



**AGENDA**  
**PINE COUNTY BOARD MEETING**

|            |                      |
|------------|----------------------|
| District 1 | Commissioner Hallan  |
| District 2 | Commissioner Mohr    |
| District 3 | Commissioner Chaffee |
| District 4 | Commissioner Rossow  |
| District 5 | Commissioner Ludwig  |

**Tuesday, September 1, 2015, 10:00 a.m.**  
**Public Health Building, Sandstone, Minnesota**

- A) Call meeting to order
- B) Pledge of Allegiance
- C) Public Forum. Members of the public are invited to speak on items not on the agenda. Each speaker should state his/her name and limit comments to three (3) minutes.
- D) Adopt Agenda
- E) Approve Minutes of August 18, 2015 County Board Meeting and Summary for publication.
- F) Approve Minutes of August 25, 2015 Special Meeting and Committee of the Whole (Budget).
- G) Minutes of Boards, Committees and Correspondence  
Pine County Land Surveyor Monthly Report – August 2015
- H) Approve Consent Items

**CONSENT AGENDA**

The consent agenda is voted on without any discussion. Any commissioner may request an item be removed and added to the regular agenda.

1. **August, 2015 Disbursements**  
Disbursements Journal Report, August 1, 2015 – August 31, 2015.
2. **Liquor Licenses**  
Consider approval of On/Off Sunday Liquor Licenses for Countryside Campground, LLC and Tommy's Lakeside Bar & Grill, LLC.
3. **Donation**
  - a. Accept \$300 donation from the Hinckley Chamber and designate to the Pine County Sheriff's Reserve Fund to be used to offset the cost of uniforms and equipment.
  - b. Accept \$500 anonymous donation and 21 \$5 McDonalds gift cards to the Pine County Sheriff's Office to be used for the 'Shop with a Cop' program.
4. **Personnel/New Hire**
  - a. Consider approval of the appointment of Karly Kostich as Probation Agent, starting at DOC Corrections Agent salary grid - \$38,524 annually, effective September 14, 2015.

- b. Consider approval of the hiring of Erin Mans as a Registered Nurse in the Family Health Unit of Public Health, \$21.87 per hour, C42, Step 3, effective September 22, 2015.
- c. Consider approval of the hiring of Ericka Taylor as a Child Protection Social Worker, \$19.54 per hour, C42, Step 1, effective September 2, 2015.
- d. Consider promotion of part-time Corrections Officer Andrea Stephani to full-time Corrections Officer effective September 2, 2015.

**REGULAR AGENDA**

1. **East Central Regional Library Board Appointment**  
Consider appointment of Judy Scholin as a representative on the East Central Regional Library Board for the remainder of 2015 to fill the vacancy created by the resignation of Margery Swanson.
2. **Comprehensive Planning Steering Committee Appointments**  
Consider appointing James Sloan (District 1), Al Hancock (District 2), and John Von Rueden (District 3) to the Comprehensive Plan Steering Committee. The first meeting of the Steering Committee is September 10, 2015.
3. **2014 Financial Statement**  
Review and consider formal acceptance of the 2014 Pine County Financial Statement and authorize publication.
4. **Pine County Budget Process, Policy & Procedures adopted 06-17-08**  
Consider approval and adoption of the amended Pine County Budget Process, Policy & Procedures and authorize Board Chair and County Administrator to sign.
5. **2015 Emergency Management Performance Grant**  
Consider approval of the 2015 Emergency Management Performance Grant in the amount of \$21,026 and authorize Board Chair and County Administrator to sign. No additional funds will be expended by Pine County as the Pine County Sheriff's Office/Emergency Management is able to do a "soft match".
6. **State Aid Advance Resolution**  
Consider approval Resolution 2015-32, County State Aid Highway Funds Advance for road project #058-607-023, in the amount of \$1,266,626.91, and authorize Board Chair and County Administrator to sign.
7. **Commissioner Updates**  
Kanabec-Pine County Health Board  
GPS 45:93  
Snake River Watershed  
East Central Regional Development Commission  
Northeast Regional Radio Board  
Other
8. **Other**
9. **Upcoming Meetings (Subject to Change)**
  - a. **Pine County Board Meeting, Tuesday, September 1, 2015, 10:00 a.m.**, Public Health Building, Sandstone, Minnesota.
  - b. **Facilities Committee, Wednesday, September 2, 2015, 9:00 a.m.**, Commissioners' Conference Room, Courthouse, Pine City, Minnesota.
  - c. **Soil & Water Conservation District, Thursday, September 3, 2015, 3:00 p.m.**, Public Health

- Building, Sandstone, Minnesota.
- d. **Personnel Committee, Tuesday, September 8, 2015, 9:00 a.m.**, Commissioners' Conference Room, Pine County Courthouse, Pine City, Minnesota.
  - e. **Special Board Meeting-Committee of the Whole (Budget), Tuesday, September 8, 2015, 10:00 a.m.**, Board Room, Pine County Courthouse, Pine City, Minnesota.
  - f. **Comprehensive Land Use Plan Steering Committee, Thursday, September 10, 2015, 1:00 p.m.**, Board Room, Pine County Courthouse, Pine City, Minnesota.
  - g. **Central Minnesota Jobs and Training Service, Friday, September 11, 2015, 12:15 p.m.**, Workforce Center, 406 E. 7<sup>th</sup> St., Monticello, Minnesota.
  - h. **East Central Solid Waste Commission, Monday, September 14, 2015, 9:00 a.m.**, 1756 180<sup>th</sup> St., Mora, Minnesota.
  - i. **East Central Regional Library Board, Monday, September 14, 2015, 9:30 a.m.**, 244 So. Birch Street, Cambridge, Minnesota.
  - j. **Technology Committee, Tuesday, September 15, 2015, 8:30 a.m.**, Commissioners Conference Room, Pine County Courthouse, Pine City, Minnesota.
  - k. **Pine County Board of Commissioners, Tuesday, September 15, 2015, 10:00 a.m.**, Board Room, Pine County Courthouse, Pine City, Minnesota.
  - l. **Special Board Meeting-Committee of the whole (Budget), Tuesday, September 15, 2015, to commence upon conclusion of the County Board Meeting**, Board Room, Pine County Courthouse, Pine City, Minnesota.

➤ **Board to Recess and Reconvene as a Committee of the Whole**

**A. Economic Development Action Plan**

Review draft Pine County Economic Development Action Plan 2015-2016 and discussion.

**B. Business Subsidy Policy**

Review of draft Business Subsidy Policy and discussion.

10. **Adjourn**

**MINUTES OF THE  
PINE COUNTY BOARD MEETING  
Regular Meeting**

**Tuesday, August 18, 2015, 10:00 a.m.  
Board Room, Pine County Courthouse, Pine City, Minnesota**

Chair Steve Hallan called the meeting to order at 10:00 a.m. Present were Commissioners Josh Mohr, Steve Chaffee, Curt Rossow and Matt Ludwig. Also present were County Attorney Reese Frederickson and Acting County Administrator Kelly Schroeder.

The Pledge of Allegiance was said.

Chair Hallan called for public comment. There was no public comment.

Chair Hallan announced the Nissan Leaf electric car, which has been leased by the Highway Department, had been available for viewing prior to the county board meeting.

Chair Hallan requested the following revisions to the Agenda:

Additions: Consent Agenda

8. Promotion

Acknowledge and approve the promotion of HHS Public Health case aide Candace Bartheidel to Social Worker effective August 31, 2015, starting at \$19.54/hr, step 1, C42.

Additions: Regular Agenda

12A. Request from Pine City Township for a road exchange. Information only.

12B. Schedule Special Meetings - Committee of the Whole (Budget)

*September 8, 2015* – 10:00 a.m. – Board Room, Pine County Courthouse, Pine City, Minnesota

*September 15, 2015* – to commence after the County Board Meeting, Board Room, Pine County Courthouse, Pine City, Minnesota

*September 22, 2015* - 9:00 a.m. – Board Room, Pine County Courthouse, Pine City, Minnesota

12C. Schedule Meeting with Soil & Water Conservation District Board

September 23, 2015

12D. Comprehensive Planning Steering Committee Appointments

Discussion.

Commissioner Rossow moved to approve the amended Agenda. Second by Commissioner Ludwig. Motion carried 5-0.

Commissioner Chaffee moved to approve the Minutes of the August 4, 2015 board meeting and Summary for publication. Second by Commissioner Mohr. Motion carried 5-0.

Minutes of Boards, Committees and Correspondence

East Central Regional Library Minutes – June 8, 2015

Commissioner Mohr moved to acknowledge the Minutes of Boards, Committees and Correspondence. Second by Commissioner Rossow. Motion carried 5-0.

Commissioner Chaffee moved to approve the amended Consent Agenda. Second by Commissioner Ludwig. Motion carried 5-0.

**CONSENT AGENDA**

**1. Review July, 2015 Cash Balance**

| <b>Fund</b>                    | <b>July 31, 2014</b> | <b>July 31, 2015</b> | <b>Increase(Decrease)</b> |
|--------------------------------|----------------------|----------------------|---------------------------|
| General Fund                   | 2,703,601            | 4,544,273            | 1,840,672                 |
| Health and Human Services Fund | 474,496              | 508,470              | 33,974                    |
| Road and Bridge Fund           | 8,828,216            | 3,748,270            | (5,079,946)               |
| Land Management Fund           | 1,035,697            | 1,459,754            | 424,056                   |
| TOTAL (inc non-major funds)    | 14,727,318           | 11,472,838           | (3,254,480)               |

**2. Liquor Licenses**

Approve liquor licenses (on/off/Sunday) for September 1, 2015 through August 31, 2016, subject to county board approval, for the following: Wings North, 19379 Homestead Road, Pine City (On Sale and Sunday); Tanks Tavern-Cloverdale, 39109 State Hwy. 48, Hinckley (On Sale, Off Sale & Sunday); Nickerson Bar & Motel, 94430 Main Street, Nickerson (On Sale, Off Sale & Sunday); Pine City Country Club, 10413 Golf Course Road SW, Pine City (On Sale & Sunday); Kurtz' Muffies on the Lake, LLC, 13646 Muffies Lane, Grasston (On Sale, Off Sale & Sunday); and Chengwatana Country Club, LLC 29410 Beroun Crossing, Pine City (On Sale, Off Sale & Sunday).

**3. Tobacco Licenses**

Approve tobacco licenses, subject to county board approval, for new establishments: Casey's General Store in Sandstone and Murphy USA #7599 in Pine City.

**4. Premises Permit & Lease for Lawful Gambling Activity**

Approve Application for Premises Permit and Lease for Lawful Gambling Activity from Pokegama Lake Association to conduct Minnesota lawful gambling at Kurtz's Muffies on the Lake, LLC, 13646 Muffies Lane, Grasston (Pokegama Twp).

**5. Agreement for Prosecution Services – City of Askov**

Approve Agreement for Prosecution Services between the County of Pine and City of Askov for prosecution of misdemeanor violations of the nuisance and blight ordinances contained within Chapter 8 of the City of Askov's Ordinances and authorize Board Chair, County Auditor-Treasurer and County Attorney to sign.

**6. Personnel (Full-Time Status/Completion of Probationary Period)**

Approve full-time status for Social Workers Rona Duvall and Patrick Meacham, effective August 23, 2015.

**7. New Hire**

Approve the hiring of Jerry Kunze, Highway Maintenance Worker (B23), at an hourly rate of \$14.35 per hour, step 1 of the 2014 wage scale, contingent upon a successful background investigation, with an expected start date of August 19, 2015.

**8. Promotion**

Acknowledge and approve the promotion of HHS Public Health case aide Candace Bartheidel to Social Worker effective August 31, 2015, starting at \$19.54/hr, step 1, C42.

## REGULAR AGENDA

### 1. Facilities Committee

Commissioner Ludwig provided an overview of the August 5, 2015 Facilities Committee meeting. Ludwig stated Sandstone Mayor Carl Steffen inquired if the county would be interested in purchasing the old hospital complex. It was the consensus of the Facilities Committee the county does not have a need for the building and the County's role may be to assist the owner in marketing or repurposing the property.

### 2. Personnel Committee

The Pine County Personnel Committee met August 11, 2015 and made the following recommendations:

#### HHS

Acknowledge the retirement of Account Tech Carol Ferrie effective November 13, 2015 and approve immediate backfill for job shadowing purposes up to Carol's retirement date.

#### Assessor

Acknowledge the resignation of Property Assessor David Anderson effective August 7, 2015 and approve backfill.

#### Jail

Approve a \$1.00 per hour performance increase for Jail Administrator Rick Boland pursuant to Section 10.5 of the county Policies & Procedures manual, effective June 2, 2015.

#### Sheriff

Accept the resignation of Deputy Sheriff Leah Schmidt effective August 24, 2015 and approve backfill.

Other items are for informational purposes only.

Commissioner Chaffee provided an overview of the personnel committee meeting, stating the Jail Administrator's increase was approximately 2%, which is within the 0-6% allowed pursuant to Section 10, and allowable under Section 10.5 of the Policies & Procedures Manual.

**Motion** by Commissioner Chaffee to approve the recommendations of the Personnel Committee. Second by Commissioner Rossow. Motion carried 5-0.

### 3. Proposed Land Acquisitions by Minnesota DNR

Auditor-Treasurer Cathy Clemmer stated the DNR is acquiring two parcels in Pine County to be developed as wildlife management areas--480 acres in Norman Township to be purchased by Pheasants Forever and Minnesota Sharp-Tailed Grouse Society and donated to the DNR, and 381 acres (owned by Danford & Kathleen Erhart) in Royalton Township to be purchased directly with DNR funds.

Pursuant to statute 97A.145 the DNR is required to notify the county board of lands purchased by the DNR and obtain a resolution approving the acquisition. Chris Balzer, DNR Area Wildlife Manager was present to answer questions. Discussion was held regarding the timeframe of the acquisition and the payment in lieu of taxes funds to be received for the acquisition and removal of the lands from the tax rolls.

**Motion** by Commissioner Chaffee to approve Resolution 2015-30 approving the acquisition by the Department of Natural Resources of the following parcels of land owned by Danford & Kathleen Erhart: PID 29.0020.001, 29.0032.000, 29.0033.000, 29.0034.000, 29.0043.001, 29.0103.000 and 29.0125.000/split. Second by Commissioner Ludwig. Motion carried 5-0.

### 4. ECRDC Update

East Central Regional Development Commission Executive Director Robert Voss and Economic Development Director Jennifer Russell provided an update as to the services provided to Pine County by the ECRDC.

**5. Economic Development – Business Subsidy Policy**

Economic Development Coordinator Robert Musgrove provided an overview of business subsidies and subsidy policies. Discussion was held regarding how the county would like to proceed. It was the consensus of the board that the Economic Development Coordinator draft a business subsidy policy and bring it back to the county board at the September 1, 2015 board meeting for review and discussion.

**6. School Resource Officer – Pine City School District**

Sheriff Jeff Nelson reported the Pine City School District has requested to continue contracting with the Pine County Sheriff's Officer for a School Resource Officer of up to 40 hours per week. This is an increase from 20 hours per week from the previous contract. The District agrees to reimburse the Sheriff's Office for the assigned deputy. The contract commences September 8, 2015.

**Motion** by Commissioner Chaffee to approve the Pine County School Resource Officer Contract with the Pine City School District and authorize the Board Chair, County Administrator and County Attorney to sign. Second by Commissioner Ludwig. Motion carried 5-0.

**7. County Veterans Service Officer Enhancement Grant**

Veterans' Service Officer Ben Wiener provided an overview of the utilization of the 2015 Enhancement Grant and stated the 2016 \$10,000 enhancement grant will be used for CVSO training, marketing and outreach, veterans' transportation, software, and other services. No matching funds are required.

**Motion** by Commissioner Rossow to approve Resolution 2015-29 and County Veterans Service Office Enhancement Grant and authorize Board Chair, County Administrator and Veterans Service Officer to sign. Second by Commissioner Mohr. Motion carried 5-0.

**8. Healthcare Procurement Process**

Health & Human Services Director Becky Foss stated the board had previously recommended UCare for the county's prepaid medical assistance program (PMAP) and UCare and Health Partners for the managed care organizations (MCO). The State of Minnesota has chosen Blue Plus and Health Partners. The county submitted a request for reconsideration; HHS was informed of a deadline extension so County Directors could consult with their county boards. Discussion was had as to financial impact and services provided by the providers.

**Motion** by Commissioner Chaffee to ratify Pine County's request for reconsideration of the State's decision on the pre-paid medical assistance programs and managed care organizations chosen for Pine County. Second by Commissioner Mohr. Motion carried 5-0.

**9. Vulnerable Children and Adult Plan Amendment**

Health & Human Services Director Becky Foss stated through the Governor's Task Force there was additional funding allocated to each county and each county is to amend their Vulnerable Children and Adult Plan. Pine County has chosen to use the funds to add two additional social workers.

**Motion** by Commissioner Rossow to approve the Vulnerable Children and Adult Plan Amendment for Child Protection Funding and authorize Board Chair and County Administrator to sign. Second by Commissioner Chaffee. Motion carried 5-0.

**10. Agreement with MnDOT**

County Engineer Mark LeBrun reported to the board, and discussion was held, regarding the change in the planned detour route for the bridge construction on Trunk Highway No. 23 over the Big Willow River. The length of the detour on CSAH 48 was increased.

**Motion** by Commissioner Chaffee to approve Resolution 2015-31 for payment by the State to Pine County for the revised use and maintenance of CSAH 47 and 48 as a detour route and authorize Board Chair and County Administrator to sign the Agreement and any amendments. Second by Commissioner Ludwig. Motion carried 5-0.

## **11. Commissioner Updates**

Meeting with Katie Draper of the Mille Lacs Band: Commissioner Chaffee stated it was a good meeting.  
Soil & Water Conservation District: Commissioner Mohr stated a regular meeting.  
East Central Solid Waste Commission: Commissioner Hallan stated the new cell is being finished; discussion had on being more proactive on recycling.  
East Central Regional Library: Commissioner Chaffee stated this was a budget meeting. Pine County's responsibility will be an approximate \$2,000 increase over last year's.  
Arrowhead Counties Association: No meeting.

## **12. Other**

**12A.** Chair Hallan acknowledged a request from Pine City Township for a road exchange between the township and the county. Referred to the Transportation Committee.

### **12B. Schedule of Special Meeting-Committee of the Whole (Budget)**

The following Special Meeting-Committee of the Whole (Budget) were scheduled:

*September 8, 2015* – 10:00 a.m. – Board Room, Pine County Courthouse, Pine City, Minnesota

*September 15, 2015* – to commence after the County Board Meeting, Board Room, Pine County Courthouse, Pine City, Minnesota

*September 22, 2015* - 9:00 a.m. – Board Room, Pine County Courthouse, Pine City, Minnesota

### **12C. Schedule Meeting with Soil & Water Conservation District**

A Special Meeting-Committee of the Whole with the Soil & Water Conservation District was scheduled for September 23, 2015, 9:30 a.m., Board Room, Pine County Courthouse, Pine City, Minnesota

### **12D. Comprehensive Plan Steering Committee Appointments**

Discussion was held as to the remaining public members to be appointed to the Comprehensive Plan Steering Committee. As the Planning Commissioners represent Districts 4 and 5, it was the consensus of the board the remaining public members represent Districts 1, 2 and 3. Commissioners Hallan, Mohr and Chaffee will provide recommendations to Schroeder prior to Wednesday, August 26, 2015.

13. Upcoming meetings were reviewed.

## **14. Adjourn**

With no further business, Chair Hallan adjourned the county board meeting at 11:37 a.m. The next regular meeting of the county board is scheduled for September 1, 2015 at 10:00 a.m. at the Public Health Building, Sandstone, Minnesota.

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Stephen M. Hallan, Chair  
Board of Commissioners

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David J. Minke, Administrator  
Clerk to County Board

**SUMMARY  
OF  
MINUTES OF THE  
PINE COUNTY BOARD MEETING  
Regular Meeting**

**Tuesday, August 18, 2015, 10:00 a.m.  
Board Room, Pine County Courthouse, Pine City, Minnesota**

Chair Steve Hallan called the meeting to order at 10:00 a.m. Present were Commissioners Josh Mohr, Steve Chaffee, Curt Rossow and Matt Ludwig. Also present were County Attorney Reese Frederickson and Acting County Administrator Kelly Schroeder.

The Pledge of Allegiance was said.

Chair Hallan called for public comment. There was no public comment.

Commissioner Rossow moved to approve the amended Agenda. Second by Commissioner Ludwig. Motion carried 5-0.

Commissioner Chaffee moved to approve the Minutes of the August 4, 2015 board meeting and Summary for publication. Second by Commissioner Mohr. Motion carried 5-0.

**Minutes of Boards, Committees and Correspondence**

East Central Regional Library Minutes – June 8, 2015

Commissioner Mohr moved to acknowledge the Minutes of Boards, Committees and Correspondence. Second by Commissioner Rossow. Motion carried 5-0.

Commissioner Chaffee moved to approve the amended Consent Agenda. Second by Commissioner Ludwig. Motion carried 5-0.

**Approve:**

| <b>Fund</b>                    | <b>July 31, 2014</b> | <b>July 31, 2015</b> | <b>Increase(Decrease)</b> |
|--------------------------------|----------------------|----------------------|---------------------------|
| General Fund                   | 2,703,601            | 4,544,273            | 1,840,672                 |
| Health and Human Services Fund | 474,496              | 508,470              | 33,974                    |
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| TOTAL (inc non-major funds)    | 14,727,318           | 11,472,838           | (3,254,480)               |

Approve liquor licenses (on/off/Sunday) for September 1, 2015 through August 31, 2016, subject to county board approval, for the following: Wings North, 19379 Homestead Road, Pine City (On Sale and Sunday); Tanks Tavern-Cloverdale, 39109 State Hwy. 48, Hinckley (On Sale, Off Sale & Sunday); Nickerson Bar & Motel, 94430 Main Street, Nickerson (On Sale, Off Sale & Sunday); Pine City Country Club, 10413 Golf Course Road SW, Pine City (On Sale & Sunday); Kurtz' Muffies on the Lake, LLC, 13646 Muffies Lane, Grasston (On Sale, Off Sale & Sunday); and Chengwatana Country Club, LLC 29410 Beroun Crossing, Pine City (On Sale, Off Sale & Sunday).

Approve tobacco licenses, subject to county board approval, for new establishments: Casey's General Store in Sandstone and Murphy USA #7599 in Pine City.

Approve Application for Premises Permit and Lease for Lawful Gambling Activity from Pokegama Lake Association to conduct Minnesota lawful gambling at Kurtz's Muffies on the Lake, LLC, 13646 Muffies Lane, Grasston.

Approve Agreement for Prosecution Services between the County of Pine and City of Askov for prosecution of misdemeanor violations of the nuisance and blight ordinances contained within Chapter 8 of the City of Askov's Ordinances.

Approve full-time status for Social Workers Rona Duvall and Patrick Meacham, effective August 23, 2015.

Approve the hiring of Jerry Kunze, Highway Maintenance Worker (B23), at an hourly rate of \$14.35 per hour, step 1 of the 2014 wage scale, contingent upon a successful background investigation, with an expected start date of August 19, 2015.

Acknowledge and approve the promotion of HHS Public Health case aide Candace Bartheidel to Social Worker effective August 31, 2015, starting at \$19.54/hr, step 1, C42.

#### Personnel Committee

The Pine County Personnel Committee met August 11, 2015 and made the following recommendations:

##### HHS

Acknowledge the retirement of Account Tech Carol Ferrie effective November 13, 2015 and approve immediate backfill for job shadowing purposes up to Carol's retirement date.

##### Assessor

Acknowledge the resignation of Property Assessor David Anderson effective August 7, 2015 and approve backfill.

##### Jail

Approve a \$1.00 per hour performance increase for Jail Administrator Rick Boland pursuant to Section 10.5 of the county Policies & Procedures manual, effective June 2, 2015.

##### Sheriff

Accept the resignation of Deputy Sheriff Leah Schmidt effective August 24, 2015 and approve backfill.

**Motion** by Commissioner Chaffee to approve the recommendations of the Personnel Committee. Second by Commissioner Rossow. Motion carried 5-0.

**Motion** by Commissioner Chaffee to approve Resolution 2015-30 approving the acquisition by the Department of Natural Resources of the following parcels of land owned by Danford & Kathleen Erhart: PID 29.0020.001, 29.0032.000, 29.0033.000, 29.0034.000, 29.0043.001, 29.0103.000 and 29.0125.000/split. Second by Commissioner Ludwig. Motion carried 5-0.

Economic Development Coordinator to draft a business subsidy policy and bring it back to the county board at the September 1, 2015 board meeting for review and discussion.

**Motion** by Commissioner Chaffee to approve the Pine County School Resource Officer Contract with the Pine City School District and authorize the Board Chair, County Administrator and County Attorney to sign. Second by Commissioner Ludwig. Motion carried 5-0.

**Motion** by Commissioner Rossow to approve Resolution 2015-29 and County Veterans Service Office Enhancement Grant and authorize Board Chair, County Administrator and Veterans Service Officer to sign. Second by Commissioner Mohr. Motion carried 5-0.

**Motion** by Commissioner Chaffee to ratify Pine County's request for reconsideration of the State's decision on the pre-paid medical assistance programs and managed care organizations chosen for Pine County. Second by Commissioner Mohr. Motion carried 5-0.

**Motion** by Commissioner Rossow to approve the Vulnerable Children and Adult Plan Amendment for Child Protection Funding and authorize Board Chair and County Administrator to sign. Second by Commissioner Chaffee. Motion carried 5-0.

**Motion** by Commissioner Chaffee to approve Resolution 2015-31 for payment by the State to Pine County for the revised use and maintenance of CSAH 47 and 48 as a detour route and authorize Board Chair and County Administrator to sign the Agreement and any amendments. Second by Commissioner Ludwig. Motion carried 5-0.

Chair Hallan acknowledged a request from Pine City Township for a road exchange between the township and the county. Referred to the Transportation Committee.

The following Special Meeting-Committee of the Whole (Budget) were scheduled:

*September 8, 2015* – 10:00 a.m. – Board Room, Pine County Courthouse, Pine City, Minnesota

*September 15, 2015* – to commence after the County Board Meeting, Board Room, Pine County Courthouse, Pine City, Minnesota

*September 22, 2015* - 9:00 a.m. – Board Room, Pine County Courthouse, Pine City, Minnesota

A Special Meeting-Committee of the Whole with the Soil & Water Conservation District was scheduled for September 23, 2015, 9:30 a.m., Board Room, Pine County Courthouse, Pine City, Minnesota

Discussion was held as to the remaining public members to be appointed to the Comprehensive Plan Steering Committee. As the Planning Commissioners represent Districts 4 and 5, it was the consensus of the board the remaining public members represent Districts 1, 2 and 3. Commissioners Hallan, Mohr and Chaffee will provide recommendations to Schroeder prior to Wednesday, August 26, 2015.

With no further business, Chair Hallan adjourned the county board meeting at 11:37 a.m. The next regular meeting of the county board is scheduled for September 1, 2015 at 10:00 a.m. at the Public Health Building, Sandstone, Minnesota.

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Stephen M. Hallan, Chair  
Board of Commissioners

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David J. Minke, Administrator  
Clerk to County Board

**The full text of the board's Minutes are available at the County Administrator's Office and the county's website ([www.co.pine.mn.us](http://www.co.pine.mn.us)). Copies may also be requested from the administrator's office.**

**MINUTES  
OF  
PINE COUNTY BOARD MEETING  
SPECIAL MEETING  
and  
COMMITTEE OF THE WHOLE/BUDGET COMMITTEE**

**August 25, 2015 – 9:00 a.m.  
Pine County Courthouse, Pine City Minnesota**

Chair Steve Hallan called the meeting to order at 9:00 a.m. Present were Commissioners Josh Mohr, Steve Chaffee, Curt Rossow and Matt Ludwig. Also present were County Attorney Reese Frederickson, Human Resources Manager Matt Christenson, County Administrator David Minke, Attorney Dyan Ebert from the law firm of Quinlivan & Hughes, and Jeff Hentges, MCIT.

The pledge of allegiance was said.

**Motion** by Commissioner Rossow to approve the agenda. Second by Commissioner Chaffee. Motion carried 5-0.

**Motion** by Commissioner Chaffee to close the meeting for the purposes of pending litigation and attorney/client privilege pursuant to M.S. §13D.05. Second by Commissioner Ludwig. Motion carried 5-0.

Present at the closed meeting: Commissioners Steve Hallan, Josh Mohr, Steve Chaffee, Curt Rossow and Matt Ludwig. Also present were County Attorney Reese Frederickson, Human Resources Manager Matt Christenson, County Administrator David Minke, Attorney Dyan Ebert from the law firm of Quinlivan & Hughes, and Jeff Hentges, MCIT. Sheriff Jeff Nelson joined the meeting at 9:30 a.m.

**Motion** by Commissioner Mohr to open the meeting at 9:55 a.m. Second by Commissioner Hallan. Motion carried 5-0. Meeting was opened at 9:55 a.m.

Chair Hallan called a five minute recess.

Meeting reconvened at 10:00 a.m.

The county board reviewed the following budgets:

- TNT
- Elections
- Land Fund
- Law Library
- Attorney
- Medical Examiner

County Jail  
Sentence to Serve  
Probation  
Commissioner  
East Central Regional Library  
Historical Society  
Agricultural Society  
HRA  
Central Minnesota Initiative Foundation  
IT  
Central Services  
Administrator  
Contracted Attorneys (Labor Relations)  
Veteran Services  
Economic Development  
Recorder  
Assessor  
Planning & Zoning  
Solid Waste  
SCORE Recycling

With no further business, the meeting adjourned at 4:00 p.m.

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Stephen M. Hallan, Chair  
Board of Commissioners

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David J. Minke, Administrator  
Clerk to County Board



# PINE COUNTY PUBLIC WORKS

## HIGHWAY DEPARTMENT

405 Airport Road NE  
Pine City, MN 55063

Telephone 320-216-4200

Fax: 320-629-6736

1-800-450-7463 Ext. 4200

Mark A. LeBrun, P.E.  
County Engineer

Pine County Land Surveyor Monthly Report

Page 1 of 2 Pages

August 2015

CSAH 49, T45N R18W Section 6, excavations for original corner evidence, search for PLSS corners, update files.

Little Sand Creek Road, T42N R19W Section 13, excavations for original corner evidence, search for PLSS corners, update files.

Larson Road, T42N R19W Section 13, compute corner search areas, search for, locate and GPS PLSS corners, map GLO topo, excavations for original corner evidence, search for PLSS corners, update files.

CSAH 8 Pine City search for, locate, reset and GPS Block corners and Lot corners, update files.

Double C Road, T42N R19W section 14, research records, set GPS control, compute corner search areas, search for, locate and GPS PLSS corners, map GLO topo, excavations for original corner evidence, search for PLSS corners, update files.

August 18 through August 22 at NCEES convention Williamsburg, VA.

August 2015

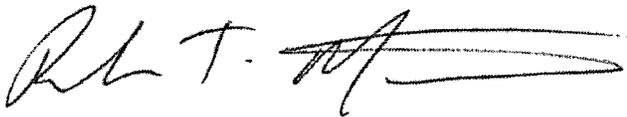
Provide HARN coordinate data for GIS to County Recorder as needed.

Review legal descriptions for County ROW Dept. and County Land Dept. as needed.

Review Plats and Minor Subdivisions for County Zoning Dept. as needed.

Review and file PLSS corner certificates provided by private surveyors as needed.

Review, edit and file Certificates of Survey created by County Surveyor as needed.

A handwritten signature in black ink, appearing to read "R. T. Mathews". The signature is stylized with a large, sweeping flourish at the end.

Robin T. Mathews, Pine County Surveyor



## AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**  
 Consent Agenda  
 Regular Agenda    5 mins     10 mins     15 mins     Other
- Personnel Committee**
- Other** \_\_\_\_\_

Agenda Item: August, 2015 Disbursements

Department: Auditor-Treasurer

*Cathy Clemons*  
Department Head signature

**Background information on Item:**

August, 2015 Disbursements

**Action Requested:**

**Financial Impact:**

CATHYJ  
8/26/15 8:35AM

\*\*\*\*\* Pine County \*\*\*\*\*



DISBURSEMENTS JOURNAL REPORT G/L Months: 08/2015 - 08/2015

| RECAP BY FUND | FUND | AMOUNT       | NAME                                  |
|---------------|------|--------------|---------------------------------------|
|               | 1    | 386,830.64   | GENERAL REVENUE FUND                  |
|               | 12   | 266,542.25   | HEALTH & HUMAN SERVICES               |
|               | 13   | 1,393,602.46 | ROAD & BRIDGE FUND                    |
|               | 22   | 3,316.98     | LAND MANAGEMENT FUND                  |
|               | 76   | 243,328.91   | GROUP HEALTH INS FUND 5/1/95 (GEN)    |
|               | 80   | 27,481.09    | COUNTY COLLECTIONS AGENCY FUND        |
|               | 82   | 83,456.12    | TAXES AND PENALTIES AGENCY FUND       |
|               | 84   | 31,625.23    | EAST CENTRAL DRUG TASK FORCE AGENCY F |
|               | 89   | 4,761.09     | H & HS COLLECTIONS AGENCY FUND        |
|               |      | 2,440,944.77 | Total Disbursements                   |

| RECAP BY TYPE | TYPE | AMOUNT       | NAME                |
|---------------|------|--------------|---------------------|
|               | 1    | 2,201,617.29 | AUD                 |
|               | 2    | 239,493.54   | COM                 |
|               | 3    | 166.06-      | MVC                 |
|               |      | 2,440,944.77 | Total Disbursements |



# AGENDA REQUEST FORM

Date of Meeting: 9/1/2015

- County Board**
  - Consent Agenda
  - Regular Agenda
- 5 mins.  10 mins.  15 mins.  Other
- Personnel Committee
- Other \_\_\_\_\_

Agenda Item: Approval of 2 Liquor Licenses

Department: Auditor

*Cathy Chmura*  
Department Head signature

### Background information on Item:

Approval of On/Off Sunday Liquor License for:  
Countryside Campground, LLC  
Tommy's Lakeside Bar & Grill, LLC

Action Requested:

Financial Impact:



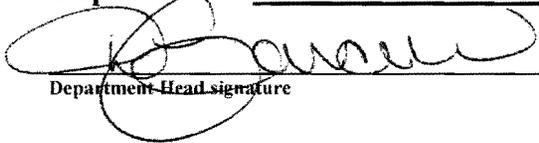
## AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**  
 Consent Agenda  
 Regular Agenda      5 mins  10 mins  15 mins  Other
- Personnel Committee**
- Other** \_\_\_\_\_

Agenda Item: Donation to Pine County Sheriff's Reserve

Department: Pine County Sheriff's Office

  
Department Head signature

### Background information on Item:

The Pine County Sheriff's Reserve completes multiple hours for different events throughout the county. The PCSR has received a \$300 donation from the Hinckley Chamber for their work during the 2014 year for the Corn and Clover Days celebration and Hinckley Ribfest.

### Action Requested:

The Pine County Sheriff's Office respectfully asks the County Board to acknowledge and accept the donation into the Pine County Sheriff's Reserve Fund.

### Financial Impact:

This donation helps offset the cost for uniforms and equipment.



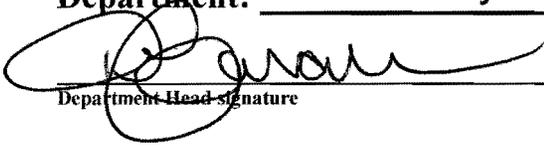
# AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**
    - Consent Agenda**
    - Regular Agenda**
  - Personnel Committee**
  - Other** \_\_\_\_\_
- 5 mins.  10 mins.  15 mins.  Other

**Agenda Item:** Donation to Pine County Sheriff's Office for Shop with a Cop

**Department:** Pine County Sheriff's Office

  
 \_\_\_\_\_  
 Department Head signature

**Background information on Item:**

The Pine County Sheriff's Office received an anonymous donation of \$500 and 21 \$5 McDonalds gift cards to help with the Shop with a Cop program. This program has been done for many years with varying donations form various parties. This program has been done both at the start of school and around Christmas.

**Action Requested:**

The Pine County Sheriff's Office respectfully asks the County Board to acknowledge and accept the donation into the Pine County Sheriff's Office for the Shop with a Cop program.

**Financial Impact:**

Donations for the Shop with a Cop program are not supplemented with any department funding.



# AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**
  - Consent Agenda**
  - Regular Agenda**      5 mins. X 10 mins.     15 mins.     Other
- Personnel Committee**
- Other** \_\_\_\_\_

**Agenda Item: Approve hiring of Probation Agent**

**Department: Administrator**



\_\_\_\_\_  
Department Head signature

### Background information on Item:

On August 18, 2015 and August 20, 2015, interviews were conducted with five candidates for the vacant Probation Agent position resulting from the resignation of Probation Agent Laura Stylski. The interview panel consisted of Probation Director Terry Fawcett, Human Resources Manager Matt Christenson and Probation Agents Sherry Johnson and Travis Fisher

Karly Kostich proved to be the most qualified candidate through this process and has accepted an offer contingent on board/bench approval, a successful background check and drug testing. The background check is currently in progress. This position is a full-time, non-exempt, non-union position.

M.S. 244.19 governs the appointment, powers and duties, compensation and reimbursement to counties for County Probation Officer positions.

### Action Requested:

Approve the appointment of Karly Kostich as Probation Agent at starting DOC Corrections Agent salary grid – Step 1 with a wage of \$38,524 annually, with a start date yet to be determined.

### Financial Impact:

This is a budgeted position with cost savings on the initial starting wage of the new hire.



## AGENDA REQUEST FORM

Date of Meeting: 9/1/2015

- County Board**  
 Consent Agenda  
 Regular Agenda      5 mins.  10 mins.  15 mins.  Other
- Personnel Committee**
- Other** \_\_\_\_\_

Agenda Item: Hiring of RN

Department: HHS

Rebecca Foss  
Department Head signature

### Background information on Item:

The Board previously authorized the backfill of the vacant nursing positions in Public Health. There are still two vacant positions for an RN/PHN in the Family Health Unit in Public Health. One of the vacant positions has been offered to and accepted by Erin Mans. Her employment will begin on September 22, 2015. Based upon her education and experience, Erin will begin at Step 3 on the C42 Scale- \$21.87/hour.

### Action Requested:

Grant formal approval for Erin Mans to commence her employment with Pine County as an RN in the Family Health Unit of Public Health, effective September 22, 2015.

### Financial Impact:

The position was budgeted for in the 2015 budget.



# AGENDA REQUEST FORM

Date of Meeting: 9/1/2015

- County Board**
    - Consent Agenda
    - Regular Agenda
  - Personnel Committee
  - Other \_\_\_\_\_
- 5 mins.  10 mins.  15 mins.  Other

Agenda Item: Hiring of child protection worker

Department: HHS

Rebecca Toss  
Department Head signature

### Background information on Item:

With additional State funding allocated to the counties for child protection staff and services, the Board authorized the hiring of two additional child protection social workers. Ericka Taylor has been offered and has accepted one of the positions and can begin her employment with Pine County on September 2, 2015. Ericka will begin at Step 1 on the C42 scale- \$19.54/hour.

### Action Requested:

Grant formal approval for Ericka Taylor to commence her employment with Pine County as a child protection social worker, effective September 2, 2015.

### Financial Impact:

As mentioned above, the State allocated extra funding to the counties for extra child protection staff and services.



# AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**
  - Consent Agenda**
  - Regular Agenda**      5 mins. \_\_\_ 10 mins. \_\_\_ 15 mins. \_\_\_ Other \_\_\_
- Personnel Committee**
- Other** \_\_\_\_\_

**Agenda Item:** Acknowledge and approve the promotion of part time Correction's Officer Andrea Stephani to fulltime Correction's Officer effective 09-02-2015.

**Department:** Sheriff / Jail

Department Head signature

**Background information on Item:**

No change in classification or wages

B-23 @ \$16.69

**Action Requested:** Approve promotion

**Financial Impact:** None, Position is part of the approved 2015 Jail staffing plan and accounted for in the approved 2015 Jail Budget.



# AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**
  - Consent Agenda
  - Regular Agenda      5 mins. X    10 mins. \_\_\_    15 mins. \_\_\_    Other \_\_\_
- Personnel Committee**
- Other** \_\_\_\_\_

**Agenda Item:** Appoint Pine County Member to the East Central Regional Library Board

**Department:** Administration

Department Head signature

### Background information on Item:

Margery Swanson has resigned her seat on the East Central Regional Library Board. Her three-year term expires at the end of 2015.

Pine County is a member of the East Central Regional Library. The regional library is governed by a joint powers agreement (JPA) between Aitkin, Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties. The JPA provides that each county board shall appoint three members. Members must be residents of the county they represent and not more than one of the three members may be a county commissioner.

The Library Board regular meetings are the second Monday of each month at 9:30 a.m. Meetings are generally held in Cambridge, but occasionally at other sites in the region.

Commissioner Hallan has had discussions with Judy Scholin from Pine City and she is interested in serving as a Pine County representative on the board.

### Action Requested:

Appoint Judy Scholin of Pine City as Pine County's representative on the East Central Regional Library Board for the remainder of 2015 to fill the vacancy created by the resignation of Margery Swanson.

### Financial Impact:

None



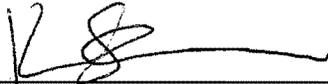
# AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**
  - Consent Agenda
  - Regular Agenda      5 mins. X 10 mins. \_\_\_ 15 mins. \_\_\_ Other \_\_\_
- Personnel Committee**
- Other** \_\_\_\_\_

Agenda Item: Comprehensive Planning Steering Committee Appointments

Department: Land Services

  
 \_\_\_\_\_  
 Department Head signature

### Background information on Item:

At the August 4, 2015 meeting, Commissioners Hallan and Ludwig were appointed to the Comprehensive Plan Steering Committee. At the August 11, 2015 Planning Commission meeting, Planning Commissioners Jeff Shute, Skip Thomson, and Richard Glattly were appointed to the steering committee.

As discussed and agreed upon at the August 18, 2015 meeting, members of the public would be appointed to the committee from Districts 1, 2, and 3 to round out of committee and have equal representation from all districts on the committee.

### Action Requested:

Consider Appointing James Sloan (District 1), Al Hancock (District 2), and John Von Rueden (District 3) to the Comprehensive Plan Steering Committee.

### Financial Impact:

Per diems and mileage will be paid to these members as discussed and budgeted for.



## AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**  
 Consent Agenda  
 Regular Agenda      5 mins.  10 mins.  15 mins.  Other
- Personnel Committee
- Other \_\_\_\_\_

Agenda Item: 2014 Financial Statement

Department: Auditor-Treasurer

*Cathy Clemons*  
Department Head signature

### Background information on Item:

Formal acceptance of the 2014 Financial Statement and authorize publication.

Action Requested:

Financial Impact:



**CATHY J. CLEMMER**  
AUDITOR-TREASURER

PINE COUNTY COURTHOUSE \* 636 Northridge Dr NW \* Suite 240 \* PINE CITY, MN 55063

|                  |              |
|------------------|--------------|
| Maddie Amundson  | 320-591-1670 |
| Melissa Berg     | 320-591-1669 |
| Cathy J. Clemmer | 320-591-1668 |
| Janice Johnston  | 320-591-1660 |
| Pam Lawrence     | 320-591-1667 |
| Terry Lovgren    | 320-591-1666 |
| Kathy Reiser     | 320-591-1664 |
| Fax              | 320-591-1671 |

**2014 Financial Statement  
of Pine County for  
Fiscal Year Ending December 31, 2014**

TO THE PINE COUNTY BOARD OF COMMISSIONERS: I herewith submit to you a full and accurate statement of revenues and expenditures for the year ending December 31, 2014 together with an accurate statement of the finances of the County at the end of the year, including all debts and liabilities and the assets to discharge the same.

Respectfully submitted,  
Cathy J. Clemmer  
Pine County Auditor-Treasurer

The foregoing statement as prepared by the County Auditor-Treasurer is hereby approved by the Pine County Board of Commissioners on the 1<sup>st</sup> day of September, 2015 and respectfully submitted to the taxpayers of Pine County.

Board of Commissioners  
Pine County, Minnesota

|                          |                   |
|--------------------------|-------------------|
| 1 <sup>st</sup> District | Stephen M. Hallan |
| 2 <sup>nd</sup> District | Joshua Mohr       |
| 3 <sup>rd</sup> District | Steve Chaffee     |
| 4 <sup>th</sup> District | Curt Rossow       |
| 5 <sup>th</sup> District | Matt Ludwig       |

Attest:

\_\_\_\_\_  
David J. Minke  
County Administrator and Clerk of the County Board



## AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**  
 Consent Agenda  
 Regular Agenda      5 mins.  10 mins.  15 mins.  Other
- Personnel Committee**
- Other** \_\_\_\_\_

**Agenda Item:** Revise Pine County Budget Process, Policy & Procedures adopted 6-17-08

**Department:** Auditor-Treasurer

*Cathy Clemons*  
Department Head signature

### Background information on Item:

There has been some changes to the County's budget process since the Budget Process, Policy and Procedures was adopted by the County Board on June 17, 2008. There are no substantial changes, simply housekeeping and procedural changes and the policy should be updated.

### Action Requested:

Approve and adopt the Budget Process, Policy & Procedures as amended.

### Financial Impact:

None.

## PINE COUNTY BUDGET PROCESS, POLICY & PROCEDURES

Preparation of the Pine County annual budget begins approximately six months prior to the start of the fiscal year, which is the calendar year. The Budget Committee consists of five County Commissioners, the County Administrator, and the County Auditor-Treasurer. During July and August, the County Administrator submits budget forms to the Departments along with general direction. During August, the Budget Committee meets with Department Heads and reviews and amends departmental requests in order to develop a proposed budget and preliminary tax levy. After the meetings have been completed, the Board of Commissioners takes the proposed budget under consideration, and in September a preliminary tax levy is approved and submitted to the State Auditor. A final budget and tax levy is adopted by the Board and certified to the State Auditor no later than five business days after December 20th.

The annual budget process is integrated with the short and long range planning processes of the County. Departments specifically summarize in their annual budgets requests for long-range strategic issues, which are to be addressed in the upcoming budget year, and identify the funding, and staffing requested to deal with each issue. The strategic planning process is a countywide effort to take a broader and long-term view of the County's current and future missions, challenges and opportunities. Through this process, management and policy makers identify issues of significance that must be addressed in the budget process.

It is also the intent of this policy to develop an annual capital budget of the County which details the specific capital projects of the County and indicates the implications of the various projects for the operating budget of the affected departments.

Authorized appropriations and staffing levels can be amended only upon approval of the County Board. Departments initiate requests for such changes based upon substantial fluctuations in workload, the need for additional services, or the receipt of a project grant. The department request is submitted to the Personnel Committee for consideration and recommendation to the County Board of Commissioners.

Appropriation adjustments generally fall into one of two categories as outlined below:

**Supplemental appropriations** are additions to the budget resulting from monies accruing to the County that were unanticipated at the time of budget adoption. Usually this results in an increase to both the revenue and the expenditure budget.

**Appropriations transfers** involve a transfer of monies between funds or departments. The spending authority is transferred to another department or fund and there is no change to the total budget.

In addition to establishing budgets for the General Revenue Fund, an annual budget is also prepared for Special Funds as Road and Bridge, Health and Human Services, Land Management etc. All budgets are developed using the cash basis, which approximates the modified accrual basis. The County Board maintains the legal level of control over all funds, with Department level management controlling their budgets at an operational level. This level cannot be exceeded without an amendment by the Board. In addition, the Board shall amend funding during the year

to address changes in funding due to unanticipated revenue or expenditures.

The Department Heads on a regular basis shall monitor their budget. In addition, the County Auditor-Treasurer and Chief Deputy Auditor-Treasurer shall review and monitor monthly revenue and expenditures. This report is prepared using the modified accrual method from the County's Integrated Financial System (IFSpi).

Approved and adopted as amended this \_\_\_\_\_ day of September, 2015.

---

Stephen M. Hallan, Chairman  
Pine County Board of Commissioners

Attest:

---

David J. Minke, County Administrator



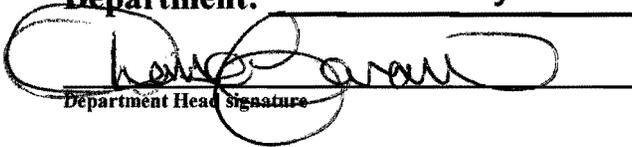
# AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**  
 Consent Agenda  
 Regular Agenda      5 mins.  10 mins.  15 mins.  Other
- Personnel Committee**
- Other** \_\_\_\_\_

Agenda Item: 2015 Emergency Management Performance Grant

Department: Pine County Sheriff's Office/EM

  
Department Head signature

### Background information on Item:

The 2015 Emergency Management Performance Grant has been used for equipment purchases in recent years. This year the PCSO/EM has purchased the CodeRed system. We also have to complete multiple requirements through the state for emergency management. The grant does help alleviate the costs of training, conferences, and exercises, which are all mandatory.

### Action Requested:

The Pine County Sheriff's Office respectfully asks for the approval and signing of the 2015 EMPG Grant.

### Financial Impact:

This grant has always been a matching grant. Director, Deputy Director and Coordinator's salaries are used as a soft match for the matching requirement.



|   |  |
|---|--|
| <b>Minnesota Department of Public Safety (“State”)</b><br>Homeland Security and Emergency Management Division<br>445 Minnesota Street, Suite 223<br>St. Paul, Minnesota 55101   | <b>Grant Program:</b> Emergency Management Performance Grant 2015<br><br><b>Grant Agreement No.:</b><br>A-EMPG-2015-PINECO-00060                     |
| <b>Grantee:</b><br>Pine County<br>635 North Ridge Drv.N.W.<br>Pine City, MN 55063   | <b>Grant Agreement Term:</b><br><b>Effective Date:</b> 1/1/2015<br><b>Expiration Date:</b> 12/31/2015  |
| <b>Grantee’s Authorized Representative:</b><br>Jeffrey Nelson<br>635 North Ridge Drv.N.W., Suite 100<br>Pine City, MN 55063<br>Phone: (320) 629-8380<br>e-mail: <a href="mailto:jeffrey.nelson@co.pine.mn.us">jeffrey.nelson@co.pine.mn.us</a>                        | <b>Grant Agreement Amount:</b><br>Original Agreement                      \$ 21,026.00<br><br>Matching Requirement                      \$ 21,026.00 |
| <b>State’s Authorized Representative:</b><br>Matti Gurney<br>Homeland Security and Emergency Management<br>445 Minnesota St., Suite 223<br>St. Paul, Minnesota 55101<br>Phone: 651-201-7422<br><a href="mailto:Matti.Gurney@state.mn.us">Matti.Gurney@state.mn.us</a> | Federal Funding: CFDA 97.042<br>State Funding: none<br>Special Conditions: None  |

Under Minn. Stat. § 299A.01, Subd 2 (4) the State is empowered to enter into this grant agreement.

**Term:** Effective date is the date shown above or the date the State obtains all required signatures under Minn. Stat. § 16B.98, subd. 7, whichever is later. Once this grant agreement is fully executed, the Grantee may claim reimbursement for expenditures incurred pursuant to the Payment clause of this grant agreement. Reimbursements will only be made for those expenditures made according to the terms of this grant agreement. Expiration date is the date shown above or until all obligations have been satisfactorily fulfilled, whichever occurs first.

The Grantee, who is not a state employee will:

Perform and accomplish such purposes and activities as specified herein and in the Grantee’s approved Emergency Management Performance Grant 2015 Application (“Application”) which is incorporated by reference into this grant agreement and on file with the State at Homeland Security and Emergency Management Division, 445 Minnesota Street, Suite 223, St. Paul, Minnesota 55101. The Grantee shall also comply with all requirements referenced in the Emergency Management Performance Grant 2015 Guidelines and Application which includes the Terms and Conditions and Grant Program Guidelines (<https://app.dps.mn.gov/EGrants>), which are incorporated by reference into this grant agreement.

**Budget Revisions:** The breakdown of costs of the Grantee’s Budget is contained in Exhibit A, which is attached and incorporated into this grant agreement. As stated in the Grantee’s Application and Grant Program Guidelines, the Grantee will submit a written change request for any substitution of budget items or any deviation and in accordance with the Grant Program Guidelines. Requests must be approved prior to any expenditure by the Grantee.

**Matching Requirements:** (If applicable.) As stated in the Grantee’s Application, the Grantee certifies that the matching requirement will be met by the Grantee.



**Payment:** As stated in the Grantee's Application and Grant Program Guidance, the State will promptly pay the Grantee after the Grantee presents an invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services and in accordance with the Grant Program Guidelines. Payment will not be made if the Grantee has not satisfied reporting requirements.

**Certification Regarding Lobbying:** (If applicable.) Grantees receiving federal funds over \$100,000.00 must complete and return the Certification Regarding Lobbying form provided by the State to the Grantee.

**1. ENCUMBRANCE VERIFICATION**

*Individual certifies that funds have been encumbered as required by Minn. Stat. §§ 16A.15 and 16C.05.*

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**3. STATE AGENCY**

By: \_\_\_\_\_  
(with delegated authority)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Grant Agreement No. A-EMPG-2015-PINECO-00060/ PO# 3000035714

**2. GRANTEE**

*The Grantee certifies that the appropriate person(s) have executed the grant agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.*

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Distribution: DPS/FAS  
Grantee  
State's Authorized Representative

2015 (EMPG) Emergency Management Performance Grant

EXHIBIT A

Organization: Pine County

A-EMPG-2015-PINECO-00060

Budget Summary

| EMPG                            |                    |                    |  |
|---------------------------------|--------------------|--------------------|--|
| Budget Category                 | Award              | Match              |  |
| Planning                        |                    |                    |  |
| Communications                  | \$3,500.00         | \$3,500.00         |  |
| <b>Total</b>                    | <b>\$3,500.00</b>  | <b>\$3,500.00</b>  |  |
| Training                        |                    |                    |  |
| Training / Conferences          | \$3,000.00         | \$3,000.00         |  |
| <b>Total</b>                    | <b>\$3,000.00</b>  | <b>\$3,000.00</b>  |  |
| Equipment                       |                    |                    |  |
| Credentialing/badging equipment | \$4,026.00         | \$4,026.00         |  |
| Weather warning system          | \$10,500.00        | \$10,500.00        |  |
| <b>Total</b>                    | <b>\$14,526.00</b> | <b>\$14,526.00</b> |  |
| <b>Total</b>                    | <b>\$21,026.00</b> | <b>\$21,026.00</b> |  |
| <b>Allocation</b>               | <b>\$21,026.00</b> | <b>\$21,026.00</b> |  |
| <b>Balance</b>                  | <b>\$0.00</b>      | <b>\$0.00</b>      |  |



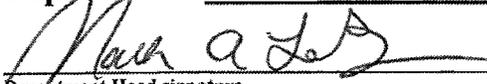
# AGENDA REQUEST FORM

Date of Meeting: September 1, 2015

- County Board**
  - Consent Agenda
  - Regular Agenda
- 5 mins.  10 mins.  15 mins.  Other
- Personnel Committee**
- Other** \_\_\_\_\_

Agenda Item: State Aid Advance Resolution

Department: Pine County Public Works

  
Department Head signature

**Background information on Item:**  
Resolution to Advance State Aid Funding

**Action Requested:**  
Approve Resolution

**Financial Impact:**



WHEREAS, the County of Pine is planning to implement County State Aid Street Project(s) in 2015 which will require State Aid funds in excess of those available in its State Aid Regular/Municipal Construction Account, and

WHEREAS, said County is prepared to proceed with the construction of said project(s) through the use of an advance from the County State Aid Construction Fund to supplement the available funds in their State Aid Regular/Municipal Construction Account, and

WHEREAS, the advance is based on the following determination of estimated expenditures:

|   |                           |
|---|---------------------------|
| Account Balance as of date <u>08-31-2015</u>      | \$ <u>0.00</u>            |
| Less estimated disbursements:                     |                           |
| Project # <u>058-607-023</u>                      | \$ <u>1,266,626.91</u>    |
| <br>Total Estimated Disbursements                 | <br><u>\$1,266,626.91</u> |
| Advance Amount (amount in excess of acct balance) | <u>\$1,266,626.91</u>     |

WHEREAS, repayment of the funds so advanced will be made in accordance with the provisions of Minnesota Statutes 162.08, Subd. 5 & 7 and Minnesota Rules, Chapter 8820, and

WHEREAS, the County acknowledges advance funds are released on a first-come-first-serve basis and this resolution does not guarantee the availability of funds.

NOW, THEREFORE, Be It Resolved: That the Commissioner of Transportation be and is hereby requested to approve this advance for financing approved County State Aid Highway Project(s) of the County of Pine in an amount up to \$1,266,626.91 in accordance with Minnesota Rules 8820.1500, Subp. 9. I hereby authorize repayments from subsequent accruals to the Regular/Municipal Construction Account of said County from future year allocations until fully repaid.

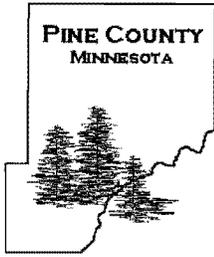
\_\_\_\_\_  
 Stephen M. Hallan, Board Chair

\_\_\_\_\_  
 David J. Minke, County Administrator

I, David J. Minke, duly appointed and qualified County Administrator in and for the County of Pine, do hereby certify that the above is a true and full copy of a resolution duly adopted by the County Board of Pine County, State of Minnesota, assembled in regular session on the 1st day of September, 2015.

County of Pine

\_\_\_\_\_  
 David J. Minke, County Administer



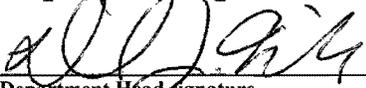
# AGENDA REQUEST FORM

Date of Meeting: 9/1/2015

- County Board**
  - Consent Agenda
  - Regular Agenda      5 mins. \_\_\_ 10 mins. \_\_\_ 15 mins. X Other \_\_\_
- Personnel Committee**
- Other** \_\_\_\_\_

**Agenda Item:** Discussion of Pine County's Economic Development Office & Plan

**Department:** County Administrator, Office of Economic Development

  
\_\_\_\_\_  
Department Head signature

### Background information on Item:

In FY14, the County contracted with Springsted to facilitate the initial work towards an Economic Development Plan for Pine County. As a first step in implementing that plan, the County budgeted in FY15 for a part time Economic Development Coordinator and hired Robert Musgrove in July to fill that role. Subsequently, staff has developed, based on the Springsted work, a more thorough economic development action plan, including research into how that office might be organized and placed within Pine County government. This agenda item involves a review of the action plan and discussion with the Board on some particular elements of it.

**Action Requested:** Input from the Board is desired on the draft action plan and on significant aspects of it.

**Financial Impact:** None



PINE COUNTY ECONOMIC DEVELOPMENT OFFICE

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Economic Development Action Plan 2015-2016

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Version

1.4

Date:

8/24/2015

## Intent of the Action Plan

*This document will outline the work plan for the Office of Economic Development for the remainder of 2015 and into early 2016.*

*Some of the results of the work will be inserted into this document where appropriate. This might include recommendations on partnerships, for example. In other cases, the results will be contained in a separate report (such as the inventory of economic development assets). Where such is the case, the report will be referenced in this plan. This document will be treated like a project management plan, where progress in many of the areas is reflected by changes in the content of the plan. It is intended to be a living document, subject to frequent updates and revisions, and version numbers and dates will indicate status.*

## I. Organization and Structure for the Office

*Several options are possible for fitting economic development as a function into Pine County government.*

Counties in East Central Minnesota share much in terms of socio-demographic characteristics, industry mixes, wealth and poverty levels, and sizes. For the purposes of an apples-to-apples comparison of different county approaches to integrating economic development into government, an initial analyses of the various approaches that ECMIN counties have taken will serve, in this part of the action plan, to inform a conversation at the administrative and County Board level about the appropriate choice and future direction for organizing that activity as a role for Pine County. The scan will be limited to the other counties in Minnesota Planning Region 7E, because of their multiple similarities to Pine County.

Despite their many similarities, counties in the region have taken very different approaches to organizing themselves to conduct or support economic development in their jurisdictions. Strategies range from very loosely-organized consultant relationships to more formal, almost free-standing agencies.

### Chisago County HRA EDA



A Natural Resource for Business

Of the East Central Minnesota counties, Chisago has the largest and most complex economic development effort. Over 25 years ago, they merged their county HRA with an economic development office to create a combined HRA-EDA. They did formally establish an economic development authority, and they created a separate board for the joint entities. The board includes two county commissioners. The director of the HRA-EDA functions like a county department head, and

HRA-EDA policies and procedures mirror those at the county. The director gives updates to the county board on a somewhat regular basis, and she has to present her annual levy request to the board for approval, along with any tax abatement requests.

The HRA has its own levy which is outside the county levy limits, and the HRA properties provide some cash flow into the office. Ordinary activities by the staff fall into an 80% economic development/20% housing split. They have formal county business subsidy and tax abatement policies, which are attached to this plan as addenda. They use straightforward tax abatement more than TIF funding.

The director is very positive about the organizational arrangement. She notes that the levy funds and housing monies provide a solid foundation and continuity. The relationship between the HRA-EDA board and the county government is positive.

At present, none of the communities in the county have dedicated economic development staff, though, in many cases, the city administrator is active in the area. There are seven industrial parks in the county, and the HRA-EDA director assumes a large share of responsibility for marketing those.

The focus has been heavily on industry recruitment and business retention/expansion, though the director has been involved in the Old Highway 61 tourism development efforts.

## **Mille Lacs County Economic Development**



**MILLE LACS  
COUNTY**

Mille Lacs County's economic development office is essentially Pine County's with a two-year head start. The economic development coordinator reports to the county administrator and functions somewhat like a department head. The office has not had its own budget, operating instead out of funds requested on a project-by-project basis from the county board or from the county administrator's budget. However, this year a formal budget for the office will be submitted to the county board.

The director has organized an advisory committee composed of representatives from city governments, private interests such as banks, K-12, health systems, the Mille Lacs Band, and the East Central Regional Development Commission. He has also balanced representation from the northern and southern parts of the county. However, the committee is not an EDA board but rather an advisory group and something of a brain trust. It meets frequently and has guest speakers. He has used it as a task force to look at future possibilities and needed directions.

The Mille Lacs office has tourism as a major focus, due to the large role of that sector in the county economy. They have taken advantage of the Extension Service's planning services and tourism services for data and analysis, and they are active in the Minnesota Parks and Trails Council.

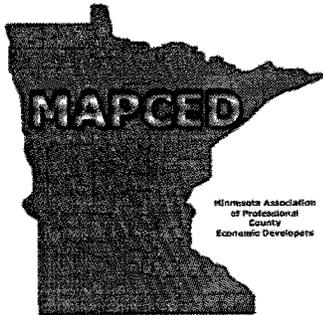
The county does not have a business subsidy, per se. They have developed a tax abatement checklist and an application, which function as a de facto policy. These are attached to this report.

## Isanti County Economic Development

Isanti County formed an EDA in 2006, contracting with Jana King of Economic Development Services, Inc., for consultant services in crafting their foundation documents. The original motivation was as much to pursue the development of a rail-served industrial park in the county as to create economic development services for the county. The EDA commissioned a study on options for the park, but the onset of the recession caused them to place that project on an indefinite hold, where it remains yet. The EDA remains in place but could be fairly described as inactive.

The county continues to contract with Ms. King for economic development consultant services at \$20,000 per year plus expenses. She meets with the EDA board at its quarterly sessions and is available on-call if projects arise. Under the contract, she reports to the county administrator. The EDA has bylaws, an enabling resolution and a business subsidy policy. It has a 10-member board, with geographically distributed seats and a significant private sector membership (mostly from area banks). The budget resides in the county administrator's budget, but he freely admits that economic development is at the margins of his priorities.

## MAPCED Survey



Over the years, members of the Minnesota Association of Professional County Economic Developers (MAPCED) have conducted surveys of their membership on the topic of how the function is organized in their respective counties. Typically, they have reported back out to their fellow members on the results.

The results also have been fairly consistent over time regarding how counties set up this function. Roughly, approximately one-third of county economic development offices have been treated as a department or office in the county government administration, one-third have been organized as a separate economic development authority or combined HRA and EDA (as in Chisago County) and one-third have been some form of partnership. Those partnerships have been various – between counties and cities, between private industry and government, and other combinations with the result being a private non-profit organization. Of those that are a part of county government, approximately one-third are their own department, one-third are combined in some larger development department with other functions (such as community development) and one third function within administration as an office under the county administrator (but not as a separate department).

### Current Status:

July 30: Visits made and data collected from all.

### Next Steps:

When finished with data collection, the PCEDO and the Pine County Administrator will discuss the options with the County Board and begin designing an acceptable structure for the office based on Board directions.

## **II. Business Subsidy or Incentive Policies and Practices**

The county economic developments entities listed above will be surveyed for their inventory of business subsidies and policies, and those will be incorporated into this plan below.

### **Current Status:**

July 30: Samples collected of 14 different policies or quasi-policies and forms for use in the next phase.

### **Next Steps:**

Staff will engage the Board in a policy-level discussion at the August 18 meeting, with plans to have a draft for their review and input at the September 1, 2015, meeting. A revised version will follow to be discussed at a public hearing later in September.

## **III. Economic Development Assets in Pine County**

*Industrial parks and other resources already exist to support a substantial county-wide effort. The County Economic Development Office will inventory those assets, pursuant to Part 3 of the Economic Development Strategic Plan*

### **Available Land Survey – Industrial Parks**

Pine County Economic Development Office (PCEDO) will catalog available resources in the dedicated industrial parks, to include:

- Total acres and parcels
- Status of parcels (i.e., shovel-ready certified)
- Available municipal water lines and sizes
- Available sewer connections
- Broadband availability, source and data rate
- Access to transportation for freight
- Availability of publicly-owned buildings/facilities in the parks
- Costs associated with locating there (SAC/WAC fees, etc)

This survey will be conducted in August-September 2015 and integrated into this report.

## **Available Buildings Survey –Other**

Pine County Economic Development will catalog available resources in terms of buildings that are vacant and available at the present date for economic development use. The survey will be as comprehensive as possible, recognizing that this market is fluid and that private sector owners are sometimes reluctant to yield data. To the extent possible, the survey will cover:

- Nature of the structure (industrial, office – not retail)
- Square footage available
- For industrial buildings:
  - Age of facility
  - Ceiling height
  - Interior clear space
  - Docks & overhead doors
  - Electrical capacity
  - Thickness of pad and suitability for heavy equipment
  - Broadband access and provider
  - Rental/sales costs
  - Condition of building on a 5-point scale
  - Broadband availability, data rate and cost
  - Access to transportation for freight
- For office spaces:
  - Configuration of spaces
  - Age of facility
  - Rental/sales costs
  - Broadband availability, source and data rate

## **Other assets available for economic development**

Pine County Economic Development will also need to catalog other available resources in the county and/or its communities that would be useful for economic development. This would include (but not be limited to):

- Brownfields and/or greenfields
- Tax-forfeited land with potential commercial/industrial applications
- Debt or subordinated debt financing resources (such as revolving loan funds)
- Relevant resources available through higher education (at PTCC, MnSCU, U of Minnesota)

- Utilities, including electricity and natural gas and including development assistance programs operated by the utility companies
- Telecommunications, including broadband availability generally in the county
- Organizations involved in economic development related activities (EDAs, SBDCs, chambers, etc.)

**Current Status:**

July 30: Finishing visits with community partners.

**Next Steps:**

PCEDO will review these items with community officials and arrive at a final version to be administered. This survey will be conducted in July-September 2015 and included in a separate report.

## **IV. Focus for the PCEDO**

*Given the limited budget and part-time nature of the Office at present, a more focused approach will be needed to insure that efforts are not too diffuse and thus ineffective. PCEDO recommends that, for the first years, the Office concentrate on two industry sectors – where, that is, focus might be needed.*

Full-fledged economic development programs can cover a broad front. A complete strategy might include business retention and expansion, industrial recruitment across many sectors, tourism and hospitality development, broadband expansion, small business development services, rail-based business development, workforce projects, higher education access expansion, marketing across a number of different media and others.

With a part-time staff position and limited budget at present, the PCEDO should, to be effective, concentrate on a limited spectrum of activities carefully chosen to achieve two ends: laying the foundation for future Office efforts, conducting the BR&E visits, the asset inventory and business recruitment. Further, the Office should focus on development in two important industry sectors.

Presently, the two sectors of the economy are showing signs of significant growth out from the Twin Cities and also fit the description from Keynesian economics of wealth-creating sectors:

1. **Manufacturing:** Manufacturing as a sector in Minnesota grew by 3% in employment in 2014, gaining close to 24,000 jobs in the first two quarters alone. Wages in the sector increased by nearly 3% in the same year. Average weekly wages at the end of 2014 were \$1,208 for the sector in the state and over \$800 in Region 7E.
2. **Information technology:** Data on IT is more difficult to extract than other sectors, as IT workers are very often employed at firms not classified as IT companies. However, in the sector, average weekly wages in Minnesota at the end of 2014 were higher than in manufacturing at

\$1,357 in the state and over \$1,200 in 7E. IT firms increased employment in the state by close to 3,500 jobs due to expansions and over 700 due to openings in the first two quarters alone in 2014.

With wages in both sectors north of \$20 per hour, these are the types of jobs that would be good to grow in the County. Anecdotal evidence holds that employers, particularly in the Metro and particularly in IT, are having enormous difficulty filling their vacancies for skilled positions. Further, there are training programs in both disciplines available in the region.

PCEDO recommends that, given current restraints, the Office focus its efforts (where such is needed) on these two industrial sectors for recruitment and BR&E. In terms of laying the groundwork for the future of the Office, other elements of this plan lay out the intended foundational activities and projects.

**Current Status:**

July 30: Preliminary discussion done with County Administrator.

**Next Steps:**

The Office will seek consensus and/or guidance from the County Administrator and the Board on this focus and adjust according to directions.

## **V. Lead Generation and Follow-up**

*A critical role for the PCEDO will be to find and pursue industrial prospects for relocation or startup in Pine County. In collaboration with the communities in the County, the Office will seek sources to generate such leads and a cooperative method of recruiting the companies to the area in the sectors targeted above.*

### **Community Venture Network**

As part of its membership in the regional economic development consortium GPS 45:96, Pine County can attend the Community Venture Network (CVN) gatherings. The CVN's mission is to connect its membership, which consists of rural communities and counties across the Midwest, to new companies or companies interested in relocating to a rural setting. At three sessions a year, the CVN offers an opportunity to connect with these companies and, where appropriate, recruit them to the County. The Pine County Economic Development Office will participate actively in the CVN and work with its partners on the leads that come through that organization.

### **Minnesota Commercial Real Estate Organization**

Also because of its relationship with GPS 45:93, Pine County can participate in the listserv operated by the state association of commercial realtors or MNCAR. The realtor members post on the listserv when one of their clients is looking for a location to move or expand. Those postings are forwarded to all members of GPS 445:93 and can serve as a second source for leads for new or relocating companies.

## Other Sources

Other sources of prospects for recruitment are less prolific than the CVN or MNCAR but can none-the-less be conduits for prospects:

- 1. Minnesota Department of Employment and Economic Development (DEED):** Officials at DEED sometimes are contacted by companies looking to locate to the state. DEED will refer those to communities who fit the company's profile of what they seek.
- 2. East Central Energy:** Though not so frequently as in the past, ECE sometimes receives inquiries from companies through one of their business development officers.
- 3. Other sources** will include walk-ins who have seen some promotional materials on one of the communities or on the PTCC incubator.

## Status of Current Prospects:

The PCEDO is currently working on five start-up or relocation prospects and two business expansion projects. This section of the plan will be frequently updated as company statuses change (Note: The prospect number consists of the year of first contact and the order):

### 1507: Minpack (expansion)

Minpack is a locally-owned manufacturing operation in Pine City. They are in discussions with a company (MicroPulse) that holds a patent for a device that prevents pressure ulcers in patients in hospital and long-term care facilities. Minpack could expand to become their manufacturing partner and add 6-7 jobs to their Pine City operation to handle the new product. I am working with Minpack's owner to determine the viability and market for the product and to locate sources of funding to help with the costs of the expansion, if the relationship moves forward. **Status:** The Minpack owner has grown frustrated by the apparent lack of a cohesive plan on the part of the entrepreneur and discontinued the conversation. Project closed 8/10/2015.

### 1506: Broekema Beltway (expansion)

Broekema Beltway is a Dutch company with a plant in Pine City. They manufacture conveyor systems principally used in farming. They have been looking at an expansion of the Pine City operation that would add 10 jobs and cost \$3M. PCEDO is working as an intermediary to assist the City of Pine City, Minnesota DEED and the company reach agreement on a set of incentives that would stimulate them to conduct the expansion. **Status:** Active. Met with DEED contact in mid-July and with city officials on July 20. 8/24/2015 – Company moving forward with expansion. The company decided to forego the DEED funding because of the size and complexity of the paperwork required.

### 1505: Moreyour

Moreyour is an information technology company whose main application is a web-base software client that enables web developers to integrate videos directly into their websites without having to use an external service such as Youtube. Moreyour is a CVN contact. They

are interested in locating close to a college with a computer program as a source of talent and assistance. **Status:** Still active. Staff inquired on 7/13 and talked with Justin Erickson of CVN on 7/13. Email exchange with Moreyour CEO on 7/20 but no clear indication of his short-term intentions. 8/24/15: No movement.

#### **1504: Ittrium**

Ittrium is an IT company which operates a web-development software service that other organizations use to design, set up and maintain their own websites, similar to WordPress. They are also interested in a relationship with a college as a source of programming and applications development talent and expertise. Ittrium also came through CVN. **Status:** Still active. Currently as of 8/4/2015 seeking a time to conference call with the owner/CEO and the new president of PTCC. 8/24/15: Phone conference set for 8/25/15.

#### **1503: Minnepura**

Minnepura is a company being formed by two University of Minnesota professors, who want to commercialize the research they have conducted in their labs and bring to market a product. Their niche is a method of encapsulating hydrocarbons in order to remove them from water (e.g., for remediation/mitigation after an oil spill such as the BP spill in the Gulf of Mexico). Originally, they were looking for 4,000 square feet of industrial space to house a technology center and an intermediate level production facility. Changes in management and some changes in plan have caused them to re-evaluate in the short term, and they have not been clear what exactly they are seeking. **Status:** Still active. Staff communicated with their new CEO on 7/14. 8/24/15: no movement.

#### **1502: Timberblock**

This is a Canadian firm that is looking to expand into the Midwest. They have a patented panelized building system, which features R-30 or R-36 wall insulation, and its factory built wall panels install in hours (typically 6-8), greatly reducing the building cycle. Flat packing of the wall system allows for ease of transportation, with a home of 2700SF or less fitting on one truck. Their niche is that their panelized system mimics log home or log building construction. They have one US plant in North Carolina. Pine County and Chisago County have submitted a joint inquiry to Timberblock, as one of the company's preferences is to locate along a major artery for a showroom and for visibility. Timberblock is a CVN company. **Status:** Active. Justin Erickson of CVN will be following up with them in mid to late July and will update members. 8/24/15: Reached out again to the CEO to express continued interest.

#### **1501: Craft brewery**

A local high school graduate is looking to start up a craft brewery in the southern Pine County area. He is presently taking a brewing certificate at Dakota County Technical College and is in need of assistance in developing a business plan and acquiring some financial support. He has no name yet for the enterprise. **Status:** Active. Staff communicated with the individual on 7/14 and with a local realtor, who is also involved in helping the young man. 8/24/15:

Brewer reconnected with PCEDO and asked for assistance. Connected him with the SBDC in Brainerd for assistance by their consultants in business planning for breweries.

**Current Status:**

July 30: See each prospect above for status of each company.

**Next Steps:**

The Office will continue to seek new leads for location, relocation and/or expansion and continue to develop and report on progress with the prospects.

## **VI. Partnerships and Collaborations**

*Collaboration between the County and its communities is essential in a comprehensive economic development effort. No one entity has all the resources necessary to do a complete job of it. Further, regional collaboration is also critical to put the County and East Central Minnesota in a competitive posture in economic development and workforce development, given the scale and complex nature of such initiatives. The PCEDO will seek to develop and nurture partnerships in the following arenas:*

### **Community Relationships**

The PCEDO will meet in mid-July with city administrators and planners from the communities of Pine City, Hinckley, Sandstone and Rock Creek, with the following intent:

1. To determine what services the communities most need in terms of support for economic development and to ascertain how the PCEDO can respond to those needs.
2. To establish an atmosphere of mutual trust and support between the PCEDO and those community officials.
3. To seek their input on goals for the PCEDO for its first year and downstream.
4. To enlist their support on the data collection needed to assemble the inventory of county economic development assets.
5. To seek their guidance in the formation of a business incentive and subsidy policy.
6. To gain their input on where gaps exist in the resources needed to achieve greater economic prosperity in the County.

### **GPS 45:93 and Other Counties in the Region**

The PCEDO will represent Pine County on the executive committee of GPS 45:93, the regional economic development consortium. Membership brings with several advantages, not the least of which are access to the Community Venture Network and MNCAR. Beyond that, the network of economic development professionals is a rich resource for best practices and advice for the PCEDO. Further, GPS

enables the partners to avoid counter-productive competition in this arena and to work for the common good of a region as a whole. It provides a forum for the counties and communities in the region to move in that direction. Clearly, the prime motivation of the PCEDO will be to create jobs and economic prosperity in Pine County. That said, it is still a great benefit to the County when a company grows or relocates close by in East Central Minnesota – rather than the Metro or Wisconsin. Thus, joint ventures, such as that between Pine and Chisago counties on the Timberblock proposal mentioned earlier, benefit workers and wages in the entire region.

## **Pine Technical & Community College**

As noted significantly and frequently in the Pine County Economic Assessment, PTCC is “one of the area’s greatest assets.” In addition the College’s incubator can be the heart of a long-term strategy to create new manufacturing companies in the county and move those to community industrial parks once they exit the facility. Workforce development is a key component of solid economic development, and the College’s ongoing focus on training in such key areas as healthcare, manufacturing and information technology can be leveraged to help existing companies expand and upgrade their workforces and to attract other talent-hungry companies to the county. PCEDO will seek a seat on the advisory committee for the PTCC incubator and maintain a close relationship with the College and its leadership.

## **Minnesota DEED**

The state department for economic development operates a number of programs that support local units of government in that area, including a number that can finance either company expansion or public infrastructure in support of economic development. PCEDO will maintain close relationships with those DEED officials who manage those programs from St. Paul and those who are assigned to this region to represent the agency.

## **Mille Lacs Band of Ojibwe**

The Corporate Commission of the MLBO includes in its mission an intent to expand job availability in its region through corporate ventures and small business development. It also is a source for venture capital toward those same ends. PCEDO will expand its relationship with CCMLBO in 2015 and seek their assistance in designing the long term economic development strategy for the County.

### **Current Status:**

July 30: Meetings held with Pine City, Hinckley and Sandstone. Initial contact made with MLBO and DEED. DEED visit set for 8/19/2015. Role on GPS executive committee continued. The communities visited thus far have all been very forthcoming and welcoming, and they are very positive in their opinion of the establishment of the PCEDO. All see value in the addition and are glad of the opportunity to have a dedicated economic development person to assist them – and even take the lead in some respects. 8/24/15: DEED visit accomplished. Several new contacts added to the list. Several attempts to schedule a meeting with the economic development officer at MLBO to no avail.

### **Next Steps:**

Staff will conduct over the summer meetings with all the listed partners to begin or refine the relationships and discuss future roles and collaborations.

## **VII. County-wide Consensus on Economic Development**

*The Springsted report suggested convening at some frequency a county-wide summit of “non-profit, Tribal, private and public sector leaders to discuss economic development efforts in the County.” PCEDO suggests that , instead, a more formal economic development advisory council be formed with members recommended by those entities mentioned above and approved by the County Board. Summit attendance tends to decline after the first few iterations, but a committee whose members have some formal assignment to it is a more lasting method of seeking ongoing discussion and consensus around the goals and plans for economic development in the county. It is also a more common method utilized by economic development professionals in the region.*

The PCEDO will create in the Summer and Fall of 2015 an advisory panel to assist with the ongoing economic development effort in the county. Appointments to the council will be solicited from the County Board as well as preferences on membership. Members may include some from these categories:

1. The County Board
2. City of Pine City
3. City of Sandstone
4. City of Hinckley
5. CCMLBO
6. Private industry (2-3)

### **Current Status:**

August 3, 2015: Preliminary conversation with County Administrator. Will consider a shorter preliminary list and revise. 8/24/15: List revised above.

### **Next Steps:**

The goal will be a first meeting in September of 2015 to brief the council on current efforts and to conduct brain-storming or other idea-generation and consensus-building activities on future directions.

## **VIII. Business Retention & Expansion/Economic Gardening**

*Many in the field contend that the best source of new jobs is within the existing companies in a local economy. There are existing methods of stimulating that kind of job growth, including the conventional BR&E method and the newer economic gardening strategy. PECDO will create an ongoing method of*

*collecting data from existing county business towards an end of helping them stay viable and expand their operations.*

In the Summer and Fall of 2015, PCEDO will meet with city officials from Pine County communities, as noted in the section above on partnerships. In addition to the information listed in that section to be solicited, PCEDO will ask their assistance in determining a list of businesses to be approached in each community for an initial inquiry into their current affairs and future prospects.

The Office and the community officials will examine different BR&E questionnaires from such sources as GPS 45:93, the Minnesota Chamber and the UM Extension service (such as that available at <http://www.extension.umn.edu/community/business-retention/tools/question-bank/>) to arrive at an instrument suitable for Pine County. They will also begin scheduling visits with targeted companies through the Fall of 2015. PCEDO and the city personnel will examine the results and seek to connect the companies with resources to assist them where some expansion is anticipated. The partners will also examine the results with an eye towards streamlining city or county policies and procedures, where such may be impeding business expansion.

GPS 45:93 has launched an economic gardening pilot project in the region. This approach singles out second-stage companies according to a set of criteria and connects their CEOs with a select team of expert consultants to aid them in identifying and removing barriers to growth in their organizations (see <http://edwardlowe.org/tools-programs/economic-gardening/>). It is a much more intensive and intrusive approach than traditional BR&E programs. The Pine City EDA has committed \$1,000 towards a goal of \$5,000 to pay for a pilot with a Pine City company. PCEDO will seek Board approval for a matching \$1,000 from PCEDO funds and work with GPS and Pine City to acquire \$2,500 from the Greater Pine Area Endowment and a commitment of \$500 from the company.

#### **Current Status:**

July 30: On the BR&E questionnaire and scheduling, samples have been collected and a preliminary meeting with the Pine City mayor is scheduled. On the economic gardening, GPS staff is in conversation with local companies and will notify the partners when one agrees.  
8/24/15: Grant approved by grants committee of GPAE. Forwarded to board.

#### **Next Steps:**

Staff has developed the instrument and will coordinate with city officials on that questionnaire and to schedule visits with targeted companies in the summer and fall.

The office will fund the County's share of the economic gardening pilot project and review progress on the economic gardening experiment with GPS 45:93 through continuing contact with the company.

## **IX. Housing in Pine County**

*A lack of suitable housing might prove to be a barrier to business location, relocation or expansion in Pine County or the region. Because of that, GPS 45:93 and a number of its member communities and counties in 2014 joined the East Central Regional Housing Collaborative to fund a regional housing study done by*

*Maxfield Research, Inc. Completed in October 2014, it details the supply and demand for all types of housing in the county, as called for in the Springsted study. A copy will be housed at the PCECO.*

**Current Status:**

July 30: An electronic copy of the 2014 study is in hand.

**Next Steps:**

Staff will begin analysis of that document as time permits.

## **X. A Clearinghouse for Information**

*Resources are available in the county, the region, the state and at the federal level for economic development efforts. County and community officials often lack the time and expertise, though, to know what they can access and where. The PCEDO can be a close and trusted resource for that information, as well as for information on what economic development activities are underway in the county.*

In the late summer and through the winter, PCEDO will compile both documents and links to available resources regionally, in the state and federally on economic development resources and seek to become conversant with those programs. The Office will particularly seek to develop a close relationship with Minnesota Department of Employment and Economic Development (DEED) officials for access to their resources. PCEDO will communicate with partner communities and relevant companies about the availability of this resource to assist them in projects and activities.

Initial resources to be gathered or studied include but are not limited to the following:

**Regional:**

- ECRDC Revolving Loan Fund and resources
- Initiative Foundation loan and capital investment programs and resources
- Community-based RLFs and other programs
- SBDC services from Central Lakes College
- East Central Energy and Great River Energy loans and other resources

**State of Minnesota:**

- Department of Employment and Economic Development, including:
  - Minnesota Investment Fund (MIF)
  - Greater Minnesota Public Infrastructure Program
  - Innovative Business Development Program
  - Shovel-Ready Site Certifications
  - Small Business Development Loan Program
  - Minnesota Job Creation Fund

- Minnesota Reservist and Veterans Business Loan Program
- Innovation Voucher Program
- State Small Business Credit Initiative
- Angel Tax Credit Program
- Data Center Tax Incentives
- Greater Minnesota Job Expansion Program
- R&D Tax Credit Program
- JOB-Z
- DEED Regional Business Service Representatives
- University of Minnesota
  - Extension Service
  - University Enterprise Labs
- MnSCU
  - St. Cloud State University public administration program
  - SCSU iSELF labs and faculty

#### **Federal**

- Economic Development Administration Public Works Program
- EDA Local Technical Assistance
- EDA University Center, UM Crookston
- Department of Commerce Export Assistance
- Federal SBDC Programs

#### **Current Status:**

July 30: Relationships with officials with some of the key programs above have been re-established. Links to the resources are bookmarked.

#### **Next Steps:**

These resources will be reviewed to determine present status. An informational piece will be developed to communicate to partners about the connections and resources available at PCEDO.

## **XI. Data, Demographics and Activities**

*Data and statistics on economics, demographics, workforce and other topics relevant to economic development are collected and reported out by a number of different entities and organizations. In keeping with its role as a clearinghouse for information on programs and resources for development, the PCEDO*

*should also scan the existing data sets regularly for up-to-date information and track economic activity in the county and the region.*

The Office will, beginning in summer 2015, periodically scan and analyze data from, initially, the following sources of relevant information:

1. Minnesota DEED Labor Market Information, including establishing a relationship with the regional Labor Market Analyst;
2. Minnesota State Demographer's Office;
3. Minnesota Department of Labor and Industry;
4. Bureau of Labor Statistics, U.S. Department of Commerce;
5. U.S. Economics and Statistics Administration;
6. U.S. Census Bureau;
7. Institute for Supply Management;
8. Others as needed

#### **Current Status:**

July 30: Links to and relationships with these sources have been renewed.

#### **Next Steps:**

Office will communicate to community partners of its willingness to assist them with data collection and analysis when such is needed for their projects in economic development.

## **XII. Workforce**

*Despite some controversy and national debate on the topic, the 'skills gap' – a gap between the skills employers need and those that workers and applicants have – remains, in the experience of many managers, a barrier to company growth and productivity.*

The PCEDO will join a collaborative effort with Pine Technical and Community College and local K-12 schools to assess where the county is lacking in worker skills in key industries and to examine ways to address those deficits through a consortium approach. The Office will also seek to find methods of analyzing the existing county workforce as a method of finding workers with the right skills who already reside here or workers who could be trained to take local skilled positions.

1. **Data collection:** PCEDO will include in its BR&E surveys of employers questions about their difficulty is finding workers with the right skills to be productive. PCEDO will also query industrial prospects with whom it is working to assess their experience in the same area.

2. **The I-35 Academy Project:** PTCC and all of the county school districts are already engaged in a project, called the I-35 Academy, to provide greater access to higher education for county students through concurrent enrollment. PCEDO will seek in the 2014-15 academic year to join the effort to create a concentration on needed workforce skills at the post-secondary level.
3. **The existing workforce:** Census and other labor market data show that there are, as of 2015, there were 13,079 workers residing in Pine County. Of those, only 8,026 actually worked in Pine County. Of the rest, 736 were unemployed (for a rate of 5%), while 5,053 left the county each day to work in other localities. Those mostly involved counties to the south, including not only Chisago and Isanti but also Hennepin and Ramsey. Consequently, there is a substantial pool of available workers who could fill positions in companies and organizations in the county – if comparable positions at approximate wages were available. This pool represents a significant economic develop asset – and a challenge. It can be an asset to use in helping county employers fill skilled jobs – if we can ascertain where those commuters are working and what they are doing and if we can find ways to reach them to inform them of the opportunities in those existing companies or in new companies recruited to the area. The analysis and the communications form the challenges.

#### **Current Status:**

July 30: See survey section on status of that project. The I-35 group is dormant in the summer.

#### **Next Steps:**

PCEDO will, in 2015-6, work with DEED Labor Market Analysts to examine methods of more finite data collection about the skills and industries of the commuter workforce and with DEED and others to seek ways to communicate to them the opportunities in the county as those arise. Staff will contact PTCC and the school superintendents of the I-35 group to request inclusion and a discussion about workforce preparation as part of their agenda.

## **XIII. Marketing**

*Once the foundations are laid for a sound economic development effort in the county, the external world needs to be informed of the county's assets and its intention to be 'open for business.' A low-cost preliminary marketing effort using existing resources can begin that journey.*

While the current budget is not positioned to handle a significant marketing outreach, two resources exist to begin an initial campaign o promote Pine County as a place to locate or grow businesses.

#### **Pine County Website**

Pine County's existing website can be updated to reflect the creation of the PCEDO, hopefully in a prominent fashion. The Office's web presence will contain a catalog of the assets of the county and the resources available, and it can be eventually expanded, as time allows, to reflect progress in terms of economic development projects and activities by the PCEDO and its partner communities.

**GPS 45:93 Website:**

Pine County has a place on the GPS website along with all the other partner counties. This needs to be populated and updated to reflect its assets and the efforts of the PCEDO.

**Status:**

July 30: For the county web presence, not yet launched. For the GPS site, login information has been obtained to access the county pages. 8/24/15: Narrative completed and moved to the website on the development server.

**Next Steps:**

Staff has met with Pine County ITS on access to and updating of the site to reflect economic development as an initial and to promote the county as a business location. Once more data on assets has been collected, staff will contact GPS staff for training on accessing and inputting into the GPS website. 8/24/15: First landing page on County website done and on the site on the development server. Other landing pages under development.

## **XIX. Legislative Relations**

*Once the foundations are laid for a sound economic development effort in the county, the external world needs to be informed of the county's assets and its intention to be 'open for business.' A low-cost preliminary marketing effort using existing resources can begin that journey.*

Maintaining sound, congenial relations with Pine County's representatives can open doors to many resources, from the state bonding program to state agency assets. These will not substitute for good working relationships with staff at the state, but they can augment those and move things forward at times when staff are unable.

PCEDO staff will re-establish relationships with the Pine County delegation, including State Representative Jason Rarick and State Senator Tony Lourey and maintain contact beyond asking for their help with economic development issues at the state level.

**Status:**

August 2: Met with Tony Lourey and Jason Rarick at an event on August 4 at PTCC.

**Next Steps:**

Staff will continue, within reason and good form, to communicate with the two elected representatives, in the event their services are needed.

## **XX. Time frames**

The following is an adaptation and update of the economic development plan from the Springsted report of 2014:

## Worksheet for Board Discussion on Economic Development Office

| Action   | Timeline           | Status      | Board Member Thoughts and Input |
|--|--------------------|-------------|---------------------------------|
| 1. Evaluate options for organizing and structuring economic development efforts (EDA/CDA/County/Other). Section I, pages 1-4   | Summer 2015        | In progress |                                 |
| 2. Collect and review local business incentive and subsidy policies; benchmark other Minnesota County economic development subsidy policies and develop an Economic Development Subsidy Policy. Section II, page 5   | Summer 2015        | In progress |                                 |
| 3. Inventory county-wide economic development assets, including available land and existing resources available for economic development. Section III, Pages 5-7   | Fall 2015          | Not started |                                 |
| 4. Analyze time available and tasks and determine focus for PCEDO for 2015-16. Section IV, page 7-8  | Summer 2015        | Completed   |                                 |
| 5. Generate leads for prospects for location or expansion in Pine County. Section V, pages 8-11  | Ongoing            | In progress |                                 |
| 6. Explore possible partnerships, including potential revenue sources and economic development support from regional and state agencies. Section VI, pages 11-12   | Summer – Fall 2015 | In progress |                                 |
| 7. Organize and coordinate a county-wide economic development advisory committee bringing together non-profit, Tribal, private and public sector leaders to discuss economic development efforts in the County and guide PCEDO. Section VII, page 13                                     | Summer 2015        | In progress |                                 |
| 8. In partnership with City governments, conduct a survey of existing businesses to identify primary and secondary needs; once completed, review survey results to identify possible ideas and options; develop and execute a BR&E/Economic Gardening strategy. Section VII, pages 13-14 | Ongoing            | In progress |                                 |
| 9. Analyze 2014 East Central Regional Housing Study section on Pine County to determine impacts of housing on economic development. Section VIII, pages 14-15  | Fall 2015          | Not started |                                 |

| Action   | Timeline                      | Status      | Board Member Thoughts and Input |
|--|-------------------------------|-------------|---------------------------------|
| 10. Become a central clearinghouse and resources for information for economic development activities supporting the needs of cities and other public agencies. Section IX, pages 15-16 | Summer<br>–<br>Winter<br>2015 | In progress |                                 |
| 11. Monitor and evaluate data, demographics and economic development activity to determine trends and possible policy needs. Section X, pages 16-17                                    | Ongoing                       | In progress |                                 |
| 12. Develop or join partnerships with PTCC and K-12 districts to develop training programs and recruitment for targeted occupations. Section XI, pages 17-18                           | Fall-<br>Winter<br>2015-6     | In progress |                                 |
| 13. Develop an initial low-cost marketing effort using existing media to improve public awareness of Pine County as a place to do business. Section XIII, page 18-19                   | Fall –<br>Winter<br>2015      | Not started |                                 |
| 14. Establish relationships with area legislators for assistance with state programs and regulation affecting economic development in the county. Section XIX, page 19                 | Ongoing                       | In progress |                                 |

- 9.01 The Office of Economic Development shall review each application and make a recommendation to the County Board as to the granting of a business subsidy.
- 9.02 The County Board will make the final decision on granting the business subsidy. County Board will provide adequate notice of and hold a public hearing on any matter relating to granting a business subsidy of \$25,000 or more.
- 9.03 The preferred term of business subsidy is 5 years unless otherwise determined by the County Board. The County Board may approve longer or shorter terms at its discretion.
- 9.04 The County may limit the amount of the business subsidy:
  - a) To a specific dollar amount per year or in total;
  - b) To the increase in property taxes resulting from improvement of the property;
  - c) To the increases in property taxes resulting from increases in the market value or tax capacity of the property;
  - d) In any other manner the county determines are appropriate;
  - e) The County may not abate tax attributable to the value of the land or the area wide tax under Minnesota Statutes sections 276A or 473F.



# AGENDA REQUEST FORM

Date of Meeting: 9/1/2015 \_\_\_\_\_

- County Board**
  - Consent Agenda
  - Regular Agenda      5 mins. \_\_\_ 10 mins. \_\_\_ 15 mins. **X** \_\_\_ Other \_\_\_
- Personnel Committee**
- Other** \_\_\_\_\_

**Agenda Item:** Business Subsidy Policy Draft

**Department:** County Administrator, Office of Economic Development

  
\_\_\_\_\_  
Department Head signature

**Background information on Item:**

At the August 18<sup>th</sup>, 2015, meeting of the Pine County Board, commissioners heard a presentation on business subsidy policies and their role in economic development. The Board requested that staff prepare a draft policy for Pine County for consideration at the September 1<sup>st</sup>, 2015, meeting. That draft is ready for board review and input and will be discussed in this agenda item.

**Action Requested:** Board input is requested to revise this draft and to guide its revision in preparation for approval of a final version at the next meeting.

**Financial Impact:** None

# **PINE COUNTY BUSINESS SUBSIDY POLICY**

## **1. PURPOSE AND AUTHORITY**

- 1.01 The purpose of this policy is to establish guidelines, criteria and a process for the use of business subsidies in Pine County, Minnesota.
- 1.02 Pine County is authorized to grant business subsidies under Minnesota Statutes sections 116J.993 through 116J.995. The County is also authorized to abate its taxes as a form of business subsidy under Minnesota Statutes section 469.1813 through 469.1815. This County policy and any future amendments to these criteria are subject to public hearing requirements pursuant to those statutes.

## **2. STATUTORY LIMITATIONS**

- 2.01 All applications or requests for business subsidies must comply with all applicable state statutes.
- 2.02 The definitions and minimum criteria set forth in Minnesota Statutes sections 116J.993 through 116J.995, and sections 469.1813 through 469.1815 are hereby incorporated in this policy by reference.
- 2.03 The County's ability to grant business subsidies is ultimately governed by the limitations established the Minnesota Statutes cited in paragraph 2.02 above.

## **3. DEFINITIONS**

- 3.01 Business Subsidy: "Business subsidy" or "subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.
- 3.02 Benefit Date: The "benefit date" is the latter of either the date on which the Business Subsidy Agreement is executed or the date on which any amount of Business Subsidy is first provided to the recipient.
- 3.03 Business Subsidy Agreement: "Business Subsidy Agreement" means the agreement between the Business Subsidy Recipient (as defined in this section) and the County entered into under the Business Subsidy Act describing the subsidy, specific tangible goals (i.e., create number of jobs, establish minimum

wage rates and time periods in which goals will be achieved) and providing remedy for failure to achieve goals and providing for reporting to the State of Minnesota.

- 3.04 Business Subsidy Recipient: "Business Subsidy Recipient" means any business entity that receives a business subsidy as defined by the Business Subsidy Act and that has signed a Business Subsidy Agreement with the County.
- 3.05 Business Subsidy Report: "Business Subsidy Report" means the annual reports submitted by the County each year for each business receiving a Business Subsidy in the County in order to comply with the Business Subsidy Act.

#### 4. **APPLICATION REQUIREMENTS**

- 4.01 Each request for a business subsidy shall be submitted in writing to the Pine County Office of Economic Development on a form provided by that office.

#### 5. **PUBLIC POLICY REQUIREMENTS**

- 5.01 Any application for a business subsidy must meet a public purpose which may include but may not be limited to:
  - a) Increasing or preserving tax base;
  - b) Creating or retaining jobs (when job loss is imminent and demonstrable);
  - c) Providing or helping acquire, finance or construct public facilities;
  - d) Helping develop or renew blighted areas;
  - e) Helping provide access to services for residents of the County;
  - f) Retaining a business if it is at risk of relocating outside of the County; or
  - g) Improving housing in the County as delineated in 6.03 below.

**Comment [R1]:** Important policy question: Are these the public purposes the Board values? Are there some that are not? Are there any purposes missing for which the Board would want to use subsidies?

**Comment [R2]:** To allow for unforeseen future possibilities would the Board want a clause h) to say "or for any other public purpose or public good as determined by the County Board?"

#### 6. **BUSINESS SUBSIDY CRITERIA**

The following criteria will be considered by Pine County when reviewing applications for business subsidies in accordance with Minnesota Statutes. However, it should not be presumed that a project meeting these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of the County or any applicant, business, proposed project or potential developer.

- 6.01 The ultimate benefit to the County must be at least equal to the costs of the business subsidy.
- 6.02 The business subsidy may only be provided within debt limit guidelines and other appropriate financial requirements and policies.

**Comment [R3]:** These are borrowed from the policies of other counties and cities. They are numerous. Are there so many as to create barriers? Are there some that are not important or relevant? Are there some we want to add?

- 6.03 The project for which a business subsidy is sought must meet at least two of the following criteria derived from the list of public goods in Section 5.01 above:
- a) Increasing or preserving tax base;
  - b) Creating or retaining jobs (retention considered only when job loss is imminent and demonstrable);
  - c) Providing or helping acquire, finance or construct public facilities;
  - d) Helping develop or renew blighted areas;
  - e) Helping provide access to services for residents of the County;
  - f) Retaining a business if it is at risk of relocating outside of the County.
  - g) To meet the following housing-related uses:
    1. To provide a diversity of housing not currently provided by the private market.
    2. To provide a variety of housing ownership alternatives and housing choices.
    3. To create opportunities for the construction, operation and maintenance of affordable housing for low or moderate-income individuals.
    4. To promote community stabilization and revitalization by the removal of blight and the upgrading in existing housing stock in residential areas.
- 6.04 The applicant, proposed project or potential development must comply with any applicable local Comprehensive Plan and Zoning Ordinances, or required changes to the Plan and Ordinances must be under active consideration at the time of approval. The applicant shall demonstrate evidence of support from the local unit of government.
- 6.05 Prior to consideration of a business subsidy request, the County may require an independent underwriting of the proposed project or potential development at the expense of the developer.
- 6.06 Any applicant requesting a business subsidy may be required to demonstrate past successful general development capability as well as specific capability in the type and size of project or development being proposed.
- 6.07 The applicant must retain ownership of the project at least long enough to stabilize its occupancy, to establish the project management, and if applicable, to initiate repayment of the business subsidy.
- 6.08 A recipient of business subsidy shall continue operations at the site where the subsidy is used for the length of time approved by the County Board, but not less than five (5) years after the benefit begins.
- 6.09 The business subsidy funding will be set at the lowest level of funding and for the shortest period of time which is feasible to meet the objectives.
- 6.10 Retail, service, or recreation businesses will be considered for business subsidies only if the project meets at least two of the following:
- a) Creates quality employment;

**Comment [R4]:** Not many even consider retail projects for subsidies. What does the Board think of this option?

- b) Creates tax base;
- c) Provides a necessary service not already provided in the community;
- d) Finances, constructs or provides public infrastructure; or
- e) Redevelops blighted areas.

6.11 The impact of the project on surrounding areas will be taken into consideration. Impacts include but not limited to: Pollution, traffic, sewer and water, parks, and need for additional government services such as law enforcement.

6.12 Equal consideration will be given to both the expansion or growth of existing business and the attraction of new businesses proposing to relocate in the County.

6.13 To be considered as a redevelopment project, a significant portion of a business subsidy as determined and allowed by the County Board must be expended by the applicant to eliminate blight conditions or for another redevelopment purpose deemed appropriate by the County Board.

6.14 Business subsidies will not be provided to projects that have the financial feasibility to proceed without the benefit of the assistance. In effect, business subsidies will not be provided solely to improve a developer's or business's profit margins on a project. Prior to consideration of a business assistance request, the County may undertake an independent underwriting of the project to help ensure that the request for assistance is valid with underwriting costs to be reimbursed by the business in all instances which shall be in addition to the application fee described herein.

**Comment [R5]:** This addresses the 'but for' clause in the statute.

6.15 Prior to approval of a business subsidies financing plan and when deemed appropriate by the County, the developer or business shall provide, at their cost, any required market and financial feasibility studies, appraisals, soil boring, information provided to private lenders for the project, and other information or data relative to the successful operation of the project that the County or its financial consultants may require in order to proceed with an independent underwriting. If requested by the County, the developer shall provide adequate financial guarantees to ensure completion of the project, including, but not limited to: assessment agreements, letters of credit, cash escrows, and personal guaranties.

6.16 A developer requesting County business subsidy assistance must demonstrate, to the satisfaction of the County or its financial consultants, sufficient cash equity investment in the project.

6.17 In the event of a change in business ownership during the period of the business subsidy, the agreement may be subject to review and/or alteration subject to the criteria and at the discretion of the Board.

## **7. APPLICATIONS WILL RECEIVE PRIORITY FOR:**

- 7.01 Developments that create quality employment. The minimum wage threshold for a business receiving a subsidy shall be \$2.00 per hour above the prevailing minimum wage in Minnesota plus benefits for new jobs created or jobs retained. The County reserves the right to deviate from this wage floor if the circumstances warrant. If such is the case, the County will follow the reporting requirements for such set forth in Minnesota Statute section 116J.994.
- 7.02 Projects which include manufacturing, distribution, or technology-based firms or businesses which employ a majority of professional or skilled labor.
- 7.03 Businesses at risk of locating out of state or the County, as demonstrated by sufficient evidence to the satisfaction of the County Board.
- 7.04 Projects constructed of block, engineered concrete, brick or engineered steel buildings (not pole) which contain decorative accessory materials (brick).
- 7.05 Projects that include green technologies or the repurposing of existing buildings.
- 7.06 Projects that result in other forms of public improvements or the elimination of blight.

**Comment [R6]:** This is a judgment call. What should a target wage rate be?

## **8. BUSINESS SUBSIDY AGREEMENT:**

- 8.01 The Office of Economic Development will develop and obtain County Board Approval for a standard Pine County Business Subsidy Agreement. The agreement must contain at minimum the following:
- a) A description of the subsidy, including the amount and type of subsidy and the type of district if the subsidy is tax increment financing;
  - b) A statement of the public purpose for the subsidy;
  - c) Measurable, specific and tangible goals for the subsidy, including interim and/or final goals for jobs created and/or retained within the County and wage goals for jobs created and for jobs retained;
  - d) A description of the financial obligation of the recipient if the interim or final goals are not met;
  - e) A statement of why the subsidy is needed;
  - f) A commitment by the recipient to continue operations in the County for at least five years after the benefit date;
  - g) The name and address of the parent corporation of the recipient, if any; and
  - h) A list of all financial assistance by all grantors for the project.

## **9 REVIEW AND APPROVAL**