



BOARD MINUTES

BOARD OF WRIGHT COUNTY COMMISSIONERS

SEPTEMBER 3, 2019

DATE APPROVED: SEPTEMBER 17, 2019

Christine Husom	District 1
Darek Vetsch	District 2
Mark Daleiden	District 3
Michael Potter	District 4
Charles Borrell	District 5

The Wright County Board met in regular session at 9:00 A.M. with Vetsch, Husom, Daleiden, and Potter present. Commissioner Borrell was absent.

COUNTY BOARD MINUTES 8-27-19

Potter moved to approve the minutes as presented. The motion was seconded by Daleiden and carried 4-0.

AGENDA

The following change was made to the Consent Agenda:

- Item E1, change to read, "Refer To The 11-12-19 County Board Workshop:
 - A. Veteran Record Scanning Update
 - B. Impact Of The Veteran's Property Tax Exclusion" (Kelly)

Husom moved to approve the Agenda as amended. The motion was seconded by Daleiden and carried 4-0.

CONSENT AGENDA

Daleiden moved to approve the Consent Agenda as amended. The motion was seconded by Potter and carried 4-0:

- A. ADMINISTRATION
 - 1. Position Replacement:
 - A. Human Resources Representative
- B. ADMINISTRATION
 - 1. Approve Hire Of Business Analyst Per Recommendation At The 8-28-19 Technology Committee Meeting
- C. ADMINISTRATION
 - 1. Schedule Technology Committee Meeting For 9-11-19 @ 10:30 A.M. (discussion continued from 8-28-19). Agenda Items:
 - A. Project Updates
 - B. Prioritization & 2020 Budget
- D. AUDITOR/TREASURER
 - 1. Acknowledge Warrants Issued Between August 21, 2019 And August 26, 2019.
- E. VETERANS SERVICES
 - 1. Refer To The 11-12-19 County Board Workshop:
 - A. Veteran Record Scanning Update
 - B. Impact Of The Veteran's Property Tax Exclusion

TIMED AGENDA ITEMS

GREG PICKARD, VETERANS SERVICE OFFICER

Adopt Resolution To Enter Into A Contract With The MN Dept. Of Veterans Affairs For The FY 2020 County Veterans Service Office Operational Enhancement Grant

Pickard requested adoption of a resolution entering into a grant contract with the MN Department of Veterans Affairs (MNDVA) for the FY 2020 County Veterans Service Office Operational Enhancement Grant in the amount of \$15,000. This is an annual grant. Last year's grant award of \$15,000 was fully utilized. Pickard said part of the grant funding will be used to fund the salary of the Assistant Veterans Service Officer who was hired last year.

Potter moved to adopt Resolution #19-91. The motion was seconded by Daleiden and carried 4-0 on a roll call vote.

BOB HIIVALA, AUDITOR/TREASURERApprove Resolution Final Order On The Creation Of The Lake John Improvement District

Potter moved to adopt Resolution #19-92 establishing a Lake John Improvement District. The motion was seconded by Husom. Potter said the resolution names the first Lake John Improvement District Board of Directors. He asked about the process for election to that Board. Hiivala stated election occurs at the first Lake John Annual Meeting held in the summer of 2020. The motion carried 4-0 on a roll call vote.

VIRGIL HAWKINS, HIGHWAY DEPARTMENTAccept The 2018 Highway Department Annual Report Which Was Distributed To The County Board On August 20, 2019 For Review

Daleiden moved to approve the 2018 Highway Department Annual Report. The motion was seconded by Potter and carried 4-0.

KAREN PUNDSACK, EXECUTIVE DIRECTOR - GREAT RIVER REGIONAL LIBRARY (GRRL)2020 Budget Presentation

Pundsack and Aron Murphy, GRRL Accounting and Distribution Supervisor, provided an overview of GRRL activities and the 2020 budget.

Wright County is part of a six-county Joint Powers Agreement (JPA) with Benton, Morrison, Sherburne, Stearns, and Todd Counties. The total borrowers in those counties is 108,641. Wright County has libraries in Annandale, Buffalo, Clearwater, Cokato, Delano, Howard Lake, Monticello, Rockford and St. Michael. In 2018 in Wright County, there were 30,800 library cardholders with 308,360 visits, and 903,410 items checked out.

The pilot program, "GRRL 2 Go" is in its second year. It is a locker system in Sartell that allows patrons to order and pick up materials at that location. The system includes delivery two days/week, and daily pick up times are from 7:00 AM to 10:00 PM because of the location. Potter said as the price of the locker system reduces, it may be offered in other communities. Other initiatives are fines forgiveness on juvenile library material, wireless printing, and self-checkouts. The purpose of fines forgiveness is to get books into the hands of youth. The goal of self-checkout is to allow patrons to check out books themselves which provides staff with the additional time to assist patrons on computers.

An overview of the 2020 GRRL budget was provided. The overall GRRL budget increase will be 1.11%. Wright County's portion will realize a 0.142% increase for a total of \$2,161,648. Three funding formula factors include county proportion, net tax capacity, and county population. Wright County's population and net tax capacity continue to increase. The GRRL library dollars provided per capita are \$20.80 (2020 budget) versus Statewide at \$41.56. GRRL has a \$9 million budget with 32 libraries compared to Hennepin County with a \$80 million budget for 41 libraries. She said they are spread thin with this budget, but they work to provide high quality service.

PUBLIC HEARING – PROPERTY TAX ABATEMENT RELATED TO THE TRAILBLAZER FACILITY

Hiivala introduced Chris Mickelson, Ehlers-Inc., who provided information on the tax abatement bonds. Mickelson said he and his colleague, Bruce Kimmel, have been working with the County to prepare the Series 2019C General Obligation Tax Abatement Bonds with the estimated principal amount of \$5,215,000. Mickelson provided an overview of the Pre-Sale Report.

The proposed Series 2019C issue includes financing to defease the City of Buffalo's outstanding General Obligation Abatement Bonds, Series 2015C, issued in the amount of \$3,400,000 and currently outstanding in the amount of \$2,970,000 and finance costs associated with the expansion of the Trailblazer Transit Facility. It is expected that payments from Trailblazer will be sufficient to fund 100% of the County's debt service requirement, and thereby cancel the County's need to levy a tax abatement each year. Trailblazer will prefund the abatement the first year in the amount of \$350,000. Daleiden asked for clarification on costs to the levying public. Mickelson said as long as revenues are received from Trailblazer, the abatement levy will be cancelled and there will be no tax impact to the taxpayers.

The statutory that allows this mechanism to occur for a debt issuance is per Minnesota Statutes, Chapters 469 and 475. Chapter 469 states that the annual abatement capacity is either \$200,000 or 10% of the municipality's net tax capacity. The County currently has a net tax capacity of over \$167 million so the annual abatement cannot exceed \$16.7 million. The average annual debt service for the 2019C bonds is estimated to be approximately \$348,000 which is about 2% of the County's current abatement capacity. Mickelson explained that the City of Buffalo is at their abatement capacity. This action will allow the City to fund additional projects.

The bonds will be issued for a 20-year term, with principal on the bonds due on December 1st of the years 2020 through 2039. Interest is payable every six months beginning June 1, 2020. The bonds are callable on December 1, 2029 or any date thereafter. The County will request a new rating for the bonds, but the County's most recent rating is AA+.

Competitive bids will be solicited for the purchase of the bonds. A sale date of September 30, 2019 is planned with award on October 1, 2019. Closing is set for October 24, 2019. Because the County is issuing more than \$10,000,000 in tax-exempt obligations during the calendar year, the County will not be able to designate the bonds as "bank qualified" obligations.

The Total Issue Sources and Uses information reflects:

Proposed Refinance Buffalo 15C	\$3,165,000	
New Money	<u>\$2,050,000</u>	Expansion of the Trailblazer Facility
Issue Summary	\$5,215,000	

Information presented includes debt service schedules. The draft resolution includes setting a sale date and approval of the property tax abatement.

At 9:43 A.M., Commissioner Vetsch opened the Public Hearing and called for public comment. As none was received, Potter made a motion to close the Public Hearing at 9:44 A.M. The motion was seconded by Daleiden and carried 4-0.

Potter moved to adopt Resolution 19-93 approving a Property Tax Abatement related to the Trailblazer Transit Facility, and to issue General Obligation Tax Abatement Bonds in an amount not to exceed \$5,500,000 to fund the project. The motion was seconded by Daleiden. The motion carried 4-0 on a roll call vote.

ITEMS FOR CONSIDERATION

8-29-19 COMMITTEE OF THE WHOLE (COTW) MINUTES

At today's County Board Meeting, Potter moved to approve the minutes and recommendations. The motion was seconded by Husom. Further discussion followed at the Board Meeting:

- Vetsch referenced the Tactical Training Center bids and said that the total estimated project cost reflected in the minutes is \$9,346,295. He said it may be more of a \$9 million project because the scope of the technology and fiber were over estimated by \$350,000. Lee Kelly, County Administrator, said one area of discussion has been the large contingency in technology-related items. The County typically doesn't do fiber installations, so they were cautious in the contingency in that area.
- Greg Kryzer, Assistant County Attorney, provided information on the steel erection contract and the recommendation to award to the second lowest bidder, Patriot Erectors, instead of the low bidder, Maxx Erectors.

Kryzer stated a supplemental reason to award the bid to Patriot Erectors is that Maxx Erectors is currently operating in Chatham Township in a residential zoning district. There are two criminal files pending against that business operation for violating zoning ordinances. A search warrant was executed at the business and drug paraphernalia was found. The principal has been charged with third degree drug possession for possessing over 10 grams of methamphetamines. Kryzer stated Wright County has a drug free workplace. He believes in order to get a contract with the County, the law must be followed.

Potter stated that Maxx Erectors also had a serious discrepancy in their bid. Kryzer said Maxx Erectors bid at \$78,000 while other bids averaged around the \$160,000-\$178,000 figure. He said all this information coupled with the investigation shows they are not a responsible bidder.

- Vetsch restated that this appears to be closer to a \$9 million project. Potter said the County has been fortunate in that projects have come in considerably under estimate and is okay with this project being slightly over estimate. It has been suggested that the County should request additional funding from the FBI (Federal Bureau of Investigation) toward the project. However, the agreed amount was based on good faith estimates at the time and it would be hard to ask for more now. The scope of the building changed to be the backup for the Emergency Operations Center and data center for the County. Daleiden said there is a possibility of additional FBI funding in the future to offset some of the costs. Vetsch thought there may be future revenue opportunities from that building. The motion to approve the minutes carried 4-0. The COTW minutes follow:

I. TACTICAL TRAINING CENTER BIDS

Three documents were distributed:

- 1) *Letter from Brad Barickman, RJM Construction dated 8/29/19 regarding the Tactical Training Center (TTC) bids received;*
- 2) *Email from Jon Schroetke, Sales Manager, Huffcutt dated 8/21/19; and*
- 3) *Estimate Summary of the TTC bids (see attachments).*

Brad Barickman, Project Executive, RJM Construction, said the team received 147 bids. The overall numbers are trending about \$500,000 lower than the last project budget update. RJM is recommending awards in all bid categories. Vetsch said the TTC is \$1.2 million over available funding.

Barickman listed the alternate bids:

- 1) *Eliminate the Folding Partition*
- 2) *Shell the Indoor Range (no equipment installed)*
- 3) *Remove Bullet Traps at the Outdoor Range.*

Barickman said there are opportunities to reduce the overall project value based on the bids and alternates received in case any of the alternates are selected.

Michael Potter, County Commissioner, was in favor of building the TCC, although the \$1.2 million deficit in funding must be addressed. He preferred not to leave out components.

Bruce Schwartzman, Partner and Architect, BKV Group, said of that \$1.2 million overage, about \$300,000 includes technology estimates that are higher than they believe will be the actual cost. Wilczek said the cost is a bit ambiguous determined by how much equipment they install for the data center. The number of fiber strands was drastically reduced, which lowered the cost by approximately \$100,000. The Information Technology Department does not have a defined budget regarding what equipment they will need, however, it appears there are some cost saving measures that could be taken to reduce the overall technology equipment costs by perhaps another \$100,000. Schwartzman said the soft costs are still in flux.

Mark Daleiden, County Commissioner, said he would like to build the indoor firing range, but not equip it right away. If funds are left over at the end of the project, perhaps the County could finish it further.

Darek Vetsch, Chair, Wright County Board of Commissioners, said the Sheriff's Office could take furniture from the existing Government Center to furnish the TCC. That would lower the deficit by about \$100,000. Over time the Sheriff's Office could replace the furniture. He added that if \$200,000 is deducted for technology as stated above, and \$100,000 out of the furniture line, that leaves a funding shortage of \$900,000. Christine Husom, County Commissioner, said she is fine if this is the way the TCC will be built, but an additional funding source must be found. Barickman said it is a simple structure, with complicated systems on a large site. All of those factors ultimately drive up the cost.

8-29-19 COTW Minutes (cont.):

Captain Todd Hoffman, Sheriff's Office, said they are expecting to submit a grant for the Emergency Operations Center (EOC) portion of the cost for technology. RJM will provide an estimate. Hoffman is not sure whether that will be \$50,000 or \$100,000, but that would be reimbursed by the Emergency Management grant.

Vetsch said that reduces the deficit by \$50,000, which leaves \$850,000.

Lee Kelly, County Administrator, said he talked with Bob Hiivala, County Auditor / Treasurer, who also spoke with Ehlers Associates, the County bond advisors about the Justice Center project which will be completed approximately June of 2020. Right now the trend indicates there will be extra money from the bond proceeds issued for that project. When that project is done, the County could shift proceeds from the Justice Center project to other projects. One possibility is to build the TCC and hold off until after the Justice Center is completed, and then transfer those bond proceeds to finish the TCC.

Discussion ensued regarding about the amount of proceeds that may be available.

Barickman said Alternate 2, Shelling the Indoor Firing Range, would deduct about \$1.1 million. Andrew Pelzel, Estimator with RJM Construction, said Alternate 3, Remove Bullet Traps at the Outdoor Range, would deduct \$753,000. Daleiden suggested finishing the firing range over the next year. Barickman said they have seen a steady increase of five to six percent inflation on construction and equipment costs. If the County waits, the cost will be higher than today. Vetsch said there may be additional costs to retrofit versus new construction. Sheriff Sean Deringer said the TCC must be secure. He said if the indoor firing range is finished later, it will be difficult to secure the EOC and data center if construction workers are on-site. Husom said it would be simpler to finish the TCC, but the source of the remaining funds needs to be determined.

Discussion continued regarding whether to use turnback dollars that were originally intended to pay debt service reserves. Vetsch said taking \$350,000 to \$400,000 out of those funds would have minimal impact, but that still leaves about \$400,000 to fund.

Kelly said there are several options. It appears the preference is to build the entire TCC now, but there is a gap in funding. He asked if staff should try to solve that issue. Vetsch said he does not want to build out the TCC at the expense of levies in 2021, 2022, 2023, and 2024. However, the impact from taking \$400,000 from the spend down would have a minimal impact on the debt service.

Vetsch asked Deringer whether money from the Sheriff's Office CIP fund could be temporarily diverted to the TCC project. Hoffman estimated about \$300,000 remained excluding the squad car camera project.

Vetsch said that would come close to shoring up the \$400,00 balance needed. He cited \$300,000 from the Sheriff's CIP Fund, hopefully \$400,000 from the Justice Center bond proceeds, as well as a reduction in fiber and technology equipment costs of about \$200,000. There are contingency funds if fiber costs are higher. Wilczek said the TCC data center is serving only that facility. Deringer said he was sure they would be able to furnish the TCC with furniture from the current Government Center. Vetsch said there is still about a \$150,000 funding gap. Hopefully between more fiber savings and the contingency fund, the balance will be funded.

Barickman referenced paragraph 3 of the attached memo related to Bid Category 3B, Precast Concrete. The low bidder, Huffcutt, erred in their base bid amount of \$407,362 regarding Alternate 1, but said they will honor that price.

Regarding paragraph 4 of the same memo related to Bid Category 5B, Structural Steel/Joist/Decking/Misc. Steel, RJM is recommending the second lowest bidder, Patriot Erectors at \$157,350. RJM has made several attempts to reach the low bidder, Maxx Erectors, to no avail, and are not comfortable recommending them.

RECOMMENDATION: *Award bids for the Tactical Training Center project to recommended contractors at the 9/3/19 County Board meeting for a total estimated project cost of \$9,346,295, and authorize signatures on those contracts.*

8-29-19 COTW Minutes (cont.):**II. THIRD FLOOR, NEW GOVERNMENT CENTER**

A letter from BKV Group dated 8/26/19 to Kelly regarding building an additional 22,000 square feet on the third floor of the new Government Center was distributed (see attachment).

Wilczek said bids were very aggressive on the new Government Center, which is why the expansion of the third floor is being considered. The estimated cost to do so is an additional \$1.6 million to \$1.8 million.

Schwartzman said the attached letter details the hours estimated to provide modified drawings related to structural, mechanical, electrical, plumbing, interior design and architectural components. BKV proposes to bill the County on an hourly basis not to exceed \$178,030.

RECOMMENDATION: Authorize BKV Group to commence with additional drawings and work related to the expansion of the third floor at a cost not to exceed \$178,030, and authorize County Board Chair to sign the Additional Service Memo.

(End of 8-29-19 COTW Minutes)

ADVISORY COMMITTEE/ADVISORY BOARD UPDATES

1. Regional Crime Lab. Husom attended a meeting last week. The 2020 budget was approved for the Crime Lab. Discussed were additional positions for the 2021 budget. The last time positions were added was in 2014. A work group is looking at how to address the number of submissions coming in. A monthly report is generated highlighting the success reports. She referenced the quick turnaround time on major cases and DNA testing. She said the BCA (Bureau of Criminal Apprehension) does a great job, but they don't take trace or touch DNA for testing.
2. Central MN Emergency Medical Services. Husom attended a meeting on 8-30-19. They continue to look for stable funding sources. Grants to local fire departments and emergency medical services have been cut back. It was reported that they are out of Narcan kits but hope to get some by November.
3. Vetsch attended budget meetings last week and met individually with property owners on Ditch 33.
4. Technology Committee. Daleiden and Vetsch attended the meeting last week. Daleiden said the new IT Director has been hired. A discussion at the Committee level included the bottleneck of projects and the lack of Business Analysts. The Technology Committee recommended approval to hire the Business Analyst position, which was approved as part of the Consent Agenda at today's Board Meeting. The Business Analyst position is included in the 2020 budget and there are currently open positions in IT. The Technology Committee will meet again on 9-11-19 to discuss key projects in the Capital Improvement Plan.
5. I-94 Coalition. Potter attended a meeting last week. Discussion included the recent Washington D.C. trip and the BUILD (Better Utilizing Investments to Leverage Development) grant. There is \$900 million available for projects in the entire country and they hope to receive funding for the I-94 project. A possible revisit to D.C. at the end of September is being planned in an effort to secure the funding.
4. Administrator Updates:
 - A. Kelly mentioned the numerous budget meetings that he and Board members have attended.
 - B. Kelly has been meeting with the new IT Director. Kelly served as interim IT Director while the position was vacant.
 - C. Kelly attended a Monticello Economic Development meeting on 8-28-19. UMC in Monticello is looking to expand. Kelly is fielding questions from cities on the tax abatement and revolving loan fund processes that the County is reviewing. Vetsch said the expansion of UMC includes 60+ positions in a two-year period which could grow to over 100 positions in five years. Kelly said samples of policies have been obtained from multiple jurisdictions for review.

The meeting adjourned at 10:14 A.M.