

SPECIAL SESSION OF THE MOWER COUNTY  
BOARD OF COMMISSIONERS

December 3, 2013

The Mower County Board of Commissioners in and for the County of Mower, Minnesota, met in Special Session December 3, 2013 at 1:00 p.m. at the Government Center in Austin, Minnesota.

All members present, viz: Jerry Reinartz, Chair  
Tony Bennett, Vice Chair  
Polly Glynn  
Mike Ankeny  
Tim Gabrielson  
Craig Oscarson, County Coordinator

Motion made by Commissioner Gabrielson, seconded by Commissioner Glynn to approve the agenda with the following additions: 1) Amended Fixed Asset Policy, 2) Change fund in Auditor/Treasurer department and motion to write-off loss of funds and 3) surplus property in Public Works. Motion carried.

Craig Oscarson briefly reviewed the Finance memo prepared for the truth in taxation meeting. It was reported that the Finance Committee's goals were to identify additional revenue sources and make additional cuts in expenses. It was noted that the tax shift has been to Ag land.

There was a brief discussion on hosting an open house for the remodeled areas of the Government Center. Consideration is being given to host one after the first of the year.

Motion made by Commissioner Bennett, seconded by Commissioner Gabrielson to approve the minutes of November 26, 2013. Motion carried.

Motion by Commissioner Glynn, seconded by Commissioner Bennett to approve the following Commissioner warrants for payment:

AMOUNT	VENDOR NAME	AMOUNT	VENDOR NAME
708.94	AMERICAN SOLUTIONS FOR BUSINES	39913.79	ANOKA CO JUVENILE CENTER
402.89	BOB BARKER COMPANY INC.	1309.64	DELL MARKETING L P
21120.00	DEPARTMENT OF CORRECTIONS	276.81	DIAMOND RIDGE PRINTING
110.00	DANIEL DONNELLY LAW FIRM		
113.91	DOUG GROH		
256.76	INNOVATIVE OFFICE SOLUTIONS,LL	530.00	EVAN LARSON LAW OFFICE
3628.00	MELCHERT HUBERT SJODIN	1158.63	METRO SALES INC
		3242.58	RUPP,ANDERSON,SQUIRES & WALDSP
106.55	SMYTH COMPANIES LLC		
	4 PAYMENTS LESS THAN \$100	186.66	
****	FINAL TOTAL.....	\$ 73,065.16	****

Motion carried.

Motion made by Commissioner Gabrielson, seconded by Commissioner Ankeny to approve the HHS furniture invoice to Henricksen PSG in the amount of \$289,324.91. Motion carried.

Motion made by Commissioner Bennett, seconded by Commissioner Gabrielson to approve the payment to the Development Corporation of Austin in the amount of \$23,817.78 for the leasehold improvements in accordance with the Oak Park Mall lease agreement when the invoice is received. Motion carried.

Motion made by Commissioner Bennett, seconded by Commissioner Ankeny to approve reimbursing Tim Gabrielson \$343.62 and Craig Oscarson \$171.81 for lodging expenses from February 2013. Motion carried. Commissioner Gabrielson abstained.

**Date: December 3, 2013**

**Res. #80-13**

**RESOLUTION APPROVING MODIFICATIONS TO THE  
JOINT POWERS AGREEMENT FORMING THE  
SOUTHEAST MINNESOTA REGIONAL RADIO BOARD**

On motion of Commissioner Gabrielson, seconded by Commissioner Glynn, the following Resolution was passed and adopted by the Mower County Board of Commissioners at a meeting held December 3, 2013 at the Government Center, Austin, Minnesota.

WHEREAS, Mower County is a participating member of the Southeast Minnesota Regional Radio Board (hereinafter the "Board"), a Joint Powers Entity formed pursuant to Minnesota Statutes 403.39 and 471.59; and

WHEREAS, a Joint Powers Agreement creating the Board was approved by the parties to the Agreement comprising the Board, including Mower County; and

WHEREAS, the Minnesota legislature has amended Minnesota Statute 403.39 by adding a new section entitled "Regional Emergency Communications Boards" that provides authority for Regional Radio Boards to assume responsibility for coordinating regional 911 services; and

WHEREAS, compliance with this amendment to Minnesota statute requires modification of the existing Joint Powers Agreement; and

WHEREAS, information was provided indicating that the Joint Powers is insured with the League of Minnesota Cities Insurance trust and that costs will be equitably borne.

WHEREAS, The Board recommends modification of the Joint Powers Agreement governing the Board to provide for regional coordination of 911 services and public safety broadband data services and changes the name of the Board to "Southeast Minnesota Regional Emergency Communications Board".

NOW THEREFORE, BE IT RESOLVED, the Mower County Board of Commissioners approves the modifications to the Joint Powers Agreement recommended by the Board; and

BE IT FURTHER RESOLVED that the Chair is hereby authorized to execute the required addendum to the existing Joint Powers Agreement to implement the authorized modifications.

Passed and approved this 3<sup>rd</sup> day of December, 2013.

**THE MOWER COUNTY BOARD OF COMMISSIONERS**

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

By: \_\_\_\_\_  
Clerk/Coordinator

The next item on the agenda was a Public Hearing for the staff presentation to the County Board of the draft Environmental Assessment for the Pleasant Valley Wind (RES Americas) transmission project. Angie Knish, Environmental Services Supervisor, presented to the Board the draft Environmental Assessment that outlines and addresses the issues that were raised during the public comment period regarding the scope of the Environmental Assessment. From this time through December 17, 2013, the Board will have an opportunity to review the document before accepting it for publication by the Environmental Quality Board. After publication the public will have an additional ten days to comment on the Environmental Assessment. Three members of the public spoke to the Board concerning the EA. The Board set December 17, 2013 at 10:00 a.m. for action on the presented Environmental Assessment.

Motion by Commissioner Ankeny, seconded by Commissioner Gabrielson to approve the following list of surplus property for auction/disposal:

Quantity	Item	Department
1	1991 Trail King flatbed trailer	Public Works
1	2006 Freightliner/Johnston MT35-Street Sweeper	Public Works

Motion carried.

Motion made by Commissioner Ankeny, seconded by Commissioner Glynn to adopt the new/amended (replaces the Mower County Fixed Asset Policy adopted 1-1-2003) Mower County Capital Asset Policy effective 12-3-13. Motion carried. The Policy is as follows:

**Mower County Capital Asset Policy**

**Introduction:**

With the adoption of this policy, the County Board of Commissioners of Mower County, Minnesota, will establish guidelines for the capitalization of assets in compliance with GASB Statement #34. These guidelines will consider capitalization threshold, depreciation method, useful life of an asset, and salvage value, if applicable. The categories other than infrastructure are defined as Equipment/Machinery, Software, Land, Buildings, and Improvements Other than Buildings.

**Policy:**

To comply with GASB Statement #34, Mower County will implement the following procedures for the capitalization of assets.

**Procedures:**

**Threshold:**

Items purchased by the County will not be considered capital assets and capitalized until they reach the current threshold. Shipping costs, set up, sales tax, and any other costs relating to the set up and establishment of a complete item should be considered when figuring the total cost of an asset. Current thresholds will be:

Land	\$1
Land Improvements	\$25,000
Buildings & Building Improvements	\$25,000
Equipment & Vehicles	\$5,000

**Improvements vs Repair/Maintenance:**

Improvements to buildings, equipment, or land will not be capitalized unless the improvements extend the useful life of the asset, increase capacity, or significantly improve the efficiency of the asset. The County Coordinator or designee will determine the classification of repairs or capital improvement using the following guidelines:

- 1) The costs exceed the capitalization threshold, and
- 2) One of the following criteria is met:
  - a. The estimated life of the asset is extended by more than 25% or
  - b. The cost results in an increase in the capacity or usage of the asset, or
  - c. The efficiency of the asset is increased by more than 25%.

**Depreciation Method:**

Items purchased by the County will be depreciated using the straight-line method, with a full month convention. When using the full month convention any item purchased during the month will be considered purchased on the first of the month. This allows depreciation to be taken for the entire month in which the asset was placed in service.

**Useful Life of Asset:**

The useful lives of assets will be figured according to guidelines made by GASB Statement #34, or other professional organizations and be authorized by the County Coordinator or his/her designee.

	<u>Years</u>
Computer hardware/software	1-5
Cars and light trucks	3-10
Furniture and Equipment	5-10
Telephone/communication equipment	5-20
Land Improvements	5-20
Heavy Equipment	10-20
Building Improvements & Buildings	20-50

**Fully Depreciated Assets:**

Fully depreciated assets will be reviewed by the County Board on an annual basis. Standard life spans will be used on all assets and depreciation will not be recalculated unless some financial benefit is realized.

**Salvage Value:**

The salvage value is the amount for which an asset could be sold for at the end of its useful life. This amount will be based on general guidelines from professional organizations or professionals, information from other government organization or internal experience.

**Infrastructure**

**Introduction:**

With the adoption of this policy, the County Board of Commissioners of Mower County, Minnesota, will establish guidelines for the capitalization of assets in compliance with GASB Statement #34. These guidelines will consider capitalization threshold, depreciation method, useful life of an asset, and salvage value, if applicable. The following categories of infrastructure assets have been identified: Roads, Bridges, and Right-of-way.

**Policy:**

To comply with GASB Statement #34, Mower County will implement the following procedures for the capitalization of infrastructure assets.

**Procedures:**

Threshold:

Infrastructure purchased, subcontracted, or constructed by the County will not be added to capital assets until they reach the current dollar threshold and are at least 95% complete.

The current dollar thresholds will be:

Right-of-way	\$1
Roads	\$50,000
Bridges	\$50,000

Construction-in-progress:

Construction projects that are accumulating expenses and are not greater than 95% completed will be classified as "construction-in-progress at year end" until they are added to capital assets. Construction-in-progress is not subject to depreciation.

Improvements vs. Repairs/maintenance:

Improvements to infrastructure are those that significantly extend the useful life, increase capacity, or improve the efficiency of the capital asset. Repairs and maintenance are costs incurred to keep the capital asset in service for its original intended purpose over its normal expected useful life. The County Engineer will determine whether costs should be classified as an improvement or repairs and maintenance using the following guidelines.

Costs should be classified as an improvement and capitalized if:

1. The costs exceed the capitalization threshold, and
2. One of the following criteria is met:
  - a. The estimated life of the asset is extended by more than 25%, or
  - b. The cost results in an increase in the capacity of the asset, or
  - c. The efficiency of the asset is increased by more than 10%.

Depreciation Method:

Right-of-way will not be depreciated. Roads and bridges will be depreciated using the straight-line method with a full month convention. When using the full month convention, any asset placed in service during the month will be considered to have been placed in service on the first day of the month. This allows depreciation to be taken for the entire month in which the asset was placed in service. If an asset is disposed of before the end of the estimated useful life, no depreciation is allowed for the month of disposition. No residual/salvage value will be used for infrastructure assets.

Useful Life of an Asset:

Mower County will follow the useful life recommendations of the Minnesota County Engineers Association and the Minnesota Department of Transportation. Roads will be assigned a useful life of 50 years and bridges will be assigned a useful life of 75 years.

Fully Depreciated Assets:

Fully depreciated assets will be reviewed by the County Board on an annual basis. It is considered that roads & bridges will maintain a standard life span and depreciation will not be recalculated unless there is a significant change in the estimated useful lives.

Definitions:

Roads - Roads include, but are not limited to, road surface, sub-surface, water/sewer and drainage for all the County State Aid Highways (CSAH 1-46 and 101-112), all County roads (CR 51-61), and all County owned trails in Mower County. Road costs include, but are not limited to, engineering, construction labor, construction equipment time, materials, sewers, landscaping, bike paths, sidewalks, lighting, overhead, etc.

Bridges - Bridges include all bridges on Mower County Roads as defined by the Minnesota Department of Transportation. Bridge costs include, but are not limited to, engineering costs, construction labor, construction equipment time, materials, landscaping, approach work, guard rails, lighting, and sidewalks. In the event that the highway department installs the bridge (culverts), we will capitalize the engineering costs, labor, equipment, materials and overhead associated with the job.

Right-of-way - Right -of-way shall include both deeded and easement property acquired for the construction of roads and bridges. Right-of-way costs include, but are not limited to, the purchase price from the landowner, the cost of attorney fees in court cases, relocation fees, filing fees, deed tax, and reimbursement of pre-paid real estate taxes to the land owner. Other expenditures including appraisal fees and title opinions will be expensed.

City and Township Structures - All structures as defined by the Special Laws of Minnesota for 1885, Chapter 175, which includes bridges built and maintained by Mower County that have a diameter of 48" or greater are owned by Mower

COMMISSIONERS' RECORD MOWER COUNTY, MINNESOTA

---

County. These structures are on township or city roads and will be entered on the County's balance sheet if they meet the requirements in the "Improvements vs. Repairs/Maintenance" section of this policy.

Motion made by Commissioner Bennett, seconded by Commissioner Ankeny to write-off the loss of funds in the amount of \$449 in the office of the Auditor-Treasurer, to reduce the change fund from \$2000 to \$600 and to eliminate any over/short box/account in accordance with generally accepted accounting principles. Motion carried.

Motion by Commissioner Ankeny, seconded by Commissioner Glynn to adjourn the meeting at 2:23 p.m. The Board will convene for the Truth in Taxation Public Hearing this evening at 6:00 p.m. Motion carried. The next regular meeting is scheduled for December 17, 2013 at 8:30 a.m.

**THE MOWER COUNTY BOARD OF COMMISSIONERS**

**BY:** \_\_\_\_\_  
**Chairperson**

**Attest:**

**By:** \_\_\_\_\_  
**Clerk/Coordinator**

**INDEX**

**A**

adjourn, 279  
agenda, 274

**C**

Capital Asset Policy, 276  
change fund reduction in Aud-Treas. Office, 279

**H**

HHS OakPark Mall Lease  
    payment to DCA for lease hold improvements, 275

**L**

late claim for payment, 275  
LEC HHS Remodel  
    HHS furniture invoice, 275

**M**

minutes, 274

**P**

Public Hearing EA  
    RES Americas/Pleasant Valley Wind, 276

**R**

Res. #80-13 SEMN Regional Radio Board JPA modifications, 275

**S**

surplus property, 276

**W**

warrants  
    Commissioner, 274  
write-off the loss of funds Aud-Treas. Office, 279