within 60 days of acceptance.

**Bid form and /or proposal will be accepted by the Property Management Director, until 4:00 p.m. Friday February 19, 2016.**

**Send bid form to:**

**St. Louis County Property Management Dept.  
Attn: Tony Mancuso - Parcel 295-0014-00310 Property Bid  
100 North 5<sup>th</sup> Avenue West, Room 515  
Duluth, MN 55802**

**Bidders may use only 1 form of bidding: *Firm Bid or Proxy Bid (check one).***

**FIRM BID:** I have read the above and agree to the direct purchase as outlined above for (Parcel Code 295-0014-00310). I / we submit a bid of \$ \_\_\_\_\_  
\_\_\_\_\_ for this parcel.  
(written bid amount)

**PROXY BID:** I have read the above and agree to the direct purchase as outlined above for (Parcel Code 295-0014-00310). I / we submit the Minimum Bid Amount of \$15,500.00 (Fifteen Thousand Five Hundred dollars) for this parcel and bid \$500 (five hundred dollars) over any bid received for said property up to \$ \_\_\_\_\_ dollars  
\_\_\_\_\_ Dollars.  
(written maximum bid amount)

**I understand that this purchase is contingent upon the approval of the St. Louis County Board of Commissioners, and the County Board may, in the interest of the County, reject any or all bids.**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Printed Name: \_\_\_\_\_ Contact Phone: \_\_\_\_\_  
Address: \_\_\_\_\_







## Off-Sale Intoxicating Liquor License (Alborn Township)

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

WHEREAS, Shane Clemens d/b/a Alborn Rail Station, Alborn 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 1, 2016, at 9:45 a.m., in the St. Louis County Courthouse, Duluth, MN, for the purpose of considering the off-sale intoxicating liquor license; and

WHEREAS, With regard to the application for said license, Alborn Rail Station 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 an Off-Sale Intoxicating Liquor License shall be issued to Shane Clemens d/b/a Alborn Rail Station, Alborn Township, located in Area 3, and in accordance with the St. Louis County Fee Schedule the annual license fee is \$150;

RESOLVED FURTHER, That said liquor license shall be effective through June 30, 2016;

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

RESOLVED FURTHER, That said license is approved contingent upon proof of liquor liability and workers' compensation insurance and Minnesota Department of Health approval;

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.



## **Off-Sale Intoxicating Liquor License (Grand Lake Township)**

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

WHEREAS, Cast Iron, LLC d/b/a Cast Iron, LLC, Grand Lake 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 1, 2016, at 9:50 a.m., in the St. Louis County Courthouse, Duluth, MN, for the purpose of considering the off-sale intoxicating liquor license; and

WHEREAS, With regard to the application for said license, Cast Iron, LLC, 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 an Off-Sale Intoxicating Liquor License shall be issued to Cast Iron, LLC d/b/a Cast Iron, LLC, Grand Lake Township, located in Area 1, and in accordance with the St. Louis County Fee Schedule the annual license fee is \$500;

RESOLVED FURTHER, That said liquor license shall be effective through June 30, 2016;

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

RESOLVED FURTHER, That said license is approved contingent upon proof of liquor liability insurance and Minnesota Department of Health approval;

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.



## Off-Sale Intoxicating Liquor License (French Township)

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

WHEREAS, Side Lake Liquor, LLC d/b/a Side Lake Liquor, French Township, St. Louis County, MN, 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 1, 2016 at 9:55 a.m. in the St. Louis County Courthouse, Duluth, MN, for the purpose of considering the off-sale intoxicating liquor license; and

WHEREAS, With regard to the application for said license, Side Lake Liquor 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 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 an Off-Sale Intoxicating Liquor License shall be issued to Side Lake Liquor, LLC d/b/a Side Lake Liquor, French Township, located in Area 3, and in accordance with the St. Louis County Fee Schedule the annual license fee is \$500;

RESOLVED FURTHER, That said liquor license shall be effective May 1, 2016 through June 30, 2016;

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.



**RECOMMENDATION:**

It is recommended that the St. Louis County Board authorize an agreement with the AIK-CHB from January 1, 2016 through December 31, 2016, with a one-year renewal option, to coordinate and implement activities as specified in the MIIC regional services grant agreement. The grant will reimburse PHHS for the actual expenses associated with the position, not to exceed \$55,625 per year.

It is also recommended that PHHS be authorized to accept up to \$55,625 from the AIK-CHB to increase its staffing complement by a 0.5 FTE Public Health Nurse position to perform the MIIC regional services grant duties for the time period of January 1, 2016 through December 31, 2016, with the understanding that if the grant dollars are no longer received, the 0.5 FTE position will be eliminated.

Budget references:

230-233999-530524-23329-99999999-2016

230-233999-610100-23329-99999999-2016

230-233999-633100-23329-99999999-2016

## **Minnesota Immunization Information Connection (MIIC)**

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

WHEREAS, The Minnesota Immunization Information Connection (MIIC) is Minnesota's state immunization system, with funding available from the Minnesota Department of Health and Minnesota Department of Human Services for community health boards to serve as a MIIC regional entity; and

WHEREAS, The Aitkin-Itasca-Koochiching Community Health Board (AIK-CHB) received \$65,241 for 2016 to implement the MIIC regional services grant for the period of January 1, 2016 through December 31, 2016; and

WHEREAS, The AIK-CHB wishes to enter into an agreement with the St Louis County Public Health and Human Services Department (PHHS) to provide active outreach, training and technical assistance to all primary care clinics and local health departments within the counties of Carlton, Cook, Lake, St. Louis, Aitkin, Itasca, and Koochiching on the topics of immunization assessment, outreach, and improvement using MIIC data and tools; and

WHEREAS, The contract with AIK-CHB will reimburse PHHS for the actual expenses associated with the position, not to exceed \$55,625 per year; and

WHEREAS, PHHS wishes to use this funding to increase its staffing complement by 0.5 FTE and hire a 1.0 FTE Public Health Nurse position to perform the MIIC regional services grant responsibilities; and

WHEREAS, A current vacant 0.5 FTE position within PHHS will be reallocated to the MIIC regional services function;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the Public Health and Human Services Department (PHHS) to enter into an agreement with the Aitkin-Itasca-Koochiching Community Health Board to perform the MIIC regional services grant duties for the seven county region for the period of January 1, 2016 through December 31, 2016, with an option to renew for one additional year;

RESOLVED FURTHER, That the County Board authorizes PHHS to accept up to \$55,625 for the period of January 1, 2016 through December 31, 2016;

RESOLVED FURTHER, That the County Board authorizes an increase to the PHHS staffing complement by 0.5 FTE Public Health Nurse position, with the understanding that if the grant funding is eliminated, the 0.5 FTE position will also be eliminated;

RESOLVED FURTHER, That the PHS budgeted revenues and expenditures are increased for the budget year 2016 with any remaining unspent funds at the end of 2016 to be included in the 2017 budget.

Budget references:

230-233999-530524-23329-99999999-2016

230-233999-610100-23329-99999999-2016

230-233999-633100-23329-99999999-2016

**BOARD LETTER NO. 16 – 81**  
**REVISED**

**HEALTH & HUMAN SERVICES COMMITTEE NO. 2**

**MARCH 1, 2016 BOARD AGENDA NO. 2**

**DATE:** February 16, 2016                      **Re:** Increase Local Public Health Grant and Create New Merit System Class - Health Informatics Specialist

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

Ann M. Busche, Director  
Public Health & Human Services

James R. Gottschald  
Human Resources Director

**RELATED DEPARTMENT GOAL:**

The community will make healthy life choices and have safe food, water and air.

**ACTION REQUESTED:**

The St. Louis County Board is requested to authorize the Public Health and Human Services Department (PHHS) to increase its 2016 Local Public Health Grant (LPHG) funding by \$80,249 and increase its staffing complement by 1.0 FTE Health Informatics Specialist position (Minnesota Merit System job class Information Technology Analyst) to manage the Department's multiple health information systems and lead health informatics projects and priorities.

**BACKGROUND:**

The PHHS Public Health Division inputs data into multiple health information systems and anticipates the adoption of a new electronic health record system in 2016. Currently, PHHS does not have the infrastructure to track performance measures and population health statistics, stay current with state and federal data standards, exchange electronic health data with hospital or clinic systems, or efficiently manage and evaluate programs.

The Carlton-Cook-Lake-St. Louis Community Health Board (CHB) annually receives approximately \$1,158,715 from the State of Minnesota in the form of the LPHG, which requires a 75% match in local funding. The CHB annually awards \$785,729 of this funding to PHHS. The purpose of the LPHG is to provide counties adequate funding to fulfill the requirements of Minn. Stat. § 145A.06 (The Local Public Health Act). One of the statutory requirements is to assure an adequate local public health infrastructure.

In July 2015, the Minnesota Legislature increased the LPHG funding by 10% for non-Twin Cities metro counties. For St. Louis County, this is a sustained annual increase of \$80,249. The increase in the LPHG to PHHS will be used to hire a 1.0 FTE Health Informatics Specialist to manage the Departments' health information systems and lead health informatics projects and priorities. To eliminate possible confusion with other St. Louis County Information Technology Department job classes, the county will assign the class title of Health Informatics Specialist, which is an accepted practice with the Minnesota Merit System. The Minnesota Department of Health, the Centers for Disease Control and Prevention, and the National Association of County and City Health Officials strongly endorse a professional level public health informatics position within local county public health systems.

PHHS leadership discussed the creation and addition of this position with Administration as a part of the Department's preliminary budget discussions in light of the increase in revenue. Administration recognized the need and agreed in concept, however, the delay in bringing this to the County Board outside of the budget process was that a new position needed to be created.

The proposed Health Informatics Specialist class has been placed in the Merit System Basic bargaining unit. The proposed salary for the class is \$47,307 - \$72,228, and the Merit System Basic unit has accepted the salary grade recommendation.

**RECOMMENDATION:**

It is recommended that the St. Louis County Board authorize PHHS to increase its 2016 Local Public Health Grant (LPHG) funding by \$80,249 and increase its staffing complement by 1.0 FTE Health Informatics Specialist position to manage the Department's multiple health information systems and lead health informatics projects and priorities. It is further recommended that the PHHS budgeted revenues and expenditures be increased for budget year 2016 with any remaining unspent funds at the end of 2016 to be included in the 2017 budget. It is further recommended that the Board adopt the salary range for the proposed Health Informatics class.

Budget references:  
230-233001-610100  
230-233001-633100  
230-233001-530508

## **Increase Local Public Health Grant for Health Informatics Specialist Position**

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

WHEREAS, The Minnesota Department of Health provides annual funding to the Carlton-Cook-Lake-St. Louis Community Health Board (CHB) through the Local Public Health Grant (LPHG) in the amount of \$1,158,715 to fulfill the requirements of Minn. Stat. § 145A.06; and

WHEREAS, The CHB annually awards the St. Louis County Public Health and Human Services Department (PHHS) \$785,729; and

WHEREAS, In July, 2015, the State of Minnesota increased the LPHG annually by 10% for non-Twin Cities metro counties, increasing the sustained annual LPHG funding for PHHS \$80,249; and

WHEREAS, The PHHS Public Health Division currently does not have the infrastructure to efficiently and effectively manage the electronic health information systems; and

WHEREAS, PHHS would like to designate the additional LPHG funding to a 1.0 FTE Health Informatics Specialist position to manage the Departments' health information systems and lead health informatics projects and priorities; and

WHEREAS, The Minnesota Merit System has reviewed and allocated the proposed duties to the Information Technology Analyst class and further permits St. Louis County to use an alternative job title of Health Informatics Specialist to avoid confusion with other county Information Technology Department job titles; and

WHEREAS, The St. Louis County Merit System Basic Unit reviewed and accepted the proposed salary range for Health Informatics Specialist;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the Public Health and Human Services Department to increase its 2016 Local Public Health Grant (LPHG) funding by \$80,249 and increase its staffing complement by 1.0 FTE Information Technology Analyst position to manage the Department's multiple health information systems and lead health informatics projects and priorities;

RESOLVED FURTHER, That the PHHS budgeted revenues and expenditures are increased for budget year 2016 with any remaining unspent funds at the end of 2016 to be included in the 2017 budget;

RESOLVED FURTHER, That the proposed Health Informatics Specialist 2016 salary range of \$47,307 - \$72,228 is adopted.

Budget references:  
230-233001-610100  
230-233001-633100  
230-233001-530508

# **BOARD LETTER NO. 16 – 85**

## **FINANCE & BUDGET COMMITTEE NO. 1**

### **MARCH 1, 2016 BOARD AGENDA NO. 3**

**DATE:** February 16, 2016                      **RE:** 2015 Land and Minerals  
Department Proceeds  
Apportionment

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

Donald Dicklich  
County Auditor/Treasurer

Mark Weber, Director  
Land and Minerals

#### **RELATED DEPARTMENT GOALS:**

To exercise responsible stewardship of county resources and make budget recommendations to the County Board. To ensure that relevant state statutes and County Board policies are implemented appropriately.

#### **ACTION REQUESTED:**

The St. Louis County Board is requested to apportion the 2015 net proceeds of the Land and Minerals Department.

#### **BACKGROUND:**

The Land and Minerals Department operates on revenue generated by sales of land, timber stumps, gravel, peat, and lease fees from recreational hunting and cabin sites. Any revenue over and above expenses is distributed by the County Board to various funds and local jurisdictions as provided by Minn. Stat. § 282.08 and further clarified in Minnesota Law 2002, Chapter 390, Sec. 39, Subd. 2 and 3. According to statute, the County Board may annually, by resolution, apportion the balance.

The amount apportioned to school districts, townships, or cities is directly related to both Land and Minerals Department net proceeds and where the revenue was generated. Each school district and township or city receives an apportionment equal to the percentage of revenues generated within the taxing district boundaries, contingent on the net proceeds of the Land and Minerals Department operations.

Land and Mineral Department revenue is relatively stable compared to 2014, with an increase in land sales and a decrease in timber sales over the prior year. Net proceeds totaled \$2,134,299.53.

During 2015 the Land and Minerals Department saw an increase in tax-forfeited land sales, due in part to increase in sales offered and a stronger real estate market. Timber harvests were slightly below last year, primarily due to weather impacts on logging activity.

The following chart shows how the relevant Minnesota Statutes are applied to determine the apportionment:

<b>Minnesota Statutes, Section 282.08 clause (4) and Minnesota Law (2002), Chapter 390, Sec 39</b>		
<b>Net Proceeds for Land and Minerals Department Operations</b>		<b>\$2,134,299.53</b>
No more than 30% of the balance is to be used for timber development on tax-forfeited land and dedicated memorial forests to be expended under the supervision of the county board on projects approved by the commissioner of natural resources.	The Land and Mineral Department's fund balance is reviewed annually to ensure it is sufficient to fund one year's operational expenses; the county is not proposing to retain any additional funds here so as to maximize the apportionment to school districts, cities and towns.	
No more than 20 percent of the balance is to be used for the following purposes:	Administration recommends that 20% of the balance be elected for these purposes and that it be applied as follows:	\$426,859.91 as follows:
(1) Acquisition and maintenance of county parks and recreation areas (see MN Statute 398.31-398.36)	No funds specified for this purpose.	0
(2) No more than \$4 per capita of the county's population on the promotion of tourist, agricultural and economic development	Administration proposed using 10% for broad economic development purposes, to be deposited in the Economic Development fund balance. This would allow the county to have additional funds available for Iron Range economic incentive and diversification initiatives, as well as funding for other partner opportunities.	\$213,429.95
	Administration is recommending the other 10% be deposited in the Community and Economic Development Blight Program account, to further the efforts in partnering with cities and townships throughout the county on blight removal and redevelopment.	\$213,429.95
Any balance must be apportioned as follows: 40% county	Administration recommends that the 40% for the county be placed into the emergency account for potential budget emergencies in the future.	\$682,975.85
40% school district		\$682,975.85
20% town or city		\$341,487.92
<b>Total Apportioned</b>		<b>\$2,134,299.53</b>

**RECOMMENDATION:**

It is recommended that the St. Louis County Board approve the attached resolution apportioning the 2015 Land and Minerals Department proceeds according to relevant statutes as detailed above.