

The Ramsey County Board of Commissioners met in regular session with the following members present: Bennett, Haigh, Ortega, Reinhardt, Rettman, Wiessner and McDonough – 7. Also present were Paul Kirkwold, County Manager, and Darwin Lookingbill, Director, Civil Division, County Attorney's Office.

PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

AGENDA

Commissioner Haigh moved approval of the June 18, 2002, Board Agenda, seconded by Commissioner Wiessner. Roll Call: Ayes – Ortega, Haigh, Reinhardt, Rettman, Wiessner, Bennett, McDonough – 7. Nays – 0.

MINUTES

Commissioner Haigh moved, seconded by Commissioner Wiessner, to approve the Minutes of the June 11, 2002, Board Meeting as presented. Roll Call: Ayes – Ortega, Haigh, Reinhardt, Rettman, Wiessner, Bennett, McDonough – 7. Nays – 0.

PUBLIC WORKS – Award of Contract for the Mill and Overlay of Highway 10 between Pleasantview Drive and County Road H

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Wiessner, Bennett, Haigh, McDonough – 7. Nays – 0. (2002-216)

WHEREAS, Ramsey County, in cooperation with the Cities of Mounds View and Spring Lake Park, has developed plans for the mill and overlay of Highway 10 between Pleasantview Drive and County Road H; and

WHEREAS, Bids were taken on May 29, 2002 for this project and two bids were received; and

WHEREAS, Midwest Asphalt Corporation was the low bidder at \$1,669,093.98; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners awards Contract CC001034 to Midwest Asphalt Corporation, P. O. Box 5477, Hopkins, MN 55343 for the mill and overlay of Highway 10 between Pleasantview Drive and County Road H, SAP 62-610-01 in the amount of \$1,669,093.98; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the Chair and Chief Clerk to execute Contract CC001034 on behalf of Ramsey County contingent upon approval of insurance and bond documentation; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners approves the following budget adjustment to accomplish this work:

*(Continued)*

INCREASE ESTIMATED REVENUE

1999	11101	550880	314608	CSAH Trunk Highway Turnback Funds	P033108	\$450,343.98
1999	11101	550880	311703	Engineering Revenue	P033108	\$ 16,690.94

TRANSFER TO APPROPRIATION

1999	11101	550880	442305	Hwy 10 – Pleasantview Dr to County Road H	P033108	\$450,343.98
1999	11101	550880	442305	Hwy 10 – Pleasantview Dr County Road H	P033108	\$ 16,690.94

PUBLIC WORKS – Permit for petroleum pipeline to cross County Road C (CSAH 23)

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Wiessner, Bennett, Haigh, McDonough – 7. Nays – 0. (2002-217)

WHEREAS, County Board Resolutions 86-486 and 86-505 reserve unto the County Board all administrative authority for approval of work on petroleum pipelines in Ramsey County; and

WHEREAS, The BP Pipeline Company has applied for a permit to install a 10-inch pipe across County Road C (CSAH 23); Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners approves the BP Pipeline request to install a 10-inch pipeline across County Road C (CSAH 23); and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the Public Works Director to execute the appropriate permit application.

PARKS & RECREATION – Change Order – Professional Services Agreement Engineering Services for Lake Vadnais Regional Park

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Wiessner, Bennett, Haigh, McDonough – 7. Nays – 0. (2002-218)

WHEREAS, On January 15, 2002, by Resolution No. 2002-020, the County Board approved a Professional Services Agreement with RLK Kuusisto, Ltd. For engineering services for design and construction oversight of a sanitary sewer and watermain system for the Sucker Lake picnic area of Vadnais-Snail Lake Regional Park; and

WHEREAS, The agreement provided for the Engineer to provide additional work if required and requested by Ramsey County, at fees identified in the Agreement; and

WHEREAS, Ramsey County has determined the certain additional services are required to complete plans for the construction of the project; Now, Therefore, Be It

RESOLVED, The Board of Ramsey County Commissioners hereby approves Change Order No. 1, in the amount of \$7,940.00, to the Professional Services Agreement with RLK Kuusisto, Ltd., 6110 Blue Circle Drive, Suite 100, Minnetonka, MN 55343, for a new contract amount of \$41,240.00; and Be It Further **(Continued)**

RESOLVED, The Board authorizes the Chair and Chief Clerk to sign the Change Order.

BOARD OF RAMSEY COUNTY COMMISSIONERS – Appointments to Minnesota Landmarks Board of Directors

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Wiessner, Bennett, Haigh, McDonough – 7. Nays – 0. (2002-219)

WHEREAS, At the Annual Meeting of the Minnesota Landmarks Board of Directors, held May 9, 2002, appointments recommended by the Nominating Committee were made; and

WHEREAS, A letter was sent to Chair McDonough requesting the Ramsey County Board of Commissioners approve the appointments; and

WHEREAS, Approval by the Ramsey County Board of Commissioners is pursuant to the By-laws of the Board of Directors of Minnesota Landmarks; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners hereby ratifies the appointment of individuals to the Minnesota Landmarks Board of Directors, for terms as indicated:

Reappointments – three year terms to expire in 2005

Karl Aaro  
Scott Knudson  
Commissioner Rafael Ortega  
Gregory Page  
Steve Proeschel  
Imogene Treichel

Reappointment – one-year term to expire in 2003

John Mohr

New Appointment – to coincide with her term as President of the Landmark Center Volunteer Association

Alexandra Piechowicz

New Appointment – to fill a term expiring in 2004

Jill Harmon

New appointment – three-year term to expire in 2005

Esther Tomljanovich

Bestow distinction of Board Member Emeritus upon

James E. Johnson

Accept resignations of

Christine Podas-Larson  
LeClair Lambert

*(Continued)*

Officers of the Board of Directors of Minnesota Landmarks for 2002-2003

Chair	David McDonell
President	Dr. David Lanegran
Vice Chair	Scott Knudson
Secretary	Kareen Ecklund
Treasurer	Steve Proeschel
Assistant Treasurer	John Mohr

BOARD OF RAMSEY COUNTY COMMISSIONERS – Appointment to the Rice Creek Watershed District

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Wiessner, Bennett, Haigh, McDonough – 7. Nays – 0. (2002-220)

WHEREAS, In accordance with the County's Open Appointment Process, a press release was distributed on March 26, 2002, seeking applicants for one vacancy due to a resignation; and

WHEREAS, Four applications were received; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners hereby ratifies the appointment of Roger Aiken, 4360 Hamline Avenue North, Arden Hills, MN 55112, to the Rice Creek Watershed District Board of Managers, for a term beginning with the date of appointment and ending January 17, 2003.

PUBLIC HEALTH – Local Public Health grant for response to bioterrorism, other infectious disease outbreaks and other public health emergencies

Commissioner Reinhardt introduced the following resolution and moved its adoption, seconded by Commissioner Ortega.

Commissioner Wiessner asked how widely the funding is distributed. When this type of program was initially discussed there was a lot of discussion on whether it should be in every city throughout the entire United States, or if it should only be in the metropolitan areas.

Jane Norbin, Public Health, said this is federal funding that goes to states and the states distribute the money to local health departments. Each state has the ability to decide how they would work with their local health departments on the distribution of funding. In Minnesota, work is done very closely between state and local governments to develop the formulas. It could be slightly different in other states, but it is mandated by Congress that some of the funding go down to the local level.

Commissioner Wiessner asked if more money is going to the metro area because there might possibly be a higher risk in that area, or is it evenly distributed throughout the 87 counties

Ms. Norbin said the money is split on a per capita distribution. Given the metro area has the highest population, the greatest amount of funding is going to the metro area. It is a \$1.00 per capita across the state to local health departments. However, if a county has a population of less than 15,000, they are being given a grant of \$15,000 because the rationale was that you couldn't do much with a lot less than \$15,000.

*(Continued)*

Commissioner Haigh said the amount is substantial and a great opportunity for Ramsey County. She requested clarification that of the \$500,000 being received, only two staff are being added, so the bulk of that money will be spent on the personal communications equipment.

Ms. Norbin responded the money would be spent on personal communications equipment, training, exercising the plan, some supplies and stockpiles, and developing a public health communication/training center. Public Health has always maintained a base level of preparedness around communicable diseases, which is the job of that department. This money will enable the base level to be increased. There is no guarantee of future funding so the department didn't want to add a lot of positions, but does want to increase the ability to respond by giving up some equipment and some training. In the future the Department would go back to that base level but the base could be a little higher for the same amount of money for a better level of preparedness.

Commissioner Rettman said she is concerned that even though this is great money for the moment, she believes it is going to end up being unfunded in the future, and once the County is committed to it, it becomes an unfunded mandate. That has occurred with other items. That concerns her with the two FTEs. The County is facing budget cuts and when the starred positions come up, the Commissioners get phone calls from people being laid off. She told Ms. Norbin if the items the County is purchasing were going either to some of the municipalities within the County, or spent on technology to serve into the future, those are dollars are only here for one or two years, she could support this whole heartedly, but not the FTEs on an unfunded mandate.

Roll Call: Ayes – Ortega, Reinhardt, Wiessner, Bennett, Haigh, McDonough – 6. Nays – Rettman – 1. (2002-221)

WHEREAS, The nation has adopted an awareness of the need to increase the capacity of the public health system's ability to respond to bioterrorism, other infectious disease outbreaks and other public health emergencies; and

WHEREAS, Congress has appropriated funding, specific to state and local public health departments, to address this need; and

WHEREAS, Funding from this source is available to Ramsey County to improve the local public health infrastructure for responding to these events; and

WHEREAS, The Ramsey County Board recognizes the responsibility of local government to prepare for and respond to events caused by bioterrorism, other infectious disease outbreaks or other public health emergencies; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners authorizes the County Manager to accept \$511,035 in funding from the Minnesota Department of Health for the Public Health Preparedness for response to bioterrorism, other infectious disease outbreaks and other public health emergencies, and further authorizes the County Manager to execute the grant contract, contingent upon receipt of the award letter from the Minnesota Department of Health; and

RESOLVED, The Ramsey County Board authorizes the County Manager to accept supplemental grant awards should they become available; and

*(Continued)*

RESOLVED, The Ramsey County Board authorizes the County Manager to make the necessary budget adjustments and enter into contracts necessary to implement the grant; and Be It Further

RESOLVED, The Ramsey County Board authorizes an increase of 2.0 FTEs to the Public Health Department staff complement (1.0 FTE Planning Specialist and 1.0 FTE Communications Specialist) as starred positions which will continue only so long as funding is available.

PUBLIC WORKS – Ford Bridge Rehabilitation, Over Mississippi River between Ford Parkway and 46<sup>th</sup> Street

Commissioner Haigh said she is pleased to see this project moving forward. This is a significant project awaited for sometime. She said paragraph 14 of the resolution states a loan of \$1.7 million. Repayment will come from Hennepin County and from the State Aid reimbursement funds with a total share of \$2.9 million on the budget – she asked if there is money other than that loaned amount. She is trying to reconcile the budget in the project justification that shows bridge bonds of \$2 million and Hennepin County State Aid funds of \$957,000 and the loan being sought for \$1.7 million, which doesn't add up to the total of those two.

Jim Tolaas, Public Works, said the increase appropriation shows \$1.58 million, which is specifically for the HDR Contract. The \$186,000 is an estimated amount for various testing and inspection that Mn/DOT will provide – materials testing, laboratory testing. Hennepin County will share 50% of that cost to be reimbursed to Ramsey County. The other portion to Ramsey County will be all local State Aid Highway funds.

Commissioner Haigh asked if the amount of the loan would reflect the increased budget adjustment for the engineering costs. The justification in the documentation indicates a paragraph that shows where the project funding is coming from but not the expenditures.

Mr. Tolaas said in the justification when looking at the project funding, there are a couple things being identified. There is the cost of actual physical construction and then there is a cost of engineering associated with administering the contract. The federal funds are shown accurately as the \$14.5 million. The state bridge bonds are capped at \$2 million. Hennepin County's physical portion of the work is \$957,000. Ramsey County's is slightly more because of the approach road being included on Ramsey County's side of the bridge. That is the project total, the physical construction costs.

Commissioner Haigh asked if the adjustment with the engineering is included as part of the \$18.6 million total cost.

Mr. Tolaas responded affirmatively.

Commissioner Haigh said she is trying to figure out why it doesn't add up to the \$2 million and the \$957,000.

Mr. Tolaas explained that the County State Aid Highway (CSAH) fund will be transferred directly by Mn/DOT to cover Ramsey County's portion of the physical construction costs. The engineering costs that won't occur with HDR and Mn/DOT services will be expended and as that work is completed Ramsey County can submit for reimbursement from the CSAH fund. In the meantime Ramsey County has to front the cash to award the contract and physically make payments to HDR and Mn/DOT as those services are provided, and then it is reimbursed. He said the two are not the same item – one is physical construction and one is engineering.

Commissioner Haigh said the loan would come on the engineering side.

Commissioner Ortega thanked Jim Tolaas who has been working on this for at least seven years. He has done a marvelous job working with all the parties involved.

Mr. Tolaas said they began in 1995, and it has been a long time coming.

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Commissioner Haigh asked when the construction would begin.

Mr. Tolaas responded tentatively on July 8. There is a substantial mobilization procedure because of the magnitude of the project.

Commissioner Bennett asked when the project would be completed.

Mr. Tolaas said it is a 30-month project, and built with traffic still using the bridge.

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Haigh.

Roll Call: Ayes – Ortega, Reinhardt, Rettman, Wiessner, Bennett, Haigh, McDonough – 7.  
Nays – 0. (2002-222)

WHEREAS, Ramsey County, in cooperation with Hennepin County and the Minnesota Department of Transportation (Mn/DOT), has developed plans and specifications for the rehabilitation of the Ford Bridge, SP 62-642-03 and 27-646-02; MPBHSTP-BHD 6298(041); and

WHEREAS, Hennepin County and the Minnesota Department of Transportation have approved the plans; and

WHEREAS, The Ramsey Public Works Department has prepared Professional Services Agreement PW2002-05 with HDR Engineering, Inc. for construction inspection and contract administration services; and

WHEREAS, Hennepin County Agreement PW2002-09 has been prepared to address coordination and respective responsibilities of Ramsey County and Hennepin County during construction; and

WHEREAS, Bids were taken on May 29, 2002 and two bids were received. The lowest responsible bid was received from Edward Kramer & Sons, Inc., 1 Plainview Road, Plain, WI 53577 in the amount of \$18,689,725.73; and

WHEREAS, The Project Manager has reviewed the bids and recommends award of the contract to Edward Kramer & Sons, Inc.; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners recommends award of contract to Edward Kramer & Sons, Inc., 1 Plainview Road, Plain, WI 53577, the lowest responsible bidder, in the amount of \$18,689,725.73; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the Chair and Chief Clerk to execute the Auditor's Certificate on behalf of Ramsey County and in accordance with the Board's recommendation to award contract to the lowest responsible bidder; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners approves Professional Services Agreement PW2002-05 with HDR Engineering, Inc., 6190 Golden Hills Drive, Minneapolis, MN 55416, for construction inspection and contract administration services in an amount not to exceed \$1,580,833.65; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners approves agreement PW2002-09 between Ramsey County and Hennepin County which addresses the specific responsibilities of each County for the project; and Be It Further

**(Continued)**

RESOLVED, The Ramsey County Board of Commissioners authorizes the Chair and Chief Clerk to execute Agreements PW2002-05 and PW2002-09 on behalf of Ramsey County; and Be It Further

RESOLVED, The fourteen (14) page Professional Services Agreement PW2002-05 with HDR Engineering and the 15 (fifteen) page Agreement PW2002-09 with Hennepin County are made part of this Resolution by reference and will be kept on file with the Chief Clerk; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the Minnesota Department of Transportation to transfer Ramsey County's State Aid eligible share of bridge costs from the County State Aid Highway fund; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes a temporary cash loan of \$1,767,730.91 from the County's General Fund to the 1996 CIP fund until receipt of Hennepin County's share of engineering costs and State Aid reimbursement funds; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the following budget adjustment to accomplish this work:

INCREASE ESTIMATED REVENUE

1998	17112	550880	314617	Engineering Fee – Ramsey CSAH	P033027	\$790,416.83
1998	17112	550880	311703	Engineering Fees-Hennepin	P033027	\$790,416.82
1998	17112	550880	311703	CSAH Engineering	P033027	\$186,897.26

INCREASE APPROPRIATION

1998	17112	550880	421502	Ford Bridge Reconstruction	P033027	\$1,580,833.65
1998	17112	550880	422305	Ford Bridge Reconstruction	P033027	\$186,897.26

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Haigh.

Roll Call: Ayes – Ortega, Reinhardt, Rettman, Wiessner, Bennett, Haigh, McDonough – 7. Nays – 0. (2002-223)

WHEREAS, The County of Ramsey has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for the reconstruction of the Ford Parkway Bridge (#3575) over the Mississippi River, Section 17, Township 28N, Range 23W; and

WHEREAS, The application for the grant has been determined to be \$2,000,000.00 by reason of the lowest bid; Now, Therefore, Be It

Resolved, That the County of Ramsey does hereby affirm that any cost of the bridge in excess of the grant will be appropriated from funds available to the County of Ramsey, and that any grant monies for the bridge but not required, based on the final estimate, shall be returned to the Minnesota State Transportation Fund; and Be It Further

*(Continued)*

RESOLVED, The Chief Clerk is hereby authorized and directed to forward two certified copies of this resolution to the Commissioner of Transportation for consideration, and that upon approval of the grant from the Minnesota State Transportation Fund for the construction of Bridge No. 3575, that same be constructed and maintained.

HUMAN RESOURCES – Ramsey County Commissioners' Salary Ordinance for 2003

Commissioner Ortega introduced the following revised ordinance and moved its adoption to increase the current salary for County Board Members to \$59,500 and the salary for the County Board Chair to \$61,500, seconded by Commissioner Haigh.

Commissioner Rettman said she is pleased that the proposed amount has been decreased but she still cannot support it.

Roll Call: Ayes – Ortega, Reinhardt, Wiessner, Haigh, McDonough – 5. Nays – Rettman, Bennett – 2. (2002-224)

WHEREAS, The provisions of the Ramsey County Home Rule Charter relating to compensation for the Board of Commissioners state that:

- a) The Board may determine the annual salary of its members by passage of a salary ordinance; and
- b) The salary ordinance must be passed by July 1 of the year prior to the effective date of the ordinance; and
- c) The ordinance shall not become effective until the first business day of the following year (January 1, 2003); and

WHEREAS, The Charter requires that per diem payments be made to the County and that, with the exception of fees, payments and other compensation paid to an officer of the Association of Minnesota Counties, the County will not add these payments to the Commissioners' salary when payments are received from the various boards, committees and other governmental agencies; and

WHEREAS, The current annual salary of the Board of Commissioners is \$49,325 for County Board Members, and \$50,681 for the County Board Chair; and

WHEREAS, Ramsey County has a \$492,000,000 annual budget and over 3800 employees and is the second largest county in the state with a population of 514,500; and

WHEREAS, The duties of the office of Ramsey County Commissioner have increased substantially in their complexity and time commitments, including appointments to joint powers boards, non-profits and community agencies on behalf of Ramsey County; and

WHEREAS, Salaries paid to the position of Ramsey County Commissioner have fallen significantly below their counterparts in Hennepin, Anoka, and Dakota Counties and do not reflect the duties of the position on behalf of commissioner's constituents and Ramsey County; and

WHEREAS, A majority of Commissioners are up for election in 2002 and a new board may be serving in 2003 reflecting new commissioner districts; Now, Therefore, the Board of Commissioners for the County of Ramsey Does

(Continued)

ORDAIN, That the annual salary for the Ramsey County Board of Commissioners for calendar year 2003 shall increase to \$59,500 for County Board Members and to \$61,500 for the County Board Chair; and Be It Further

ORDAINED, With the exception of fees, payments and other compensation paid to an officer of the Association of Minnesota Counties, the Board voted to decline fees, payments and other compensation paid to County Board members in exchange for representing the County on outside boards, committees and other governmental agencies and any subcommittees thereof, and that any funds received by the County would remain within the County's General Fund; and Be It Further

ORDAINED, That the Commissioners are eligible to receive fees, payments and other compensation paid from the following boards, committees and other governmental agencies and any subcommittees thereof, such amounts to be remitted to County Treasury and thereafter paid to board member;

Association of Minnesota Counties (if serving as an Officer)

and Be It Further

ORDAINED, That all appointments of County Commissioners to various boards, committees and other governmental agencies shall be ratified by County Board resolution before per diem shall be paid; and Be It Further

ORDAINED, That any subsequent new appointments or changes in appointments to new or existing boards, committees or governmental agencies, and any subsequent establishment of new per diem rates or increase in current per diem rates shall be ratified by County Board resolution before per diems shall be paid; and Be It Further

ORDAINED, That any increase in per diems or new per diems which are approved by the above described process, shall be included in the next annual salary ordinance, and Be It Further

ORDAINED, That the Ramsey County Board of Commissioners shall be allowed to receive actual and necessary expenses for attendance at conferences, seminars, etc., in connection with their official County Commissioner duties as do all other Ramsey County employees; and Be It Further

ORDAINED, That unless a valid referendum petition is filed within 30 days after the publication of this ordinance, this ordinance shall:

- a) Become effective on January 1, 2003 and replace the previous salary ordinance (Ordinance 2001-199); and,
- b) Continue in effect throughout calendar year 2003 and subsequent years until changed by a subsequent County Board ordinance.

COMMUNITY HUMAN SERVICES – Mental Health Services – Southeast Asian Community

Monty Martin, Director, Community Human Services, said he would begin the first part of the presentation and Alyssa Leintz, Planner, Mental Health Services, would do the remaining portions.

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Staff previously presented information on the Southeast Asian community, background on mental health services generally with definitions, and some of the presentation numbers. The numbers have now been revised. The charts on both children and adults were reviewed. There are some confusing parts to the data, but should answer the questions from the previous meeting.

The data is on the children being served by the mental health system relating primarily to those on medical assistance; they don't have data for those being served through third-party payers or private payers. To get the data that staff felt the Commissioners wanted they only looked at a six-month period. Not all the children listed in the first column of page two were diagnosed with a serious emotional disturbance (SED) or emotional disturbance (ED). Children may have received a duplicative count on the charts meaning they could receive one or more of nine different kinds of children's mental health services such as case management, or outpatient therapy. They do not have the ability to unduplicate the count. For the purpose of looking between different racial groups, the numbers serve a purpose.

Commissioner Ortega asked for the average number of services a child most likely would receive.

Mr. Martin responded the guesstimate is between two and three services.

Commissioner Rettman said even though the numbers are flawed, they lay a foundation for establishing the percentages for a comparison. Mr. Martin said that is correct.

Commissioner Ortega asked if there is information on the language issues of children or their parents coming in for the services.

Mr. Martin said they do in terms of the overall service needs of the agency, including mental health. He doesn't know how specific the data is in terms of language. When talking about the adults, there might be a significant portion of adult Asians in need of mental health services who probably don't speak English.

Commissioner Ortega said he is speaking beyond just the Asian community because there are other groups. He asked if that is being tracked for what the need is.

Ms. Leintz answered that in general there are more and more communities coming in who don't speak English. All those communities are underserved in the area of mental health. There are programs out there serving these people so there would be less numbers from there. There wouldn't be a system for tracking the number coming of non-English speaking people who may need mental health services and the parallel track of how many providers are out there to serve them.

Commissioner Ortega said he raised the issue because one of the Board's five goals is to deal with the language services across the County.

Mr. Martin said the number of services being delivered to kids is significantly higher, which was one of the questions – how the County is doing as a community with various racial groups and what these numbers say is that the Southeast Asian population is very significantly underserved compared to any of the other racial groups within Ramsey County.

Of the 1,400 Asian adults listed on page 4, the estimates are very conservative, as many are immigrants coming from very stressful environments – the Viet Nam war, refugee camps, and then here. Most adults probably have three services, outpatient therapy, or case management. The number of people being served from the Southeast Asian community is very small compared to the other racial groups across Ramsey County.

Commissioner Ortega said all these figures are bad. To say the Asians population is being served at a rate lower than the other groups is wrong -- they all need improved services.

Mr. Martin said Ramsey County has very significant underserved population across all racial groups for adult services and for kids in mental health services – there is no question about that.

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Commissioner Haigh said these numbers reflect the caseloads within the Human Services Department. Are there also numbers collected involving kids who are in the Correctional system, either juveniles or adults who may be receiving some kind of a mental health service as a result of a placement.

Chris Bray, Juvenile Division, Ramsey County Corrections, said they know the number of Southeast Asian kids being served and the number of a small group that are specifically being referred for mental health services, but they don't do any kind of assessment or screening for mental health issues for that group of kids, so they don't really know.

Commissioner Haigh said she has the belief that one of the consequences of not having a children's mental health system that serves kids adequately is that kids enter the County's system through different doors – kids who have emotional disturbance or severe emotional disturbance, who commit criminal acts and then go through the juvenile and corrections system. The data here is very important not just because of the indication that the needs are not being met but that there are other ramifications within the system. With the incredible disparity being shown, there might be disparity in other parts of the system and there might be a correlation.

Ms. Bray said that is probably true. The discussion that is going on in the County at Corrections and at the state level in Corrections, and probably all over is just that – there are kids with these issues who end up in the criminal justice system. There may be the need to do some type of mental health screening on kids when they come in for an idea of what is going on.

Commissioner Haigh said she hopes that is a recommendation that the Board can make as a result of this process to begin that process within the County's juvenile correctional system. It may lead to more unmet needs if an assessment is done, but with responsibility for kids in the County's probation caseloads or in facilities or out-of-home facilities, there should be some follow-up services.

Commissioner Wiessner asked how Ramsey County compares with other counties within the state and throughout the nation in terms of how well the services are being provided to those in need.

Mr. Martin said there is no systematic way of knowing the answer to that question. He commented that while attending a conference of all human services directors within the state, and where Ms. Leintz served on a panel regarding the CADI waiver, it was very clear from the discussion that Ramsey County is significantly ahead of other Minnesota counties in using the CADI waiver to meet the mental health needs. Ramsey County has been doing that for about 18 months; there were many folks asking if others had started using that waiver. Ramsey County has also been singled out for the innovative, good work around serving adults with mental illness; unique among other counties in Minnesota in the way the State Mental Health Initiative is used to help provide community-based services.

As an agency, Ramsey County provides good mental health services in some ways and in some places in advance of other locations in Minnesota. Having said that, there are very significant unmet mental health needs both for adults and for kids across all racial groups in this community. A variety of things are being done to look at that, one is programming to raise revenue to provide more services. In addition, the message was sent from the Southeast Asian community that there were some particular issues around culture and around that community in being underserved, which is why they began digging into this area with the other partners. A very significant need has been discovered that exceeds that in other communities but there are significant needs across all of them.

*(Continued)*

Commissioner Wiessner said it is okay to brag about that; it is a credit to the department and to Mr. Martin, that with limited resources Ramsey County is doing the best it can do in trying to find as many sources of revenue as possible. In order to make a dent in the big picture we are going to have to try to look to health insurance or some other source of revenue.

Mr. Martin said that in fact, health insurance is another piece that due some recent state actions relative to placements of kids with mental illnesses in that area, they are working hard to try to track down and get private insurance to pay for it. There is another new program for adults they are just getting into called the Social Rehabilitation Services. Ramsey County is one of the first to be certified as a provider for those services, and another area where they are trying to use Medical Assistance dollars to cover the services. They will continue to be vigilant and try to be as progressive as they can, but even then, there is a very significant unmet need.

Commissioner Ortega asked to what extent in providing mental health services to working with the Corrections Department, is it a funding vehicle. A couple years ago, one of the issues was the ability to use certain public funds if someone was tracked through the Correctional system versus mental health services.

Mr. Martin said the question had been asked of the state and federal government – could Medical Assistance funds be used for people who are incarcerated. The initial answer was no, which was federal law. Investigating that, the latest information is that it might be a state interpretation of federal law as opposed to being federal law. AMC will try to tackle that issue. He believed that is true for kids too.

Ms. Bray said she thought that had changed recently with the Blue Cross/Blue Shield lawsuit. She does not believe the County is restricted by that anymore with kids in correctional facilities.

Commissioner Ortega asked for verification on that issue and asked staff how it could be used to the County's advantage.

Ms. Bray said her division is working on that and they have a meeting set up to work with the Department of Human Services to sort that out. Certain services are being provided to all the kids of color with mental health issues, which are grant funded. The department is now trying to figure out what to do when the grant ends. They are trying to orchestrate something with the insurance companies and the HMOs to get some of this paid for by them. Someone in her division does know the answer to that.

Commissioner Ortega emphasized that is not just for kids of color, but all kids.

Ms. Leintz said the legislation passed authorizes the payment of court-ordered mental health services to be provided in the communities. If somebody needed a psychological evaluation or were ordered to receive mental health treatment through therapy, the insurance company would need to pay for that, where in the past, that might have been an excluded benefit.

Commissioner Reinhardt said it sounds like staff are trying to find out if that also applies to Medical Assistance, but is it just dealing with people whether children or adults that are incarcerated, or does it go beyond that. She asked if the impact of the federal legislation on the provision of mental health services in Ramsey County is known.

Mr. Martin said he cannot answer the question because he doesn't know about the federal legislation. He does know that the federal or state governments have been clear that Medical Assistance dollars can't be used for incarcerated prisoners. He thought that was the issue still being struggled with and the attempt to get it reversed. The lawsuit being referred to may go beyond that.

Commissioner Reinhardt asked that staff research that issue because it could have a huge impact.

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Commissioner Bennett said this has been discussed for about one and one-half years. If these people weren't incarcerated, the County would have access to those dollars. He asked what would happen if they were not treated while being incarcerated with the same dollars whether they be juveniles or adults, and run it through the state and let them tell us we can't do that anymore, and try to do it before the budget. He has been told numerous times it is the state that has made this determination. He asked if this is federal money.

Mr. Martin said it is a mix – half federal and half state. He understands it is not just state interpretation but is in actual state law.

Commissioner Bennett said a determination is needed.

Mr. Martin said it needs to be clearer. Staff has discussed this with AMC to figure out the best strategy.

Commissioner Haigh asked how Ramsey County stacks up to other counties. We do a good job in many areas. She recently participated in a task force put together by the state on children's mental health initiatives around the state responding to the recommendations the state will be making to commissioners about the children's mental health system. There were several children's mental health providers from around the state. There is a close nexus between case management in the children's mental health area in other schools, which is not the case here in Ramsey County and particularly in St. Paul. There has to be some explanation for the reason this tremendous fall-out is being seen here for kids of color; they make up a large percentage of the population in the St. Paul schools.

Mr. Martin said there is no question that is a significant issue, and it does not surprise him that there are other communities ahead of Ramsey County on that. There is some programming going on around that in Ramsey County with the schools. It is slow and difficult work requiring significant changes in the way the bureaucracies work. There will be significant payoff.

Commissioner Haigh said a way to help that is for the Commissioners to have some dialog and correspondence on this with other elected officials. This whole issue of how to integrate children's mental health services with the St. Paul schools has to be put into a fast track. She wants that to be one of the recommendations coming out of this, to figure this out now and what the work plan would be. There is a sense of urgency here and that needs to be communicated.

Commissioner Rettman is assuming the discussion here is for some collaboration in the schools as is done with some other programs so that people are not going to three different people for a concerted effort and to get the dollars to where they need to be.

Commissioner Haigh said that is correct.

Mr. Martin commented that one of the goals adopted by the County Board is around kids' mental health. Staff will come back to the Board with a strategy map around that. As the Southeast Asian needs assessment was approached, it was done as a collaboration between Human Services, Public Health, Corrections, and the County Manager's Office.

Ms. Leintz reviewed the needs assessment materials in the documentation. The assessment was completed in 2001 and was done in response to the communities concerns about the prevalence of unmet needs and the inequitable access to care. A summary of the community concerns was given. The primary concern is that there are not enough culturally specific mental health providers, going across all minority ethnic groups, specifically in the Southeast Asian population.

Ms. Leintz introduced Kathryn Schuchman McGraw, a licensed psychologist, co-chair of the Hmong Mental Health Providers Network, author to the Minnesota Legislature on the unmet needs of the Hmong in Ramsey County. She was also honored with the Champion of Health Award from Blue Cross/Blue Shield for her work in this field.

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Dr. Schuchman McGraw echoed the strong sentiments made by Commissioner Haigh. She related a personal story about her own health and accompanying pain, and that of a Hmong woman she met where she worked, with similar pain and experiences. She spoke of the similarities in their two stories but said she was braced for what she knows are the disparities between the care they would receive. She said ironically and in contrast to well known myths about Asians' reluctance to seek help for their problems, this Hmong woman responded readily to her instructions about how to get help for her pain. For herself, there have been many points of access to care, but for Hmong patients there are few points of access. She said she gave testimony today to ask for the help for the citizens of Ramsey County who have not been heard and to consider the recommendations of her colleagues who have summarized the impact of these stories. The disparities need to be reduced to improve access, practice and health outcomes.

Ms. Leintz reviewed the current strategies: services, hiring direct service staff, increasing education and awareness of County staff, interdepartmental work (a more holistic approach), and involvement with the community. The needs assessment with gaps was reviewed. The interdepartmental group has come up with a long-term strategy, which is to increase the education on mental health in the community and to increase awareness within the community about the County's role and services. And, if services are developed, how can they be culturally appropriate, integrating it from the beginning. Within that framework, the plan over the next six months or so is to pick three-five areas to focus on. Services will be looked at within that area, identifying implementation costs and possible payment or funding sources for those services. Staff plans to bring a report back to the Board in November for an update, support and direction.

Commissioner Haigh said this is an important area for the Board to focus on. She asked about the timing and how it relates to the Board's budget process because if a work plan does not come back until November, all of 2003 will have been missed.

Mr. Martin said the budget guidelines this year and the kinds of budget straits the County as a whole is in hasn't allowed staff to propose additional services in this or other areas. They are working to hold the line on County property taxes, and because of the number of uncontrollable pieces, that is going to be a difficult struggle for the next year. The department's focus is in trying to find other people/organizations to pay for this for the short-term goal to meet the increased needs in this and other areas.

Commissioner Haigh said seeking additional revenue streams is an excellent goal, but this is an area that cannot wait while seeking those resources. The data presented is too dire to not do something about. She asked the County Manager to think about a financing strategy as he presents his budget to the Board for 2003 that would have some contingency that could be used in the event that a work plan comes back that even after other revenue streams are identified for potential service enhancement, that we have a chance to enhance those services in 2003 and not wait.

Paul Kirkwold, County Manager, said the budget being put together does have a slight increase in the contingency fund. However, he doesn't know if that increase would be sufficient to fund this significant change in the way services are being delivered. The budget is about priorities. We need to look within the dollars being spent on mental health and see if those are being distributed wisely in that specific area, and the priorities of mental health in that community relates to all the other programs the County provides. The events in the last year have significantly impacted the financial situation and expansion of programs in all the departments. It is a tough project to undertake.

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Commissioner Rettman said one of the values going on is that this didn't just happen today -- it has systemically been long-term. Many factors will influence the budget and the needs are not all going to be met. It will be incumbent on the Board to prioritize. There will not be an adequate amount of dollars, federal, state, local and other generated dollars to meet all the needs.

Chair McDonough said the gaps that have been identified are the same gaps seen in probably all the populations. There is a significant population in Ramsey County where the disparities of services is so much lower than the rest of the County. The possibility of looking at new programs and increased funding is very bleak. Somehow the disparities need to be addressed with existing resources to make sure a large piece of the community is not being left behind while moving forward with other parts of the community.

Commissioner Bennett said in looking at the budget it is not that it is not increasing. There are only a couple places where you can come up with money – either by raising taxes or cutting other programs because of setting priorities.

Commissioner Ortega asked if staff will be given enough time to get this work done. There is the issue of children's mental health, which is a problem across the board for all kids. Then there is the Southeast Asian population problems which he is all for addressing. If any dollars are to be spent on this, he wants them spent in the wisest possible way. The language issue still hasn't been addressed but should feed into it. Another issue is the how we are working with the St. Paul Public Schools, and what will be the real impact in making all of this work in terms of the system, like an integrated case management where there is one client with everybody coordinating.

Mr. Kirkwold said a small step to that is what was created last year called the Leadership Academy. To complete their learning, each participant worked on a project in groups, working outside the departments they were impacting, and also that they weren't groups of people all representing the same department. One of those groups is addressing language in Ramsey County. They will present in the future on what the assessment has been about the language barriers in this County with some ideas for how to move forward to address that. It is a problem that crosses many of the departments.

Commissioner Wiessner said she attended a seminar put on by the Public Health Department regarding health disparities among the minority communities. It was stressed that there is a lot of diversity within ethnic groups. There are many different cultures and challenges just within the Asian community. Key to that is participation with the communities while working with them. As to funding, when the Board identified priorities for the year, that that is direction to go in with the budget. It means re-prioritizing, looking within the organization about what needs to shift in order to meet the needs of those priority goals.

Commissioner Reinhardt agreed with Commissioners Haigh and Ortega as far as what is needed to move this forward. She is pleased to see in the timeline, the interdepartmental work group instead of just trying to develop a program in one area. Work has to be done together otherwise there will not be the efficiencies that are needed. Meeting with the community members and providers is also key to developing a plan that ultimately will work. She hopes to see in the work plan that it may not all be new things; it may be doing things differently with current staff. It's not all about the layering. If it's not working the way it is supposed to right now, it may need to be looked at for what needs to change to make it work better.

Commissioner Haigh agrees with the statements each of the Commissioners have made, particularly the idea that the Board did focus on children's mental health as a priority, and that the budget deliberations need to build on those priorities. Unless there are some dollars potentially attached to work plans, work plans don't become particularly meaningful; they just become another report that sits someplace and don't get done.

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She wants to make sure there is a work plan that can get done. In the context of the budget, the Board needs to know what the price tag is of that work plan to make a decision about what revenue streams are available to pay for it. If that is not available while going into the budget process, a whole year will be lost, and she does not want that to happen. She requested that while the work plan will not be completed, that there be a way to present in the budget hearing process something that could be done with the approaches. The debate can then take place among the Board members as to whether there is enough support to go for any level of additional enhancement.

Commissioner Ortega said the money issue aside; there is still the capacity within the community with a limited pool of resources. He said there are four to five disciplines each in the nursing and social work schools of University of Minnesota and Metro State University. He asked what Ramsey County has done to connect with them and the vendors to enhance the ability to provide services to this same group. No matter how much money is put into it, it is still a drop in the bucket. This will take a broader effort.

Mr. Martin said Ramsey County is not the only one concerned about this. The Urban Coalition just came out with a report on needs in refugee communities including Somali and Southeast Asian reports. There is a real emphasis and practical steps to take to try to get more professionals out of the schools to serve those needs.

Commissioner Ortega said there are reports by various organizations; all come to varying conclusions. He asked if Mr. Martin has discussed with the University of Minnesota and Metro University to make something happen here. The Urban League is a very small organization, whose job is to get out the report. Nothing else happens after that. It takes folks in Mr. Martin's position to be the catalyst.

Mr. Martin said he has not had that conversation with the University of Minnesota or Metro State. His understanding is that there is a program coming out of the Urban Coalition's report.

Ms. Leintz said in conjunction with that, the interdepartmental group has talked about that a lot; that there are different things that could possibly be done with universities or the community to try to attract more professionals into the field. This issue is one of the 3-5 proposed action items the group will look at and consider.

Commissioner Ortega said it is not just about putting County money in, it needs to be leveraged as much as possible for a bigger impact.

Commissioner Haigh requested that the work plan include the timeline for integration of services with the St. Paul schools.

Mr. Martin said staff will report back to the Board on this, but it may not be in the same context.

Chair McDonough thanked staff for the update, and Kathryn for her testimony.

#### COUNTY MANAGER/PROPERTY MANAGEMENT – Benz Building Disposition

Commissioner Bennett distributed information regarding the Saint Paul City Council's decision to come back to the table on the Benz Building. A representative from the Mayor's Office and from the City Council met with him and Commissioner McDonough regarding the resolution passed last week stating the City's desire to purchase the building. He said his intent would be to have this brought back on July 9<sup>th</sup> along with documentation on the roof of the Benz Building. It is important to inform the City Council of today's Board action so they can have a matching resolution.

Commissioner Ortega asked if there was a special reason for it to come back on July 9<sup>th</sup>.

Commissioner Bennett said he would also be okay with next week.

Chair McDonough said there is a timing issue pertaining to how far along construction is at the new Law Enforcement Center.

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Commissioner Haigh asked if there was a City Council resolution.

Chair McDonough recessed the meeting for five minutes to obtain copies of that resolution.

Chair McDonough reconvened the meeting and asked Jolly Mangine, Director, Property Management, to compare the provisions found in the City Council resolution with the previously approved provisions of the County.

Commissioner Bennett said the \$1.5 million purchase price was included in the City's resolution. There are no changes from the original proposal other than the City will give the County \$1.5 million upfront, and the County has the guarantee to repurchase the building if it would be used for a different purpose.

Mr. Mangine said he was prepared today to discuss County occupancy of the building, per direction of the Board. However, he has compared the original principles versus the City's resolution.

Mr. Mangine said one of the first principles presented for the City Council's review was a lease for a 20-year term, with the ability to renew for an additional 20 years. The proposal acted on by the City Council was a purchase rather than a lease. With a purchase, the entities would most likely need to work from an operating agreement. Another principle was that the County would be fully reimbursed, not only for capital costs to renovate the building, but also for the costs to operate the building. The City Council responded that any costs, whether bonding, debt service or operational costs, would be reimbursed to the County 100%. Estimated build-out costs are \$7,250,000. The City had also asked for an additional \$1 million to cover furniture, fixtures, equipment (FFE) and moving expenses. Total bonding would be \$8.250 million, and the City would pay all costs associated with the total bonding and debt service repayment.

Another County principle outlined a pro forma for a rental rate that included capital costs and operational costs. It included \$1.20 per square foot where the County would recoup the \$1.5 million. The City's response reduces the total rate by \$1.20 per square foot because they are giving the County \$1.5 million up front.

Commissioner Wiessner said a difference is that the County would not own the building at the end of the term.

Mr. Mangine responded affirmatively.

Commissioner Ortega requested clarification on the figures.

Mr. Mangine said the rate in the pro forma totaled \$15.85 per square foot, comprised of four different items. Without the figures to accurately reflect this \$15.85, Mr. Mangine estimated the following: \$1.20 to recoup the \$1.5 million paid for the building; \$5.77 for debt service on tenant improvements; \$.80 that represents repayment of \$1 million for FFE and moving; \$6.08 projected for operational costs; and \$2.00 for administrative overhead. The administrative overhead covered costs associated with not being able to house County employees in the building. The City has come back with a figure that does not include the \$1.20 representing \$1.5 million.

Included in the County's per forma is a rent escalator clause. As the cost of operating the building increases, the County would need the ability to increase the operational budget. A percent of increase per year has not yet been agreed upon, but the City has agreed that there would be a rent escalator clause. Approximately 2-3% per year is common in leases for inflationary purposes.

Mr. Mangine said another principle sent to the City for their consideration pertained to start-up costs. The City has agreed to pay all costs associated with the bonding for the build-out of the property.

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Mr. Mangine said the County also requested default protection. Language other than that proposed will be written into the agreement.

The County's agreement stated that the lease would not include parking privileges. The City approved this principle.

Language was built in regarding risk sharing, stating that prior to the execution of the lease agreement by the County, the City would provide adequate security to the County for the City's lease payments in a form acceptable to the County. The City responded that risk-sharing relating to the lease agreement is not applicable because it is now a purchase rather than a lease.

The County inserted language about exterior control of the building. The City responded that it would make no structural modifications to the building during the operational agreement, unless agreed to by the County.

In conclusion, when comparing the principles sent to the City with the City's response, there are two differences: 1) the County prepared a document stating it would be a lease arrangement for 20 years with a 20-year renewal – the City responded with a purchase; and 2) the rate stated by the County to recover its costs has been repackaged, with the administrative overhead costs part of the operational budget.

Three additional items should be included in the Board's discussion. If looking at it as an outright purchase, rather than a lease, Mr. Mangine believes it is important to build into the agreement that the County would have the right of first purchase on the building. If, at some time in the future, the City would no longer use the building as a law enforcement center, the County would have the right to repurchase the building for the same price that the City paid the County -- \$1.5 million. As an example, if the City used the building for five years, they would have repaid the County amortized costs for some of the tenant improvements. The City should have the right to recoup those costs because they are improvements paid off over time.

Mr. Mangine said the pro forma for the Benz Building changes under the City's purchase proposal, because it would no longer be a lease, and the County would be paid \$1.5 million up front. Secondly, there was a line item of \$2.00 for "lost opportunity" costs, that is now built into the operational costs.

Mr. Mangine said there would be benefits to both the City and the County because of collocation; as those benefits accrue, there would be no revenue sharing, but each agency would keep any benefit it accrued.

Commissioner Haigh referred to the difference between the rates of \$15.85 and \$13.77, and asked for additional clarification.

Mr. Mangine referred to page 11 of the documentation and said that when that pro forma was built, four categories went into the total cost per square foot: \$1.20 for the \$1.5 million purchase price of the building; \$6.08 for operating costs; \$5.77 for the tenant improvements; and administrative overhead at \$2.00. Since that time, the City has requested an additional \$1 million for FFE, which would be covered at \$.80, for a total of \$15.85 per square foot. The \$2.00 administrative overhead would cover administrative costs such as work done by Budgeting and Accounting and the Property Management Department, and also included a "lost opportunity" cost. When County departments are not housed in this building, and they must be in other leased space, there is an additional market rate for those leases.

Commissioner Wiessner asked if the additional lease costs would represent approximately \$300,000 annually.

Mr. Mangine said it would need to be analyzed for the leases involved; different rates are applicable to different buildings and locations. For example, the Mental Health Division rents 28,600 square feet at 1919 University Avenue. That space currently costs \$13.50 per square foot.

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The lease comes up for renewal later this year. Through negotiations with the lease company, they are currently at a rate of about \$15 per square foot. If the Mental Health Division moved into the Benz Building, the cost would be about \$11.55 per square foot, for a difference of approximately \$100,000.

Another example works in the opposite direction. Workforce Solutions leases 25,000 square feet from the City HRA at 494 Sibley, at a rate of \$8.00 per square foot. That building may be going to another use through a development agreement. At that time, the County would look for a new location for that department. Looking at today's general market rate, most likely the space found for them would be in the range of \$15 per square foot.

Mr. Mangine said that the rough estimated total "lost opportunity" costs is \$350,000.

Commissioner Wiessner said that if County employees were not housed in this building, the County would have to make up that \$350,000 in paying rent elsewhere.

Commissioner Haigh questioned the difference between the County's per square foot cost of \$15.85 and the City's offer of \$13.77.

Chair McDonough said he doesn't believe the extra \$1 million for FFE is included in the \$13.77. That amount would have to be included in a new agreement.

Mr. Mangine responded affirmatively, and said the \$13.77 would have to be increased by approximately \$.80 for a total of approximately \$14.57 per square foot.

Commissioner Haigh asked if the \$14.57 compares to the \$15.85, because the \$1.5 million has been taken out as an up-front case payment.

Mr. Mangine responded affirmatively.

Commissioner Haigh said this could be called a purchase, but the County becomes the financier for the City. If everything is added together, the City is purchasing the building for \$9.8 million, with the County financing the transaction. She asked why the City would not sell the bonds for themselves.

Chair McDonough said agreements all along have been that the County would finance the build-outs and the FFE costs. This Board has agreed to finance those costs. This has been done on other projects such as "The Connection" and the RAP building.

Commissioner Wiessner said that when the Board previously approved financing the build-out costs, the arrangement was for a lease, not a sale. She believes everything changes when it becomes a sale rather than a lease, when the County would own the building at the end of the term.

Commissioner Wiessner referred to page 17 in the documentation regarding the current estimated sale value of the building. It states that no official appraisal has been done, but that it is reasonable to assume that a \$30 per square foot sale price is achievable in the current market. She asked why the County would sell the building for \$1.5 million when it is worth approximately \$3 million.

Mr. Mangine said that since the County purchased the building in July 1999, several things have transpired. The County purchased the building because of two reasons: 1) the land associated with the building; and 2) added benefits to having that square footage on the law enforcement center campus for things such as stationing of District Heating equipment. When the report was done in February 2002, the \$30/square foot number was derived within the Property Management Department with empirical data on constructing new space. In essence, land not considered, if a shell of a new office building were built today, about \$30/square foot would be expended. Costs for mechanical, electrical and other items would be added to that estimate.

Mr. Mangine said another consideration was that when the \$1.5 million purchase price was placed in the pro forma, the County was saying that it paid \$1.5 million for the building, less the

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land, and that the County should be made whole. Since the County purchased the building and land, the price of land in this area has escalated. Reasons for this increase include the completion of Williams Hill, the completion of the new law enforcement center, and the reconstruction of Lafayette Road. However, when the pro forma was done, the County wanted to be made whole and did not seek a profit. The message all along to the City was that the County was seeking recovery of \$1.5 million.

Commissioner Wiessner said it is very different to come up with a lease price, especially when looked at for the County's use. She believes there is a County Board policy that County owned property not be sold for less than market value. She believes the \$1.5 million purchase price is undervalued.

Commissioner Rettman requested written answers to all questions asked. She asked if the City has seen the language that the County would be able to repurchase the building.

Chair McDonough responded affirmatively.

Commissioner Rettman suggested alternative language stating that the County would have the right to repurchase the building for \$1 should the City not continue to use the building as a law enforcement facility. She also requested specific descriptions of the building and land included in this sale.

Chair McDonough said the County would sell the building to the City at no profit – why would the County expect the City to sell it back to the County at a loss?

Commissioner Haigh said the County would be selling at a loss if the value were \$3 million.

Commissioner Rettman said the same discussion was held during negotiations on the Public Health Building.

Chair McDonough said it should not be for any less than what was put up front.

Commissioner Rettman asked if the funding source had been identified for the \$1.5 million. She believes that needs to be identified. She would like the money paid to the County prior to the County's getting bond counsel involved.

Chair McDonough said the Mayor indicated he would do a budget adjustment at tomorrow's City Council meeting if the County Board gives direction to staff to come back with this.

Commissioner Rettman asked about the length of the operating agreement.

Commissioner Bennett responded that it would be for 20 years.

Chair McDonough said he is looking for approval from the Board to agree with these principles, and let the departments work out the operating agreement that would have to come back to the Board. The final approval would not be given at this time. All the details would be included in what comes back to the Board. Today's action would be to agree on the principles in order to begin the process of negotiations.

Commissioner Rettman said she has not had sufficient time to review the new information.

Chair McDonough said there are very few changes from what the Board has already approved. The Board could find reasons to do this, or find reasons not to do this. Much discussion has been held on this issue. None of the figures have changed since the process began.

Commissioner Wiessner said that what is being requested is that the County subsidize the City of Saint Paul for their police operations.

Chair McDonough said this is not a subsidy, because it is revenue neutral. The City will pay all costs, including interest, administrative, etc. There is no loss to the County whatsoever.

Commissioner Wiessner respectfully disagreed, and said that if the County is selling a \$3 million building for \$1.5 million, the County is giving a gift to the City.

Chair McDonough said the figure of \$1.5 million has been used throughout all discussions

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on this item. This is collaboration between two governmental entities to look at the big picture, find efficiencies in both operations by collocating the St. Paul Public Safety Building and the County's Adult Detention Center. Both entities need to look at how costs to taxpayers can be reduced.

Commissioner Ortega said that assuming the County had 20-year bonds, and a 20-year operating agreement was in place, what would happen if the City opted out after five years?

Mr. Mangine said the proper language would be needed in the agreement. There is usually an opt-out clause in a lease or other agreement. If there was such a clause in the yet to be negotiated agreement, the City would have to pay back all the tenant improvements made on their behalf and operational costs up to the time the building was vacated. The details would have to be negotiated and laid out in the agreement.

Commissioner Ortega said that it is clear that the City would be in the building for 20 years with no escape clause.

Mr. Mangine said the alternative would be that the City would have to pay the County for all costs associated with all 20 years' worth of bonding.

Commissioner Ortega used an example of the City not wanting to remain in the building after ten years. He asked how the County would recoup all costs including debt service.

Darwin Lookingbill, Director, Civil Division, County Attorney's Office, said that written language suggests that the County reimburse the City for the portion of the build out they have paid for through the retirement of the debt. It doesn't say anything about how the County recoups tenant improvements the County made. If the space is built to the City's specifications, it may or may not be suitable for the County's use. Typically, in a lease situation, if the lease is broken halfway between, the person renting it has to reimburse the landlord for the cost of those improvements. This is a different dynamic than the normal.

Mr. Mangine said that is the type of detail that needs to be worked out between the two entities in the agreement.

Mr. Lookingbill said there would need to be some default provision in the agreement that would have some obligation on the City's part to reimburse the County for the monies advanced.

Commissioner Reinhardt referred to the three points distributed earlier, and said that #1, referring to the price of \$1.5 million plus any portion of the capital expenditure that has been repaid by the City to that point, would be rephrased. The way it is written indicates that the County would not necessarily be made whole and that the County could be "on-the-hook" for some tenant improvements. She believes that would be an easy point to work out.

Mr. Lookingbill said that would be the case if the County wanted to buy the building. The way it is currently phrased is that the County would pay for the portion of tenant improvements that have been retired.

Commissioner Reinhardt said that if the City no longer wants to use the building, and if they still owe \$1 million, but the County wants the building and must pay \$1.5 million for the building, at the end of the lease the County would need to pay the City \$.5 million.

Commissioner Reinhardt said she doesn't believe the City has any intention of leaving the building. If the current value of the facility is \$3 million, and the City will pay \$1.5 million up front, representing the County's out-of-pocket expenses, consideration should be given to allowing the County to repurchase the building for \$1. However, she doesn't believe this would ever happen. She would like it discussed because of the value of the property.

Chair McDonough said that the details were not negotiated. It was the intent to get consensus from this Board whether or not the concept of a \$1.5 million purchase by the City would be supported. The attorneys and property management staff could work out the details.

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Commissioner Reinhardt requested clarification that the various options discussed would be negotiated and brought back to this Board for approval. She would agree to the purchase price of \$1.5 million and the operating costs and debt service being paid in whole. She would like options looked at relating to the repurchase price, should the City decide not to continue using the building. The Right of First Purchase section should be discussed, with a decision made on what makes the most sense. With the knowledge that the value of the property is \$3 million, she believes there is something that could be worked out.

Commissioner Reinhardt spoke of the cost per square foot and wants to make certain that the agreement is based upon 100,000 square feet at \$14.57/square foot. Throughout the new information, it is stated that the City agrees to pay all costs associated with the bonding, etc. Those are up-front costs that include staff time to do bond issuance, and are in addition to the \$1.5 million and should be paid up front.

Mr. Mangine said that when the \$5.77/square foot to repay debt service was calculated, staff used an estimate that the bonds would go out at a cost to the County of 5%. The principle is that the City would pay all costs, and the \$5.77 would be adjusted to reflect true costs.

Chair McDonough said that in principle, the City has agreed to pay all costs associated with the bonding.

Commissioner Haigh said this deal is really a lease/purchase agreement and is actually a worse deal than previous ones. With the lease, the County ended up owning the building at the end of the term. Now, the City will own the building at the end of the term. They will pay \$1.5 million up front; the County will finance \$8.25 million, and in 20 years, the County won't own the building. Additionally, the County would need to pay the City for tenant improvements. If a lease/purchase is desired with the City, the County should at least own the building at the end of the term. When she was told of this she thought the City was going to purchase the building and do the remaining debt service on the building. The County would be financing the City of St. Paul's renovation of their police department. They should be doing that within their own budget. The County's budget needs are huge. This is not an issue of the County benefiting because of something the City wants to do, but rather is an issue of the County saying this is the City's business that should be done with City tax levy.

Chair McDonough said that the Director of Budgeting and Accounting has stated it is better for the County to receive \$1.5 million up front rather than over a period of 20 years. He said the process through all discussions has been to make the County whole, to make a fair good faith proposal to the City, and expect the same back from them. The \$1.5 million figure was the number provided to the Board that would make the County whole.

Commissioner Haigh said there is a difference between selling property at the market rate and including the \$1.5 million in lease payments. If the County wants to sell the property, it should be sold at market value, which is approximately \$3 million.

Chair McDonough asked if the \$3 million included land.

Mr. Mangine said he is uneasy in answering this because when he estimated \$30/square foot, it included unit costs to rebuild the shell of a new facility. The true value of the building may be \$3 million, \$1 million, or could be \$4 million. It would take a professional appraisal to get an expert's opinion on the most likely sale price of an arm's length transaction.

Chair McDonough said Mr. Mangine determined the figure of \$1.5 million, and asked if it was the correct figure to make the County whole on the Benz Building.

Mr. Mangine said that when the pro forma was put together, the value put on the building

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was to recoup what the County paid for it, minus the land. He believes the figure of \$1.5 million was very accurate when portrayed in the pro forma. The basis for the original lease recouped that \$1.5 million without a profit or an escalation of that property. This \$1.5 million is revenue-neutral to the County. If asked whether the land price escalated since 1999, the answer would be yes. He can't provide the true value of the building today, but there are professionals who do that.

Chair McDonough said this is not for one governmental entity to profit from another governmental agency, but rather for two governments to come together and make something work that will benefit the taxpayers.

Commissioner Bennett said Commissioner Ortega's comments regarding the buy back should be part of what comes back to the Board.

Commissioner Bennett said he believes this is the right thing to do and that the City would get a very good deal. It is not costing the County anything, because it will be made whole. The County should work with other governments and save the taxpayers' money. These are compatible units of law enforcement that will work together and save both entities operating costs. The principles basically remain the same, other than this is now a purchase. There will be an operating agreement drafted by both Attorneys' offices. This should be a 20-year agreement so there is nothing lost by the County no matter what happens. He has been told up-front money is always better than being paid over time.

Commissioner Bennett made a motion that staff return with a resolution encompassing his previously stated comments. Commissioner Reinhardt seconded the motion.

Commissioner Reinhardt requested clarification that the principles are that the City purchase the building for an up-front cost of \$1.5 million; the estimated annual operating costs are approximately \$14.57 per square foot; the agreement is based upon 100,000 square feet; the term is 20 years; and that all of the other parts of this will be negotiated. The right of first repurchase is important, and the fact is that the City is being given a good deal. The Board wants to make certain this will be a joint campus. These things should be taken into consideration when negotiating the right of first repurchase. She believes it is also interesting that the current public safety building owned by the City will be sold to the State. She hopes that when that happens, the taxpayers get the same consideration that this Board is giving now. She is speaking in favor of the motion and would like to see this move forward.

Commissioner Rettman said that every Commissioner is passionate about certain items. She said Chair McDonough and Commissioner Bennett have tried to deal with this issue. She believes it would be cleaner if the City purchased the building for \$1.5 million. If the City ever decided to get out of law enforcement, it would owe the County another \$1.5 million. The Board has been willing to accommodate the desires of the City. If the County will be the financing mechanism, the County needs assurance that the County taxpayers will never be responsible for this. She said the bonds should be revenue bonds and should not deteriorate the County's bond rating. Included should be a definition of what a law enforcement facility is. She would like to see the cash before moving to the next step. A drop-dead date should be included because there is so much work that goes into bonding.

Commissioner Haigh said she would not support the motion. She believes it is bad policy to sell property without having a formal appraisal done on the property. If the City and County want to cooperate on a joint law enforcement facility, the Board should have discussions about what will happen differently. There have been no discussions about how the St. Paul Police Department and the Ramsey County Sheriff's Department will change how they do business and provide better services. Some of the discussions should be about joint communication centers, joint training, joint investigation units, etc. She believes that to spend this kind of money to put

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these two agencies together just to collocate them, without any change in how service is done, is kidding people that something different is done. The two agencies will operate just as independently as they have in the past. She believes it is very unfortunate that so much time has been spent on this issue without ever talking about what will be different.

Chair McDonough said discussions have taken place and lots of potential savings have been identified. For example, both entities currently have a person sitting at the public entrance, at a cost of about \$350,000 annually. Only one will be needed, creating savings. The property room, shooting range, and cafeteria have all been identified as cost-saving areas. Those potential County savings have been identified. Efficiencies in how business would be done have also been discussed. Staff will need to identify areas and make sure cost savings are carried out. As policy makers, the Board needs to make sure this is the right policy for the City and County and taxpayers.

Commissioner Wiessner won't support this item. She said the Board had previously discussed a lease, and this was brought back without direction from the Board. She takes her responsibilities regarding the County's money very seriously and can't go along with this request. Selling the building for less than market value is contrary to County Board policy. The County would be able to make good use of the building for County departments, and save approximately \$350,000 annually. This is an expensive project and she believes it is a terrible decision for the County Board to make.

Chair McDonough believes this is a good deal because the County will be made whole. There is nothing that will cost the County taxpayers anything to make this happen. He believes this is a good deal for Ramsey County. In a recent trip to Denver, he learned about things that happen when local governments work together to find efficiencies and improve service. He believes this is the third time this has been discussed, and every time it has been thought of as a good idea.

The parochial issues and politics of the situation to make this deal work have never been brought forward. That doesn't mean that it isn't a good idea. Throughout the entire process, his number one concern was to see the big picture while never putting the County in jeopardy of not being made whole.

Commissioner Ortega will support the motion. He reserves the right on later issues, however, as he wants to see the final product. This should not go forward until all the details are negotiated. A check should be provided to the County before moving forward. He said some of the savings would be obvious while savings will be seen down the road. The taxpayers need to be the winners.

Commissioner Bennett commented that this is in front of the Board because the City Council passed a resolution sending it back to the County with their proposal. He has no intention of coming back with anything other than what will be drafted from today's discussion. This must be done quickly because of the construction schedule. It is a great deal for the City, but it is not a bad deal for the County. There will be considerable savings because of this collocation.

Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, McDonough – 5. Nays – Wiessner, Haigh – 2.

Commissioner Bennett moved that a proposal be brought back to begin work on the Benz Building roof. Commissioner Ortega seconded the motion.

Commissioner Reinhardt requested clarification that the roof is part of the overall \$8.25 million.

Commissioner Bennett responded affirmatively.

Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Haigh, McDonough – 6. Nays – Wiessner – 1.

*(Continued)*

These items will be brought back to the County Board on June 25, 2002.

Commissioner Bennett stated that today's scheduled workshop would be cancelled.

ADJOURNMENT

There being no further business, Chair McDonough declared the meeting adjourned.

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Bonnie C. Jackelen  
Chief Clerk – County Board