

SWIFT COUNTY BOARD MINUTES

April 19, 2016

Chairman Peter Peterson called the meeting to order at 11:00 AM with all present except Commissioner Fox. Also in attendance were County Administrator Mike Pogge-Weaver, County Attorney Danielle Olson, County Auditor Kim Saterbak, County Engineer Andy Sander, Don Wilcox, Donna Eul, Kurt Deter and Amanda Ness.

Chairman Peter Peterson asked if there were any changes to the agenda. Administrator Pogge-Weaver requested the removal of consent agenda item #4, approval of the reduction in the retainage on SP 76-617-11 and SP 76-617-12 projects.

04-19-16-01 Commissioner Hendrickx moved and Commissioner Edward Pederson seconded to approve the agenda with the change noted. Motion carried unanimously.

04-19-16-02 Commissioner Rudningen moved and Commissioner Hendrickx seconded to approve the Consent Agenda which consisted of: (1) Minutes from the April 5, 2016 Regular Meeting, (2) Approval of an application for property tax abatement for parcel 22-0134-000, and (3) Approval of a resolution authorizing sponsorship of trails operated by the Northern Lights Trails Snowmobile Club. Motion carried unanimously.

04-19-16-03 Commissioner Rudningen moved and Commissioner Edward Pederson seconded to approve the Commissioner warrants as follows: Revenue: \$136,030.70; Solid Waste: \$28,115.64; Road and Bridge: \$104,758.86; Human Services: \$3,087.41; and Health Insurance: \$2,180.00 which includes the following bills over \$2,000: Auto Value Benson, \$6,670.44; American Communications Inc., \$5,600.00; Computer Professionals Unlimited Inc., \$5,534.24; Duinick Inc., \$41,689.56; E & M Electric LLP, \$2,222.99; Frontier Precision Inc., \$7,594.00; Goff Public, \$5,000.00; Heartland Security Services, \$8,945.72; Johnson Controls, \$2,894.96; Marsh & McLennan Agency-RJF Division, \$2,180.00; MN Dept of Transportation, \$4,794.28; Pflipsen Trucking LLC, \$12,037.22; Pro Action Safety & Sales, \$13,018.83; Southwest Initiative Foundation, \$2,930.00; Swift County Environmental Services, \$4,000.00; Taser International, \$3,208.09; City of Appleton Treasurer, \$40,000.00; University of Minnesota, \$17,220.24; Waste Management of Northern Minnesota, \$8,370.34; and Ziegler Inc., \$45,193.64. Motion carried unanimously.

Board and Committee Reports were given as follows: Commissioner Edward Pederson reported on the Safety Committee and SWCD. Commissioner Rudningen reported on Enhancing the Organization. Commissioner Hendrickx reported on 6W Corrections, Revolving Loan Fund, and Private Industry Council. Chairman Pete Peterson reported on TAC, Countryside Public Health, and 6W Corrections.

Administrator Pogge-Weaver updated the board on the prison.

Chairman Peterson asked for citizen's comments. Engineer Sander updated the board on the upcoming closing of CR 35 due to necessary improvements needed to the road and a culvert.

The Public Hearing was opened on a petition requesting partial abandonment of County Ditch #58.

Attorney Kurt Deter explained the purpose of the hearing.

County Parks, Wetland, and Drainage Supervisor Mike Johnson presented the notice requirements that were met prior to the hearing.

Petitioner Michael Yost presented his request to the board.

Chairman Peter Peterson opened the floor for public comment. There were none.

04-19-16-04 Commissioner Rudningen moved and Commissioner Hendrickx seconded to approve partial abandonment of County Ditch #58 due to that part of the drainage system not serving a substantial useful purpose as part of the the drainage system to any property remaining in the system and is not of substantial public benefit and utility. Motion carried unanimously.

Administrator Pogge-Weaver explained the purpose of the public hearings, the notices that were met prior to the hearing, and reiterated that it is not a goal of the County for Federated Telephone Cooperative to create jobs as a part of this project.

04-19-16-05 Commissioner Hendrickx moved and Commissioner Rudningen seconded to open simultaneous public hearings on the proposal that the County grant a business subsidy to Federated Telephone Cooperative and on the proposal that the County abate property taxes levied by the County on certain properties. Motion carried unanimously.

Rusty Fifield from Northland Securities answered questions regarding general obligation bonds.

Chairman Peter Peterson asked for public comments. Dick Hanson raised concerns regarding the lack of collateral in comparison to the amount of the bonds.

04-19-16-06 Commissioner Rudningen moved and Commissioner Hendrickx seconded to close the public hearings. Motion carried unanimously.

04-19-16-07 Commissioner Rudningen introduced a resolution approving tax abatements to assist in financing a loan to Federated Telephone Cooperative in connection with the acquisition, construction, and installation of a broadband network in the County and moved its adoption:

RESOLUTION NO. 04-19-16-07

RESOLUTION APPROVING PROPERTY TAX ABATEMENTS

WHEREAS, the County proposes to finance a loan to Federated Telephone Cooperative ("FTC") in connection with the acquisition, construction, and installation of a broadband network (the "Project") in the County, which loan is a business subsidy under Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Business Subsidy"). The County proposes to use the abatement for the purposes provided for in the Abatement Law (as hereinafter defined), including the Project. The proposed term of the abatement will be for up to twenty years in an amount not to exceed \$7,785,000. The abatement will apply to the County's share of the property taxes (the "Abatement") derived from the property described by property identification numbers on the attached "Exhibit A" (the "Property"); and

WHEREAS, on the date hereof, the Board held a public hearing on the question of the Abatement and the Business Subsidy, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice thereof; and

WHEREAS, the County has requested, in writing, that Independent School District No. 775 (the "KMS School District") grant a tax abatement to finance the Project and the KMS School District has declined in writing to grant a tax abatement for the Project.

WHEREAS, the County has requested, in writing, that Independent School District No. 777 (the "Benson Public School District") grant a tax abatement to finance the Project and the Benson Public School District has declined in writing to grant a tax abatement for the Project.

WHEREAS, the County has requested, in writing, that Independent School District No. 2853 (the "Lac qui Parle Valley Public School District") grant a tax abatement to finance the Project and the Lac qui Parle Valley Public School District has declined in writing to grant a tax abatement for the Project.

WHEREAS, the Abatement is authorized under Minnesota Statutes, Sections 469.1812 through 469.1815 as amended (the "Abatement Law").

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Swift County, Minnesota, as follows:

Findings for the Abatement. The Board hereby makes the following findings:

The Board expects the benefits to the County of the Abatement to at least equal or exceed the costs to the County thereof.

Granting the Abatement is in the public interest because it will:

increase or preserve tax base;

finance or provide public infrastructure; and

help provide access to services for residents of the political subdivision.

The Property is not and will not be located in a tax increment financing district during the Abatement period.

In any year, the total amount of property taxes abated by the County by this and other abatement resolutions, if any, shall not exceed ten percent (10%) of net tax capacity of the County for the taxes payable year to which the abatement applies or \$200,000, whichever is greater (the "Abatement Limit"). The County may grant other abatements permitted under the Abatement Law after the date of this resolution, provided that to the extent the total abatements in any year exceed the Abatement Limit the allocation of the Abatement limit to such other abatements is subordinate to the Abatement granted by this resolution.

Terms of Abatement. The Abatement is hereby approved. The terms of the Abatement are as follows:

The Abatement shall be for up to a twenty (20) year period and shall apply to the County's share of the taxes payable in the years 2018 through 2037, inclusive.

The County will abate the County's share of property tax amount which the County receives from the Property, cumulatively not to exceed \$7,785,000.

The Abatement shall be subject to all the terms and limitations of the Abatement Law.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner Hendrickx and, after a full discussion thereof and upon vote being taken thereon, the following voted in favor thereof: Commissioners Hendrickx, E. Pederson, P. Peterson, and Rudningen.

and the following voted against the same: None

Whereupon the motion and resolution was declared duly passed and adopted.

04-19-16-08 Commissioner Rudningen introduced a resolution calling for a public hearing on proposed property tax abatements and proposed granting of a business subsidy and moved its adoption:

RESOLUTION NO. 04-19-16-08

RESOLUTION CALLING FOR A PUBLIC HEARING
ON PROPOSED PROPERTY TAX ABATEMENTS AND
PROPOSED GRANTING OF A BUSINESS SUBSIDY

Recitals as to Proposed Property Tax Abatements.

Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, inclusive, authorize the County, upon satisfaction of certain conditions, to grant an abatement of all or a part of the taxes levied by the County on real property within its boundaries.

It is a legal requirement that the County hold a public hearing prior to adoption of a resolution granting any property tax abatements.

Recitals as to Proposed Granting of a Business Subsidy.

Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Statutes"), authorizes the County, upon satisfaction of certain conditions, to grant a business subsidy; and

the County fits the definition of "grantor" in the Statutes; and

It is a legal requirement that the County hold a public hearing prior to adoption of a resolution granting a business subsidy.

Hearing. A public hearing on the consideration of the property tax abatement and the proposed granting of a business subsidy will be held at the time and place set forth in the Notice of Hearing attached hereto as Exhibit A and hereby made a part hereof.

Notice. The County Administrator is hereby authorized and directed to cause notice of said hearing in substantially the form attached hereto as Exhibit A to be given one publication in a newspaper of general circulation in the County at least 10 days but not more than 30 days before the hearing. The newspaper must be one of general interest and readership in the County, and the notice must be published at least once.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner Hendrickx and, after a full discussion thereof and upon vote being taken thereon, the following voted in favor thereof: Commissioners Hendrickx, P. Peterson, and Rudningen.

and the following voted against the same: E. Pederson

Whereupon the motion and resolution was declared duly passed and adopted.

Treasurer Ron Vadnais presented a review of the 1st Quarter 2016 Cash and Investments.

Auditor Saterbak requested the approval of a solid waste abatement for parcel #04-0045-000.

04-19-16-09 Commissioner Hendrickx moved and Commissioner Rudningen seconded to grant the solid

waste abatement with the stipulation to move forward on evaluating the current values. Motion carried unanimously.

04-19-16-10 Commissioner Rudningen moved and Commissioner Hendrickx seconded to adjourn. Motion carried unanimously.

The meeting adjourned at 12:23 PM.

WITNESSED:

Peter Peterson, Chair

ATTEST:

Michel Pogge-Weaver, Clerk of the Board