

## Yellow Medicine County Board Minutes

April 13, 2004

Chair Jane Remiger called this regular meeting to order at 9:00 a.m. with Commissioners Lynn Anderson, Gary Johnson, Louis Sherlin, and Ron Antony present. Administrator John Chattin, Human Service Director Peggy Heglund, Robert Wolfington of the Marshall Independent, and Dan McGonigle of the Granite Falls Advocate Tribune were also present.

**04-13-04-01** Motion by Mr. Anderson and second by Mr. Antony to approve the agenda with the addition of a boat and water safety grant to the consent agenda and discussion on a Canby Sportsmen's Club lease. Carried.

There were questions and discussion on the minutes dealing with the Memorial Park Trail project. Engineering costs were thought to be in addition to other budgeted funds.

**04-13-04-02** Motion by Mr. Sherlin and second by Mr. Antony to approve the consent agenda items, except for the minutes, including approving the sale at auction of the old VSO van and approving a water safety grant. Carried.

Mr. Sherlin asked for clarification of per diem status for serving on the Canby Airport Zoning Board.

**04-13-04-03** Motion by Mr. Anderson and second by Mr. Johnson to pay per diems for attending the Canby Airport Zoning Board. Carried.

Under Commissioner reports, Mr. Johnson reported on Region 6W Community Corrections, a Pioneerland Library meeting with the Prairie Correctional Facility in Appleton, and a County weed meeting. Ms. Remiger attended Transportation Committee, Economic Development, and Ag Task Force meetings at the Association of Minnesota Counties Legislative Conference. Mr. Antony gave updates on VEBA and Creative Solutions Committee meetings attended. Mr. Anderson reported on a Tri-County Law Library meeting and mentioned the upcoming waste-to-energy facility meeting.

Ms. Remiger reviewed upcoming meetings and events including Skywarn classes and the volunteer banquet.

Midge Christianson, Director of Region 6W Community Corrections, gave an annual update to the Board. Several handouts with relevant statistics were reviewed.

Mavis Gustavson, Machinery Museum Director, and several of her board members were present to request that funds designated for building repair and maintenance be included as part of their annual allocations. It was noted that, in the past, all funds had been needed for building repairs.

**04-13-04-04** Motion by Mr. Johnson and second by Mr. Sherlin to include the \$5,000 maintenance and repair appropriations to the museum, County fair, and historical society with other allocated funds and to pay them in full when requested. Carried.

Engineer John Johnson and Ditch Inspector John Kolhei were present for a public hearing on a bridge replacement.

**04-13-04-05** Motion by Mr. Sherlin and second by Mr. Antony to open the public hearing on a bridge replacement on CSAH 6 at 10:10 a.m. Carried.

The Administrator and Commissioners from Lyon County were present, as they are part of Judicial Ditch #10 affected by the proposed project. Engineer Johnson gave a brief review of the project.

As it was determined that the public hearing should be conducted by the ditch board, and not by the County Board, the public hearing was closed. It was also determined that the joint ditch authority needed to be reestablished. Representatives to the Judicial Ditch #10 Board were then considered. Lynn Anderson, Ron Antony, and Gary Johnson were appointed by the Yellow Medicine County Board and Phil Nelson and Clarence Buysse were appointed from Lyon County. Ms. Remiger then recessed the County Board meeting to accommodate a Judicial Ditch #10 public hearing and reconvened the Board at 10:29 a.m.

**04-13-04-06** Motion by Mr. Johnson and second by Mr. Anderson to open a public hearing to consider a tax abatement for Kevin Wald at 10:30 a.m. Carried.

Mr. Wald was present as well as Granite Falls EDA Director Dennis Van Hoof. There was considerable discussion on a possible tax abatement that had its roots in discussions started in the fall of 2002. Consideration of an abatement at that time did not proceed and is now being reconsidered. Mark Ruff, of Ehlers and Associates, has met with Mr. Van Hoof and Mr. Chattin to discuss the drafting of a new agreement. That draft should be available soon. Mr. Chattin recommended that any tax abatement considered start in 2005 and go forward. He did not support making a loan to Mr. Wald to cover payable 2003 and 2004 taxes. Mr. Van Hoof gave some history of the abatement and noted that the Granite Falls City Council would also be considering an abatement for Mr. Wald at their next meeting. Mr. Wald stated that it had been the intent of the City Council and County Board to do the abatement for 2003 and 2004 and those tax years should be included in any actions taken by the city council or County Board. Auditor/Treasurer Carolyn Sherlin was asked to research what the tax impact would have been if building valuations had been lowered for 2003 and 2004. As the final document was not available, the public hearing was continued to 11:30 a.m. on April 27, 2004.

Ms. Remiger called for a break at 11:10 a.m. and reconvened at 11:20 a.m.

**04-13-04-07** Motion by Mr. Antony and second by Mr. Anderson to open the public hearing to consider the adoption of a joint restated resolution for the Minnesota Valley Regional Rail Authority. Carried.

Ms. Remiger explained the need for the resolution to consolidate several previous resolutions. As there was no one present who wished to address the Board, Ms. Remiger reopened the meeting at 11:22 a.m.

**04-13-04-08** Motion by Mr. Sherlin and second by Mr. Anderson to adopt the following resolution:

WHEREAS, under the provisions of Minnesota Statute Sections 398A01 to 398A.09 (laws 1980, Chapter 616), the legislature of the State of Minnesota has authorized counties using state and federal aids as may be available, to organize by joint resolution for the purpose of preserving and improving local rail service for agriculture, industry, and passenger traffic when determined to be practical and necessary for the public welfare; and

WHEREAS, Minnesota Statutes Section 398A.03, Subd. 4 provides that the organizational resolution may be amended by resolution or joint resolution of all counties named in the resolution prior to the amendment and any additional counties named in the amendment, subject to requirements of notice and hearing set forth in the statutes; and

WHEREAS, the counties of Carver, Redwood, and Sibley caused to be

created the Minnesota Valley Regional Rail Authority pursuant to said statute on June 2, 1982; and

WHEREAS, the counties of Yellow Medicine and Renville became part of the Minnesota Valley Regional Rail Authority pursuant to said statute on August 19, 1992; and

WHEREAS, the counties of Carver, Redwood, Renville, Sibley, and Yellow Medicine desire to amend and restate the organizational resolution;

WHEREAS, notice of public hearings upon the adoption of this organizational resolution has been published in the official county newspaper of each of the participating counties and has been mailed to the governing body of each municipality within each of the participating counties, all at least 30 days prior to the hearings before the governing bodies of each of the counties, as required by Minnesota Statutes Section 398A.03, Subd. 2;

NOW, THEREFORE, BE IT RESOLVED:

That the Joint Organizational Resolution for the Minnesota Valley Regional Rail Authority filed with the Secretary of State on June 2, 1982, and the Joint Amended Organizational Resolution for the Minnesota Valley Regional Rail Authority filed with the Secretary of State on August 19, 1992, is hereby amended and restated as follows:

1. That the Minnesota Valley Regional Rail Authority was established and on June 2, 1982 under the Regional Railroad Authorities Act, Laws 1980, Chapter 616, as a political subdivision and local government unit of the State of Minnesota, to exercise thereunder part of the sovereign power of the State of Minnesota, and in conformity with the provisions of this resolution for the regulation of the business of the Authority.
2. That the participating counties adopting this restated organizational resolution are: Carver, Redwood, Renville, Sibley, and Yellow Medicine.
3. That the Board of Commissioners of the Authority shall consist of six (6) members. Each participating county shall appoint one (1) county commissioner who shall be entitled to vote on Authority business and one (1) alternate county commissioner who shall not be entitled to vote except in the absence of the appointed commissioner. The Board of Directors of MINNRAIL, Inc., a corporation of shippers on the rail line, shall appoint one (1) of its member shippers who shall be entitled to vote on Authority business and one (1) alternate shipping member who shall not be entitled to vote except in the absence of the appointed shipper.
4. That the registered office of the Authority shall be situated in the City of Gaylord, Minnesota.
5. That neither the State of Minnesota, nor any county or counties or any other political subdivision is, or shall be, liable for obligations of the Authority.
6. That the Authority shall exercise such authority as provided in Minnesota Statutes Chapter 398A, except as otherwise limited by the following additional provisions, in the regulation of the business of the Authority:
  - A. That if the Authority should desire to exercise its power to tax, before the Authority can set a levy, each of the individual county's

boards must approve the levy by a unanimous vote.

- B. That if the Authority should desire to sell real property, before the Authority can approve the sale of the real property, each of the individual county boards must be given written notice of the proposed sale and a thirty (30) day time span to object to the sale.
7. This organizing resolution may be amended by resolution or joint resolution of the governing bodies of all counties named herein and the governing body of any additional county named in the amendment, which amendment shall be adopted at or after a hearing upon notice as required by the provision of Minnesota Statutes Chapter 398A.03, Subdivision 2 and Subdivision 4. Each amendment shall be adopted at or after hearing upon notice as required for this organizing resolution. Further, no amendment releasing a county from its obligation as a party named in the resolution shall be effective unless all covenants, agreements, mortgage liens, and other security given for bonds of the Authority have been discharged and satisfied by payment or otherwise in accordance with their terms.
8. Upon termination, any property or funds acquired by the Authority shall be distributed to the parties in the proportion that each party contributed to the cost of such property or funds.
9. The provisions contained in this resolution are severable, and in the event that any of the provisions contained herein shall be found to be invalid, illegal or unenforceable by a court of competent jurisdiction, this resolution shall be interpreted as if such invalid, illegal or unenforceable provisions were not contained herein.

Carried.

Engineer John Johnson reviewed the Engineering Report for the first quarter of 2004. He is hoping to promote the Living Snow Fence program and also gave accolades to the maintenance department for the stacker they constructed.

**04-13-04-09** Motion by Mr. Johnson and second by Mr. Anderson to approve the March 23, 2004 regular meeting minutes with a change to motion 03-23-04-09 to reflect trail engineering costs. Carried.

A lease with the Canby Sportsmen's Club cannot be found. The Board asked that the club present a new proposal for their consideration.

**04-13-04-10** Motion by Mr. Anderson and second by Mr. Sherlin to adopt the following resolution:

WHEREAS, the undersigned governmental unit shares common interests and concerns with the Coalition of Utility Cities (CUC); and

WHEREAS, State-assessed utilities and their host communities have operated in a long-standing partnership, and real and personal property tax revenues are a fair compensation to host communities for the social, economic and environmental costs of hosting nuclear and coal-fired baseload electric generation facilities, and other state-assessed utilities; and

WHEREAS, State-assessed utilities have received substantial tax relief since the early 1990's through reductions in commercial/industrial tax rates, increases in depreciation limits for electric utility property, personal property tax exemptions for new

generation facilities, and liberal application of the exemption for pollution control equipment in the wake of the Minnesota Supreme Court's decision in *United Power Association v. Commissioner of Revenue* (1991); and

WHEREAS, State-assessed utilities have received ample tax relief and do not need further tax relief at the expense of the communities hosting baseload electric generation facilities, pipelines, and other state-assessed utility property; and

WHEREAS, State-assessed utility property classified as "special use" property because utilities are regulated businesses and, because of their regulated nature, enjoy a guaranteed rate of return; and

WHEREAS, the Minnesota Department of Revenue (MDOR) is considering possible amendments to its utility property valuation methodology under Minnesota Rules Chapter 8100, and the issues that may be considered in this rulemaking include the relative weighting of income and cost indicators of value, the capitalization rate to be applied to state-assessed utilities under the income indicator of value, and limits on depreciation of various state-assessed utility property; and

WHEREAS, changes to the MDOR's utility property valuation rules may result in significant reductions in the value of utility real and personal property and, therefore, host community tax base; and

WHEREAS, the CUC has drafted legislation to help preserve the property tax base of host communities in the event valuation rule changes by the MDOR result in significant decreases in the value of utility real and personal property.

NOW, THEREFORE, BE IT RESOLVED that the undersigned governmental unit hereby approves and supports the following draft legislation being promoted by the CUC, requesting that in addition, all state-assessed utility property be included, along with electric utility:

Revisor No. 04-4322, eliminating the property tax exemption for real and personal property "used primarily for the abatement and control of air, water, or land pollution ... to the extent that it is so used." This legislation would be effective for assessment year 2005 if MDOR adopts rules between December 31, 2004 and August 1, 2005, reducing the value of ~~electric~~ utility real and personal property by an unspecified percentage.

Revisor No. 04-4323, providing that "before July 1, 2005, the Department of Revenue shall not amend existing rules or adopt new rules that prescribe the method of valuing property of ~~electric~~ utilities."

Revisor No. 04-4337, increasing the first-tier (up to \$150,000 in taxable market value) commercial/industrial class rate for ~~electric~~ utility real and personal property from 1.5% to 2.0%, and increasing the second-tier (above \$150,000) class rate for ~~electric~~ utility real and personal property from 2.0% to 2.5%. This increase would become effective for assessment year 2005 if the MDOR adopts rules between December 31, 2004 and August 1, 2005, reducing the value of ~~electric~~ utility real and personal property by an unspecified percentage.

Carried.

Mr. Chattin gave a brief update on an upcoming regional meeting, the acceptance of Blue Cross/Blue Shield of a change in highway department health insurance coverage, and the bidding process for some County property.

Participation in Enterprise Facility Training, and its sponsoring organization, was

discussed. Financial support may not be provided in the future. For now, Mr. Sherlin is the Board's representative.

Ms. Remiger reviewed various announcements and correspondence received.

There was some additional discussion on a potential tax abatement for Kevin Wald.

**04-13-04-11** Motion by Mr. Johnson and second by Mr. Anderson to approve Commissioner's Warrants as presented totaling \$120,642.56 and acknowledging review of Auditor's Warrants totaling \$34,480.53. Carried.

**04-13-04-12** Motion by Mr. Sherlin and second by Mr. Anderson to adjourn the meeting at noon. Carried.

Witness:

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Jane Remiger, Chair

Attest:

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Carolyn Sherlin, Auditor/Treasurer