

Carlton County
Board of Commissioners
*****ADJOURNED SESSION*****

June 27, 2016

4:00 p.m.

Carlton County Transportation Building

A. Administrative - Routine

1. Roll Call
2. Pledge of Allegiance to the Flag
3. Approve Agenda
4. Approve Minutes of the June 14, 2016, Regular Board Meeting
5. Visitors:
 - a.
 - b.
 - c.

B. Human Services

1. Financial
 - a. Accept/Approve PH & HS Financial Report for May
2. Personnel
3. Administrative
4. Social Services
5. Public Health Services
6. Income Maintenance
7. Child Support & Collections

B. Human Services (continued)

8. Commissioner's Comments
9. Human Services Advisory Committee Comments
10. Case Action & Licensing of Foster and Day Care Homes

C. Zoning and Environmental Services

1. Waive zoning application fees for replacement of unstaffed County Recycling Centers

D. Land and Building

1. Issue easement across Tax Forfeit to Mike Schultz Atkinson Township

E. Transportation

F. Public Safety

G. Tax Matters

H. Administrative – Other

1. Consider Resolution Providing for the Issuance, Sale and Delivery of \$8,765,000 General Obligation Capital Improvement Refunding Bonds, Series 2016
2. MCIS\Itasca County \Series Hosting in 2017/2018 with draft hosting agreement – Carlton backup data site
3. Review and approve contract for Truancy Officer
4. Approval to pursue the purchase of the building located at 1403 Avenue C, Cloquet MN (Labor Temple)
5. Approve contracting with Pinewood for county wide shredding services

6. Set closed session to discuss personnel issues

I. Unorganized Township Matters

J. Commissioners Comments and Meetings Attended

K. Correspondence

May 22, 2016

**PUBLIC HEALTH & HUMAN SERVICES FINANCIAL REPORT
ESTIMATED REPORT FOR MAY 2016**

BALANCE SHEET:

Cash on Hand - \$ 7,033,037
Receivables - \$ 5,420,318
Fund Equity - \$ 10,952,350
Available fund balance \$ 11,093,384

REVENUE & EXPENDITURES:

REVENUE:

State & Federal revenue under budget by 0.10 %
Other revenue over budget by 2.64 %
Overall revenue over budget by 0.2 %

EXPENDITURES:

Public Aid Assistance under budget by 0.1 %
Personnel Services under budget by 2.1 %
Overhead costs on budget at 0.0 %
Overall expenditures under budget by 1.3 %

As of month end, *estimated* net result of approximately \$ 141,034.

Kevin

06/22/2016

**CARLTON COUNTY PUBLIC HEALTH & HUMAN SERVICES
ESTIMATED BALANCE SHEET
HUMAN SERVICES FUND**

B1 a.

FOR MONTH OF MAY 2016

	2015	2016	16 vs 15
ASSETS			
Cash on Hand	\$6,199,422	\$7,029,087	829,665
Petty Cash Fund	3,950	3,950	0
Receivable:			
Taxes - Current	2,902,781	3,103,740	200,959
Taxes - Delinquent	328,112	328,112	0
Taxes - State County Program Aid	250,209	261,764	11,555
Due from Other Agencies	0	89,218	89,218
Accounts Receivable - Other	21,099	8,536	(12,563)
Revenue Accrual Adjustment (due from DHS & others)	1,754,725	1,628,950	(125,775)
Prepaid Expenses	0	0	0
Suspense	(72,583)	(153,269)	(80,686)
TOTAL ASSETS	\$11,387,715	\$12,300,086	912,371
LIABILITIES & FUND EQUITY			
LIABILITIES			
Accounts Payable	\$397,936	\$397,936	\$0
Current month Payables			
Salary & Wages Payable	384,910	384,509	19,599
Due other Funds	0	0	0
Due other Gov't Units	95,664	233,266	137,602
Deferred Revenue	136,103	134,671	(1,432)
TOTAL LIABILITIES	\$994,613	\$1,150,382	155,769
Reserve for Employee Benefits	50,670	56,320	5,650
Current Revenue/Expenditures		141,034	
TOTAL EQUITY	10,342,432	10,952,350	609,918
TOTAL LIABILITIES & FUND EQUITY	\$11,387,715	\$12,300,086	912,371
Designated fund balance	0	0	0
Available fund balance	\$10,342,432	\$11,093,384	\$750,952

06/22/2016

B1 a.

**CARLTON COUNTY PUBLIC HEALTH & HUMAN SERVICES
ESTIMATED STATEMENT OF REVENUE & EXPENDITURES
HUMAN SERVICES FUND**

FOR MONTH OF MAY 2016

	Current Month 2016	Year To Date 2016	Adjusted Budget 2016	Percent of Budget 41.7%	Over -Under
REVENUE:					
Current Property Taxes	\$627,415	\$3,137,074	\$7,528,977	41.7%	-0.0%
State Shared County Program Aid	52,353	261,764	628,233	41.7%	-0.0%
State	274,660	638,185	3,038,132	21.0%	-20.7%
Federal	573,717	1,296,790	5,069,858	25.6%	-16.1%
Other Revenue	76,194	569,830	1,708,730	33.3%	-8.4%
Transfers	0	2,231	12,000	18.6%	-23.1%
Revenue Accrual Adjustment		1,628,950			
TOTAL REVENUE	\$1,604,339	\$7,534,824	\$17,885,930	41.9%	0.2%
EXPENDITURES:					
Public Aid Assistance & Contracts	\$348,494	\$2,192,060	\$5,727,524	41.6%	-0.1%
(less) 2014 accruals		(454,568)			
est current month accruals		646,658			
Personnel Services	753,286	4,320,455	11,544,606	39.6%	-2.1%
(less) 2015 accruals		(384,509)			
est current month accruals		636,051			
Operations Overhead			1,050,034	41.7%	-0.0%
Services & Charges	59,199	465,844			
Direct Material & Supplies	6,727	40,398			
Sales Tax/Other Misc	27	815			
(less) 2014 accruals		(90,964)			
est current month accruals		21,550			
TOTAL EXPENDITURES	\$1,167,733	\$7,393,780	\$18,322,184	40.4%	-1.3%
Gain (Loss) Revenue over Expenses	\$436,606	\$141,034	\$336,234	Use fund balance	

NOTE: Revenue & expenditures DO NOT include Collaborative activity
Kevin

B1 a.

	State	Federal	Other	
300 SELF (710-3460) max 2,850		300		
8,700 IVE SSTS Adm. (1,600/mo - rev 3810-5321)		8,700		
80,000 IV-E FC/MPD (18,300/mo average less rev 5324)		80,000		
0 No NSF RCA (0/mo -rev 3820-5222)	0			
4,200 Child Care 720-3110/3120 (2,100/mo less revenue)	2,100	2,100		
37,500 Rule 5 MH Facilities MA & Insurance(ave 7,500/mo)		18,750	18,750	
(20,000) E&T 720-3370 (less revenue)	(10,000)	(10,000)		
24,000 FSSW Collab (2,500/mo)& Special Ed (3,800/mo less rev)			24,000	
3,100 CMH Respite Grant (max 30,000)	3,100			
68,000 CMH-TCM (average 34,000/mo less rev)		42,160	25,840	
218,000 VCAA State Share 1pmt July \$43,605/mo max \$532,268	218,000			
17,000 CW-TCM (average 22,000/mo)			17,000	
-----> Total Family Services	\$440,800	\$213,200	\$159,010	\$68,590
43,000 Waivered Case Mgmt (avg 43,000/mo)	21,500	21,500		
46,200 MA SSTS Adm. F54 (15,500/mo - rev)AS & FS		46,200		
100,000 Integrated Fund (Max 515,863)	100,000			
6,300 SILS (750-3340 *.70 max 100,000)	6,300			
130,000 LTSS SSTS Admin avg 37k/mo 435&438	65,000	65,000		
25,900 Family Support (750-3350 max 57,573)	25,900			
22,000 MH/V/ADD TCM (avg 11,000/mo)			13,200	
-----> Total Adult Services	\$373,400	218,700	145,900	8,800
200,000 IM Adm. (*.4 less Fed rev avg 80k/mo)		200,000		
51,000 MAXIS/MA/GAMC 650-4400 (51,000 mo- rev)	28,050	22,950		
0	0			
-----> Total Income Maintenance	\$251,000	28,050	222,950	0
167,000 Child Support Adm. (*.66 less rev avg 20k/mo)		167,000		
46,000 Collections MA/GAMC/MAXIS (Ave 9,200/mo)			46,000	
22,000 Collection Incentives - MA State (Ave \$4,400/mo)	22,000			
47,500 Fed Collection Incentives (Ave \$9,500/mo)		47,500		
-----> Total Child Support Services	\$282,500	22,000	214,500	46,000
100,000 Health Svcs A/R - estimated(42k/mo)	75,000		25,000	
7,000 SHIP 2.0 Max 45k	7,000			
18,400 LPHG (Pd Qtrly \$146,420 Total) avg 12,200/mo	18,400			
11,550 MCH (YTD - *.75 Max \$45,778) avg 3,800/mo		11,550		
9,000 Public Health Preparedness Max \$19,500		9,000		
17,000 MIECHV 1 & 2 Max 79,240		17,000		
7,000 YSP Max 34,096		7,000		
15,000 WIC (YTD less rev) avg 10k/mo		15,000		
1,000 WIC Breastfeeding Max 7,990		1,000		
6,000 TANF Home visiting (Max 34,977)		6,000		
200 CWG		200		
15,000 CTC (less St. & fed rev) (Max \$74,253)	7,500	7,500		
15,000 Canvas Health Max 50k	15,000			
10,000 Universal Home Visiting (50,000-rev)collab avg 4,100/mo			10,000	
16,600 PH LTSS LCTS avg.8,300/mo	8,300	8,300		
1,500 EDHI, Follow Along			1,500	
31,000 MSHO, MSC+, SNBC (Medica Cap Pmt) avg. 31k/mo			31,000	
-----> Total Health Services	\$281,250	\$131,200	\$82,550	\$67,500
Agency Total	1,628,950	613,150	824,910	190,890

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

C-1
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: June 27, 2016
Via: Paul Gassert, County Auditor/Treasurer
From: Zoning & Environmental Services
Title of Item for Consideration: Waive zoning application fees for replacement of unstaffed County Recycling Centers
Presenter: Karola Dalen, Resource & Recycling Coordinator

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
 Award contract or bid
 Approve by resolution (attached)
 Approve request to waive zoning application fees.

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
Budget adjustment required Yes No NA
Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
Applicable job description(s) may require revision Yes No NA
Item may change the department's authorized staffing level Yes No NA
Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
If yes, what was their recommendation _____

Summary

The 2016 budget includes funds to re-build the public recycling centers in Holyoke Township and Blackhoof Township during the 2016 calendar year. The two small recycling sheds at each locations will be replaced by one 16' by 20' garage with an 8' ceiling, 42 inch door for patrons, and overhead door for the contractor to collect the recyclable materials. We request zoning application fees for the new structures be waived for the townships as the applicant for this year and for future years in anticipation of replacing the other un-staffed recycling centers in the county.

Supporting Attachments

- Photos of the current Holyoke recycling sheds and illustration of the new garage.

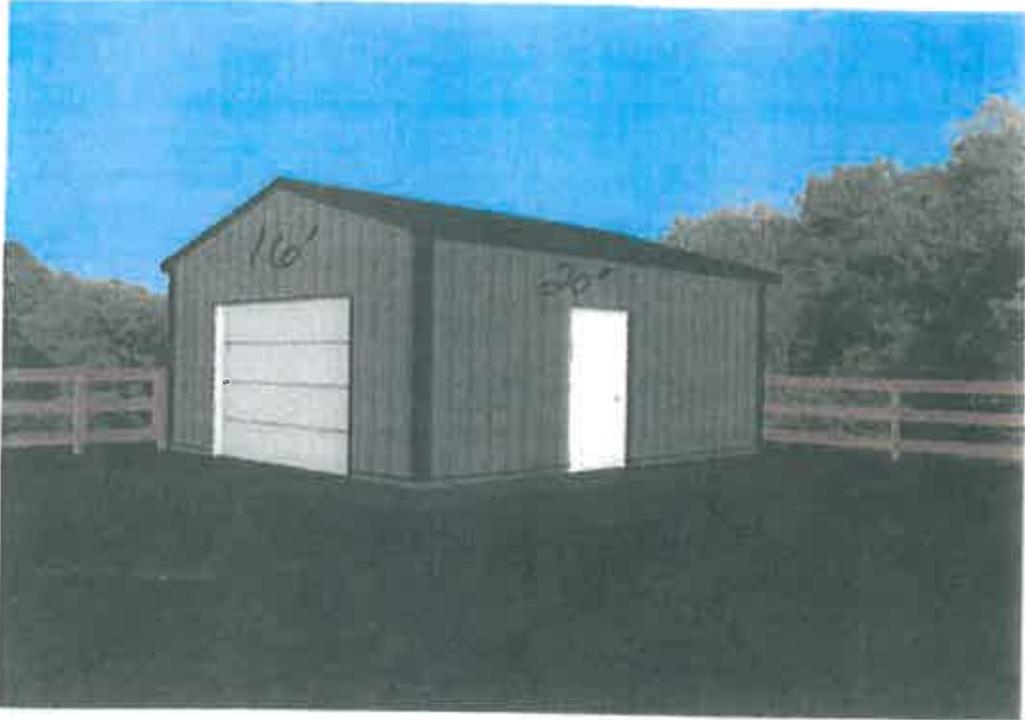
Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Adopted December 8, 2015
Revised April 12, 2016



16' x 20'

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

D-1
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: June 27, 2016
Via: Paul Gassert, County Auditor/Treasurer
From: Greg Bernu, Land Commissioner

Title of Item for Consideration: Issue easement across Tax Forfeit to Mike Schultz Atkinson Township
Presenter: same

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
- Award contract or bid
- Approve by resolution (attached)
-

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
- Budget adjustment required Yes No NA
- Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
- Applicable job description(s) may require revision Yes No NA
- Item may change the department's authorized staffing level Yes No NA
- Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
- If yes, what was their recommendation _____

Supporting Attachments

- Summary provided on page 2
- Summary has been attached
- Copy of contract and applicable bid comparison
- Draft resolution
- Meeting minutes related to this issue
-
-
-

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Summary:

Mr. Schultz needs an easement across an irregular piece of tax forfeit off CR 144 in Atkinson. A formal survey of the property showed that his existing driveway crosses TF land before accessing CR 144. The easement given will create legal access on the pre-established driveway.

SURVEY FOR: MICHAEL SCHULTZ
 2514 COUNTY ROAD #144
 CARLTON, MN 55718

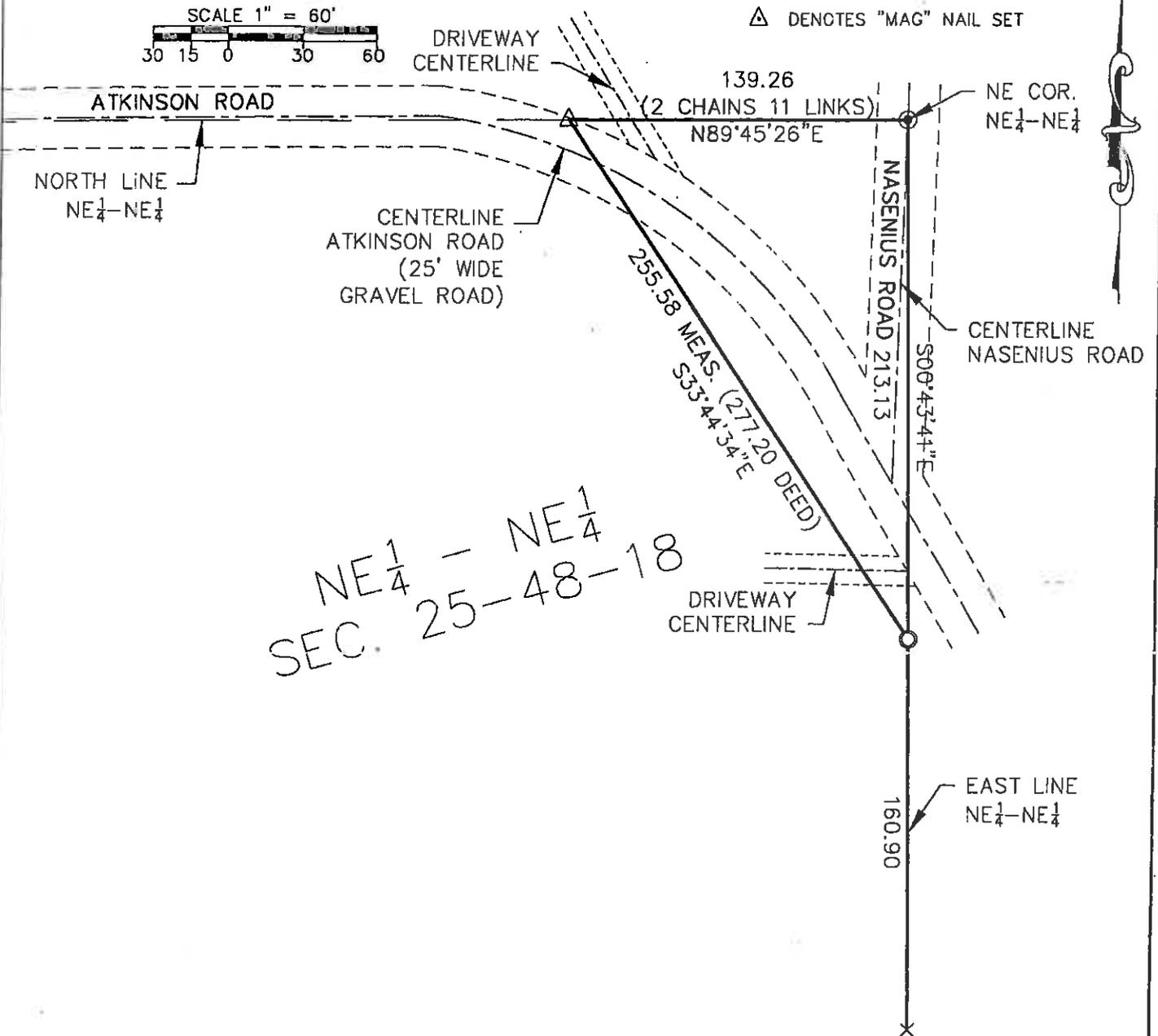
STRAIGHTLINE SURVEYING, INC.

P.O. Box 510, 500 Folz Blvd
 Moose Lake, MN 55767
 E-MAIL: bonderson@straightlinesurveying.com

Telephone: (218)-485-4811
 Fax: (218)-485-4811

SURVEY OF: AN EXISTING TRACT LOCATED IN
 THE NORTHEAST QUARTER OF THE
 NORTHEAST QUARTER, SECTION 25,
 TOWNSHIP 48, RANGE 18, CARLTON
 COUNTY, MINNESOTA.

- ⊙ DENOTES FOUND IRON MONUMENT
- DENOTES 1/2" IRON REBAR MONUMENT SET AND CAPPED "ANDERSON 45498"
- × DENOTES 60d SPIKE SET
- △ DENOTES "MAG" NAIL SET



I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

<i>Benjamin H. Anderson</i>	45498	03-01-2016	2016-035	NONE
Benjamin H. Anderson	License No.	Date	Job No.	Book No.



Schultz

Tax Forfeit

RESOLUTION NO. 16-_____

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$8,765,000 GENERAL OBLIGATION CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2016

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

Section 1. Bond Purpose, Authorization and Award.

1.01 Statutory Authority. Under and pursuant to the provisions of Minnesota Statutes, Section 373.40 and Chapter 475, (together, the "Act"), the Issuer is authorized to issue its general obligation bonds to fund capital improvements pursuant to an approved capital improvement plan.

1.02 Prior Bonds; Projects. A. Pursuant to the authority granted in the Act, the Issuer has previously adopted a Capital Improvement Plan dated July 2010 for the years 2010-2014 (the "CIP Plan") and pursuant to the CIP Plan previously issued its (i) \$5,000,000 Taxable General Obligation Capital Improvement Plan Bonds (Build America Bonds-Direct Pay), Series 2010A (the "2010A Bonds"), dated December 29, 2010, of which \$4,035,000 in principal is outstanding (the "2010A Refunded Bonds") and is subject to redemption and prepayment on August 1, 2016 (the "Redemption Date"); and its (ii) \$4,750,000 Taxable General Obligation Capital Improvement Bonds (Recovery Zone Economic Development Bonds-Direct Pay), Series 2010B (the "2010B Bonds" and together with the 2010A Bonds, the "Prior Bonds"), dated December 29, 2010, of which \$4,750,000 in principal is outstanding (the "2010B Refunded Bonds" and together with the 2010A Refunded Bonds, the "Refunded Bonds") and is subject to redemption and prepayment on the Redemption Date.

B. The Prior Bonds were issued pursuant for the purpose of financing the construction of a new Community Services Building and for payment of part of the interest cost of said bond issue and costs of issuance (the "Project").

1.03 Authority for Refunding. Under and pursuant to the provisions of Minnesota Statutes, Section 475.67, the Issuer is authorized to issue and sell its general obligation bonds in order to reduce the debt service cost to the Issuer with respect to the Prior Bonds and pursuant to the extraordinary redemption provisions of the Prior Bonds, the Issuer is authorized to refund on a current refunding basis the outstanding maturities of the Prior Bonds based on ineligibility or a failure by the U.S. Treasury to pay in whole or in part, the credit due as provided in Section 6431 of the Internal Revenue Code.

1.04 Payment of Bonds. The principal of and interest on the Bonds shall be paid primarily from ad valorem taxes hereinafter levied (the "Taxes").

1.05 Independent Financial Advisor. The Issuer has retained the services of Public Financial Management, Inc. as its independent financial advisor.

1.06 Award of Sale. The Issuer has received an offer from _____ of _____, _____ (the "Purchaser"), to purchase the Bonds at a cash price of \$ _____, upon the terms and conditions hereafter specified in this Resolution. The Board, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. The Chair and the Auditor/Treasurer are authorized and directed to execute on the part of the Issuer a contract for the sale of the Bonds in accordance with the Purchaser's proposal, and to acknowledge receipt of the check given for the security of the proposal, if any.

Section 2. Terms, Execution, and Delivery of the Bonds.

2.01 Date, Maturities and Interest Rate.

A. The Bonds shall be dated the date of delivery and shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall mature or be subject to mandatory sinking fund redemption on February 1 in the respective years and amounts stated below:

Year	Interest Rate	Amount

2.02 Redemption. A. The Bonds maturing on and prior to February 1, 2024 shall not be subject to redemption and prepayment before maturity, but those maturing, or subject to mandatory redemption, after such date and in subsequent years shall each be subject to redemption and prepayment at the option of the Issuer on such date and on any day thereafter, in whole or in part, at a price equal to the principal amount thereof plus accrued interest to the redemption date.

B. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Bond Registrar and by publishing the notice of redemption, if required by law, in the manner required by Minnesota Statutes, Section 475.54, Subdivision 4; provided, however, that so long as the Bonds are registered in the name of Cede & Co., notice of redemption shall be given in accordance with the terms of the Representation Letter. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the

specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

C. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

D. The Bonds maturing on February 1 in the years ____, ___ and ____ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this Section 2.03D at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Bond Registrar, as designated below, shall select for redemption, by lot or other manner deemed fair, on March 1 in each of the following years the following stated principal amounts:

For Bonds maturing on February 1, 20__:

Year	Amount

For Bonds maturing on February 1, 20__:

Year	Amount

For Bonds maturing on February 1, 20__:

Year	Amount

2.03 Interest Payment Dates.

A. The interest on the Bonds shall be payable semiannually on February 1 and August 1 in each year (each referred to herein as an "Interest Payment Date"), commencing February 1, 2017. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the registered owners of the Bonds shown on the bond registration records maintained by the Bond Registrar at the close of the business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners' addresses shown on such bond registration records.

B. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the person in whose name each Bond is registered (the "Holder") and in each case at the address shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the calendar month next preceding the Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

C. If the date for payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

2.04 Appointment and Duties of Bond Registrar. A. The Board of Commissioners hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as registrar, authenticating agent, paying agent and transfer agent for the Bonds (such bank or its successors is herein referred to as the "Bond Registrar"). No Bond shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar's authentication certificate on such Bond, substantially set forth in Section 3.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Bonds have been manually executed by at least one officer of the Issuer. Authentication certificates on different Bonds need not be signed by the same representative. The executed Authentication Certificate or the manual signature of at least one officer of the Issuer on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

B. Upon surrender for transfer of any Bond at the principal corporate office of the Bond Registrar, the Issuer shall execute, if required by law or this Resolution, and the Bond Registrar shall authenticate, if required by law or this Resolution, date (in the space designated Date of Registration) and deliver, in the name(s) of the designated transferee or transferees, one or more new Bonds of the like aggregate principal amount having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered

in blank or in the name of "bearer" or similar designation. Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Transfers shall be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

C. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered Holder's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond. When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

D. At the option of the Holder, replacement Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute (if required by law or this Resolution), and the Bond Registrar shall authenticate (if required by law or this Resolution), date (in the space designated Date of Registration) and deliver the replacement Bonds which the Holder making the exchange is entitled to receive. Bonds registered in the name of Cede & Co. may not be exchanged for Bonds of smaller denominations.

E. All Bonds surrendered upon any exchange or transfer provided for in this Resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

F. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this Resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

G. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

H. Bonds registered in the name of Cede & Co. may not, after their original delivery, be transferred or exchanged except in accordance with the terms and conditions of the Representation Letter and:

(i) upon exchange of a Bond after a partial redemption, if provided in Section 2.03 of this Resolution;

(ii) to any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to clause (iii) below; provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8 102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) to a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) above; or

(iv) in the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and. the Issuer is unable to locate a Substitute Depository within two months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Section 3 of this Resolution.

I. In the event of the designation of a Substitute Depository as authorized by clause H., the Bond Registrar, upon presentation of a Bond, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this Resolution. The Representation Letter shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is hereby authorized.

2.05 Book Entry System.

A. DTC, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is hereby designated as the depository (the "Depository") with respect to the Bonds.

B. In order to make the Bonds eligible for the services provided by DTC, the Issuer has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the Issuer and DTC (the "Representation Letter") which provisions are ratified.

C. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the Issuer on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

D. So long as DTC is the Depository or it or its nominee is the Holder of any Bonds, the Issuer shall comply with the provisions of the Representation Letter, as it may be amended or supplemented from time to time.

E. Additional matters with respect to, among other things, notices, consents and approvals by Holders and payments on the Bonds are set forth in the Representation Letter.

F. The provisions in the Representation Letter are incorporated herein by reference and made a part of this resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Representation Letter shall control.

2.06 Lost or Damaged Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost, the Bond Registrar will deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the Issuer in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Bond Registrar and the Issuer of evidence satisfactory to it and the Issuer that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it and the Issuer and as provided by law, in which both the Issuer and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the Issuer. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

2.07 Payment of Bonds. A. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and interest on such Bond and for all other purposes whatsoever, whether or not such Bond be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments,

redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

C. The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

2.08 Delivery. Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. Printed or typewritten, and executed Bonds shall be furnished by the Issuer without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Auditor/Treasurer to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 3. Form and Preparation of the Bonds.

3.01 Form. The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

CARLTON COUNTY

GENERAL OBLIGATION CAPITAL IMPROVEMENT REFUNDING BOND,
SERIES 2016A

R-__ \$ _____

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, 20__	July 14, 2016	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

Carlton County, Minnesota (the "Issuer"), a body politic and corporate and political subdivision, for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issue set forth above, or from the most recent Interest Payment Date to which interest

has been paid or duly provided for, until the principal amount is paid or discharged, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on February 1, 2017. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of U.S. Bank National Association, St. Paul, Minnesota as registrar, paying agent, authenticating agent and transfer agent (the "Bond Registrar"), or at the office of such successor registrar as may be designated by the Board of Commissioners.

Payment. The Bond Registrar shall make all interest payments with respect to this Bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the Issuer by the Bond Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said bond registration records, without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. Payment of principal shall be made upon presentation and surrender of this Bond to the Bond Registrar when due.

Date of Payment Not Business Day. If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Issuance; Purpose. This Bond is one of a series issued by the Issuer in the aggregate amount of \$8,765,000, all of like date and tenor, except as to number, amount, maturity date, redemption privilege and interest rate, pursuant to the authority contained in Minnesota Statutes, Section 373.40 and Chapter 475 and all other laws thereunto enabling, and an authorizing resolution adopted by the governing body of the Issuer on June 27, 2016 (the "Resolution"). This Bond is issued for the purpose of providing funds to refund on August 1, 2016, the outstanding principal amounts of the Issuer's (i) \$5,000,000 Taxable General Obligation Capital Improvement Plan Bonds (Build America Bonds-Direct Pay), Series 2010A; and (ii) \$4,750,000 Taxable General Obligation Capital Improvement Bonds (Recovery Zone Economic Development Bonds-Direct Pay), Series 2010B. The Bonds are payable from ad valorem taxes (the "Taxes") which are sufficient to pay the interest on and principal of the Bonds as the same become due and payable. Reference is made to the Resolution for a full statement of rights and powers thereby conferred.

Redemption. Bonds maturing prior to February 1, 2024 shall not be subject to redemption and prepayment before maturity, but those maturing on and after such date and in subsequent years shall each be subject to redemption and prepayment at the option of the Issuer on February 1, 2025 and on any day thereafter, in whole or in part and by lot as to the Bonds maturing in the same year, at a price equal to par plus accrued interest to the redemption date.

Notice of and Selection of Bonds for Redemption. Not less than 30 nor more than 60 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, Jersey City, New Jersey ("DTC"), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations executed by the Issuer and DTC.

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the Issuer shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

Denominations; Exchange. The Bonds of this series are issued as fully registered obligations without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount. This Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at the principal corporate office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate if required by law or the Resolution, and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

General Obligation. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Registration; Transfer. This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the Registration Certificate attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal

representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and the Letter of Representations and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar. Thereupon the Issuer shall execute (if required by law or the Resolution) and the Bond Registrar shall authenticate (if required by law or the Resolution) and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

Fees Upon Transfer to Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds. No service charge shall be made by the Issuer for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Treatment of Registered Owner. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until either (i) the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or (ii) the Bond has been manually executed by at least one officer of the Board of Commissioners of the Issuer.

Qualified Tax Exempt Obligations. The Bonds of this issue have been designated by the Issuer as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

IT IS CERTIFIED AND RECITED that all acts and conditions required by laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the corporate limits of the Issuer is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest thereon when due, without limitation as to rate or amount; and that the issuance of this Bond does not cause the indebtedness of the Issuer to exceed any charter, constitutional or statutory limitation.

IN WITNESS WHEREOF, Carlton County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the manual or facsimile signatures of the Chair and the Auditor/Treasurer.

ATTEST:

(signature)
Auditor/Treasurer

(signature)
Chair

Date of Execution: _____

BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

U.S. BANK NATIONAL ASSOCIATION
St. Paul, Minnesota

By _____
Authorized Representative

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by U.S. Bank National Association, St. Paul, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of U.S. Bank National Association in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
07/14/16	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No.: 13- 2555119	_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

Social Security or Other
Identifying Number of Assignee

the within Bond and all rights thereunder and does irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

3.02 Preparation.

A. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Chair and attested by the manual or facsimile signature of the Auditor/Treasurer. In case any officer whose signature shall appear

on the Bonds shall cease to be an officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

B. The Auditor/Treasurer is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete except as to dating thereof and cause the opinion to be printed on or attached to each Bond, and if the legal opinions are not each manually executed, together with a certificate to be signed by the manual or facsimile signature of the Auditor/Treasurer in substantially the form set forth in Section 3.01 hereof. The Auditor/Treasurer is authorized and directed to execute the certificate in the name of the Issuer upon receipt of the opinion and to file the opinion in the Issuer offices.

Section 4. Covenants, Funds, Accounts and Representations.

4.01 General Obligation. The full faith and credit and taxing power of the Issuer are irrevocably pledged for the prompt and full payment of the Bonds and the interest thereon, in accordance with the terms set forth in this Resolution.

4.02 The Fund. There is created a special fund to be designated the "2016A General Obligation Capital Improvement Refunding Bonds Fund" (the "Fund") to be administered and maintained by the Auditor/Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund three separate accounts, to be designated the "Costs of Issuance Account," "Debt Service Account" and "Refunding Account," respectively:

(1) **Costs of Issuance Account.**

(a) On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Bonds and less amounts used to pay part of the interest cost of the Bonds as allowed by Section 475.56 of the Act (the "Additional Interest"); less amounts allocated to accrued interest paid by the Purchaser upon closing and delivery of the Bonds (the "Accrued Interest"); and less the amounts necessary to fund the Refunding Account, to the Costs of Issuance Account.

(b) From the Costs of Issuance Account there shall be paid all costs and expenses of issuing the Bonds and the moneys in said account shall be used for no other purpose except as otherwise provided by law.

(c) To the extent funds on deposit in the Costs of Issuance Account are insufficient to pay the costs of issuance of the Bonds, the Issuer covenants and agrees to pay such difference from its available funds.

(d) Upon payment in full of the costs of issuance of the Bonds, any excess on deposit in the Costs of Issuance Account shall be transferred to the Debt Service Account, to the extent such balance is comprised of the sale or investment proceeds of the

Bonds. To the extent such excess represents general funds of the Issuer, such funds shall be returned to the general fund of the Issuer.

(2) Refunding Account.

(a) On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Bonds, less the Accrued Interest and Additional Interest, and less any amounts allocated to the Costs of Issuance Account and the Debt Service Account, to the Refunding Account.

(b) There are pledged and appropriated to the Refunding Account moneys on deposit in (i) the Construction Account in the 2010A G.O. CIP Bonds Fund (the "2010A Construction Account") created in the Issuer's Resolution No. 10-179 adopted December 14, 2010 (the "2010A Resolution"); (ii) the Construction Account in the 2010B G.O. CIP Bonds Fund (the "2010B Construction Account" and together with the 2010A Construction Account, the "Prior Construction Accounts") created in the Issuer's Resolution No. 10-180 adopted December 14, 2010 (the "2010B Resolution" and together with the 2010A Resolution, the "Prior Resolutions"); (iii) the Debt Service Account in the 2010A G.O. CIP Bonds Fund (the "2010A Debt Service Account"); and (iv) the Debt Service Account in the 2010B G.O. CIP Bonds Fund (the "2010B Debt Service Account" and together with the 2010A Debt Service Account, the "Prior Debt Services Accounts") created by the Prior Resolutions. (The Prior Construction Accounts and the Prior Debt Services Accounts are collectively referred to as the "Prior Accounts").

(c) Proceeds on deposit in the Refunding Account, along with monies on deposit therein and other monies available therefor, must be used to redeem and prepay the Refunded Bonds in full on the Redemption Date.

(d) Upon redemption of the Refunded Bonds on the Redemption Date, the Prior Accounts shall be terminated, and all monies remaining therein not required to refund the Refunded Bonds shall be transferred to the Debt Service Account. All ad valorem taxes levied under the Prior Resolutions and collected after the Redemption Date shall be deposited in the Debt Service Account.

(3) Debt Service Account.

(a) To the Debt Service Account are pledged and appropriated: (i) the Taxes; (ii) the Additional Interest, if any; (iii) the Accrued Interest, if any; (iv) all funds remaining in the Prior Construction Accounts to the extent not required to fund the Refunding Account; (v) any balance remaining in the Prior Debt Service Accounts created in the Prior Resolutions to the extent not required to fund the Refunding Account; (vi) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (vii) investment earnings on the moneys identified in the foregoing clauses (i) through (vi). The proceeds of the Bonds described in clauses (ii) and (iii) of the preceding sentence shall be used for payment of interest on the Bonds.

(b) The money in such account shall be used for no purpose other than the payment of principal and interest on the Bonds and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest on the Bonds shall become due when there is not sufficient money in the Debt Service Account, the Auditor/Treasurer shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(c) The Debt Service Account shall be maintained in the manner herein specified until all of the Bonds and interest thereon have been fully paid.

(d) The amount of any surplus remaining in the Debt Service Account when the Bonds and interest thereon are paid shall be used as provided in Section 475.61, Subdivision 4 of the Act.

4.03 Tax Levy.

A. To assure sufficient monies for the payment of the principal of and interest on the Bonds, there is hereby levied a direct, annual, ad valorem tax upon all taxable property in the Issuer which shall be extended upon the tax rolls and collected with and as part of the other general property taxes in the Issuer for the years and in the amounts set forth in Exhibit A to this Resolution.

B. The tax levies are such that if collected in full they, together with the Additional Interest, the Capitalized Interest, the Accrued Interest and the taxes levied in 2016 for collection in 2017 irrevocably appropriated above, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. Such tax receipts shall be deposited in the Debt Service Account.

C. Such tax levies shall be irrevocable as long as any of the Bonds issued hereunder are outstanding and unpaid; provided, however, that prior to November 30 of each year, while any Bonds issued hereunder remain outstanding, the Board may reduce or cancel the above levies to the extent of the amount on deposit in and which has been appropriated to the Debt Service Account to pay the principal of and interest on the Bonds, and may direct the Auditor/Treasurer to reduce the levy for such year by that amount.

4.04 Investments. Monies on deposit in the Debt Service Account may, at the discretion of the Issuer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of the principal and interest on the Bonds when due.

Section 5. Refunding; Findings; Redemption of Refunded Bonds.

5.01 Findings. It is hereby found and determined that:

A. based upon information presently available from the Issuer's municipal advisers, the issuance of the Bonds will result in the reduction of debt service cost to the Issuer;

B. the proceeds of the Bonds and other available funds of the Issuer are sufficient, without reinvestment, to pay all of the principal and interest of the Refunded Bonds on the Redemption Date; and

C. the proceeds of the Refunded Bonds have been fully expended to finance the project for which the Refunded Bonds was issued and said project is complete.

5.02 Redemption. The Refunded Bonds shall be redeemed and prepaid in accordance with: (i) their terms and (ii) with the terms and conditions set forth in the form of Notice of Call for Redemption attached hereto as Exhibit B and Exhibit C, all of which terms and conditions are hereby approved and incorporated herein by reference.

Section 6. Tax Covenants.

6.01 General.

A. The Issuer covenants and agrees with the holders of the Bonds that the Issuer will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

B. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued. To this effect, any proceeds of the Bonds and any sums from time to time held in the Debt Service Account (or any other Issuer account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods or minor portion made available under the federal arbitrage regulations.

C. The proceeds of the Bonds and money in the Debt Service Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

D. The Issuer hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

6.02. Bank Qualification. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

A. the Bonds are not “private activity bonds” as defined in Section 141 of the Code;

B. the Issuer designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

C. the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bonds are being issued will not exceed \$10,000,000; and

D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bonds are being issued have been designated for purposes of Section 265(b)(3) of the Code.

6.03 Arbitrage Certification. The Chair and the Auditor/Treasurer, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

6.04 Opinion of Counsel. Notwithstanding any other provision of this Section 6, any requirement imposed hereunder or under Section 5 hereof may be deemed inapplicable and of no force or effect if an opinion of counsel is rendered to the Issuer by nationally recognized Bond Counsel to the effect that the failure to impose such requirement will not adversely effect the tax exempt status of interest on the Bonds.

Section 7. Certificates of Proceedings; Miscellaneous.

7.01 Filing of Resolution; County Auditor Certificate. The Auditor/Treasurer is directed to file a certified copy of this Resolution in the office of the Carlton County Auditor/Treasurer, along with such other information as the Auditor/Treasurer may require, and to provide a certificate stating that the Bonds herein authorized have been duly entered on the Auditor/Treasurer’s register and that the tax required by law for the payment of said Bonds has been levied.

7.02 Authentication of Transcript. The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser and to Bond Counsel certified copies of all

proceedings and records of the Issuer relating to the authorization and issuance of the Bonds and to the financial condition and affairs of the Issuer and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

7.03 Offering Materials. The Official Statement relating to the Bonds, on file with the Auditor/Treasurer and presented to this meeting, is approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof. The Chair and the Auditor/Treasurer are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

7.04 Absent or Disabled Officers. In the event of the absence or disability of the Chair or the Auditor/Treasurer, such officers or members of the Board as in the opinion of the Issuer's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

7.05 Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 8. Continuing Disclosure. The Board acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers

of municipal bonds enter into agreements for the benefit of the Holders to provide continuing disclosure with respect to the Bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Chair and the Auditor/Treasurer are authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the Issuer.

Section 9. Post-Issuance Tax Compliance. The Issuer has previously approved a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The Issuer hereby ratifies the Policy and Procedures for the Bonds. The Auditor/Treasurer continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Adopted: June 27, 2016.

ATTEST:

Chair

Auditor/Treasurer

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EXHIBIT B
NOTICE OF CALL FOR REDEMPTION
\$5,000,000 TAXABLE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS (BUILD AMERICA BONDS-DIRECT PAY), SERIES 2010A
CARLTON COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN that, by order of the County Board of Carlton County, Minnesota (the "Issuer"), there have been called for redemption and prepayment on August 1, 2016 (the "Redemption Date"), all outstanding bonds of the Issuer designated as \$5,000,000 Taxable General Obligation Capital Improvement Plan Bonds (Build America Bonds-Direct Pay), Series 2010A, dated December 29, 2010, having stated maturity dates of February 1 in the years 2017 through 2025, inclusive, totaling \$4,035,000 in outstanding principal amount, and with the following CUSIP numbers:

Bond Number	Maturity	Principal Amount	Interest Rate	CUSIP*
R-6	2017	\$205,000	3.55%	142879 GU3
R-7	2018	\$210,000	3.90%	142879 GV1
R-8	2019	\$215,000	4.15%	142879 GW9
R-9	2020	\$230,000	4.50%	142879 GX7
R-10	2021	\$235,000	4.50%	142879 GY5
R-11	2022	\$560,000	4.90%	142879 GZ2
R-12	2023	\$570,000	5.10%	142879 HA6
R-13	2024	\$890,000	5.25%	142879 HB4
R-14	2025	\$920,000	5.25%	142879 HC2

The Bonds are being called at a price of par plus accrued interest to the Redemption Date, on which date all interest on said Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment at the office of U.S. Bank National Association, EP-MN-WS3C, 60 Livingston Avenue, St. Paul, MN 55107 on or before the Redemption Date.

Payment of the redemption price on the above Bonds will become due and payable on the Redemption Date, upon presentation and surrender thereof. Interest on the principal amount designated to be redeemed shall cease to accrue on and after the redemption date. Under the Interest and Dividend Compliance Act of 1983, 31% will be withheld if tax identification number is not properly certified.

The Issuer shall not be responsible for the selection or use of the CUSIP Numbers, nor is any representation made as to the correctness thereof as indicated in this redemption notice. CUSIP Numbers are included solely for the convenience of the holders.

Publication Date: _____

BY ORDER OF THE BOARD OF COMMISSIONERS OF
CARLTON COUNTY, MINNESOTA

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

* Neither the Issuer nor the Fiscal Agent/Paying Agent shall be responsible for the selection of or use of the CUSIP number, and no representation is made as to its correctness indicated in the Notice of Call for Redemption. CUSIP numbers are included solely for the convenience of the Holders.

EXHIBIT C
NOTICE OF CALL FOR REDEMPTION
\$4,750,000 TAXABLE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS-DIRECT PAY), SERIES 2010B
CARLTON COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN that, by order of the County Board of Carlton County, Minnesota (the "Issuer"), there have been called for redemption and prepayment on August 1, 2016 (the "Redemption Date"), all outstanding bonds of the Issuer designated as \$4,750,000 Taxable General Obligation Capital Improvement Bonds (Recovery Zone Economic Development Bonds-Direct Pay), Series 2010B, dated December 29, 2010, having stated maturity dates of February 1 in the years 2026 through 2030, both inclusive, totaling \$4,035,000 in outstanding principal amount, and with the following CUSIP numbers:

Bond Number	Maturity	Principal Amount	Interest Rate	CUSIP*
R-1	2026	\$900,000	5.250%	142879 HD0
R-2	2027	\$920,000	5.375%	142879 HE8
R-3	2028	\$950,000	5.500%	142879 HF5
R-4	2029	\$975,000	5.625%	142879 HG3
R-5	2030	\$1,005,000	5.750%	142879 HH1

The Bonds are being called at a price of par plus accrued interest to the Redemption Date, on which date all interest on said Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment at the office of U.S. Bank National Association, EP-MN-WS3C, 60 Livingston Avenue, St. Paul, MN 55107 on or before the Redemption Date.

Payment of the redemption price on the above Bonds will become due and payable on the Redemption Date, upon presentation and surrender thereof. Interest on the principal amount designated to be redeemed shall cease to accrue on and after the redemption date. Under the Interest and Dividend Compliance Act of 1983, 31% will be withheld if tax identification number is not properly certified.

The Issuer shall not be responsible for the selection or use of the CUSIP Numbers, nor is any representation made as to the correctness thereof as indicated in this redemption notice. CUSIP Numbers are included solely for the convenience of the holders.

Publication Date: _____

BY ORDER OF THE BOARD OF COMMISSIONERS OF
 CARLTON COUNTY, MINNESOTA

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

* Neither the Issuer nor the Fiscal Agent/Paying Agent shall be responsible for the selection of or use of the CUSIP number, and no representation is made as to its correctness indicated in the Notice of Call for Redemption. CUSIP numbers are included solely for the convenience of the Holders

EXTRACT OF MINUTES OF A REGULAR MEETING OF THE
BOARD OF COMMISSIONERS
CARLTON COUNTY, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners of Carlton County, Minnesota, was duly called and held at the Boardroom located at the Carlton County Courthouse, 301 Walnut Avenue, Carlton, MN 55718, on June 27, 2016 at 4:00 p.m.

The following members were present:

and the following members were absent:

The Board was presented with a tabulation of the offers to purchase the County's \$8,765,000 General Obligation Capital Improvement Refunding Bonds, Series 2016. After due consideration, the Board was presented with a form of resolution awarding the sale of the bonds.

MOTION: Member _____ moved to adopt Resolution No. 16-_____, entitled "Resolution Providing for the Issuance, Sale and Delivery of \$8,765,000 General Obligation Capital Improvement Refunding Bonds, Series 2016"

SECOND: Member _____

RESULT: On a roll call vote the motion was carried.

Ayes:
Nays:
Not Voting:
Absent:

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

H-2
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: June 27th
Via: Paul Gassert, County Auditor/Treasurer
From: Peter Gould - IT Director

Title of Item for Consideration: MCIS/Vtasca County iSeries Hosting in 2017/2018 with draft hosting agreement - Carlton backup data site.

Presenter: _____

Type of Action Requested (check all that apply)

Info only, no action requested at this time

Award contract or bid

Approve by resolution (attached)

Fiscal Impact (check all that apply)

Item included under current budget Yes No NA

Budget adjustment required Yes No NA

Reviewed by Finance Committee Yes No NA

Staffing Impact

Duties of a County employee(s) may be materially affected Yes No NA

Applicable job description(s) may require revision Yes No NA

Item may change the department's authorized staffing level Yes No NA

Reviewed by Human Resources Yes No NA

Other

Reviewed by other Committee, Board or Commission Yes No NA

If yes, what was their recommendation _____

Summary

MCIS/Vtasca County iSeries Hosting in 2017/2018 with draft hosting agreement. - Carlton County will also be a backup data site. Carlton County and other counties in MCIS will be moving to having the AS/400 (iSeries) be located at Itasca County for MCIS. This cloud or hosted iSeries will be shared with other counties as provided as a hosted solution by MCIS. This will probably be a project done in later 2017 or 2018 for Carlton County. Carlton County will have a backup data device at our location for disaster recovery purposes. Costs are still being calculated for this MCIS hardware and service project. Some of the main reasons for moving to a hosted solution include: AS/400-iSeries knowledge and expertise, future staffing concerns, Disaster Recovery, and more.

Supporting Attachments

MCIS - Computer Hardware Hosting Agreement - Draft Form. Will be bringing final copy back for County Board approval.

Draft of potential Summary of Hosting Expenses for County

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Adopted December 8, 2015

Revised April 12, 2016

COMPUTER HARDWARE HOSTING AGREEMENT

This Agreement is entered into by and between **Minnesota Counties Information Systems (MCIS)**, a Minnesota joint powers entity, the **County of Itasca**, a Minnesota political subdivision, and the **County of Carlton**, a Minnesota political subdivision.

Recitals

- A. MCIS is contracting with one or more counties (who may or may not be members of MCIS) to host software and data on IBM iSeries computers. The purpose of this arrangement is to alleviate the need of each of the contracting counties to acquire and maintain their own iSeries computers.
- B. MCIS does not have the appropriate physical facilities in which to place the IBM iSeries computers so as to provide the necessary security, ventilation, backup power supply, WAN connectivity, etc.
- C. Itasca County has an existing facility in Grand Rapids that has the requisite features, and the facility has the capacity to house the IBM iSeries computer equipment needed by MCIS to fulfill its hosting obligations.
- D. Itasca County is willing to provide the physical space and the expertise needed to house and network the IBM iSeries equipment, as provided below.
- E. Consistent with best practices, an off-site facility is necessary for creating and storing back-ups of the data contained on the iSeries computers to be located in the Itasca County facilities.
- F. Carlton County has the facilities and capability to provide the necessary backup of the iSeries equipment housed in Itasca County, and is willing to provide access to those facilities, as provided below.

Terms

- 1. **EFFECTIVE DATE.** This Agreement is effective as of _____, 2016.
- 2. **SECURE FACILITY.** Itasca County shall provide the following in support of the MCIS iSeries computers:
 - a. **Space.** Sufficient space within the County's existing computer equipment room for the iSeries computers, on a rack provided by the County.
 - b. **Equipment.** All network cables, switches and other hardware needed to properly connect the MCIS computers to the County's network.

- c. **Utilities.** Electricity and HVAC as needed and appropriate for the equipment being utilized by MCIS. This includes a backup electrical source in the event of a power outage, with the backup being capable of providing adequate HVAC services until electricity is restored.
 - d. **Physical Security.** The physical space shall be secure from access by unauthorized personnel using the County's existing card access system or equivalent.
 - e. **Connectivity.** The necessary connection to the State's WAN as well as a secure connection to the Internet.
 - f. **Services.** Networking services, firewall management and security management in a manner that consistently allows MCIS to properly perform its obligations with respect to the data it maintains on behalf of its clients.
3. **REDUNDANT BACKUP FACILITY.** Carlton County shall provide the following in support of the MCIS IBM iSeries computers:
- a. **Space.** Sufficient space within one of Carlton County's existing data centers, on an existing rack, for the backup data storage equipment.
 - b. **Equipment.** All network cables, switches and other hardware needed to properly connect the MCIS backup data storage equipment to Carlton County's network.
 - c. **Utilities.** Electricity and HVAC as needed and appropriate for the equipment being utilized by MCIS. This includes a backup electrical source in the event of a power outage, with the backup being capable of providing adequate HVAC services until electricity is restored.
 - d. **Physical Security.** The physical space shall be secure from access by unauthorized personnel using the County's existing card access system or equivalent.
 - e. **Connectivity.** The necessary connection to the State's WAN as well as a secure connection to the Internet.
 - f. **Services.** Networking services, firewall management and security management in a manner that consistently allows MCIS to properly perform its obligations with respect to the data it maintains on behalf of its clients.
4. **MCIS.** MCIS shall provide the following:

- a. **Computers.** Any and all IBM iSeries computers and related equipment not otherwise provided by Itasca or Carlton Counties, as described above. This includes installation and setup of the computers, with Itasca and Carlton County staff undertaking the connections to their respective networks. The Counties have no obligations with respect to the set up or operation of the iSeries equipment except as otherwise provided herein.
- b. **Data Management.** MCIS is solely responsible for designing, managing and maintaining the software and the data necessary to perform its obligations under its contracts with its clients. It is the intent of the parties that Itasca and Carlton Counties provide the physical space and network access for the iSeries equipment while MCIS controls and manages the data stored on said equipment.
- c. **Data Backup.** MCIS shall initiate and control both the initial backup of data on the equipment at Itasca County and the redundant backup of data on the equipment at Carlton County. Neither County is obligated to provide backup services for MCIS iSeries equipment.

5. **EQUIPMENT HOSTING CHARGES.** In consideration for providing the sites for hosting the iSeries and backup systems, MCIS shall pay Itasca County and Carlton County the following hosting fees during calendar year 2012:

- a. Itasca County: \$200.00 per month.
- b. Carlton County: \$250 per year (prorated to \$20.83/month).

These fees shall be reevaluated and approved during the county MCIS budgeting process annually. Each party hereby authorizes its [who] to negotiate the annual fee starting January 1, 2012, based upon the actual cost incurred by the respective Counties for hosting the MCIS equipment.

6. **TERM.** This Agreement commences on the Effective Date and extends until December 31, 2012, and will automatically renew for one-year periods thereafter, unless terminated as provided herein. Any party may terminate this Agreement without cause upon 180 days written notice to the other parties. In addition, this Agreement may be terminated if a party provides written notice of a breach of this Agreement and the breaching party fails to cure the breach within 30 days after receipt of the notice.
7. **REPRESENTATIONS AND WARRANTIES.** Each party represents and warrants that the execution and performance of this Agreement has been duly authorized and the signatory to this Agreement possesses all necessary authority to enter into the Agreement.

8. **DATA PRACTICES.** All data created, collected, received, stored, used or maintained on the MCIS equipment and on or through the associated County network equipment is subject to the requirements of the Minnesota Government Data Practices Act (MGDPA). All parties shall abide by the provisions of the MGDPA, the Health Insurance Portability and Accountability Act and implementing regulations, and all other applicable state and federal laws relating to data privacy.
9. **RELATIONSHIP.** This Agreement does not create a partnership, joint venture or other business combination between the parties. Each party is an independent contractor and responsible for its own insurance.
10. **FORCE MAJEURE.** No party shall be in breach of this Agreement in the event they are unable to perform their obligations as a result of natural disaster, war, emergency conditions, labor strife, the substantial inoperability of the Internet, the substantial inoperability of the State's WAN, or other reasons beyond their reasonable control, provided, however, that if such reasons or conditions remain in effect for a period of more than 30 days, any party may terminate this Agreement without further liability to that party.
11. **NOTICE.** Any notices required or permitted to be given under this Agreement shall be in writing, signed on behalf of the party providing notice, and deemed received (1) upon receipt if personally delivered; (2) on third day after mailing if sent by certified mail, return receipt requested; or (3) the next business day if sent by messenger or reputable overnight courier. Notices shall be sent to the following addresses:
- a. Executive Director
Minnesota Counties Information Systems
413 S.E. 7th Ave.
Grand Rapids, MN 55744
 - b. Current MIS Manager [Itasca County]
123 North St
Grand Rapids, MN 55744
 - c. Current MIS Manager [Carlton County]
501 Walnut Avenue
Carlton, MN 55718
12. **ASSIGNMENT.** No party shall assign its rights or delegate its duties under this Agreement without receiving prior written consent of the other parties.

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13. **WAIVER.** The waiver of any provision or the breach of any provision of this Agreement shall not be effective unless made in writing. Any waiver by either party of any provision or the breach of any provision of this Agreement shall not operate as, or be construed to be, a continuing waiver of the provision or the breach of the provision.

14. **EXECUTION.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and to constitute one and the same instrument. Electronic copies shall be considered originals.

15. **MISCELLANEOUS.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, documents and proposals. Any amendment or modification to this Agreement shall not be valid unless such amendment or modification is in writing, signed by authorized representatives, and references this Agreement.

Minnesota Counties Information Systems

By: _____

Print Name

Its: _____

Dated: _____

COUNTY OF ITASCA

By: _____

Print Name

Its: _____

Dated: _____

COUNTY OF CARLTON

By: _____

Print Name

Its: _____

Dated: _____

Summary of Hosting Expenses for County

Hardware/Facilities Cost	One	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Time										
Annual Hdw Cost/Participant	\$21,915	\$2,860	\$3,210	\$11,070	\$11,200	\$11,320	\$4,140	\$5,470	\$6,150	\$9,270	\$9,400
Facility Cost (Itasca/Carlton)	\$0	\$852	\$588	\$492	\$516	\$528	\$552	\$576	\$588	\$612	\$624
Total Cost/Participant	\$21,915	\$3,712	\$3,798	\$11,562	\$11,716	\$11,848	\$4,692	\$6,046	\$6,738	\$9,882	\$10,024
Est Cost/Month	\$310	\$317	\$964	\$977	\$988	\$391	\$504	\$562	\$824	\$836	
MCIS Support (i.e. Labor Cost)											
LEVEL 1	Annual Cost	\$4,440	\$4,548	\$4,668	\$4,836	\$4,920	\$5,040	\$5,220	\$5,328	\$5,460	\$5,628
	Cost /Month	\$370	\$379	\$389	\$403	\$410	\$420	\$435	\$444	\$455	\$469
LEVEL 2	Annual Cost	\$7,608	\$7,800	\$8,004	\$8,292	\$8,448	\$8,652	\$8,952	\$9,132	\$9,360	\$9,648
	Cost /Month	\$634	\$650	\$667	\$691	\$704	\$721	\$746	\$761	\$780	\$804
LEVEL 3	Annual Cost	\$8,904	\$9,108	\$9,336	\$9,684	\$9,864	\$10,104	\$10,452	\$10,666	\$10,932	\$11,268
	Cost /Month	\$742	\$759	\$778	\$807	\$822	\$842	\$871	\$888	\$911	\$939

Year we plan for you to go live, you will pay the hardware fee for that full year, plus the one time buy-in. Exception is the first three counties we are working on in 2016. One time buy-in and yearly fee will not start until 2017.

MCIS support level chosen is locked for the year. Dropping a level within the year cannot be allowed based on how we are crediting this service back to the MCIS Budget. Moving up a level or requesting additional services will be allowed.

MCIS will agree with a County on planned lived date. MCIS Support Level Fee will start two months prior to that planned go live date. Exception is the first three counties as we are using them as a training ground.

The next purchase of hardware upgrades after the initial purchase is planned for 2022 and 2028. Your fees have reserve costs built into them. Also, once you sign the contract you will be committed as it relates to hardware fees until the next planned purchase.

Based on lesson learned from year to year fluctuations in charges could occur in order to keep the MCIS Organization having costs absorbed for Hosting at breakeven point.

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

H-3
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 08/27/16

Via: Paul Gassert, County Auditor/Treasurer

From: Dennis Genereau

Title of Item for Consideration: Review and approve contract for Truancy Officer

Presenter: Dennis Genereau

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
 Award contract or bid
 Approve by resolution (attached)

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
Budget adjustment required Yes No NA
Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
Applicable job description(s) may require revision Yes No NA
Item may change the department's authorized staffing level Yes No NA
Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
If yes, what was their recommendation _____

Supporting Attachments

- Summary provided on page 2
 Summary has been attached
 Copy of contract and applicable bid comparison
 Draft resolution
 Meeting minutes related to this issue
 Copy of Truancy Officer contract

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

H-4
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 06/27/16

Via: Paul Gassert, County Auditor/Treasurer

From: Dennis Genereau

Title of Item for Consideration: Approval to pursue the purchase of the building located at 1403 Avenue C, Cloquet, MN (Labor Temple)

Presenter: Dennis Genereau

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
- Award contract or bid
- Approve by resolution (attached)
-

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
- Budget adjustment required Yes No NA
- Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
- Applicable job description(s) may require revision Yes No NA
- Item may change the department's authorized staffing level Yes No NA
- Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
- If yes, what was their recommendation _____

Supporting Attachments

- Summary provided on page 2
- Summary has been attached
- Copy of contract and applicable bid comparison
- Draft resolution
- Meeting minutes related to this issue
-
-
-

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Carlton County Board of Commissioners
Item for Consideration / Agenda Item Cover Sheet

H-5
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 06/27/16
Via: Paul Gassert, County Auditor/Treasurer
From: Dennis Genereau
Title of Item for Consideration: Approve contracting with Pinewood for county wide shredding services
Presenter: Dennis Genereau

Type of Action Requested (check all that apply)

- Info only, no action requested at this time
- Award contract or bid
- Approve by resolution (attached)
- _____

Fiscal Impact (check all that apply)

- Item included under current budget Yes No NA
- Budget adjustment required Yes No NA
- Reviewed by Finance Committee Yes No NA

Staffing Impact

- Duties of a County employee(s) may be materially affected Yes No NA
- Applicable job description(s) may require revision Yes No NA
- Item may change the department's authorized staffing level Yes No NA
- Reviewed by Human Resources Yes No NA

Other

- Reviewed by other Committee, Board or Commission Yes No NA
- If yes, what was their recommendation _____

Supporting Attachments

- Summary provided on page 2
- Summary has been attached
- Copy of contract and applicable bid comparison
- Draft resolution
- Meeting minutes related to this issue
- Copy of proposed contract with Pinewood
- _____
- _____

Motion By _____ Seconded By _____

TO: _____

Action on Motion: _____ AYE _____ NO _____ ABSTAIN

Motion: Carried Defeated

Terms and Conditions

Pinewood Shredding Service Agreement

When contracting with Pinewood we provide the following in our service contract:

This Confidential Document Destruction Service Agreement (“Services Agreement”) is made between Pinewood and Carlton County where service is provided (“Client”).

In consideration of the mutual covenants contained herein, Pinewood and Client hereby agree as follows:

Section 1. The Services

Pinewood will perform regular service and/or a one-time purge at a specific location agreed upon by both parties in accordance with the terms and conditions of this Agreement. Both parties will mutually establish a schedule or one time purge with Pinewood. Both parties will mutually agree to a service charge prior to the service being conducted. Pinewood will securely collect all confidential material from the Client location. The confidential material will be securely transported to a Pinewood facility for destruction. The material will be transported in locked security containers. All material will be shredded to comply with Federal and State regulations. Pinewood will produce a certificate of destruction upon completion of the service. After material has been shredded, Pinewood will recycle such material.

1.1 Storage Units.

Pinewood shall supply working, secure, locking units for the collection of documents to be destroyed. Locked containers will be provided free of charge to the Client for regular service.

1.2 Obligation of Client to Pinewood.

Locked containers are to be used by Client for the sole purpose of keeping confidential documents and are not to be removed or used for any other purpose. The locked containers furnished by Pinewood hereunder shall remain the property of Pinewood and Client shall not acquire any property interest in such containers. Client will adhere, whenever possible, to the mutually agreed upon scheduled date(s), established for material removal and destruction. Client shall reimburse Pinewood for any expenses reasonably incurred by Pinewood (including reasonable legal fees) by reason of Pinewood complying with its obligations under this Agreement to destroy such materials in the event of a dispute concerning the destruction of the materials provided by Client to Pinewood.

1.3 Additional Work.

It is understood that, from time to time during the term of this Agreement, Client may request Pinewood to perform services or provide materials which are not set forth in the Contract Duties but are related to the services encompassed within the Contract Duties (hereinafter “Additional Work”). Pinewood hereby agrees to perform such Additional Work so long as prior to the

performance of such Additional Work, Client shall authorize and mutually agree upon compensation payable to Pinewood for the full performance of said Additional Work.

Section 2. Compensation

Client will pay Pinewood for Services rendered in the amount and on the payment terms described in an email, printed sales quote, over the phone, and/or via fax.

Section 3. Term and Termination

This Services Agreement shall be effective the day Pinewood drops off security containers or the day the service is provided, whichever occurs first. The contract is a one year term that automatically renews for one additional year based upon the effective date. The one year term will begin on _____, 2016 and will end on _____, 2017. The term may be renewed for another one year term on _____, 2017. The Client can end service without cause or reason. Pinewood will perform the final service at the agreed upon service charge(s) and pick up the containers at the conclusion of the service.

Section 4. Independent Contractor

Pinewood will perform the Services as an independent contractor of Client and this Agreement will not be construed to create a partnership, joint venture, or employment relationship between Pinewood and Client.

Section 5. Insurance; Risk of Loss

Pinewood will maintain appropriate insurance policies and market appropriate limits and shall show Client the Certificates of Liability, Business Auto Liability Insurance and Worker's Compensation Insurance, if requested.

Section 6. Limitation of Liability

Pinewood shall not be responsible or liable for the release or loss of any materials deposited in bins and/or cabinets or otherwise delivered to it for destruction unless the release or loss is due to Pinewood's negligence or willful misconduct. Pinewood is responsible for secure destruction at the point the material is given/taken possession by a Pinewood employee.

6.1 Ownership Warranty.

Client warrants that it is the owner, legal custodian or otherwise has the right to deliver for confidential destruction any and all materials Client provides Pinewood hereunder.

Section 7. No Conflicting Obligations

7.1 Other Agreements.

Pinewood's execution, delivery, and performance of this Agreement will not violate any other employment, nondisclosure, confidentiality, consulting or other agreements or commitments to which Pinewood is a party or by which may be bound.

7.2 Confidential Information.

"Confidential Information" means any information relating to Clients property, business, and affairs. Unless such Confidential Information was previously known to Pinewood free of any obligation to keep it confidential, is subsequently made public by Client or by a third party

having a legal right to make such disclosure, or was known to Pinewood prior to receipt of same from Client, it shall be held in confidence by Pinewood and shall be used only for the purposes provided in this Agreement. Pinewood shall use the same degree of care to safeguard Client's Confidential Information as it uses to safeguard its own. However, Pinewood will comply with any subpoena or similar order related to materials delivered to Pinewood; provided that it shall, unless prohibited by law, notify Client promptly of any such subpoena or notice. It is not Pinewood's responsibility to determine if material should be or should not be shredded. It's the Clients responsibility to determine which material should be destroyed. Pinewood will securely destroy all material given to us without determining its content or value.

Section 8. Indemnification

Pinewood will indemnify, defend and hold Client (and Client's agents and employees) harmless from all claims, damages, losses and expenses (including attorneys' fees) arising out of or resulting from any claim, action, or other proceeding (including any proceeding by any employees, agents or contractors) that is based upon (a) Pinewood's breach of this agreement, (b) the conduct of Pinewood's business, or (c) any negligent act or omission of Pinewood.

Client will indemnify and defend and hold Pinewood (and Pinewood's agents and employees) harmless from all claims, damages, losses and expenses (including attorneys' fees) arising out of or resulting from any claim, action, or other proceeding (including any proceeding by any employees, agents or contractors) that is based upon (a) Client's breach of this agreement, (b) the conduct of Client's business, or (c) any negligent act or omission of Client.

Section 9. Applicable Law

This Agreement will be governed in all respects by, and construed and enforced in accordance with, the laws of the State where the service took place, without regard to any rules governing conflicts of laws.

Section 10. Conflicts

Both parties agree that in the event of a conflict that a reasonable effort will be made to resolve the conflict in a timely and reasonable manner mutually agreeable and beneficial for both parties. It is understood that reasonable effort would require, at a minimum, a face to face meeting. In the event a conflict cannot be resolved, the parties agree to submit the matter to binding Arbitration, pursuant to the procedural rules of the American Arbitration Association.

Carlton County Board Chairperson

Pinewood Representative