



# Kanabec County Board of Commissioners

## Regular Meeting Agenda

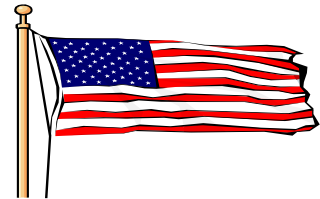
The Meeting of January 16, 2024

- The public may join the meeting via WebEx or in-person in the meeting room.
- If attending the meeting in-person, the total number of persons (including commissioners) may be limited and social distancing/safety protocol may be in effect.

### **To be held via WebEx telephone call or video meeting:**

Telephone call-in number for public access: 1-408-418-9388

Access Code: 2481 337 7588



### **Video Meeting link:**

<https://kanabecounty.webex.com/kanabecounty/j.php?MTID=mfa60575017f2d4b21c21bc782519e9b5>

Meeting number: 2481 337 7588

Password: cMAbqQDi233 (26227734 from video systems)

**To be held at:**      **Kanabec County Courthouse  
Boardroom #164  
317 Maple Avenue East  
Mora, MN 55051**

Please use the Maple Ave entrance and parking lot.

The audience is invited to join the board in pledging allegiance:

*I pledge allegiance to the flag  
of the United States of America,  
and to the Republic for which it stands:  
one nation under God, indivisible  
with Liberty and Justice for all*

**Scheduled Appointments: Times are approximate and time allotted to each subject will vary. Appointment times may be changed at the discretion of the board.**

9:00am      a. Call to Order  
              b. Pledge of Allegiance  
              c. Agenda approval

9:02am      **Public Comment**      Telephone call-in number for public access: 1-408-418-9388  
Access Code: 2481 337 7588

9:20am      Recess county board to a time immediately following the FSB.  
              **Family Services Board**

9:40am      Nikki Priebe, University of Minnesota Extension Educator 4-H Youth Development- 2023  
Kanabec County 4-H Clean Up Day Claim

10:00am      Erica Bliss, Veterans Service Officer  
              a. Oath of Office  
              b. Request for out-of-state travel/conference

10:10am      Jim Hartshorn, EDA Executive Director-  
              a. Statewide Affordable Housing Aid  
              b. EDA Update

10:40am Sharon Olson, Executive Director of Vasaloppet USA- 2024 Vasaloppet Update

10:50am Tina Von Eschen, Assessor- Tax Court Update and Request to Proceed with Refund Payment

11:05am Ryan Carda, Environmental Services Supervisor- Request for Approval of Retainer for Legal Services for 2024

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### **Other business to be conducted as time is available:**

1. Minutes- January 2, 2024
2. Paid Bills
3. Regular Bills- Revenue Fund
4. Regular Bills- Road & Bridge Fund
5. Gambling Request – Isanti County Pheasants Forever
6. Request Authorization to Send a New Position to Pay Consultant (Behavioral Health Nurse)
7. Consider South Country Health Alliance's Request for a Meeting
8. Consider a Request for Letters of Support for an EV Charging Station
9. Consider Resolution in Opposition to the Redesigned State Flag and Seal
10. Discuss existing Policy Regarding Maximum Terms for Committee Members
11. Committee Appointments (Continued)
12. Commissioner Reports
13. Future Agenda Items
14. Discuss any other matters that may come before the County Board
15. Adjourn

## **Kanabec County Family Services**

905 East Forest Avenue, Suite 150  
Mora, MN 55051  
Phone: 320-679-6350  
Fax: 320-679-6351

### **Kanabec County Family Services Board Agenda January 16, 2024 9:20 a.m.**

- |  |                 |
|--|-----------------|
| <b>1. Agenda Approval</b>                                | <b>Pg. 1</b>    |
| <b>2. Director's Report</b>                              | <b>Pg. 2-4</b>  |
| - Staffing – Case Manager Interviews                     |                 |
| - Care Coordination- Overview: Katie Heacock, Supervisor |                 |
| - Action requested                                       |                 |
| - See attached resolution                                | <b>Pg. 5</b>    |
| - Children's Move  |                 |
| - Ongoing Number of Children in Placement                |                 |
| <b>3. Family Service Fund Report</b>                     |                 |
| -See attached report                                     | <b>Pg. 6</b>    |
| <b>4. Financial Report</b>                               |                 |
| -See attached report                                     | <b>Pg. 7-8</b>  |
| <b>5. Abstract Approval</b>                              |                 |
| -See attached abstract and board vendor paid list        | <b>Pg. 9-11</b> |
| <b>6. Other Business</b>                                 |                 |
| <b>7. Adjourn</b>  |                 |

# Family Service Director's Report

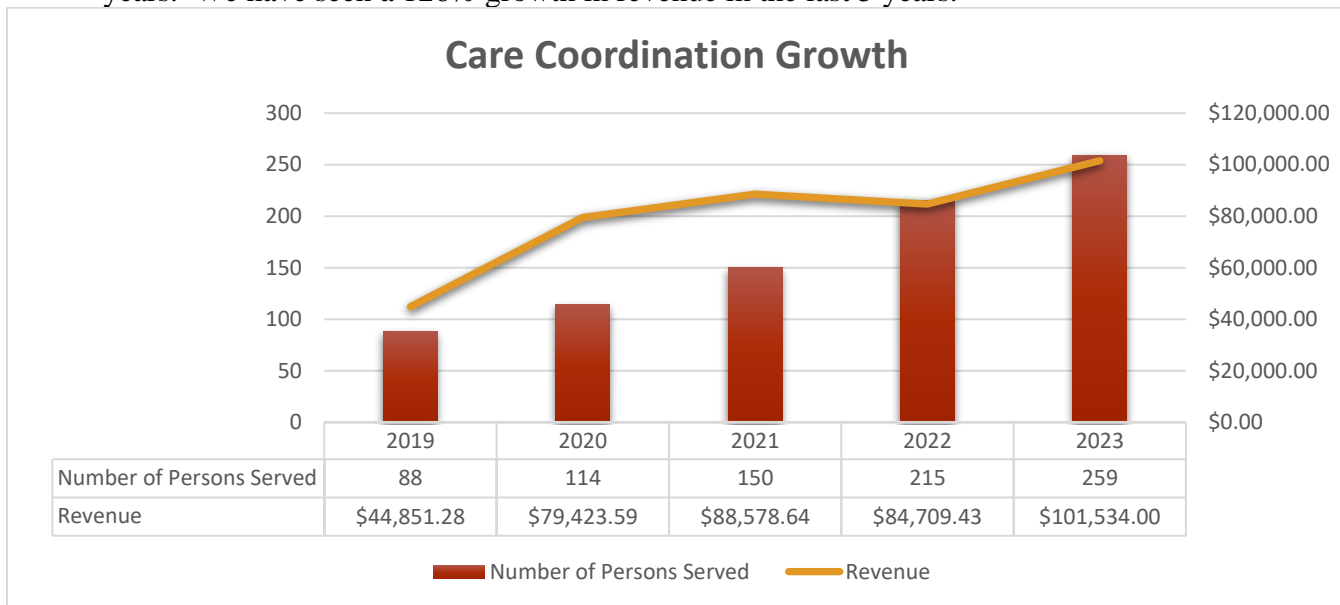
## January 2024

### Staffing

Interviewing for Case Manager will start next week. There are 2 potential applicants currently.

### Care Coordination – Overview by Katie Heacock, Supervisor

Kanabec County Family Services provides Community Well Care Coordination for Managed Care members (SCHA and Blue Plus) who are age 65 and older living in their own homes without Elderly Waiver Services. We have seen a 194% growth in the number of members that we serve in the last 5 years. We have seen a 126% growth in revenue in the last 5 years.



### Contributing Factors:

- Members must be eligible for Medical Assistance through SCHA or Blue Plus
- In 2019, we had the equivalent of 1 FTE
- In 2020, we anticipated the need for additional staff time for Care Coordination activities, as we have an aging population in our county. We currently have 1.75 FTE's to work with the 65+ population.

Our growth in revenue has not matched our growth in the number of persons served, largely because we are limited in the amount of staff time that we can dedicate to this program. COVID restrictions for the years 2020 through 2022 and medical leave in 2022 decreased our ability to provide direct contact services. This resulted in limited billing. Our data continues to indicate that there is a great need for Care Coordination. Data from 2023 shows that we served 259 clients on this program. With the increase in caseloads, we are implementing some workflow and time reporting changes within the Care Coordination unit. The intent is to increase time for billable tasks and shift non-billable tasks to the support staff.

While Care Coordination funding alone does not sustain the position, we also use Adult Protection funding to cover expenses related to this position. In 2020, we anticipated that we would receive Vulnerable Adult/DD Targeted Case Management. Since that time, we have found that most of our vulnerable adults have been referred for other services or have not been eligible to receive targeted case management (either not a recipient



of Medical Assistance, or already receiving Waiver Services). In lieu of Targeted Case Management, our agency does receive funding through two different allocations from DHS. The Vulnerable Children and Adults allocation for 2024 is approximately \$10,000 higher than 2023. Additionally, we receive the Adult Protective Services State Grant, which is largely based on the number of screened-in reports for adult protective services. Funding for 2024 will be \$9073, which is a \$2167 increase over funding from 2023.

There is every indication that the need for Care Coordination and adult protection will continue. Our aging population continues to grow. We have contracts with both Blue Plus and SCHA for this service. If we discontinue the position, we will not be able to fulfill these contracts, and will need to end them. Recommended caseload size from Blue Plus is maximum of 100, with a minimum requirement of two contacts per year. SCHA does not publish a recommended caseload size but does require four contacts per year. Without Care Coordination, we would likely see an increase in the number of hospitalizations and major health events for our members. We will also not be able to provide staffing for adult protection, which is a mandated service. We have carried the cost of staff in our budget with some usage of county levy dollars, and these positions are currently budgeted for 2024. I recommend continuing to fund this position. We will continue efforts to increase revenue, with the understanding that it is likely not sustainable with direct billable services and allocations alone.

2024 Budgeted Wages												
		<u>Annual Wage</u>	<u>PERA</u>	<u>FICA</u>	<u>Health</u>	<u>Life</u>	<u>Total</u>	<u>Projected Revenue</u>	<u>Adult Protection Grant</u>	<u>Vulnerable Children &amp; Adults Grant</u>	<u>Vulnerabel Adult Portion</u>	<u>Projected County Dollars</u>
		\$76,305	\$5,723	\$5,837	\$13,320	\$16	\$101,201					
		\$72,883	\$5,466	\$5,576	\$13,320	\$16	\$97,261					
							<u>\$198,462</u>	\$100,000	\$9,073	\$23,104	\$10,093	<u>(\$56,192)</u>
2023 Wages												
		<u>Annual Wage</u>	<u>PERA</u>	<u>FICA</u>	<u>Health</u>	<u>Life</u>	<u>Total</u>	<u>Revenue</u>	<u>Adult Protection Grant</u>	<u>Vulnerable Children &amp; Adults Grant</u>	<u>Vulnerabel Adult Portion</u>	<u>County Dollars</u>
		\$72,927	\$5,470	\$5,579	\$12,965	\$16	\$96,956					
		\$68,619	\$5,146	\$5,249	\$12,965	\$16	\$91,996					
							<u>\$188,952</u>	\$101,534	\$8,339	\$22,284	\$9,735	<u>(\$47,060)</u>
2022 Wages												
		<u>Annual Wage</u>	<u>PERA</u>	<u>FICA</u>	<u>Health</u>	<u>Life</u>	<u>Total</u>	<u>Revenue</u>	<u>Adult Protection Grant</u>	<u>Vulnerable Children &amp; Adults Grant</u>	<u>Vulnerabel Adult Portion</u>	<u>County Dollars</u>
		\$68,744	\$5,156	\$5,259	\$12,348	\$16	\$91,523					
		\$64,522	\$4,839	\$4,936	\$12,348	\$16	\$86,661					
							<u>\$178,184</u>	\$84,709	\$6,906	\$22,772	\$10,250	<u>(\$53,546)</u>
2021 Wages												
		<u>Annual Wage</u>	<u>PERA</u>	<u>FICA</u>	<u>Health</u>	<u>Life</u>	<u>Total</u>	<u>Revenue</u>	<u>Adult Protection Grant</u>	<u>Vulnerable Children &amp; Adults Grant</u>	<u>Vulnerabel Adult Portion</u>	<u>County Dollars</u>
		\$67,059	\$5,029	\$5,130	\$12,348	\$16	\$89,582					
		\$60,882	\$4,566	\$4,657	\$12,348	\$16	\$82,470					
							<u>\$172,052</u>	\$88,579	\$8,339	\$22,284	\$9,735	<u>(\$43,116)</u>
2020 Wages												
		Note: Increase in revenue is reflective of new Care Coordination staff hired on in February 2020. These wages were not included in the 2020 budget.										
		<u>Annual Wage</u>	<u>PERA</u>	<u>FICA</u>	<u>Health</u>	<u>Life</u>	<u>Total</u>	<u>Revenue</u>	<u>Adult Protection Grant</u>	<u>Vulnerable Children &amp; Adults Grant</u>	<u>Vulnerabel Adult Portion</u>	<u>Projected County Dollars</u>
		\$65,915	\$4,944	\$5,042	\$12,108	\$16	\$88,025	\$79,424				<u>(\$8,602)</u>
2019 Wages												
		<u>Annual Wage</u>	<u>PERA</u>	<u>FICA</u>	<u>Health</u>	<u>Life</u>	<u>Total</u>	<u>Revenue</u>	<u>Adult Protection Grant</u>	<u>Vulnerable Children &amp; Adults Grant</u>	<u>Vulnerabel Adult Portion</u>	<u>Projected County Dollars</u>
		\$64,771	\$4,858	\$4,955	\$11,100	\$16	\$85,700	\$44,851		\$13,380		<u>(\$27,468)</u>

**Action requested**

- See attached resolution

**Update on Children's movement cost from last Month**

The agency was able to find better prices in the moving and airfare costs. The total cost will be approximately \$4,538.13.

**Ongoing Update on Number of Children in Placement**

Last month we had 21 children in our care in out of home placements. We have 21 children in care this month compared to 23 last year for the same month.

**Resolution #FS – 1/16/24**  
Family Services Social Worker Resolution

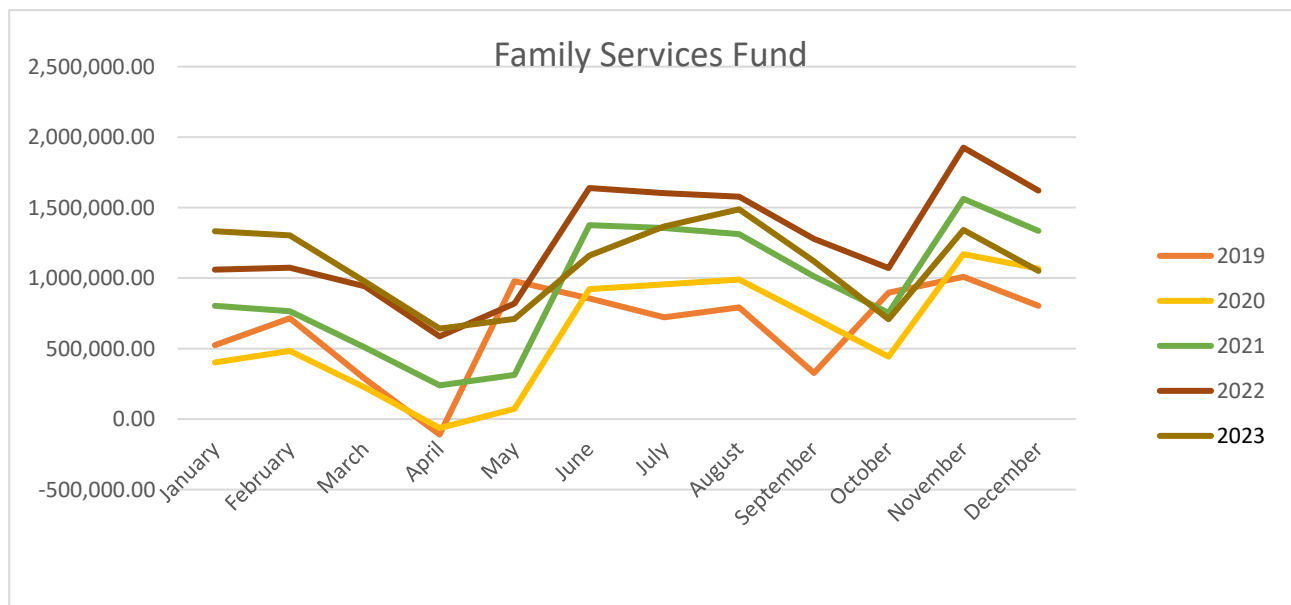
**WHEREAS** the case load for the Kanabec County Care Coordinators is at or above maximum capacity for the current employees, and

**WHEREAS** a request is being made for the continuation of the additional Social Worker position in Family Services which was authorized by Board resolution # FS 5 on 1/21/2020 to address the need in this area, and

**WHEREAS** this position will be funded by reimbursements and County Levy funds.

**THEREFORE BE IT RESOLVED** the Kanabec County Family Services Board authorizes the Family Service Director to continue this budgeted position ongoing.

	2019	2020	2021	2022	2023
January	523,556.70	401,131.39	802,602.99	1,060,669.83	1,332,846.30
February	715,738.74	483,781.08	764,375.81	1,074,400.99	1,303,079.82
March	285,341.21	225,078.17	507,711.89	942,838.71	976,432.91
April	-109,902.43	-63,141.11	239,129.82	586,755.76	641,596.45
May	979,247.26	73,382.15	313,993.85	820,322.23	711,400.40
June	855,820.47	920,867.09	1,376,518.14	1,638,762.92	1,159,594.67
July	721,467.48	955,700.06	1,355,779.92	1,603,064.80	1,366,971.18
August	791,435.79	990,235.56	1,312,346.82	1,578,429.94	1,487,944.78
September	326,963.03	716,408.79	1,012,985.41	1,277,604.14	1,118,266.82
October	897,606.65	443,084.51	753,774.16	1,072,396.60	707,480.12
November	1,008,939.34	1,170,024.75	1,562,104.61	1,925,516.68	1,342,363.76
December	804,618.63	1,067,709.00	1,335,030.43	1,620,823.12	1,051,493.18
Totals	7,800,832.87	7,384,261.44	11,336,353.85	15,201,585.72	13,199,470.39
Averages	650,069.41	615,355.12	944,696.15	1,266,798.81	1,099,955.87
6 month Avg.	758,505.15	890,527.11	1,222,003.56	1,512,972.55	1,179,086.64
Rolling 12 month Avg	650,069.41	615,355.12	944,696.15	1,266,798.81	1,099,955.87



Kanabec County Family Services - Board Financial Report				Through November 2023											
	Total year to date/			8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%
Department	Budget	% of budget	Total	January	February	March	April	May	June	July	August	September	October	November	December
Income Main. Service															
Exp	753,602.00	99.97%	753,338.67	53,804.48	53,379.65	82,336.98	54,893.92	50,144.12	81,537.68	53,684.61	56,637.64	58,323.10	57,047.39	56,932.74	94,616.36
Rev	560,191.00	83.11%	465,580.65	9,831.56	61,657.74	9,831.56	9,959.72	61,851.38	9,959.72	144,466.90	67,357.71	10,302.90	10,608.90	58,818.36	10,934.20
Tax	367,731.25	86.11%	316,640.91	5,406.53					181,287.99					129,946.39	
State Shared Rev			35,077.72							14,501.83			3,028.03		17,547.86
Recoveries															
Exp	15,600.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rev	21,600.00	37.58%	8,118.26	1,169.75	1,599.82	1,804.68	379.28	391.17	-3,906.42	374.79	322.00	399.90	392.58	1,496.13	3,694.58
Tax	22,100.71	86.23%	19,056.45	351.21					10,895.44					7,809.80	
State Shared Rev			2,108.18							871.56			181.99		1,054.63
Burials															
Exp	25,000.00	62.27%	15,566.75	1,336.50	0.00	0.00	3,731.25	0.00	1,800.00	0.00	0.00	2,699.00	0.00	2,000.00	4,000.00
Rev			0.00												
Tax			0.00												
Child Support															
Exp	379,758.00	99.76%	378,828.43	27,408.09	27,284.54	39,140.48	28,895.78	26,018.48	43,796.11	29,501.66	29,225.88	28,810.63	27,487.16	29,566.17	41,693.45
Rev	404,000.00	97.48%	393,810.74	16,364.47	64,184.46	16,245.33	18,174.26	61,667.24	16,973.69	1,540.13	73,798.93	31,831.35	1,159.98	74,663.24	17,207.66
Tax															
MA Services															
Exp	483,900.00	79.10%	382,781.42	24,920.54	44,697.74	26,526.98	32,887.42	31,465.01	49,937.96	25,688.19	31,114.25	31,333.67	34,824.56	24,535.38	24,849.72
Rev	452,000.00	73.34%	331,479.53	43,168.98	13,714.19	38,947.74	17,913.90	39,665.29	2,092.28	20,089.07	41,475.36	4,524.91	25,704.36	27,042.22	57,141.23
Tax	31,513.97	87.84%	27,683.36	1,011.07					15,536.09					11,136.20	
State Shared Rev			3,006.10							1,242.78			259.50		1,503.82
Child Care															
Exp	230,950.00	63.99%	147,776.98	99.00	5,154.41	10,254.82	13,694.72	15,828.67	10,935.78	0.00	22,838.73	13,837.99	99.00	15,938.49	39,095.37
Rev	230,776.00	60.76%	140,229.89	580.00	42,478.56	446.00	-26.17	62,055.40	-28,241.70	806.00	23,479.80	855.00	607.00	36,841.00	349.00
Tax	204.64	136.64%	279.62	106.43					100.88					72.31	
State Shared Rev			19.52							8.07			1.69		9.76
Fraud															
Exp	74,689.00	103.38%	77,213.73	5,646.39	5,662.23	5,759.23	6,011.48	5,646.41	8,942.52	5,822.08	5,901.33	6,123.43	5,903.95	6,022.65	9,772.03
Rev	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax	73,669.03	86.27%	63,556.97	1,206.18					36,318.13					26,032.66	
State Shared Rev			7,027.26							2,905.21			606.62		3,515.43
Adult Services															
Exp	5,500.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rev	8,839.00	323.24%	28,570.87	2,165.03	523.12	-114.13	163.12	23.12	613.12	10,103.24	1,113.12	613.12	590.00	12,036.24	741.77
Tax															
Dev. Disability															
Exp	77,429.00	68.37%	52,941.87	4,411.87	5,845.33	4,620.24	5,123.88	4,474.08	4,757.76	4,414.80	3,171.67	4,734.00	3,909.24	3,799.08	3,679.92
Rev	57,015.00	64.27%	36,642.00	0.00	9,176.00	0.00	0.00	10,355.00	0.00	0.00	8,952.00	0.00	0.00	8,159.00	0.00
Tax	20,054.35	86.51%	17,349.32	376.05					9,886.60					7,086.67	
State Shared Rev			1,912.98							790.86			165.14		956.98

Mental Health															
Exp	1,225,163.00	123.93%	1,518,381.14	132,192.61	109,156.01	142,841.86	113,454.63	126,507.93	134,020.56	106,376.64	135,402.79	135,877.60	125,384.82	136,456.36	120,709.33
Rev	797,301.00	109.69%	874,535.75	32,971.07	34,781.02	94,880.65	26,541.27	80,520.00	87,113.34	57,682.43	230,877.50	75,482.58	-11,725.08	36,227.49	129,183.48
Tax	421,550.57	86.35%	364,008.01	7,222.92					207,820.40					148,964.69	
State Shared Rev			40,211.54							16,624.25			3,471.21		20,116.08
Chemical Dependency															
Exp	46,000.00	63.85%	29,369.59	-17.19	2,460.62	8,840.08	2,747.21	0.00	4,678.78	1,020.00	185.77	4,028.89	4,224.21	523.22	678.00
Rev	20,000.00	43.91%	8,782.09	583.88	1,915.57	1,449.48	0.00	1,931.31	229.95	0.00	638.04	2,033.86	0.00	0.00	0.00
Tax	25,579.53	88.59%	22,660.65	1,011.07					12,610.46					9,039.12	
State Shared Rev			2,440.01							1,008.75			210.63		1,220.63
Child Services															
Exp	560,639.00	131.76%	738,722.72	59,596.08	57,996.44	68,037.79	42,849.03	60,045.98	66,121.84	63,055.67	74,713.94	70,747.75	46,252.58	61,155.12	68,150.50
Rev	276,235.00	154.53%	426,876.86	14,355.49	55,512.00	16,604.05	15,368.29	98,527.24	8,027.70	91,087.16	36,897.66	7,001.19	2,933.99	46,204.36	34,357.73
Tax	280,146.96	85.78%	240,320.34	3,214.13					138,109.77					98,996.44	
State Shared Rev			26,723.10							11,047.86			2,306.84		13,368.40
Social Services															
Exp	1,390,604.00	108.64%	1,510,684.58	100,568.86	94,259.80	101,854.12	98,074.90	111,084.24	184,768.19	119,044.43	120,569.86	129,194.77	128,995.72	131,742.07	190,527.62
Rev	1,267,977.00	97.31%	1,233,813.76	49,067.73	131,825.55	59,573.60	60,200.71	124,119.15	58,257.56	291,186.49	147,030.00	60,267.44	54,201.74	138,008.38	60,075.41
Tax	120,735.36	86.92%	104,946.05	2,760.03					59,521.38					42,664.64	
State Shared Rev			11,516.89							4,761.31			994.18		5,761.40
Income Main. Admin															
Exp	96,111.00	100.74%	96,820.65	7,188.53	7,370.08	7,156.32	7,156.31	7,279.74	10,304.99	7,259.48	7,427.16	7,550.49	7,432.41	7,427.17	13,267.97
Rev	46,300.00	92.39%	42,777.55	1,095.72	8,009.23	1,095.72	1,109.30	8,459.33	1,109.30	1,134.12	9,181.38	1,134.12	1,110.43	8,140.87	1,198.03
Tax	49,112.68	86.12%	42,298.01	730.81					24,212.09					17,355.11	
State Shared Rev			4,684.86							1,936.82			404.40		2,343.64
Social Services Admin.															
Exp	264,091.00	99.29%	262,210.52	19,869.02	20,070.97	20,176.38	22,698.46	20,153.58	27,967.14	20,186.63	19,959.16	20,703.12	19,965.11	18,805.24	31,655.71
Rev	65,000.00	91.56%	59,511.48	0.00	16,443.00	0.00	0.00	13,603.00	0.00	0.00	16,558.00	0.00	0.00	12,861.00	46.48
Tax	196,041.48	86.10%	168,799.50	2,877.11					96,646.58					69,275.81	
State Shared Rev			18,700.31							7,731.08			1,614.28		9,354.95
FS Admin															
Exp	760,823.00	98.05%	745,971.23	61,454.46	62,182.25	53,546.23	56,132.13	59,155.32	87,116.18	59,747.84	55,759.96	54,070.87	55,573.56	76,326.30	64,906.13
Rev	136,263.00	93.56%	127,491.39	3,672.72	24,161.03	3,672.72	3,730.98	24,520.08	3,730.98	3,862.98	25,824.79	3,862.98	4,046.59	22,317.77	4,087.77
Tax	437,921.47	86.74%	379,843.31	9,202.48					215,891.10					154,749.73	
State Shared Rev			42,751.25						371.33	17,269.85	303.45		3,606.01		21,200.61
Agency Totals															
Exp	6,389,859.00	105.02%	6,710,608.28	498,479.24	495,520.07	571,091.51	488,351.12	517,803.56	716,685.49	495,802.03	562,908.14	568,035.31	517,099.71	571,229.99	707,602.11
Rev	4,343,497.00	96.19%	4,178,220.82	175,026.40	465,981.29	244,437.40	153,514.66	587,688.71	155,959.52	622,333.31	683,506.29	198,309.35	89,630.49	482,816.06	319,017.34
Tax	2,046,362.00	86.37%	1,767,442.50	35,476.02	0.00	0.00	0.00	0.00	1,008,836.91	0.00	0.00	0.00		723,129.57	0.00
State Shared Rev			196,179.72	0.00	0.00	0.00	0.00	0.00	371.33	80,700.23	303.45	0.00	16,850.52		97,954.19
Total Revenue	6,389,859.00	96.12%	6,141,843.04	210,502.42	465,981.29	244,437.40	153,514.66	587,688.71	1,165,167.76	703,033.54	683,809.74	198,309.35	106,481.01	1,205,945.63	416,971.53

# Board Approval Report

SSIS pymt. batch #: 175323013

Paid Cnty Vendor				Total Payments	Total Amount
ABF Transportation, 000010198				1	2,387.00
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Transportation	116	1	2,387.00		
ASL Interpreting Services, Inc., 000001023				2	276.00
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Adult Outpatient Psychotherapy	452	2	276.00		
Card Services, 000011484				1	130.83
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Community Support Services	434	1	130.83		
Central Mn Mental Health Center, 000011298				2	2,580.00
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Detoxification	371	2	2,580.00		
DHS, 000011849				4	2,107.91
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Behavioral Health Fund (BHF)	359	1	1,052.91		
Northstar Adoption Assistance	178	1	456.26		
Northstar Kinship Assistance	175	1	499.74		
Other Child Care	214	1	99.00		
DHS STATE OPERATED SERVICES, 000011816				7	11,488.20
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
State-Operated Inpatient	472	7	11,488.20		
Dungarvin Minnesota, LLC, 000017781				4	3,473.34
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Children's Group Residential Care	183	4	3,473.34		
Family Pathways, 000012298				2	1,115.04
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Family-Based Counseling Services	162	2	1,115.04		
Ignaszewski/Karissa, 000012959				2	11,163.00
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Adult Outpatient Psychotherapy	452	2	11,163.00		
Jessica Stokes Inc., 000016761				2	7,822.50
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Adult Outpatient Psychotherapy	452	2	7,822.50		
Kanabec County Community Health, 000013263				1	13,353.70
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Adult Outpatient Psychotherapy	452	1	13,353.70		
Mora Public Schools, 000014770				1	235.00
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Adolescent Life Skills Training	146	1	235.00		
Nexus-Gerard Family Healing , LLC, 000012394				1	12,772.00
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Children's Residential Treatment	483	1	12,772.00		
Nexus-Mille Lacs Family Healing, 000014598				1	16,262.60
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Children's Residential Treatment	483	1	16,262.60		
North Homes Inc, 000003260				3	21,269.02
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		

# Board Approval Report

Paid Cnty Vendor				Total Payments	Total Amount
Children's Residential Treatment	483	3	21,269.02		
NORTHWOOD CHILDREN'S HOME, 000015202				2	9,088.94
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Children's Residential Treatment	483	2	9,088.94		
Options Residential, 000015334				1	1,511.25
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Child Family Foster Care	181	1	1,511.25		
PHASE, Inc., 000015579				2	1,058.40
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Day Training and Habilitation	566	1	712.80		
Transportation	516	1	345.60		
Prairie Lake Youth Programs, 000015767				5	32,693.26
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Correctional Facilities	185	3	32,550.00		
Health-Related Services	118	2	143.26		
Premier Biotech Labs, LLC, 000015779				1	407.75
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Health-Related Services	118	1	407.75		
Procentive.com LLC, 000010757				1	868.77
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Adult Outpatient Psychotherapy	452	1	868.77		
Residential Services of NE MN Inc., 000016246				2	1,422.57
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Children's Group Residential Care	183	1	882.57		
Semi-Independent Living Services (SILS)	534	1	540.00		
Richardson MD/Paul T, 000016136				2	4,445.00
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Adult Outpatient Psychotherapy	452	2	4,445.00		
Volunteers Of America of MN, 000017460				3	1,332.00
<b>Svc Description</b>	<b>Svc Code</b>	<b>Payments</b>	<b>Amount</b>		
Semi-Independent Living Services (SILS)	534	3	1,332.00		
Report Totals:				53	159,264.08

I hereby certify that the above amounts have been approved and allowed by the county Welfare Board for payment to the claimant as in each instance stated that said county Welfare Board authorizes and instructs the county Auditor and county Treasurer of said county to pay the same.

Signature

Title

Date





# 9:40am Appointment

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> 2023 Kanabec County 4-H Clean Up Day Claim	<b>b. Origination:</b> Kanabec County Clean Up Day
<b>c. Estimated time:</b> 10 minutes	<b>d. Presenter(s):</b> Nikki Priebe, Extension Educator 4-H Youth Development

**e. Board action requested:**

### Resolution #\_\_ - 1/16/24 2023 Clean Up Day Claim

**WHEREAS** the board did authorize by Resolution #15 – 9/5/23 the expenditure of up to \$5,000 in SCORE/Surcharge funds in support of Kanabec County Clean-Up Day to be held on Saturday, October 14, 2023, and

**WHEREAS** the board has received a report of the Clean-Up Day and request for support payment;

**BE IT RESOLVED** to authorize payment of \$3,990.01 in SCORE/Surcharge funds to “Kanabec County 4-H” for Kanabec County Clean-Up Day 2023.

**f. Background:**

Action #15 – It was moved by Wendy Caswell, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

### Resolution #15 – 9/5/23

**WHEREAS** the board has received a request for support of a Kanabec County Clean-Up Day and Household Hazardous Waste Collection to be held on Saturday, October 14, 2023, and

**WHEREAS** the Kanabec County Board of Commissioners and Environmental Services support such an event;

**BE IT RESOLVED** that the county will provide up to \$5,000, to be paid using SCORE/Surcharge funds to help fund the County Clean-up Day.

**BE IT FURTHER RESOLVED** that the county will provide up to \$9,000, to be paid using SCORE/Surcharge funds to help fund the Household Hazardous Waste Collection.

Supporting Documents: None    Attached: ☒

Date received in County Coordinators Office: 12/20/23

Coordinators Comments:

# Kanabec County Clean Up Day

---

Nikki Priebe, Kanabec County 4-H Extension Educator  
317 Maple Ave East  
Mora, MN 55051  
320-515-0680 / oste0270@umn.edu

December 13, 2023

Kristine McNally  
Kanabec County Coordinator  
Courthouse  
317 Maple Ave E  
Mora, MN 55051

Dear Kris,

Below is the bill for expenses coming from SCORE funds. Attached is the 2023 summary sheet. The number of participants was up slightly from last year. I continue to receive numerous calls throughout the year, same with Cory Stanchfield, asking about Clean Up Day, so people do anticipate this event.

I know the board had a lot of questions about how 4-H used the funds from the board, as this was my first year running Clean Up Day, so did I. I reached out to Val Prax, who ran the Clean Up Day for many years. After talking with her I felt confident that we ran this Clean Up Day the same as she had in the past. I am now more confident in my ability to answer the questions from the board.

Clean Up Day used to have its own checking account, separate from Kanabec County 4-H, run by Val Prax. That account is no longer active and all of the income and expenses now go through the Kanabec County 4-H Leaders' Council checking account. Kanabec County 4-H pays all the bills up front and then requests money from the board (which was allocated by the board from the SCORE fund before Clean Up Day) to cover these overhead expenses.

Evergreen Recycling, LLC charges an amount for each appliance, TV, electronic, etc. When residents come to the Clean Up Day, they are checked in by a Kanabec County 4-H volunteer. The volunteer assesses what the resident brought that can be recycled by Evergreen. That volunteer invoices the resident for the amount charged by Evergreen, plus a small fee that will go towards Kanabec County 4-H which is to be paid in full before entering the grounds. The trouble I have found with this, is that when residents bring in large trailer-ful amounts of trash and recyclables, it can be very difficult to discern exactly what we should be charging for (and how much, since some of the prices depend on relative size). Val Prax said that in the past, the board has covered the cost of these inconsistencies to allow 4-H to keep their profits.

Kanabec County deposits all of the money brought in during the Clean Up Day. We use this money to pay the invoice from Kanabec Publications, food expenses, signage expenses, and the invoice from Evergreen for what they recycled during the day. The county in the past has been willing to refund the overhead costs as well as the fee inconsistencies since this is such a valuable and highly anticipated resource for county residents, for which Kanabec County 4-H is providing all the legwork for.

I believe it has been several years now that the 4-H Clean Up Day has merged with HHW collection. This partnership continues to work well, it ran quite smoothly this year. The biggest comment I get from residents is they would really appreciate having an opportunity to bring items in as they are replaced in their homes, rather than waiting until October.

## Kanabec County Clean Up Day

Nikki Priebe, Kanabec County 4-H Extension Educator  
317 Maple Ave East  
Mora, MN 55051  
320-515-0680 / oste0270@umn.edu

I know you and the Board see the expenditure of these funds as part helping the county "clean up," and part a very successful PR activity that promotes a lot of positive feelings for both Kanabec County 4-H and Kanabec County government. On behalf of Kanabec County 4-H, I offer our thanks and appreciation for your support. For 2023, \$3085.50 will be provided to support Kanabec County 4-H Programs and regional, state, and National trip scholarships.

The following bills are to come from the designated SCORE funds.

### Kanabec County 4-H Clean Up Day \$3990.01

- **Make check to Kanabec County 4-H**
- **Send to Nikki Priebe, Kanabec County Extension Educator**
  - Kanabec Publications, advertising..... \$ 765.20
  - Evergreen charge for trucking and labor.....\$ 580.00
  - Evergreen fee inconsistencies appliances/electronics.....\$1210.00
  - East Central Solid Waste Commission (hauling of tires).....\$1196.01
  - food for workers, signage, other expenses.....\$ 238.80

Thanks for taking care of this.

Sincerely,



Nikki Priebe  
Chair, Kanabec County Clean Up Day  
Kanabec County 4-H Extension Educator, Youth Development

*\* What 4-H recorded*

Billed on Clean Up Day			
Item	Quantity	\$/item	Total Due
Appliances	33	\$15.00	\$495.00
TV <20"	19	\$25.00	\$475.00
TV 20-30"	6	\$35.00	\$210.00
TV >30"	4	\$45.00	\$180.00
Electronics (Printer/ect)	74	\$8.00	\$592.00
Electronics (computer)	36	\$10.00	\$360.00
Electronics (Commercial)	0	\$35.00	\$0.00
Mattress	9	\$22.00	\$198.00
Tires (car/truck)	444.5	\$2.00	\$889.00
Tires (truck)	6	\$25.00	\$150.00
Tires (tractor)	2.5	\$55.00	\$137.50
		Tips	\$5.00
		Total Made:	<b>\$3,686.50</b>

Invoice from Evergreen			
Item	Quantity	\$/item	Total Due
trucking	1	\$300.00	\$300.00
labor	8	\$35.00	\$280.00
appliances	45	\$5.00	\$225.00
large appliances	13	\$20.00	\$260.00
mattresses	10	\$20.00	\$200.00
CRT TV	53	\$30.00	\$1,590.00
flat screen tv	8	\$20.00	\$160.00
electronics	91	\$5.00	\$455.00
		total	<b>\$3,470.00</b>

Difference Invoiced:			
Item:	Difference:	Amount	Total
Trucking	1	\$300.00	\$300.00
Labor	8	\$35.00	\$280.00
Small Appliances	12	\$5.00	\$60.00
Large Appliances	13	\$20.00	\$260.00
Mattresses	1	\$20.00	\$20.00
Large TVs	29	\$30.00	\$870.00
		total	<b>\$1,790.00</b>

*\* What Evergreen billed us for*

*\* Price differences the county has paid in the past*

Totals

Item	Quantity
Appliances	45
Large Appliances	13
TV 20-30"	53
TV >30"	8
Electronics (Printer/ect)	74
Electronics (computer)	36
Electronics (Commercial)	0
Mattress	10
Tires (car/truck)	444.5
Tires (truck)	6
Tires (tractor)	2.5



## Expense Transaction Form

(Single Source)

Leader's Council

Checking Account		
Date:	11/15/23	
Check #	8137	
Debit/Pre-Paid Card	OR	
Payable to:	Evergreen Recycling	
Amount:	\$3,405.00	
Chart of Accounts:	Other Fundraising Expense	
Memo:	2023 Electronic and Appearance Recycling Expense	
Class List:	Clean Up Day	

\* Attach the original receipts or invoices to this form.



53465 Forest Blvd.  
 Rush City, MN 55069  
 320-358-3988  
 evergreenrecycling53465@gmail.com

# Invoice

Date	Invoice #
10/14/2023	3210b

Bill To
Kanabec County 4H 905 E Forest Ave Suite 150 Mora, MN 55051

Net 30	Ship	Project
	10/14/2023	

Quantity	Item Code	Description	Price Each	Amount
1	trucking	Recycle Day	300.00	300.00
8	labor	2 workers	35.00	280.00T
45	appliances		5.00	225.00
13	appliances W/ Freon		15.00	195.00T
10	Mattress		20.00	200.00T
53	CRT TV		30.00	1,590.00T
8	Flat Screen		20.00	160.00T
91	electronics		5.00	455.00
		Nontaxable Sales	0.00%	0.00
			<b>Total</b>	\$3,405.00



Use this form for multiple entries - Attach all receipts

[illegible]

**\*Attach all original receipts & invoices to this form**

**KANABEC PUBLICATIONS, INC**107 S. PARK ST.  
MORA MN 55051

(320) 679-2661

Fax(320) 679-2663

Advertising Invoice

1. Billing Period 09/2023		2. Advertiser/Client Name KANABEC CO 4-H	
23. Total Amount Due 237.40		3. Terms of Payment	
21. Current Net Amount Due N/A	22. 30 Days N/A	60 Days N/A	Over 90 Days N/A
4. Page Number 1	5. Billing Date 09/10/23	6. Billed Account Number 912800	7. Advertiser/Client Number 24819

8. Billed Account Name and Address KANABEC CO 4-H NICOLE PRIEBE 18 N VINE ST., SUITE 291 MORA MN 55051	Amount Paid:  Comments:
--	-------------------------------

**INVOICE**

Thank you, we appreciate your business.

Please Return Upper Portion With Payment

10. Date	11. Reference	12.13.14. Description-Other Comments-Charges	15. SAU Size 16. Billed Units	17. Times Run 18. Rate	19. Gross Amount	20. Net Amount
09/10/23	1771624 ACV	4-H CLEAN UP DAY ADV ADV/SEO	3.0X 8.00 24.00	1 8.85	237.40	237.40

ALL PAST DUE AMOUNTS ARE SUBJECT TO A 1.5% SERVICE CHARGE PER MONTH  
Sign up now to receive your invoices by email.

**Statement of Account - Aging of Past Due Amounts**

Due date: 10/08/23

21. Current Net Amount Due	22. 30 Days	60 Days	Over 90 Days	Unapplied Amount	23. Total Amount Due
N/A	N/A	N/A	N/A		237.40

**KANABEC PUBLICATIONS, INC**

(320) 679-2661

\* UNAPPLIED AMOUNTS ARE INCLUDED IN TOTAL AMOUNT DUE

UNAPPLIED AMOUNTS ARE INCLUDED IN TOTAL AMOUNT DUE				
24. Invoice Number	25. Advertiser Information			
	1. Billing Period	6. Billed Account Number	7. Advertiser/Client Number	2. Advertiser/Client Name
912800	09/2023	24819	24819	KANABEC CO 4-H .

**KANABEC PUBLICATIONS, INC**  
107 S. PARK ST.  
MORA MN 55051

(320) 679-2661

Fax(320) 679-2663

Advertising Invoice

1) Billing Period 09/2023		2) Advertiser/Client Name KANABEC CO 4-H	
24) Total Amount Due 237.40		3) Terms of Payment	
21) Current Net Amount Due N/A	22) 30 Days N/A	23) 60 Days N/A	25) Over 90 Days N/A
4) Page Number 1	5) Billing Date 09/17/23	6) Billed Account Number 913786	7) Advertiser/Client Number 24819

8) Billed Account Name and Address KANABEC CO 4-H NICOLE PRIEBE 18 N VINE ST., SUITE 291 MORA MN 55051	Amount Paid:  Comments:
--	-------------------------------

# INVOICE

Thank you, we appreciate your business.

Please Return Upper Portion With Payment

10) Date	11) Reference	12) (13) (14) Description-Other Comments/Charges	15) SAU Size 16) Billed Units	17) Times Run 18) Rate	19) Gross Amount	20) Net Amount
09/17/23	1773480 ACV	4-H CLEAN UP DAY ADV ADV/SEO	3.0X 8.00 24.00	1 8.85	237.40	237.40

ALL PAST DUE AMOUNTS ARE SUBJECT TO A 1.5% SERVICE CHARGE PER MONTH  
Sign up now to receive your invoices by email.

## Statement of Account - Aging of Past Due Amounts

Due date: 10/15/23

21) Current Net Amount Due	22) 30 Days	23) 60 Days	24) Over 90 Days	25) Unapplied Amount	26) Total Amount Due
N/A	N/A	N/A	N/A		237.40

**KANABEC PUBLICATIONS, INC**

(320) 679-2661

\* UNAPPLIED AMOUNTS ARE INCLUDED IN TOTAL AMOUNT DUE

24) Invoice Number	25) Billing Period	26) Billed Account Number	27) Advertiser/Client Number	28) Advertiser/Client Name
913786	09/2023	24819	24819	KANABEC CO 4-H

**KANABEC PUBLICATIONS, INC**  
107 S. PARK ST.  
MORA MN 55051

(320) 679-2661

Fax(320) 679-2663

Advertising Invoice

1) Billing Period 10/2023		2) Advertiser/Client Name KANABEC CO 4-H	
23) Total Amount Due 53.00		3) Terms of Payment	
21) Current Net Amount Due N/A	22) 30 Days N/A	60 Days N/A	Over 90 Days N/A
4) Page Number 1	5) Billing Date 10/23/23	6) Billed Account Number 917533	7) Advertiser/Client Number 24819

8) Billed Account Name and Address KANABEC CO 4-H NICOLE PRIEBE 18 N VINE ST., SUITE 291 MORA MN 55051		Amount Paid:  Comments:
--	--	-------------------------------

# INVOICE

Thank you, we appreciate your business.

Please Return Upper Portion With Payment

10) Date	11) Reference	12) Description-Other Comments/Charges	15) SAU Size 16) Billed Units	17) Times Run 18) Rate	19) Gross Amount	20) Net Amount
10/23/23	1781639 COPY	100 CLEANUP DAY FORMS #42972 CP		1 0.00	53.00	53.00

ALL PAST DUE AMOUNTS ARE SUBJECT TO A 1.5% SERVICE CHARGE PER MONTH  
Sign up now to receive your invoices by email.

## Statement of Account - Aging of Past Due Amounts

Due date: 11/07/23

21) Current Net Amount Due	22) 30 Days	60 Days	Over 90 Days	*Unapplied Amount	23) Total Amount Due
N/A	N/A	N/A	N/A		53.00

**KANABEC PUBLICATIONS, INC**

(320) 679-2661

\* UNAPPLIED AMOUNTS ARE INCLUDED IN TOTAL AMOUNT DUE

24) Invoice Number	25) Billing Period	6) Billed Account Number	7) Advertiser/Client Number	2) Advertiser/Client Name
917533	10/2023	24819	24819	KANABEC CO 4-H

**KANABEC PUBLICATIONS, INC**  
107 S. PARK ST.  
MORA MN 55051

(320) 679-2661

Fax(320) 679-2663

Advertising Invoice

NC

1) Billing Period	09/2023	2) Advertiser/Client Name	KANABEC CO 4-H		
22) Total Amount Due	237.40	*Unapplied Amount	3) Terms of Payment		
21) Current Net Amount Due	N/A	30 Days	60 Days	Over 90 Days	
N/A		N/A	N/A	N/A	
4) Page Number	5) Billing Date	6) Billed Account Number	7) Advertiser/Client Number		
1	09/24/23	914428	24819	24819	

8) Billed Account Name and Address	Amount Paid:
KANABEC CO 4-H NICOLE PRIEBE 18 N VINE ST., SUITE 291 MORA MN 55051	
	Comments:

# INVOICE

Thank you, we appreciate your business.

Please Return Upper Portion With Payment

10) Date	11) Reference	12) Description-Other Comments/Charges	15) SAU Size 16) Billed Units	17) Times Run 18) Rate	19) Gross Amount	20) Net Amount
09/24/23	1774944 ACV	4-H CLEAN UP DAY ADV ADV/SEO	3.0X 8.00 24.00	1 8.85	237.40	237.40

ALL PAST DUE AMOUNTS ARE SUBJECT TO A 1.5% SERVICE CHARGE PER MONTH  
Sign up now to receive your invoices by email.

## Statement of Account - Aging of Past Due Amounts

Due date: 10/22/23

21) Current Net Amount Due	22) 30 Days	60 Days	Over 90 Days	*Unapplied Amount	23) Total Amount Due
N/A	N/A	N/A	N/A		237.40

**KANABEC PUBLICATIONS, INC**

(320) 679-2661

\* UNAPPLIED AMOUNTS ARE INCLUDED IN TOTAL AMOUNT DUE

24) Invoice Number	25) Advertiser Information
914428	1) Billing Period
	6) Billed Account Number
	7) Advertiser/Client Number
	2) Advertiser/Client Name
	09/2023
	24819
	24819
	KANABEC CO 4-H

## Expense Transaction Form (Single Source)

Checking Account		Leader's Council	
Date:		01/12/24	
Check #		8148	
Debit/Pre-Paid Card			
Payable to:		East Central Solid Waste	
Amount:		\$1,196.01	
Chart of Accounts:		Other Fundraising Expense	
Memo:		invoice for hauling tires for clean up day	
Class List:		Clean Up Day	

\* Attach the original receipts or invoices to this form.



INVOICE

East Central Solid Waste Commission  
PO Box 29  
Mora, MN 55051

ecswc.tracy@gmail.com  
+1 (320) 679-4930  
www.ecswc.com

Kanabec County Cleanup

Bill to

Kanabec County Cleanup  
Valerie Prax  
2149 Highway 70  
Mora, MN 55051

Ship to

Kanabec County Cleanup  
Valerie Prax  
2149 Highway 70  
Mora, MN 55051

Invoice details

Invoice no.: 15216  
Terms: Due on Receipt {3}  
Invoice date: 12/29/2023  
Due date: 01/31/2024

#	Date	Product or service	SKU	Qty	Rate	Amount
1.		Customer Hauling Hauling of 4H tires		1	\$1,196.01	\$1,196.01
Total						\$1,196.01

Kanabec County Cleanup Tire Charge

Car/Truck - 444	\$461.76
Truck - 6	\$72.00
Tractor - 2	\$70.00

Dirty Tire Charge	\$280.00
Extra Help Charge	\$112.25
Delivery of 2 loads	\$200.00

Total \$1,196.01



## Expense Transaction Form

(Single Source)

Checking Account		Leaders' Council
Date:		10/19/23
Check #		8113
Debit/Pre-Paid Card	OR	
Payable to:		Cory Stanchfield
Amount:		\$248.80
Chart of Accounts:		Food/Meals
Memo:		Food and Drinks for Clean Up Day workers
Class List:		Clean Up Day

# 10:00am Appointment

Item a.

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Veterans Service Officer Oath of Office	<b>b. Origination:</b> Veterans Services
<b>c. Estimated time:</b> 5 minutes	<b>d. Presenter(s):</b> Board Chair Mattson

**e. Board action requested:**

Appointment was done on January 2, 2024.

Please administer the Oath of Office.

**f. Background:**

Supporting Documents: None    Attached: ☒

**Date received in County Coordinators Office:**

**Coordinators Comments:**



## OATH OF OFFICE

State of Minnesota)  
County of Kanabec) SS

I, Erica Bliss, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Minnesota and that I will, to the best of my judgment and ability, faithfully discharge the duties of County Veteran Service Officer, County of Kanabec, State of Minnesota, for the term so appointed, so help me God.

---

Subscribed and sworn to before me this 16<sup>th</sup> day of January, 2024.

---

Rickey Mattson, Board Chair  
Kanabec County Board of Commissioners

# 10:00am Appointment

## Item b.

**January 16, 2024**

### REQUEST FOR BOARD ACTION

<b>a. Subject:</b> NACVSO Conference	<b>b. Origination:</b> Kanabec County Veterans Services Office
<b>c. Estimated time:</b> 5 minutes	<b>d. Presenter(s):</b> Erica Bliss, KCVSO

**e. Board action requested:**

KCVSO would like to travel to Denver, CO for National Association of County Veteran Service Officer training. Training dates: May 13-17, 2024

KCVSO last attended NACVSO conference in 2022.

Training costs will be covered 100% (travel, hotel, meals) by MDVA CVSO Operational Enhancement Grant FY24.

---

**f. Background:**

CVSO budgets for this training every two years with MDVA grant funds.

**Supporting Documents:** None ☒ **Attached:**

**Date received in County Coordinators Office:**

**Coordinators Comments:**

# 10:10am Appointment

## Item a.

**January 16, 2024**

### REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Statewide Affordable Housing Aid – New Affordable Housing Fund	<b>b. Origination:</b> Kanabec County EDA
<b>c. Estimated time:</b> 15 minutes	<b>d. Presenter(s):</b> Jim Hartshorn

#### **e. Board action requested:**

**Discussion at this time.**

#### **f. Background:**

The Statewide Affordable Housing Aid is a new aid program from the 2023 omnibus tax bill, which appropriates \$22.5 million in 2023 and 2024 to counties, tribal governments, and greater Minnesota local governments, to develop and preserve affordable housing in their communities.

Kanabec County will receive \$96,260 in both 2023 and 2024, for a total of \$192,520, which will need to be allocated to an eligible project by December 31, 2027 and 2028.

The creation of a new affordable housing fund would meet the requirements of the Statewide Affordable Housing Aid.

Qualifying projects include:

New construction, acquisition, rehabilitation, demolition or removal of structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed:

- For homeownership projects, 115% of the greater of state or area median income as determined by the United States Dept. of Housing and Urban Development.
- For rental housing projects, 80% of the greater of state or area median income as determined by U. S. Dept. of Housing and Urban Development.

On January 10, 2024, the EDA Board moved to make the recommendation to the County Board to consider moving forward with adopting a new affordable housing fund program.

If the Board supports using the Statewide Affordable Housing Aid to fund a new affordable Housing Fund program, then I will bring back a Resolution, guidelines, policy and application for review/approval at the next County Board meeting.

**Supporting Documents:** None X    **Attached:**

**Date received in County Coordinators Office:**

**Coordinators Comments:**

# 10:10am Appointment

Item b.

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> EDA Updates	<b>b. Origination:</b> Kanabec County EDA
<b>c. Estimated time:</b> 15 minutes	<b>d. Presenter(s):</b> Jim Hartshorn

**e. Board action requested:**

EDA updates. No action at this time.

---

### f. Background:

Jim Hartshorn, Executive Director of the EDA will provide an update on the recent EDA Annual meeting, EDA activity and will the EDA Strategic Plan 2024 – 2026.

Please see the following attachments:

1. List of EDA updates
2. EDA Strategic Plan 2024 - 2026
3. Newsletter from East central Development Partnership (GPS 45:93

Supporting Documents: None      Attached: X

**Date received in County Coordinators Office:**

**Coordinators Comments:**

## **Kanabec County EDA Updates**

**1/16/2024**

### **COMMERCIAL/INDUSTRIAL DEVELOPMENT:**

- I recently attended the following events:
  - The MN State of Manufacturing presentation lead by Bob Kill, President and CEO of Enterprise Minnesota. He shared the results of the 15<sup>th</sup> annual State of Manufacturing survey. It was a great networking opportunity for manufacturers and affiliates. The event was sponsored by the Initiative Foundation.
  - Minnesota Commercial Association of Realtors (MNCAR) Event. I spoke with many developers about opportunities in Kanabec County.
  - Non-traditional lenders quarterly meeting at the Braham Event Center.
  - Provided an EDA update at SPIRE Bank's Annual Meeting.
  - Community Venture Network (CVN) Event. CVN exists to connect rural communities with businesses searching for opportunities to expand and grow their operations.
  - Career Fair sponsored by DEED and Central MN Jobs
- Kirsten Faurie (City of Mora), Brad Brzenzki (MN DEED), Jordan Zeller (ECRDC), Bob Voss (ECRDC) and myself met with Derick Carlson from North Star Pontoon regarding an expansion proposal. He would like to separate from current business partner and work with new investors, purchase a new lot in the Mora industrial park, rebuild an entirely new pontoon manufacturing building and purchase new equipment. The group reviewed funding options with him and a step-by-step time-line for him to follow.
- Kirsten and I have had discussions with a prospective manufacturer regarding a site in the Mora Industrial Park. We are currently reviewing his pro-forma information and exploring funding options, and have had conversations with DEED,
- Kirsten Faurie, Comm. Dev. Dir. From City of Mora and I provided a tour of available properties in Mora to a Hotel Developer looking for new locations for a hotel and possible retail.

- Continued working with the SBDC to schedule Business Retention and Expansion visits. Visited 51 commercial/industrial businesses so far. We plan to continue the site visits every spring and fall.
- I am working with the Tyler Treichel City Administrator, City of Braham on a possible expansion of their industrial park. If we find a new location I would assist with going through the state process to get the area shovel ready and market the sites to developers. I am also working Heather Heins, From the City of Ogilvie on a similar project for Ogilvie.
- Kirsten and I had conversations and emails with potential entrepreneur, providing her with small business resources and contacts, information about the City of Mora's RED/MIC loan program, building permits, licensing, and zoning.
- Marie Keintop has purchased the building at 125 Railroad Ave. Formerly the home of Midwest Environmental Consulting, the new owner expressed her intent to renovate the building and open a bar/pizza business.
- Kirsten and I recently met with Sadie Broekemeier, President of Recovering Hope Treatment Center and toured the facility. The center is among the City's top 10 employers and recently constructed two homes at their campus to serve clients. The RHTC is strongly affected by addiction treatment funding changes recently made at the legislature. We discussed the possibility of expanding their daycare facility, which currently has 30 units to serve the clients with children. We plan to follow up with Sadie on funding options.
- I was appointed Vice Chair of the East Central Development Partnership (GPS 45:93). I also serve on the marketing committee to work on regional marketing efforts. We recently met to discuss a strategic plan and participation at future events. I have not received a formal copy of that plan yet. We are also rebranding with an organizational name change, new logo and web site in the coming months. See attached newsletter for more information.
- Currently working with DEED's MN Marketing Partnership committee to participate in a Familiarization events and tours with site selectors, real estate agents and other influences to show case the region, including Kanabec County.
- Continue to maintain the EDA's Web Site listing funding/technical programs.
- I was told I could re-apply to become a Small Business Development Consultant – with the North Central Regional SBDC satellite office for 2024. I have not received anything yet.
- Met with community leaders from Mora, Quamba, Ogilvie, and Grasston to build stronger partnerships with these communities and discuss future economic development needs.



## HOUSING DEVELOPMENT:

- I met with a developer interested in building a three-story affordable housing project with some retail space along Hwy. 65 in Peace Township. You may recall, Peace Township is not an EDA member, as they have not paid any dues. However, they may change after I present this project to the Township Board at their next meeting. The benefit of this project would far out way any cost they would pay to the EDA.
- **Ogilvie Development** – There was a slight delay (recently discovered easement issue) with the Blue Waters Company’s 24-unit town home project in Ogilvie. The easement was worked out, but construction was pushed back to spring 2024.
- **Ogilvie Development** – as you know, I am working with a developer to construct fourteen double-wide, manufactured homes in Ogilvie along HWY. 23. I sent the developer a letter of support and helped them complete an application to the MN Dept. of Finance. They are applying for \$750,000. The total project cost estimate is about \$2 million. They are still waiting to hear from the MN Dept. of Development. (DEED) regarding grant approval.
- **Ogilvie Development** – I am working with City Coordinator of Ogilvie to possibly expand their industrial park. Also, investigating the possibility of purchasing land for new housing development.
- **Mora Development** - Senior Housing project I – this project is a partnership between the Mora HRA, City of Mora staff and County EDA. As you know, we secured grant funds for a feasibility study from the Initiative Foundation. The EDA has also provided letters of support in the future. They did not receive grant funding from MN Housing. We reviewed the possibility of using funds from a possible new Kanabec County program called Housing Trust Funds to leverage funds to gain higher grant scoring for next year’s grant.
- **Mora Development** - Senior/Memory Care Housing Project. I presented a developer a few locations that match what they are looking for. Their project would consist of 24-units for senior housing, including seven units for memory care. They are also seeking funds from a federal program. They mentioned that they have a verbal commitment on a property that I showed them. I am looking forward to reviewing their site plans and funding proforma.
- **Mora Development** – You may recall, a local developer reviewed his proposal with the EDA Board to build 4-plexes (all rentals) along 9<sup>th</sup> Avenue. He also mentioned that he owns land in another township that he is interested in doing future housing projects.
- **Mora Development** - Staff from the City of Mora and I met with a developer who is interested in purchasing land located in downtown Mora (Union and Forest Streets), which is owned by the

City of Mora. I reviewed his site plans, which includes retail use on the bottom level with apartments on second and third floors. Unfortunately, the bank he was working with decided not to fund his project at this time. I am working with him on finding another bank.

- **Former Mora High School Property Development** – Dan Foche recently mentioned that he will talk to the School Board again regarding working with me and Kirsten Faurie to send Requests for Proposals (RFP's) to developers.
- **Grasston Development** - Members from Grasston reached out to me to discuss available land for housing development. I am planning to meet with them to discuss some options this month.
- I exposed Kanabec County to multiple housing developers through various resources, including attending conferences, events and calling and scheduling visits. I attended various housing conferences, including ECHO, DEED, GPS 45:93 and EDAM. I attended the MNCAR Event on October 25<sup>th</sup>.
- Last fall I drove a site selector around Kanabec County to look at available sites for housing, industrial or commercial development. They mentioned that they work with various developers and will have them contact me if they are interested in any of the sites.

#### **BROADBAND EXPANSION:**

- Dennis Rice, Manager of Broadband, East Central Energy has agreed to provide a brief update on broadband projects scheduled for 2024 and the Boarder-to-Boarder Round 9 grant program at our next Board meeting.

#### **CHILD CARE CAPACITY DEVELOPMENT:**

- The child care capacity committee now consists of public and private sector committee members. The purpose is still to increase more childcare slots in Kanabec County. We recently found a site for a possible child care facility and have been talking to someone interested in managing a child care facility.
- We have also spoken with two possible new childcare providers and have linked them to technical and financial resources. Pine Tech offers a certificate program to future child care workers and facility owners and the Initiative Foundation will pay for their classes at Pine Tech.
- Kirsten Faurie and I recently visited with Sadie Broekemeier, President of the Recovering Hope Treatment Center. We toured the facility and found out that they manage a sizable day care operation (30 units) for their clients. Sadie mentioned that they would be interested in

constructing another facility to expand their day care operation if funding were available. They would also need to rezone their operation to allow more flexibility regarding who would be able to use their day care facility.

- I plan to resume visiting Business Retention & Expansion visits to childcare facilities this winter now that the latest Feasibility Study has been completed. ***See attached information.***

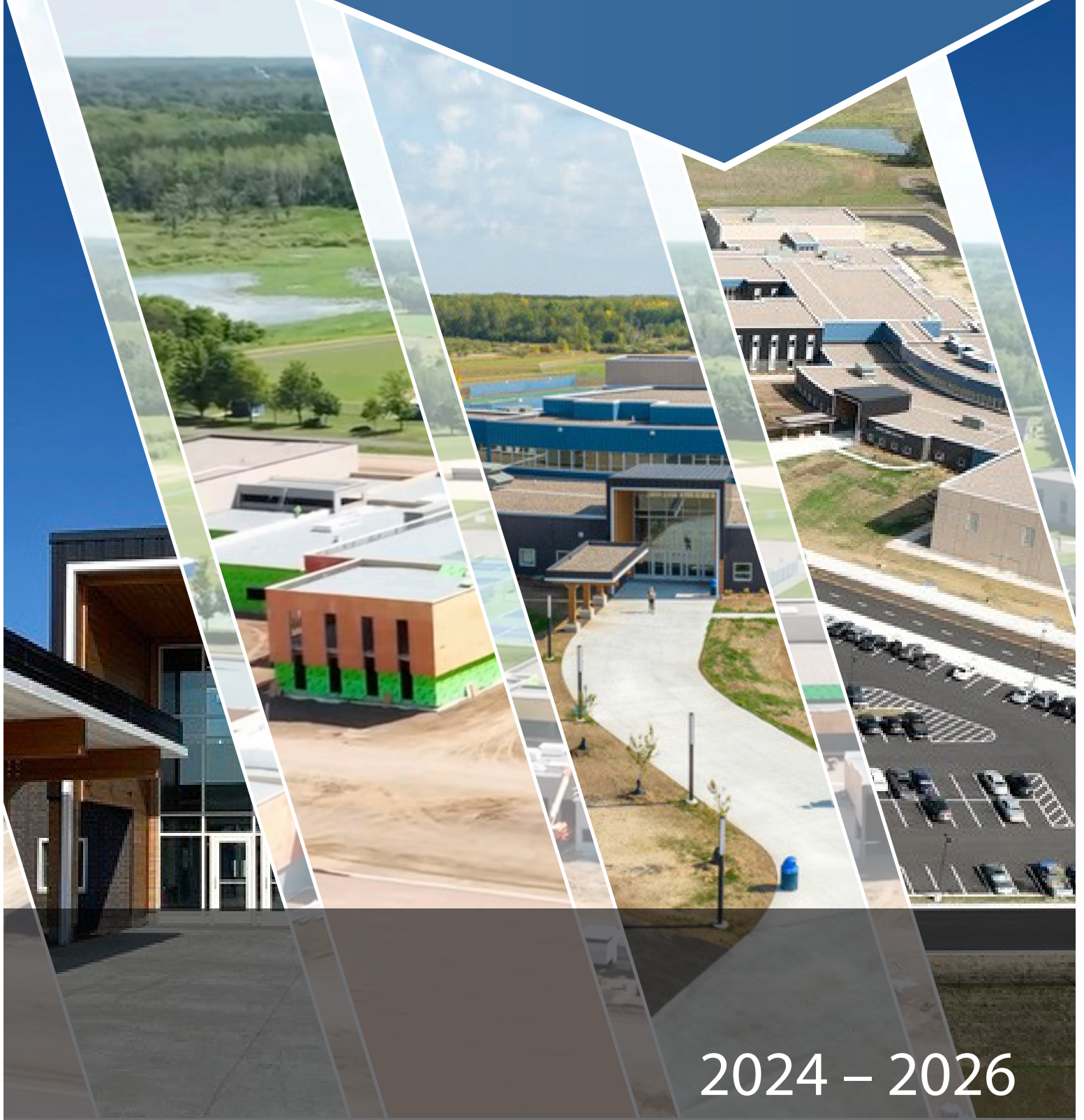
#### **ADVOCACY:**

- Recently attended a Hwy. 65/ Hwy. 23 Corridor Project Schedule Presentation by MNDOT. See attached information that was presented at the meeting.

#### **Marketing Activities:**

- **I recently attended or plan to attend the following Events, Conferences and Seminars:**
  - MN Association of Commercial Realtor's (MNCAR'S) – Fall Conference
  - East Central Regional Development Commission – Fall Brainstorming Visits
  - Economic Development Association of MN (EDAM) – Winter Conference
  - East Central Housing Organization (ECHO) - Winter Housing Conference
  - Association of MN County's Economic Development Committee (MAPCED) Conferences
  - Community Venture Network (CVN) – Fall Conference
  - East Central MN Career Fair – Sponsored by DEED
  - Non-Traditional Lenders Forum Event
  - SPIRE Bank's Fall Advisory Council Event
  - GPS: 45/93 (East Central Development Partnership) Annual Meeting
  - Hwy. 23 Coalition Day at the Capitol – Spring Event
  - SBDC Quarterly Meetings
  - Mora Chamber Events including Annual Gala
  - I am assisting staff from the Dept. of Employment and Economic Development (DEED) with planning the following events:
    - a. Launch MN Spring Event
    - b. MN Marketing Partnership Spring Event
    - c. FAM Tour Spring Event

# KANABEC COUNTY EDA STRATEGIC PLAN



2024 – 2026

# KANABEC COUNTY EDA COMMERCIAL/INDUSTRIAL DEVELOPMENT:

## ACTION STEPS:

1. Continue the Business Retention & Expansion (BRE) Program with East Central Regional Development Commission (ECRDC) and related partners to establish expansion, work force and training needs.
2. Assist communities with funding and marketing redevelopment sites.
3. Maintain county-wide vacant buildings/land available property list.
4. Market vacant buildings/land through community outreach, East Central Development Partnership (formerly known as GPS 45:93) LocationOne.
5. Maintain EDA Website - funding/technical programs.
6. Work with the East Central Development Partners Marketing Committee on regional marketing efforts.
7. Participate in "Familiarization" events & tours for site selectors, real estate agents and other influences to show case the region.
8. Participate in the regional job fair hosted by GPS 45:93 to engage/encourage high school, retired community, ex-offenders to provide additional labor force.
9. Celebrate Manufacturing Month (October) – co-sponsor w/City of Mora an appreciation lunch and tour of a manufacturing facility.

## OUTCOME:

1. Decreased vacancy rate in commercial and industrial districts.
2. Population increases in Kanabec County.
3. Fewer vacant buildings.
4. Increased tax base.
5. Stronger partnerships with cities/townships/county.





# KANABEC COUNTY EDA HOUSING DEVELOPMENT:



## ACTION STEPS:

1. Connect with local and non-local housing developers to make them aware of opportunities for new housing development projects and incentives.
2. Investigate possible funding sources, such as a Housing Trust Fund (HTF). Incentive for affordable housing projects.
3. Maintain positive relationships with Mora HRA/EDA and all other communities within Kanabec County.
4. Maintain list of available land for new housing developments.
5. Continue to provide tours of possible land for new housing development projects to housing developers.
6. Reach out to local Real Estate professionals to make them aware of possible housing opportunities and funding resources.
7. Conduct outreach to communities with platted undeveloped properties to understand what barrier might exist that is preventing development.



## OUTCOME:

1. Increased all types of housing from affordable, senior to market rate.
2. Letters of support for proposed housing projects.
3. Additional sites on the list of available land for more housing projects.
4. More funding options available for housing projects.



# KANABEC COUNTY EDA BROADBAND DEVELOPMENT:



## ACTION STEPS:

1. Continue partnership with East Central Energy (ECE) on broadband development.
2. Continue to reach out to ECE for monthly updates.
3. Draft letters of support as needed for possible grant funding.



## OUTCOME:

1. Anyone who wants broadband in the county can get it.
2. Improved broadband access map that indicates areas that are served, underserved, or unserved shows entire county served.
3. More employees working from home.





# KANABEC COUNTY EDA CHILD CARE GROWTH OPPORTUNITIES:

## ACTION STEPS:

1. Continue to participate with newly created public and private sector committee to seek opportunities to expand child care facilities.
2. Investigate other communities child care programs for new ideas.
3. Conduct Business Retention & Expansion visits to local child care facilities.
4. Identify possible new locations for child care facilities and the expansion of existing facilities.
5. Consider Pod model – multiple child care providers located in one space.
6. Establish local partnerships – businesses pay to reserve slots for their employees.
7. Continue to work with organizations like DEED and the Initiative Foundation on providing grants for training, licensing fees and supplies.

## OUTCOME:

1. Increase in slots available to families/children.
2. All childcare providers have been visited.
3. A location for a new childcare facility has been located.
4. Local partnerships have been established.





# KANABEC COUNTY EDA ADVOCACY:



## ACTION STEPS:

1. Provide support for state, county, and city projects such as Highway 23 and 65 Coalitions, attend their Annual Meeting, HWY. 23 and 65 Coalition Day at the Capitol, etc...



## OUTCOME:

1. Meetings are attended and information shared with the EDA Board.



# KANABEC COUNTY EDA MARKETING EFFORTS:

## ACTION STEPS:

1. Continue involvement in the following organizations to market Kanabec County to commercial, industrial, and housing developers:
  - a. MN Dept of Employment & Econ Development (DEED)
  - b. MNCAR
  - c. EDAM
  - d. Site Selectors
  - e. DEED's Launch MN
  - f. Initiative Foundation
  - g. MN Housing Partnership
  - h. MN Marketing Partnership
  - i. East Central Development Partnership (GPS 45:93)
  - j. East Central Regional Development Commission
2. Investigate possible funding to overlay Willard Munger State Trail.

## OUTCOME:

1. Attended various events, conferences and committee meetings to spread the word about Kanabec County.
2. Checked with the State of Minnesota about grant funding for a bike path and helped start the task force.

WHEN YOU SUPPORT  
A SMALL BUSINESS,  
YOU'RE SUPPORTING  
A DREAM.





---

**From:** East Central Development Partnership <gps4593info@gmail.com@ccsend.com>  
**Sent:** Friday, December 8, 2023 2:32 PM  
**To:** Kirsten Faurie  
**Subject:** Development News from East Central MN



**GPS:45:93**  
YOUR POINT OF OPPORTUNITY.

## **Economic Development News - December 2023**

### **Special Announcement!**

GPS 45:93 is now the East Central Development Partnership.

We're rebranding! Earlier this spring our membership selected East Central Development Partnership as our official name, going forward. Watch for a new logo and website in the coming months!

## **Annual Meeting**

### **Featured Deb Brown of SaveYour.Town**

The East Central Development Partnership met September 22 for one of our most engaging annual meetings to date! We enjoyed a tasty lunch of grilled chicken and lemon sauce on wild rice with French cut green beans at the Braham Event Center. President Stephanie Hillesheim gave a recap of the past year in a welcome overview before introducing guest presenter Deb Brown, co-founder of [SaveYour.Town](#).

"We picked the name SaveYour.Town because that is what you are going to do, save your town. No one is coming to do it for you. No factory or big business is going to save you. No outside expert has the right answer. It's you," states Deb's website, which adds: "We believe small towns can be saved by their own people using their own resources."

Deb's presentation began by covering common rural challenges (lack of housing and child care top the list along with population loss) as well as trends which are new or have accelerated since the start of the pandemic, such as inactive downtowns. One eye-opening statistic, for instance, is that an estimated 42% of the U.S. labor force is now working from home full-time.

Deb poked holes in the notion that "rural is dead," arguing instead that interest in rural areas is on the rise. According to recent survey results published on [SaveYour.Town](#), small and rural towns have high levels of optimism about the future.

The core of Deb's presentation focused on practical solutions you can put into action right away in your community to improve quality of life for residents while attracting tourists and newcomers. Examples include:

- Cheap downtown placemaking ideas (such as replacing blight with murals)
- Creative ways to fill empty buildings
- Support for innovative rural business models
- Marketing and promotion tactics that work for small towns
- A shift from passive hiring practices to active hiring (going out in the community and connecting with people)

The day before the meeting, we had the chance to tour around the region with Deb and meet local community and economic development staff. We visited Isanti, Princeton, Milaca, Ogilvie, Mora, Sandstone, Hinckley, Pine City, North Branch, and Cambridge, and spent the night at the historic [Grant House](#) in Rush City before heading to Braham for the annual meeting.

We want to thank the Initiative Foundation for its grant support in helping us make Deb's visit a success. You can view the slides from [Deb's presentation](#) and also check out [her press kit](#) to learn more.



**Featured Location: Kanabec County**



Kanabec County is located 70 miles north of the Twin Cities with a population of approximately 16,032 according to the 2020 census. The county seat is Mora (population 3,470), which sits at the crossroads of Minnesota State Highways 65 and 23.

Kanabec County is home to two Shovel Ready Certified industrial parks with several vacant lots for sale: [Mora Industrial Park](#) and [Braham Industrial Park](#). I-35 is located 17 miles east of Mora Industrial Park and 13 miles east of Braham Industrial Park.

The largest private employer in Kanabec County is Commercial Plastics, a custom injection plastics molder specializing in thermoplastics manufacturing. Major local employers also include Lakes & Pines Community Action Council, St. Clare Living Community of Mora, RJ Mechanical, OlymPak Printing & Packaging, and Welia Health.

Kanabec County is known for hosting the [Vasaloppet](#) each February, which is the largest cross-country ski race in Minnesota. Kanabec County is also home to [Ogilvie Raceway](#).

Contact the Kanabec County Economic Development Authority to learn more about this thriving business community and how you can become a part of it.

Learn more: [Kanabec County EDA](#)

## Featured Business: Sunrise Nutrition

Sunrise Nutrition is a local, family-owned business that brings healthy “fast food” to North Branch with multiple options for meal replacement shakes, energizing tea, protein balls, iced coffee, and more.

Owner Carri Anderson has devoted her life to a better health journey. The Sunrise Nutrition mission is to create a lively environment while encouraging lifelong friendships.

“We strive to improve your quality of life, achieve your wellness goals, and support your best possible life,” shares the Sunrise Nutrition website. “When you choose us, you join a community. We work not just with you but with other members of our community to build a network of people working together for a healthier world.”

With years of experience, the Sunrise Nutrition team can share knowledge about the most effective ways to take care of your body. They can also help you create a custom nutrition plan that’s right for you, and connect with more local resources.

Visit Sunrise Nutrition at 38865 7th Avenue in North Branch or online at <https://sunrisenutritionnb.com/>.



## GET FAMILIAR WITH OUR PRODUCTS

SHAKE FAVORITES	TEA FAVORITES
<ul style="list-style-type: none"><li>• Apple Crisp</li><li>• 7 Layer Bar</li><li>• S'mores</li><li>• Turtle Cheesecake</li><li>• Cookies and Cream</li></ul>	<ul style="list-style-type: none"><li>• Beach Please</li><li>• Jolly Rancher</li><li>• Mango Tango</li><li>• Strawberry Lemonade</li><li>• Captain America</li></ul>

## Featured Property: Mora Industrial Park

The 80-acre Mora Industrial Park is easily accessible from Highways 23 and 65 and served by the adjacent Mora Municipal Airport. The first addition is filled with light industrial companies representing a broad cross-section of industries. The second addition includes five certified Minnesota Shovel Ready lots ranging in size from 2.37 acres to 9.16 acres. Lots can be combined or divided to suit individual land needs. All lots are plotted on level terrain.

### Pricing and Incentives

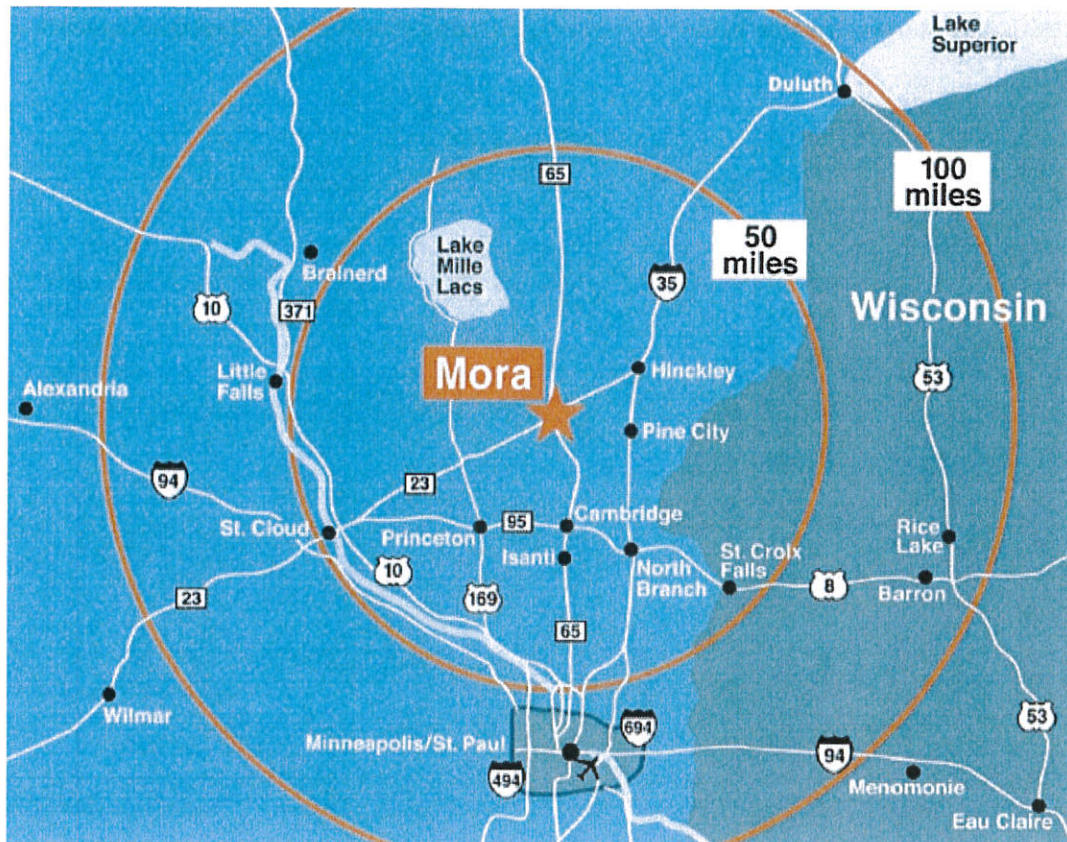
Land prices in the Mora Industrial Park are ultra competitive at only \$12,500 per acre which includes all existing infrastructure (paved streets, street lighting, storm drainage, and water and sanitary sewer). No special assessments due. Final prices are negotiable based on project size and the anticipated economic development benefits to the community. While the final decision rests with the City EDA and Council, businesses have purchased Mora Industrial Park lots for \$0 if the project met job creation goals!

The City of Mora also offers a Mora Industrial Commercial revolving loan fund which is among the few public financing programs that fund operating capital as well as machinery, equipment, and construction.

### Utilities and Rates



- Electricity: 12,470 volts, 3 phase power, KW transformer capacity up to 30,000 KVA; industrial rate of \$.0781 per kWh plus demand rate of \$11.50 per kW
- Water: 12-inch main @ 50 PSUG; \$5.53 per 1,000 gallons
- Sewer: 8-inch gravity sewer main; \$8.63 per 1,000 gallons of wastewater
- Natural Gas: 2-inch line @ 15#
- Internet Access: Wireless and DSL



### **Mora: A City for All Seasons**

Mora, the county seat of Kanabec County, is approximately 65 miles north of Minneapolis-St. Paul and 55 miles east of St. Cloud at the intersection of Highway 65 and 23. Mora is primarily a residential community with an approximate population of 3,665. It's every outdoor enthusiast's dream as it is surrounded by area lakes and rivers. There are numerous wildlife areas, including state, county, and city parks, miles of multi-purpose paved trails, and groomed ski and snowmobile trails.

For more information, contact City of Mora Community Development Director Kirsten Faurie at [k.faurie@cityofmora.com](mailto:k.faurie@cityofmora.com) or (320) 225-4807.

Learn more: [Mora Industrial Park](#)

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# 10:40am Appointment

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> 2024 Vasaloppet Update	<b>b. Origination:</b> Vasaloppet USA
<b>c. Estimated time:</b> 10-15 minutes	<b>d. Presenter(s):</b> Sharon Olson, Executive Director

**e. Board action requested:**

Information only

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### f. Background:

**January 17, 2023 Board of Commissioners meeting:**

Public Works Director Chad Gramentz led a discussion regarding snow removal operations for the Vasaloppet event. Vasaloppet USA President Jon Larson met with the Board to discuss the upcoming Vasaloppet event.

Action #16 – It was moved by Alison Holland, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

### **Resolution #16 – 1/17/23 Vasaloppet Event**

**WHEREAS** Kanabec County has historically contributed to the annual Vasaloppet ski race event by permitting closure of Main Street in Mora and with event snow removal , and

**WHEREAS** event snow removal has been on an employee volunteer basis utilizing county equipment, and

**WHEREAS** Kanabec County wishes to continue participation in the annual Vasaloppet ski race event, and

**THEREFORE BE IT RESOLVED** to continue snow removal operations for the Vasaloppet event using employee volunteers;

**BE IT FURTHER RESOLVED** that if no employees volunteer to provide this community service, the Public Works Director is authorized to use his discretion to assign, schedule and compensate employees to perform this snow removal per the collective bargaining agreement.

**Supporting Documents:** None ☒ **Attached:**

**Date received in County Coordinators Office:**

**Coordinators Comments:**

# 10:50am Appointment

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Tax Court Update and Request to Process Refund	<b>b. Origination:</b> Recovering Hope Treatment Center & County Assessor's Department
<b>c. Estimated time:</b> 10-15 minutes	<b>d. Presenter(s):</b> Tina Von Eschen, Assessor

**e. Board action requested:**

### Resolution #\_\_-1/16/23 Tax Court Refund and Interest Payment

WHEREAS, a Minnesota Tax Court Judge has ordered Kanabec County to pay a refund plus interest to Recovering Hope Treatment Center;

THEREFORE, BE IT RESOLVED that the Kanabec County Board of Commissioners hereby approves said payment.

### f. Background:

Kanabec County received the judge's decision on the Recovering Hope Tax Court. Essentially the judge affirmed the commercial classification but did reduce the value by \$531,600 for payable 2021 and \$702,200 for payable 2022 tax years. In total that will be approximately a \$56,500 refund plus 7% interest.

In speaking with the County Attorney, the Tax Court Attorney, and the consulting Appraiser, we are all in agreement that we do not wish to appeal the decision. Keeping the commercial class is a substantial win for the entire state. Our understanding is Recovering Hope Treatment Center has until January 20<sup>th</sup> to file an appeal.

Supporting Documents: None      Attached: ☒

Date received in County Coordinators Office:

Coordinators Comments:

STATE OF MINNESOTA  
COUNTY OF KANABEC

TAX COURT  
REGULAR DIVISION

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RHTC LLC,

Petitioner,

vs.

County of Kanabec,

Respondent.

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW, AND  
ORDER FOR JUDGMENT**

File No. 33-CV-21-86, 33-CV-22-71

Filed: December 20, 2023

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This consolidated matter came on for trial before the Honorable Wendy S. Tien, Judge of the Minnesota Tax Court.

Timothy A. Rye and Adam J. Pabarcus, Larkin Hoffman Daly & Lindgren Ltd, represent petitioner RHTC LLC (“RHTC”).

Richard Hodsdon, Special Assistant County Attorney, represents respondent Kanabec County.

The court, having heard and considered the evidence adduced at trial and the arguments of counsel, and upon all of the files, records, and proceedings herein, now makes the following:

**FINDINGS OF FACT**

1. Petitioner RHTC LLC (“RHTC”) has sufficient interest in the property to maintain this petition; all statutory and jurisdictional requirements have been fulfilled; and the court has jurisdiction over the subject matter of the action and the parties thereto.
2. The subject property is located at 2031 Rowland Road, Mora, Minnesota.
3. RHTC is not located within the Twin Cities metropolitan area.

4. The subject property comprises two parcels of land: a vacant, unimproved 39.49 acre parcel identified as Parcel R22.08060.10 (the “west parcel”), and an improved 7.93 acre parcel, identified as Parcel R22.08060.00 (the “east parcel”). As of the petition date, RHTC owned the subject property.
5. The east parcel is improved with a structure comprising three interconnected buildings measuring 37,200 square feet of gross building area.
6. Recovering Hope Treatment Center, Inc. (“Recovering Hope”) leased the improvement on the east parcel from RHTC for a term running from July 1, 2016 through December 31, 2025.
7. The Minnesota Department of Human Services (“DHS”) licensed Recovering Hope as a residential substance abuse disorder (“SUD”) treatment center, providing two kinds of services: residential (or inpatient), in which individuals reside at RHTC during their treatment (“resident clients” or residents) and outpatient, in which clients do not reside at RHTC but see a counselor or therapist at one of RHTC’s publicly accessible offices.
8. Individuals receiving residential treatment from Recovering Hope reside at RHTC and RHTC receives payment (through Recovering Hope) for the residential treatment that Recovering Hope receives for providing treatment to residential clients. RHTC does not receive payment on account of the rental of real property by clients.
9. During both years at issue, DHS licensed RHTC for 108 residents for SUD treatment services, as well as separately for up to 30 children as a daycare provider. Daycare services were available only to RHTC residents during their SUD treatment services and not to the public.

10. The subject property was originally constructed in July 2016 and improved with a building addition completed in spring 2019.
11. The County classified the subject property as commercial (3a) during the years at issue.
12. The subject property is a Class D building with a wood frame construction within the Group Home building type in the Marshall Valuation Service (“MVS”)
13. The subject property, as constructed, was of low-quality construction.
14. The subject property has an economic life of 40 years for its long-life components and 15 years for its short-life components, and the effective age for both components for the years at issue is the same as their actual age. The composite depreciation rate for 2020 is 9.125 percent and for 2021 is 12.75 percent.
15. RHTC did not demonstrate functional obsolescence with respect to the subject property for the years at issue.
16. RHTC did not demonstrate external obsolescence with respect to the subject property for the years at issue.
17. The Kanabec County Assessor estimated the market value of the east parcel at \$3,681,600 for 2020 and \$3,787,200 for 2021.
18. RHTC’s expert appraiser, Mr. Scot Torkelson, CBA, CVA valued the east parcel at \$2,660,000 for 2020 and \$2,800,000 for 2021, if split-classified as residential and commercial. If classified wholly as commercial, Mr. Torkelson valued the east parcel at \$2,220,000 for 2020 and \$2,340,000 for 2021.
19. The County’s expert appraiser, Mr. Ethan Waytas, MAI, valued the east parcel \$6,285,000 for 2020 and \$6,185,000 for 2021. Mr. Waytas also valued the west parcel at \$235,000 for both years at issue.

20. The subject property's highest and best use on both valuation dates, both as vacant and improved, was its current use as a single occupant SUD treatment facility.
21. The subject property's indicated market value under the cost approach was \$3,750,000 for the 2020 valuation date.
22. The subject property's indicated market value under the cost approach was \$3,620,000 for the 2021 valuation date.
23. The subject property's indicated market value under the sales comparison approach was \$2,550,000 for the 2020 valuation date.
24. The subject property's indicated market value under the sales comparison approach was \$2,550,000 for the 2021 valuation date.
25. There are insufficient data to determine the subject property's value under the income capitalization approach on either the 2020 or 2021 valuation date.

### **CONCLUSIONS OF LAW**

1. RHTC did not submit credible evidence to rebut the presumptive validity of the assessment of the west parcel as of either year at issue.
2. RHTC did not submit credible evidence to rebut the presumptive validity of the commercial classification of the east parcel as of either year at issue.
3. RHTC submitted sufficient credible evidence to rebut the presumptive validity of the assessed value of the east parcel as of both January 2, 2020 and January 2, 2021.
4. The assessor's estimated market value for the subject property as of January 2, 2020 overstates its market value as of that date.
5. The assessor's estimated market value for the subject property as of January 2, 2021 overstates its market value as of that date.

## **ORDER FOR JUDGMENT**

1. The assessments are affirmed for both years at issue as to the west parcel.
2. The assessment as to the east parcel is affirmed as to classification for both years at issue.
3. The assessed value of the east parcel as of January 2, 2020, shall be decreased from \$3,681,600 to \$3,150,000.
4. The assessed value of the east parcel as of January 2, 2021, shall be decreased from \$3,787,200 to \$3,085,000.
5. Real estate taxes due and payable in 2020 and 2021 shall be recomputed accordingly and refunds, if any, paid to petitioner as required by such computations, together with interest from the original date of payment.

IT IS SO ORDERED. THIS IS A FINAL ORDER. ENTRY OF JUDGMENT IS STAYED FOR 30 DAYS. LET JUDGMENT BE ENTERED ACCORDINGLY.

BY THE COURT:

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Wendy S. Tien, Judge  
MINNESOTA TAX COURT

Dated: December 20, 2023

## **MEMORANDUM**

The subject properties comprise two parcels of land in Mora, Minnesota: a vacant, unimproved 39.49 acre parcel identified as Parcel R22.08060.10 (the “west parcel”)<sup>1</sup>, and an

<sup>1</sup> Pet. 1 Attach. (filed Mar. 21, 2022); Pet. 2 Attach. (filed Mar. 31, 2023).

improved 7.93 acre parcel, identified as Parcel R22.08060.00 (the “east parcel”)<sup>2</sup>, commonly known as 2031 Rowland Road. The improvement on the east parcel is a State licensed residential substance abuse disorder (“SUD”) treatment center doing business as Recovering Hope Treatment Center.

The Kanabec County Assessor originally estimated the market value of the west parcel at \$93,500 for both years at issue,<sup>3</sup> and classified the west parcel as rural vacant land, non-homestead for both years at issue.<sup>4</sup> The Assessor estimated the market value of the east parcel at \$3,681,600 for 2020 and \$3,787,200 for 2021 and classified the east parcel as commercial land for both years at issue.<sup>5</sup>

At trial, RHTC offered the fact testimony of Ray Ludowese, the owner of a 25 percent interest in RHTC<sup>6</sup> as well as the chief executive officer of Recovering Hope Treatment Center, Inc. (“Recovering Hope”), which leases the subject properties and operates the treatment center on the east parcel.<sup>7</sup> It also offered the testimony of an expert witness, Scot Torkelson, who expressed separate opinions of value depending on whether the subject property was classified as residential or commercial, although he did not opine as to the proper classification. Mr. Torkelson’s opinion of value addresses only the east parcel.<sup>8</sup> If the subject property was split-

<sup>2</sup> Pet. 1 Attach.; Pet. 2 Attach.

<sup>3</sup> Pet. 1 Attach.; Pet. 2 Attach.; This Memorandum will use 2020 and 2021 to refer to the assessment dates of January 2, 2020 and January 2, 2021 (the “years at issue”), rather than the tax payable years.

<sup>4</sup> Pet. 1 Attach.; Pet. 2 Attach.

<sup>5</sup> Pet. 1 Attach.; Pet. 2 Attach.

<sup>6</sup> Tr. 37-38 (May 30, 2023).

<sup>7</sup> Tr. 35, 37.

<sup>8</sup> Ex. 1, at 8, 10; Tr. 220, 261, 360-61 (correcting earlier testimonial west parcel PID reference from R22.08060.00 to R22.08060.10).



classified as residential and commercial, he valued the east parcel at \$2,660,000 for 2020 and \$2,800,000 for 2021.<sup>9</sup> If it was classified as wholly commercial, he valued the east parcel at \$2,220,000 for 2020 and \$2,340,000 for 2021.<sup>10</sup>

The County offered the testimony of its assessor, Tina Von Eschen, concerning the classification of the subject property, as well as an expert witness, Ethan Waytas, who valued the east parcel at \$6,285,000 for 2020 and \$6,185,000 for 2021, based on the County's commercial classification.<sup>11</sup> In addition, Mr. Waytas valued the west parcel at \$235,000 for both years.<sup>12</sup> The County also offered the testimony of Andrew Lewis, who provided an appraisal to Bremer Bank in June 2018 in connection with financing improvements on the east parcel. The court excluded Mr. Lewis's testimony following RHTC's motion in limine and has filed a separate order.<sup>13</sup>

## **I. FACT TESTIMONY**

### **A. Use of the Subject Properties**

Mr. Ludowese testified that Recovering Hope's mission is to treat women for "substance abuse disorder and behavior health disorder" associated with drugs and alcohol, while permitting them to live with their children aged five or younger.<sup>14</sup> He characterized this mission as to "put back together what chemicals have torn apart. [W]e allow family units to come together, mother with child, and try to unify them to become a family unit once more."<sup>15</sup> Recovering Hope is a

<sup>9</sup> Ex. 1, at 3.

<sup>10</sup> Ex. 1, at 3.

<sup>11</sup> Ex. B, at vi.

<sup>12</sup> Ex. B, at vi.

<sup>13</sup> Order Granting Mot. in Limine (filed Dec. XX, 2023).

<sup>14</sup> Tr. 35.

<sup>15</sup> Tr. 36.

licensed SUD treatment center governed by chapter 245G of the Minnesota Statutes,<sup>16</sup> as well as a licensed daycare center.<sup>17</sup> For the years at issue, Minnesota’s Department of Human Services (“DHS”) licensed RHTC for 108 residents for SUD treatment services<sup>18</sup> and separately for up to 30 children as a daycare provider.<sup>19</sup> Residents without accompanying children are required to have a roommate to prevent “isolation issues.”<sup>20</sup> Mr. Ludowese testified that Recovering Hope’s business model relies upon limiting admissions and residency to women and their young children, and that Recovering Hope specifically excluded male residents.<sup>21</sup> He also acknowledged that the terms of Recovering Hope’s DHS licensure and Minnesota state law did not explicitly contain such a limitation on the individuals Recovering Hope could admit, and that this was a business decision premised on therapeutic goals.<sup>22</sup>

Recovering Hope provides two kinds of services: residential (or inpatient), in which individuals reside at RHTC during their treatment (“resident clients” or residents);<sup>23</sup> and outpatient, in which clients do not reside at RHTC but see a counselor or therapist at one of

<sup>16</sup> Tr. 143-44.

<sup>17</sup> Tr. 125-26.

<sup>18</sup> Tr. 76, 126

<sup>19</sup> Tr. 84, 126.

<sup>20</sup> Tr. 156-57.

<sup>21</sup> Tr. 132-33.

<sup>22</sup> Tr. 104-05 (testifying that Recovering Hope’s business license states that it can receive men and the State “does not allow me to say we’re a women only facility,” but “the building is not set up for that” and “[i]t would not be practical to accept men in a women with children facility.”).

<sup>23</sup> References in this Memorandum and Order to the “residents,” the “residential portion” of the property, or “residential property” do not connote a residential classification of the subject property. Because Recovering Hope provides licensed SUD treatment services at RHTC under Minnesota Statutes chapter 245G, and Minnesota Statutes section 245G.21, subdivision 1 defines “residential programs,” the term “residential” distinguishes those programs and services from outpatient services and specifically from the outpatient clinic portion of Building 1.

RHTC's publicly-accessible offices.<sup>24</sup> Concerning residential services, Mr. Ludowese testified that residential clients come to residential treatment at RHTC through several routes, including by court order and commitment, but most arrive voluntarily,<sup>25</sup> from all over the State of Minnesota.<sup>26</sup> Once in residence at RHTC, the first, "high intensity" treatment phase lasts approximately 30 days, during which residents are not allowed to leave the RHTC grounds at all, although they may walk outdoors about the wood and trails throughout the 47 acres of the subject property.<sup>27</sup> During the "medium intensity" phase, residents are expected to leave RHTC during the day to "go out, get a job, finish their schooling," such as obtaining a GED, and be "reintegrated into society," but reside at RHTC.<sup>28</sup> In addition, residents must participate in Recovering Hope's treatment program, which follows a state-specified curriculum and is not optional.<sup>29</sup> Mr. Ludowese noted that the total time for the high and medium intensity phases (together, the "residential phase") was "insurance driven" and averaged 74 days.<sup>30</sup>

Mr. Ludowese testified that, under state law, Recovering Hope is required to provide items such as a bed, pillow, sheets, laundry, and a meal plan including three meals and two snacks each day to residents, among other items.<sup>31</sup> Residents with children drop them off and pick them up at

<sup>24</sup> Tr. 67-68.

<sup>25</sup> Tr. 76.

<sup>26</sup> Tr. 149-51 (testifying that some residents come from Wisconsin but must be self-paying due to the lack of insurance reciprocity); Ex. 35, at 32-33 (resident demographic data).

<sup>27</sup> Tr. 69-71.

<sup>28</sup> Tr. 70-71.

<sup>29</sup> Tr. 133-35 (testimony on cross-examination that a person cannot simply decide to live at RHTC but must be "an active participant in the residential treatment program" and must have a diagnosis of SUD to be eligible for admission). The State of Minnesota specifies the programming curriculum, which Recovering Hope incorporates into its Policy and Procedure Manual. Tr. 133.

<sup>30</sup> Tr. 70, 80-83; Ex. 35 at 12 (graphical depiction of length of stay, month-over-month).

<sup>31</sup> Tr. 117.

the RHTC daycare center in Building 3, with group counseling in the morning and individual counseling in the afternoon.<sup>32</sup> RHTC manages residents' schedules closely and prepares and provides all meals for residents, as a matter of State law and its DHS license.<sup>33</sup> Residents not only may not prepare their own meals, but do not have access to personal appliances (such as microwave ovens).<sup>34</sup> Furthermore, bedrooms lack ensuite bathrooms. As Mr. Ludowese explained, residents are not permitted these private facilities because isolation is counterproductive to Recovering Hope's treatment goals; residents "have self-harm issues, cutting, a history of trying to kill themselves, suicide.... So, again, that is why all of this building is set up to make sure that there is always eyes on our residents."<sup>35</sup>

The majority of Recovering Hope's residential clients pay for services, including staying at RHTC while receiving treatment, with insurance, although some clients are self-paying.<sup>36</sup> Apart from any reimbursement from a resident's private insurance, Recovering Hope received reimbursement from the state at a daily rate of \$55.72 per resident on account of room and board as of July 1, 2021.<sup>37</sup> For calendar year 2020, Recovering Hope had gross revenues of about \$6.7 million,<sup>38</sup> and for calendar year 2021, \$6.65 million.<sup>39</sup>

<sup>32</sup> Tr. 76-78.

<sup>33</sup> Tr. 77-78.

<sup>34</sup> Tr. 78, 100-101 (testifying that residents may bring snacks and store them in lockers provided, but do not have their own appliances), 192-93 (testifying that personal appliances pose a safety risk because of the presence of children in RHTC).

<sup>35</sup> Tr. 79.

<sup>36</sup> Tr. 135.

<sup>37</sup> Tr. 89-90, 116-17; Ex. 21, at 2 (State of Minnesota Behavioral Health Fund reimbursement grid).

<sup>38</sup> Tr. 118-19; Ex. 26, at 2.

<sup>39</sup> Tr. 119; Ex. 27, at 1.

## **1. Outpatient treatment**

Following the residential phase, Recovering Hope provides clients the ability to return for additional programming.<sup>40</sup> Mr. Ludowese explained that, under Minnesota state law, outpatient services and inpatient residential spaces may not be commingled.<sup>41</sup> Accordingly, the portion of the subject property known as Building 1<sup>42</sup> includes a restricted access door, which allows public access to the offices in Building 1 from the parking lot, but prohibits members of the public from entering the residential portion of Building 1 or any portion of Buildings 2 or 3.<sup>43</sup> Approximately 4200 square feet within Building 1 are devoted to outpatient SUD treatment services, including the offices, one group room, and the multipurpose room.<sup>44</sup> RHTC residents may receive therapy in the five therapy offices in Building 1 via the restricted access door, using a key fob.<sup>45</sup>

## **2. Daycare**

Mr. Ludowese also explained that a central purpose of Recovering Hope was to ensure residents with young children were able to remain together.<sup>46</sup> Accordingly, in addition to permitting children under age five to live with their mothers during the residential phase,<sup>47</sup> RHTC

<sup>40</sup> Tr. 70.

<sup>41</sup> Tr. 67, 157-58.

<sup>42</sup> RHTC provided a floor plan depicting the expansion, in which the expansion comprises a portion labeled Building 1. Tr. 62-63, 67-69; Ex. 4, at 2. The original building comprises portions labeled Buildings 2 and 3. Tr. 64-67, 69; Ex. 4, at 2.

<sup>43</sup> Tr. 67-69; Ex. 4, at 2 (floor plan description “Access Controlled Door”); Ex. 5, at 1-2.

<sup>44</sup> Tr. 67-68.

<sup>45</sup> Tr. 68.

<sup>46</sup> Tr. 35-36, 126 (acknowledging that, although it is possible to have a treatment center without a daycare center, and that Recovering Hope does not need a daycare license, “we wouldn’t be who we are if you eliminate the daycare from our treatment center.”).

<sup>47</sup> Tr. 85-87 (testimony that RHTC discourages children during the first two weeks of the residential phase, because mothers are undergoing a difficult period, “detoxing,” and “mom is not in good shape.”).

includes a daycare area for residents in Building 3.<sup>48</sup> Although the terms of RHTC's license and conditional use permit only allow the daycare to serve the children of residents, and not the general public,<sup>49</sup> during the COVID-19 pandemic in 2020, Mr. Ludowese testified that RHTC obtained a temporary variance authorizing it to provide daycare to the children of some of its on-site employees.<sup>50</sup>

Children residing in RHTC are fed in the daycare center, and food comes from the common kitchen area in Building 2.<sup>51</sup> RHTC provides daycare workers and professional staff during weekdays. These include occupational and speech therapists who help children overcome developmental deficits as a consequence of SUD and other issues at home, as well as assisting with behavioral issues.<sup>52</sup> Recovering Hope pays daycare workers between \$17 and \$25 per hour and receives reimbursement from the State at a daily rate of \$13.37 per child.<sup>53</sup>

RHTC's license permits it to provide daycare services to up to 30 children at a time, but Mr. Ludowese testified that a more common capacity was about 17 children.<sup>54</sup>

<sup>48</sup> Ex. 4, at 2.

<sup>49</sup> Tr. 55-56; Ex. 42, at 3 (item 4).

<sup>50</sup> Tr. 56, 152-53 (testifying that because the daycare director had children who needed daycare during the pandemic, RHTC obtained a variance from both the State and the City of Mora allowing it to provide daycare to employees).

<sup>51</sup> Tr. 98-99.

<sup>52</sup> Tr. 85-88.

<sup>53</sup> Tr. 87-90; Ex. 21, at 2.

<sup>54</sup> Tr. 84-85.

### 3. Classification

The County classified the subject property as commercial (3a) during the years at issue.<sup>55</sup> Mr. Ludowese identified another similar treatment center in Pine County, named Meadow Creek,<sup>56</sup> which provides the same types of services as Recovering Hope. He expressed the opinion that this court should treat RHTC the same as Meadow Creek from a tax standpoint,<sup>57</sup> and that he based this opinion on publicly available valuation notices.<sup>58</sup> Ms. Von Eschen, the Assessor, testified that Meadow Creek was classified commercial (3a) in Pine County during the years at issue, and was classified that way since its construction.<sup>59</sup> She also testified that she personally made the determination to classify the subject property as commercial during the years at issue, considering and rejecting other possible classifications.<sup>60</sup>

Ms. Von Eschen testified that she considered the apartment (4a) and residential non-homestead (4b) classifications. She rejected the apartment classification because the property is not operated as an apartment, and residential non-homestead because RHTC is not the primary place of residence for any individual.<sup>61</sup> She also considered and rejected the “all other” (5-2) classification, which would have resulted in a higher tax assessment rate of two percent as to the

<sup>55</sup> Tr. 455.

<sup>56</sup> Tr. 91, 127.

<sup>57</sup> Tr. 91.

<sup>58</sup> Tr. 208-09.

<sup>59</sup> Tr. 451-52.

<sup>60</sup> Tr. 455-456.

<sup>61</sup> Tr. 455.

subject property.<sup>62</sup> Furthermore, she testified that the subject property is commercial because it is “revenue generating.”<sup>63</sup>

## **B. Construction, Expansion, and Operation of the Subject Properties**

During the years at issue, RHTC and Recovering Hope were each owned in equal 25 percent shares by the same four individuals,<sup>64</sup> with RHTC owning the real estate and Recovering Hope operating the business of the treatment center.<sup>65</sup> RHTC began the construction of a treatment center on the subject property in November 2015.<sup>66</sup> Initially, the subject property was zoned single family residential R-1, but was rezoned multi-family residential R-3 upon RHTC’s application in 2015.<sup>67</sup> RHTC incurred initial construction costs of approximately \$2.25 million, which included subcontracted costs for HVAC, excavation and backfill of the parking lot and foundation, plumbing and gas, and mechanical work.<sup>68</sup>

RHTC moved into the newly constructed building on the east parcel in July 2016 and began accepting residents for Recovering Hope the next month.<sup>69</sup> Recovering Hope leased the subject property from RHTC for a term running from July 1, 2016 through December 31, 2025, for

<sup>62</sup> Tr. 456-57.

<sup>63</sup> Tr. 457.

<sup>64</sup> Tr. 102, 164, 195-96.

<sup>65</sup> Tr. 194-95 (court’s questions of Mr. Ludowese concerning business structure).

<sup>66</sup> Tr. 45.

<sup>67</sup> Tr. 41-44.

<sup>68</sup> Ex. 15, at 1-3; Tr. 47-50 (describing costs of excavation as well as HVAC by owner and plumbing by owner). It was not entirely clear from Mr. Ludowese’s testimony or Exhibit 15 whether the primary construction estimate of \$2.25 million incorporated all construction costs (including all the separately enumerated subcontracted costs), or whether one or more of the costs that RHTC procured was in addition to the \$2.25 million. *See* Tr. 45-50 (referring to Mr. Ludowese’s handwritten notes on Exhibit 15).

<sup>69</sup> Tr. 51.



quarterly payments of \$78,000, equivalent to annual payments of \$312,000, based on a rate of \$12 per square foot for 26,000 square feet;<sup>70</sup> although Mr. Ludowese characterized the RHTC Lease as an arm's length transaction, he also testified that the lease amount was not based on market rates.<sup>71</sup> Although the RHTC Lease provided that Recovering Hope, the tenant, was to pay the property taxes associated with the subject properties, RHTC's own profit and loss statements reflected the property taxes as an expense for the years at issue.<sup>72</sup>

Beginning in early 2018, based on the success of its early operations, RHTC sought to expand the subject property to accept more residents.<sup>73</sup> RHTC sought a conditional use permit to expand its square footage, and the Mora City Council passed a resolution approving the conditional use permit.<sup>74</sup> The resolution allowed RHTC to expand to provide residence to not more than 140 clients, including both adults and children.<sup>75</sup> It also authorized a child care center which "shall not be open to the general public, but shall only be utilized by children residing at the facility."<sup>76</sup> If RHTC wished to provide child care to nonresidents, it would be required to obtain a conditional use permit for a non-residential daycare facility.<sup>77</sup> RHTC was to provide State licensure for SUD treatment and child care to the City.<sup>78</sup> Among other findings, the resolution specified that "[t]he

<sup>70</sup> Tr. 163-64; Ex. 19, at 1 (the "RHTC Lease").

<sup>71</sup> Tr. 163-64; Ex. 19.

<sup>72</sup> Tr. 172; Exs. 32-33.

<sup>73</sup> Tr. 52.

<sup>74</sup> Tr. 52-53; Ex. 42.

<sup>75</sup> Ex. 42, at 3 (item 3).

<sup>76</sup> Tr. 55-56; Ex. 42, at 3 (item 4).

<sup>77</sup> Ex. 42, at 3 (item 4).

<sup>78</sup> Ex. 42, at 3 (item 5).

proposed facility is considered a residential use and does not require any screening from other residentially used or zoned properties.”<sup>79</sup>

Having obtained the conditional use permit, RHTC added a west wing to its original structure, which it completed in the spring of 2019.<sup>80</sup> Referenced as Building 1, it includes eleven bedrooms for residents, a bank of bathrooms separate from the bedrooms as well as five larger communal rooms in which residents can hold group meetings. It also includes a large multipurpose group room, ten offices, both administrative and therapeutic, and several other rooms for laundry, medical, and payroll functions.<sup>81</sup>

Building 2, part of the original structure, includes 24 bedrooms, a bank of bathrooms separate from the bedrooms, and three common areas for group meetings during the day and television in the evening.<sup>82</sup> It also includes a kitchen and cafeteria, laundry and storage facilities, staff break areas, as well as ten offices for licensed drug and alcohol counselors and therapists.<sup>83</sup> Finally, Building 3, also part of the original structure, includes 12 bedrooms, which comprise both double and triple occupancy rooms, a bank of bathrooms separate from the bedrooms, a commons area, and three large rooms dedicated to daycare.<sup>84</sup> Taken together, Buildings 1, 2, and 3 comprise the structure as it stood during the years at issue. Individual resident rooms do not have their own

<sup>79</sup> Tr. 55; Ex. 42, at 3.

<sup>80</sup> Tr. 57.

<sup>81</sup> Tr. 63-64; Ex. 4, at 2. The floor plan includes five group rooms, although Mr. Ludowese testified there were four. Tr. 63.

<sup>82</sup> Tr. 64-65; Ex. 4, at 2.

<sup>83</sup> Tr. 65; Ex. 4, at 2.

<sup>84</sup> Tr. 65-66; Ex. 4, at 2.

thermostats; rather, six rooms are controlled by one thermostat.<sup>85</sup> The building has forced air heating.<sup>86</sup>

The photos of the subject property show square tile-style carpeting throughout the building<sup>87</sup> and simple, utilitarian bedrooms, conference rooms, offices, and common areas, which have fluorescent lighting.<sup>88</sup> The kitchen is equipped with movable appliances on casters and the dining area has a large buffet for communal dining.<sup>89</sup> The banks of bathrooms are constructed like public restrooms.<sup>90</sup> Mr. Ludowese testified that RHTC intentionally selected a uniform interior room size such that offices and bedrooms could be interchangeable, allowing for ready conversion from one use to the other.<sup>91</sup> He testified, however, that, because of RHTC's function as a SUD treatment center, and the needs of its residents, RHTC selected utilitarian finishings that were "appealing," but not high-end on account of wear and tear.<sup>92</sup>

Unlike residents of a typical apartment building, Mr. Ludowese testified, RHTC residents arrive "with a lot of issues" and, following a period of detoxification, endure severe pain such that "they act out, punch walls, tear up beds, things like that. So it does no good to have high-end fixtures, things get broken."<sup>93</sup> Along these lines, he explained, "it's a constant ongoing

<sup>85</sup> Tr. 109-10, 276, 288 (describing air conditioning in the subject as a "very spread out...unusual configuration" of centralized air conditioning, which is "basically a series of home furnaces that heat and cool six rooms each.").

<sup>86</sup> Tr. 363-64, 571.

<sup>87</sup> Ex. 1, at 48-50, 54-55; Ex. B, at 43, 46-49.

<sup>88</sup> Ex. 1, at 48-55, 54-55; Ex. B, at 43-49.

<sup>89</sup> Ex. 1, at 52-53; Ex. B, at 43-44.

<sup>90</sup> Ex. B, at 44-45.

<sup>91</sup> Tr. 66-67, 155-56.

<sup>92</sup> Tr. 58-59.

<sup>93</sup> Tr. 73.

replacement, patching walls, repainting,” including in Building 1, where the carpet requires replacement as of 2023, and in the daycare center in Building 3, where young children have placed stress on the building interior.<sup>94</sup> He testified that, since the 2019 addition of Building 1, there had been no further improvements to the subject property and opined that there had been considerable wear and tear including the need to replace the carpeting and repaint walls.<sup>95</sup> He added that RHTC “put effort” into the building exterior, selecting “proper shingles” and “a lot of landscaping.”<sup>96</sup>

Mr. Ludowese estimated the total cost of building the original structure and the 2019 expansion at about \$3.6 million<sup>97</sup> and testified that, in his opinion as an owner of RHTC, the subject property was worth about \$3.5 million as of both years at issue, based on the cost of building the original structure and its 2019 expansion.<sup>98</sup> He acknowledged that he is not an appraiser but that this amount reflects his opinion of the value of the subject property’s land and buildings as a whole, as well as perhaps the business value of Recovering Hope.<sup>99</sup> RHTC and Recovering Hope did not appear to have amended or otherwise renegotiated the RHTC Lease following construction of the 2019 expansion.

Broadly, this court must decide three issues: first, whether to dismiss the petition as to the west parcel; second, the correct classification of the residential portion of the east parcel during

<sup>94</sup> Tr. 74.

<sup>95</sup> Tr. 96.

<sup>96</sup> Tr. 58.

<sup>97</sup> Tr. 57. The original construction and expansion were financed through Bremer Bank, which obtained an appraisal in connection with financing the expansion. Tr. 59-60, 153.

<sup>98</sup> Tr. 94-96, 199-201.

<sup>99</sup> Tr. 94-96, 199-201, 208.

the years at issue;<sup>100</sup> and third, the fair market value of the subject property during the years at issue. The parties did not stipulate to any facts material to this case, including any physical characteristics or ownership of the subject property. Their experts agreed that the highest and best use of the east parcel is its current use as a single occupant SUD treatment facility,<sup>101</sup> and agreed on many of the underlying valuation premises, but ultimately reached substantially different opinions of value. The County's expert reached a value conclusion of approximately two and a half times that of RHTC's expert, and nearly double the assessed value. Both experts employed all three approaches to value.

## **II. BURDENS OF PROOF**

### **A. Classification**

An assessor's classification of real property is prima facie valid. Minn. Stat. § 271.06, subd. 6 (2022) (“[T]he order of ... the appropriate unit of government in every case shall be prima facie valid.”); *Schmieg v. Cnty. of Chisago (Schmieg I)*, 740 N.W.2d 770, 773 (Minn. 2007). “[A] prima facie case simply means one that prevails in the absence of evidence invalidating it.” *S. Minn. Beet Sugar Coop v. Cnty. of Renville (SMBSC)*, 737 N.W.2d 545, 558 (Minn. 2007) (quoting *Tousignant v. St. Louis Cnty.*, 615 N.W.2d 53, 59 (Minn. 2000)). A petitioner has the burden of overcoming prima facie validity. *SMBSC*, 737 N.W.2d at 558; *Schmieg I*, 740 N.W.2d at 773. To overcome the prima facie validity of an assessment, the taxpayer must offer evidence to invalidate the assessment. *SMBSC*, 737 N.W.2d at 558. “Substantial evidence” the assessment is incorrect is required to overcome the presumptive validity of the assessment. *Harmon v. Comm’r of Revenue*,

<sup>100</sup> The parties agree that the 4,200 square feet accessible to the public for outpatient treatment as described more fully below are correctly classified as commercial property. Pet’r’s Post-Trial Br. 23 (filed Aug. 15, 2023); Resp’t’s Post-Trial Br. 11-12 (filed Aug. 11, 2023).

<sup>101</sup> Ex. 1 at 58-59; Ex. B at 58.

894 N.W.2d 155, 159 (Minn. 2017) (citing *Conga Corp. v. Comm’r of Revenue*, 868 N.W.2d 41, 53 (Minn. 2015)). “Substantial evidence” need not constitute evidence sufficient to prove the taxpayer’s asserted position. *See SMBSC*, 737 N.W.2d at 559 (in the context of valuation, to meet its burden, a taxpayer “need not necessarily put forth evidence that would allow the tax court to determine the market value of the subject property,” but rather “need only put forth evidence to show that the county’s assessed value does not reflect the true market value of the property”) (cleaned up).

The taxpayer can overcome the presumption of validity “in at least two ways.” *More, Inc. v. Comm’r of Revenue*, No. 8395-R, 2016 WL 715004, at \*14 (Minn. T.C. Feb. 19, 2016) (discussing burden-shifting in the sales tax context). Specifically concerning classification, a petitioner may overcome the presumption of validity by introducing evidence that the subject property qualifies for a different classification. *Luthens v. Cnty. of McLeod*, No. 43-CV-15-641 et al., 2018 WL 6626177, at \*5 (Minn. T.C. Dec. 10, 2018); *T.C. Hewitt, LLC v. Cnty. of McLeod*, No. 43-CV-11-743 et al., 2014 WL 2965403, at \* 2 (Minn. T.C. June 27, 2014). The taxpayer also may overcome the presumptive validity of the assessment by challenging the methodology by which the county arrived at the assessment, such as by “presenting evidence of truly comparable sales that the county had not considered or showing that the county taxed property that is not taxable.” *SMSBC*, 737 N.W.2d at 559-60.

Accordingly, if the petitioner overcomes the presumptive validity of the assessor’s classification, the tax court must determine the correct classification of the property. *Cf. id.* at 559; *McNeilus Truck & Mfg., Inc. v. Cnty. of Dodge*, 705 N.W.2d 410, 413 (Minn. 2005) (applying standard to cases involving property valuation). “The tax court may still determine that the classification in the assessment is correct, but such a conclusion requires independent support in

the record evidence.” *Endless Summer Farms LLC v. Cnty. of Lake*, No. 38-CV-20-151, 2022 WL 6609923, at \*7 (Minn. T.C. Oct. 10, 2022) (describing standard with respect to property valuation); *Nw. Airlines, Inc. v. Comm’r of Revenue*, 265 N.W.2d 825, 830 (Minn. 1978) (“[The taxpayer’s] evidence was sufficient to rebut the state’s prima facie case, and the burden shifted to the state to present additional evidence to support the commissioner’s valuation.”). In doing so, “[t]he Court must look to the property’s use during the preceding year to determine the correct tax classification.” *T.C. Hewitt*, 2014 WL 2965403 at \*2 (quoting *Borglund v. Cnty. of Scott*, No. 98–05080, 1998 WL 726418, at \*2 (Minn. T.C. Oct. 13, 1998)) (cleaned up).

## **B. Valuation**

An assessor’s estimated market value is prima facie valid. *SMBSC*, 737 N.W.2d at 557 (citing Minn. Stat. §§ 271.06, subd. 6 & 272.06). The County, however, waived the prima facie validity of the assessed value of the subject as of the assessment date at issue.<sup>102</sup> When prima facie validity is overcome, the court determines market value based on a preponderance of the evidence. *Am. Multi-Cinema, Inc. (AMC) v. Cnty. of Hennepin*, No. 27-CV-12-8506, 2016 WL 1555490, at \*3 (Minn. T.C. Apr. 13, 2016).

## **III. WEST PARCEL**

### **A. West Parcel**

The parties dispute whether the valuation and classification of the west parcel are subject to trial in this court. RHTC contends that it does not dispute the valuation or classification of the west parcel, and this court accordingly should affirm the assessments for both years at issue.<sup>103</sup>

<sup>102</sup> Tr. (June 12, 2023) 39-40 (agreement of County counsel that the court can increase the value, decrease or sustain it based on independent evidence in the record, specifically the County’s expert testimony).

<sup>103</sup> Pet’r’s Post-Trial Br. 9; Pet’r’s Post-Trial Reply Br. 17-19 (filed Aug. 29, 2023) (citing *Schmieg*, 740 N.W.2d 773); Tr. 424-31.

RHTC did not provide evidence or testimony, expert or otherwise, concerning the valuation or classification of the west parcel, and Mr. Torkelson's written expert report was expressly limited to the east parcel.<sup>104</sup>

The County initially contends that, because RHTC has not sought to defend the classification of the west parcel, the petition "should be summarily dismissed and its current classification affirmed" as it pertains to the west parcel.<sup>105</sup> The County then contends, however, that the court should accept testimony of Mr. Waytas concerning the valuation of the west parcel, and suggests as well that Mr. Ludowese offered lay opinion testimony concerning the valuation of the west parcel, placing its valuation at issue.<sup>106</sup> Mr. Waytas undertook valuation using the cost approach, based on five comparable sales of vacant land, adjusted for differences in location, physical characteristics, and the availability of public versus private utilities between the west parcel and the comparable properties.<sup>107</sup> Based on these sales, he expressed a final value opinion of \$6,000 per acre, or a total value of \$235,000 for the west parcel, in excess of the assessed value of \$93,500, for both years at issue.<sup>108</sup> The subject property before improvement, comprising both the east and west parcels, sold to RHTC in October 2015 for \$90,000.<sup>109</sup>

<sup>104</sup> Ex. 1, at 2, 10 (describing only the east parcel).

<sup>105</sup> Resp't's Post-Trial Br. 5-6.

<sup>106</sup> Resp't's Post-Trial Br. 6-9.

<sup>107</sup> Ex. B, at 60-72.

<sup>108</sup> Ex. B, at 74.

<sup>109</sup> Tr. 623 (testimony of Mr. Waytas acknowledging the sale price of the entire subject property but opining that his value conclusion of \$235,000 for the west parcel alone "is what the market intended").



## **B. Analysis**

Concerning both classification and valuation, Minnesota law is clear: a county's assessment is presumed valid, and to defeat the presumption of validity, the taxpayer must offer evidence to invalidate the assessment." *SMBSC*, 737 N.W.2d at 558. A county may not present evidence to overcome the presumption; the burden rests with the taxpayer. *Ct. Park*, 907 N.W.2d at 645 (holding that it is "clear that the burden is on the party challenging the assessment to show that it does not reflect the true market value of the property"; finding non-reversible error where the tax court considered the County's evidence in granting dismissal for failure to satisfy the taxpayer's burden of proof). The County acknowledges and discusses this presumption and the parties' respective burdens of proof, describing it as "so long-established by Minnesota Statutes and case law that it hardly bears citation to legal authority to remind the Court and any observer what that standard is."<sup>110</sup>

RHTC offered no evidence concerning the classification or valuation of the west parcel for either year at issue, and the County acknowledges that RHTC did not overcome the presumption of validity of the assessments for the west parcel.<sup>111</sup> Accordingly, the assessments are affirmed as to the west parcel, R22.08060.10, for both years at issue. The remainder of this Memorandum will address the east parcel only.

<sup>110</sup> Resp't's Post-Trial Br. 3-4.

<sup>111</sup> Although the County suggests that Mr. Ludowese testified concerning the valuation of the west parcel, Resp't's Post-Trial Br. 7 (referencing Tr. 179-81), this mischaracterizes his testimony. The record is clear that Mr. Ludowese was only responding to the County's questions about the appraised per acre value of vacant land, not volunteering his opinion so as to place the valuation of the west parcel at issue. Tr. 178-81.

#### IV. CLASSIFICATION

##### A. Applicable Law

Minnesota Statutes section 273.13, subdivision 25, generally concerns the classification of non-homestead residential property. Under the version of Minnesota Statutes section 273.13 in effect as of the years at issue, class 4a property includes “residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more, excluding property qualifying for class 4d.” Minn. Stat. § 273.13, subd. 25(a) (2022). Class 3a property includes “[c]ommercial and industrial property and utility real and personal property.” *Id.* at subd. 24 (2022). For classification purposes, “the use to which the land is put, not the inherent nature of the land itself is controlling; that is, the test is what the land is devoted to, not what it can be devoted to.” *Wolf Lake Camp, Inc. v. Itasca Cnty.*, 312 Minn. 424, 428, 252 N.W.2d 261, 264 (1977) (concerning the classification of real property devoted to noncommercial temporary and seasonal residential occupancy for recreation purposes under former Minnesota Statutes section 273.13, subdivision 4 (1972)).

“The object of all interpretation and construction of laws is to ascertain and effectuate the intention of the legislature.” Minn. Stat. § 645.16 (2022). The court interprets statutory text according to its plain meaning. *Shire v. Rosemount, Inc.*, 875 N.W.2d 289, 292 (Minn. 2016); *Schatz v. Interfaith Care Ctr.*, 811 N.W.2d 643, 649 (Minn. 2012). The plain meaning of statutory text shall be given effect when it is clear and unambiguous. Minn. Stat. § 645.16; *Hutchinson Tech., Inc. v. Comm’r of Revenue*, 698 N.W.2d 1, 8 (Minn. 2005). Accordingly, when a statute is clearly worded, the court shall not consider legislative history or canons of construction. *See Hutchinson Tech.*, 698 N.W.2d at 8. “[N]o room for judicial construction exists when the statute speaks for itself.” *Waters v. Comm’r of Revenue*, 920 N.W.2d 613, 616 (Minn. 2018) (quoting *Comm’r of Revenue v. Richardson*, 302 N.W.2d 23, 26 (Minn. 1981)).

The first step in statutory interpretation is to determine whether the statute’s language, on its face, is ambiguous.” *State v. Thonesavanh*, 904 N.W.2d 432, 435 (Minn. 2017); Minn. Stat. § 645.16. “Ambiguity arises only if the text is ‘subject to more than one reasonable interpretation.’” *Sheridan v. Comm’r of Revenue*, 963 N.W.2d 712, 717 (Minn. 2021) (quoting *State v. Townsend*, 941 N.W.2d 108, 110 (Minn. 2020)) (finding that Minn. Const., art. X, § 5 is ambiguous). To determine whether a statute is ambiguous, the court shall read and construe the statute as a whole, rather than in isolation. *Id.* at 718 (citing *State v. Riggs*, 865 N.W.2d 679, 683 (Minn. 2015)) (noting the application of the whole-statute canon when determining whether a statute is ambiguous). The court shall “interpret each section in light of the surrounding sections to avoid conflicting interpretations.” *KSTP-TV v. Ramsey Cnty.*, 806 N.W.2d 785, 788 (Minn. 2011) (quoting *Am. Family Ins. Grp. v. Schroedl*, 616 N.W.2d 273, 277 (Minn. 2000)); see *McLane Minn., Inc. v. Comm’r of Revenue*, 773 N.W.2d 289, 297 (Minn. 2009) (rejecting “piecemeal” interpretation of words as used throughout a statute).

Words and phrases are construed according to their “common and approved usage,” Minn. Stat. § 645.08, subd.1 (2022), and the court may look to dictionary definitions for the common and ordinary meaning of words. *Thonesavanh*, 904 N.W.2d at 436. Every statutory word has meaning, and no word is “superfluous, void, or insignificant.” *State v. Jorgenson*, 946 N.W.2d 596, 607 (Minn. 2020) (quoting *Allan v. R.D. Offutt Co.*, 869 N.W.2d 31, 33 (Minn. 2015)); Minn. Stat. § 645.16 (requiring construction of every law to “give effect to all its provisions”). If “the legislature’s intent is clearly discernable from plain and unambiguous language,” “statutory construction is neither necessary nor permitted and [we] apply the statute’s plain meaning.” *State v. Stay*, 935 N.W.2d 428, 430 (Minn. 2019) (quoting *Am. Tower, L.P. v. City of Grant*, 636 N.W.2d 309, 312 (Minn. 2001)).

## B. Analysis

The parties dispute whether the County incorrectly classified the residential property, meaning the subject property exclusive of the 4,200 square feet of Building 1 accessible to the public on an outpatient basis.<sup>112</sup> They do not appear to dispute the relevant facts concerning how Recovering Hope uses the residential property, based on Mr. Ludowese's testimony, but only whether such use constitutes a residential or commercial use. RHTC contends that the subject is residential because the definition of "residence" is "[a]ny property used as a dwelling,"<sup>113</sup> or "a temporary or permanent dwelling place, abode, or habitation to which one intends to return as distinguished from a place of temporary sojourn or transient visit."<sup>114</sup> The County disagrees with this premise on the grounds that the subject is not at all like a traditional apartment building and many standard hallmarks of the landlord-tenant relationship are absent in the relationship between RHTC and its residents.<sup>115</sup>

Section 273.13, subdivision 25(a) does not define the terms "residence," "tenant," "lessee," or "rental," but it is not necessary to resort to dictionary definitions of each of these words to interpret subdivision 25(a). *Sheridan*, 963 N.W.2d at 718 (requiring the court to read and construe the statute as a whole, rather than in isolation). Reading subdivision 25(a) as a whole, and construing all of its words according to their "common and approved usage," Minn. Stat. § 645.08, subd. 1, classification as residential real estate under class 4a plainly requires residents to meet multiple requirements: that they "use or hold" RHTC "as a residence"; that they do so "for rent[]";

<sup>112</sup> Pet'r's Post-Trial Br. 9-26; Resp't's Post-Trial Br. 9-16.

<sup>113</sup> Pet'r's Post-Trial Br. 11-12 (quoting THE DICTIONARY OF REAL ESTATE APPRAISAL 198 (6th ed. 2015)).

<sup>114</sup> Pet'r's Post-Trial Br. 12 (quoting Merriam-Webster's COLLEGIATE DICTIONARY 1931 (9th ed. 1989)).

<sup>115</sup> Resp't's Post-Trial Br. 13-14.

and that their residence for rent be for “periods of 30 days or more.” Minn. Stat. § 273.13, subd. 25(a).

The record demonstrates that RHTC meets the first of these requirements; its resident clients use the subject property as a “residence” during the period of their high- and medium-intensity treatment. RHTC includes beds for adults and children,<sup>116</sup> a kitchen which provides residents with meals<sup>117</sup> and secure space for resident personal items,<sup>118</sup> bathrooms and showers for the residents and their children,<sup>119</sup> and daycare for the children of residents only.<sup>120</sup>

The record does not demonstrate that resident clients use RHTC as a residence “for rent[],” however, as the statute also requires. Although the record indisputably demonstrates that as part of their treatment program residents do reside at RHTC, it also demonstrates that Recovering Hope receives payments from insurers, clients, and the State for providing treatment to residential clients, not on account of real property rental by resident clients.<sup>121</sup> Adults cannot stay at RHTC unless receiving treatment for SUD from Recovering Hope,<sup>122</sup> and clients who have ceased to stay at RHTC (for example, by leaving the property in an unauthorized way, by departing against staff

<sup>116</sup> Tr. 83-85.

<sup>117</sup> Ex. 4, at 2.

<sup>118</sup> Tr. 101.

<sup>119</sup> Ex. 4, at 2; Tr. 64-66, 501-502.

<sup>120</sup> Ex. 4, at 2; Ex. 42, at 3; Tr. 66, 77, 89-90.

<sup>121</sup> Ex. 21, at 2 (Minnesota DHS rate schedule for residential treatment, including room and board among other reimbursements); Exs. 25-27 (profit and loss statements for Recovering Hope, showing that Recovering Hope earned income primarily from State programs for SUD and insurance reimbursement). RHTC receives rent from Recovering Hope on account of its lease – which is not for residential occupancy by Recovering Hope – rather than from individual residential clients. Exs. 19 (RHTC Lease); 22-24 (RHTC profit and loss statements reflecting income from rent).

<sup>122</sup> Tr. 134-36 (testimony of Mr. Ludowese that residents must be enrolled in SUD programming and members of the public cannot simply live at RHTC).

advice, or by being discharged following successful completion of the residential program) are no longer eligible to receive residential treatment from Recovering Hope.<sup>123</sup> Recovering Hope residents are subject to the requirements in a policy and procedure manual based on DHS requirements,<sup>124</sup> which specifies the terms and conditions of their daily life in numerous ways, such as by limiting the possession or use of personal electronics,<sup>125</sup> prescribing a resident's whereabouts,<sup>126</sup> requiring residents to have roommates unless they have children with them,<sup>127</sup> and curtailing residents' privacy. For example, Recovering Hope personnel may search residents' rooms for items deemed contraband under Recovering Hope policy, even if such items are legal under State law.<sup>128</sup> Unlike typical rental units, RHTC residential rooms do not have kitchens<sup>129</sup> or individualized bathrooms.<sup>130</sup> Furthermore, residents who violate Recovering Hope program rules, such as by failing or refusing to participate in their treatment program, may be required to leave RHTC,<sup>131</sup> which need not pursue landlord-tenant remedies such as unlawful detainer.<sup>132</sup>

Third, RHTC has not demonstrated its use as a residence by persons whose rental of the property has a defined time period of 30 days or more. RHTC contends that residents stay at the subject an average of 74 days, and for a minimum monthly average duration of 37 days.<sup>133</sup>

<sup>123</sup> Tr. 134-36.

<sup>124</sup> Ex. 43; Tr. 71-72.

<sup>125</sup> Ex. 43, at 25; Tr. 66, 101, 255.

<sup>126</sup> Tr. 69-70.

<sup>127</sup> Tr. 74, 156-157.

<sup>128</sup> Ex. 43, at 26.

<sup>129</sup> Tr. 77-78.

<sup>130</sup> Ex. B, at 37; Ex. 44; Ex. 45; Ex. 50; Tr. 66, 74, 78.

<sup>131</sup> Ex. 43, at 21; Tr. 138-39.

<sup>132</sup> Tr. 138-39.

<sup>133</sup> Pet'r's Post-Trial Br. 12-13.

Although the court does not question the credibility of RHTC’s witness testimony or the use of the subject property in the specific ways represented, RHTC provided no evidence that residents are obligated to reside at RHTC for a minimum of 30 days, as the plain text of subdivision 25(a) requires. In fact, Mr. Ludowese testified that some residents leave before 30 days elapse, and Recovering Hope maintains data concerning the duration of residents’ occupancy.<sup>134</sup> He testified that some residents leave or are discharged against staff advice; for such residents, the average length of stay of such individuals was 23.5 days.<sup>135</sup> Unless the terms of the rental require occupancy of 30 days or more, the explicit requirement in subdivision 25(a) that the property be “used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more” would be rendered superfluous. Minn. Stat. § 645.16 (requiring construction of every law to “give effect to all its provisions”); *see also Jorgenson*, 946 N.W.2d at 607 (stating that no word in a statute is “superfluous, void, or insignificant”).

Based on these specific facts, RHTC has not overcome the presumption that the County’s classification is correct. The subject remains classified commercial (3a) during the years at issue.

## **V. TAX VALUATION GENERALLY**

“[A]ll property shall be valued at its market value.” Minn. Stat. § 273.11, subd. 1 (2022). Market value is “the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale ....” Minn. Stat. § 272.03, subd. 8 (2022). Under Minnesota law, generally only real property is subject to property tax, and must be assessed at market value. Minn. Stat. §§ 272.01, subd. 1 (2022) (providing that “all real and personal property in this state is taxable, except Indian

<sup>134</sup> Ex. 35, at 9-17; Tr. 125.

<sup>135</sup> Tr. 125, 140-41; Ex. 35 at 9.

lands and such other property as is by law exempt from taxation”); 272.02, subd. 9 (2022) (providing that personal property is generally exempt from tax and establishing exceptions not applicable to this case); 272.03, subds. 1-2 (defining real and personal property).

“Appraisers must perform a highest and best use analysis when appraising commercial real estate.” *Berry & Co. v. Cnty. of Hennepin*, 806 N.W.2d 31, 34 (Minn. 2011); see *The Appraisal of Real Estate* 34-35, 305, 338, 347, 353, 529 (providing that appraisal must be undertaken in light of a property’s highest and best use) (15<sup>th</sup> ed. 2020) (“*TARE*”). A property’s highest and best use is “[t]he reasonably probable use of property that results in the highest value.” *TARE* at 305. To be reasonably probable, a use must be physically possible, legally permissible, and financially feasible. *Id.*; see also *Menard, Inc. v. Cnty. of Clay (Menard (Clay))*, 886 N.W.2d 804, 811 (Minn. 2016) (“The highest and best use of a property is the one that is physically possible, legally permissible, financially feasible, and maximally productive.”). Uses that satisfy these three criteria are then tested under a fourth “for economic productivity, and the reasonably probable use with the highest value is the highest and best use.” *TARE* at 305 (emphasis omitted).

This court generally considers the three traditional approaches to valuation—cost, income, and sales comparison—in determining market value. See *Equitable Life Assur. Soc’y of the U.S. v. Cnty. of Ramsey*, 530 N.W.2d 544, 552 (Minn. 1995). In doing so, however, this court is not required to give weight to all three valuation approaches and may place greater emphasis on a particular approach or approaches. *Id.* at 554. “The respective weight placed upon each of the three traditional approaches to value depends on the reliability of the data and the nature of the property being valued.” *Harold Chevrolet, Inc. v. Cnty. of Hennepin*, 526 N.W.2d 54, 59 (Minn. 1995). “No mechanical formula is used to select one [valuation approach] over the others. The strengths and weaknesses of each of the approaches used ... must be considered and addressed in an appraisal



report, and an appraiser must explain why one approach may have been relied upon more than another ....” *TARE* at 600-01; *see also Montgomery Ward & Co. v. Cnty. of Hennepin*, 482 N.W.2d 785, 791 (Minn. 1992) (allowing “over-riding weight” to be given to one approach when weaknesses in the other two approaches are identified).

Moreover, as the Minnesota supreme court has noted, “[t]he appraisal of real estate includes elements of both art and science.” *Wilcox v. State Farm Fire & Cas. Co.*, 874 N.W.2d 780, 785 (Minn. 2016). *See also Medtronic Inc. v. Cnty. of Anoka*, No. 02-CV-20-1935, 2023 WL 3471714, at \*8 (Minn. T.C. May 15, 2023), *amended in part*, No. 02-CV-20-1935, 2023 WL 6280681 (Minn. T.C. Sept. 26, 2023) (describing appraisal as “at best an imprecise art,” and “an ‘inexact’ science”) (quoting *Montgomery Ward*, 482 N.W.2d at 791 and *Macy’s Retail Holdings, Inc. v. Cnty. of Hennepin*, 899 N.W.2d 451, 455 (Minn. 2017)). Accordingly, the tax court “brings its own expertise and judgment to the hearing, and its valuation need not be the same as that of any particular expert as long as it is within permissible limits and has meaningful and adequate evidentiary support.” *Montgomery Ward*, 482 N.W.2d at 791; *see also Lewis v. Cnty. of Hennepin*, 623 N.W.2d 258, 261 (Minn. 2001) (“record as a whole” must support this court’s determination of value). When the trial record provides adequate information for the court to perform its own valuation analysis, even when it rejects an appraiser’s valuation, the court should do so. *Am. Exp. Fin. Adv. Inc. v. Cnty. of Carver*, 573 N.W.2d 653, 658-59 (Minn. 1998) (holding that the tax court should have used income and expense data supplied by the two experts at trial to adjust one another’s’ conclusions of value, when that data was sufficient to allow the court to reach a conclusion of value).

## VI. COST APPROACH

### A. Expert Testimony

Both experts undertook a valuation of the east parcel using the cost approach. Mr. Torkelson provided alternate valuations assuming a residential or a commercial classification of the subject property.<sup>136</sup> The parties agreed concerning the land-only value of the east parcel, concluding to a value of \$8,000 per acre based on comparable land sales.<sup>137</sup> Concerning the building value, the parties began with many of the same basic premises and applied these for 2020 and modified them slightly for 2021. The primary sources of the parties' disagreement are different assessments of the subject's construction quality; the application of different adjustment factors; and most importantly, disagreement concerning the subject's effective age and its functional and external obsolescence.

Both experts began by estimating the replacement cost of the building and its improvements based on the Group Home building type in the Marshall Valuation Service ("MVS").<sup>138</sup> They agreed that the subject property is a Class D building with a wood frame construction.<sup>139</sup> Concerning construction quality, however, Mr. Torkelson considered the subject property of lower quality<sup>140</sup> whereas Mr. Waytas described it as average quality.<sup>141</sup> On this basis,

<sup>136</sup> Ex. 1, at 69, 72.

<sup>137</sup> Ex. 1, at 63-64 (rounded to \$63,000); Ex. B, at 75-88 (rounded to \$65,000). The court adopts a land-only value between the two of \$64,000.

<sup>138</sup> Ex. 1, at 64; Tr. 281-82, 363-364.

<sup>139</sup> Ex. 1, at 65; Ex. B, at 89.

<sup>140</sup> Ex. 1, at 64; Tr. 279-83 (testifying that the subject property has a sheetrock interior, inexpensive lighting and flooring, a low ceiling, and an asphalt shingle roof, as well as centralized plumbing, a simple kitchen, and relatively few electrical outlets in the bedrooms).

<sup>141</sup> Ex. B, at 89; Tr. 572, 627-29.

Mr. Torkelson began with a base construction cost per square foot of \$112,<sup>142</sup> whereas Mr. Waytas began with a base construction cost per square foot of \$145.<sup>143</sup> In addition, both experts valued the exterior improvements to the subject, comprising a parking lot and landscaping. Mr. Torkelson valued these at \$50,000 without explanation, whereas Mr. Waytas valued them at \$155,000 for 2020 and \$165,000 for 2021.<sup>144</sup>

Both experts added refinements for HVAC and sprinkler system in similar per square foot amounts (\$11.55/sf for RHTC versus \$12.35/sf for the County),<sup>145</sup> as well as a composite multiplier accounting for physical and environmental factors as follows for 2020 and 2021:

<sup>142</sup> Ex. 1, at 65.

<sup>143</sup> Ex. B, at 89.

<sup>144</sup> Ex. 1, at 66, 70; Ex. B, at 89, 94. Mr. Torkelson does not explain how he derived his \$50,000 improvement estimate.

<sup>145</sup> Ex. 1, at 66; Ex. B, at 89.

**Table 1: Composite Multiplier Factors**

<b>Multiplier Factor</b>	<b>RHTC (Torkelson)<sup>146</sup></b>	<b>County (Waytas)<sup>147</sup></b>
Story Height	1.000	1.000
Floor Area	.959	.917
Locality	1.030	1.140 <sup>148</sup>
Current Cost	.950	1.080 <sup>149</sup>
Time Adjustment	--- <sup>150</sup>	.747 (2020) .803 (2021)
Total	<b>.9384</b>	<b>.843 (2020)</b> <b>.907 (2021)</b>

The principal sources of disagreement between the experts were depreciation, functional obsolescence, and external obsolescence. Although they generally agreed about the definitions of those terms, they disagreed whether the subject property was subject to any obsolescence.<sup>151</sup>

Regarding depreciation, Mr. Torkelson estimated the physical life of the subject to be 35 years, according to MVS.<sup>152</sup> Although Mr. Torkelson acknowledged that MVS specifies a 40 year

<sup>146</sup> Ex. 1, at 66.

<sup>147</sup> Ex. B, at 89-90, 94; Tr. 632-37 (noting changes to Locality and Current Cost factors).

<sup>148</sup> Ex. B, at 89, 92; Tr. 633-337 (testimony on cross-examination by reference to MVS, Ex. 51, at 7, that general Minnesota locality multiplier is 1.030, but not necessarily agreeing that Mora is outside the locality multiplier for the Twin Cities).

<sup>149</sup> Ex. B, at 89, 92 (using Current Cost multiplier of 1.080); Mr. Waytas corrected this at trial. Tr. 632-33 (correcting testimony on cross-examination to .950 by reference to MVS, Ex. 51, at 6).

<sup>150</sup> Mr. Torkelson did not apply this factor in his multiplier analysis, but subsequently applied an “index adjustment to date of value” of .736 for 2020 and .778 for 2021. Ex. 1, at 66, 70.

<sup>151</sup> Ex. 1, at 67; Ex. B, at 92.

<sup>152</sup> Ex. 1, at 66.

physical life for a low cost Class D group home facility, he opined that the subject property has “a very high intensity of use ... with substance abuse issues, there is an infant toddler, and preschool daycare ... it runs 24 hours a day and has a very intensive use.”<sup>153</sup> On that basis, he reduced the economic life by five years.<sup>154</sup> As Mr. Torkelson considered the effective age of the building to be three years for 2020, he applied a nine percent depreciation rate.<sup>155</sup> For 2021, he applied an 11 percent depreciation rate, considering the effective age of the building to be four years.<sup>156</sup>

Regarding functional obsolescence, Mr. Torkelson cited the subject’s history of improvements to accommodate the need for a public area as well as technology as evidence that it has some functional obsolescence. Specifically, he testified that several offices in the subject property had been converted to other uses, such as communications or technology rooms, and that larger rooms had been subdivided to accommodate changing business needs.<sup>157</sup> On that basis, he assigned a functional obsolescence value of five percent to the subject for both 2020 and 2021.<sup>158</sup>

In determining an external obsolescence rate of 30 percent for both years, Mr. Torkelson considered three primary factors: one, the subject’s occupancy levels; two, its location given the other possible uses of the subject property;<sup>159</sup> and three, the commercial tax classification and

<sup>153</sup> Tr. 231.

<sup>154</sup> Tr. 230-31, 288-290 (acknowledging on cross-examination that this reduction in economic age departed from MVS, based on experience valuing group homes), 379-81 (testimony concerning the “lightness” of interior finishings such as sheetrock and carpeting, particularly relative to the anticipated use).

<sup>155</sup> Ex. 1, at 66-67.

<sup>156</sup> Ex. 1, at 71.

<sup>157</sup> Tr. 291-98, 366-68, 374-75.

<sup>158</sup> Ex. 1, at 67, 72.

<sup>159</sup> Tr. 307-10 (referencing Ex. 35, acknowledging that approximately half of residents come from the Twin Cities).

zoning of the subject property as of the years at issue, to which he assigned a value of 15 percent (or half) of the total external obsolescence.<sup>160</sup> Regarding occupancy levels, Mr. Torkelson opined that, because the business of Recovering Hope is premised on admitting women only, and in some cases women with young children, it operates at a 70 percent paid occupancy relative to its available (licensed) rooms.<sup>161</sup> Regarding the effect of commercial tax classification, Mr. Torkelson reasoned, “[d]espite the property being a residence housing women and children for more than 30 days, the property is being taxed as a commercial property” with twice the effective tax rate, which “results in a reduction in the rent which can be paid, places the facility at a much higher risk of failure, and adds an economic obsolescence which is conservatively proximate to 15 percent.”<sup>162</sup>

Mr. Waytas estimated the effective life of the building to be 50 years, according to MVS,<sup>163</sup> although he acknowledged that MVS specifies a 45 year physical life for an average cost Class D group home facility.<sup>164</sup> On this basis, he considered the effective age of the building to be two years on both valuation dates, translating to a depreciation rate of four percent on both dates for its long-life components.<sup>165</sup> He assigned a seven percent depreciation rate on both dates to its short-

<sup>160</sup> Ex. 1, at 67-68, 71-72.

<sup>161</sup> Ex. 1, at 67; Tr. 296-307 (explaining that providing space for children prevents full occupancy as they are a “cost of the facility”).

<sup>162</sup> Ex. 1, at 68.

<sup>163</sup> Ex. B, at 91.

<sup>164</sup> Tr. 647-48.

<sup>165</sup> Ex. B, at 91, 96; Tr. 576-77 (testimony that subject is well-built and modern), 641-45 (testimony concerning the determination that subject had an effective age of two years on both valuation dates, because “effective age and actual age are different” particularly given the newness of the building), 713-14.

life components based on a one year effective age on both dates,<sup>166</sup> and allocated the property 75 percent to its long-life components and 25 percent to its short-life components.<sup>167</sup>

Mr. Waytas did not assign any functional obsolescence to the subject property for either year.<sup>168</sup> Although he agreed the subject had adaptable rooms that could be converted from offices to resident rooms (and vice versa), Mr. Waytas testified that this flexibility enhanced, rather than detracted, from the building's functionality.<sup>169</sup> Nor did he consider the subject property to suffer from external obsolescence. Unlike Mr. Torkelson, he sought to calculate the amount of external obsolescence by measuring the differential between the subject property's hypothetical income under the cost approach, and its actual income for each year at issue.<sup>170</sup> Mr. Waytas derived a hypothetical net operating income ("NOI") of \$447,819 for 2020. Comparing that to the actual identified NOI of \$602,940 for 2020, Mr. Waytas determined that the subject property experienced "positive external obsolescence," meaning that "there is demand for treatment center facilities and [] a potential developer could likely increase the entrepreneurial incentive cost."<sup>171</sup> He reached the same conclusion for 2021.<sup>172</sup> For that reason, he concluded the subject property experienced no

<sup>166</sup> Ex. B, at 91, 96; Tr. 656-58, (testimony that short-lived components have a 15-year life based on a one year effective age), 712-13 (opining that effective age of subject is less than actual age).

<sup>167</sup> Ex. B, at 91, 96; Tr. 581-83, 645-46. Neither the written report nor his in-court testimony explains how Mr. Waytas arrived at the allocation between short- and long-life components.

<sup>168</sup> Ex. B, at 93, 98.

<sup>169</sup> Tr. 578-79 (testimony that subject property is "highly modular" and that Mr. Ludowese considered this a point of pride in their discussions).

<sup>170</sup> Ex. B, at 92 (citing *Appraisal of Real Estate* 636-37 (14<sup>th</sup> ed. 2013)); Tr. 579-80.

<sup>171</sup> Ex. B, at 92; Tr. 579-80 (characterizing this differential as "a negative number" and that someone could build the subject property, charge rent, and "you would get a strong return on your investment."), 648-49.

<sup>172</sup> Ex. B, at 97 (comparing capitalized hypothetical potential NOI for 2021 of \$480,953 against 2021 NOI of \$606,714); Tr. 716-18 (testimony concerning increasing demand for residential treatment services, strong occupancy at the subject property, as well as increases in

external obsolescence for either year at issue.<sup>173</sup> Neither expert considered the subject property to have any items of deferred maintenance.<sup>174</sup>

The parties did not use the same square footage to calculate the indicated value under the cost approach. Mr. Torkelson used 37,200 square feet,<sup>175</sup> whereas Mr. Waytas used 36,812 square feet. Mr. Waytas testified that he obtained his square footage from several sources, including an aerial measurement of the property, which showed that it was 36,500 square feet, and consulting a valuation performed for a purpose unrelated to this litigation.<sup>176</sup> At trial, Mr. Waytas did not dispute that the final architectural plans show 37,200 square feet, although he did not concede that this is the correct property dimension.<sup>177</sup> The following table depicts the parties' experts' cost approach methodology, side by side, for 2020:

Recovering Hope's annual gross revenues, as confirmation of the absence of external obsolescence).

<sup>173</sup> Ex. B, at 92, 97.

<sup>174</sup> Ex. 1, at 67; Ex. B, at 91; Tr. 577-78.

<sup>175</sup> Tr. 615-617 (testimony of Mr. Waytas that the square footage in the final construction plans adds up to 37,200 square feet) (referencing Ex. 4, at 2, the final construction plans).

<sup>176</sup> Tr. 611-617 (testimony of Mr. Waytas that his 36,812 square footage corresponds to Mr. Lewis's appraisal but that he performed his own verification).

<sup>177</sup> Tr. 617.



**Table 2a: 2020 Cost Approach Summary<sup>178</sup>**

	RHTC (Mr. Torkelson)	County (Mr. Waytas)
Initial Base Cost/SF	\$112.00	\$145.00
Sprinkler + HVAC	\$11.55	\$12.35
Total Base Cost/SF	\$123.55	\$157.35
Composite Multiplier	.9384	.843
Final Cost/SF	\$115.94	\$132.70
Building Cost	\$4,312,968 @37,200 SF	\$4,895,996 @ 36,812 SF
Improvements	\$50,000	\$155,000
Building + Improvement Cost	\$4,362,968	\$5,050,996
Indirect Cost + Entrepreneurial Profit	\$676,260	\$757,649
Index adjustment to date of value	.7358	---
Total Construction Cost	\$3,708,066	\$5,808,645
Depreciation	(\$333,000)	(\$275,910)
Functional Obsolescence	(\$168,350)	\$0
External Obsolescence	(\$959,595) (if commercial) (\$479,798) (if residential)	\$0
Land Value	\$63,000	\$65,000
<b>2020 Indicated Value (Rounded)</b>	<b>\$2,300,000 (if commercial) \$2,780,000 (if residential)</b>	<b>\$5,595,000</b>

<sup>178</sup> Both experts applied discounts to account for indirect construction costs (such as cost overruns or other unanticipated changes to the project) of five percent, and for entrepreneurial incentive (such as project oversight) of ten percent. Ex. 1, at 65; Ex. B, at 89, 91.

The following table depicts the parties' experts' cost approach methodology, side by side, for 2021:

***Table 2b: 2021 Cost Approach Summary***

	RHTC (Mr. Torkelson)	County (Mr. Waytas)
Initial Base Cost/SF	\$112.00	\$145.00
Sprinkler + HVAC	\$11.55	\$12.35
Total Base Cost/SF	\$123.55	\$157.35
Composite Multiplier	.9384	.907
Final Cost/SF	\$115.94	\$142.69
Building Cost	\$4,312,968 @ 37,200 SF	\$5,264,116 @ 36,812 SF
Improvements	\$50,000	\$165,000
Building + Improvement Cost	\$4,362,968	\$5,429,116
Indirect Cost + Entrepreneurial Profit	\$676,260	\$814,368
Index adjustment to date of value	.778	---
Total Construction Cost	\$3,921,578	\$6,243,483
Depreciation	(\$431,200)	(\$296,565)
Functional Obsolescence	(\$174,440)	\$0
External Obsolescence	(\$994,308) (if commercial) (\$497,154) (if residential)	\$0
Land Value	\$63,000	\$65,000
<b>2021 Indicated Value (Rounded)</b>	<b>\$2,380,000 (if commercial) \$2,880,000 (if residential)</b>	<b>\$5,660,000<sup>179</sup></b>

<sup>179</sup> Mr. Waytas assumed, on account of COVID-19, a six-month rent-free period and deducted \$350,000 from the indicated value under the cost approach for 2021. Ex. B, at 59, 98.

## B. Applicable Principles

The cost approach is an appropriate method of valuation in several circumstances and for certain types of property. The cost approach supposes that “an informed buyer would pay no more for the property than the cost of constructing new property having the same utility.” *Equitable Life Assur. Soc’y*, 530 N.W.2d at 552. “Under the cost approach, the appraiser determines the current cost of constructing the existing improvements on the property, subtracts depreciation to determine the current value of the improvements, and then adds the value of the land to determine the market value.” *Cont’l Retail LLC v. Cnty. of Hennepin*, 801 N.W.2d 395, 403 (Minn. 2011); *see also TARE* at 568-69 (setting forth the general procedure for the cost approach).

Depreciation takes three forms: physical depreciation, functional obsolescence, and external (or economic) obsolescence. Physical depreciation represents “losses in the value of improvements due to the effects of age, wear and tear, and other causes.” *TARE* at 539. It comprises three categories: 1) deferred maintenance; 2) short-lived physical deterioration; and 3) long-lived physical deterioration. *TARE* at 578. “Deferred maintenance is generally curable, whereas short-lived and long-lived items of physical deterioration are not curable, usually because it is not physically possible or economically feasible to cure them.” *TARE* at 578. “Functional obsolescence is a form of depreciation that considers diminution in value due to the function and utility of the property.” *Lowe’s Home Centers, LLC (Plymouth) v. Cnty. of Hennepin*, 938 N.W.2d 48, 59 (Minn. 2020). External obsolescence is a loss in value caused by negative externalities – that is, “factors outside a property.” *TARE* at 591. It is “a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of the owner, landlord, or tenant.” *Guardian Energy*, 868 N.W.2d at 262–63 (quoting Appraisal Inst., *The Dictionary of Real Estate Appraisal* 106 (4th ed. 2002)).

The cost approach is “useful for estimating the market value of new or relatively new construction ... and ... is best applied when land value is well supported and the improvements are new or suffer only minor depreciation.” *Id.* at 262 (internal quotation marks omitted). In addition, “[t]he cost approach may be used to develop an opinion of market value of ... properties that are not frequently exchanged in the market” and “[b]uyers of these properties often measure the price they will pay for an existing building against the cost to build .... *TARE* at 530.

### **C. Analysis**

The parties’ experts agreed on many underlying premises concerning the replacement cost approach to value. Specifically, both experts agreed on a bare land value of \$8,000 per acre, relied on MVS for the initial determination of the base cost of the building, and agreed that the subject is a Class D building with a wood frame construction under the MVS classification.<sup>180</sup> Both added a 15 percent total indirect cost to the base cost determination.<sup>181</sup> In addition, both applied a composite multiplier accounting for physical and environmental factors, although they differed as to the locality and current cost multipliers.<sup>182</sup> As these all find adequate support in the record, the court adopts them.

The parties’ experts disagreed concerning the following items: 1) the exact square footage of the building improvement; 2) whether the subject is of average or low cost quality construction, according to MVS standards; 3) the MVS locality factor to apply to the subject for purposes of its

<sup>180</sup> Ex. 1, at 65; Ex. B, at 89.

<sup>181</sup> Ex. 1, at 65; Ex. B, at 89. Messrs. Torkelson and Waytas disagreed concerning the percentage amount of the individual components of indirect cost (indirect costs and entrepreneurial incentive), but both ultimately determined an amount of 15 percent total indirect cost. RHTC accepted Mr. Waytas’s indirect cost assumptions, Pet’r’s Post-Trial Br. 36, and the County did not dispute Mr. Torkelson’s assumptions.

<sup>182</sup> Ex. 1, at 66; Ex. B, at 89-90, 94; Tr. 632-37.

composite multiplier; 4) the economic life of the subject, and resulting depreciation; 5) whether the subject property experienced any functional obsolescence on account of the adaptation of its rooms from one office type to another; and 6) whether the subject property experienced any external obsolescence on account of its partial occupancy by children.

### **1. Building and Site Improvements**

Concerning the size of the building, the experts used different dimensions in their written reports. The dimensions RHTC provided to the court, and those Mr. Torkelson relied upon, are 37,200 square feet.<sup>183</sup> At trial, Mr. Waytas testified that he obtained his square footage from an aerial measurement of the property as well as a preliminary building plan, but did not receive a copy of the final architectural plans for the subject.<sup>184</sup> As he did not dispute that the final architectural plans show dimensions of 37,200 square feet,<sup>185</sup> and the County does not appear to contend otherwise after the presentation of evidence, the court finds that the subject property measured 37,200 square feet during the years at issue.

The parties agreed that the subject is a Class D building with a wood frame construction under the MVS classification,<sup>186</sup> but disagreed concerning construction quality, with Mr. Torkelson characterizing it as low quality,<sup>187</sup> whereas Mr. Waytas characterized it as average quality.<sup>188</sup> RHTC refers to MVS's criteria for low and average quality construction, and contends

<sup>183</sup> Ex. 4 (final architectural plans).

<sup>184</sup> Tr. 611-617 (testimony of Mr. Waytas that his 36,812 square footage corresponds to Mr. Lewis's appraisal but that he performed his own verification).

<sup>185</sup> Tr. 615-617.

<sup>186</sup> Ex. 1, at 65; Ex. B, at 89.

<sup>187</sup> Ex. 1, at 64; Tr. 279-83 (testifying that the subject property has a sheetrock interior, inexpensive lighting and flooring, a low ceiling, and an asphalt shingle roof, as well as centralized plumbing, a simple kitchen, and relatively few electrical outlets in the bedrooms).

<sup>188</sup> Ex. B, at 89; Tr. 572, 627-29.

that the low quality construction criteria – “[d]rywall, low-cost carpet, asphalt” for interior finishings, as well as “[m]inimum quantity/quality” plumbing – better represent the subject property than the average quality construction criteria, which include “[d]rywall, carpet, some ceramic tile, vinyl composition,” and “[a]dequate lighting/plumbing, minimum extra facilities.”<sup>189</sup>

The court agrees with RHTC that the subject meets the MVS criteria for low quality construction, as opposed to average quality. Mr. Ludowese testified that RHTC deliberately selected low-cost carpeting throughout the interior, on account of anticipated wear and tear,<sup>190</sup> because residents “act out, punch walls, tear up beds, things like that.”<sup>191</sup> In addition, the building has forced air heat, a characteristic of low quality construction under the MVS criteria.<sup>192</sup> The resulting base cost per square foot is \$112.<sup>193</sup>

Concerning the MVS locality factor to apply to the subject for purposes of its composite multiplier, RHTC contends that the court should apply the general Minnesota locality multiplier of 1.08 to the subject, which is located in Mora, a community of roughly 3,600 people, located approximately “50 to 60” miles away from the Twin Cities or St. Cloud.<sup>194</sup> Mr. Waytas had applied the Minneapolis/Saint Paul locality multiplier of 1.14, and Mr. Torkelson the Brainerd multiplier of 1.03.<sup>195</sup> The County does not offer a contrary suggestion, although Mr. Waytas testified at trial

<sup>189</sup> Pet’r’s Post-Trial Br. 30.

<sup>190</sup> Tr. 58-59.

<sup>191</sup> Tr. 73.

<sup>192</sup> Tr. 363-64, 571.

<sup>193</sup> Ex. 51, at 2 (MVS Class D, low construction quality, group care homes).

<sup>194</sup> Pet’r’s Post-Trial Br. 32-33 (citing Ex. 51, at 7). Based on publicly available map sources, Mora is over 70 miles from both downtown Minneapolis and downtown Saint Paul.

<sup>195</sup> Pet’r’s Post-Trial Br. 33; Ex. 1, at 66, 70; Ex. B, at 89, 94.

that he considered Minneapolis close to Mora, and that it offered the most types of builders for such a construction project.<sup>196</sup>

The court agrees with RHTC that Mora cannot reasonably be compared to the Twin Cities as a similar locality within Minnesota. Both experts erroneously situate the subject, located in Kanabec County, within the Twin Cities Metropolitan Statistical Area (“MSA”),<sup>197</sup> although in the case of Mr. Torkelson this appears to be a scrivener’s error.<sup>198</sup> According to government data, however, Kanabec County is not part of the Twin Cities MSA,<sup>199</sup> and even if it were, Mora, a largely agricultural city of under 4,000 people,<sup>200</sup> is not similar to Minneapolis, a major metropolis with over 100 times its population more than 70 miles away. Rather than engaging in a factually unsupported comparison of Mora to specific Minnesota localities in the MVS (such as Brainerd, Rochester, Mankato, and the like), the court agrees the general Minnesota locality multiplier of 1.08 applies.

## **2. Physical depreciation**

The parties disagreed in two ways in determining the amount of physical depreciation.<sup>201</sup> First, regarding depreciation methodology, Mr. Torkelson did not distinguish between short- and

<sup>196</sup> Tr. 634-37.

<sup>197</sup> Ex. 1 at 17-28; Ex. B at 17-22.

<sup>198</sup> Ex. 1 at 18 (locating subject in Hennepin County).

<sup>199</sup> See “Metropolitan Statistical Areas,” Minnesota Department of Employment and Economic Development, <https://apps.deed.state.mn.us/assets/lmi/areamap/msa.shtml> (last accessed December 20, 2023). Minn. R. Evid. 201(b)-(c) (authorizing the court to take judicial notice of facts capable of accurate and ready determination by sources whose accuracy cannot reasonably be questioned).

<sup>200</sup> Ex. B at 23-26.

<sup>201</sup> Both experts agreed that the subject did not have any deferred maintenance as of the years at issue. Ex. 1, at 67; Ex. B, at 91; Tr. 577-78.

long-life components,<sup>202</sup> whereas Mr. Waytas took the shorter life of certain components of the building into consideration, including elements like interior walls,<sup>203</sup> and allocated the improvements into short- and long-life components. RHTC acknowledges, however, that some portions of the building are already wearing out and contemplating replacement six or seven years into the building's life,<sup>204</sup> and Mr. Torkelson testified that the building was subject to heavy use and experiencing wear.<sup>205</sup> Mr. Ludowese also testified components like floor covering and interior walls were susceptible to being damaged.<sup>206</sup>

Based on the record concerning the use of the building, the court agrees with the County that physical depreciation of the subject must account separately for its short- and long-lived components. *See TARE* at 560 (noting that short-lived building components may go through the depreciation cycle several times over the building's economic life cycle); 579 (whereas items of deferred maintenance are fully depreciated and may be treated as a whole, "the remaining physical deterioration is allocated to either short-lived or long-lived building components. Short lived items are those that are not ready to be replaced on the date of the opinion of value but will probably have to be replaced in the foreseeable (i.e., whatever is considered short-term) future."). Mr. Waytas allocated the property 75 percent to its long-life components and 25 percent to its short-

<sup>202</sup> Ex. 1, at 66.

<sup>203</sup> Tr. 732-33.

<sup>204</sup> Pet'r's Post-Trial Br. 37-39.

<sup>205</sup> Tr. 380-81.

<sup>206</sup> Tr. 73-74.



life components,<sup>207</sup> and RHTC does not dispute this allocation,<sup>208</sup> which appears reasonable based on the simplicity of the building.

Second, the parties disagreed concerning the effective age of the improvements. Effective age is the “age indicated by the condition and utility of a structure, and an estimate of effective age is based on an appraiser’s judgment and interpretation of market perceptions.” *TARE* at 562. Both experts started from the same reference point, using the MVS guidelines for group care homes as a baseline for the economic life of the subject.<sup>209</sup> The MVS defines “group care homes” as “small congregate care or special needs buildings that are more family or residential style in character ... and include intermediate-care facilities for ... substance abusers....”<sup>210</sup> “Therapy rooms or lounges and administrative rooms commensurate with the quality are included.”<sup>211</sup> The guidelines specify for Class D low construction quality group care homes an economic life of 40 years.<sup>212</sup>

Having started with this common guideline, however, both experts diverged from it. Mr. Torkelson acknowledged the 40 year guideline but opined that on the basis of “intensity of use,” the economic life was five years shorter.<sup>213</sup> Mr. Waytas, having erroneously determined that the subject is of average construction quality, began with the premise that it has a 45 year economic

<sup>207</sup> Ex. B, at 91, 96; Tr. 581-83, 645-46.

<sup>208</sup> Pet’r’s Post-Trial Br. 39.

<sup>209</sup> Ex. 1, at 66; Ex. B, at 91.

<sup>210</sup> Ex. 51, at 1.

<sup>211</sup> Ex. 51, at 1.

<sup>212</sup> Ex. 51, at 8 (Group Care Homes, class D).

<sup>213</sup> Tr. 230-31, 288-290 (acknowledging on cross-examination that this reduction in economic age departed from MVS, based on experience valuing group homes), 379-81 (testimony concerning the “lightness” of interior finishings such as sheetrock and carpeting, particularly relative to the anticipated use).

life of its long-life components.<sup>214</sup> He increased the economic life by five years, however, because the subject is well-built and modern.<sup>215</sup>

Although a departure from MVS guidelines might be appropriate based on the expert's "judgment and interpretation of market perceptions," *TARE* at 562, the record does not support departing in either direction from the MVS guidelines for Class D low construction quality group homes. The court accepts the testimony of Mr. Torkelson that the subject is subjected to heavy use.<sup>216</sup> The record contains no evidence, however, and Mr. Torkelson did not explain, why the MVS definition of group care homes does not already contemplate heavy use by individuals in distress, including families with children living in the facility. The definition of group care homes includes several such categories of individuals, comprising not only "substance abusers" but also "physically challenged or mentally handicapped" individuals, "battering victims," and "emergency homeless."<sup>217</sup> Furthermore, to the extent Mr. Torkelson relies on RHTC's in-house daycare and the omnipresence of children to justify a five year reduction in the economic life of its long-life components,<sup>218</sup> the record does not contain the MVS guidelines for the economic life of daycare facilities, and the court cannot determine whether a shorter economic life is appropriate on that basis.

Similarly, although the court accepts the testimony of Mr. Waytas<sup>219</sup> that the building is modern and well-conceived based on the testimony of both experts, Mr. Ludowese, and the photos

<sup>214</sup> Tr. 647-48.

<sup>215</sup> Tr. 576-77.

<sup>216</sup> Tr. 288-290, 379-81.

<sup>217</sup> Ex. 51, at 1. The MVS language to describe individuals and their life challenges would benefit from a 21<sup>st</sup> century update.

<sup>218</sup> Tr. 230-31.

<sup>219</sup> Tr. 576-77.

included with both expert reports, the record does not reflect that the subject is exceptionally well-constructed such that the economic age of its long-life components exceeds that established by the MVS guidelines. In the first place, the court already has determined that the subject meets the criteria for a Class D building of low, not average, construction quality. Accordingly, the guidelines specify a 40 year economic life for its long-life components, not 45 years to start. Second, the subject is quite new relative to its valuation date, and Mr. Waytas did not testify to any specific extraordinary characteristics of the subject property that would warrant increasing its economic life. With respect to the long-life components, the record supports an economic life of 40 years. Mr. Waytas suggests an economic life for its short-life components of 15 years, which seems reasonable, and which RHTC does not challenge.<sup>220</sup>

Mr. Torkelson applied a depreciation rate commensurate with the building's actual age (three and four years as of 2020 and 2021), whereas Mr. Waytas considered the long-life components to be newer than its actual age – effectively two years old in 2020 and 2021,<sup>221</sup> and the short-life components to be only one year old on both dates.<sup>222</sup> Although the record supports Mr. Waytas's separate allocation of short- and long-life components, the court agrees with Mr. Torkelson's opinion that the effective age of the long-life components were the actual age of three and four years old as of 2020 and 2021, not two years old on both dates. Buildings 2 and 3, the main portion of the subject, were constructed in mid-2016 and the record demonstrates that they

<sup>220</sup> Pet'r's Post-Trial Br. 38-39.

<sup>221</sup> Ex. B, at 91, 96; Tr. 576-77 (testimony that subject is well-built and modern), 641-45 (testimony concerning the determination that subject had an effective age of two years on both valuation dates, because "actual age and effective age are different" particularly given the newness of the building), 713-14.

<sup>222</sup> Ex. B, at 91, 96; Tr. 656-58, (testimony that short-lived components have a 15-year life based on a one year effective age), 712-13 (opining that effective age of subject is less than actual age).

were not lightly used as of the years at issue. The record also supports RHTC's contention that the short-life components had an effective age of two and three years as of 2020 and 2021, not one year.<sup>223</sup> Mr. Torkelson testified credibly concerning "the intensity of use paired with the lightness of construction," such as the thin carpets and light cabinetry.<sup>224</sup> Mr. Ludowese also testified that wear and tear on walls and carpeting was heavy and ongoing.<sup>225</sup>

An appropriate composite depreciation rate for 2020 is 9.125%, calculated as follows:

**7.5% (3 years x 2.5% per year) long-life x 75% + 14% (2 years x 7% per year) short-life x 25%**

An appropriate composite depreciation rate for 2021 is 12.75%, calculated as follows:

**10% (4 years x 2.5% per year) long-life x 75% + 21% (3 years x 7% per year) short-life x 25%**

### **3. Obsolescence**

The most substantial difference in the experts' cost approach was their view of obsolescence, both functional and external. Concerning functional obsolescence, both experts noted that the subject was designed to permit Recovering Hope to convert rooms from one use to another.<sup>226</sup> Mr. Ludowese testified that rooms were intentionally constructed to uniform dimensions and met requirements for both offices and bedrooms so they could be converted readily.<sup>227</sup> Mr. Torkelson testified that RHTC had in fact converted some of its rooms from regular office space to communications and technology uses, and opined that a five percent functional

<sup>223</sup> Pet'r's Post-Trial Br. 38-39.

<sup>224</sup> Tr. 380-81, 384-85.

<sup>225</sup> Tr. 73-74.

<sup>226</sup> Tr. 291-98, 366-68, 374-75 (testimony of Mr. Torkelson that several offices in the subject property had converted to other uses, such as communications or technology rooms), Tr. 578-79 (testimony of Mr. Waytas that subject property is "highly modular").

<sup>227</sup> Tr. 66-67, 155-56.

obsolescence was appropriate on that basis.<sup>228</sup> Mr. Waytas opined that no functional obsolescence was appropriate on this basis, because RHTC had converted the use of these rooms in accordance with their design and intended use.<sup>229</sup>

The court agrees with the County that changes to the use of interior offices in accordance with their planned design is not evidence of functional obsolescence, based on the record. Rather, it demonstrates not only the intended use of the property as constructed, but greater flexibility in contrast to highly specialized buildings that do not appeal to the needs of the market in general. *See TARE* at 583 (“In some cases, a ... property owner creates functional obsolescence by incorporating special features ... that would not appeal to the market in general.”). Furthermore, to the extent a hypothetical owner of the subject might incur unanticipated costs in adapting an office from one use (such as a therapy or administrative space) to another (such as a technology or communication space), RHTC provided no evidence of such costs, and Mr. Torkelson did not provide any empirical support for his five percent estimate. *See Lowe’s (Plymouth)*, 938 N.W.2d at 59 (affirming tax court’s measurement of subject’s functional obsolescence by the amount buyer spent to re-build and re-brand a similar Lowe’s property to fit its preferences).

RHTC also contends that both the subject’s occupancy and its location warrant a 15 percent deduction for external obsolescence.<sup>230</sup> Specifically, Mr. Torkelson concluded that because Recovering Hope accepts only women as residents, and this decision is premised on allowing mothers to remain with their small children, RHTC effectively operates at a 70 percent paid occupancy relative to its available number of (licensed) beds, because some of the licensed beds

<sup>228</sup> Ex. 1, at 67, 72.

<sup>229</sup> Tr. 578-79 (testimony that subject property is “highly modular” and that Mr. Ludowese considered this a point of pride in their discussions).

<sup>230</sup> Pet’r’s Post-Trial Br. 41-42.

are taken up by children.<sup>231</sup> He assigned a 15 percent deduction for external obsolescence on the basis of these unused licensed beds, but did not testify about how he arrived at the 15 percent deduction.<sup>232</sup> RHTC also contends that the location of the subject property, on very low-cost land in a rural area, creates a negative externality because the underlying land value does not support the value of the improvement.<sup>233</sup> Mr. Torkelson testified that, “[i]f the property were to go vacant and nobody was interested in the building, there is fundamentally no value to it anymore because the land component represents only two percent of the value of the property.”<sup>234</sup>

The County disagrees on the grounds that Recovering Hope’s business plan is not a factor outside a property owner’s control.<sup>235</sup> Mr. Waytas opines that RHTC has positive income potential despite its current business model and location under a capitalized income loss analysis,<sup>236</sup> meaning that someone could build the subject property, charge rent, and “you would get a strong return on your investment,” and that “there is demand for treatment center facilities and [] a potential developer could likely increase the entrepreneurial incentive cost.”<sup>237</sup> For that reason, he concluded the subject property experienced no external obsolescence for either year at issue.<sup>238</sup>

Because the court rejected both parties’ determination of actual NOI under the income approach,<sup>239</sup> the capitalized income loss analysis that Mr. Waytas employed is not a useful way to

<sup>231</sup> Ex. 1, at 67; Tr. 231-34, 296-307 (explaining that providing space for children prevents full occupancy as they are a “cost of the facility”).

<sup>232</sup> Tr. 232, 296-305.

<sup>233</sup> Pet’r’s Post-Trial Br. 42; Tr. 233-34.

<sup>234</sup> Tr. 233-34.

<sup>235</sup> Resp’t’s Post-Trial Br. 25-26.

<sup>236</sup> Resp’t’s Post-Trial Br. 25-26.

<sup>237</sup> Ex. B, at 92; Tr. 579-80, 648-49..

<sup>238</sup> Ex. B, at 92, 97.

<sup>239</sup> *See infra* section VIII.C.

determine the existence of external obsolescence under the circumstances. Even so, the court disagrees that Recovering Hope's women-and-children therapeutic model is an external factor that negatively affects the value of the subject property. "External obsolescence usually has a marketwide effect and influences a whole class of properties, rather than just a single property." *TARE* at 591. To the extent external obsolescence affects a single property, "its cause is location—e.g., proximity to negative environmental factors or the absence of zoning and land use controls." *Id.* Recovering Hope has made an intentional therapeutic – and business – decision to use the subject property it leases from RHTC in a specific way that does not maximize the number of adult residents up to the licensed number of beds (108), but this does not constitute a negative environmental factor or some other adverse factor outside its control. Furthermore, Mr. Torkelson did not explain how he determined a 15 percent deduction was appropriate. *See Lowe's (Plymouth)*, 938 N.W.2d at 59 (affirming tax court's rejection of expert's opinion regarding functional and external obsolescence "because he did not explain how a well-performing property in a good retail location" had experienced the levels of obsolescence he described).

Finally, Mr. Torkelson opined that an additional 15 percent deduction for external obsolescence was warranted due to the commercial classification of the property. Specifically, he states that that the "added cost" attributable to the commercial property tax rate "results in a reduction in the rent which can be paid [and] places the facility at much higher risk of failure."<sup>240</sup> Again, the court disagrees that property classification constitutes an external factor that negatively affects the value of the subject property, even if it changes the applicable tax rate. As property classification is based on actual use – that is, "what the land is devoted to, not what it can be

<sup>240</sup> Ex. 1 at 68; Tr. 234-36.

devoted to,” *Wolf Lake Camp*, 312 Minn. at 428, 252 N.W.2d at 264, it is not premised on factors outside RHTC’s control. *TARE* at 591 (defining external obsolescence).

#### 4. Cost approach: Reconciliation

**2020: \$3,750,000 (rounded).**

Item		Amount
Base cost/sf x 37,200 sf	\$112 x 37,200	\$4,166,400
Sprinkler/HVAC	\$11.55 x 37,200	\$429,660
Total base cost		\$4,596,060
Composite multiplier		\$3,378,098
Story height	1.000	
Floor area	.959	
Locality	1.080	
Current cost	.950	
Time adjustment	.747	
Total	.735	
Improvements	\$150,000	\$150,000
Building + Improvement Cost		\$3,528,098
Total indirect cost (+15%)		\$529,215
Total cost before depreciation		\$4,057,313
Depreciation	.09125	(\$370,230)
Functional obsolescence	\$0	\$0
External obsolescence	\$0	\$0
Land value	\$64,000	\$64,000



**2021: \$3,620,000 (rounded)**

Item		Amount
Base cost/sf x 37,200 sf	\$112 x 37,200	\$4,166,400
Sprinkler/HVAC	\$11.55 x 37,200	\$429,660
Total base cost		\$4,596,060
Composite multiplier		\$3,378,098
Story height	1.000	
Floor area	.959	
Locality	1.080	
Current cost	.950	
Time adjustment	.747	
Total	.735	
Improvements	\$165,000	\$165,000
Building + Improvement Cost		\$3,543,098
Total indirect cost (+15%)		\$531,465
Total cost before depreciation		\$4,074,563
Depreciation	.1275	(\$519,507)
Functional obsolescence	\$0	\$0
External obsolescence	\$0	\$0
Land value	\$64,000	\$64,000

**VII. SALES COMPARISON APPROACH**

**A. Expert Testimony**

Both experts also undertook valuation of the east parcel using comparable sales and did not select any comparable properties in common. Mr. Torkelson valued it as a split-classified

property.<sup>241</sup> Regarding the residential portion of the subject property, he provided five comparable sales, adjusting for the physical characteristics of the property relative to the subject.<sup>242</sup> Table 3a summarizes the sale dates, sale prices, and land and building sizes for each comparable property that Mr. Torkelson considered.

***Table 3a: RHTC Residential-Only Comparable Sale Summary***

	1 Rehab/Shelter	2 Treatment	3 Rehab	4 Assisted Living	5 Assisted Living
Sale Date	November 2020	November 2020	July 2020	July 2017	July 2020 [December 2016] <sup>243</sup>
Sale Price	\$800,000	\$5,400,000	\$460,000	\$1,128,522	\$610,155
Acreage GBA	.44 12,660 sf	40.08 135,844	n/a 6,141	5.89 19,683	.86 23,932
Unadjusted Price/SF	\$63.19	\$39.75	\$74.91	\$57.33	\$25.50
Location	-10%	0%	-10%	0%	0%
Age/Condition	+15%	+10%	+10%	+5%	+20%
Size	-10%	+15%	-10%	-5%	0%
Quality	-5%	-5%	-10%	0%	0%
Other	0%	0%	0%	0%	+20%
Total adjustment	-10%	+20%	-20%	0%	+40%
<b>Indicated Subject \$/sf</b>	\$56.87	\$47.70	\$59.93	\$57.33	\$35.70

<sup>241</sup> Ex. 1, at 75-80, A1-A5; Tr. 356-57, 371.

<sup>242</sup> Ex. 1, at 75-79, A1-A5.

<sup>243</sup> Tr. 335-36 (acknowledgment on cross-examination that CoStar data was incorrect and Certificate of Real Estate Value set forth December 2016 sale date).

Of these, only one, Comparable 2, was a residential treatment center for SUD.<sup>244</sup> That property is constructed of concrete block and was recently renovated in 2012,<sup>245</sup> with a gross building area (“GBA”) of 135,844 square feet on about 40 acres.<sup>246</sup> Mr. Torkelson did not specify the number of licensed beds on the property.

The other comparable properties had substantial differences from the subject in terms of size, age, composition, and use. Comparable 1 was a transitional residence for individuals needing assistance with general rehabilitation and treatment<sup>247</sup> located in the City of Minneapolis, with a GBA of 12,660 square feet on .44 acres, essentially having no land surrounding the building.<sup>248</sup> It is a Class C brick building.<sup>249</sup> Hennepin County purchased the property for lease to a nonprofit entity, which leases it to individuals.<sup>250</sup> Comparable 3 was a wood frame building, like the subject, with a GBA of 6,141 square feet, operated as an assisted living facility.<sup>251</sup> Mr. Torkelson did not specify the land area, although the photo of the property appears to show it has no surrounding land; he testified that, as with the other comparable properties, his review was limited to information available on CoStar and the property address.<sup>252</sup> Comparable 4 was a wood frame building, with a GBA of 19,683 square feet on a 5.89 acre parcel, operated as an assisted living

<sup>244</sup> Ex. 1, at 74-75, A2.

<sup>245</sup> Ex. 1, at 75.

<sup>246</sup> Ex. 1, at 75, A2.

<sup>247</sup> Ex. 1, at A1; Tr. 320, 326-27 (testimony describing services as “rehabilitation and treatment” to previously unhomed individuals). The treatment does not appear to be for substance abuse disorder.

<sup>248</sup> Ex. 1, at 74-75, A1.

<sup>249</sup> Tr. 317 (testimony concerning CoStar data).

<sup>250</sup> Tr. 320.

<sup>251</sup> Ex. 1, at 75, A3.

<sup>252</sup> Tr. 331-32.

facility.<sup>253</sup> It sold in July 2017, two and a half years before the 2020 valuation date. Again, Mr. Torkelson did not specify the number of licensed beds on the property and it is not clear whether Comparable 4 has a similar interior layout, with common living areas, common bathrooms, and a common kitchen as opposed to individual living units. Finally, Comparable 5, an assisted living facility with a GBA of 23,932 square foot property on .86 acres, like Comparable 1, lacks any apparent land surrounding the building.<sup>254</sup> Mr. Torkelson corrected his testimony concerning the sale date, acknowledging that CoStar data reflected the contract for deed payoff date in 2020 and that the sale date was December 2016.<sup>255</sup>

Mr. Torkelson evaluated sale prices on a per square foot basis and did not consider the comparable sale price of these properties based on the number of resident (or patient) beds or rooms. The unadjusted sale prices ranged from \$25.50/sf to \$74.91/sf; following adjustment for physical characteristics, the indicated subject value per square foot ranged from \$35.70 to \$59.93, with an average of \$51.51 and a median of \$56.87.<sup>256</sup> On this basis, Mr. Torkelson valued the residential property at \$1,910,000 for both years at issue.<sup>257</sup>

Mr. Torkelson also separately valued the portion of Building 1, approximately 4200 square feet, which is accessible to the public for outpatient treatment (the “outpatient clinic”). He considered five other comparable sales of smaller clinics and, as with the residential property, adjusted for physical characteristics. The indicated subject value per square foot ranged from

<sup>253</sup> Ex. 1, at 75, A4.

<sup>254</sup> Ex. 1, at 75, A5.

<sup>255</sup> Tr. 335-37.

<sup>256</sup> Ex. 1, at 79.

<sup>257</sup> Ex. 1, at 80.

\$48.75 to \$59.21, with an average of \$55.24 and a median of \$56.15.<sup>258</sup> On this basis, Mr. Torkelson valued the outpatient clinic at \$240,000 for both years at issue, for a total value of \$2,150,000 for the east parcel for both years at issue.<sup>259</sup>

For the County, Mr. Waytas evaluated six comparable sales. He valued the entirety of the east parcel and did not value the residential property separately from the outpatient clinic. In addition to evaluating sale prices on a per square foot basis, he also determined the price per licensed bed.<sup>260</sup> Table 3b summarizes the sale dates, sale prices, land and building sizes, and licensed beds for each comparable property that Mr. Waytas considered.

<sup>258</sup> Ex. 1, at 81-85, A7-A11; Tr. 339-44.

<sup>259</sup> Ex. 1, at 86.

<sup>260</sup> Ex. B, at 102-117; Tr. 585-88 (testimony concerning selection of price per bed methodology, because “for this property type, from a business standpoint the property generates revenue by the number of occupants they have ... [i]t’s not per square foot.”), 680 (testimony that “the main revenue generator component[] of a treatment facility is the number of licensed beds...[and] [t]he most relevant unit of comparison is concluded to be the price per bed.”), 720-22. Mr. Waytas rejected the use of a per-room unit of comparison, because the number of beds per room might vary. Tr. 719-20.

**Table 3c: County Comparable Sale Summary**

	1 Senior living	2 Treatment	3 Treatment	4 Treatment	5 Treatment	6 Treatment
Sale Date	December 2020	September 2016	June 2020	September 2018	January 2022	December 2021
Sale Price	\$3,800,000	\$821,000	\$4,717,940	\$1,250,000	\$448,600	\$12,000,000
Site SF Property GBA	189,486 sf (4.35 ac) 47,500 sf	119,137 sf (2.60 ac) 6,937 sf	1,068,824 sf (24.49 ac) 56,748 sf	169,448 sf (3.89 ac) 15,165 sf	33,933 sf (.78 ac) 4,000 sf	210,482 sf (4.83 ac) 58,578 sf
Licensed beds	65	16	62	16	12	96
Unadjusted Price/sf	\$80.00	\$118.35	\$83.11	\$82.43	\$112.15	\$212.10
Unadjusted Price/bed	\$58,462	\$51,313	\$76,096	\$78,125	\$37,383	\$125,000
Property rights	0%	0%	0%	0%	0%	-23%
Market Conditions <sup>261</sup>	-1.91%	6.52%	-.91%	2.65%	-4.05%	-3.94%
Location	-5%	0%	0%	0%	0%	0%
Zoning/Use	-20%	0%	0%	0%	0%	0%
Land to Building	+5%	-8%	-9%	-2%	+1%	+6%
Age/Condition	+7%	+2%	+5%	+2%	+3%	+3%
Quality	+10%	0%	0%	0%	0%	0%
GBA/bed	-10%	0%	-10%	-10%	0%	-5%
Number of licensed beds	0%	-5%	0%	-5%	-5%	0%
Total adjustment	-13%	-11%	-14%	-15%	+9%	-19%

<sup>261</sup> As an intermediate step, Mr. Waytas applied an “equalization” factor to each unadjusted price/sf and price/bed based on market conditions. Ex. B, at 114, 116 (depicting changes in market condition over time). He applied the percentage adjustments to the market-equalized prices, rather than the unadjusted prices, to arrive at final indicated prices per square foot. The table in this Memorandum does not depict the intermediate equalized prices.

<b>Equalized Indicated Subject \$/sf</b>	\$68.27	\$112.20	\$70.82	\$71.92	\$117.29	\$163.16
<b>Equalized Indicated Subject \$/bed</b>	\$49,890	\$48,646	\$64,847	\$68,166	\$39,097	\$96,156

Comparable 1 was a senior living apartment building at the time of sale and not in use as a treatment center.<sup>262</sup> Mr. Waytas noted that it required adjustment because, unlike the subject, the individual units had kitchens and bathrooms.<sup>263</sup> The other comparable properties were in use as SUD treatment facilities, all described as average condition, and in good to average quality.<sup>264</sup> Comparable 2 is a 6,937 square foot facility on about 2.6 acres, with 16 beds, built in 2007.<sup>265</sup> Comparable 3 is a 56,768 square foot facility on over 24 acres, licensed for 62 beds, and converted to a treatment facility from a hotel.<sup>266</sup> Comparable 4 is a 15,165 square foot facility on nearly 4 acres, built in 2006, and licensed for 16 beds.<sup>267</sup> Unlike the other comparable properties, Comparable 5, a 4,000 square foot property, is located on a small parcel of .78 acres with nearly no surrounding land; it is licensed for 12 beds and was built in 2008.<sup>268</sup> Finally, Comparable 6, a large treatment center of 56,578 square feet, located on nearly 5 acres, was built in 2008 and licensed for 96 beds, nearly the same number as the subject.<sup>269</sup> Unlike the subject, however, it was

<sup>262</sup> Ex. B, at 103.

<sup>263</sup> Ex. B, at 117.

<sup>264</sup> Ex. B, at 103-17.

<sup>265</sup> Ex. B, at 105.

<sup>266</sup> Ex. B, at 107.

<sup>267</sup> Ex. B, at 109.

<sup>268</sup> Ex. B, at 111.

<sup>269</sup> Ex. B, at 113.

not owner occupied at the time of sale, having been sold under a leased fee agreement.<sup>270</sup> Mr. Waytas acknowledged under cross-examination that the amount of annual lease income he used in his appraisal, \$840,000, did not match the amount of income described in the listing, \$975,000.<sup>271</sup> Moreover, Mr. Waytas acknowledged that the sale was not arm's length, but an IRC section 1031 like-kind exchange.<sup>272</sup>

Mr. Waytas adjusted his sale prices for factors such as the land to building ratio, size and quality of the property, the number of licensed beds on the property, and the gross building area per licensed bed.<sup>273</sup> The unadjusted sale prices per square foot ranged from \$80.00/sf to \$212.10/sf; following adjustment, the indicated subject value per square foot ranged from \$68.27 to \$163.15.<sup>274</sup> The unadjusted sale prices per licensed bed ranged from \$37,383/bed to \$125,000/bed; following adjustment, the subject value per bed ranged from \$39,098 to \$96,156.<sup>275</sup>

## **B. Applicable Principles**

The sales comparison approach involves valuing property “based on the price paid in actual market transactions of comparable properties, and then making an adjustment to those sales prices to reflect differences between the sold property and the subject property.” *Menard (Clay)*, 886 N.W.2d at 817 (citing *Cont'l Retail*, 801 N.W.2d at 402) (cleaned up); see *Carson Pirie Scott & Co. (Ridgedale) v. Cnty. of Hennepin*, 576 N.W.2d 445, 447 (Minn. 1998) (citing *Harold*

<sup>270</sup> Ex. B, at 113, 115; Tr. 661-669 (testimony concerning sale 6, a leased fee sale and 1031 exchange with a primary lease for \$840,000 per year, which Mr. Waytas relied on, and an annual sublease for \$975,000).

<sup>271</sup> Ex. 59; Tr. 662-34.

<sup>272</sup> Tr. 665, 733-34.

<sup>273</sup> Ex. B, at 114, 116; Tr. 666-80 (discussing adjustment and explaining that, as the number of beds decreases, the cost per bed generally increases).

<sup>274</sup> Ex. B, at 114.

<sup>275</sup> Ex. B, at 114.



*Chevrolet*, 526 N.W.2d at 56) (explaining that adjustments are made “for differences such as location, size and time of sale” after comparing the subject property with comparable sales). The sales comparison approach assumes, among other things, “that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.” *TARE* at 352; *see also Equitable Life Assur. Soc’y*, 530 N.W.2d at 552 (observing that the sales comparison approach “is based on prices paid in actual market transactions involving comparable properties”).

Application of the approach requires analysis of recent sales of other properties to determine the comparability of those properties to the subject property, and the adjustment of their sale prices as necessary for such features as age, size, location, and condition to make those properties comparable to the subject. *TARE* at 341, 355. “The objective of sales comparison is to select the most comparable sales and then adjust the comparable sales for differences that cannot be eliminated within the selection process.” *Id.* at 339. Thus, the court must first decide which sales data provided by the parties are the most comparable to the subject property. *See Menard (Clay)*, 886 N.W.2d at 816-18. Differing physical characteristics, such as size and land to building ratio, must be analyzed and adjustments applied accordingly. *TARE* at 366, 404-05. The reliability of adjustments applied to comparable sales, and the weight they are accorded, depend on the degree to which the adjustments are supported by market data. *Macy’s Retail Holdings v. Cnty. of Hennepin*, No. 27-CV-09-15221 et al., 2014 WL 1379288, at \*8 & n.9 (Minn. T.C. Feb. 25, 2014).

“Like units [of comparison] must be compared, so in many cases the sale price should be stated in terms of appropriate units of comparison.” *TARE* at 359 & table 20.1. Appraisers use units of comparison to facilitate comparison of the subject and comparable properties. The sales should be analyzed to determine which units of comparison indicate the least amount of variance

when applied to the comparable sales.” *Id.* at 360-61 (recommending that appraisers use coefficients of variation from the indicated mean to determine the appropriate unit of comparison, where more than one exists).

### **C. Analysis**

The parties took considerably different approaches to determining comparable properties, owing to RHTC’s view that the subject should be split-classified. Mr. Torkelson considered two types of comparable properties: residential facilities (such as treatment facilities and assisted living facilities) with respect to the residential property, and medical clinics with respect to the outpatient clinic. Mr. Waytas only considered residential facilities.

Because the court has determined that the subject is properly classified as commercial, and the property should not be split-classified, the court has considered and rejected all of Mr. Torkelson’s medical clinic comparable sales,<sup>276</sup> which are not sufficiently similar to the subject as a whole. They lack bedrooms, large common areas, facilities such as kitchens and communal bathrooms, and in other respects, are not generally comparable to the subject property. The court may reject noncomparable sales, as well as a valuation approach using noncomparable sales. *Menard (Clay)*, 886 N.W.2d at 817; *KCP Hastings LLC v. Cnty. of Dakota*, 868 N.W.2d 268, 274 (Minn. 2015).

The parties’ experts did not select any comparable properties in common. Of the comparable properties Mr. Torkelson considered, only one, Comparable 2, which was a residential treatment center for SUD like the subject.<sup>277</sup> That property is constructed of concrete block, and

<sup>276</sup> Ex. 1, at 81-86.

<sup>277</sup> Ex. 1, at 74-75, A2.

the building is substantially larger than the subject, but it is of a similar land to building ratio.<sup>278</sup> Comparable 4 was operated as an assisted living facility, but like the subject, it is a wood frame building, with a GBA of 19,683 square feet on a 5.89 acre parcel.<sup>279</sup> It sold in July 2017, two and a half years before the 2020 valuation date, but based on data in Mr. Waytas's report, the overall market for similar properties does not appear to have changed much from year to year and both experts testified the market was nearly flat during the time period preceding the years at issue.<sup>280</sup> Mr. Torkelson reasonably supported his adjustments to the sale prices for Comparables 2 and 4, based on the differences in location, age, size, and quality, and the County does not appear to take issue with those adjustments. Accordingly, the court adopts Comparables 2 and 4, as adjusted.

The other properties are not suitable for comparison for several reasons. Comparables 1, 3, and 5 appear to lack surrounding land, which appears to serve an important purpose in residential SUD treatment by providing resident clients a place to obtain outdoor exercise and fresh air during high intensity programming.<sup>281</sup> Comparables 1 and 3 also are much smaller than the subject. Furthermore, Comparable 1 is not a SUD treatment facility, but a transitional residence for individuals leased to a nonprofit entity.<sup>282</sup>

Mr. Waytas adopted a more complex approach to sales comparison, which involved both the sales price per bed, as well as other criteria, such as the GBA per bed. Although Mr. Waytas generally selected more treatment facilities as a basis for comparison than Mr. Torkelson, he did

<sup>278</sup> Ex. 1, at 75, A2.

<sup>279</sup> Ex. 1, at 75, A4.

<sup>280</sup> Ex. B, at 116; Tr. 337-38.

<sup>281</sup> Tr. 69-71.

<sup>282</sup> Ex. 1, at A1, A3, A5; Tr. 320 (testimony describing services as "rehabilitation and treatment" to previously unhomed individuals), 326-27. The treatment does not appear to be for substance use disorder.

select some properties that are not suitable for comparison to the subject. Comparable 6 was not owner occupied like the subject, but was a leased-fee property (and furthermore was subleased). “If the objective of the appraisal is to value the fee simple estate, market rent and terms must be used or adjustments will be necessary ... If the value of the leased fee is being sought, the comparable properties should be leased in the same manner as the subject property, or again adjustments will be required.” *TARE* at 461 (discussion in context of income approach). Mr. Waytas adjusted the price by 23 percent to account for this status,<sup>283</sup> but it is not clear from the record that he selected the correct lease income before adjustment, as the listing document sets forth a different annual income than the amount Mr. Waytas obtained when verifying the sale.<sup>284</sup>

Moreover, Comparable 6 was sold not at arm’s length but in a section 1031 like-kind exchange.<sup>285</sup> “For a property involved in a like-kind exchange to be used as a comparable sale in the valuation of a property that would not be transferred in a like-kind exchange, an adjustment of the sale price relating to the difference in conditions of sale or a cash equivalency adjustment may be necessary. Sale verification is the best way to find market support for this type of adjustment if one is needed.” *TARE* at 383. As Mr. Waytas provided no rationale why an adjustment was unnecessary but concluded only that the section 1031 sale did not affect the value,<sup>286</sup> the court will not consider Comparable 6, particularly because its unadjusted price per square foot and per bed are nearly twice that of the closest comparable sales. In addition, Comparable 5 is not suitable for

<sup>283</sup> Ex. B, at 114-15 (using an income-based approach to determine the adjustment); Tr. 666.

<sup>284</sup> Ex. 59; Tr. 660-62.

<sup>285</sup> Ex. 60, at 2; Tr. 663-64.

<sup>286</sup> Tr. 723-24, 733-34.

comparison because, like the RHTC comparable sales that were excluded, it is on a small parcel with a negligible amount of surrounding land for the use of resident clients.<sup>287</sup>

The other comparable sales are proximate in time to the valuation date and were reasonably geographically proximate to the subject property. Mr. Waytas reasonably supported his adjustments to the sale prices for Comparables 1 through 4, based on the differences in location, age, size, and quality, and RHTC does not appear to take issue with those adjustments. Accordingly, the court adopts Comparables 1 through 4, as adjusted.

The parties did not provide any authority for the appropriate unit of comparison. *TARE* at 643, however, describes two units of comparison as appropriate for hospitals, the closest type of property listed by way of example: price per square foot of GBA, and price per bed. *TARE* at 359 table 20.1. Comparing the price per square foot and the price per bed of the County's Comparables 1-4 as adjusted, the court does not find that one unit of comparison is substantially more reliable than the other based on the sales data in the record.<sup>288</sup> Although the statistical analysis of these comparable sales suggests that the price per bed is a slightly more reliable unit of comparison, the data set (four sales) is far too small to produce reliable results. Furthermore, although the County contends that price per bed is the correct unit of comparison, it provided no evidence of "personal verification [that] has confirmed that market participants use those units of comparison." *Id.* at 361. The County did not demonstrate that buyers of treatment facilities buy properties on that basis, as opposed to treatment facility operators receiving business income from insurance

<sup>287</sup> Ex. B, at 111.

<sup>288</sup> The coefficient of variation for price/sf is .24 and for price/bed is .17, using the adjusted sales prices for Comparables 1-4 only. *See TARE* at 360-61 (statistical analysis).

companies or the state on a per bed basis.<sup>289</sup> Finally, although not conclusive, an estimate of value using the cost approach on a per bed basis weighting each of Comparables 1-4 equally is approximately \$6.25 million, twice that determined by any other approach, which suggests that price per bed is not an appropriate unit of comparison.

Mr. Torkelson's Comparable 4 and Mr. Waytas's Comparable 3 are both treatment facilities most similar in size to the subject and receive greater weight. Mr. Torkelson opined that the market was flat between 2020 and 2021; Mr. Waytas that there was a two percent increase but that a buyer would be entitled to a six month rent rebate. On this basis, the court agrees that no increase in value is warranted between 2020 and 2021.

	Torkelson 2	Torkelson 4	Waytas 1	Waytas 2	Waytas 3	Waytas 4
Adjusted Price/sf	\$47.70	\$57.33	\$68.27	\$112.20	\$70.82	\$71.92
Base price	\$1,774,440	\$2,132,676	\$2,539,644	\$4,173,840	\$2,634,504	\$2,675,424
Weight	.10	.30	.10	.10	.30	.10
Final	\$177,444	\$639,803	\$253,964	\$417,384	\$790,351	\$267,542

**2020 indicated value by sales comparison approach, rounded: \$2,550,000**

**2021 indicated value by sales comparison approach, rounded: \$2,550,000**

## **VIII. INCOME CAPITALIZATION APPROACH**

### **A. Expert Testimony**

Finally, both experts also undertook a valuation of the east parcel using the direct income capitalization approach. Both experts acknowledged the existence of the RHTC Lease and

<sup>289</sup> See Resp't's Post-Trial Reply Br. 7-8 (filed Aug. 21, 2023) (arguing that RHTC receives insurance and State payments on a per bed basis).

characterized the subject as effectively owner occupied.<sup>290</sup> Accordingly, both experts disregarded the RHTC Lease as a basis for determining RHTC's operating income and undertook a market rent study instead.<sup>291</sup>

To determine the market rent for the subject, Mr. Torkelson undertook a market rent survey, finding five comparable building leases, including for behavioral treatment facilities, rehabilitation centers, and an assisted living hospice facility with respect to the residential treatment property.<sup>292</sup> Mr. Torkelson provided limited details concerning the comparable leases and did not include information whether these leases included escalation clauses, the gross rent and expenses per square foot, or the lease term (although he did include the starting year for each lease). He did not adjust any of the leases to account for differences between the comparable properties and the subject.<sup>293</sup> Based on his survey, Mr. Torkelson determined that comparable rents to the residential treatment property ranged from \$5.99 per square foot to \$7.54 per square foot, with an average of \$6.61 per square foot and a median of \$6.46 per square foot.<sup>294</sup> Mr. Torkelson

<sup>290</sup> Ex. 1, at 89; Ex. B, at 121, 139-40; Tr. 347, 395-98, 598-99.

<sup>291</sup> Mr. Torkelson concluded that net rents under the RHTC Lease were "above market rents derived from the marketplace" and did "not reflect a market rent for the real estate." Ex. 1, at 89, 92; Tr. 345 (testimony that rent based on the RHTC Lease "would be not necessarily related to any market"). Mr. Waytas concluded the RHTC lease was between related parties and gave it no weight. Ex. B, at 121; Tr. 598-99.

<sup>292</sup> Ex. 1, at 88; Tr. 343. He performed a rent survey of office or clinic locations, with respect to the subject's outpatient clinic. Ex. 1, at 89.

<sup>293</sup> Tr. 344.

<sup>294</sup> Ex. 1, at 88. He determined that comparable rents to the outpatient clinic ranged from \$6.03 per square foot to \$6.96 per square foot, with an average of \$6.40 per square foot and a median of \$6.31 per square foot. Ex. 1, at 89. Mr. Torkelson appears to have used the same rents for both years at issue.

concluded that market rent for both the residential treatment property and the outpatient clinic was \$6.50 per square foot for both years.<sup>295</sup> The market rent is a net rent.<sup>296</sup>

Mr. Torkelson derived the potential gross income (“PGI”) for the subject by multiplying the market rent by the total GBA,<sup>297</sup> and then added back the real property taxes, because “the rents estimated include the property taxes paid in each year.”<sup>298</sup> From this, he determined the effective gross income (“EGI”) by deducting an estimated vacancy risk or credit loss of three percent.<sup>299</sup> Because the RHTC Lease was a net lease like the comparable leases, Mr. Torkelson did not deduct these in arriving at NOI. He did, however, deduct real estate management fees at a rate of four percent of EGI, and reserves for replacement at a rate of \$0.50 per square foot, intended to replace the components with a shorter life than the building improvement itself, such as the roof, windows, doors, HVAC equipment, and parking lot maintenance.<sup>300</sup>

***Table 4a: 2020 RHTC Calculation of NOI***

	Inpatient SUD Treatment Center	Outpatient Clinic
Base Rent	\$214,500	\$27,300
Real Property Tax	\$111,361	\$14,173
Net Rent (rounded)	\$320,000	\$40,000

<sup>295</sup> Ex. 1, at 89, 93-94.

<sup>296</sup> Ex. 1, at 93 (“net rents developed from the comparable lease dataset”).

<sup>297</sup> Ex. 1, at 93-94.

<sup>298</sup> Ex. 1, at 93, 94.

<sup>299</sup> Ex. 1, at 94, 96.

<sup>300</sup> Ex. 1, at 95 (citing data from RealtyRates for similar properties, indicating a range of \$0.30 to \$1.00 with an average of \$0.60 per square foot, and selecting a lower amount because the subject property is newer), 96.



PGI	\$320,000	\$40,000
Less: Credit Loss/Vacancy (3%)	(\$9,600)	(\$1,200)
EGI	\$310,400	\$38,800
Expenses [Tenant-paid]	---	---
Management Fees (4% EGI)	(\$8,580)	(\$1,092)
Reserves for Replacement (\$0.50/sf)	(\$16,500)	(\$2,100)
<b>NOI (including property taxes)</b>	<b>\$285,320</b>	<b>\$35,608</b>

*Table 4b: 2021 RHTC Calculation of NOI*

	Residential Property	Outpatient Clinic
Base Rent	\$214,500	\$27,300
Real Property Tax	\$148,257	\$18,869
Net Rent (rounded)	\$358,000	\$46,000
PGI	\$358,000	\$46,000
Less: Credit Loss/Vacancy (3%)	(\$10,740)	(\$1,380)
EGI	\$347,260	\$44,620
Expenses [Tenant-paid]	---	---
Management Fees (4% EGI)	(\$8,580)	(\$1,092)
Reserves for Replacement (\$0.50/sf)	(\$16,500)	(\$2,100)
<b>NOI (including property taxes)</b>	<b>\$322,180</b>	<b>\$41,428</b>

Mr. Torkelson selected a capitalization rate for both years at issue, based on both going-in capitalization rates for comparable property types in the RERC Real Estate Report (“RERC”),<sup>301</sup> as well as a band of investment analysis based on a weighted average of mortgage interest and equity dividends published in RealtyRates investor surveys.<sup>302</sup> To arrive at a going-in capitalization rate, based on the “physical and locational characteristics” of the subject property, he consulted RERC Midwest tertiary regional respondent data for Tier 3 hotel or office properties, described as older properties with functional inadequacies, and/or in marginal locations.<sup>303</sup> Although he acknowledged that the subject property is a newer property, he opined that its “special use characteristics ... difficulty in developing an alternate use, high risk of the tenancy and low supporting land value” warrant the Tier 3 investment classification.<sup>304</sup> These rates ranged from 7.00 to 12.00 percent for 2020, and from 8.30 to 13.00 percent for 2021 for Tier 3 hotels.<sup>305</sup> For Tier 3 offices, they ranged from 7.50 and to 10.50 percent for 2020 and from 7.50 to 11.00 percent for 2021.<sup>306</sup>

In addition, Mr. Torkelson performed a band of investment analysis to account for the costs of acquiring real estate with a combination of debt and equity. He reviewed applicable mortgage interest rates and equity dividend rates for health care and senior housing – assisted living facilities published in RealtyRates investor surveys, and calculated a weighted average of the mortgage

<sup>301</sup> Ex. 1, at 98-99, 102-03.

<sup>302</sup> Ex. 1, at 100, 103.

<sup>303</sup> Ex. 1, at 99, 102; Tr. 352-55 (testimony concerning the selection of Mora as a tertiary market in RERC’s Midwest Region, as opposed to a primary market such as the Twin Cities).

<sup>304</sup> Ex. 1, at 99.

<sup>305</sup> Ex. 1, at 99, 102.

<sup>306</sup> Ex. 1, at 99, 102; Tr. 357-58 (testimony that residents of RHTC are unlike tenants of apartments due to the need for special care, and the subject property is not an apartment).

interest rate and the equity dividend rate to conclude to an overall capitalization rate of 9.25 percent for 2020 and 9.75 percent for 2021.<sup>307</sup> Finally, Mr. Torkelson calculated a final, tax-loaded capitalization rate for the subject property by adding the property tax rate to the overall capitalization rate.<sup>308</sup> After applying the tax-loaded capitalization rates to the NOI for the applicable portions of the developed east parcel, and removing the business value of furniture, fixtures and equipment (“FF&E”),<sup>309</sup> Mr. Torkelson determined the real estate-only value:

***Table 4c: RHTC Conclusion of Value, Income Approach***

	2020	2021
NOI	\$322,020	\$363,608
Capitalization Rate + property tax rate if both residential treatment property and outpatient clinic are classified commercial	13.75%	14.25%
Less FF&E	\$150,000	\$150,000
<b>Conclusion of Value (if both residential treatment property and outpatient clinic are classified commercial), rounded</b>	<b>\$2,190,000</b>	<b>\$2,400,000</b>
<b>NOI</b>	<b>\$322,020</b>	<b>\$363,608</b>
If residential treatment property is classified residential:		

<sup>307</sup> Ex. 1, at 100, 103.

<sup>308</sup> Ex. 1, at 101-04, Because RHTC disputes the classification of the subject property, however, he calculated two different overall tax-loaded capitalization rates for the residential treatment property area of the subject property, one for commercial classification and the other for residential classification. *Id.* at 104.

<sup>309</sup> Ex. 1, at 101, 104 (estimating FF&E at \$150,000).

Capitalization Rate + property tax rate if residential treatment property is classified residential	13.75% outpatient clinic 11.70% residential property	14.25% outpatient clinic 12.20% residential property
Less FF&E	\$150,000	150,000
<b>Conclusion of Value (if residential treatment property is classified residential), rounded</b>	<b>\$2,560,000</b>	<b>\$2,780,000</b>

Similarly to Mr. Torkelson, Mr. Waytas concluded the RHTC Lease amounts were not a suitable basis for determining net income.<sup>310</sup> To determine the market rent for the subject, he also undertook a market rent study of leases for treatment centers.<sup>311</sup> There were no common leases between the experts' rent studies. He used five comparable rents, ranging from \$10.50 to \$20.25 per square foot.<sup>312</sup> Although Mr. Waytas's report does not clearly state, the court assumes all the rents are net rents.<sup>313</sup> All five of Mr. Waytas's comparable rents were in the Twin Cities suburbs (Shakopee, Otsego, Chaska, and Stillwater) or in Saint Paul. Each lease summary also includes a description of the expenses per square foot, ranging from \$5.71 to \$10.55.<sup>314</sup>

As in the sales comparison approach, Mr. Waytas adjusted each lease to account for differences in the land-to-building ratio, age, quality, and GBA per bed between the comparable

<sup>310</sup> Ex. B, at 146 (stating that figures are based on market rents); Tr. 598-99 (testimony concerning awareness of RHTC Lease, but "I don't give it any weight"). He derived somewhat different net rents per square foot than Mr. Torkelson, of \$7.43 for 2020 and \$10.04 for 2021, as he used the preceding year's rent revenues. Ex. B, at 121.

<sup>311</sup> Ex. B, at 122-36.

<sup>312</sup> Ex. B, at 133.

<sup>313</sup> Ex. B, at 133 ("[r]ate per SF, net"), 146 ("net rental income"), 148 ("net rental income").

<sup>314</sup> Ex. B, at 123-33.

leases and the subject property; he made no adjustments for location.<sup>315</sup> After adjustment, his comparable rents ranged from \$13.45 to \$20.11 per square foot, with an average of \$17.94 per square foot and a median of \$19.04 per square foot.<sup>316</sup> He also concluded that, on a per licensed bed basis, comparable rents ranged from \$4,613 to \$15,684, with an average of \$8,890 and a median of \$7,599.<sup>317</sup>

Mr. Waytas determined the subject property's NOI somewhat differently than Mr. Torkelson. First, he derived the PGI for the subject by multiplying the market rent by the building square footage.<sup>318</sup> From this, he determined EGI by adding back recoverable expenses in the amount of \$4.88 per square foot in 2020 and \$4.94 per square foot in 2021, representing real estate taxes, insurance, repairs, management fees, and utilities, and deducting an estimated vacancy risk or credit loss of seven percent.<sup>319</sup> Mr. Waytas then deducted the recoverable expenses when arriving at NOI. Accordingly, the NOI he calculated does not include real estate taxes. He further deducted real estate management fees at a rate of five percent of the subject property's Net Rental Income and reserves for replacement at a rate of \$0.25 per square foot.<sup>320</sup>

<sup>315</sup> Ex. B, at 133, 135; Tr. 685-96, 724-30 (testimony concerning details of comparable leases).

<sup>316</sup> Ex. B, at 133, 136.

<sup>317</sup> *Id.*

<sup>318</sup> Ex. B, at 138, 146, 148.

<sup>319</sup> Ex. B, at 140, 146, 148; Tr. 704-07 (testimony concerning the computation of NOI).

<sup>320</sup> Ex. B, at 142, 146, 148.

**Table 4d: County Calculation of NOI**

	2020	2021
Base Rent	\$694,642	\$701,637
Recoverable Expense	\$179,549	\$181,715
PGI	\$874,191	\$883,352
Less: Credit Loss/Vacancy (7%)	(\$61,193)	(\$61,835)
EGI	\$812,998	\$821,517
Recoverable Expenses	(\$179,549)	(\$181,715)
Reserves for Replacement (\$0.25/sf)	(\$9,203)	(\$9,203)
<b>NOI (including property taxes)</b>	<b>\$624,426</b>	<b>\$630,599</b>

Mr. Waytas selected a capitalization rate for both years at issue, utilizing both a band of investment analysis based on a weighted average of mortgage interest and equity dividends published in RealtyRates investor surveys and rate extraction from sales of comparable properties.<sup>321</sup> In performing a band of investment analysis to account for the costs of acquiring real estate with a combination of debt and equity, Mr. Waytas reviewed applicable mortgage interest rates and equity dividend rates published in RealtyRates investor surveys, and calculated a weighted average of the mortgage interest rate and the equity dividend rate to arrive at an overall band of investment capitalization rate of 7.6 percent.<sup>322</sup>

<sup>321</sup> Ex. B, at 143-45. Most of these comparable properties are located outside Minnesota. Additionally, the comparable properties are licensed for 96, 15, 40, 12, 15, 207, and 24 beds respectively.

<sup>322</sup> Ex. B, at 143.

To arrive at a capitalization rate based on comparable sales, Mr. Waytas reviewed sales of seven treatment centers from around the country, dividing their NOI by the sale price to arrive at the overall capitalization rate (“OAR”).<sup>323</sup> He determined a range of rates from 6.84 percent to 9.10 percent, with an average of 7.81 percent and median of 7.91 percent.<sup>324</sup> He also considered RealtyRates investor survey data for health care and senior housing properties from the second quarter of 2018 through the second quarter of 2021, arriving at an average capitalization rate of 8.25 percent for 2020 and 7.95 percent for 2021 based on these data.<sup>325</sup> Taking together all these sources, he concludes a capitalization rate of 8.00 percent for both 2020 and 2021 is appropriate.<sup>326</sup>

Mr. Waytas did not add the property tax rate to the capitalization rate to determine a tax-loaded capitalization rate, other than adding a proportionate amount of the tax attributable to the tax paid by the owner on vacancies (in other words, 4.04 percent property tax on seven percent vacancy in 2020 and 4.50 percent property tax on seven percent vacancy in 2021).<sup>327</sup> Mr. Waytas applied the tax-loaded capitalization rates to the NOI for the applicable portions of the developed east parcel. Unlike Mr. Torkelson, Mr. Waytas did not deduct an amount for FF&E from his conclusion of value:

<sup>323</sup> Ex. B, at 144; Tr. 604 (testimony that Mr. Waytas reviewed sales nationwide to find appropriate capitalization rates because most sales of treatment centers are owner-occupied).

<sup>324</sup> Ex. B, at 144.

<sup>325</sup> Ex. B, at 145.

<sup>326</sup> Ex. B, at 145.

<sup>327</sup> Ex. B, at 146, 148; Tr. 606 (testimony that, on a net basis, a landlord is only paying real estate taxes on the vacant portion of the property, explaining the calculation of loading in the vacant portion of the property’s tax rate to the capitalization rate).

**Table 4e: County Conclusion of Value, Income Approach**

	2020	2021
<b>NOI (including property taxes)</b>	<b>\$624,426</b>	<b>\$630,599</b>
Capitalization Rate + vacancy-only property tax rate	8.28%	8.31%
Less six months free rent for COVID		(\$350,000)
<b>Conclusion of Value<sup>328</sup></b>	<b>\$7,535,000</b>	<b>\$7,235,000</b>

## **B. Applicable Principles**

The income capitalization approach analyzes a property in terms of its ability to provide a net income in dollars. “The income capitalization approach determines the value of income-producing property by capitalizing the income the property is expected to generate over a specific period of time at a specified capitalization yield rate.” *Cont’l Retail*, 801 N.W.2d at 402. Under the income capitalization approach, a suitable discount rate is used to reduce to a present value the anticipated income stream of an income-producing property. *See Equitable Life Assur. Soc’y*, 530 N.W.2d at 549-50. The amount to be capitalized is net operating income, which generally is the

<sup>328</sup> Mr. Waytas considered State of Minnesota room and board rates of \$55.72 per person per day as of July 1, 2021, and January 1, 2022, as a double-check against the comparable market rents and determined that market and subject data supported a rental income rate of \$18.87 per square foot for 2020 and \$19.06 per square foot for 2021, applying a one percent market conditions adjustment from the prior year. Ex. B, at 137; Tr. 600-01 (testimony concerning the reasons Mr. Waytas conducted an analysis using the State reimbursement rate). Room and board rates from the State of Minnesota were not available, so Mr. Waytas estimated a rate of \$50.00 per person per day as of January 1, 2020. Ex. B, at 137-38. Mr. Waytas estimated RHTC’s EGI by multiplying \$50 by the number of licensed beds (108) and adjusting that amount by a vacancy factor of 10 percent, reflecting an occupancy rate of 90 percent. He then subtracted RHTC’s actual 2020 expenses to derive its potential net rent. Having determined that this net rent was approximately \$17.98 per square foot or \$6,129 per bed, Mr. Waytas concluded that the market rent data were supported.



“anticipated market level of rent less the market level of expenses.” *Macy’s Retail Holdings, Inc. v. Cnty. of Hennepin*, No. 27-CV-07-07762 et al., 2011 WL 6117909, at \*9 (Minn. T.C. Nov. 28, 2011); *see also TARE* at 424. The procedure is, in relevant part, summarized as follows: 1) estimate potential gross income ...; 2) subtract anticipated vacancy and collection losses to derive effective gross income ...; 3) subtract total operating expenses to derive net operating income ...; and 4) “[a]pply one or more of the direct or yield capitalization techniques to this data to generate an estimate of value ....” *TARE* at 432.

The reliability of the income capitalization approach depends on the reliability of the data used to derive key inputs such as market rent and a capitalization rate. *See, e.g., Equitable Life Assur. Soc’y*, 530 N.W.2d at 555 (recognizing “that accurate forecasting is a crucial part of any income capitalization method” and cautioning that such methods “can only provide accurate results if the forecasts are based on accurate, reliable information”). “[T]he appraiser must consistently account for the same expenses in the analysis of the income generated by a certain type of lease.” *TARE* at 418 (discussing treatment of gross, net, and other leases in income approach). “Comparable rents may be adjusted just as the transaction prices of comparable properties are adjusted in the sales comparison approach. Recently executed and pending leases for the subject property may be a good indication of market rent, but lease renewals or extensions negotiated with existing tenants should be analyzed with caution.” *Id.* at 438 (describing elements of comparison, including location, market conditions, physical characteristics, and non-realty components). Where a party has “failed to submit essential revenue and expense data, making it ‘impossible to determine actual income and expense figures,’” this court may reject its expert valuation given the lack of data in the record. *KCP Hastings*, 868 N.W.2d at 274 (quoting *Nw.*

*Racquet Swim & Health Clubs, Inc. v. Cnty. of Dakota*, 557 N.W.2d 582, 587 (Minn. 1997)) (cleaned up).

### **C. Analysis**

Both experts employed a direct income capitalization approach, and both concluded that a market rent survey was necessary because the RHTC Lease does not represent a market lease as it is not at arm's length. Although the court agrees with this initial determination because RHTC and Recovering Hope are related parties with identical ownership, both experts made substantial errors in their income capitalization analysis, which forecloses the court's reliance on their opinion concerning this approach.

Mr. Torkelson undertook a market rent survey and selected comparable leases for behavioral and rehabilitation facilities that initially appear similar to the subject in terms of the duration of the leases and the general categories of business operation.<sup>329</sup> By his own admission, however, he did not adjust any of the leases for differences to the subject.<sup>330</sup> *See TARE* at 437-38 (observing that “[w]hen a market rent estimate for the subject property is required, comparable rental data is gathered, compared, and adjusted” and that leases must be adjusted to the subject as in the sales comparison method). Furthermore, Mr. Torkelson did not provide sufficient information to allow the court to determine whether the stated net lease amounts, some of which date to 2011, 2012, and 2013, include escalator clauses and if those were incorporated in his determination of the net rent, such that the rents stated are the 2020 rents.<sup>331</sup> Accordingly, the court

<sup>329</sup> Ex. 1, at 88.

<sup>330</sup> Tr. 344. Moreover, lease comparables 2 and 3 are located in Saint Paul, which is dissimilar to the Mora.

<sup>331</sup> Ex. 1, at 88, 89.

does not find reliable and will not credit Mr. Torkelson's opinion of value under the income capitalization approach.<sup>332</sup>

Mr. Waytas's use of the income capitalization approach also contained significant flaws, despite a selection of comparable leases that also initially appears appropriately similar to the subject in terms of the duration of the lease and the general categories of business operation. Although he made adjustments for land to building area, quality, age, and GBA per bed, he made no adjustments to any of the comparable leases for location.<sup>333</sup> Each of the comparable leases is for a property in the Twin Cities metro area. Mr. Waytas did not explain in either his written report or trial testimony why a commercial lessor in a large metropolitan area would not seek a higher rent than one in a rural area nearly an hour and a half and some 70 miles from both Minneapolis and Saint Paul. *See TARE* at 437-38 (describing market lease adjustments to the subject, including adjustments for location for "[t]ime-distance linkages and unit-specific locations in project").

Furthermore, like Mr. Torkelson, Mr. Waytas did not provide sufficient information to allow the court to determine whether the stated rent amounts, some of which date to 2013 and 2014,<sup>334</sup> incorporated the stated escalator provisions, such that the rents stated are the 2020 rents. *Id.* (describing adjustments for market conditions: "Economic conditions change, so leases negotiated in the past may not reflect current prevailing rents"). These escalator provisions pertain to Comparables 3, 4, and 5; in the case of Comparable 4, this might change the base rent by as

<sup>332</sup> The court will not consider Mr. Torkelson's approach as it pertains to split classification or the use of outpatient clinic-only comparable leases because, as described above, the subject property as a whole is a commercial property. The comparable leases are not sufficiently similar to the subject as they only concern outpatient medical clinics, and do not include residential rooms, common areas, communal bathrooms, or kitchens.

<sup>333</sup> Ex. B, at 133, 135; Tr. 685-96, 723-30 (testimony concerning details of comparable leases).

<sup>334</sup> Ex. B, at 130, 132.

much as 19 percent in 2020 and 23 percent in 2021, and in the case of Comparable 5, by as much as 32 percent in 2020 and 37 percent in 2021. Although Mr. Waytas applied a date of lease adjustment from comparable leases to the subject, this adjustment does not account for increases in the actual amount of rent to be capitalized, only the possible changes in market conditions for negotiated rents. Accordingly, the court does not find reliable and will not credit Mr. Waytas's opinion of value under the income capitalization approach.

## **IX. FINAL RECONCILIATION**

Final reconciliation is determined on the specific facts of each case: “The respective weight placed upon each of the three traditional approaches to value depends on the reliability of the data and the nature of the property being valued.” *Harold Chevrolet*, 526 N.W.2d at 59. “No mechanical formula is used to select one [valuation approach] over the others. The strengths and weaknesses of each of the approaches used, and the quantity and quality of the data analyzed, must be considered and addressed in an appraisal report, and an appraiser must explain why one approach may have been relied upon more than another ....” *TARE* at 599-600. This court has allowed “over-riding weight” to be given to one approach when serious weaknesses in the other two approaches are identified. *Montgomery Ward*, 482 N.W.2d at 791.

Mr. Torkelson assigned primary weight to the sales comparison approach, secondary weight to the income capitalization approach, and tertiary weight to the cost approach. Regarding the cost approach, he cited “the chronological age of the improvements.”<sup>335</sup> He did not, however, assign numerical percentage weights to these factors.<sup>336</sup> In the end, he estimated a market value for the subject property for 2020, with a commercial classification, of \$2,220,000 and for 2021 of

<sup>335</sup> Ex. 1, at 105.

<sup>336</sup> Ex. 1, at 105.

\$2,340,000.<sup>337</sup> Mr. Waytas considered the cost approach more reliable than either the sales comparison or income capitalization approaches, but assigned equal weight (45 percent each) to the cost and sales comparison approaches and 10 percent weight to the income capitalization approach, opining that the rental data and capitalization rate data were only fair to average.<sup>338</sup> In the end, he estimated a market value for the subject property for 2020 of \$6,285,000 and for 2021 of \$6,185,000.

“Whenever possible, appraisers should apply at least two approaches to market value because the alternative value indications derived can serve as useful checks on each other.” *Equitable Life Assur. Soc’y*, 530 N.W.2d at 553; *see also Menard (Clay)*, 886 N.W.2d at 819 (“In a given valuation determination, more than one approach to value is usually appropriate and necessary.”). This court rejected as unreliable the income capitalization approach by both experts, leaving the cost and sales comparison approaches. Both experts employed the same methodology concerning the cost approach, differing only in material fashion over the initial selection of the base price per square foot under MVS criteria, and obsolescence. The court did not adopt either expert’s opinion of value in full, but rather made an independent determination using a combination of the experts’ data as adjusted. Similarly, both experts employed the same general methodology concerning the sales comparison approach but selected different comparable sales. Again, the court did not adopt either expert’s opinion of value in full, but rather made an independent determination using a combination of the experts’ data as adjusted (by them), on a per square foot basis.

<sup>337</sup> Ex. 1, at 106. Mr. Torkelson also estimated a market value for the subject property for 2020, with a residential classification, of \$2,660,000 and for 2021 of \$2,800,000. *Id.*

<sup>338</sup> Ex. B, at 150-51; Tr. 606-08, 707-08.

Mr. Torkelson gave the sales comparison approach more weight,<sup>339</sup> whereas Mr. Waytas considered the cost approach more reliable than the sales comparison approach, citing the relative lack of comparable sales data, but weighted them equally in his final reconciliation.<sup>340</sup> Based on the quantity and quality of evidence in the record, the court finds the cost approach as reliable as the sales comparison approach under the specific record in this case. The subject was very recently constructed as of the years at issue and its improvements only slightly depreciated, consistent with its actual age. *See TARE* at 539. Furthermore, both experts acknowledged some difficulties in identifying comparable sales.<sup>341</sup> *See id.* at 530 (cost approach useful when properties are not frequently exchanged in the market, and buyers may measure the price they will pay for an existing building against the cost to build).

	<b>Weight</b>	<b>2020 Rounded</b>	<b>2021 Weighted</b>
Cost Approach	50%	\$3,750,000	\$3,620,000
Sales Approach	50%	\$2,550,000	\$2,550,000
<b>Market Value Rounded</b>		<b>\$3,150,000</b>	<b>\$3,085,000</b>

<sup>339</sup> Ex. 1, at 105.

<sup>340</sup> Ex. B, at 150-51; Tr. 707-08.

<sup>341</sup> Tr. 327, 608, 708.

# 11:05am Appointment

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> ES Flat Fee for Legal Services	<b>b. Origination:</b> Environmental Services
<b>c. Estimated time:</b> 10 minutes	<b>d. Presenter(s):</b> Ryan Carda

**e. Board action requested:**

Approve and sign the “Flat Fee Agreement For Legal Services” from Liz Vieira at Squires, Waldspurger & Mace, P.A.

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**f. Background:**

Liz provides legal service support for our office regarding ordinance and legal questions as they come up. The 2024 agreement is for \$6,500.

Supporting Documents: None    Attached: ☒

**Date received in County Coordinators Office:**

**Coordinators Comments:**

## **FLAT FEE AGREEMENT FOR LEGAL SERVICES**

This Agreement is entered between Kanabec County (“County”), and Squires, Waldspurger & Mace, P.A.(“Attorneys”).

**WHEREAS**, the County desires professional legal services relating to land use and zoning issues; and

**WHEREAS**, the Attorneys provide services relating to land use to Counties, and have the skill and expertise necessary to perform the duties as set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Scope of Services: The Attorneys shall provide advice and consultation upon issues relating to zoning matters pursuant to this annual Flat Fee Agreement for the sum of \$6,500.00. The primary attorney to render all such advice will be Liz Vieira. If Liz Vieira is not available, then Jay Squires, Kristin Nierengarten, or their delegates, shall render such advice.

For purposes of this Agreement, advice and consultation shall consist of telephone conversations, e-mail communications, and/or short letters on non-recurrent matters, but shall not include any research and/or drafting beyond the above that may be requested by the County, except as may be otherwise set forth in this Agreement. Any requested research and/or drafting will be billed at hourly rates set forth herein. The County and the Attorneys may conclude that a particular matter or issue will not be resolved through one or several telephone calls. If so, then upon agreement of the County and the Attorneys, the Attorneys will open a separate file for the matter and perform the work on hourly basis, to be billed at the hourly rates set forth herein.

The advice and consultation covered under this Agreement shall include the follow areas:

- A. Questions relating to the permitting process for all permits called for under the County’s land use ordinances, as well as questions relating to rezoning;
- B. Questions pertaining to conducting hearing processes on land use requests including, but not limited to, any questions pertaining to the Open Meeting Law or Minnesota Government Data Practices Act, as they may pertain to such hearings;
- C. Questions pertaining to EAW’s, EIS’s, or any other environmental review;
- D. Questions pertaining to enforcement of land use ordinances; and



E. Questions relating to ordinance and statutory interpretation.

It is the intent of the parties that the scope of this Agreement shall include short written letters or e-mails confirming telephone advice and consultation, as deemed necessary by the County and/or the Attorneys, to the extent that such letters or e-mails do not involve any additional research or other drafting.

2. Authorized Contact Persons: Those County personnel who will be authorized to contact the Attorneys for services included within this Agreement are the Planning and Zoning Administrator, the County Administrator, the County Attorney, the County Board Chair, and/or their delegates.

3. Term: From January 1, 2024 through December 31, 2024.

4. Payment for Services: The Attorneys shall bill the County quarterly in equal installments for the amount due. Payment is due thirty (30) days after the receipt of the bill. Each quarterly bill for flat fee services will include within it a statement of costs and disbursements incurred during that quarterly period that are to be paid by the County under this Agreement.

5. Costs: In addition to the annual flat fee amount, the County agrees to pay actual, necessary and reasonable costs and expenses incurred by the Attorneys in the performance of the services under this Agreement. Those costs include mileage at the I.R.S. rates; photocopying at 20 cents per page; facsimile at \$1.00 per page/\$5.00 maximum per transmission; and the actual costs of long distance phone calls and postage. If additional services are rendered under Paragraph 7 herein, the County also recognizes that it would be responsible for costs and disbursements incurred by the Attorneys, including, but not limited to, costs for messengers, court costs, arbitration, or mediation expenses, deposition expenses, and/or other trial or administrative hearing related expenses.

6. In-Service Training: The Attorneys will provide up to three hours of on-site in-service training to County officials, officers, and/or staff. This in-service training will occur in one three-hour session, upon any subject relating to the area of land use or, at the choice of the County, upon any other topic(s) mutually agreed to by the County and the Attorneys that are within the normal working areas of the Attorneys.

7. Services at Hourly Rates: Any special projects or services provided by the Attorneys that are outside the scope of services covered by the retainer will be provided at the hourly rates set forth below. Any services contracted at hourly rates will be billed on a monthly basis. Payment is due 30 days after the receipt of the bill. Invoices will be in the standard format of Attorneys and will indicate the amount of time spent on each legal issue, the attorney providing the service, the nature of the work done, and the exact amount of time spent.

**Hourly Rates:**

Shareholders	\$230.00/hour
Associate Attorneys	\$220.00/hour

**COUNTY OF KANABEC**

**SQUIRES, WALDSPURGER &  
MACE, P.A.**

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

Its: \_\_\_\_\_

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

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

Liz J. Vieira  
333 South Seventh Street, Suite 2800  
Minneapolis, MN 55402  
(612) 436-4300

Date: December 7, 2023

SWM: 256991

# Agenda Item #1

## PROCEEDINGS OF THE COUNTY BOARD

State of Minnesota  
County of Kanabec  
Office of the County Coordinator

### UNAPPROVED MINUTES

**January 2, 2024**

The Kanabec County Board of Commissioners met at 9:00am on Tuesday, January 2, 2024 pursuant to adjournment with the following Board Members present: Tom Roeschlein, Rick Mattson, Wendy Caswell, Alison Holland and Peter Ripka. Others Present: Board Clerk Kris McNally, County Attorney Barbara McFadden (via WebEx), and Recording Secretary Kelsey Schiferli.

The Organizational Meeting was called to order by the Board Clerk.

The Board Clerk led the assembly in the Pledge of Allegiance

Nominations for Board Chairperson for 2024 were called for.

Action #1 – Allison Holland nominated Rick Mattson for Chairperson. The nomination was seconded by Tom Roeschlein.

The Board Clerk called for nominations for Chairperson three times with no further nominations.

Upon a vote being held on the nomination for Rick Mattson to be elected Chairperson, the following voted:

**IN FAVOR THEREOF:** Tom Roeschlein, Wendy Caswell, Alison Holland, Peter Ripka

**OPPOSED:** None

**ABSTAIN:** Rick Mattson

Commissioner Mattson was declared Board Chairperson for 2024. The gavel was handed over to Chairperson Mattson.

Nominations for Board Vice-Chairperson for 2024 were called for.

Action #2 – Peter Ripka nominated Alison Holland for Vice-Chairperson. The nomination was seconded by Tom Roeschlein.

The Chairperson called for nominations for Vice-Chairperson three times with no further nominations.

Upon a vote being held on the nomination for Alison Holland to be elected Vice-Chairperson, the following voted:

**IN FAVOR THEREOF:** Tom Roeschlein, Rick Mattson, Wendy Caswell, Peter Ripka

**OPPOSED:** None

**ABSTAIN:** Alison Holland

Commissioner Holland was declared Vice-Chairperson for 2024.

Action #3 – It was moved by Wendy Caswell, seconded by Alison Holland and carried unanimously to approve the agenda with the following addition: 11:20am Appointment – Late Entry, Request to Fill Two Full-Time Deputy Vacancies.

Action #4 – It was move by Alison Holland, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

## **Resolution #4 – 1/2/24**

### **Regular Meeting Dates**

**BE IT HEREBY RESOLVED** by the Kanabec County Board of Commissioners that from and after January 2, 2024, regular meetings of the Kanabec County Board of Commissioners shall be held in the Boardroom #164 of County Courthouse in the City of Mora, Minnesota on the first and third Tuesday of each month, with the exception of the first meeting in December being held on Thursday December 5<sup>th</sup>.

**BE IT FURTHER RESOLVED** that all meetings, with the exception of the December 5<sup>th</sup> meeting shall commence at 9:00am, and

**BE IT FURTHER RESOLVED** that the meeting on December 5<sup>th</sup> shall commence at 5:00pm and end by 9:30 except that the Chairperson may extend the meeting to 9:45pm to conclude business, and

**BE IT FURTHER RESOLVED** that the Board of Appeals and Equalization and the Truth in Taxation Hearing shall be scheduled separately from the regular County Board Meetings, and

**BE IT FURTHER RESOLVED**, that if any such regularly scheduled meeting of the County Board falls on a legal holiday pursuant to Section 645.44, Sub.d.5, Minnesota Statutes, the regular meeting of the County Board shall be held on the day following such legal holiday, and

**BE IT FURTHER RESOLVED**, Special Meetings may be called by posting notice of the meeting on the county's principal bulletin board and with 72 hours-notice to each person who has filed a written request for such meetings, and

**BE IT FURTHER RESOLVED**, Emergency Meetings may be called when circumstances require immediate consideration by the board; in such case, a good faith effort will be made to contact the media and to each person who has filed a written request for such meetings.

Action #5 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

### **Resolution #5 - 1/2/24**

#### **County Board of Appeals & Equalization**

**BE IT RESOLVED** to set the date for the County Board of Appeals and Equalization Meeting to be Monday, June 17, 2024 with a start time of 6:30PM in Boardroom #164 in the Kanabec County Courthouse at 317 Maple Avenue East, Mora, MN 55051.

**BE IT FURTHER RESOLVED** to offer appointments until 7:00pm to meet statutory requirements pursuant to Minnesota Statutes Section 274.14.

Action #6 – It was moved by Alison Holland, seconded by Wendy Caswell and carried unanimously to amend Resolution #4 – 1/2/24 to include that the first meeting in December shall be held on Thursday December 5<sup>th</sup> at 5:00pm.

Action #7 – It was moved by Wendy Caswell, seconded by Peter Ripka and carried unanimously to approve the following resolution:

### **Resolution #7 - 1/2/24**

#### **Truth-in-Taxation Meeting**

**BE IT RESOLVED** to set the date for the Truth-in-Taxation Meeting to be Thursday, December 5th at 6:00PM in Boardroom #164 in the Kanabec County Courthouse at 317 Maple Avenue East, Mora, MN 55051.

Action #8 – It was moved by Alison Holland, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

### **Resolution #8 - 1/2/24**

#### **Family Service Board Meetings**

**BE IT HEREBY RESOLVED** by the Kanabec County Board of Commissioners that from and after January 2, 2024, regular meetings of the Kanabec County Family Service Board shall be held in the County Courthouse in the City of Mora, Minnesota on the third Tuesday of each month.

**BE IT FURTHER RESOLVED** that the meetings shall be held commencing at

approximately 9:20am, and

**BE IT FURTHER RESOLVED**, that if any such regularly scheduled meeting of the Family Service Board falls on a legal holiday pursuant to Section 645.44, Sub.d.5, Minnesota Statutes, the regular meeting of the County Board shall be held on the day following such legal holiday, and

**BE IT FURTHER RESOLVED**, Special Meetings may be called by posting notice of the meeting on the county's principal bulletin board and with 72 hours-notice to each person who has filed a written request for such meetings, and

**BE IT FURTHER RESOLVED**, Emergency Meetings may be called when circumstances require immediate consideration by the board; in such case, a good faith effort will be made to contact the media and to each person who has filed a written request for such meetings.

*Action #9* – It was moved by Peter Ripka, seconded by Alison Holland and carried unanimously to approve the following resolution:

## **Resolution #9 - 1/2/24**

### **Community Health Board Meetings**

**BE IT HEREBY RESOLVED** by the Kanabec County Board of Commissioners that from and after January 2, 2024, regular meetings of the Kanabec County Community Health Board shall be held in the County Courthouse in the City of Mora, Minnesota on the first Tuesday of each month with the exception of the December meeting to be held on Thursday December 5<sup>th</sup>, and

**BE IT FURTHER RESOLVED** that the meetings shall be held commencing at approximately 9:20am, with the exception of the December 5<sup>th</sup> meeting to be held at approximately 5:20pm, and

**BE IT FURTHER RESOLVED**, that if any such regularly scheduled meeting of the Community Health Board falls on a legal holiday pursuant to Section 645.44, Sub.d.5, Minnesota Statutes, the regular meeting of the County Board shall be held on the day following such legal holiday, and

**BE IT FURTHER RESOLVED**, Special Meetings may be called by posting notice of the meeting on the county's principal bulletin board and with 72 hours-notice to each person who has filed a written request for such meetings, and

**BE IT FURTHER RESOLVED**, Emergency Meetings may be called when circumstances require immediate consideration by the board; in such case, a good faith effort will be made to contact the media and to each person who has filed a written request for such meetings.

Action #10 – It was moved by Peter Ripka, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

## **Resolution #10 – 1/2/24**

**BE IT RESOLVED** to appoint the following AMC Committee Delegates for 2024:

Environment & Natural Resources Policy Committee	Teresa Wickeham or Ryan Carda
General Government Policy Committee	Kris McNally
Health & Human Services Policy Committee	Kathy Burski
Public Safety Policy Committee	Brian Smith
Transportation & Infrastructure Policy Committee	Chad Gramentz

**BE IT FURTHER RESOLVED** to appoint the following AMC Voting Delegates for 2024:

1. Peter Ripka
2. Alison Holland
3. Wendy Caswell
4. Rick Mattson
5. Tom Roeschlein
6. Kris McNally
7. Barbara McFadden
8. Kathy Burski

Action #11 – It was moved by Alison Holland, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

## **Resolution #11 - 1/2/24**

Official Newspaper

**BE IT RESOLVED** by the Kanabec County Board of Commissioners that the offer submitted by the Kanabec County Times for all legal publications during the year 2024 is hereby accepted, and

**BE IT FURTHER RESOLVED** that the Kanabec County Times is hereby designated as the official newspaper for the publication of the official proceedings and public notices and that the Kanabec County Times is hereby designated as the official newspaper for the publication of the 2023 Financial Statement, and

**BE IT FURTHER RESOLVED** that the Kanabec County Times is hereby designated as the official newspaper for the newspaper in which the notice and list of Real Estate Taxes remaining delinquent on the first Monday in January, 2024, shall be published.

**BE IT FURTHER RESOLVED** that a condition of this resolution is that the Kanabec

County Times agree to post all the notices on its Web site at no additional cost pursuant to Minnesota Statute 331A.02, Subd 5 and that the notice must remain on the Web site during the notice's full publication period.

Action #12 – It was moved by Peter Ripka, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

## **Resolution #12 – 1/2/24**

### **Establish Minimum 2024 Salaries for Certain Elected Officials**

**WHEREAS** Minnesota Statutes require counties to establish the **minimum** salaries that will be paid to certain elected officials within the county, and

**WHEREAS** said minimum salaries must be set at the January meeting in the year that individuals may file for elected offices within the county;

**BE IT RESOLVED** by the Kanabec County Board of Commissioners, that the minimum annual salary in 2024 for the following elected positions shall be set as follows:

County Attorney	\$117,332	M.S. 388.18
County Auditor/Treasurer	\$100,568	M.S. 384.151
County Sheriff	\$108,617	M.S. 387.20

Action #13 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

## **Resolution #13 – 1/2/24**

### **Establish 2024 County Auditor/Treasurer Wage**

**WHEREAS** the Kanabec County Board of Commissioners has considered the matter of the wage for year 2024 for the County Auditor/Treasurer, and

**WHEREAS** the board has reviewed the experience and qualifications of the County Auditor/Treasurer;

**BE IT RESOLVED** to set the Y2024 annual wage of County Auditor/Treasurer Denise Snyder at \$122,595.20, which will be accomplished in the following manner with pay distribution based on 40 hours per week at: January 1, 2024 = \$58.94 per hour.

Action #14 – It was moved by Tom Roeschlein, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

## **Resolution #14 – 1/2/24**

### **Establish 2024 County Sheriff Wage**



**WHEREAS** the Kanabec County Board of Commissioners has considered the matter of the wage for year 2024 for the County Sheriff, and

**WHEREAS** the board has reviewed the experience and qualifications of the County Sheriff;

**BE IT RESOLVED** to set the Y2024 annual wage of County Sheriff Brian Smith at \$133,057.60, which will be accomplished in the following manner with pay distribution based on 40 hours per week at: January 1, 2024 = \$63.97 per hour.

Action #15 – It was moved by Peter Ripka, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

**Resolution #15 – 1/2/24**  
**Establish 2024 County Attorney Wage**

**WHEREAS** the Kanabec County Board of Commissioners has considered the matter of the wage for year 2024 for the County Attorney, and

**WHEREAS** the board has reviewed the experience and qualifications of the County Attorney;

**BE IT RESOLVED** to set the Y2024 annual wage of County Attorney Barbara McFadden at \$143,707.20 which will be accomplished in the following manner with pay distribution based on 40 hours per week at: January 1, 2024 = \$69.09 per hour.

Action #16 – It was moved by Wendy Caswell, seconded by Peter Ripka and carried unanimously to approve the following resolution:

**Resolution #16 – 1/2/24**

**WHEREAS**, Minnesota Statute 375.055 requires that the County Commissioners' compensation be set by resolution in the year preceding the action;

**WHEREAS**, the Kanabec County Board of Commissioners approved FY2024 compensation for the County Commissioners by Resolution #17 – 12/19/23;

**BE IT HEREBY RESOLVED** to confirm the annual wage for the year 2024 for Kanabec County Commissioners at \$24,388.00.

Action #17 – It was moved by Alison Holland, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

**Resolution #17– 1/2/24**  
**2024 Mileage Reimbursement Rate**

**BE IT RESOLVED** that the established IRS mileage reimbursement rate of \$0.67 per mile is the official rate for Kanabec County mileage reimbursements during FY2024.

Action #18 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

## **Resolution #18 - 1/2/24**

### Housing and Redevelopment Authority Meetings

**BE IT HEREBY RESOLVED** by the Kanabec County Board of Commissioners that from and after January 2, 2024, regular meetings of the Kanabec County Housing and Redevelopment Authority Board shall be held in the County Courthouse in the City of Mora, Minnesota, and

**BE IT FURTHER RESOLVED** meetings shall be held as necessary with proper notice commencing at a time the Board of Commissioners of the Authority determines. Future monthly meetings may also be scheduled when deemed necessary, and

**BE IT FURTHER RESOLVED**, Special Meetings may be called when circumstances require immediate consideration by the board; in such case, a good faith effort will be made to contact the media and to each person who has filed a written request for such meetings.

Action #19 – It was moved by Wendy Caswell, seconded by Peter Ripka and carried unanimously to approve the following resolution:

## **Resolution #19 – 1/2/24**

### Appointment of HRA Officers

#### RESOLUTION APPOINTING OFFICERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF KANABEC COUNTY, MINNESOTA

**BE IT RESOLVED** by the Kanabec County Housing and Redevelopment Authority (the “Authority”) of Kanabec County, Minnesota, as follows:

**APPOINTMENT OF OFFICERS:** The following are appointed to hold the HRA offices set forth opposite their respective names:

Chair: Commissioner Rick Mattson

Vice-Chair: Commissioner Alison Holland

Secretary\* Kris McNally, County Coordinator

\*The Auditor-Treasurer will be appointed by the Secretary to disburse funds and to assist

the Secretary.

Action #20 – It was moved by Peter Ripka, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

### **Resolution #20 – 1/2/24**

Official Newspaper

**BE IT RESOLVED** that the Kanabec County Times is hereby designated as the official newspaper for the publication of the official proceedings and public notices of the Kanabec County Housing and Redevelopment Authority, and

**BE IT FURTHER RESOLVED** that a condition of this resolution is that the Kanabec County Times agree to post all the notices on its Web site at no additional cost pursuant to Minnesota Statute 331A.02, Subd. 5 and that the notice must remain on the Web site during the notice's full publication period.

Action #21 – It was moved by Alison Holland, seconded by Peter Ripka and carried unanimously to approve the following resolution:

### **Resolution #21 – 1/2/24**

Official Depository Bank

**BE IT RESOLVED** that First Citizens Bank is hereby designated as the official depository bank of the Kanabec County Housing and Redevelopment Authority.

Action #22 – It was moved by Alison Holland, seconded by Peter Ripka and carried unanimously to approve the following resolution:

### **Resolution #22 – 1/2/24**

Mileage Reimbursement

**BE IT RESOLVED** that the federal mileage reimbursement rate of \$0.67 per mile is the official rate for the Housing and Redevelopment Authority's mileage reimbursements.

Action #23 – It was moved by Peter Ripka, seconded by Alison Holland and carried unanimously to approve a consent agenda including all of the following actions:

### **Resolution #23a - 1/2/24**

Railroad Authority Board Meetings

**BE IT HEREBY RESOLVED** by the Kanabec County Board of Commissioners that from and after January 2, 2024, regular meetings of the Kanabec Railroad Authority Board shall be held in the County Courthouse in the City of Mora, Minnesota, and

**BE IT FURTHER RESOLVED** meetings shall be held as necessary with proper notice commencing at a time the Board of Commissioners of the Authority determines. Future monthly meetings may also be scheduled when deemed necessary, and

**BE IT FURTHER RESOLVED**, Special Meetings may be called when circumstances require immediate consideration by the board; in such case, a good faith effort will be made to contact the media and to each person who has filed a written request for such meetings.

### **Resolution #23b – 1/2/24**

Appointment of Railroad Authority Board Officers

#### **RESOLUTION APPOINTING OFFICERS OF THE RAILROAD AUTHORITY BOARD OF KANABEC COUNTY, MINNESOTA**

**BE IT RESOLVED** by the Kanabec County Railroad Authority Board of Kanabec County, Minnesota, as follows:

**APPOINTMENT OF OFFICERS:** The following are appointed to hold the Railroad Authority Board offices set forth opposite their respective names:

Chair: Commissioner Rick Mattson

Vice-Chair: Commissioner Alison Holland

Secretary\* Kris McNally, County Coordinator

\*The Auditor-Treasurer will be appointed by the Secretary to disburse funds and to assist the Secretary.

### **Resolution #23c – 1/2/24**

Official Newspaper

**BE IT RESOLVED** that the Kanabec County Times is hereby designated as the official newspaper for the publication of the official proceedings and public notices of the Kanabec County Railroad Authority Board, and

**BE IT FURTHER RESOLVED** that a condition of this resolution is that the Kanabec County Times agree to post all the notices on its Web site at no additional cost pursuant to Minnesota Statute 331A.02, Subd. 5 and that the notice must remain on the Web site during the notice's full publication period.

### **Resolution #23d – 1/2/24**

Official Depository Bank

**BE IT RESOLVED** that First Citizens Bank is hereby designated as the official depository bank of the Kanabec County Railroad Authority Board.

## **Resolution #23e – 1/2/24**

### **Mileage Reimbursement**

**BE IT RESOLVED** that the federal mileage reimbursement rate of \$0.67 per mile is the official rate for the Railroad Authority Board's mileage reimbursements.

Action #24 – It was moved by Peter Ripka, seconded by Tom Roeschlein and carried unanimously to approve a consent agenda including all of the following actions:

## **Resolution #24a- 1/2/24**

### **Drainage Authority Board Meetings**

**BE IT HEREBY RESOLVED** by the Kanabec County Board of Commissioners that from and after January 2, 2024, regular meetings of the Kanabec Drainage Authority Board shall be held in the County Courthouse in the City of Mora, Minnesota, and

**BE IT FURTHER RESOLVED** meetings shall be held as necessary with proper notice commencing at a time the Board of Commissioners of the Authority determines. Future monthly meetings may also be scheduled when deemed necessary, and

**BE IT FURTHER RESOLVED**, Special Meetings may be called when circumstances require immediate consideration by the board; in such case, a good faith effort will be made to contact the media and to each person who has filed a written request for such meetings.

## **Resolution #24b – 1/2/24**

### **Appointment of Drainage Authority Board Officers**

#### **RESOLUTION APPOINTING OFFICERS OF THE DRAINAGE AUTHORITY BOARD OF KANABEC COUNTY, MINNESOTA**

**BE IT RESOLVED** by the Kanabec County Drainage Authority Board of Kanabec County, Minnesota, as follows:

**APPOINTMENT OF OFFICERS:** The following are appointed to hold the Drainage Authority Board offices set forth opposite their respective names:

Chair: Commissioner Rick Mattson

Vice-Chair: Commissioner Alison Holland

Secretary\* Kris McNally, County Coordinator

\*The Auditor-Treasurer will be appointed by the Secretary to disburse funds and to assist the Secretary.

## **Resolution #24c – 1/2/24**

Official Newspaper

**BE IT RESOLVED** that the Kanabec County Times is hereby designated as the official newspaper for the publication of the official proceedings and public notices of the Kanabec County Drainage Authority Board, and

**BE IT FURTHER RESOLVED** that a condition of this resolution is that the Kanabec County Times agree to post all the notices on its Web site at no additional cost pursuant to Minnesota Statute 331A.02, Subd. 5 and that the notice must remain on the Web site during the notice's full publication period.

## **Resolution #24d – 1/2/24**

Official Depository Bank

**BE IT RESOLVED** that First Citizens Bank is hereby designated as the official depository bank of the Kanabec County Drainage Authority Board.

## **Resolution #24e – 1/2/24**

Mileage Reimbursement

**BE IT RESOLVED** that the federal mileage reimbursement rate of \$0.67 per mile is the official rate for the Drainage Authority Board's mileage reimbursements.

Action #25 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

## **Resolution #25 – 1/2/24**

County Coroner Appointment

**WHEREAS** the term of office for County Coroner expired December 31, 2023, and

**WHEREAS** Minnesota Statute §390.005 requires that the County Board appoint a Coroner, and

**WHEREAS** the County Sheriff recommends re-appointment of Dr. Kelly Mills;

**BE IT RESOLVED** to re-appoint Dr. Kelly Mills as Kanabec County Coroner effective January 2, 2024 for a term ending December 31, 2024.

Action #26 – Alison Holland introduced the following resolution and moved its adoption:

## **Resolution #26 – 1/2/24**

**BE IT RESOLVED** to appoint Tom Roeschlein to the Snake River Watershed Management Board for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to appoint Peter Ripka as the alternate to the Snake River Watershed Management Board for a one year term commencing immediately and expiring January 7, 2025.

The motion for the adoption of the foregoing Resolution was duly seconded by Wendy Caswell and upon a vote being taken thereon, the following voted:

**IN FAVOR THEREOF:** Mattson, Caswell, Holland, Ripka

**OPPOSED:** None

**ABSTAIN:** Roeschlein

whereupon the resolution was declared duly passed and adopted.

Action #27 – Alison Holland introduced the following resolution and moved its adoption:

## **Resolution #27 – 1/2/24**

**BE IT RESOLVED** to appoint Tom Roeschlein to the Snake River One Watershed, One Plan Board for a partial term commencing immediately and expiring January 6, 2026.

The motion for the adoption of the foregoing Resolution was duly seconded by Wendy Caswell and upon a vote being taken thereon, the following voted:

**IN FAVOR THEREOF:** Mattson, Caswell, Holland, Ripka

**OPPOSED:** None

**ABSTAIN:** Roeschlein

whereupon the resolution was declared duly passed and adopted.

Action #28 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

## **Resolution #28 – 1/2/24**

**BE IT RESOLVED** to appoint Commissioner Rick Mattson to the LELS Local 107 Union Negotiation Committee commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to appoint Commissioner Rick Mattson to the LELS Local 106 Union Negotiation Committee commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to appoint Commissioner Rick Mattson to the Teamsters Local 320 Union Negotiation Committee commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to appoint Commissioner Rick Mattson to the Operating Engineers Local 49 Union Negotiation Committee commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to appoint Commissioner Rick Mattson to the Laborers Local 363 Union Negotiation Committee commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** that Commissioners Tom Roeschlein, Wendy Caswell, Alison Holland and Peter Ripka will serve as alternates for the following Union Negotiation Committees: LELS Local 107, LELS Local 106, Teamsters Local 320, Operating Engineers Local 49, and the Laborers Local 363 commencing immediately and expiring January 7, 2025.

Action #29 – It was moved by Alison Holland and seconded by Tom Roeschlein to advertise all County committee appointments to the public that are vacant or have an expiring term, including appointments in which the incumbent appointee has agreed to serve another term. Upon further discussion, including that of an existing resolution that may define a limit of three terms for all committee appointments, Alison Holland and Tom Roeschlein agreed to rescind the motion and discuss it as a future agenda item.

The Board considered committee appointments for the Board of Adjustments. The Board expressed consensus to postpone appointments to this board pending clarification of term limits, as well as practices regarding alternate representatives filling vacancies for primary members.

Action #30 – It was moved by Tom Roeschlein and seconded by Peter Ripka to reappoint Greg Yankowiak to serve another term, appoint Jim Hartshorn as an alternate, and readvertise to fill the vacancy on the City/County Airport Zoning Board. Upon discussion, Tom Roeschlein and Peter Ripka agreed to rescind the motion pending clarification regarding state statute that may define areas of representation on this board.

Action #31 – It was moved by Alison Holland, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

### **Resolution #31 – 1/2/24**

**BE IT FURTHER RESOLVED** to reappoint Peter Ripka to the Community Health Board for a one year term commencing immediately and expiring January 7, 2025.



**BE IT FURTHER RESOLVED** to reappoint Alison Holland to the Community Health Board for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Wendy Caswell to the Community Health Board for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Rick Mattson to the Community Health Board for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Tom Roeschlein to the Community Health Board for a one year term commencing immediately and expiring January 7, 2025.

Action #32 – It was moved by Peter Ripka, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

### **Resolution #32 – 1/2/24**

**BE IT RESOLVED** to reappoint Peter Ripka to the County Board of Appeal and Equalization for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Alison Holland to the County Board of Appeal and Equalization for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Wendy Caswell to the County Board of Appeal and Equalization for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Rick Mattson to the County Board of Appeal and Equalization for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Tom Roeschlein to the County Board of Appeal and Equalization for a one year term commencing immediately and expiring January 7, 2025.

Action #33 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

### **Resolution #33 – 1/2/24**

**BE IT RESOLVED** to reappoint Karen Rasmusson to the East Central Regional Library Board for a three year term commencing immediately and expiring January 5, 2027.

Action #34 – Peter Ripka introduced the following resolution and moved its adoption:

### **Resolution #34 – 1/2/24**

**BE IT RESOLVED** to reappoint Alison Holland to the Economic Development Authority Board for a three year term commencing immediately and expiring January 5, 2027.

The motion for the adoption of the foregoing Resolution was duly seconded by Wendy Caswell and upon a vote being taken thereon, the following voted:

**IN FAVOR THEREOF:** Ripka, Caswell, Roeschlein, Mattson

**OPPOSED:** None

**ABSTAIN:** Holland

whereupon the resolution was declared duly passed and adopted.

Action #35 – It was moved by Peter Ripka, seconded by Alison Holland and carried unanimously to approve the following resolution:

### **Resolution #35 – 1/2/24**

**BE IT RESOLVED** to appoint Daniel Porter to the Extension Committee for a three year term commencing immediately and expiring January 5, 2027.

Action #36 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

### **Resolution #36 – 1/2/24**

**BE IT RESOLVED** to reappoint Peter Ripka to the Family Services Board for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Alison Holland to the Family Services Board for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Wendy Caswell to the Family Services Board for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Rick Mattson to the Family Services Board for a one year term commencing immediately and expiring January 7, 2025.

**BE IT FURTHER RESOLVED** to reappoint Tom Roeschlein to the Family Services Board for a one year term commencing immediately and expiring January 7, 2025.

Action #37 – It was moved by Wendy Caswell, seconded by Alison Holland and carried

unanimously to approve the following resolution:

### **Resolution #37 – 1/2/24**

**BE IT RESOLVED** to appoint Lisa Baker to the Health and Human Services Advisory Committee as a Recipient of Service for a two year term commencing immediately and expiring January 6, 2026.

**BE IT FURTHER RESOLVED** to reappoint Tina Simons to the Health and Human Services Advisory Committee as a Citizen of the County for a two year term commencing immediately and expiring January 6, 2026.

Action #38 – It was moved by Alison Holland, seconded by Peter Ripka and carried unanimously to approve the following resolution:

### **Resolution #38 – 1/2/24**

**BE IT RESOLVED** to reappoint Jayke Kleszyk to the Insurance Committee as a representative of the Local 106 for a three year term commencing immediately and expiring January 5, 2027.

**BE IT FURTHER RESOLVED** to appoint Dan Schulz to the Insurance Committee as an alternate representative of the Local 106 for a three year term commencing immediately and expiring January 5, 2027.

Action #39 – It was moved by Alison Holland, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

### **Resolution #39 – 1/2/24**

**BE IT RESOLVED** to appoint Mandi Yoder to the Personnel Board of Appeals for a three year term commencing immediately and expiring January 5, 2027.

**BE IT FURTHER RESOLVED** to appoint Sharon Weaver to the Personnel Board of Appeals for a three year term commencing immediately and expiring January 5, 2027.

Action #40 – It was moved by Alison Holland, seconded by Peter Ripka and carried unanimously to approve the following resolution:

### **Resolution #40 – 1/2/24**

**BE IT RESOLVED** to reappoint Douglas Sabinash to the Planning Commission for a three year term commencing immediately and expiring January 5, 2027.

**BE IT FURTHER RESOLVED** to reappoint Chad Gramentz to the Planning Commission for a three year term commencing immediately and expiring January 5, 2027.

Action #41 – It was moved by Wendy Caswell, seconded by Peter Ripka and carried unanimously to approve the following resolution:

### **Resolution #41 – 1/2/24**

**BE IT RESOLVED** to reappoint Brian Smith to the Regional Radio Board for a three year term commencing immediately and expiring January 5, 2027.

Action #42 – It was moved by Wendy Caswell, seconded by Alison Holland and carried unanimously to approve the following resolution:

### **Resolution #42 – 1/2/24**

**BE IT RESOLVED** to appoint Darell Golly to the Snake River Watershed Citizen Advisory Committee for a three year term commencing immediately and expiring January 5, 2027.

Action #43 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

### **Resolution #43 – 1/2/24**

**BE IT RESOLVED** to appoint Ryan Carda to the Snake River One Watershed, One Plan Committee as an alternate staff member for a three year term commencing immediately and expiring January 5, 2027.

Action #44 – It was moved by Alison Holland, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

### **Resolution #44 – 1/2/24**

**BE IT RESOLVED** to reappoint Rick Mattson as an alternate representative to the State Community Health Services Advisory Committee (SCHSAC) for a three year term commencing immediately and expiring January 5, 2027.

**BE IT FURTHER RESOLVED** to appoint Community Health Director, Kathy Burski as the primary representative to the State Community Health Services Advisory Committee (SCHSAC).

Action #45 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

## Resolution #45 – 1/2/24

### Kanabec County Veterans Service Office Appointment

**WHEREAS** the term of office for Kanabec County Veterans Service Officer expires January 2, 2024, and

**WHEREAS** the Kanabec County Board of Commissioners highly values the services provided by the Veterans Service Office and desires to reappoint the incumbent Veterans Service Officer;

**THEREFORE, BE IT RESOLVED** to re-appoint Erica Bliss as Kanabec County Veterans Services Officer effective January 2, 2024 for a four-year term ending January 4, 2028.

Action #46 – It was moved by Peter Ripka, seconded by Alison Holland and carried unanimously to approve the minutes of December 19, 2023 as presented.

Action #47 – It was moved by Alison Holland, seconded by Wendy Caswell and carried unanimously to approve the following paid claims:

<u>Vendor</u>	<u>Amount</u>
Braham Public Schools	16,822.33
Card Services (Coborn's)	1,034.75
Card Services (Coborn's)	6.39
City of Braham	56,435.28
City of Mora	14,499.95
Dearborn National Life Insurance Company	382.90
East Central Energy	1,417.25
East Central Regional Development Comm.	172.05
Hoffman, Julie	600.00
JCF Properties	2,100.00
Kanabec County	58,767.80
Kanabec County	1,161.54
Kanabec County AT ACH_VISA	680.73
Kanabec County Auditor-Treasurer	13,072.55
Life Insurance Company of North America	774.46
Marco	99.77
Marco	3,335.71
Minnesota Energy Resources Corp	13,175.13
The Hartford Priority Accounts	6,992.27
Verizon Wireless Aircards	1,565.38
VSP Insurance Co	594.54
<b>21 Claims Totaling:</b>	<b><u><u>\$ 193,690.78</u></u></b>

Action #48 – It was moved by Peter Ripka, seconded by Wendy Caswell and carried unanimously to approve the following claims on the Revenue Fund (paid on 12/28/23 per Resolution #25 – 12/19/23):

<b>Vendor</b>	<b>Amount</b>
4Imprint	1,251.82
Aspen Mills	104.98
Athey, Lucas	47.16
Auto Value Mora	640.82
Barlow, Jeffery	240.39
Bee Line Service Center, Inc.	1,045.39
Bluum	1,267.50
Bob Barker	109.32
Bowland, Jacob	30.00
Cundy, Steve	278.00
DataWorks Plus LLC	2,388.23
DVS Renewal	42.50
DVS Renewal	20.25
Granite City Jobbing Co. Inc	1,661.84
Hoefert, Robert	1,171.14
Innovative Office Solutions, LLC	2,275.93
INTAB, Inc	92.91
MACO	720.00
MACO	360.00
Magaard, Andrew	82.53
Marco	309.86
Marco	870.05
Marco	926.52
Marco	3,159.06
Marco	1,061.85
Methven Funeral and Cremation Services	250.00
MN County Attorneys Association	3,284.00
MN Dept of Revenue - Property Tax Division	30.00
Motorola Solutions	409.60
MRA	693.75
MRA	1,800.00
ODP Business Solutions LLC	11.98
ODP Business Solutions LLC	32.02
ODP Business Solutions LLC	218.66
ODP Business Solutions LLC	138.70
ODP Business Solutions LLC	29.37
ODP Business Solutions LLC	23.10

Owen G Dunn Co Inc/Printelect	917.57
Pieper, Helen	301.30
Quadient Leasing USA, Inc.	1,043.00
Quadient Leasing USA, Inc.	1,043.00
Ratwik, Roszak & Maloney, PA	2,730.50
Ripka, Peter	136.90
RS Eden	448.28
RS Eden	13.60
Scotts Lawn & Landscapes	165.00
Scotts Lawn & Landscapes	220.00
Sea Change Print Innovations	1,395.44
Stellar Services	43.14
Stolarzyk, Jenea	976.51
Summit Food Service Management	3,854.80
Summit Food Service Management	3,944.53
Sunshine Printing	129.00
SwipeClock LLC	332.00
Van Alst, Lillian	1,361.75
YogaDirect	867.14

**56 Claims Totaling: \$ 47,002.69**

Action #49 – It was moved by Alison Holland, seconded by Peter Ripka and carried unanimously to approve the following claims on the Road & Bridge Fund (paid on 12/28/23 per Resolution #25 – 12/19/23):

<u>Vendor</u>	<u>Amount</u>
Ace	131.94
CPF	534.90
Michael Currie	10.22
Federated Co-op	92.96
G & N Enterprises	312.50
Johnson Hardware	94.46
Kanabec County Highway Dept	37.43
Lake Superior College	1,200.00
MEI	611.74
North Central International	512.88
Oslin Lumber	52.24
Post Master	900.00
Redstone Construction	5,000.00
Regents of UMN	545.00
Snodepot	153.00
Tyler Sturgul	235.79

TrenchersPlus	179.24
Tri-State Surplus	1,864.23
Trueman Welters	236.00
USIC Locating	30.00
<b>20 Claims Totaling:</b>	<b><u>12,734.53</u></b>

Chief Deputy Kevin Braiedy met with the Board to present a request to fill two full-time deputy vacancies.

Action #50 – It was moved by Peter Ripka, seconded by Alison Holland and carried unanimously to approve the following resolution:

### **Resolution #50 – 1/2/24**

**WHEREAS** there are two vacancies in the position of Full-Time Deputy, and

**WHEREAS** the board desires to fill these vacant positions;

**BE IT RESOLVED** that the County Board authorizes the County Sheriff and the County Personnel Director to hire two Full-Time Deputies to fill the positions at Step A, Grade 14 of the pay plan which is \$30.48 per hour, and

**BE IT FURTHER RESOLVED** that the hours of work for these positions be limited to those budgeted.

Action #51 – It was moved by Alison Holland, seconded by Peter Ripka and carried unanimously to recess the board meeting at 10:20am to a time immediately following the Community Health Board.

The Kanabec County Community Health Board met at 10:20am on Tuesday, January 2, 2024 pursuant to adjournment with the following Board Members present: Tom Roeschlein, Rick Mattson, Wendy Caswell, Alison Holland and Peter Ripka. Community Health Director Kathy Burski presented the Community Health Board Agenda.

Action #CH52 – It was moved by Alison Holland, seconded by Peter Ripka and carried unanimously to approve the Community Health Board Agenda as presented.

Community Health Director Kathy Burksi gave the Director's Report.

Action #CH53 – It was moved by Wendy Caswell, seconded by Alison Holland and carried unanimously to approve the payment of 70 claims totaling \$37,119.75 on Community Health Funds.



Action #CH54 – It was moved by Peter Ripka, seconded by Alison Holland and carried unanimously to adjourn Community Health Board at 10:26am and to meet again on Tuesday, February 6, 2024 at 9:20am.

The Board of Commissioners reconvened.

**10:26am** – The Board took a four minute break.

**10:30am** – The Board reconvened.

**10:30am** – The Chairperson called for public comment three times. No one responded.

**10:31am** – The Chairperson closed public comment.

Action #55 - It was moved by Alison Holland, seconded by Peter Ripka and carried unanimously to approve the following resolution:

### **Resolution #55 – 1/2/24**

#### **SCORE CLAIMS**

**WHEREAS** the board has been presented with claims for recycling efforts to be paid from SCORE Funds, and

**WHEREAS** these claims have been reviewed, tabulated and approved by the Kanabec County Solid Waste Officer, and

**WHEREAS** SCORE Funds appear adequate for the purpose;

**BE IT RESOLVED** to approve payment of the following claims on SCORE Funds:

Waste Management	\$765.46
Quality Disposal	\$5,711.00
Arthur Township	\$500.00
Total	\$6,976.46

Rick Mattson led a discussion regarding concerns from citizens about the proposed new Minnesota State Flag. Coordinator Kris McNally will research actions taken by Wadena and Crow Wing Counties and bring findings back to the Board. Information only.

Auditor/Treasurer Denise Snyder met with the Board to discuss a T.I.F refund from the City of Braham. The Board expressed consensus to allocate the T.I.F. refund from the City of Braham in the amount of approximately \$58,000 to the general reserve fund.

Public Works Director Chad Gramentz met with the Board to request filling a vacancy.

Action #56 – It was moved by Alison Holland, seconded by Tom Roeschlein and carried unanimously to approve the following resolution:

**Resolution #56 – 1/2/24**  
**Approval to Post & Fill a Vacancy**

**WHEREAS** there is a vacancy in the position of an Environmental Services/GIS Technician, and

**WHEREAS** the board desires to refill this vacant position;

**BE IT RESOLVED** that the County Board authorizes the Public Works Director and the County Personnel Director to post and fill this full-time position at Grade 11, Step A of the pay plan which is \$24.88 per hour or the rate set by internal promotion;

**BE IT FURTHER RESOLVED** that the hours of work for this position be limited to those budgeted.

**BE IT FURTHER RESOLVED** that this position will be posted upon receiving written resignation from the current Environmental Services Supervisor.

Action #57 – It was moved by Peter Ripka, seconded by Alison Holland and carried unanimously to recess the meeting at 10:52am to a time immediately following the Family Services Board.

The Kanabec County Family Services Board met at 10:52am on Tuesday, January 2, 2024 pursuant to adjournment with the following Board Members present: Tom Roeschlein, Rick Mattson, Wendy Caswell, Alison Holland and Peter Ripka. Family Services Director, Chuck Hurd presented the Family Services Board Agenda.

Action #FS58 – It was moved by Wendy Caswell, seconded by Alison Holland and carried unanimously to approve the Family Services Board Agenda as presented.

Action #FS59 – It was moved by Tom Roeschlein, seconded by Wendy Caswell and carried unanimously to approve the following resolution:

**Resolution #FS59 – 1/2/24**

**BE IT RESOLVED** to appoint Lisa Baker to the Health and Human Services Advisory Committee as a Recipient of Service for a two year term commencing immediately and expiring January 6, 2026.

**BE IT FURTHER RESOLVED** to reappoint Tina Simons to the Health and Human Services Advisory Committee as a Citizen of the County for a two year term commencing immediately and expiring January 6, 2026.

Action #FS60 – It was moved by Wendy Caswell, seconded by Tom Roeschlein, and carried unanimously to approve the following resolution:

## **Resolution #FS60 – 1/2/24**

### **Health and Human Services Advisory Committee Chairperson Resolution**

**WHEREAS**, MN Statute 402.03 requires that each human services board shall appoint an advisory committee, as well as a chair to said advisory committee who may not be a member of a county board.

**BE IT RESOLVED** that the Kanabec County Family Services Board appoints Jennie Taylor as the chairperson to the Health and Human Services Advisory committee effective January 2, 2024.

Action #FS61 – It was moved by Alison Holland, seconded by Peter Ripka and carried unanimously to adjourn Family Services Board at 10:54am and to meet again on Tuesday, January 16, 2024 at 9:20am.

In other discussion, Peter Ripka led a conversation regarding the Knife Lake Rest Stop Area. Information only.

Action #62 – It was moved by Wendy Caswell, seconded by Alison Holland and carried unanimously to rescind Resolution #37 – 1/2/24.

In continued other discussion, Rick Mattson led a conversation regarding the Calvary Lutheran Knife Lake Cemetery. Information only.

The 11:15am appointment of Veteran Service Officer Erica Bliss will be postponed until the next meeting on January 16, 2024.

Future agenda items: Committee term limits and history of appointment of alternates to primary position holders, continue committee/board appointments, the Minnesota State Flag and Seal redesign.

Action #63 – It was moved by Tom Roeschlein, seconded by Peter Ripka and carried unanimously to close the meeting at 11:05am pursuant to the Open Meeting Law, MN Statute §13D.03 to discuss matters related to Union Negotiation Strategy. Those present during the closed portion of the meeting include Commissioners Tom Roeschlein, Rick Mattson, Wendy Caswell, Alison Holland and Peter Ripka; as well as County Coordinator & Personnel Director Kris McNally.

Action #64 – It was moved by Alison Holland, seconded by Peter Ripka, and carried unanimously to return to open session at 11:27am.

Action #65 – It was moved by Peter Ripka, seconded by Wendy Caswell, and carried unanimously to adjourn the meeting at 11:28am and to meet again in regular session on Tuesday, January 16, 2024 at 9:00am.

*Signed* \_\_\_\_\_  
Chairperson of the Kanabec County Board of Commissioners,  
Kanabec County, Minnesota

*Attest:* \_\_\_\_\_  
Board Clerk

DRAFT

## Agenda Item #2

### Paid Bills

<u>Vendor</u>	<u>Amount</u>	<u>Purpose</u>	<u>Dept</u>
Blaze Credit Union	5,947.34	See Below	
Card Services (Coborn's)	40.00	MESCH Incentive	Community Health
Chamberlain Oil	118.49	Shop Supplies	Highway
Consolidated Communications	1,147.84	Monthly Phone Bill	Various
E C Riders	14,989.86	2024 BM#1 Snake River Trail	Unallocated
East Central Energy	280.95	Intersection Lighting	Highway
Kanabec County Auditor HRA	12,000.00	Retirement VEBA - WT & TE	HR
Kanabec County Auditor HRA	106.00	1.2024 VEBA - AG	Sheriff
Kwik Trip Inc	11,943.18	County Gas Credit Cards	Various
MetLife	6,709.32	1.24 Dental Insurance Premiums	Employee Benefits
Midcontinent Communications	435.91	Utilities	Various
Minnesota Department of Health	1,275.00	4Q23 Well Cert Fees	State Revenue Fund
Minnesota Department of Finance	4,877.50	12.23 Recorder State Fees & Surcharges	Recorder
Minnesota Department of Finance	37.50	4Q23 Real Estate Assurance Tor	State Revenue Fund
Quadient Finance USA, Inc	5,584.94	Courthouse & PSB Postage	Unallocated
Quality Disposal	743.06	Garbage Pickup	Various
VC3, Inc.	8,058.00	Monthly Services	IS/ARPA
Verizon Wireless	4,187.00	Cell Phones	Various
<b>18 Claims Totaling:</b>	<b><u><u>\$ 78,481.89</u></u></b>		
Blaze Credit Union	32.98	Amazon - iPad Case & Screen Protector	Commissioners
	549.12	Grant Hotel - Lodging for AMC Conference	Commissioners
	67.98	Amazon - Brother Toner	Law Library
	28.95	Amazon - Adapter HDMI to VGA	IS
	399.96	Amazon - Monitors (4)	IS
	(325.00)	MN Co. Atty Assn - 20223 Annual Mt	Attorney

156.00	Realtor Assn - MLS Qrtly Serv - TD	Assessor
156.00	Realtor Assn - MLS Qrtly Serv - JR	Assessor
255.00	Realtor Assn - 2024 Dues	Assessor
105.00	MAAO - Membership Renewal - TD	Assessor
105.00	MAAO - Membership Renewal - TB	Assessor
153.12	Staybridge Suites - MAAP Conf	Assessor
153.12	Staybridge Suites - MAAP Conf	Assessor
105.00	MAAO - Membership Renewal - JL	Assessor
240.00	IAAO - Membership Dues	Assessor
105.00	MAAO - Membership Renewal - SR	Assessor
21.99	Amazon - Phone Handset w/ Cord	Assessor
43.43	Amazon - Office Supplies	Assessor
119.99	Amazon - Monitor	Building Maintenance
74.50	Amazon - Replacement Bus Lights	Transit
300.00	MSA - Winter Conf Reg - BS	Sheriff
489.35	Arrowwood - Reservations - BS	Sheriff
13.09	Amazon - Cooling Fan for Laptop	Sheriff
68.44	Amazon - Gloves	Sheriff
273.58	Kennel Housing - K9 Services	Sheriff
55.14	Amazon - Adapter HDMI to DVI	Dispatch
114.99	Amazon - Monitor	Dispatch
919.92	Amazon - Monitor	Dispatch
64.38	Amazon - Jail Supplies	Jail
40.38	Amazon - Office Supplies	Jail
37.85	Amazon - Jail Supplies	Jail
31.12	Amazon - Jail Supplies	Jail
39.03	Amazon - Jail Supplies	Jail
89.22	Amazon - Inmate Supplies	Jail
23.61	Amazon - Inmate Supplies	Jail
75.19	Amazon - Oral Pain Relief Packet	Jail
69.56	Michaels - Craft Supplies	Extension
0.99	Apple - Storage	Highway
43.94	Amazon - Coalition Supplies	Community Health
26.58	Amazon - HP Supplies	Community Health

(25.17)	Amazon - Credit HP Supplies	Community Health
25.60	Availity Subscription	Community Health
10.48	Amazon - Wireless Mouse	Community Health
26.58	Amazon - MCH Supplies	Community Health
300.00	Log Tag N America - Online Act	Community Health
22.40	Availity Subscription	Community Health
32.00	Availity Subscription	Community Health
31.97	Amazon - HC Medical Supplies	Community Health
111.83	Walmart - Wellnessss Supplies	Employee Wellness
88.15	Amazon - Wellness Snacks	Employee Wellness
<b>50 Claims Totaling: <u>\$ 5,947.34</u></b>		

# Agenda Item #3

## Regular Bills - Revenue Fund

### Bills to be approved: 1/16/24

Department Name	Vendor	Amount	Purpose
ASSESSOR	Information Systems Corporation	3,412.30	Share of 2024 AppExt. Maint. Agree.
ASSESSOR	Marco	496.58	Printer Contract Base Rate Charge 12/1/23 - 11/30/24
ASSESSOR	Marco	159.00	Printer Lease, Standard Payment
ASSESSOR	MNCCC Lockbox	2,600.00	PIUG Enh Fund & Dues
		<b>6,667.88</b>	
AUDITOR	Information Systems Corporation	1,208.65	Share of 2024 AppExt. Maint. Agree.
AUDITOR	Marco	328.10	AT DP Printer Contract Base Rate Charge 12/1/23 - 11/30/24
AUDITOR	MCIS	21,416.00	MCIS Property Tax Quarterly Support 1Q24
AUDITOR	MCIS	530.00	MCIS FormsPrint Email and Runtime Support 1Q24
AUDITOR	MCIS	5,633.00	MCIS Hosting Quarterly Invoice 1Q24
AUDITOR	MCIS	6,290.00	MCIS Payroll Quarterly Support 1Q24
		<b>35,405.75</b>	
BUILDINGS MAINTENANCE	Ace Hardware	3.17	Bolts - Jail
BUILDINGS MAINTENANCE	Auto Value	71.94	Belts (6) - Jail
BUILDINGS MAINTENANCE	FBG Service Corporation	4,829.00	December Cleaning Services - Courthouse
BUILDINGS MAINTENANCE	FBG Service Corporation	2,543.00	December Cleaning Services - PSB
BUILDINGS MAINTENANCE	FBG Service Corporation	672.00	December Cleaning Services - Jail
BUILDINGS MAINTENANCE	Grainger	1,420.08	Electric Strike HD Mortislocks & Elec Strike 24VDC Secure - PSB
BUILDINGS MAINTENANCE	Grainger	714.36	Temperature Control, 35-59 Deg. - Courthouse
BUILDINGS MAINTENANCE	Granite City Jobbing Co	720.93	Paper Towels, Toilet Paper, Hand Soap - PSB
BUILDINGS MAINTENANCE	Johnsons Hardware	133.63	Hardware, Batteries, Washers, Keys, Box Outdoor Outlet-Courthouse
BUILDINGS MAINTENANCE	RJ Mechanical	216.00	Troubleshoot Boiler 12/18 - Jail



BUILDINGS MAINTENANCE	Summit Companies	<u>487.50</u>	Semi-Annual Inspection - Jail
		<b>11,811.61</b>	
COMMISSIONERS	Association of MN Counties	<u>10,751.00</u>	AMC 2024 Annual Dues
		<b>10,751.00</b>	
COMPUTER EXPENSES	MNCCC Lockbox	2,500.00	MNCCC Corrections User Group - Annual Dues
COMPUTER EXPENSES	MNCCC Lockbox	2,150.00	JIC-IFS Enh Fund & Dues Aud-Treas
COMPUTER EXPENSES	MNCCC Lockbox	7,576.70	IFS Support Aud-Treas
COMPUTER EXPENSES	MNCCC Lockbox	<u>2,800.00</u>	Finance General Gov Enh Fund & Dues
		<b>15,026.70</b>	
COUNTY ATTORNEY	Attorney Richard Hodsdon	280.00	Attorney Rick Hodsdon, Tax Court 11/22/23 & 12/21/23
COUNTY ATTORNEY	RELX Inc. DBA LexisNexis	<u>220.00</u>	LexisNexis December 2023
		<b>500.00</b>	
COUNTY COORDINATOR	Information Systems Corporation	4,349.03	Share of 2024 AppExt. Maint. Agree.
COUNTY COORDINATOR	MACA	771.00	MACA Annual Membership Dues 2024
COUNTY COORDINATOR	MCHRMA	<u>125.00</u>	MCHRMA Annual Membership Dues 2024
		<b>5,245.03</b>	
COUNTY CORONER	River Valley Forensic Services, P.A.	<u>250.00</u>	November 2023 Monthly Service 11/1-11/30
		<b>250.00</b>	
COUNTY RECORDER	Information Systems Corporation	2,491.99	Share of 2024 AppExt. Maint. Agree.
COUNTY RECORDER	MACO-MOMS	750.00	Minnesota Marriage System Maintenance Fee 2024
COUNTY RECORDER	Marco	<u>651.00</u>	Printer Contract Base Rate Charge 12/1/23 - 11/30/24
		<b>3,892.99</b>	
COURT ADMINISTRATOR	Johnson Brothers Law	1,190.00	Court Appt Attorney Fees, 12/20, 9/8, 11/15-12/20, 11/27-12/18, 12/5-12/28
COURT ADMINISTRATOR	Schneider, James	445.00	Court Appt Attorney Fees 10/5/23 - 10/27/23

COURT ADMINISTRATOR	Timothy J. Peterson-Attorney at Law, LLC	<u>720.00</u> <b>2,355.00</b>	Court Appt Attorney Fees 8/17/23 - 11/13/23
ECONOMIC DEVELOPMENT	Econ. Dev. Associaion of MN (EDAM)	320.00	EDAM Membership Dues 1/1/24 - 12/31/24
ECONOMIC DEVELOPMENT	Initiative Foundation	1,550.00	Allocation for Initiative Foundation for 2024
ECONOMIC DEVELOPMENT	Kanabec Publications	26.10	Published the EDA Annual Meeting
ECONOMIC DEVELOPMENT	MAPCED	500.00	Membership to MN Association of Prof. Cty. Ec. Dev. 1/1/24-12/31/24
ECONOMIC DEVELOPMENT	MCIT	2,204.00	EDA Liability Insurance (MCIT) for 2024
ECONOMIC DEVELOPMENT	MCIT	<u>1,958.00</u> <b>6,558.10</b>	Workers Compensation (MCIT) for 2024
ELECTIONS	Snyder Denise	<u>92.65</u> <b>92.65</b>	DS200 Media Omaha, PNP 12/29/23, \$4,400 insured
ENVIRONMENTAL SERVICES	Information Systems Corporation	<u>28.39</u> <b>28.39</b>	Share of 2024 AppExt. Maint. Agree.
FAMILY SERVICES	Information Systems Corporation	<u>3,067.18</u> <b>3,067.18</b>	Share of 2024 AppExt. Maint. Agree.
HUMAN RESOURCES	Association of MN Counties	4,900.00	2024 HR Technical Assistance
HUMAN RESOURCES	Minnesota UI	608.56	Unemployment Benefits Paid for 4th Qtr 2023
HUMAN RESOURCES	Resource Training & Solutions	250.00	2024 Membership Renewal
HUMAN RESOURCES	WEX	<u>423.50</u> <b>6,182.06</b>	Administrative Fees for December
INFORMATION SYSTEMS	Association of MN Counties	1,497.00	Yearly Dues for MN Counties IT Leadership Association
INFORMATION SYSTEMS	IT SAVVY LLC	204.88	HP Toner
INFORMATION SYSTEMS	IT SAVVY LLC	1,126.22	HP Desktop
INFORMATION SYSTEMS	KnowBe4 Inc.	2,089.89	Subscription 6 Months
INFORMATION SYSTEMS	MNCCC Lockbox	<u>2,800.00</u> <b>7,717.99</b>	ISSG Enh Fund & Dues

LAW LIBRARY	RELX Inc. DBA LexisNexis	238.70	Law Library Invoice 12/1/23-12/31/23
		<b>238.70</b>	
PROBATION & JUVENILE PLACEMENT	East Central Regional Juvenile Center	4,480.50	December 2023Contracted Beds at East Central RJC
PROBATION & JUVENILE PLACEMENT	Marco	363.09	Printer Contract Base Rate Charge 12/1/23 - 11/30/24
PROBATION & JUVENILE PLACEMENT	Marco	(26.70)	Contract Usage Credit for 12/1/22 - 11/30/23
PROBATION & JUVENILE PLACEMENT	Minnesota Monitoring Inc.	328.00	REAM Grant - December 2023
PROBATION & JUVENILE PLACEMENT	MNCCC Lockbox	1,712.78	2024 User Group CSTS Program Support Fee
		<b>6,857.67</b>	
PUBLIC TRANSPORTATION	A and E Cleaning Services	570.00	Timber Trails Office Cleaning 12/1-12/31
PUBLIC TRANSPORTATION	Ace Hardware	297.84	Shop Supplies
PUBLIC TRANSPORTATION	Barlow, Jeffery	148.03	Volunteer Mileage 12/26 - 12/31
PUBLIC TRANSPORTATION	Barlow, Jeffery	462.30	Volunteer Mileage 1/1-1/8
PUBLIC TRANSPORTATION	Bee Line Service Center, Inc.	1,044.82	Bus Repairs 12/29
PUBLIC TRANSPORTATION	DVS Renewal	202.50	License Renewals for Buses (6) and Vans (4)
PUBLIC TRANSPORTATION	Glen's Tire	1,518.08	Bus Tires and Repairs 12/1 & 12/21
PUBLIC TRANSPORTATION	Hoefert, Robert	568.16	Volunteer Mileage 1/1 - 1/8
PUBLIC TRANSPORTATION	Hoefert, Robert	434.92	Volunteer Mileage 12/26-12/31
PUBLIC TRANSPORTATION	Kanabec Publications	558.00	Advertising
PUBLIC TRANSPORTATION	Novus Glass	130.00	Van Windshield Repairs (2)
PUBLIC TRANSPORTATION	Premium Waters, Inc.	52.40	Bottled Water Supplies
PUBLIC TRANSPORTATION	Van Alst, Lillian	548.89	Volunteer Driver 12/26-12/31
PUBLIC TRANSPORTATION	Van Alst, Lillian	844.87	Volunteer Driver 1/1-1/8
		<b>7,380.81</b>	
SANITATION	East Central Solid Waste Commission	66.00	Kanabec County Highway Dept - Electronics, Appliances, Tires 12/31
		<b>66.00</b>	
SHERIFF	Applied Concepts, Inc.	2,995.00	DSR Enhanced Counting Unit - CK
SHERIFF	Aspen Mills	216.71	Pants, Belts - SS

SHERIFF	Glen's Tire	736.12	Tires, Balance, Tire Disposal for Squad
SHERIFF	Gratitude Farms	500.00	Animal Control Services 12/1-12/31
SHERIFF	League of Minnesota Cities	2,340.00	PATROL - Online Training
SHERIFF	Lease, Kevin	100.00	3D Printed Training Weapon
SHERIFF	Mclalwain, Shanna	119.97	Reimburse for Boots
SHERIFF	State of Minnesota - BCA	670.00	Permit to Carry
SHERIFF	State of Minnesota - BCA	300.00	BCA Death & Missing Persons Training, 1/9/24 - SM
SHERIFF	State of Minnesota - BCA	75.00	DMT Online Recertification - JCK
SHERIFF	Tinker & Larson Inc	3,193.11	Battery Replacement, Oil Changes (10), Brakes, Coolant Leak, Blower Motor, Tire Pressure - Various Squads Oct-Dec '23
		<b>11,245.91</b>	
SHERIFF - 911 EMERGENCY	Marco	2,095.96	Dispatch Printer Contract Base Rate Charge-12/1/23-11/30/24
SHERIFF - 911 EMERGENCY	Motorola Solutions	2,115.00	Vesta Services 1/1/24
		<b>4,210.96</b>	
SHERIFF - JAIL/DISPATCH	Adam's Pest Control	250.00	Prevention Plus 1/3/24
SHERIFF - JAIL/DISPATCH	Advanced Correctional Healthcare	19,890.93	Feb 24 On-Site Medical & TPA 2/1/24 - 2/29/24
SHERIFF - JAIL/DISPATCH	Aspen Mills	671.19	Initial Issue Uniform - JC
SHERIFF - JAIL/DISPATCH	DataWorks Plus LLC	350.00	Livescan Cleanign Kit
SHERIFF - JAIL/DISPATCH	Marco	248.06	Jail Booking Printer Contract Base Rate Charge-12/1/23-11/30/24
SHERIFF - JAIL/DISPATCH	Noble Medical Inc	362.87	Noble Specimen Cups
SHERIFF - JAIL/DISPATCH	RS Eden	6.80	Drug Testing
SHERIFF - JAIL/DISPATCH	Stellar Services	31.41	Canteen 12/29/23 & 1/2/24
SHERIFF - JAIL/DISPATCH	Summit Food Service Management	3,851.57	Inmate Meals 12/30/23-1/5/24
SHERIFF - JAIL/DISPATCH	Summit Food Service Management	3,810.93	Inmate Meals 12/23/23-12/29/23
SHERIFF - JAIL/DISPATCH	ULINE	76.50	Jail Supplies - Storage File Boxes
		<b>29,550.26</b>	
STATE FISCAL RECOVERY ARP	Brownells, Inc	94.48	Sight Set, Glock - 9MM & .40 CAL
		<b>94.48</b>	

UNALLOCATED	Clifton Larson Allen LLP	3,675.00	FY2023 Audit
UNALLOCATED	Kanabec Publications	367.11	County Board Minutes 11/7, 11/21
UNALLOCATED	Kanabec Soil & Water Cons.	2,956.78	SWCD Staff Time - Qtr 4 2023
UNALLOCATED	Kanabec Soil & Water Cons.	155.95	SWCD Newsletter
UNALLOCATED	Northland Securities Inc	1,500.00	2022 Annual Disclosure Report
		<b>8,654.84</b>	
VETERAN SERVICES	Information Systems Corporation	382.46	Share of 2024 AppExt. Maint. Agree.
VETERAN SERVICES	MACVSO	500.00	2024 Annual Membership 1/1/24 - 12/31/24
VETERAN SERVICES	Marco	514.00	Printer Contract Base Rate Charge 11/30/23-11/29/24
VETERAN SERVICES	Q Media Properties LLC	225.00	Veteran Wellness Grant - WCMP/KBEK Advertising Yoga/QiGong
		<b>1,621.46</b>	
WATER PLAN	Kanabec County SWCD	8,000.00	Water Plan and Project Development (Newsletters, Well Testing Ads, Staff Time)
WATER PLAN	RMB Environmental Laboratories	31.20	Water Sampling - Well Baby
		<b>8,031.20</b>	
<b>113 Claims Totaling:</b>		<b><u>\$ 193,504.62</u></b>	

# Agenda Item #4

## Regular Bills - Road & Bridge

### 1/16/2024

<b>Vendor</b>	<b>Amount</b>	<b>Purpose</b>
A & E Cleaning	1,140.00	Office cleaning
Aramark	444.72	Janitor supplies and coveralls
Auto Value	1,934.66	Repair parts
Beaudry Oil	4,420.01	Gasoline
Caswell Cycle	778.86	Chainsaw parts
Central McGowan	59.35	Shop supplies
City of Mora	1,026.21	Antenna lease
Federated Co-ops	36.40	Repair parts
Gopher State One-Call	21.60	Locates
Johnson Hardware	213.13	Shop supplies
Kanabec County Highway Dept	57.45	Petty cash, postage
Kwik Trip	36.04	Fuel
LHB Inc.	175.50	Bridge 33514 engineering
Marco	352.17	Printer
North Central International	232.43	Repair parts
Northern Safety Co	196.66	Safety supplies
Northern States Supply	290.67	Shop supplies
Nuss Truck	534.01	Repair parts
Oslin Lumber	76.80	Shop supplies
Power Plan	295.80	Repair parts
Schultz, Michael and Naomi	500.00	ROW appraisal SAP 033-605-022
Totzke, Paul	83.96	Uniform allowance
USIC Locating	60.00	Locates
Wiarcom	675.30	GPS

**24 Claims Totaling:    \$   13,641.73**

# Agenda Item #5

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Gambling Request	<b>b. Originating Department/Organization/Person:</b> Isanti County Pheasants Forever
<b>c. Estimated time:</b> 2 Minutes	<b>d. Presenter(s):</b> None

**e. Board action requested:** Approve the following resolution:

### Resolution #\_\_ – 1/16/24

**WHEREAS** the Kanabec County Board of Commissioners has been presented with a request for lawful gambling within Kanabec County, and

**WHEREAS** the application was complete, included all necessary documentation, appears in accordance with County Policies and the applicant and facility owners are in good standing with the County;

**BE IT RESOLVED** to approve the Application for Exempt Permit for Isanti County Pheasants Forever for a raffle event to be held at Pheasants Ridge Shooting Preserve 1547 Imperial St, Ogilvie, MN 56358 on April 6, 2024.

**f. Background:**

**Supporting Documents:** None:    **Attached:** ☒

<b>Date received in County Coordinators Office:</b>	12/8/23
---	---------

**Coordinators Comments:**

**LG220 Application for Exempt Permit**

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be \$1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

**Application Fee (non-refundable)**

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

**ORGANIZATION INFORMATION**

Organization Name: \_\_\_\_\_ Previous Gambling Permit Number: X- \_\_\_\_\_

Minnesota Tax ID Number, if any: \_\_\_\_\_ Federal Employer ID Number (FEIN), if any: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Name of Chief Executive Officer (CEO): \_\_\_\_\_

CEO Daytime Phone: \_\_\_\_\_ CEO Email: \_\_\_\_\_  
(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO): \_\_\_\_\_

**NONPROFIT STATUS**

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☐ Other Nonprofit Organization

**Attach a copy of one of the following showing proof of nonprofit status:**

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

**— A current calendar year Certificate of Good Standing**

Don't have a copy? Obtain this certificate from:

MN Secretary of State, Business Services Division  
60 Empire Drive, Suite 100  
St. Paul, MN 55103

Secretary of State website, phone numbers:

[www.sos.state.mn.us](http://www.sos.state.mn.us)

651-296-2803, or toll free 1-877-551-6767

**— IRS income tax exemption (501(c)) letter in your organization's name**

Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.

**— IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**

If your organization falls under a parent organization, attach copies of both of the following:

1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

**GAMBLING PREMISES INFORMATION**

Name of premises where the gambling event will be conducted  
(for raffles, list the site where the drawing will take place): \_\_\_\_\_

Physical Address (do not use P.O. box): \_\_\_\_\_

Check one:

☐ City: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

☐ Township: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Date(s) of activity (for raffles, indicate the date of the drawing): \_\_\_\_\_

Check each type of gambling activity that your organization will conduct:

☐ Bingo ☐ Paddlewheels ☐ Pull-Tabs ☐ Tipboards ☐ Raffle

**Gambling equipment** for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to [www.mn.gov/gcb](http://www.mn.gov/gcb) and click on **Distributors** under the **List of Licensees** tab, or call 651-539-1900.



**LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)**

<b>CITY APPROVAL</b> <b>for a gambling premises</b> <b>located within city limits</b>	<b>COUNTY APPROVAL</b> <b>for a gambling premises</b> <b>located in a township</b>
<p>The application is acknowledged with no waiting period.</p> <p>_____ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).</p> <p>_____ The application is denied.</p> <p>Print City Name: _____</p> <p>Signature of City Personnel: _____</p> <p>_____</p> <p>Title: _____ Date: _____</p> <div style="border: 1px solid black; padding: 10px; text-align: center; margin-top: 20px;"> <b>The city or county must sign before submitting application to the Gambling Control Board.</b> </div>	<p>The application is acknowledged with no waiting period.</p> <p>The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.</p> <p>The application is denied.</p> <p>Print County Name: _____</p> <p>Signature of County Personnel: _____</p> <p>_____</p> <p>Title: _____ Date: _____</p> <p><b>TOWNSHIP (if required by the county)</b></p> <p>On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)</p> <p>Print Township Name: _____</p> <p>Signature of Township Officer: _____</p> <p>Title: _____ Date: _____</p>

**CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)**

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature must be CEO's signature; designee may not sign)

Print Name: \_\_\_\_\_

**REQUIREMENTS**
**Complete a separate application for:**

- all gambling conducted on two or more consecutive days; or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

**Financial report to be completed within 30 days after the gambling activity is done:**

A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

**MAIL APPLICATION AND ATTACHMENTS**
**Mail application with:**

\_\_\_\_\_ a copy of your proof of nonprofit status; and  
 \_\_\_\_\_ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**. Make check payable to **State of Minnesota**.

**To:** Minnesota Gambling Control Board  
 1711 West County Road B, Suite 300 South  
 Roseville, MN 55113

**Questions?**

Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the

application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-

ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

<h2>How You May Spend Gambling Funds</h2>	<h2>How You May Not Spend Gambling Funds</h2>
<p><b>Allowable expenses</b> - Gambling funds may be spent for allowable expenses, such as:</p> <ul style="list-style-type: none"> <li>• gambling equipment (pull-tabs, bingo paper, bingo blower, paddlewheel tickets, tipboard games);</li> <li>• advertising;</li> <li>• printing raffle tickets; or</li> <li>• any services or goods that are directly related to the conduct of your gambling.</li> </ul> <p><b>Charitable contributions</b> - Gambling funds may be spent for the following charitable contributions (lawful purpose):</p> <ul style="list-style-type: none"> <li>• to or by 501(c)(3) organization and 501(c)(4) festival organizations;</li> <li>• relieving the effects of poverty, homelessness, or disability;</li> <li>• problem gambling programs approved by the Minnesota Department of Human Services;</li> <li>• public or private nonprofit school;</li> <li>• scholarships (if a contribution is made to a scholarship fund, it must be made to a nonprofit organization whose primary mission is to award scholarships);</li> <li>• church;</li> <li>• recognition of military service (open to public or active military personnel in need);</li> <li>• activities and facilities benefiting youth under age 21;</li> <li>• citizen monitoring of surface water quality, with data submitted to Minnesota PCA;</li> <li>• unit of government (NOTE: A direct contribution to a law enforcement or prosecutorial agency is not allowed);</li> <li>• wildlife management projects or activities that benefit the public-at-large, with DNR approval;</li> <li>• grooming and maintaining snowmobile or all-terrain trails that are grant-in-aid trails, or other trails open to public use, with DNR approval;</li> <li>• supplies and materials for DNR training and educational programs;</li> <li>• nutritional programs, food shelves, and congregate dining programs primarily for persons who are 62 or older or disabled;</li> <li>• community arts organizations or programs;</li> <li>• humanitarian service recognizing volunteerism or philanthropy; and</li> <li>• acquisition and repair of real property and capital assets (contact the Gambling Control Board for requirements).</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Controlled contribution</b> - An organization may not retain any control over any contribution made from gambling funds. The only exception is for expenditures by a 501(c)(3) organization or a 501(c)(4) festival organization to its general fund.</li> <li>2. <b>Financial gain</b> - A contribution or expenditure may not be made if it results in any monetary, economic, financial, or material benefit to the organization making the contribution or expenditure.</li> <li>3. <b>Government</b> - An expenditure may not be made for: <ul style="list-style-type: none"> <li>• influencing the nomination or election of a candidate for public office;</li> <li>• promoting or defeating a ballot question; or</li> <li>• any activity intended to influence an election or a governmental decision-making process.</li> </ul> </li> <li>4. <b>Law enforcement</b> - A direct contribution may not be made to a law enforcement or prosecutorial agency.</li> <li>5. <b>Pension</b> - A contribution may not be made to a government pension or retirement fund, such as a fire relief association.</li> <li>6. <b>Conflict of interest</b> - A contribution or expenditure may not be made if it is not allowed under the conflict of interest provisions of the Minnesota Nonprofit Corporation Act, Minnesota Statutes, Section 317A.255.</li> <li>7. <b>Alcohol</b> - An expenditure may not be made for the purchase of any intoxicating liquor, wine, or malt beverages.</li> <li>8. <b>Fundraising</b> - An expenditure may not be made for fundraising costs, except as allowed for a 501(c)(3) organization or 501(c)(4) festival organization from its general fund.</li> <li>9. <b>Other organizations</b> - With few exceptions, gambling funds may not be contributed to other organizations or clubs such as veterans, fraternal, Lions, etc. unless it is a 501(c)(3) organization.</li> <li>10. <b>Other contributions</b> - A contribution may not be made to a 501(c)(3) organization or another entity with the intent or effect of not complying with lawful purpose restrictions or requirements.</li> </ol>

Business Record Details »

Minnesota Business Name  
PHEASANTS FOREVER, INC.

<b>Business Type</b> Nonprofit Corporation (Domestic)	<b>MN Statute</b> 317A
<b>File Number</b> V-156	<b>Home Jurisdiction</b> Minnesota
<b>Filing Date</b> 08/05/1982	<b>Status</b> Active / In Good Standing
<b>Renewal Due Date</b> 12/31/2024	<b>Registered Office Address</b> 2345 Rice Street Suite 230 Roseville, MN 55113 USA
<b>Number of Shares</b> NONE	<b>Registered Agent(s)</b> CORPORATION SERVICE COMPANY
<b>President</b> Howard K Vincent 1783 BUERKLE CIRCLE ST PAUL, MN 55110 USA	

Filing History

Filing History

Select the item(s) you would like to order: Order Selected Copies

<input type="checkbox"/>	Filing Date	Filing	Effective Date
<input type="checkbox"/>	08/05/1982	Original Filing - Nonprofit Corporation (Domestic)	
	08/05/1982	Nonprofit Corporation (Domestic) Business Name (Business Name: PHEASANTS FOREVER, INC.)	

	Filing Date	Filing	Effective Date
<input type="checkbox"/>	08/14/1985	Nonprofit Corporation (Domestic) Restated Articles	
<input type="checkbox"/>	01/09/1986	Registered Office and/or Agent - Nonprofit Corporation (Domestic)	
<input type="checkbox"/>	03/28/1990	Registered Office and/or Agent - Nonprofit Corporation (Domestic)	
<input type="checkbox"/>	09/22/1994	Registered Office and/or Agent - Nonprofit Corporation (Domestic)	
<input type="checkbox"/>	04/04/1996	Registered Office and/or Agent - Nonprofit Corporation (Domestic)	
	04/04/1996	Nonprofit Corporation (Domestic) Restated Articles	
<input type="checkbox"/>	01/16/2007	Involuntary Dissolution - Nonprofit Corporation (Domestic)	
<input type="checkbox"/>	01/19/2007	Annual Reinstatement - Nonprofit Corporation (Domestic)	
<input type="checkbox"/>	6/26/2015	Registered Office and/or Agent - Nonprofit Corporation (Domestic)	

# Agenda Item #6

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Request Authorization to Send a New Position to Pay Consultant	<b>b. Origination:</b> Family Services
<b>c. Estimated time:</b> 5-10 minutes	<b>d. Presenter(s):</b> Kris McNally, Coordinator

**e. Board action requested:**

### Resolution #\_\_ – 1/16/24

Approve Job Description and Refer for Evaluation  
Behavioral Health Nurse

**WHEREAS** County Policy P-106 calls for Board authorization for all new position job descriptions, and

**WHEREAS** the Family Services Director has submitted a new job description and physical analysis for the position of Behavioral Health Nurse, and

**WHEREAS** the Personnel Director has examined and evaluated the information for referral to the Board;

**BE IT RESOLVED** that the Kanabec County Board of Commissioners hereby approves the job description and physical analysis, and

**BE IT FURTHER RESOLVED** that the Board authorizes the Behavioral Health Nurse job description and physical analysis be sent to the salary consultant for review and scoring.

### **f. Background:**

Family Services, in collaboration with Public Health, have recommended and budgeted this position to transfer from Public Health to Family Services. While in Public Health the duties of this position fell under a Public Health Nurse job description, however due to the transition of the position into the Family Services Department, additional refinement of tasks, duties, and qualifications was required thus resulting in the need for a new title and new job description, in addition to further review and work with the Local 363.

Supporting Documents: None    Attached: ☒

**Date received in County Coordinators Office:**

**Coordinators Comments:**

## Behavioral Health Nurse

Exemption Status: Exempt

Date: 1/16/2024

Department: Family Services

Board Approval:

Job Specifications		
	FACTOR	LEVEL
Education & Experience qualifications are a job-related combination equal or superior to the levels shown at right.	Education:	Four-Year RN (Bachelor's degree in Nursing)
	Experience:	Minimum of three years' experience preferred in field of mental health or psychiatric care
	Other Requirements:	Valid Driver's License or access to transportation Valid Nursing License and CPR certificate
	Supervision given to:	None
	Supervision received from:	Clinical Supervision from Clinical Nurse Specialist (contracted) and Family Services Director

### Job Summary

The Behavioral Health Nurse provides specialized health services by assessing, developing, implementing, and evaluating the Behavioral Health Unit. This position provides direct professional nursing services and consultation under the medication management project of Kanabec County Family Services. This position also provides targeted case management for residents of Kanabec County.

### Knowledge, Skills and Abilities Desired

- Comprehensive knowledge of principles and practices of professional behavioral health nursing.
- Comprehensive knowledge of local and state health care systems.
- Knowledge of services of other agencies dealing with behavioral health, health, and welfare of individuals and communities.
- Knowledge of behavioral changes and learning theories.
- Knowledge of requirements in applicable contracts.
- Ability to establish and maintain effective working relationships with other employees, professionals, and consumers.
- Ability to analyze, interpret, and apply data.
- Ability to present effective education to individuals and groups using principles of adult learning.
- Ability to communicate effectively and demonstrate strong listening skills.
- Ability to learn and apply basic technology and computer skills.
- Training and expertise in caring for and supporting individuals suffering from co-occurring disorders.
- Knowledge of ways to promote mental health/wellness.

- Ability to work with all ages.
- Knowledge of different approaches to patient care based on assessments and behavioral nurse techniques.
- Ability to deescalate emotions, behaviors, and potentially dangerous situations.
- Ability to handle stressful situations.

### Some Examples of Essential Duties

#### **Behavioral Health/Medication Management Services:**

1. Provides specialized health services by assessing, developing, implementing, and evaluating the Behavioral Health unit.
2. Assists in collecting data and evaluating outcomes for the purpose of program development and statistics reporting.
3. Facilitates and participates in educational presentations addressing program specific issues within the agency and provides behavioral health education services within the community.
4. Ensures program compliance with regulatory standards by keeping abreast of pertinent statutory and policy changes.
5. Coordinate services and provide professional nursing consultation to other health care providers and community groups by participating on planning teams, task forces, and advisory committees for the purpose of influencing and developing policy and procedures related to various community behavioral health issues and develop programs responsive to care needs.
6. Serves as a resource to other County personnel in case management techniques, current behavioral health trends, and community resources.
7. Assure quality care, cost containment, and appropriate level of service by monitoring and evaluating client compliance with insurance quality of care measures.
8. Gathering and evaluation polypharmacy utilization by individuals.
9. Recommends implementation of behavioral health programs to the clinical supervisor, Director, and funding sources by researching pertinent legislation, health care trends, and community needs; by interpreting results of data collections; identify service delivery strategies and resources; and prepare reports for behavioral health service areas.
10. Provide direct professional nursing services and consultation to individuals by conducting assessments, teaching, therapeutic interventions, and administering skilled nursing treatments.
11. Facilitate or participate in a variety of interdisciplinary team meetings and client conferences.
12. Coordinate with client care team to develop, monitor, and adapt a plan for psychiatric care.
13. Provide and assist with case management of clients and overall care coordination, assuring that appropriate behavioral health services are provided.
14. Develops and provides behavioral health education and consultation services to community members, clients and family members, worksites, and other professionals on a one-to-one and group basis through clinics, health promotion and community outreach activities, responding to requests for information by phone or in person; develops written and oral educational materials; and teaches classes on topics related to behavioral health issues with various community providers.
15. Collaborates and communicates with agencies such as schools, health care providers, housing agencies, Public Health, law enforcement, and others to advocate for individuals, families, or community groups regarding community/case need.

16. Observes, evaluates, and interprets the emotional and environmental conditions of clients and families to provide the services and information needed.
17. Develops and participates in outreach activities to the community for agency programs.
18. Monitor medication compliance, teach on dosage, side effects and purpose to client, family, group home staff and Case Managers.
19. Monitor and coordinate prescription process to ensure proper overall care of client (prior authorizations to client pick-of meds).
20. Collaborate and coordinate care with psychiatrist, psychologists, insurance companies, and pharmacies.

### **Quality Assurance**

21. Participates in risk management and other quality assurance activities by:
  - a. Assuring adherence to client bill of rights, data privacy, record protection, vulnerable adults' policies, child protection policies and other relevant policies.
  - b. Participating in unit meetings to discuss effectiveness of program.
22. Manages client records by maintaining accurate and complete documentation according to standard nursing format and other record compliance issues.
23. Contributes to the evaluation of specialized program policies, procedures, and standards of care to ensure compliance with State and Federal rules and regulations.

### **Administrative Duties**

24. Provides input and assists in the evaluation of agency programs and policies.
25. Contributes to the planning of agency goals and programs.
26. Attends meetings, seminars, and conferences to keep abreast of changes in policies, procedures, and concerns of the behavioral health nursing profession and as it relates to program needs.
27. Represents the agency with other agencies and the community.
28. Understands and utilizes nursing philosophy and knowledge.
29. Maintains valid nursing license and driver's license.
30. Assists in the development of grants as assigned.
31. Accountable for enforcing and following county safety policies.
32. Responds to emergencies that affect the public's mental health such as tragedy in the community (suicide, fatal accidents, school incidents etc).
33. Performs other related duties as assigned.

### **Competencies Common to All County Positions**

- Develops, maintains a thorough working knowledge of, and complies with all departmental and applicable County policies and procedures.
- Demonstrates regular and reliable attendance and punctuality.
- Demonstrates by personal example the qualities inherent in public service, excellence, and integrity expected from all staff.
- Develops respectful and cooperative working relationships with co-workers, including willing assistance to newer staff so job responsibilities can be performed with confidence as quickly as possible.
- Confers regularly with and keep immediate supervisor informed of all important matters which pertain to the applicable job functions and responsibilities.
- Represents Kanabec County in a professional manner to the public, outside contacts and constituencies.



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The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment of the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

*The County is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the County will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.*

# Position: Behavioral Health Nurse

## Department: Family Services

### Supplement – Physical Effort & Working Conditions

**INDICATE FREQUENCY (HOW OFTEN), WHAT THE REASON FOR THE ACTIVITY IS AND ANY LIMITATIONS ON FREQUENCY, WEIGHT, HEIGHT, ETC.**

Frequency	Letter Code	Defined as
Never	N	
Seldom	S	Up to 1 hour per day
Occasionally	O	1 to 2 hours per day
Frequently	F	2 to 5 hours per day
Continuously	C	6 or more hours per day

#### PHYSICAL EFFORT

#### FREQUENCY

#### DESCRIPTION, REASON FOR, LIMITS

Stand	F	Clinic setting, to copy/fax/scan; to assist the public/other staff;
Sit	F	Meetings with staff, computer work – reporting/charting, community meetings, trainings; conducting visits
Walk	O	To copy machine, to meetings all over building, to other staff; to visits, clinic appointments
Bend/Twist	O	To get into file drawers, getting items from storage, providing services in clinic setting
Push	S	File drawers, storage boxes, doors
Pull	S	File drawers, storage boxes, doors
Climb (stairs, ladders)	N	
Reach	O	For paperwork, files
Lift	S	Boxes of paper, file boxes, patient care, 0-50 pounds
Carry	S	Binders, files, paperwork, files boxes, 0-40 pounds
Grasp/Grip	F	Open/close doors/drawers, writing pens/pencils, stapler, papers, telephone, stethoscope, sphygmomanometer
Repetitive Motions	C	Keyboard
Kneel/Crawl	S	Files under desk, providing care in clinic
Run	N	
Jump	N	
Rapid work speed	S	Time constraints on work/deadlines
Filing	S	Reports, meeting materials, misc., patient information

Finger movement	C	Keyboarding, writing/charting, providing services in home/clinic setting
Keyboard use	C	Reports, emails, charting
Close vision	C	Computer work, observation of patient
Color vision	C	Computer work, reading graphs, observation of patient
Depth perception	C	Computer work, giving treatments, patient care
Far vision	N	
Hear	C	Phone calls, conversations with co-workers, interactions with patients
Talk	C	Phone calls, co-workers, public, community partners, colleagues, interactions with patients
Smell	S	In office, client contact, body odors
Touch	C	Working with equipment
Other:		

## **WORKING CONDITIONS/**

### **EXPOSURES                      FREQUENCY      DESCRIPTION, REASON FOR, LIMITS**

Heat	N	
Cold	N	
Temperature changes	N	
Dampness	N	
Humidity	N	
Wet environment	N	
Work outdoors	N	
Noise	S	Office machines, office voices, loud patient interactions
Vibration	N	
Heights	N	
Confined spaces	N	
Moving objects	S	Cleaning prepping room for providing care.
Solvents	N	To disinfecting room for patients
Acids, corrosives	N	
Other chemicals	N	
Dust	N	
Dirt	N	
Fumes/Vapors/Mists	N	
Gases	N	

Office environment	F	Work conducted inside office
Travel	N	Other sites/cities for meetings, between county buildings, community events
Work alone	O	Much work with 1:1 patient care
Work with co-workers	C	Much work with staff 1:1 or teams
Work with public	F	Respond to calls, work with clients, build relationships with referral partners, resources within community, maintain community partnerships
Other:	F	Work with individuals who are emotionally and psychiatrically volatile/potentially dangerous, and/or under the influence non prescribed drugs and unstable.

## **SAFETY EQUIPMENT**

What safety equipment is required? Mask and Gloves on occasion

Where and when must it be used? In office area/desk, clinic setting.

### SAFETY EQUIPMENT

What safety equipment is required?

- a. Mask and Gloves
- b. Seat belt

Where and when must it be used?

- a. As needed when providing direct care, in office area/desk, clinic setting
- b. When driving on behalf of the County

# Agenda Item #7

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Consider South Country Health Alliance's Request for a Meeting	<b>b. Origination:</b> South Country Health Alliance Joint Powers Board
<b>c. Estimated time:</b> 5 minutes	<b>d. Presenter(s):</b> Commissioner Caswell

**e. Board action requested:**

Consider SCHA Joint Powers Board's request for a work session with the Kanabec County Board of Commissioners and key staff.

**f. Background:**

Supporting Documents: None    Attached: ☒

**Date received in County Coordinators Office:** Request Letter

**Coordinators Comments:**

January 9, 2024

Commissioner Rickey Mattson, Board Chair  
Kanabec County Board of Commissioners  
317 Maple Avenue East, Suite 181  
Mora, MN 55051

Re: Meeting request

Dear Board Chair Mattson,

Kanabec County's resolution to withdraw from South Country Health Alliance was provided to the Joint Powers Board at our meeting on January 4, 2024. At the request of the Joint Powers Board, I am requesting an opportunity to schedule a meeting with the Kanabec County Board and key staff.

We understand that this was a very difficult decision for the Board and involved many considerations and we respect your decision. We value our longstanding relationship with Kanabec County and would appreciate the opportunity to discuss with you the concerns or factors that contributed to your decision. Additionally, we would welcome the opportunity to provide any clarification regarding the past and current financial performance of South Country Health Alliance. We would also like to discuss other factors that may impact the members served, providers and county staff to ensure a smooth transition and prevent as much disruption as possible.

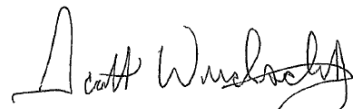
If possible, our board has requested this to be a work session or separate meeting from the Kanabec County Board meeting to allow a longer period of time for discussion.

On behalf of the South Country Joint Powers Board, thank you for your consideration of this request.

Sincerely,



Leota B. Lind  
CEO



Commissioner Scott Windschitl  
Board Chair

Cc: Kris McNally, Kanabec County Coordinator

# Agenda Item #8

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Request for Letters of Support	<b>b. Origination:</b> Highway 23 Coalition
<b>c. Estimated time:</b> 5 minutes	<b>d. Presenter(s):</b> Commissioner Holland

**e. Board action requested:**

Determine Board consensus on a request by the Highway 23 Coalition for letters of support for an EV charging station in Rockville, MN.

### f. Background:

The Highway 23 Coalition is requesting letters of support for an EV charging station in Rockville:

Attached is an info sheet on the charging station for Loves at Rockville. On the Hwy 23 corridor, this will be a quick charge opportunity. So, anyone from Kanabec heading to Wilmar or Marshall or SD would be able to get that quick charge and not have to make a long delay. Likewise, anyone coming from the southwest to Kanabec would be able to get that quick charge in that direction. We hope that letters of support will help. A couple of positive sentences is enough. I hope Kanabec can send a letter.

Thanks,  
Joe

Supporting Documents: None    Attached: ☒

**Date received in County Coordinators Office:**

**Coordinators Comments:**

The state of Minnesota will be placing quick charging stations along the I-94 and I-35 corridors through the National Electric Vehicle Infrastructure Plan (NEVI). The location of Loves Travel Plaza in Rockville is one of the possible sites for a NEVI station. We would like to encourage you to write a short letter of support from your community which will be sent as part of the application process. It need only be a few sentences. Below are some comments and reasons to support this location. Letters should be sent Roslyn Alibin who is submitting the request for Loves. [Roslyn.Alibin@trilliumenergy.com](mailto:Roslyn.Alibin@trilliumenergy.com) Please send these to Roslyn by Feb. 1, 2024.

Letters should be to:

Minnesota Department of Transportation

RE: Letter of Support for NEVI Charging Station

Loves Travel Plaza offers opportunities in a safe, friendly, and welcoming environment.

Open 24 hours with good lighting

Restaurant and food option

One stop shops for snacks and accessories

Restrooms and showers available

RV space

Dog park

Outdoor seating

Safe, clean and comfortable setting for families while charging

There will be more and more electric vehicles traveling across the state in years to come. Placing a quick charge station in Rockville provides that opportunity for EV drivers here in central Minnesota as well as those just traveling through the area.

Many residents from our community use the Hwy 23 corridor for both short and long trips across the state. The location of the Loves Plaza in Rockville would help those travelers with electric vehicles be able to get a convenient or even necessary charge.

We all know the importance of Interstate 94 and the reason to place charging station along the corridor. The Hwy 23 and I-94 intersection is the crossroads for traveling diagonally across the state in both directions. It will offer a quick charge for those on I-94 as well as those on Hwy 23.

Hwy 23 is a major corridor from Sioux Falls, SD to Duluth, MN. This location will allow quick charging to happen and to meet many needs in the middle of this corridor. There are many vacationers, business, education, sporting, and entertainment travelers that will find this location convenient or even necessary. This will allow for a one stop charge while crossing the state on Hwy 23.



# Agenda Item #9

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Consider a Resolution in Opposition to Redesigning the State Flag and Seal	<b>b. Origination:</b> Board of Commissioners
<b>c. Estimated time:</b> 5-10 minutes	<b>d. Presenter(s):</b> Board of Commissioners

**e. Board action requested:**

Adopt the following resolution:

RESOLUTION #\_\_\_-1/16/24

### RESOLUTION IN OPPOSITION TO REDESIGNING THE STATE FLAG AND SEAL

WHEREAS, the 2023 Legislature created a State Emblems Redesign Commission in the Laws of Minnesota , Chapter 62, Article 2, Section 118 the purpose of which is to redesign the official state flag and official state seal, and

WHEREAS, the Redesign Commission was charged with bringing recommendations on the redesign to the Legislature by no later than January 1, 2024, and

WHEREAS, the official seal of the State of Minnesota has remained unchanged since 1858; the current official state flag was created in 1957 with minor modifications done in 1983, and

WHEREAS, the official state flag and seal are not only symbols of our state, but also of our history and both the current official state flag and official state seal contain historical information on our farming background, Native American heritage and the co-existence that is part of the rich history of our state, and

WHEREAS, there is a substantial public cost associated with making this change that does not advance the public interest, including every deputy badge, seals in every courtroom and County Board Rooms across the state at substantial public expense, and

WHEREAS, the public reaction to the proposed designs has thus far been overwhelmingly negative.

NOW, THEREFORE, BE IT RESOLVED the Kanabec County Board of Commissioners hereby urges our legislative delegation and the Governor to reject the work of the State Emblems Redesign Commission.

BE IT FURTHER RESOLVED the Kanabec County Board of Commissioners hereby urges our legislative delegation and the Governor to retain the existing state seal and state flag as the official emblems for the State of Minnesota.

**f. Background:** This resolution is modeled after the resolution passed by the Crow Wing County Board of Commissioners on 1/2/24.

Supporting Documents: None ☒ Attached:

**Date received in County Coordinators Office:**

**Coordinators Comments:**

# Agenda Item #10

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Policy Regarding Maximum Terms for Committee Members	<b>b. Origination:</b> Kanabec County Board of Commissioners
<b>c. Estimated time:</b> 10-15 minutes	<b>d. Presenter(s):</b> Board

**e. Board action requested:**

Discuss the 1986 Board Resolution establishing a Policy Regarding Maximum Terms for Committee Members.

Clarify applicability to:

- Internal committees
- Incumbents who may be over the threshold
- Difficult to fill positions
- Ex-Officio members
- Staff committee positions

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**f. Background:**

Supporting Documents: None      Attached: ☒

**Date received in County Coordinators Office:**

**Coordinators Comments:**

RESOLUTION

BE IT HEREBY RESOLVED by the Kanabec County Board of Commissioners that the following be adopted as a policy of Kanabec County:

POLICY REGARDING MAXIMUM TERMS  
FOR COMMITTEE MEMBERS

It is the policy of Kanabec County that all appointments made of persons to serve on various boards and committee's shall be limited to three terms or a maximum of nine years whichever is least.

This policy shall become effective immediately and shall pertain to all appointments made by the Kanabec County Board hereafter.

All persons presently serving terms shall complete the terms to which they were appointed. Upon consideration of any reappointments, the number of terms already served shall be considered.

All elected Kanabec County officials shall be excluded from this policy.

Adopted this 24 day of January, 1986.

(SEAL)

*Gerey Tirpstein*  
Chairman of the County Board

Attest: *Jerry L. Inett*  
County Auditor

# Agenda Item #11

January 16, 2024

## REQUEST FOR BOARD ACTION

<b>a. Subject:</b> Board & Committee Appointments (Continued from 1/2/24)	<b>b. Origination:</b> Coordinator's Office
<b>c. Estimated time:</b> 10 minutes	<b>d. Presenter(s):</b> Kris McNally, Coordinator

**e. Board action requested:**

Review the attached 2024 Board & Committee Appointment listing.

Consider reappointment of committee members highlighted in green.

Consider appointing applicants to fill vacancies highlighted in red.

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**f. Background:**

On the attached Board & Committee Appointment listing document:

- Terms highlighted in green have agreed to another term.
- Terms highlighted in red have declined reappointment.
- Terms surrounded by a box may have term limit concerns.

**Supporting Documents:** None    **Attached:** ☒

<b>Date received in County Coordinators Office:</b>	n/a – originating department
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**Coordinators Comments:**

# 2024 – BOARD & COMMITTEE APPOINTMENTS

## BOARD OF ADJUSTMENTS

### Regular Members:

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Term</u>
Pat O'Brien	01/05/21	01/02/24	3 <sup>rd</sup>
Position A, Planning Commission Member			
Fred Sawatzky	01/03/23	01/06/26	1 <sup>st</sup>
Position B, Unincorporated Area			
Gene Carda	01/05/21	01/02/24	3 <sup>rd</sup>
Position C, Regular Member			

### Alternate Member:

Ronald Peterson	01/04/22	01/07/25	2 <sup>nd</sup>
Position D, Alternate			

**APPLICANT(S) FOR VACANCY: Charlie Strickland Jr.**

**Description:** Collects information and conducts public hearings on variance requests. One must be from the Planning Commission. One must be from an unincorporated area of the county (not in a city). The implication in Statute is that the others be county residents, but it doesn't explicitly state this. The Board of Adjustment serves as the County Weed appeal Board.

## CITY/COUNTY AIRPORT ZONING BOARD

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Term</u>
Vacant			
Greg Yankowiak	01/05/21	01/02/24	2 <sup>nd</sup>

**APPLICANT(S) FOR VACANCY:**

**Description:** This board is designated under state statute and consists of members appointed by the City of Mora and the County. The board meets to make, revise and approve airport zoning. This is a Joint Airport Zoning Board pursuant to §360.063, Subd. 3.

## ECONOMIC DEVELOPMENT AUTHORITY

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Role</u>	<u>Term</u>
Kathi Ellis	01/19/21	01/02/27	At-large Representative	1 <sup>st</sup>
Lonnie Ness	01/03/23	01/02/29	At-large Representative	2 <sup>nd</sup>
Jerry Tvedt	01/03/23	01/02/29	Electric Utility Representative	4 <sup>th</sup>

Lisa Holcomb	01/18/22	01/04/28	Township Elected Official	2 <sup>nd</sup>
Kirsten Faurie	09/20/22	01/04/28	City Representative	1 <sup>st</sup> partial
Wayne Davis	01/03/23	01/02/29	At-large Representative	2 <sup>nd</sup>
Ivan Black	01/18/22	01/04/28	City Representative	2 <sup>nd</sup>
<b>Alison Holland</b>	<b>08/16/22</b>	<b>01/02/24</b>	<b>County Commissioner</b>	<b>1<sup>st</sup> partial</b>
Peter Ripka	01/03/23	01/06/26	County Commissioner/County HRA	1 <sup>st</sup>

Description: The EDA shall consist of a governing body of nine members. A maximum of two of the members shall be members of the Kanabec County Board of Commissioners, one of which will represent the HRA. In addition, there shall be one township elected official selected from those townships choosing to participate in the EDA; two city representatives including one from the City of Mora and one selected from the other participating city's; one electric utility representative; and three At-large representatives with preference being given to participating cities within Kanabec County.

Of those initially appointed, two each shall be appointed for terms of one, two, or three years respectively and one each for terms of four, five, or six years, respectively. Therefore all members shall be appointed for six-year terms.

## **EMERGENCY MEDICAL SERVICE BOARD**

### **Advisory Committee**

Todd Groninga	02/15/22	01/07/25	1 <sup>st</sup>
<b>alternate - Vacant</b>	<b>01/10/07</b>	<b>01/04/10</b>	

Advisory Committee meets 6 times per year.

**APPLICANT(S) FOR VACANCY: None**

## **EXTENSION COMMITTEE**

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>District</u>	<u>Term</u>
<b>Terry Salmela</b>	<b>01/05/21</b>	<b>01/02/24</b>	<b>5</b>	<b>3<sup>rd</sup></b>
Jennifer Ernest	01/03/23	01/06/26	2	3 <sup>rd</sup>
<b>Jean Mattson</b>	<b>01/05/21</b>	<b>01/02/24</b>	<b>5</b>	<b>4<sup>th</sup></b>
Kelsey Schiferli	01/03/23	01/06/26	4	3 <sup>rd</sup>
Barbara McFadden	01/05/21	01/02/24	1	2 <sup>nd</sup>
Dan Porter	01/02/24	01/02/27	at large	1 <sup>st</sup>
Peter Ripka	01/03/23	01/06/26	Commissioner	1 <sup>st</sup>
Rick Mattson	2023 Chairperson of the County Board (Statutory)			
Lisa Holcomb	Auditor/Treasurer Designee (Statutory)			

**APPLICANT(S) FOR VACANCY: Stephanie Paulsen**

Description: The Minnesota State Legislature established County Extension Committees in 1923. The statute mandates a committee of nine:

1. The chair of the County Board of Commissioners,
2. One other commissioner
3. The County Auditor (or their designee) as Secretary
4. Six county residents selected by the County Board.

Committee responsibilities include: attending Extension Committee meetings, Performance evaluation of the educators, program development, assist in marketing Extension programs, and evaluation and budget development.

APPOINTED BY THE FAMILY SERVICES BOARD (FSB):

### **HEALTH AND HUMAN SERVICES ADVISORY COMMITTEE**

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Representing</u>	<u>Term</u>
Wendy Caswell	01/03/23	01/07/25	Co Commissioner/Corrections Advisory Board	1st
Lisa Baker	01/02/24	01/07/26	Recipient of Service	1st
Carol Peterson	02/07/23	01/07/25	Recipient of Service	4th
Charlie "S" Junior	02/07/23	01/07/25	Recipient of Service	3rd
Mary Doughty	02/07/23	01/07/25	Citizen of the County	1st
Jennie Taylor	02/07/23	01/07/25	Citizen of the County (Chairperson)	1st
Tina Simons	01/02/24	01/07/26	Citizen of the County	1st
Diane Bankers	02/07/23	01/07/25	Providers- Welia	4th
Sadie Broekmeier	02/07/23	01/07/25	Providers- Recovering Hope	2nd
Denise Stewart	02/07/23	01/07/25	Providers- Lakes & Pines	1st
Kathy Burski	02/07/23	01/07/25	Ex-Officio- Human Services Director	
Chuck Hurd	02/07/23	01/07/25	Ex-Officio- Community Health Director	

Description: Pursuant to MN Statute 402.03 this advisory committee shall actively participate in the formulation of the plan for the development, implementation and operation of the programs and services by the board, and shall make a formal recommendation to the board at least annually concerning the annual budget and implementation of the plan in the ensuing year.

Per by-laws: Each year the committee will determine the number of representatives needed on the committee and will make a recommendation to the Kanabec County Human Services Board. Membership will be consistent with MN Statute 402.03. The Kanabec County Human Services Board shall appoint all members to serve one or two year terms. Appointees cannot exceed six years of total committee membership.

### **HOUSING REDEVELOPMENT AUTHORITY BOARD**

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Term</u>
Peter Ripka	01/03/23	01/02/24	N/A
Alison Holland (Vice-Chair)	01/03/23	01/02/24	N/A
Wendy Caswell	01/03/23	01/02/24	N/A
Rick Mattson (Chair)	01/03/23	01/02/24	N/A
Tom Roeschlein	01/03/23	01/02/24	N/A

Kristine McNally, Board Secretary Appointed 01/04/22 non-voting

Description: Yearly terms. Chair and Vice-chair will match the chair and vice chair of the County Board of Commissioners.

### **INSURANCE COMMITTEE (INTERNAL)**

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Representing</u>	<u>Term</u>
<b>Members:</b>				
Rick Mattson	01/03/23	01/06/26	[Commissioners]	1 <sup>st</sup>
Kathy Young	09/20/22	01/02/24	[Local 320]	1 <sup>st</sup> partial
Michael Currie	01/04/22	01/07/25	[Local 49]	1 <sup>st</sup>
Vacant			[Local 107]	
Tammy Owens	01/03/23	01/06/26	[Local 363]	3 <sup>rd</sup>
Chad Gramentz	01/05/21	01/02/24	[Dept Heads]	1 <sup>st</sup>

Kate Mestnik	01/05/21	01/02/24	[Non-union]	3 <sup>rd</sup>
Jayke Kleszyk	01/02/24	01/06/26	Local 106	1 <sup>st</sup>
Kim Christenson	[Secretary]	indeterminate term		
Kristine McNally	n/a - ex officio			

#### Insurance Committee Alternates:

Tom Roeschlein	01/03/23	01/06/26	[Commissioners]	1 <sup>st</sup>
Marie Sward	01/03/23	01/06/26	[Local 320]	2 <sup>nd</sup>
Kevin Schiferli	01/18/22	01/07/25	[Local 49]	1 <sup>st</sup>
Dan Schulz	01/02/24	01/06/26	[Local 106]	1 <sup>st</sup> partial
Vacant			[Local 107]	
Jennifer Anderson	01/03/23	01/06/26	[Local 363]	2 <sup>nd</sup>
Vacant	01/07/20	01/03/23	[Non-union]	
Lisa Blowers	01/03/23	01/06/26	[Dept Heads]	3 <sup>rd</sup>

#### APPLICANT(S) FOR VACANCY:

Application for Local 107 Rep/Alternate: None

Application for Non-Union Alternate: None

#### PLANNING COMMISSION

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Term</u>
Rhonda Olson Position A, Unincorporated	01/03/23	01/06/26	2 <sup>nd</sup>
Earl Bracewell Position B, Unincorporated	01/04/22	01/07/25	2 <sup>nd</sup>
Tom Roeschlein Position C, Elected Official	01/03/23	01/06/26	1 <sup>st</sup>
Douglas Sabinash Position D, Shoreland Resident	01/05/21	01/02/24	1 <sup>st</sup>
Wayne Zaudtke Position E, Regular Member	01/03/23	01/06/26	2 <sup>nd</sup>

Pat O'Brien Position F, Board of Adjustment Member
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Chad Gramentz Ex-Officio (non-voting)
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Must be a resident of Kanabec County. At least two must be from unincorporated areas of the county (not in a city). No more than one shall be an employee or elected official of the County. One must be from the Board of Adjustment. **At least one member shall be a shoreland resident.** No voting member shall have received, during the 2 years prior to appointment, any substantial portion of income from business operations involving the development of land within the county for urban and urban related purposes.

Description: Reviews proposed plats and makes recommendations to the County Board concerning implementation of the Kanabec County Subdivision and Platting Ordinance. **Reviews and makes recommendations to the County Board concerning County Interim Use and Conditional Use Permits.** Periodically, the Planning Commission reviews existing County Ordinances and makes recommendations to the County Board regarding changes.



## RAILROAD AUTHORITY BOARD

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Term</u>
Peter Ripka	01/03/23	01/02/24	N/A
Alison Holland	01/03/23	01/02/24	N/A
Wendy Caswell	01/03/23	01/02/24	N/A
Rick Mattson	01/03/23	01/02/24	N/A
Tom Roeschlein	01/03/23	01/02/24	N/A

Kristine McNally, Board Clerk Appointed 01/08/19 non-voting

[Description: Yearly terms per MN Statue 398A.03](#)

## RAILROAD AUTHORITY ADVISORY COMMITTEE

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Represents</u>	<u>Term</u>
Rick Mattson - Chairperson	ex officio (voting)			
Jody Anderson	01/05/21	01/02/24	City of Mora	2 <sup>nd</sup>
Vacant			Whited Township	
Bruce Anderson	01/05/21	01/02/24	Comfort Township	6 <sup>th</sup>
Mike Papenhausen	01/05/21	01/02/24	At Large	6 <sup>th</sup>
Lanny Stegeman	01/04/22	01/07/25	At Large	6 <sup>th</sup>
Teri Huro	01/04/22	01/07/25	City of Quamba	1 <sup>st</sup>

Kristine McNally, Advisory Committee Clerk Appointed 01/08/19 non-voting

**APPLICANT(S) FOR VACANCIES: The City of Mora recommends Council Member Kyle Shepard for appointment**

***Mr. Papenhausen is willing to serve again, however is now a Mille Lacs County resident.***

## SAFETY COMMITTEE (INTERNAL)

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Representing</u>	<u>Term</u>
Chad Gramentz	11/09/11	n/a, <i>Ex-Officio (Safety Officer)</i>		
Chris Bergwick	01/03/23	01/06/26	Sheriff's Office	3 <sup>rd</sup>
Robin Etter	01/05/21	01/02/24	Sheriff's Office	6 <sup>th</sup>
Dave Mulvaney	01/04/22	01/07/25	Courthouse	3 <sup>rd</sup>
Lisa Holcomb	01/03/23	01/06/26	Courthouse	2 <sup>nd</sup>
Kathy Burski	01/05/21	01/02/24	Public Service Bldg	4 <sup>th</sup>
Patricia Kruse	01/05/21	01/02/24	Public Service Bldg	1 <sup>st</sup>
Nate Westling	01/03/23	01/06/26	Highway Building	2 <sup>nd</sup>
Steve Berndt	02/01/22	01/07/25	Highway Building	1 <sup>st</sup>

Kathy Burski

## WATER PLAN

<u>Person</u>	<u>Appointed</u>	<u>Expires</u>	<u>Represents</u>	<u>Term</u>
Chad Gramentz	01/05/21	01/02/24		4 <sup>th</sup>

Teresa Wickeham	ex-officio		Water Plan Coordinator	
Ellen White*			Public Health	
Deanna Pomije			Kanabec Soil & Water	
Jon Sanford	01/03/23	01/06/26	Citizen Appointee	2 <sup>nd</sup>
Tom Roeschlein	01/03/23	01/06/26	County Board	1 <sup>st</sup>

Description: Recommendations regarding the Kanabec County Comprehensive Local Water Plan occurs through the Kanabec County Water Plan Task Force Committee. This committee meets upon the request of the County Board and makes recommendations on the coordination and implementation of the plan. There is technical advice assigned to the Soil & Water Conservation District, Natural Resources Conservation Service, County Extension, County Public Health, County Zoning, County Wetland Administrator, DNR, etc. as requested by the Task Force.

Funding to support the Water Plan is through the Natural Resources Block Grant. This money is independent of the 1W1P.

**\*Ms. White is retiring in Feb 2024. Ashely Berg has been recommended as Ms. White's replacement to represent Public Health on this committee.**

\*\* UPDATED: 1/8/24

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# County Commissioner Appointments as of 1/4/24

Appointment	Peter Ripka	Alison Holland	Wendy Caswell	Rick Mattson	Tom Roeschlein
American Rescue Plan (ARPA) Committee				X	
Association of Minnesota Counties	X	X	X	X	X
Aquatic Invasive Species Committee	X				
Cafeteria Plan				X	
Central Minnesota Council on Aging	X				
<i>Central Minnesota Council on Aging Alternate</i>		X			
Central Minnesota Jobs & Training			X		
City of Mora Economic Development Authority		X			
Community Health Board	X	X	X	X	X
County Board of Appeal & Equalization	X	X	X	X	X
Department Head Meetings				X	
Drainage Authority Board	X	X	X	X	X
Driver's License Project Committee		X			X
E-911 Committee					X
<i>E-911 Alternate</i>	X				
East Central Regional Development	X				
East Central Regional Library				X	
East Central Solid Waste Commission		X			
<i>ECSWC Alternate</i>					X
Economic Development Authority	X	X			
Emergency Medical Service Board			X		X
<i>Emergency Medical Alternate</i>					X
Extension Committee	X			X	
Family Services Board	X	X	X	X	X
Health & Human Services Advisory Committee			X		
Highway 23 Coalition		X			
Hospital Board			X		
Housing and Redevelopment Authority	X	X	X	X	X
Insurance Committee				X	
<i>Insurance Comm. Alternate</i>					X
Juvenile Detention Center Advisory Board			X		
Lakes & Pines Board	X				
Law Library		X			
North Highway 65 Corridor Coalition		X			
Opioid Settlement Committee (Internal)			X		
Personnel Committee		X		X	
Planning Commission					X
Public Works Committee	X				X
Railroad Authority Board	X	X	X	X	X
Railroad Authority Advisory Committee				X	
Regional Radio Board			X		
Snake River One Watershed, One Plan					X
<i>Snake River One Watershed, One Plan Alternate</i>				X	
Snake River Watershed Management Board					X
<i>Snake River Watershed Mgmt Board Alternate</i>	X			X	
State Community Health Services Advisory Cmte (SCHSAC) Alt.				X	
Southern MN County Based Purchasing			X		
<i>Southern MN County Based Purchasing Alternate</i>					X
Substance Abuse Coalition/Better Together Coalition			X		
Timber Trails Advisory Board					X
<i>Timber Trails Alternate</i>				X	
Negotiating Team: Local 107 (Jail/Dispatcher)				X	
Negotiating Team: Local 320 (Courthouse)				X	
Negotiating Team: Local 106 (Deputies)				X	
Negotiating Team: Local 49 (Highway)				X	
Negotiating Team: Local 363 (Welfare)				X	
Water Plan					X
<b>TOTAL APPOINTMENTS</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>24</b>	<b>20</b>