

REDWOOD COUNTY, MINNESOTA

November 1, 2016

The Board of County Commissioners met in regular session at 8:30 a.m. in the Commissioners' Room in the Government Center, Redwood Falls, Minnesota.

Present for all or portions of the meeting were Commissioners Dennis Groebner, Lon Walling, Priscilla Klabunde, Jim Salfer and Sharon Hollatz. Also present were Administrator Vicki Knobloch; County Attorney Steve Collins; County Engineer Willy Rabenberg; Environmental Director Scott Wold; Planning and Zoning Supervisor Nick Brozek; License Center Supervisor Lisa Guggisberg; GIS Specialist Eric Solo; Human Resource Director Peter Brown; Auditor/Treasurer Jean Price; WOLD Representative John McNamara and Northland Lumber and Supply Joe Voss and Springsted Senior Vice President Terri Heaton.

Chair Klabunde called the Meeting to order asking for the Pledge of Allegiance to the Flag.

On motion by Walling, second by Groebner, the Board voted unanimously to approve the agenda.

Chair Klabunde asked the Board members to identify any areas for which they had a Conflict of Interest. Salfer identified a conflict of interest in the Abstract of Bills.

CONSENT AGENDA

- On motion by Hollatz, second by Salfer, and excluding the bill from Salfer Foods in the amount of \$56.00, the Board voted to approve the Consent Agenda.
- On motion by Walling, second by Groebner, with Salfer abstaining due to a Conflict of Interest, the Board voted to approve the bill from Salfer Foods in the amount of \$56.00.
 - October 18th, 2016 Board minutes
 - Payment of bills as follows:

General Fund	\$ 210,486.61
Ditch Maintenance Fund	\$ 5,361.10
R & B Fund	\$ 207.55

ROAD & BRIDGE

- On motion by Walling, second by Salfer, the Board voted unanimously to approve payment of Road & Bridge bills in the amount of \$88,897.85.
- On motion by Hollatz, second by Groebner, the Board voted unanimously to approve final payment of CMP 16-PM to AAA Striping Service Company in the amount of \$3,395.92.
- On motion by Groebner, second by Walling, the Board voted unanimously to approve final payment of SP 64-598-022 to M & K Bridge and Construction in the amount of \$17,641.72.
- On motion by Hollatz, second by Salfer, the Board voted unanimously to approve final payment of SP 64-594-001 to McLaughlin and Schulz, Inc. in the amount of \$14,741.03.

- On motion by Groebner, second by Hollatz, the Board voted unanimously to approve final payment of SP 064-602-021 to Duinick, Inc. in the amount of \$172,977.62.

COUNTY ATTORNEY

- On motion by Walling, second by Hollatz, the Board voted unanimously to approve to sell approximately 1.97 acres of land in Johnsville Township.
- On motion by Salfer, second by Hollatz, the Board voted unanimously to approve the Court Data Services Subscriber Amendment to CJDN Subscriber Agreement for the County Attorney.
- On motion by Walling, second by Klabunde, the Board voted unanimously to approve the State of Minnesota Joint Powers Agreement with the Bureau of Criminal Apprehension and the County of Redwood on behalf of the County Attorney.
- On motion by Hollatz, second by Walling, the Board voted unanimously to approve the Child Support Cooperative Arrangement with Human Services, Sheriff and Attorney offices.
- On motion by Walling, second by Groebner, the Board voted unanimously to approve the Westlaw 36 month Contract renewal.

ENVIRONMENTAL

- On motion by Walling, second by Groebner, the Board voted unanimously to approve to update the Redwood County Drainage Policy and Guidance Documents to include the addition of Section 14 outlining the division of ditch benefits.
- On motion by Walling, second by Hollatz, the Board voted unanimously to approve a Request for Proposals to hire a consultant to revise/update and review all Redwood County Ordinances.
- Wold and Solo updated the Board regarding the 2016 Pictometry imagery that was unsatisfactory and have scheduled a 2017 fly over for Redwood County and the City of Redwood Falls at no cost to the County.

PLANNING AND ZONING

- On motion by Groebner, second by Hollatz, the Board voted unanimously to approve the Road Maintenance Agreement with Mathiowetz Construction in regards to Permit #13-16.

ADMINISTRATOR

- On motion by Walling, second by Groebner, the Board voted unanimously to enter into an agreement with WOLD Architects for the Courthouse Security and Renovation Project planning.
- On motion by Groebner, second by Hollatz, the Board voted unanimously to approve the Amendment to the Redwood County Historical Society Lease Agreement.
- On motion by Hollatz, second by Salfer, the Board voted unanimously to approve the Plum Creek Library Joint Powers Agreement.
- On motion by Walling, second by Salfer, the Board voted unanimously to approve the Minnesota Sporting Clays Association Raffle Permit.

Personnel Action Items:

- On motion by Walling second by Hollatz, the Board voted unanimously to hire Jordan Cady as Part-time Custody Officer/Dispatcher for the Sheriff's Department effective November 2, 2016 at the LELS Scale, Grade J/D, Step 1 at \$14.90/hour.

- On motion by Groebner, second by Hollatz, the Board voted unanimously to hire Katie Salden as Part-time Child Advocacy Coordinator effective November 2, 2016 starting at the Non-Union schedule, Grade 11, Step 1 at \$18.03/hour.

SPRINGSTED

- On motion by Walling, second by Salfer, in a roll-call vote with Walling, Salfer, Hollatz, Klabunde and Groebner all voting aye, the Board voted unanimously to adopt the following resolution:

A RESOLUTION AWARDING THE SALE OF \$1,170,000
 GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN REFUNDING BONDS,
 SERIES 2016A; FIXING THEIR FORM AND SPECIFICATIONS;
 DIRECTING THEIR EXECUTION AND DELIVERY;
 AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED By the Board of Commissioners of Redwood County, Minnesota (County) as follows:

Section 1. Authorization; Sale of Bonds.

1.01. By resolution dated September 20, 2016, the County has determined that it is necessary and desirable for the sound financial management of the County that the County issue and sell its general obligation capital improvement plan refunding bonds pursuant to Minnesota Statutes, Section 373.40 to refund certain outstanding maturities of the County’s General Obligation Capital Improvement Plan Bonds, Series 2008A.

1.02. The proposal of United Bankers’ Bank (Purchaser) to purchase \$1,170,000 General Obligation Capital Improvement Plan Refunding Bonds, Series 2016A (Bonds) of the County described in the Terms of Proposal thereof is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$1,210,470.41, for Bonds bearing interest as follows:

<u>Year of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Year of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>
2020	2.20%	2023	2.00%
2021	2.00	2024	2.00
2022	2.00		

1.03. The County Auditor-Treasurer is directed to deposit the good faith check of the Purchaser, pending completion of the sale of the Bonds, and to return the good faith checks of the unsuccessful proposers forthwith. The Chair and the County Administrator are directed to execute a contract with the Purchaser on behalf of the County.

1.04. The County will forthwith issue and sell the Bonds in the total principal amount of \$1,170,000, originally dated as of November 29, 2016, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and which mature serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2020	\$225,000	2023	\$240,000
2021	225,000	2024	250,000
2022	230,000		

1.05. The Bonds are not subject to redemption prior to maturity.

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case such Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case such Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2017, to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

2.03. Registration. The County will appoint and maintain a bond registrar, transfer agent, authenticating agent and paying agent (Registrar). The effect of registration and the rights and duties of the County and the Registrar with respect thereto are as follows:

(a)Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b)Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c)Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d)Cancellation. Bonds surrendered upon any transfer or exchange will be promptly canceled by the Registrar and thereafter disposed of as directed by the County.

(e)Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The County and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g)Taxes, Fees and Charges. For a transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h)Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the 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 Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the County and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be canceled by the Registrar and evidence of such cancellation must be given to the County. 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.

2.04. Appointment of Initial Registrar. The County appoints U.S. Bank National Association, St. Paul, Minnesota, as the initial Registrar. The Chair and the County Administrator are authorized to execute and deliver, on behalf of the County, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation is authorized to act as successor Registrar. The County agrees to pay the reasonable and customary charges of the Registrar for the services performed. The County reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or

interest due date, without further order of this Board, the County Auditor-Treasurer must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the County Administrator and executed on behalf of the County by the signatures of the Chair and the County Administrator, provided that all signatures may be manual or facsimiles. In case any officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, such signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the County Auditor-Treasurer will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.06. Temporary Bonds. The County may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in Section 3 with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and canceled.

Section 3. Form of Bond. The Bonds will be printed in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF REDWOOD

GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN REFUNDING BOND
SERIES 2016A

<u>Rate</u>	<u>Maturity</u>	Date of <u>Original Issue</u>	<u>CUSIP</u>
2.00%		November 29, 2016	

No. _____ \$ _____

Registered Owner: Cede & Co.

Redwood County, Minnesota, a duly organized and existing political subdivision of the State of Minnesota (County), acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner specified above or registered assigns, the principal sum specified above, with interest thereon from the date hereof at the annual rate specified above, payable February 1 and August 1 in each year, commencing August 1, 2017, to the person in

whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by U.S. Bank National Association, St. Paul, Minnesota, as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the County have been and are hereby irrevocably pledged.

The issue of Bonds of which this Bond forms a part has been delegated as “qualified tax exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the Code) relating to disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

This Bond is one of an issue in the aggregate principal amount of \$1,170,000 all of like original issue date and tenor, except as to number, maturity date, and interest rate, all issued pursuant to resolutions adopted by the Board of Commissioners on November 1, 2016 (the Resolution), for the purpose of providing money to refund certain previously issued bonds for the purpose of financing the cost of capital improvements under the County’s capital improvement plan, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Section 373.40 and Chapter 475, and the principal hereof and interest hereon are payable primarily from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the County are irrevocably pledged for payment of this Bond and the Board of Commissioners has obligated itself to levy additional ad valorem taxes on all taxable property in the County in the event of any deficiency, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the County at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner’s attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the County will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The County and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the County nor the Bond Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to

make it a valid and binding general obligation of the County in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the County to exceed any constitutional or statutory limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Redwood County, Minnesota, by its Board of Commissioners, has caused this Bond to be executed on its behalf by the facsimile signatures of the Chair and County Administrator and has caused this Bond to be dated as of the date set forth below.

REDWOOD COUNTY, MINNESOTA

By _____
Its Chair

By _____
Its County Administrator

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants
in common

UNIF GIFT MIN ACT _____ Custodian _____
(Cust) (Minor)

TEN ENT -- as tenants
by entireties

under Uniform Gifts or
Transfers to Minors

JT TEN -- as joint tenants with
 right of survivorship and Act
 not as tenants in common (State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name
 as it appears upon the face of the within Bond in every particular, without
 alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges.

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

 (Include information for all joint owners if this Bond is held
 by joint account.)

Please insert social security or other identifying number of assignee

Section 4. Bonds; Security; Escrow.

4.01. Funds and Accounts. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds and certain of the General Obligation Capital Improvement Plan Bonds, Series 2008A maturing in the years 2020 through 2024 (the "Refunded Bonds"), and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds and Refunded Bonds, there is hereby created a special fund to be designated the Capital Improvement Plan Refunding Bonds, Series 2016A Debt Service Fund (the Fund) to be administered and maintained by the County Auditor-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the County. The Fund will be maintained in the manner herein specified until all of the Refunded Bonds have been paid and until all of the Bonds and the interest thereon will have been fully paid. There will be maintained in the Fund two separate accounts, to be designated the Escrow Account and Debt Service Account.

(a) Escrow Account. The Escrow Account will be maintained as an Escrow Account (Escrow Account) with U.S. Bank National Association, Saint Paul, Minnesota, which is a suitable financial institution within the State, whose deposits are insured by the Federal Deposit Insurance Corporation, whose combined capital and surplus is not less than \$500,000 and said financial institution is hereby designated escrow agent (Escrow Agent) for the Escrow Account. All proceeds of the sale of the Bonds will be received by the Escrow Agent and applied to fund the Escrow Account or to pay costs of issuing the Bonds. Proceeds of the Bonds not used to pay costs of issuance are hereby irrevocably pledged and appropriated to the Escrow Account, together with all investment earnings thereon. The Escrow Account will be invested in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as will be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Account, to pay when due the interest to accrue on each Bond to and including February 1, 2019 (Redemption Date), and to pay when due on the Redemption Date the principal amount of each of the Refunded Bonds then outstanding. From the Escrow Account there will be paid (i) all interest paid on, or to be paid on, or to accrue on, the Bonds to and including the Redemption Date, and (ii) the principal of the Refunded Bonds due by reason of redemption on the Redemption Date. The Escrow Account will be irrevocably appropriated to the payment of the principal of and interest on the Bonds until the proceeds of the Bonds therein are applied to prepayment of the Refunded Bonds. The moneys in the Escrow Account will be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the County, all in accordance with the Escrow Agreement (hereafter defined) by and between the County and the Escrow Agent. Any moneys remitted to the County upon termination of the Escrow Agreement will be deposited in the Debt Service Account.

(b) Debt Service Account. To the Debt Service Account there is hereby pledged and irrevocably appropriated and there will be credited: (i) any balance remitted to the County upon the termination of the Escrow Agreement; (ii) any balance remaining on February 2, 2019, in the Debt Service Fund created by the Board of Commissioners resolution authorizing the issuance and sale of the Refunded Bonds (Prior Resolution); (iii) any collections of all taxes hereafter levied for the payment of the Bonds and interest thereon; (iv) all investment earnings on funds in the Debt Service Account; (v) all taxes collected

after the Redemption Date, pursuant to levies made and pledged to repayment of the Refunded Bonds in the Prior Resolution which levies will not be canceled except as permitted by Section 475.61, Subdivision 3 of the Act; (vi) accrued interest (if any) received upon delivery of the Bonds to the extent not required to fund the Escrow Account; and (vii) any and all other moneys which are properly available and are appropriated by the Board of Commissioners to the Debt Service Account. The amount of any surplus remaining in the Debt Service Account when the Bonds and interest thereon are paid will be used as provided in Section 475.61, Subdivision 4 of the Act.

4.02. The moneys in the Debt Service Account will be used solely to pay the principal of and interest on the Bonds or any other bonds hereafter issued and made payable from the Fund. No portion of the proceeds of the Bonds will 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 (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds any sums from time to time held in the Fund (or any other County 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 will 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. In addition, the proceeds of the Bonds and money in the Fund will 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).

4.03. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the County will be and are hereby irrevocably pledged. If the balance in the Escrow Account or Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of moneys in the general fund of the County which are available for such purpose, and such general fund may be reimbursed with or without interest from the Escrow Account or Debt Service Account when a sufficient balance is available therein.

4.04. Pledge of Tax Levy.

(a) To provide moneys for payment of the principal and interest on the Bonds, there is hereby levied upon all of the taxable property in the County a direct annual ad valorem tax to be spread upon the tax rolls and collected with and as part of other general property taxes in the County, in the years and in the amounts as follows:

<u>Year</u>	<u>Levy</u>
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(See Attachment A)

(b)The tax levies are such that if collected in full they, together with estimated collections of investment earnings (and until the Redemption Date, all amounts in the Escrow Account) and other revenues herein pledged for the payment of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies will be irrevocable so long as any of the Bonds are outstanding and unpaid, provided that the County reserves the right to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3, as amended.

4.05. The County Auditor-Treasurer is authorized and directed to file a certified copy of this resolution in the appropriate records and to deliver the certificate required by Minnesota Statutes, Section 475.63.

Section 5. Authentication of Transcript.

5.01. The officers of the County are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the County relating to the Bonds and to the financial condition and affairs of the County, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds and such instruments, including any heretofore furnished, will be deemed representations of the County as to the facts stated therein.

5.02. The Chair and County 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.

5.03. The Chair and County Auditor-Treasurer are authorized to execute the Continuing Disclosure Undertaking substantially in the form on file with the County Auditor-Treasurer on the date hereof.

Section 6. Tax Covenant.

6.01. The County covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the Code), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. The County will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments,

limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States.

6.03. The County further covenants not to use the proceeds of the Bonds or to cause or permit them or any of 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.

6.04. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the County 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 County 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 County (and all subordinate entities of the County) during calendar year 2016 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the County during calendar year 2016 have been designated for purposes of Section 265(b)(3) of the Code.

Section 7. Book-Entry System; Limited Obligation of County.

7.01. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.03 hereof. Upon initial issuance, the ownership of each such Bond will be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (DTC). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC.

7.02. With respect to Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, the County, the Bond Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the Participants) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person other than a registered owner of Bonds, as shown by the registration books kept by the Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, or any amount with respect to principal of, premium, if any, or interest on the Bonds. The County, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Bond for the purpose of

payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Bond Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the County's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Bond Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the County Auditor-Treasurer of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and the words "Cede & Co.," will refer to such new nominee of DTC; and upon receipt of such a notice, the County Auditor-Treasurer will promptly deliver a copy of the same to the Bond Registrar and Paying Agent, if the Bond Registrar or Paying Agent is other than the County Auditor-Treasurer.

7.03. Representation Letter. The County has previously submitted to DTC a representation letter (Representation Letter). Any Paying Agent or Bond Registrar subsequently appointed by the County with respect to the Bonds will agree to take all action necessary for all representations of the County in the Representation Letter with respect to the Bond Registrar and Paying Agent, respectively, to at all times to complied with.

7.04. Transfers Outside Book-Entry System. In the event the County, by resolution of the Board of Commissioners, determines that it is in the best interests of the persons having beneficial interest in the Bonds that they be able to obtain Bond certificates, the County will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the County will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the County will issue and the Bond Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond will be made and given, respectively in the manner provided in the Representation Letter.

Section 8. Refunding; Findings; Redemption of Refunded Bonds.

8.01. As of the date of delivery of and payment for the Bonds the proceeds of the Bonds, including accrued interest on the Bonds (Proceeds), together with other funds (Funds) in the amount of \$460,000 are hereby pledged and appropriated and will be deposited in the Escrow Account.

8.02. It is hereby found and determined that the Proceeds and Funds available and appropriated to the Escrow Account will be sufficient, together with the permitted earnings on the

investment of the Escrow Account, to pay at maturity or redemption all of the principal of and redemption premium (if any) on the Refunded Bonds, and to pay expenses of the issuance of the Bonds.

8.03. The Refunded Bonds maturing on February 1, 2020, and thereafter will be redeemed and prepaid on the Redemption Date. The Refunded Bonds will be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption attached to the Escrow Agreement described below which terms and conditions are hereby approved and incorporated herein by reference.

8.04. Escrow Agreement. On or prior to the delivery of the Refunding Bonds, the Chair and the County Administrator are hereby authorized and directed to execute on behalf of the County an escrow agreement (Escrow Agreement) with the Escrow Agent in substantially the form now on file with the County Administrator. All essential terms and conditions of the Escrow Agreement including payment by the County of reasonable charges for the services of the Escrow Agent, are hereby approved and adopted and made a part of this resolution, and the County covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

8.05. Defeasance. When all Bonds and all interest thereon, have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the County for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The County may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The County may also at any time discharge and defease the Bonds in their entirety by complying with the provisions of Minnesota Statutes, Section 475.67, except that the funds deposited in escrow in accordance with said provisions may (to the extent permitted by law) but need not be, in whole or in part, proceeds of bonds as therein provided without the consent of any Bondholders.

COMMISSIONERS ITEMS

- On motion by Walling, second by Hollatz, the Board voted unanimously to approve payment to Northland Lumber Supply in the amount of \$2,400.

COMMISSIONER REPORTS

- The Commissioners reported on meetings they attended:

Groebner:

- Friends of Gilfillan
- Services Enterprises
- Road and Bridge Tour

Hollatz:

- Rotary Meeting
- Plum Creek Library System

Walling:

- RCRCA/Area II
- Planning and Zoning Commission

Klabunde:

- Southwest Health and Human Services
- Southern Prairie Community Care
- Western Mental Health

Salfer:

- Southwest Health and Human Services
- State Community Health Services Advisory Committee

ADJOURN

- There being no further business, Chair Klabunde declared the meeting adjourned at 12:13 p.m.

Priscilla Klabunde, Chair
Board of County Commissioners

Attest: _____
Vicki Knobloch
County Administrator