

**Carlton County
Board of Commissioners
REGULAR SESSION - Rough Draft
Tuesday, February 10, 2015
8:30 a.m.**

The Carlton County Board of Commissioners met this 10th day of February, 2015, in Regular Session at the Carlton County Transportation Building.

Members present: Bodie, Brenner, Peterson, Proulx, and Zmyslony. Absent: None

The meeting opened with the Pledge of Allegiance to the Flag.

Motion by Brenner, seconded by Zmyslony, and carried by all yea votes to approve the Agenda as amended.

Motion by Proulx, seconded by Peterson, and carried by all yea votes to approve the Minutes of the January 26, 2015, Adjourned Board Meeting.

An Employee Service Award was presented as follows:

Karen Tribby	Public Health and Human Services	30 Years
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Motion by Brenner, seconded by Proulx, and carried by all yea votes to authorize refilling a Child Support and Collections Supervisor position at the Public Health and Human Services Offices.

Motion by Proulx, seconded by Brenner, and carried by all yea votes to approve the filling of a Child Support Officer position at the Public Health and Human Services Offices.

Motion by Brenner, seconded by Proulx, and carried by all yea votes to approve the renewal of an Agreement by and between Carlton and Cook Counties whereby Carlton County provides child support services on behalf of Cook County.

Motion by Brenner, seconded by Proulx, and carried by all yea votes to approve the renewal of TXT4LIFE Regional Coordinator Agreement by and between Carlton County and Canvas Health whereby Canvas provides Text Messaging Suicide Prevention Services on behalf of Carlton County.

Motion by Brenner, seconded by Zmyslony, and carried by all yea votes accept the proposal from Shamrock Disposal whereby Shamrock will provide brush disposal services on behalf of Carlton County under the terms and conditions of a three year contract, said contract is on file in the Zoning and Environmental Services Office. This was the lowest of four proposals received by the County.

Motion by Peterson, seconded by Brenner, and carried by all yea votes to adopt the following resolution (15-014):

WHEREAS, Carlton County spends thousands of dollars annually for the removal of nuisance beaver; and

WHEREAS, during three of the last four years, ice has encumbered Forest Zone lakes and streams well past the traditional April 30 end of the Minnesota Trapping Season, thereby hindering/limiting the removal of nuisance beaver; and

WHEREAS, the Minnesota Forest Zone Trappers Association has petitioned the Commissioner of the Minnesota Department of Natural Resources to extend the Forest Zone Trapping season from April 30, 2015, until May 15, 2015.

NOW, THEREFORE, BE IT RESOLVED that the Carlton County Board of Commissioners does hereby support the Minnesota Forest Zone Trappers Association in their efforts to extend the beaver trapping season.

Motion by Zmyslony, seconded by Peterson, and carried by all yea votes to adopt the following resolution: (15-015)

WHEREAS, Carlton County has reviewed the pertinent data on bridges requiring replacement, rehabilitation, or removal, supplied by local citizenry and local units of government, and

WHEREAS, Carlton County has identified those bridges that are high priority and that require replacement, rehabilitation, or removal within the next ten years;

NOW, THEREFORE BE IT RESOLVED that the following bridges are high priority and Carlton County intends to replace, rehabilitate or remove these bridges as soon as possible when funds are available,

Old Bridge Number	Road Number or Name	Total Project Cost	Township or State Bridge Funds	Federal Funds	Local or State Aid Funds	Proposed Construction Year
4511	CSAH 8	1,500,000	SBB	Federal	750,000	2015-2016
L1230	CR 131	200,000	SBB	Federal	30,000	2015
L5877	T 77 Blackhoof	300,000	TB	Federal	20,000	2016
L1244	UT 388 Red Clov.	250,000	TB	Federal	10,000	2017-2025
09502	CSAH 1	805,000	SBB	Federal	455,000	2018-2020
L8973	CSAH 19	300,000	SBB	Federal	170,000	2018-2020
09515	T 535	350,000	TB	Federal	20,000	2017-2025

	Perch. L.					
97816	CR 127	300,000	SBB	Federal	105,000	2019-2022
09503	CSAH 6	805,000	SBB	Federal	455,000	2018-2020
1038	T 126 Lakeview	360,000	TB	Federal	20,000	2017-2025
89981	CSAH 13	345,000	SBB	Federal	195,000	2020-2025
93187	CSAH 8	200,000	SBB	Federal	200,000	2020-2025

FURTHERMORE, Carlton County does hereby request authorization to replace, rehabilitate, or remove such bridges; and

FURTHERMORE, Carlton County does hereby request financial assistance with eligible approach grading and engineering costs on township bridges, as provided by law.

Motion by Brenner, seconded by Peterson, and carried by all yea votes to accept staff recommendation and approve the following Application for General Tax Abatement:

City of Cromwell

City of Cromwell

Payable 2012 – 2015

Motion by Brenner, seconded by Proulx, and carried by all yea votes to adopt the following resolution: (15-016)

WHEREAS, the Carlton County Board of Commissioners did previously take action (May 14, 2014) to temporarily authorize Carlton County employees to retain up to six (6) weeks of accrued leave time while on continuous leave under the Federal Family Medical Leave Act (FMLA); and

WHEREAS, it has become desirous to amend this action so as to reflect current State and Federal mandated leave requirements.

NOW, THEREFORE, BE IT RESOLVED that the Carlton County Board of Commissioners does hereby approve a temporary authorization whereby Carlton County employees may retain up to six (6) weeks of accrued leave time while on continuous leave as authorized by employment law, including, but not limited to, the Federal Family Medical Leave Act (FMLA) and the Minnesota Parental Leave Act.

Motion by Brenner, seconded by Zmyslony, and carried by all yea votes to authorize out of state travel for two Veterans Service Office Staff to attend a training session in Wisconsin, May 30 – June 6, 2015.

Motion by Proulx, seconded by Brenner, and carried by all yea votes to renew the contract with Rex Laaksonen, whereby Laaksonen is providing CHIPS related

services on behalf of the County. A copy of the contract is on file in the Court Administrator Offices.

Motion by Brenner, seconded by Peterson, and carried by all yea votes to adjourn this meeting and open the Public Hearing to consider input on a proposal that the County issue its revenue bonds at the request of Augustana Mercy Care Center, LLC.

No persons were present, nor were any correspondence received with respect to the proposed issuance.

Motion by Brenner, seconded by Peterson, and carried by all yea votes to close the Public Hearing.

Motion by Peterson, seconded by Brenner, and called by all yea votes to adopt the following resolution: (15-017)

BE IT RESOLVED by the Board of Commissioners of Carlton County, Minnesota (the "County"), as follows:

1. Authority. Pursuant to Minnesota Statutes, Sections 469.152 to 469.165, as amended (the "Act"), municipalities, including counties, are authorized to issue revenue bonds or notes upon the terms and conditions therein set forth, and to sell such bonds or notes at public or private sale as may be determined by the governing body to be most advantageous; and to loan the proceeds of their revenue bonds or notes for the purpose of financing permitted costs of authorized projects, all as further provided in the Act, or to refund bonds or notes issued under the Act. Such revenue bonds or notes may be secured by a pledge of the revenues to be derived from a loan agreement with a contracting party or borrower, and by such other security devices as may be deemed advantageous. Under the provisions of the Act, any bonds or notes so issued by the County shall be special, limited obligations of the County, and shall not constitute an indebtedness of the County, within the meaning of any state constitutional provision or statutory limitation, nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

2. The Bonds and the Projects. Augustana Mercy Care Center, L.L.C. ("Augustana Mercy Care") and Augustana Oakview Care, LLC ("Augustana Oakview Care," and together with Augustana Mercy Care, the "Borrower"), each a Minnesota nonprofit limited liability company, has proposed that the County issue revenue bonds, in one or more series, pursuant to the Act (the "Bonds," as more fully described below herein), to finance the Projects (as described below). Augustana Mercy Care operates Mercy Care Center and Kenwood Place, located at 710 South Kenwood Avenue (the "Mercy Care Facilities") in the City of Moose Lake, Minnesota (the "City") and Augustana Oakview Care has proposed to acquire and construct improvements to the assisted living facilities located at 300 Talbot Drive, 500 Talbot Drive and 1200 Talbot Drive in the City (the "Oakview Care Facilities," and together with the Mercy Care Facilities, the "Facilities"). The proceeds of the Bonds will be used to finance: (a) the renovation and

improvement of, and the acquisition and installation of equipment in, the Mercy Care Facilities (the "Mercy Care Project"); (b) the acquisition by Augustana Oakview Care of, and the construction of improvements to, the Oakview Care Facilities (the "Oakview Care Project"); and (c) the funding of required reserves and payment of costs of issuance of the Bonds. The Mercy Care Project and the Oakview Care Project are sometimes referred to together as the "Projects" or the "Project."

The Borrower has further proposed that, in order to provide financing for the Projects, the County issue and sell its Revenue Bonds, in one or more series, in an aggregate principal amount not to exceed \$6,000,000 (the "Bonds"), pursuant to the Act, and loan the proceeds thereof to the Borrower under terms and conditions requiring the Borrower to undertake and complete the Projects and to make loan repayments at times and in amounts sufficient to provide for payment of the Bonds in full, when due.

3. Public Hearing. Following not fewer than 14 days' published notice in the official newspaper and a newspaper of general circulation in the County, the Board of Commissioners conducted a public hearing on February 10, 2015, with respect to the Projects and the issuance of the Bonds. All persons present had an opportunity to express their views with respect to the Projects and the issuance of the Bonds. Based on the information presented, the County hereby finds and determines that the undertaking of the Projects and the issuance of the Bonds are in the public interest and will promote the purposes of the Act.

4. Application to Department of Employment and Economic Development; Approval of Projects. The Projects are hereby approved by the County, subject only to the approval thereof by the Department of Employment and Economic Development of the State of Minnesota, as required by the Act. The Chairperson, the County Auditor and other officers and employees of the County are authorized to take such action as may be required to submit an application to and obtain the approval from the Department of Employment and Economic Development, as required by the Act.

All costs of issuance relating to the issuance of the Bonds, whether or not successfully issued, shall be paid or reimbursed by the Borrower.

5. Documents Presented. Forms of the following documents relating to the Bonds have been submitted to the County and are now on file in the offices of the County:

- a. Loan Agreement (the "Loan Agreement") between the County and the Borrower; and
- b. a Trust Indenture (the "Indenture") between the County and U.S. Bank National Association, as trustee (the "Trustee"); and
- c. Bond Purchase Agreement (the "Bond Purchase Agreement"), by and between Northland Securities, Inc. (the "Underwriter"), the Borrower and the County;

- d. Preliminary Official Statement and form of final Official Statement, the form of the Preliminary Official Statement, together with the insertion of the final underwriting details of the Bonds, including the interest rates thereon, and any other changes deemed necessary or desirable, intended to constitute the form of the final Official Statement, and including all Appendices thereto (together the "Official Statement"), describing the offering of the Bonds, and certain terms and provisions of the foregoing documents.

6. Official Statement. The County hereby consents to the distribution by the Underwriter of a Preliminary Official Statement and a final Official Statement to potential purchasers of the Bonds; however, the County makes no representations with respect to, and assumes no responsibility for the sufficiency, accuracy, completeness or contents of, the Preliminary Official Statement or the final Official Statement. To satisfy the requirements of Rule 15c2-12 of the Securities Exchange Commission, as amended, the County hereby deems the information relating to the County contained in the Preliminary Official Statement to be final.

7. Findings. It is hereby found, determined and declared that:

- a. The Projects will further the purposes contemplated by and described in Section 469.152 of the Act and, based upon information supplied by the Borrower, will result in the encouragement and development of economically sound industry and commerce through governmental action for the purpose of preventing the emergence of blighted and marginal lands and areas of chronic unemployment, and will enhance the provision of health care services and facilities to members of the community.
- b. There is no litigation pending or, to the knowledge of the County, threatened against the County relating to the Projects, the Bonds, the Indenture, the Loan Agreement or the Bond Purchase Agreement (collectively referred to as the "County Documents"), or the Official Statement, or questioning the organization, powers or authority of the County to issue the Bonds or to execute or deliver any of the County Documents.
- c. The execution and delivery of and the performance of the County's obligations under the Bonds, the County Documents do not and will not violate any order of any court or any agency of government of which the County is aware or in any proceeding to which the County is a party, or any indenture, agreement or other instrument to which the County is a party or by which it or any of its property is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument.

- d. The Loan Agreement provides for payments by the Borrower to the County of such amounts as will be sufficient to pay the principal of, premium, if any, and interest on the Bonds when due.
- e. Under the provisions of the Act, the Bonds are not and shall not be payable from or charged upon any funds other than amounts payable pursuant to the Loan Agreement and related documents; the County is not subject to any liability thereon; no owner of the Bonds shall ever have the right to compel the exercise of the taxing power of the County to pay the Bonds or the interest thereon, nor to enforce payment thereof against any property of the County; neither the Bonds nor any document executed or approved in connection with the issuance thereof shall constitute a pecuniary liability, general or moral obligation, charge, lien or encumbrance, legal or equitable, upon any property of the County; and the Bonds shall not constitute or give rise to a charge against the general credit or taxing powers of the County.

8. Approval and Execution of Documents. The forms of the Loan Agreement, the Indenture and the Bond Purchase Agreement, referred to in paragraph 5, are approved. The Loan Agreement, the Indenture and the Bond Purchase Agreement shall be executed in the name and on behalf of the County by the officers identified in paragraph 12, in substantially the forms on file, but with all such changes therein as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof.

9. Approval, Execution and Delivery of the Bonds. Subject to paragraph 12 below, the Chairperson and County Auditor are hereby authorized and directed, either individually or together, to execute and issue the Bonds, and the Bonds shall be issued in such series and shall be substantially in such forms, mature, bear interest, and be payable according to such terms and shall otherwise contain such terms and provisions as are set forth in the Indenture, which terms are for this purpose incorporated in this resolution and made a part hereof; provided, however, that the aggregate principal amount of each series of the Bonds, the interest rates thereon, the amount and dates of the principal payments required to be made with respect thereto, and the rights of optional and mandatory redemption with respect thereto shall all be set forth in the form of the Indenture as executed and subject to the final approval of the officers of the County who execute and deliver the Indenture in accordance with the provisions of this resolution, such approval to be conclusively evidenced by the execution thereof; provided further, however, that, in no event shall the aggregate principal amount of the Bonds exceed \$6,000,000, shall the final maturity of the Bonds be later than March 1, 2045, or shall the net average interest rate borne by the Bonds exceed 5.75% per annum. The Bonds shall recite that they are issued pursuant to the Act and such recital shall, to the fullest extent permitted by law, conclusively establish the legality and validity thereof.

The Bonds shall be sold to the Underwriter in accordance with and upon the terms and conditions set forth in the Bond Purchase Agreement. The sale of the Bonds

to the Underwriter is hereby approved, provided that the purchase price for the Bonds shall not be less 98% of the original principal amount thereof after deduction of any original issue discount included in the sale of the Bonds.

10. Certificates, etc. The officers of the County are authorized to prepare and furnish to Dorsey & Whitney LLP, Minneapolis, Minnesota, as Bond Counsel to the Underwriter, certified copies of all proceedings and records of the County relating to the Bonds, and such other affidavits and certificates as may be required to show the facts appearing from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the County as to the truth of all statements of fact contained therein.

11. Nature of County's Obligations. All covenants, stipulations, obligations, representations, and agreements of the County contained in this Resolution or contained in the aforementioned documents shall be deemed to be the covenants, stipulations, obligations, representations, and agreements of the County to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations, representations, and agreements shall be binding upon the County. Except as otherwise provided in this Resolution, all rights, powers, and privileges conferred, and duties and liabilities imposed upon the County by the provisions of this Resolution or of the aforementioned documents shall be exercised or performed by such officers or agents as may be required or authorized by law to exercise such powers and to perform such duties. No covenant, stipulation, obligation, representation, or agreement herein contained or contained in the documents referred to above shall be deemed to be a covenant, stipulation, obligation, representation, or agreement of any Commissioner, officer, agent, or employee of the County in that person's individual capacity, and neither any member of the Board of Commissioners nor any officer or employee executing the Bonds or such documents shall be liable personally on the Bonds or be subject to any representation, personal liability or accountability by reason of the issuance thereof. No provision, representation, covenant or agreement contained in the Bonds, this Resolution or in any other document related to the Bonds, and no obligation therein or herein imposed upon the County or the breach thereof, shall constitute or give rise to a general or moral obligation, or indebtedness or pecuniary liability of the County or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants and representations set forth in the Bonds or in any other document related to the Bonds, the County has not obligated to pay or remit any funds or revenues, except for revenues derived from the Loan Agreement that are pledged to the payment of the Bonds.

12. Authorized Officers. The Bonds and the documents referred to herein are authorized to be executed on behalf of the County by its Chairperson and County Auditor; provided, however, that in the event that either of those officers shall be unavailable or for any reason be unable to execute the Bonds or any other document to be entered into by the County in connection therewith, any other officer of the County, acting alone or with one or more other officers, is hereby directed and authorized to do so on behalf of the County.

13. Definitions and Interpretation. Terms not otherwise defined in this Resolution but defined in the Loan Agreement or the Indenture shall have the same meanings in this Resolution and shall be interpreted herein as provided therein. Notices may be given as provided in the Loan Agreement. In case any provision of this Resolution is for any reason illegal or invalid or inoperable, such illegality or invalidity or inoperability shall not affect the remaining provisions of this Resolution, which shall be construed or enforced as if such illegal or invalid or inoperable provision were not contained herein.

14. Qualified Tax-Exempt Obligations. As provided herein and pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the County hereby designates the Bonds as "qualified tax-exempt obligations," within the meaning of Section 265(b)(3) of the Code. The Bonds are to be issued on behalf of an organization described in Section 501(c)(3) of the Code and are to be issued as "qualified 501(c)(3) bonds" under Section 145 of the Code. The County, together with all subordinate entities thereof, does not reasonably expect to issue tax-exempt obligations, including the Bonds (other than private activity bonds not constituting "qualified 501(c)(3) bonds") which, when added together with all such obligations heretofore issued by the County in calendar year 2015, will be in an aggregate amount exceeding \$10,000,000 in the current calendar year.

Motion by Brenner, seconded by Zmyslony, and carried by all yea votes to approve the filling of a Project/Network Manager position in the Information Technology Offices effective May 1, 2015.

Motion by Proulx, seconded by Brenner, and carried by all yea votes to adopt the following resolution: (15-018)

WHEREAS, Carlton County desires to enter into an agreement with the Arrowhead Economic Opportunity Agency, Inc. to provide Housing Services to the residents of Carlton County. These services would provide a broad range of housing related services to qualifying residents of Carlton County and would provide AEOA with the authority to apply for funding on behalf of Carlton County and its residents; and

WHEREAS, the intent of some programs are to only make these funds available to households whose incomes are at or below the required income limits as applicable to each of the programs. However, this agreement would also apply to funding of developments and other projects that may not be restricted by income limits.

NOW, THEREFORE, BE IT RESOLVED that Carlton County, by action of its Board of Commissioners on this date does hereby authorize the submittal of this agreement and acceptance of such grant contracts, if awarded; and

BE IT FURTHER RESOLVED the Board of Commissioners of Carlton County permits the County to enter into a contractual agreement with the Arrowhead Economic Opportunity Agency, Inc. (AEOA).

Motion by Proulx, seconded by Brenner, and carried by all yea votes to accept and approve the labor contract agreement by and between Carlton County and the AFSCME (Attorney group). This contract is on file in the Personnel Offices.

Motion by Zmyslony, seconded by Brenner, and carried by all yea votes that this meeting be adjourned.

Attest: _____
Paul G. Gassert
County Auditor/Treasurer

Marv Bodie
County Board Chairperson