

## OFFICIAL PROCEEDINGS OF THE COUNTY BOARD OF NOBLES COUNTY, MINNESOTA

The County Board of Nobles County met in regular session this 8<sup>th</sup> day of December, 2016, in the Board of Commissioners Room, at the Nobles County Government Center, Worthington, Minnesota. The following Commissioners were in attendance: Marvin Zylstra, Gene Metz, Matt Widboom, Robert Demuth Jr. and Donald Linssen.

The Pledge of Allegiance to the flag was recited.

On a motion by Matt Widboom and seconded by Donald Linssen, it was duly passed to approve the agenda as presented.

Angela Abrahamson, Social Worker, was acknowledged as the recipient of the Nobles County Excellence in Performance Award.

On a motion by Robert Demuth Jr. and seconded by Matt Widboom, it was duly passed to approve the consent agenda.

- 5.1 November 22, 2016 Regular Meeting Minutes
- 5.2 November 22, 2016 Ditch Authority Meeting Minutes
- 5.3 Amendment #3 to SWIFT Contract 94424
- 5.4 Legal Services Agreement
- 5.5 Interpreter Agreements for 2017
- 5.6 Legal Services Agreements – CHIPS
- 5.7 Meetings & Conferences – Travel Expenses
- 5.8 Auditor's and Commissioner's Warrants
  - A. Accounts Payable Summary
  - B. Audit List of Warrants

On a motion by Marvin Zylstra and seconded by Matt Widboom, it was duly passed to open the public hearing to review, discuss and consider the proposed property tax abatement request for Melanie Cleland.

Abraham Algadi, Worthington Regional Economic Development Corporation, reviewed the proposal for the tax abatement request for construction of new residential single family home.

No public comments were received.

On a motion by Robert Demuth Jr. and seconded by Donald Linssen, it was duly passed to close the hearing.

On a motion by Matt Widboom and seconded by Marvin Zylstra, it was duly passed to adopt the following resolution number 201656:

WHEREAS, Minnesota Statute 469.1813 gives authority to the County of Nobles to grant an abatement of property taxes imposed by the County if certain criteria are met; and

WHEREAS, in addition to the statutory requirements, Nobles County has adopted the Nobles Home Initiative guidelines which must be met before an abatement of taxes will be granted for residential development; and

WHEREAS, Eugene and Melanie Cleland are the owners of certain property within Nobles County, legally described as follows:

Parcel ID: 28-0081-000 Craven's Addition Lots 13 thru 15 Block 1  
(110 1<sup>st</sup> Ave, Round Lake MN 56167)

WHEREAS, Melanie Cleland has made application to Nobles County for the abatement of taxes as to the above-described parcel; and

WHEREAS, Eugene and Melanie Cleland have met the statutory requirements outlined under Minnesota Statute 469.1813 Subdivision 1(1) and Subdivision 2(i) as well as the County's Nobles Home Initiative guidelines for tax abatement;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF NOBLES COUNTY, MINNESOTA:

1. The Nobles County does, hereby grant an abatement of Nobles County share of real estate taxes upon the above-described parcel for the construction of a new single family home.

2. The tax abatement will be for no more than five years commencing on the first year of taxes payable for the assessed value(s) related to the capital improvements outlined in Paragraph 1.
3. The County shall provide the awarded abatement payment following payment of due real estate taxes annually. One single payment shall be made to the owner of record by December 30<sup>th</sup> of that calendar year.
4. The tax abatement shall be for the residential capital improvements only. Land values and the current base value are not eligible and will not be abated.
5. The abatement shall be null and void if construction is not commenced within 6 months of the approval of this resolution or if real estate taxes are not paid on or before the respective payment deadlines annually.

Gordon Regenscheid and Scott McConkey, Minnesota Department of Transportation; Annette Larson, South Central Toward Zero Deaths; Kenny Willers, Minnesota State Patrol; Brett Wilttrout, Worthington Police Department, presented the Board with the mission to move Minnesota toward zero deaths on our roads using education, enforcement, engineering and emergency medical and trauma services and the help of everyone. Ms. Larson encouraged the Board to consider appointing a Commissioner to the Towards Zero Deaths Task Force.

Wayne Smith, Environmental Services Director, presented the Board with information and a recommendation in the area of conditional use permits.

On a motion by Robert Demuth Jr. and seconded by Marvin Zylstra, it was duly passed to approve Conditional Use Permit #32-2016 to Carstensen Construction, Pipestone, applicant, and Henning Construction, Adrian, landowner, for a laydown yard for materials located on 51.59 acres in the SW ¼ of the 568' of West 828' in SW ¼, Section 28, TWP 102, Range 43 (Westside Township) with the following conditions: the permit will be good until December 31, 2018 and the site must be restored to original condition.

On a motion by Donald Linssen and seconded by Matt Widboom, it was duly passed to approve Conditional Use Permit #33-2016 to Carol Tomford, applicant, and Bruce Tomford, Fulda, landowner, for operation of a home extended business to consist of buying and selling of used cars on a parcel located in the North 435' of West 300' of SW ¼, Section 25, TWP 104, Range 40 (Seward Township) with the condition the applicant have until September 1, 2017 to reduce the number of cars on site to 6 and from that point on there cannot be more than 6 cars for sale on site.

Terri Janssen, CHS Administrator/Public Health Director, presented the Board with information and recommendations in the area of a Health Information Exchange Participation Agreement and two Grant Project Agreement amendments.

On a motion by Donald Linssen and seconded by Robert Demuth Jr., it was duly passed to authorize the County Board Chair to sign, on behalf of Nobles County, a Health Information Exchange Participation Agreement between Southern Prairie Community Care and Nobles County Community Service for the provision of setting forth the terms and conditions pursuant to which Participant may access SPCC's health information exchange solution *SPCLink* effective December 8, 2016. A copy of the Agreement was before the Board and is made a part of this resolution by reference.

On a motion by Marvin Zylstra and seconded by Matt Widboom, it was duly passed to authorize the County Board Chair to sign, on behalf of Nobles County, an amendment to the Minnesota Department of Health Community Health Board Grant Project #64330 Agreement ending June 30, 2017. A copy of the Agreement was before the Board and is made a part of this resolution by reference.

On a motion by Robert Demuth Jr. and seconded by Donald Linssen, it was duly passed to authorize the County Board Chair to sign, on behalf of Nobles County, an amendment to the Minnesota Department of Health Community Health Board Grant Project Agreement for the provision of qualified programs for high risk and low income individuals in Maternal and Child health. A copy of the Agreement was before the Board and is made a part of this resolution by reference.

Angelo Torres, Information Technology Director, presented the Board with information and recommendations in the area of an aerial flyover.

On a motion by Matt Widboom and seconded by Marvin Zylstra, it was duly passed to authorize the IT Director to sign, on behalf of Nobles County, an agreement in the amount of \$130,587 with Pictometry for

enhanced detail as outlined in Option #3 including 3" for all towns, 6" entire County Ortho and 9" Obliques with ChangeFinder Utilities which provide building outlines.

Sue Luing, HR Director/Deputy County Administrator, presented the Board with information and recommendations in the area of a new position classification for Drainage System Coordinator.

Commissioner Widboom inquired if Kurt Deter of Rinke Noonan Attorneys at Law, whom the County has on retainer for drainage issues, had an opinion on the title. Mr. Johnson advised Mr. Deter had reviewed it and agrees with the "Coordination" but did not comment specifically on the title. Commissioner Linssen stated he had concerns of when moving forward, putting more ditch systems in "the red" but agreed that the redeterminations should have been done long ago.

On a motion by Matt Widboom and seconded by Gene Metz, it was duly passed to approve the Drainage System Coordinator job description and associated point value.

Stephen Schnieder, Public Works Director, presented the Board with information and recommendations in the area of a traffic study for the intersection of Diagonal Road and Oxford Street.

On a motion by Matt Widboom and seconded by Donald Linssen, it was duly passed to authorize the Public Works Director to hire a consultant to perform an evaluation of the Diagonal Road and Oxford Street intersection.

George Eilertson, Northland Securities, Inc., presented the Board with Bond Sale Results in the amount of \$9,505,000 for the General Obligation State Aid Road Bonds, Series 2016A. Mr. Eilertson advised the award is based off the true interest Cost (TIC) and he accredited the favorable bond response due to the AA+ bond rating due to the County's strong budgetary performance, with operating surpluses in the general fund; very strong budgetary flexibility, with a high available fund balance in fiscal 2015 of 78% of operating expenditures; and low overall net debt at less than 3% of market value and rapid amortization, with 66.9% of debt scheduled to be retired in 10 years.

On a motion by Marvin Zylstra and seconded by Robert Demuth Jr., it was duly passed to approve the following resolution number 201657 authorizing issuance, awarding sale, prescribing the form and details and providing for the payment of \$9,505,000 General Obligation State Aid Road Bonds, Series 2016A:

BE IT RESOLVED by the Board of Commissioners of Nobles County, Minnesota (the County), as follows:  
SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This Board, by resolution adopted November 8, 2016, authorized the issuance and sale on the date hereof of the County's General Obligation State Aid Road Bonds, Series 2016A (the Bonds), under Minnesota Statutes, Section 162.181 and Chapter 475, to finance the cost of state-aid highway improvements within the County (the Projects). Pursuant to Minnesota Statutes, Section 162.181, subdivision 1, the principal amount of the Bonds will not exceed the total of the County's state aid allotments in the years 2014 and 2015 (\$9,957,032). The Bonds shall be issued in the amounts and on terms such that the maximum amount of principal and interest due in any calendar year on the Bonds (\$1,111,125), in addition to any similar obligations of the County which are outstanding (\$0), shall not exceed 90 percent (\$2,384,641) of the amount of the 2015 allotment (\$2,649,601) received by the County from the construction account in the County state aid highway fund.

1.02. Sale. The County has retained Northland Securities, Inc. as independent municipal advisor in connection with the sale of the Bonds. Pursuant to Minnesota Statutes, Section 475.60, subdivision 2, paragraph 9, the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Official Statement prepared on behalf of the County by Northland Securities, Inc., proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Dougherty & Company LLC of Minneapolis, Minnesota (the Purchaser). It is hereby determined to issue the Bonds in the principal amount of \$9,505,000 at a price of \$9,938,200.60 plus accrued interest, if any, and upon the further terms and conditions set forth herein.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Chairperson and County Administrator are hereby authorized and directed to execute a contract on behalf of the County for the sale of the Bonds in accordance with the terms of the proposal. The good faith deposit of the Purchaser shall be retained and deposited by the County until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

**SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.**

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Board to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of original delivery thereof, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on April 1 in the years and amounts stated below, and shall bear interest from date of issue until paid at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2018	\$765,000	3.000%	2023	\$ 970,000	3.000%
2019	860,000	3.000	2024	995,000	3.000
2020	885,000	3.000	2025	1,025,000	3.000
2021	915,000	3.000	2026	1,060,000	3.000
2022	940,000	3.000	2027	1,090,000	3.000

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein; provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. The interest on the Bonds shall be payable on April 1 and October 1 in each year, commencing October 1, 2017, to the owner of record thereof as of the close of business on the fifteenth day of the preceding month, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing on April 1, 2025 and thereafter are subject to redemption and prepayment at the option of the County on April 1, 2024 and any date thereafter, at a price of par plus accrued interest to the date of redemption. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and principal amounts within each maturity to be redeemed shall be determined by the County and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar.

The County Administrator shall cause notice of the call for redemption thereof to be published as required by law and, at least thirty days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the registered holders of any Bonds to be redeemed at their addresses as they appear on the bond register described in Section 2.05 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

2.05. Appointment of Initial Registrar. The County hereby appoints Northland Trust Services, Inc., in Minneapolis, Minnesota, as the initial bond registrar, transfer agent and paying agent (the Registrar). The Chairperson 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 shall be 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 thirty (30) days notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide 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 any 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 shall 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. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar shall 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. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the County.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the 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 Registrar shall 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 any Bond is at any time registered in the bond register as the absolute owner of the Bond, whether the Bond shall be 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 all payments made to any registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), 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 such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such 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, in which both the County and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the County. If the mutilated, destroyed, stolen or lost Bond has already matured it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the County, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the County Administrator and shall be executed on behalf of the County by the signatures of the Chairperson and the County Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall 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 shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the County Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the County agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the County shall be affected by any notice to the contrary. Neither the Registrar nor the County shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the County determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the County may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the County and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chairperson or County Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the form found at EXHIBIT A.

Section 3. USE OF PROCEEDS. There is hereby established on the official books and records of the County a General Obligation State Aid Road Bonds, Series 2016A Construction Fund (the Construction Fund), which shall continue to be maintained until payment of all costs and expenses incurred in construction of the Projects to be financed by the Bonds. To the Construction Fund there shall be credited \$9,938,200.60 of the proceeds of the Bonds, and from the Construction Fund there shall be paid capital costs incurred by the County in the construction of the Projects and costs of issuance of the Bonds. Any Bond proceeds not needed for the foregoing purpose shall be transferred to the General Obligation State Aid Road Bonds, Series 2016A Bond Fund established in Section 4 hereof.

Section 4. GENERAL OBLIGATION STATE AID ROAD BONDS, SERIES 2016A BOND FUND. There is hereby created and shall be maintained on the official books and records of the County a General Obligation State Aid Road Bonds, Series 2016A Bond Fund (the Bond Fund), the moneys in which shall be used solely for the payment of the principal of and interest on the Bonds. From the proceeds of the Bonds, the amounts

specified in Section 3 hereof shall be deposited in the Bond Fund. There is hereby irrevocably appropriated to the Bond Fund, out of moneys allotted and to be allotted to the County from its account in the County State Aid Highway Fund of the State of Minnesota, such amount as shall be sufficient to pay the principal of and interest on the Bonds when due, on the dates and in the amounts as follows:

Year	Principal Amount	Interest Payable on	
		April 1	October 1
2017			\$215,446.67
2018	\$765,000	\$142,575.00	131,100.00
2019	860,000	131,100.00	118,200.00
2020	885,000	118,200.00	104,925.00
2021	915,000	104,925.00	91,200.00
2022	940,000	91,200.00	77,100.00
2023	970,000	77,100.00	62,550.00
2024	995,000	62,550.00	47,625.00
2025	1,025,000	47,625.00	32,250.00
2026	1,060,000	32,250.00	16,350.00
2027	1,090,000	16,350.00	0.00

The County Administrator shall follow the procedure set forth in Minnesota Statutes, Section 162.181, Subdivision 4, for obtaining such funds. If at any time the moneys in the Bond Fund should be insufficient to pay all principal and interest due on the Bonds, the County Administrator shall nevertheless pay the same from any moneys on hand in the general fund of the County, and the moneys so used shall be restored to the general fund from the moneys next received by the County from the Construction or Maintenance Account in the County State Aid Highway Fund of the State of Minnesota, which are not required for the payment of additional principal and interest, or from the proceeds of taxes levied pursuant to Section 5 hereof.

Section 5. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the County shall be and are hereby irrevocably pledged. However, it is presently estimated that the state aid highway allotments appropriated for the payment of such principal and interest in Section 4 hereof will be sufficient to pay the principal of and interest on the Bonds when due, accordingly no tax is levied at this time. However, if an actual or anticipated deficiency should arise in the receipt of such allotments, the County shall levy an ad valorem tax upon all taxable property in the County in accordance with Minnesota Statutes, Section 475.61, in an amount sufficient to eliminate the actual or anticipated deficiency.

Section 6. DEFEASANCE. When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the registered owners of the Bonds shall cease. The County may discharge its obligations with respect to any Bonds which are due on any date if there is deposited with the 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 Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The County 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 bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity, provided, however, that if such deposit is made more than ninety days before the maturity date of the Bonds to be discharged, the County shall have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates.

#### SECTION 7. TAX COVENANTS, ARBITRAGE MATTERS.

7.01. General Tax Covenant. The County covenants and agrees with the registered owners 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 actions that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the Code) and applicable Treasury Regulations (the Regulations), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The County has not and will not enter into any lease, management contract, operating agreement, use agreement or other contract relating to the use or operation of the Projects, or any portion thereof, which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

7.02. Certification. The Chairperson and County Administrator, being the officers of the County charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and Regulations.

7.03. Arbitrage Rebate. The County acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The County covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

7.04. Qualified Tax-Exempt Obligations. The County hereby designates the Bonds as "qualified tax-exempt obligations" for purpose of Section 265(b) of the Code relating to the disallowance of interest expenses for financial institutions. The County represents that in calendar year 2016 it does not reasonably expect to issue tax-exempt obligations which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of the Code as private activity bonds for purposes of this representation) in an amount in excess of \$10,000,000.

Section 8. CONTINUING DISCLOSURE. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the County hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The County is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the County fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The County will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the County, the following information at the following times:

- (1) on or before twelve (12) months after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2016, the following financial information and operating data in respect of the County (the Disclosure Information):
  - (A) the audited financial statements of the County for such fiscal year, prepared in accordance with generally accepted accounting principles in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the County, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the County; and
  - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: "Economic and Financial Information—Valuations," "-- Tax Capacity Rates" and "Tax Levies & Collections," and "Summary of Debt and Debt Statistics," which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the County shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the County shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access System (EMMA) or to the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the County have materially changed or been discontinued, such Disclosure Information need no longer be provided if the County includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other County operations in respect of which data is not included in the Disclosure Information and the County determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the County shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a Material Fact):
- (A) Principal and interest payment delinquencies;
  - (B) Non-payment related defaults, if material;
  - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (E) Substitution of credit or liquidity providers, or their failure to perform;
  - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
  - (G) Modifications to rights of security holders, if material;
  - (H) Bond calls, if material, and tender offers;
  - (I) Defeasances;
  - (J) Release, substitution, or sale of property securing repayment of the securities, if material;
  - (K) Rating changes;
  - (L) Bankruptcy, insolvency, receivership or similar event of the obligated person;
  - (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
  - (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, for those events that must be reported if material, an event is "material" if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also "material" if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:

- (A) the failure of the County to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
  - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the County under subsection (d)(2);
  - (C) the termination of the obligations of the County under this section pursuant to subsection (d);
  - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
  - (E) any change in the fiscal year of the County.
- (c) Manner of Disclosure.
- (1) The County agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
  - (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.
- (d) Term; Amendments; Interpretation.
- (1) The covenants of the County in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this section shall terminate and be without further effect as of any date on which the County delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
  - (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the County from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the County accompanied by an opinion of Bond Counsel, who may rely on certificates of the County and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.  
If the Disclosure Information is so amended, the County agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.
  - (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

#### SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration of Bonds. The County Auditor is hereby authorized and directed to file a certified copy of this resolution in the records of the County, together with such additional information as required, and to issue a certificate that the Bonds have been duly entered upon the County Auditor's bond register.

9.02. Authentication of Transcript. The officers of the County are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the County relating to the Bonds and to the financial condition and affairs of the County and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the County as to the correctness of all statements contained therein.

9.03. Official Statement. The Official Statement relating to the Bonds, prepared and distributed by Northland Securities, Inc., the municipal advisor for the County, together with any addendum thereto, is hereby approved. Northland Securities, Inc. is hereby authorized on behalf of the County to prepare and distribute to the

Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds as is required to be included in the Official Statement by the Rule. The officers of the County are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

BE IT FINALLY RESOLVED that this resolution shall be in full force and effect from and after its passage.

Mr. Eilertson reviewed the Five-Year Capital Improvement Plan for the Years 2017 through 2021 and the draft public hearing notice to hold a public hearing on January 3, 2017.

On a motion by Matt Widboom and seconded by Marvin Zylstra, it was duly passed to change the date of the public hearing on the approval of the CIP and the issuance of the Bonds from 9:00 a.m. on January 3, 2017 at the County Government Center to be held at 7:00 pm. on January 5, 2017 in the Farmers Room of the Government Center.

On a motion by Marvin Zylstra and seconded by Donald Linssen, it was duly passed to approve the following revised resolution number 201658, calling for a public hearing on the 5-year CIP and authorizing the issuance and sale of General Obligation CIP Bonds:

BE IT RESOLVED by the Nobles County (the "County") Board of Commissioners (the "Board") as follows:

1. Adoption of Capital Improvement Plan. The Capital Improvement Plan (the "CIP") has been prepared pursuant to Minnesota Statutes, Section 373.40 (the "Act"). The CIP covers a five-year period beginning with the date of its adoption; sets forth the estimated schedule, timing, and details of specific capital improvements by year, together with the estimated costs, the need for the improvements, and sources of revenue to pay for the improvements. The CIP must be approved by the County Board following published notice and a public hearing.

2. Approval of the Issuance of Capital Improvement Plan Bonds. The County intends to issue its capital improvement plan bonds (the "Bonds") in an amount not to exceed \$8 million to finance the construction of various capital improvements, as described in the CIP, pursuant to Minnesota Statutes, Section 373.40. Accordingly, it has been proposed that the County publish notice and hold a public hearing on January 5, 2017, in order to approve the issuance of its capital improvement bonds.

3. Public Hearing. A public hearing is hereby scheduled to be held on the approval of the CIP and the issuance of the Bonds at 7:00 p.m. on January 5, 2017, at the County Government Center, Worthington, Minnesota. The County Administrator is hereby authorized and directed to cause notice of such public hearing in substantially the form of Exhibit A attached hereto to be published in the official newspaper of the County not less than fourteen (14) days nor more than twenty-eight (28) days prior to the date of the hearing.

EXHIBIT A

NOBLES COUNTY, MINNESOTA

NOTICE OF PUBLIC HEARING ON APPROVAL OF THE CAPITAL IMPROVEMENT PLAN  
AND THE ISSUANCE OF CAPITAL IMPROVEMENT PLAN BONDS PURSUANT TO  
MINNESOTA STATUTES, SECTION 373.40

Notice is hereby given that the Board of County Commissioners of Nobles County, Minnesota (the County), will meet at 7:00 p.m. on January 5, 2017, at the Nobles County Government Center, Farmer's Room (1<sup>st</sup> Floor), 315 10<sup>th</sup> Street, Worthington, Minnesota, to conduct a public hearing to obtain public comment on the County's intention to approve the County's Capital Improvement Plan (the CIP) and issue capital improvement plan bonds (the Bonds) in an amount not to exceed \$8 million pursuant to Minnesota Statutes, Section 373.40, for the purpose of financing the construction of various capital improvements and the acquisition of items of capital equipment identified in the CIP.

If a petition requesting a vote on the issuance of the Bonds is signed by voters equal to five percent of the votes cast in the County at the last general election and filed with the County Auditor within thirty (30) days after the public hearing, the County may issue the Bonds only after obtaining the approval of a majority of the voters voting on the question of issuing the Bonds.

Copies of the proposed CIP and resolution are on file and may be inspected at the Nobles County Government Center during normal business hours. All interested parties are invited to attend the public hearing or to provide written comments to the undersigned, which written comments will be considered at the hearing.

Questions regarding this matter may be referred to Tom Johnson, Administrator at (507) 295-5201.

Auxiliary aids are available upon request at least 96 hours in advance of the hearing. Please contact the County at (507) 295-5200 to make arrangements.

Tom Johnson, County Administrator, presented the Board with information and recommendations in the area of replacement of the chiller at the Prairie Justice Center and a lease agreement with the Okabena-Ocheda Watershed.

Mr. Johnson presented the Board with the bid tabulation for the chiller repair project.

<u>Name</u>	<u>Bid Amount</u>	<u>Additional</u>
NAC Mechanical & Electrical Serv., Vadnals Heights MN	\$ 152,450	\$3,300 warranty
United States Mechanical, Inc., Circle Pines MN	\$ 169,400	-
Feder Mechanical, Madelia MN	\$ 171,860	-
Palen/Kimball LLC, St. Paul MN	\$254,422	-

On a motion by Donald Linssen and seconded by Matt Widboom, it was duly passed to award the project to NAC Mechanical & Electrical Services, Vadnals Heights MN, in the amount of \$152,450; and further, to approve the additional \$3,300 warranty for parts only.

On a motion by Matt Widboom and seconded by Marvin Zylstra, it was duly passed to approve the new lease agreement for the Okabena-Ocheda Watershed office space as drafted. A copy of the lease agreement was before the Board and is made a part of this resolution by reference.

Committee and Board reports were received from the following:

District I-Commissioner Zylstra reported on SMOC Policy Council, the Joint Work City/County Work Session, the Association of Minnesota Counties Annual Conference and information regarding an individual who has contacted him regarding claiming homestead.

District II-Commissioner Metz reported on Rural Minnesota Energy Board and the Association of Minnesota Counties Annual Conference.

District III-Commissioner Widboom gave no report.

District IV-Commissioner Demuth reported on the Okabena-Ocheda Watershed District and the Association of Minnesota Counties Annual Conference.

District V-Commissioner Linssen reported on the Association of Minnesota Counties Annual Conference, AWAIR training, the Southwest Initiative Foundation and Joint Law Enforcement meetings.

Management Team – Kathleen Kusz was not present to give a report.

County Administrator-Tom Johnson gave no report.

On a motion by Marvin Zylstra and seconded by Robert Demuth Jr., it was duly passed to adjourn the meeting at 4:44 p.m.

Attest:

  
 \_\_\_\_\_  
 Chairperson

  
 \_\_\_\_\_  
 County Administrator