



Jeffrey Babinski  
County Administrator

# HOUSTON COUNTY

304 South Marshall Street  
Caledonia, MN 55921  
TEL (507) 725-5827

Commissioners:  
District 1  
Jack Miller  
District 2  
Eric Johnson (Chair)  
District 3  
Robert Burns (Vice-Chair)  
District 4  
Teresa Walter  
District 5  
Greg Myhre

---

---

## HOUSTON COUNTY BOARD OF COMMISSIONERS BOARD MEETING AGENDA

**9:30, December 15, 2020, County Board Room, Historic Courthouse**

**\*\*\*\*\*The meeting will be accessible to public participants via our conference call line at 312-626-6799 and entering meeting ID: 9483678362 and password 733850. Public attendees are requested to mute their line until addressed.\*\*\*\*\***

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### APPROVE AGENDA

### APPROVE PREVIOUS MINUTES

**- December 8 –Board Meeting and Workgroup Session**

### PUBLIC COMMENT

### COVID-19 Update from Public Health

### CONSENT AGENDA

(Routine business items enacted by one unanimous motion. Commissioners may request moving items on the consent agenda to the Action Item list if they desire discussion before taking action.)

- 1) Approve Claims, Human Service & License Center disbursements.
- 2) Approve the 2021 Ability Building Center contract for Woodland Industries support to the County Dropsite/Recycling program.
- 3) Approve a three-year extension to property lease with Keith Comstock for the Caledonia Drop Site. (Lacher)
- 4) Approve the designation of 2021 funds into the major fund categories of General Fund, Highway Fund, and Human Services and the non-major fund categories of Dept Service Fund and Capital Projects Funds.
- 5) Approve 2021 Tobacco licenses:
  - a. Houston Food Mart, Houston
  - b. River Valley Convenience Store, Houston
  - c. Dollar General, Houston
- 6) Affirm the following personnel actions:
  - a. Sheriff's Office

- i. Change the status of Brady Auger, Jailer/Dispatcher from probationary to regular effective January 8, 2021.

## **APPOINTMENTS**

- 9:45**            **2020 Employee Recognition: Congratulations and Thank you to the following employees for their steadfast service to the people of Houston County:**
- 25 Year award: Marilyn S. Moore, Sheila M. Schroeder**  
                    **20 Year award: Susanne M. Bublitz, Ann E. Diersen, Holly J. Gleason, Heather L. Myhre, Shwn L. Peter, Luke T. Sass, Susan K. Schwebach**
- 15 Year award: Duane D. Brownlee Jr, Daniel T. Coogan, Andrew J. Milde, Matthew W. Seitz**
- 10 Year award: Kelly J. Petersen**
- 10:00**            **Closed Session – Closed Session pursuant to MN Stat. 13D.05, Subd. 3, (b) Attorney/Client Privilege – Mound Prairie v. Houston County et al. with Attorney Jason Kuboushek**
- 10:30 (TBD)**   **Closed Session – Closed Session pursuant to MN Stat. 13D.05, Subd. 3, (b) Attorney/Client Privilege – Schutz Quarry MCIT File No. 18PC0852 with Attorney Jay Squires.**
- 11:00**            **Bruce Kimmel, Municipal Advisor, Ehlers - Pre-Sale Meeting for State Aid Bonds, Series 2021A**

## **ACTION ITEMS**

- 1) Consider approving Resolution 20-58 Providing for the Sale of \$3,090,000 General Obligation State Aid Bonds, Series 2021A. (Babinski)
- 2) Consider approving Resolution 20-62 Post Issuance Debt Compliance Policy and adopting the Post Issuance Debt Compliance Policy and Procedures. (Lapham)
- 3) Consider approving a Cooperative Agreement with the City of Caledonia to complete the water main looping project required for the new County Highway shop. (Babinski)
- 4) Consider approval of the January 1, 2021-December 31, 2023 Labor Agreement between Houston County and the International Union of Operating Engineers, Local No. 49. (Arrick-Kruger)
- 5) Consider approving 2020 departmental budget amendments and CARES Act budget amendments. (Lapham)
- 6) Consider adopting the 2021 Non-Union Wage Grid with a zero percent COLA adjustment.
- 7) Consider approving Resolution 20-59 2021 Salary for Houston County Elected Officials.
- 8) Consider approving Resolution 20-60 2021 Final Budget. (Lapham)
- 9) Consider approving Resolution 20-61 2021 Final Certified Levy. (Lapham)

## **DISCUSSION ITEMS**

- 1) Administrator Updates
  - a. Water Planning Committee membership
  - b. Extension Committee membership
  - c. 2021 Green Acres Assessment Value appeal
- 2) Commissioner Reports & Comments

**CLOSING PUBLIC COMMENT**

**ADJOURN**

# Houston County

## Agenda Request Form

This form is not intended for the general public. It is intended for use by county department heads, representatives of other governmental units or vendors/agencies who contract with Houston County. Members of the public may address the Board during the Public Comment Period. (See Policy for Public Comment Period).

Date Submitted: 7-Dec-20

Person requesting appointment with County Board: Aaron Lacher

**Issue:**

The land lease for the Caledonia Drop Site expires at the end of 2020. The BOC previously instructed me to seek a three-year extension of the lease. This has been discussed with property owner, Keith Comstock, who is agreeable to it. The extension would go until the end of 2023. Rent is \$3500 annually plus some tire disposal at no charge.

**Justification:**

A lease renewal is needed in order to continue to offer disposal services in the Caledonia area.

**Action Requested:**

One of two actions is requested:

1) Counter execute the lease extension.

OR, if the signed agreement has not yet been received from Mr. Comstock,

2) Instruct the County Administer to counter execute the lease on behalf of the BOC under the terms presented.

For County Use Only			
<b>Reviewed by:</b>	_____ County Auditor	_____ County Attorney	_____ Zoning Administrator
	_____ Finance Director	_____ County Engineer	_____ Environmental Services
	_____ IS Director	_____ Other (indicate dept)	
<b>Recommendation:</b>			
<b>Decision:</b>			

All agenda request forms must be submitted to the County Auditor by 4:00 p.m. on Monday in order to be considered for inclusion on the following week's agenda. The Board will review all reequets and determine if the request will be heard at a County Board meeting.

LEASE

This Agreement, made this \_\_\_\_ day of \_\_\_\_\_, 2020 by and between Houston County hereinafter called the lessee and Keith Comstock, hereinafter called the lessor.

Witnesseth:

The lessors, for and in consideration of the covenants and agreement hereinafter contained to be kept and performed by the lessee, do hereby demise and lease to the lessee and the lessee does hereby hire and take from the lessors, the property described as follows: approximately one acre more or less located in the south half of Section 14, Township 102, North Range 6 West of Houston County, more particularly described as being adjacent to and south and east of the former demolition site located on property owned by the lessors, together with an easement for purposes or ingress and egress connecting the above with public roadways. The boundaries agreed on by the lessors and the lessee are described in legal description attached to this document and incorporated by reference as Exhibit A.

The lessee shall have and hold the premise hereby demised together with the rights, easements and appurtenances thereto belonging to the lessors, their successors and its assigns, subject to the following terms and conditions:

1. Term and use. The term of this lease shall commence on January 1, 2021, and continue through December 31, 2023, unless executed or sooner terminated as hereinafter provided. The lessee shall have the option of renewing said lease for an additional five year period on the terms and conditions to be agreed on by the parties so long as there is not a substantial change in circumstances and so long as the original lessors remain in possession of the property.

2. Rent. For the period of time from January 1, 2021, through December 31, 2023, the lessor shall receive as and for rent for the property the sum of \$3,500.00 per year. Beginning with January 1, 2021, and continuing each year thereafter, the rent shall be payable in the first month of each year. In addition, during each calendar year covered by this lease, the lessor shall be permitted to dispose of no more than twelve semi tires at no charge at the Caledonia manned dumpster site during normal weekday operational hours.

3. Possession. The lessors shall deliver possession of the premises "as is" with the understanding that the lessee will be leveling the area, fencing the area, rocking the area and providing all equipment necessary for the operation of a manned dumpster site.

4. Use of the property. The lessee intends to use the property for the operation of a manned dumpster site and the lessors agree that the lessee can conduct any and all activities on said premises for that purpose.

5. Maintenance. The lessee shall be responsible to maintain the site in reasonable condition and to be responsible for maintenance of all roads to and from the site connecting it with the City and Township Roads in the area. The operation of the site and maintenance shall be at no cost to the lessors.

6. Improvements, alterations or remodeling. The lessee shall not make any permanent improvements or alterations to the property other than set out above to commence operation of the manned dumpster site without expressed written consent of the lessors. All improvements made, with the exception of fence, buildings, and equipment installed by the lessee shall remain the property of the Lessors upon termination of this lease.

7. Lessors' access. The lessors, their employees and agents have the right to enter the premises at all times reasonable for purposes of inspecting the premises.

8. Assignment and subletting. The lessee shall not assign or sublet the premises in any way, without the prior written consent of the lessors.

9. Insurance. The lessee shall be responsible to assure that the premises are covered by liability insurance. The lessee will be responsible for providing Product Liability and Workmen's Compensation Insurance for all people employed by it on the premises.

10. Default by governmental prohibition. Should any governmental agency prohibit use of said premises by the lessee for the purposes herein stated, this lease shall be deemed terminated with no more obligation for payment of rent on the part of the lessee. Should governmental prohibition occur during a year after rent has been paid, rent paid to the lessors shall be refunded to the lessee on a pro rata basis to the date of termination by said governmental prohibition.

11. Covenants to hold harmless. The lessee agrees to save, hold harmless, and defend the lessors against any liability for damages to any person or property in or about the premises as a result of the lessee's use of property for purposes of maintaining a manned dumpster site.

12. Termination of Contract. Any party may terminate this agreement by giving ninety (90) calendar days written notice to the other party. Alterations or amendments may be made at any

time if endorsed, in writing by both parties.

13. Surrender. On the last day of this lease or on the sooner termination thereof, unless extended pursuant to paragraph 1, the lessee shall peaceably surrender the premises in good condition and repair, reasonable wear and tear excluded. If the premises are not surrendered at the end of the term or the sooner termination thereof, the lessee shall indemnify the lessors against any loss or liability resulting from the delay by the lessee in so surrendering the premises.

14. Attorneys' fees. If any action at law or in equity shall be brought in court for on account of any breach of or to enforce or interpret any of the covenants, the terms or conditions of the lease or for the recovery of the possession of the premises, the prevailing party shall be entitled to recover from the other party as part of the prevailing party's costs its reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment or decree rendered.

In witness whereof, the parties hereto have executed this lease the day and year first written above.

Lessor:

Lessee:

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Approved as to Form and Execution the \_\_\_\_ day of \_\_\_\_\_, 2020

\_\_\_\_\_

Houston County Attorney

December 15, 2020

Pre-Sale Report for

# Houston County, Minnesota

\$3,090,000 General Obligation State Aid Bonds,  
Series 2021A



---

**Prepared by:**

Ehlers  
3060 Centre Pointe Drive  
Roseville, MN 55113

**Advisors:**

Bruce Kimmel, Senior Municipal Advisor  
Todd Hagen, Senior Municipal Advisor

---

**BUILDING COMMUNITIES. IT'S WHAT WE DO.**



## EXECUTIVE SUMMARY OF PROPOSED DEBT

### Proposed Issue:

\$3,090,000 General Obligation State Aid Bonds, Series 2021A

### Purposes:

The proposed issue includes financing to fund a portion of a new Highway Maintenance Facility. Debt service will be paid from the County's annual state aid allotments.

### Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 475 and 162, and will be general obligations of the County for which its full faith, credit and taxing powers are pledged.

### Term/Call Feature:

The Bonds are being issued for a term of 16 years. Principal on the Bonds will be due on April 1, 2023 through 2037. Interest is payable every six months beginning October 1, 2021.

The Bonds will be subject to prepayment at the discretion of the County on April 1, 2030 or any date thereafter.

### Bank Qualification:

Because the County expects to issue no more than \$10,000,000 in tax exempt debt during 2021, the County will be able to designate the Bonds as "bank qualified" obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.

### Rating:

The County's most recent bond issues were rated AA by Standard & Poor's. The County will request a new rating for the Bonds.

### Basis for Recommendation:

The proposed issue is the most cost-efficient means of funding the proposed highway facility and is expected to yield the lowest possible interest cost. Moreover, the competitive sale approach described below is consistent with the County's historical debt issuance method, as well as best practices published by the Governmental Finance Officers Association (GFOA).

### **Method of Sale/Placement:**

We will solicit competitive bids for the purchase of the Bonds from underwriters and banks.

We will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction. If the Bonds are purchased at a price greater than the minimum bid amount, the unused allowance may be used to reduce your borrowing amount.

### **Premium Pricing:**

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the County. The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.

With this issue of Bonds, the County will determine the optimal use of net premium based on the Bond sale results and other considerations as of the sale date. Resulting adjustments may slightly change the true interest cost of the issue, either up or down.

### **Review of Existing Debt:**

We have reviewed all outstanding indebtedness for the County and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the County’s outstanding debt and will alert you to any future refunding opportunities.

### **Continuing Disclosure:**

Because the County has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the County will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The County is already obligated to provide such reports for its existing bonds and has contracted with Ehlers to prepare and file the reports.

### **Arbitrage Monitoring:**

The County must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations (“Arbitrage Rules”) throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction,

escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account. IRS audits verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The County's specific arbitrage responsibilities will be detailed in the Tax Compliance Document prepared by bond counsel.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

We recommend that the County review its specific responsibilities related to the Bonds with an arbitrage expert in order to utilize one or more of the exceptions listed above.

### **Investment of Bond Proceeds:**

To maximize interest earnings, we recommend using an SEC registered investment advisor to assist with the investment of bond proceeds until they are needed to pay project costs.

Ehlers is a registered investment advisor and can assist the County in developing an appropriate investment strategy if needed.

### **Other Service Providers:**

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their roles, please contact us.

**Bond Counsel:** Dorsey & Whitney LLP

**Paying Agent:** Bond Trust Services Corporation

**Rating Agency:** Standard & Poor's Global Ratings (S&P)

### **Summary:**

The decisions to be made by the County Board are as follows:

- Accept or modify the finance assumptions described in this report
- Adopt the resolution attached to this report.

This presale report summarizes our understanding of the County's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the County's objectives.

## PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by County Board:	December 15, 2020
Due Diligence Call to review Official Statement:	Week of January 11, 2021
Distribute Official Statement:	Week of January 11, 2021
Conference with Rating Agency:	Week of January 11, 2021
County Board Meeting to Award Sale of the Bonds:	January 26, 2021
Estimated Closing Date:	February 24, 2021

### Attachments

Estimated Sources and Uses of Funds

Estimated Proposed Debt Service Schedule

Resolution Authorizing Ehlers to Proceed with Bond Sale

## EHLERS CONTACTS

Bruce Kimmel, Senior Municipal Advisor	(651) 697-8572
Todd Hagen, Senior Municipal Advisor	(651) 697-8508
Jen Chapman, Senior Public Finance Analyst	(651) 697-8566
Alicia Gage, Senior Financial Analyst	(651) 697-8551

The Preliminary Official Statement for this financing will be sent to the County Commissioners for review prior to the sale date.

# Houston County, Minnesota

\$3,090,000 General Obligation State Aid Bonds, Series 2021A

Assumes Current Market BQ "AA" Rates plus 25bps

15 Years

## Sources & Uses

Dated 02/24/2021 | Delivered 02/24/2021

### Sources Of Funds

Par Amount of Bonds	\$3,090,000.00
---------------------	----------------

<b>Total Sources</b>	<b>\$3,090,000.00</b>
----------------------	-----------------------

### Uses Of Funds

Total Underwriter's Discount (1.200%)	37,080.00
---------------------------------------	-----------

Costs of Issuance	48,000.00
-------------------	-----------

Deposit to Project Construction Fund	3,000,000.00
--------------------------------------	--------------

Rounding Amount	4,920.00
-----------------	----------

<b>Total Uses</b>	<b>\$3,090,000.00</b>
-------------------	-----------------------

# Houston County, Minnesota

\$3,090,000 General Obligation State Aid Bonds, Series 2021A

Assumes Current Market BQ "AA" Rates plus 25bps

15 Years

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/24/2021	-	-	-	-	-
10/01/2021	-	-	23,136.12	23,136.12	23,136.12
04/01/2022	-	-	19,191.25	19,191.25	-
10/01/2022	-	-	19,191.25	19,191.25	38,382.50
04/01/2023	195,000.00	0.550%	19,191.25	214,191.25	-
10/01/2023	-	-	18,655.00	18,655.00	232,846.25
04/01/2024	195,000.00	0.600%	18,655.00	213,655.00	-
10/01/2024	-	-	18,070.00	18,070.00	231,725.00
04/01/2025	195,000.00	0.650%	18,070.00	213,070.00	-
10/01/2025	-	-	17,436.25	17,436.25	230,506.25
04/01/2026	195,000.00	0.750%	17,436.25	212,436.25	-
10/01/2026	-	-	16,705.00	16,705.00	229,141.25
04/01/2027	195,000.00	0.850%	16,705.00	211,705.00	-
10/01/2027	-	-	15,876.25	15,876.25	227,581.25
04/01/2028	200,000.00	1.050%	15,876.25	215,876.25	-
10/01/2028	-	-	14,826.25	14,826.25	230,702.50
04/01/2029	200,000.00	1.150%	14,826.25	214,826.25	-
10/01/2029	-	-	13,676.25	13,676.25	228,502.50
04/01/2030	205,000.00	1.250%	13,676.25	218,676.25	-
10/01/2030	-	-	12,395.00	12,395.00	231,071.25
04/01/2031	205,000.00	1.350%	12,395.00	217,395.00	-
10/01/2031	-	-	11,011.25	11,011.25	228,406.25
04/01/2032	210,000.00	1.450%	11,011.25	221,011.25	-
10/01/2032	-	-	9,488.75	9,488.75	230,500.00
04/01/2033	210,000.00	1.550%	9,488.75	219,488.75	-
10/01/2033	-	-	7,861.25	7,861.25	227,350.00
04/01/2034	215,000.00	1.650%	7,861.25	222,861.25	-
10/01/2034	-	-	6,087.50	6,087.50	228,948.75
04/01/2035	220,000.00	1.750%	6,087.50	226,087.50	-
10/01/2035	-	-	4,162.50	4,162.50	230,250.00
04/01/2036	225,000.00	1.850%	4,162.50	229,162.50	-
10/01/2036	-	-	2,081.25	2,081.25	231,243.75
04/01/2037	225,000.00	1.850%	2,081.25	227,081.25	-
10/01/2037	-	-	-	-	227,081.25
<b>Total</b>	<b>\$3,090,000.00</b>	<b>-</b>	<b>\$417,374.87</b>	<b>\$3,507,374.87</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$28,792.58
Average Life	9.318 Years
Average Coupon	1.4495916%
Net Interest Cost (NIC)	1.5783748%
True Interest Cost (TIC)	1.5795410%
Bond Yield for Arbitrage Purposes	1.4394234%
All Inclusive Cost (AIC)	1.7642841%

## IRS Form 8038

Net Interest Cost	1.4495916%
Weighted Average Maturity	9.318 Years

Resolution No. \_\_\_\_\_

Commissioner \_\_\_\_\_ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of  
\$3,090,000 General Obligation State Aid Bonds, Series 2021A**

- A. WHEREAS, the County Board of the Houston County, Minnesota has heretofore determined that it is necessary and expedient to issue the County's \$3,090,000 General Obligation State Aid Bonds, Series 2021A (the "Bonds"), to finance a portion of the cost of a new highway maintenance facility in the County; and
- B. WHEREAS, the County has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the County Board of the Houston County, Minnesota, as follows:

1. Authorization; Findings. The County Board hereby authorizes Ehlers to assist the County for the sale of the Bonds.
2. Meeting; Proposal Opening. The County Board shall meet at 9 a.m. on January 26, 2021, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the County are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the County upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by County Board Member \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following County Board Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Title of Document Signer

Resolution No. \_\_\_\_\_

Commissioner \_\_\_\_\_ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of  
\$3,090,000 General Obligation State Aid Bonds, Series 2021A**

- A. WHEREAS, the County Board of the Houston County, Minnesota has heretofore determined that it is necessary and expedient to issue the County's \$3,090,000 General Obligation State Aid Bonds, Series 2021A (the "Bonds"), to finance a portion of the cost of a new highway maintenance facility in the County; and
- B. WHEREAS, the County has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the County Board of the Houston County, Minnesota, as follows:

1. Authorization; Findings. The County Board hereby authorizes Ehlers to assist the County for the sale of the Bonds.
2. Meeting; Proposal Opening. The County Board shall meet at 9 a.m. on January 26, 2021, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the County are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the County upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by County Board Member \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following County Board Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Title of Document Signer



# **COOPERATIVE AGREEMENT**

It is hereby agreed to on this \_\_\_\_ day of January, 2021 by and between the County of Houston, Minnesota (“County”) and the City of Caledonia, Minnesota, a Minnesota municipal corporation (“City”) that the respective parties to this agreement (“Agreement”) shall have the rights and responsibilities as herein described with respect to looping the water main to provide sufficient water flow for the Houston County Highway Facility reconstruction project, located at 1124 E. Washington St., in the limits of Caledonia, Minnesota.

**Section 1.** The water main looping project (“Project”) is to be considered a County project, under County contract and control. The County shall have the following specific rights and responsibilities with respect to the project:

1. Unless otherwise noted, prepare all plans and specifications relating to the water main extension project described herein, and promptly disclose the same to the City when they are completed.
2. Unless otherwise noted, obtain all permits and approvals required from other government agencies.
3. Unless otherwise noted, perform all contract administration, including change order negotiations, enforcing contractor compliance, and handling public concerns.
4. Advertise for bids, hold letting and contract for completion in compliance with Minnesota’s Uniform Municipal Contracting Law
5. Dedicate the water main infrastructure constructed pursuant to the plans and specifications prepared under this section, and approved by the City Engineer, to the City upon successful completion of the Project.
6. Grant an easement, in a size and location acceptable to the City Engineer, that allows the City in perpetuity to construct, reconstruct, install, operate, inspect, repair, and maintain the water main and associated utility infrastructure contemplated by the Project, as well as the removal or replacement of same either in whole or in part. The utility easement shall be drafted in a form acceptable to the City and shall include an accurate legal description of the easement area, as determined by the City Engineer.
7. Pay for the following:
  - A. unless otherwise noted, 66.7% of all engineering design, engineering construction observation, and construction costs associated with looping a 6-inch C900 water main from E. South Street to E. Washington Street.
  - B. 100% of costs associated with dedicating any necessary utility easements to the City, including legal fees and fees necessary to record the same with the Houston County Recorder’s office.

**Section 2.** The City shall have the following rights and responsibilities with respect to the Project within the corporate City limits:

1. Review and approval of all plans and specifications. The City shall have the right to withhold the City's approval of the plans and specifications in the event the City's Engineer determines the proposed plans will have a negative impact on the City water system, or that the infrastructure constructed pursuant to those plans is not built in a manner consistent with the current quality water supply system.
2. Pay for the following:
  - A. 33.3% of all engineering design, engineering construction observation, and construction costs associated with looping a 6-inch C900 water main from E. South Street to E. Washington Street, which shall be paid to the County as reimbursement for Project costs incurred by the County.
3. Accept ownership and maintenance of all water main after project completion and approval by the City Engineer that the Project was built according to and consistent with plans and specifications approved by the City Engineer.

**Section 3.** Houston County will pay the contractor directly for all work completed on the Project, and the City shall pay their portion to the County as invoiced and based on the Project costs, consistent with the terms of this Agreement.

**Section 4.** The Project as understood and agreed to by the parties is set forth in the preliminary layout and cost estimate, which are attached hereto as Exhibits A and B, respectively.

***Authorized Signatures:***

City of Caledonia, Minnesota

County of Houston, Minnesota

\_\_\_\_\_  
Mayor, City of Caledonia

\_\_\_\_\_  
Houston County Board Chairperson

\_\_\_\_\_  
Caledonia City Administrator

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

*Approved:*

*Approved:*

\_\_\_\_\_  
City of Caledonia Attorney

\_\_\_\_\_  
Houston County Attorney

**Elected have generally followed the Exempt pay scale as a guideline for equity. Each elected official must be listed separately along with their individual annual salary for 2021.**

County Attorney, E82 – no recommended change

Sheriff, D62 – change recommended to follow banding guideline of D62 Step 9 (step increase)

County Recorder, C43 – change recommended to follow banding guideline of C43 Step 7 (step increase)

Auditor/Treasurer, C53 – change recommended to follow banding guideline of C53 Step 9

Commissioners – no recommended change

Position	2019	2020	2021 recommended	Current band eq.	Step equiv	If following steps
Attorney (E82)	\$113,532	\$116,653.66	\$116,653.66	E82s6+	E82s7	123,156.80
Sheriff (D62)	\$100,031	\$102,781.40	\$107,598.40	D62s8+	D62s9	107,598.40
Recorder (C43)	\$62,000	\$63,705.00	\$65,998.40	C43s6-	C43s7	\$65,998.40
Auditor/Treasurer (C53)	\$81,411	\$83,650.01	\$83,657.60	C53S9+	C53s9	\$83,657.60
Commissioners	\$19,016	\$19,016.34	\$19,016.34	N/A	N/A	N/A

RESOLUTION NO. 20-59

**2021 Salary for Houston County Elected Officials**

December 15, 2020

WHEREAS, Minnesota Statute 375.01 Subd. 1, 384.151 Subd. 1a, 385.373 Subd. 1a, 386.015 Subd. 2, 387.20 Subd. 1,b, 388.18 Subd. 2, collectively state the salary of Houston County Elected Officials must be established on an annual basis by board resolution;

THEREFORE, BE IT RESOLVED, the Houston County Board of Commissioners authorizes the 2021 salary of the Commissioners to be \$19,016.34; and

BE IT FURTHER RESOLVED, the Houston County Board of Commissioners authorizes the 2021 salary of the County Auditor/Treasurer to be \$83,657.60; and

BE IT FURTHER RESOLVED, the Houston County Board of Commissioners authorizes the 2021 salary of the County Recorder to be \$65,998.40; and

BE IT FURTHER RESOLVED, the Houston County Board of Commissioners authorizes the 2021 salary of the County Sheriff to be \$107,598.40; and

BE IT FURTHER RESOLVED, the Houston County Board of Commissioners authorizes the 2021 salary of the County Attorney to be \$116,653.66.

\*\*\*\*\*CERTIFICATION\*\*\*\*\*

STATE OF MINNESOTA

COUNTY OF HOUSTON

I, Jeff Babinski, do hereby certify that the above is true and correct copy of a resolution adopted by the Houston County Board of Commissioners at the session dated December 15, 2020.

WITNESS my hand and the seal of my office this 15<sup>th</sup> day of December 2020.

RESOLUTION NO. 20-60

**ADOPTION OF 2021 OPERATING BUDGET**

December 15, 2020

BE IT RESOLVED, the Houston County Board of Commissioners adopts the budget for 2021 Revenue and Expenditures within the following funds:

	Revenue	Expenditures	Revenues Over (Under) Expenditures
	-----	-----	-----
County Revenue	\$11,699,408	\$11,699,408	\$ 0
Road & Bridge	9,453,526	9,453,526	0
Human Services	6,830,829	7,830,829	0
Debt Service	1,362,848	1,362,848	0
	-----	-----	-----
Grand Total	\$29,346,611	\$29,346,611	\$ 0
	=====	=====	=====

\*\*\*\*\*CERTIFICATION\*\*\*\*\*

STATE OF MINNESOTA

COUNTY OF HOUSTON

I, Jeff Babinski, do hereby certify that the above is true and correct copy of a resolution adopted by the Houston County Board of Commissioners at the session dated December 15, 2020.

WITNESS my hand and the seal of my office this 15<sup>th</sup> day of December 2020.

RESOLUTION NO. 20-61

**ADOPTION OF 2021 LEVY**

December 15, 2020

BE IT RESOLVED, the Houston County Board of Commissioners authorizes the certified levy after the deduction of County Program Aid (CPA), in the amount of \$12,405,057 be made on all taxable property in the County of Houston for taxes payable in 2021 in the following amounts by County Fund:

County Revenue	\$ 8,210,884
Road & Bridge	2,069,390
Human Services	1,850,212
Bond Fund – 2017A Jail Bonds	497,123
Bond Fund – 2020A Jail Bonds	865,725
	-----
Total	\$13,493,334
Less CPA	(1,088,277)
	-----
Total Levy	\$12,405,057
	=====

\*\*\*\*\*CERTIFICATION\*\*\*\*\*

STATE OF MINNESOTA

COUNTY OF HOUSTON

I, Jeff Babinski, do hereby certify that the above is true and correct copy of a resolution adopted by the Houston County Board of Commissioners at the session dated December 15, 2020.

WITNESS my hand and the seal of my office this 15<sup>th</sup> day of December 2020.

## 2021 Non-Union, Appointed and Elected Official Wage Grid

2021 Non-Union, Appointed and Elected Official Wage Grid

\*Grid represents hourly equivalents for Exempt employees.

BANDING	Step 1 2080 Hours	Step 2 2080 Hours	Step 3 2080 Hours	Step 4 2080 Hours	Step 5 2080 Hours	Step 6 2080 Hours	Step 7 2080 Hours	Step 8 2080 Hours	Step 9 2080 Hours
C41	\$ 22.98	\$ 23.92	\$ 24.80	\$ 25.73	\$ 26.64	\$ 27.56	\$ 28.51	\$ 29.50	\$ 30.53
C42	\$ 24.28	\$ 25.26	\$ 26.30	\$ 27.31	\$ 28.36	\$ 29.37	\$ 30.37	\$ 31.43	\$ 32.46
C43	\$ 25.52	\$ 26.56	\$ 27.58	\$ 28.59	\$ 29.63	\$ 30.66	\$ 31.73	\$ 32.85	\$ 33.97
C44	\$ 26.25	\$ 27.34	\$ 28.37	\$ 29.43	\$ 30.48	\$ 31.58	\$ 32.65	\$ 33.82	\$ 35.00
C51	\$ 26.94	\$ 28.03	\$ 29.17	\$ 30.26	\$ 31.35	\$ 32.43	\$ 33.57	\$ 34.76	\$ 35.95
C52	\$ 28.51	\$ 29.69	\$ 30.81	\$ 31.98	\$ 33.13	\$ 34.30	\$ 35.49	\$ 36.72	\$ 38.02
C53	\$ 30.17	\$ 31.37	\$ 32.58	\$ 33.84	\$ 35.05	\$ 36.30	\$ 37.58	\$ 38.87	\$ 40.22
D61	\$ 33.04	\$ 35.19	\$ 37.44	\$ 39.63	\$ 41.87	\$ 44.06	\$ 45.59	\$ 47.18	\$ 48.87
D62	\$ 34.97	\$ 37.28	\$ 39.45	\$ 41.95	\$ 44.30	\$ 46.67	\$ 48.27	\$ 49.98	\$ 51.73
D63	\$ 37.32	\$ 39.72	\$ 42.11	\$ 44.53	\$ 46.95	\$ 49.37	\$ 51.09	\$ 52.89	\$ 54.79
E81	\$ 40.89	\$ 43.51	\$ 46.12	\$ 48.79	\$ 51.43	\$ 54.09	\$ 55.96	\$ 57.93	\$ 60.02
E82	\$ 43.27	\$ 46.05	\$ 48.82	\$ 51.61	\$ 54.43	\$ 57.24	\$ 59.21	\$ 61.31	\$ 63.50
E83	\$ 46.11	\$ 49.07	\$ 52.00	\$ 55.01	\$ 57.99	\$ 61.00	\$ 63.10	\$ 65.33	\$ 67.67

Public Health Nursing wage ranges: (For Nurses Only)  
(w/ 3% market adjustment in 2003; and \$3 market adjustment in 2006)

\*Grid represents hourly equivalents for Exempt employees.

BANDING	Step 1 2080 Hours	Step 2 2080 Hours	Step 3 2080 Hours	Step 4 2080 Hours	Step 5 2080 Hours	Step 6 2080 Hours	Step 7 2080 Hours	Step 8 2080 Hours	Step 9 2080 Hours
C51	\$ 32.38	\$ 33.52	\$ 34.63	\$ 35.78	\$ 36.90	\$ 38.03	\$ 38.39	\$ 40.24	\$ 41.64
C43	\$ 30.87	\$ 31.93	\$ 33.20	\$ 34.33	\$ 35.50	\$ 36.67	\$ 36.96	\$ 38.76	\$ 40.15
C42	\$ 29.60	\$ 30.64	\$ 31.73	\$ 32.77	\$ 33.81	\$ 34.88	\$ 35.21	\$ 36.85	\$ 38.07
C41	\$ 28.25	\$ 29.25	\$ 30.18	\$ 31.13	\$ 32.04	\$ 33.00	\$ 33.35	\$ 34.89	\$ 36.01

38.16  
36.09

\*Drop-site Supervisor Wage Schedule:

Step 1 (520 hrs)	Step 2 (520 hrs)	Step 3 (520 hrs)	Step 4 (520 hrs)	Step 5 (520 hrs)
\$ 14.19	\$ 15.09	\$ 15.95	\$ 16.83	\$ 17.67

17.72

Newly hired employees shall be placed at the first step of the wage scale.

From this point forward, employees shall progress through the wage steps and advance to the next highest pay rate upon completing 520 hours of work.

\*Temporary/Seasonal Help Wage Schedule: \$ 13.68

\*Veterans Service Drivers: \$ 13.68

\*Sheriffs Office Transport Officers: \$ 16.64

\*Pursuant to MS 179.03, subd. 14, employees in these positions are paid an hourly wage and are not entitled to any other benefits established by any of the County's collective bargaining agreements or policies.

Approved:





## **XHouston County, Minnesota Post-Issuance Debt Compliance Policy**

The County Board (the “Board”) of Houston County, Minnesota (the “County”) has chosen, by policy, to take steps to help ensure that all obligations will be in compliance with all applicable federal regulations. This policy may be amended, as necessary, in the future.

### **IRS Background**

The Internal Revenue Service (IRS) is responsible for enforcing compliance with the Internal Revenue Code (the “Code”) and regulations promulgated thereunder (“Treasury Regulations”) governing certain obligations (for example: tax-exempt obligations, Build America Bonds, Recovery Zone Development Bonds and various “Tax Credit” Bonds). The IRS encourages issuers and beneficiaries of these obligations to adopt and implement a post-issuance debt compliance policy and procedures to safeguard against post-issuance violations.

### **SEC Background**

The Securities and Exchange Commission (SEC) is responsible for enforcing compliance with the SEC Rule 15c2-12 (the “Rule”). Governments or governmental entities issuing obligations generally have a requirement to meet specific continuing disclosure standards set forth in continuing disclosure agreements (“CDA”). Unless the issuer, obligated person, or a specific obligation is exempt from compliance with CDAs, these agreements are entered into at the time of obligation issuance to enable underwriter(s) to comply with the Rule. The Rule sets forth certain obligations of (i) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities, (ii) underwriters to obtain CDAs from issuers and other obligated persons to provide material event disclosure and annual financial information on a continuing basis, and (iii) broker-dealers to have access to such continuing disclosure in order to make recommendations of municipal securities transactions in the secondary market. The SEC encourages issuers and beneficiaries adopt and implement a post-issuance debt compliance policy and procedures to safeguard against Rule violations.

When obligations are issued, the CDA commits the issuer or obligated person to provide certain annual financial information and material event notices to the public. Issuers and other obligated persons may also choose to provide periodic, voluntary financial information and filings to investors in addition to fulfilling the specific responsibilities delineated in their CDA. It is important to note that issuers and other obligated persons should not give any one investor certain information that is not readily available to all market participants by disseminating information to the marketplace, at large. Issuers and other obligated persons should be aware that any disclosure activities determined to be “communicating to the market” can be subject to regulatory scrutiny.

### **Post-Issuance Debt Compliance Policy Objective**

The County desires to monitor these obligations to ensure compliance with the IRS Code, Treasury Regulations and the SEC Rule. To help ensure compliance, the County has developed the following policy (the “Post-Issuance Debt Compliance Policy”). The Post-Issuance Debt Compliance Policy shall apply to the obligations mentioned above,

including bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.

### **Post-Issuance Debt Compliance Policy**

The Finance Director of the County is designated as the County's agent who is responsible for post-issuance compliance of these obligations.

The Finance Director shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in corresponding procedures (the "Post-Issuance Debt Compliance Procedures"). At a minimum, the Post-Issuance Debt Compliance Procedures for each qualifying obligation will address the following:

1. General Post-Issuance Compliance
2. General Recordkeeping
3. Arbitrage Yield Restriction and Rebate Recordkeeping
4. Expenditure and Asset Documentation to be Assembled and Retained
5. Miscellaneous Documentation to be Assembled and Retained
6. Additional Undertakings and Activities that Support Sections 1 through 5 above
7. Continuing Disclosure Obligations
8. Compliance with Future Requirements

The Finance Director shall apply the Post-Issuance Debt Compliance Procedures to each qualifying obligation and maintain a record of the results. Further, the Finance Director will ensure that the Post-Issuance Debt Compliance Policy and Procedures are updated on a regular and as needed basis.

The Finance Director or any other individuals responsible for assisting the Finance Director in maintaining records needed to ensure post-issuance debt compliance, are authorized to expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance.

Most of the provisions of this Post-Issuance Debt Compliance Policy are not applicable to taxable governmental obligations unless there is a reasonable possibility that the County may refund their taxable governmental obligation, in whole or in part, with the proceeds of a tax-exempt governmental obligation. If this refunding possibility exists, then the Finance Director shall treat the taxable governmental obligation as if such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this Post-Issuance Debt Compliance Policy.

### **Private Activity Bonds**

The County may issue tax-exempt obligations that are "private activity" bonds because either (1) the bonds finance a facility that is owned by the County but used by one or more qualified 501(c)(3) organizations, or (2) the bonds are so-called "conduit bonds", where the proceeds are loaned to a qualified 501(c)(3) organization or another private entity that finances activities eligible for tax-exempt financing under federal law (such as certain manufacturing projects and certain affordable housing projects). Prior to the issuance of either of these types of bonds, the Finance Director shall take steps necessary to ensure

that such obligations will remain in compliance with the requirements of this Post-Issuance Debt Compliance Policy.

In a case where compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the Finance Director may determine that all or some portion of compliance responsibilities described in this Post-Issuance Debt Compliance Policy shall be assigned to the relevant party. In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the County under federal law. In a case where the Finance Director is concerned about the compliance ability of a private party, the Finance Director may require that a trustee or other independent third party be retained to assist with record keeping for the obligation and/or that the trustee or such third party be responsible for all or some portion of the compliance responsibilities.

The Finance Director is additionally authorized to seek the advice, as necessary, of bond counsel and/or its financial advisor to ensure the County is in compliance with this Post-Issuance Debt Compliance Policy.

Adopted this date 12/15/2020 by Houston County, Minnesota

## **Houston County, Minnesota Post-Issuance Debt Compliance Procedures**

The County Board (the "Board") of Houston County, Minnesota (the "County") has adopted the attached Post-Issuance Debt Compliance Policy dated 12/15/2020. The Post-Issuance Debt Compliance Policy applies to qualifying debt obligations issued by the County. As directed by the adoption of the Post-Issuance Debt Compliance Policy, the Finance Director of the County will perform the following Post-Issuance Debt Compliance Procedures for all of the County's outstanding debt.

### **1) General Post-Issuance Compliance**

- a) Ensure written procedures and/or guidelines have been put in place for individuals to follow when more than one person is responsible for ensuring compliance with Post-Issuance Debt Compliance Procedures.
- b) Ensure training and/or educational resources for post-issuance compliance have been approved and obtained.
- c) The Finance Director understands that there are options for voluntarily correcting failures to comply with post-issuance compliance requirements (e.g. as remedial actions under Section 1.141-12 of the Treasury Regulations and the ability to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31 (the "VCAP Program")).

### **2) General Recordkeeping**

- a) Retain records and documents for the obligation and all obligations issued to refund the obligation for a period of at least seven years following the final payment of the obligation. If an obligation is refunded, then the final payment of the refunding obligation becomes the beginning of the period unless otherwise directed by the County's bond counsel.
- b) Retain electronic (preferred) and/or paper versions of records and documents for the obligation.
- c) General records and documentation to be assembled and retained:
  - i) Description of the purpose of the obligation (i.e. the project or projects) and the state statute authorizing the project.
  - ii) Record of tax-exempt status or revocation of tax-exempt status, if applicable.
  - iii) Any correspondence between the County and the IRS.
  - iv) Audited financial statements.
  - v) All accounting audits of property financed by the obligation.
  - vi) Obligation transcripts, official statements, and other offering documents of the obligation.
  - vii) Minutes and resolutions authorizing the issuance of the obligation.
  - viii) Certifications of the issue price of the obligation.

- ix) Any formal elections for the obligation (i.e. an election to employ an accounting methodology other than the specific tracing method).
- x) Appraisals, demand surveys, or feasibility studies for property financed by the obligation.
- xi) All information reports filed for the obligations.
- xii) All management contracts and other service agreements, research contracts, and naming rights contracts.
- xiii) Documents related to governmental grants associated with construction, renovation or purchase of property financed by the obligation.
- xiv) Reports of any prior IRS examinations of the County or the County's obligation.
- xv) All correspondence related to the above (faxes, emails, or letters).

### 3) Arbitrage Yield Restriction and Rebate Recordkeeping

- a) Investment and arbitrage documentation to be assembled and retained:
  - i) An accounting of all deposits, expenditures, interest income and asset balances associated with each fund established in connection with the obligation. This includes an accounting of all monies deposited to the debt service fund to make debt service payments on the obligation, regardless of the source derived. Accounting for expenditures and assets is described in further detail in Section 4.
  - ii) Statements prepared by Trustee and/or Investment Provider.
  - iii) Documentation of at least quarterly allocations of investments and investment earnings to each obligation.
  - iv) Documentation for investments made with obligation proceeds such as:
    - (1) investment contracts (i.e. guaranteed investment contracts),
    - (2) credit enhancement transactions (i.e. obligation insurance contracts),
    - (3) financial derivatives (e.g. swaps, caps, and collars), and
    - (4) bidding of financial products:
      - (a) Investments acquired with obligation proceeds are purchased at fair market value (e.g. three bid safe harbor rule for open market securities needed in advance refunding escrows).
- b) Computations of the arbitrage yield.
- c) Computations of yield restriction and rebate amounts including but not limited to:
  - i) Compliance in meeting the "Temporary Period from Yield Restriction Exception" and limiting the investment of funds after the temporary period expires.
  - ii) Compliance in meeting the "Rebate Exception."
    - (1) qualifying for the "Small Issuer Exception,"
    - (2) qualifying for a "Spending Exception,"
      - (a) 6-Month Spending Exception
      - (b) 18-Month Spending Exception
      - (c) 24-Month Spending Exception

- (3) qualifying for the “Bona Fide Debt Service Fund Exception,” and
    - (4) quantifying arbitrage on all funds established in connection with the obligation in lieu of satisfying arbitrage exceptions including reserve funds and debt service funds.
  - d) Computations of yield restriction and rebate payments.
  - e) Timely Tax Form 8038-T filing, if applicable.
    - i) Remit any arbitrage liability associated with the obligation to the IRS at each five-year anniversary date of the obligation, and the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 60 days of said date.
  - f) Timely Tax Form 8038-R filing, if applicable.
    - i) Remit the form after the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 2 years of said date.
  - g) Procedures or guidelines for monitoring instances where compliance with applicable yield restriction requirements depends on subsequent reinvestment of obligation proceeds in lower yielding investments (e.g. reinvestment in zero coupon SLGS).
- 4) Expenditure and Asset Documentation to be Assembled and Retained
- a) Documentation of allocations of obligation proceeds to expenditures (e.g. allocation of proceeds to expenditures for the construction, renovation or purchase of facilities owned and used in the performance of exempt purposes).
    - i) Such allocation will be done not later than the earlier of:
      - (1) eighteen (18) months after the later of the date the expenditure is paid, or the date the project, if any, that is financed by the obligation is placed in service; or
      - (2) the date sixty (60) days after the earlier of the fifth anniversary of the issue date of the obligation, or the date sixty (60) days after the retirement of the obligation.
  - b) Documentation of allocations of obligation proceeds to issuance costs.
  - c) Copies of requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks related to obligation proceed expenditures during the construction period.
  - d) Copies of all contracts entered into for the construction, renovation or purchase of facilities financed with obligation proceeds.
  - e) Records of expenditure reimbursements incurred prior to issuing obligations for projects financed with obligation proceeds (declaration of official intent/reimbursement resolutions including all modifications).
  - f) List of all facilities and equipment financed with obligation proceeds.
  - g) Depreciation schedules for depreciable property financed with obligation proceeds.

- h) Documentation that tracks the purchase and sale of assets financed with obligation proceeds.
- i) Documentation of timely payment of principal and interest payments on the obligation.
- j) Tracking of all issue proceeds and the transfer of proceeds into the debt service fund as appropriate.
- k) Documentation that excess earnings from a Reserve Fund are transferred to the Debt Service Fund on an annual basis. Excess earnings are balances in a Reserve Fund that exceed the Reserve Fund requirement.

5) Miscellaneous Documentation to be Assembled and Retained

- a) Ensure that the project, while the obligation is outstanding, will avoid IRS private activity concerns.
- b) The Finance Director shall monitor the use of all obligation-financed facilities in order to:
  - i) Determine whether private business uses of obligation-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of:
    - (1) sale of the facilities;
    - (2) sale of County capacity rights;
    - (3) leases and subleases of facilities including easements or use arrangements for areas outside the four walls (e.g. hosting of cell phone towers);
    - (4) leasehold improvement contracts, licenses, management contracts in which the County authorizes a third party to operate a facility (e.g. cafeteria);
    - (5) research contracts;
    - (6) preference arrangements in which the County permits a third-party preference (e.g. parking in a public parking lot, joint ventures, limited liability companies or partnership arrangements);
    - (7) output contracts or other contracts for use of utility facilities including contracts with large utility users;
    - (8) development agreements which provide for guaranteed payments or property values from a developer;
    - (9) grants or loans made to private entities including special assessment agreements;
    - (10) naming rights agreements; and
    - (11) any other arrangements that provide special legal entitlements to nongovernmental persons.
  - ii) Determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such obligation-financed facilities.

- c) The Finance Director shall provide training and educational resources to any County staff that have the primary responsibility for the operation, maintenance, or inspection of obligation-financed facilities with regard to the limitations on the private business use of obligation-financed facilities and as to the limitations on the private security or payments with respect to obligation-financed facilities.
  - d) The County shall undertake the following with respect to the obligations:
    - i) An annual review of the books and records maintained by the County with respect to such obligations.
    - ii) An annual physical inspection of the facilities financed with the proceeds of such obligations, conducted by the Finance Director with the assistance of any County staff who have the primary responsibility for the operation, maintenance, or inspection of such obligation-financed facilities.
  - e) Changes in the project that impact the terms or commitments of the obligation are properly documented and necessary certificates or opinions are on file.
- 6) Additional Undertakings and Activities that Support Sections 1 through 5 above:
- a) The Finance Director will notify the County's bond counsel, financial advisor and arbitrage provider of any survey or inquiry by the IRS immediately upon receipt. Usually responses to IRS inquiries are due within 21 days of receipt. Such IRS responses require the review of the above-mentioned data and must be in writing. As much time as possible is helpful in preparing the response.
  - b) The Finance Director will consult with the County's bond counsel, financial advisor and arbitrage provider before engaging in post-issuance credit enhancement transactions (e.g. obligation insurance, letter of credit, or hedging transaction).
  - c) The Finance Director will monitor all "qualified tax-exempt debt obligations" (often referred to as "bank qualified" obligations) within the first calendar year to determine if the limit is exceeded, and if exceeded, will address accordingly. For obligations issued during years 2009 and 2010 the limit was \$30,000,000. During this period, the limit also applied to pooled financings of the governing body and provides a separate \$30,000,000 for each 501 (c)(3) conduit borrower. In 2011 and thereafter it is \$10,000,000 unless changed by Congress.
  - d) Identify any post-issuance change to terms of obligations which could be treated as a current refunding of "old" obligations by "new" obligations, often referred to as a "reissuance."
  - e) The Finance Director will consult with the County's bond counsel prior to any sale, transfer, change in use or change in users of obligation-financed property which may require "remedial action" under applicable Treasury Regulations or resolution pursuant to the VCAP Program.



- i) A remedial action has the effect of curing a deliberate action taken by the County which results in satisfaction of the private business test or private loan test. Remedial actions under Section 1.141-12(d)(e) and (f) include the redemption of non-qualified obligations and/or the alternative uses of proceeds or the facility (i.e. to be used for another qualified purpose).
- f) The Finance Director will ensure that the appropriate tax form for federal subsidy payments is prepared and filed in a timely fashion for applicable obligations (e.g. Build America Bonds).

## 7) Continuing Disclosure Obligations

- a) Identify a position at the County to be responsible for compliance with continuing disclosure obligations as defined by the Rule and any policies of the County.
- b) The position responsible for compliance may have the ability to assign responsibilities, delegate where appropriate or engage a dissemination agent or third-party service providers to perform all or some of the duties described in this section. The County cannot delegate its compliance responsibilities.
- c) The County should specify how providers or delegated authorities will be monitored and supervised.
- d) The County should identify the documents that set forth the respective requirements being monitored at the time of closing for each obligation.
- e) The County should catalog all outstanding Continuing Disclosure Agreements and establish consolidated filing requirements based on the outstanding CDAs.
- f) The County should identify the frequency of the actions to be undertaken to ensure compliance, establish a system or filing alerts or reminders to administer the filing requirements.
- g) The Finance Director for compliance must be made aware of any new outstanding debt, changes to obligation or loan covenants, events of acceleration or default that would materially affect investors.
- h) The County should review a compliance checklist to verify compliance with CDA requirements, at least annually, although it may be advisable to provide more frequent reviews in connection to specific material events.
- i) The County should monitor mandatory material events specifically identified in accordance with the Rule and file required notices within 10 days of occurrence.
  - i) Principal and interest payment delinquencies.
  - ii) Non-payment related defaults, if material.
  - iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
  - iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
  - v) Substitution of credit or liquidity providers or their failure to perform.

- vi) Adverse tax opinion, IRS notices or material events affecting the tax status of the obligation.
- vii) Modifications to rights of security holders, if material.
- viii) Obligation calls, if material.
- ix) Defeasances.
- x) Release, substitution or sale of property securing repayment of the obligations, if material.
- xi) Rating Changes.
- xii) Bankruptcy, insolvency, receivership, or similar event of the obligated person(s).
- xiii) Merger, consolidation, or acquisition of the obligated person, if material.
- xiv) Appointment of a successor or additional trustee, or change of name of a trustee, if material.
- xv) Incurrence of financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material.
- xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the County, any of which reflect financial difficulties.
- j) In addition to the mandatory material events, the County should review and file any additional or voluntary event notices.
- k) The County should maintain a catalog of all outstanding obligations whether publicly offered or privately placed, and the terms and conditions that govern default or acceleration provisions.
- l) Any missed filing requirement should be remedied with a failure to file notice as soon as possible once the late filing is identified and the required information is available to file.
- m) Sensitive information such as bank accounts and wire information should be redacted from documents prior to posting on EMMA.
- n) The County needs to monitor for changes in law and regulations that effect continuing disclosure obligations and review disclosure policies and procedures periodically to ensure compliance and consistency with regulation and market expectations.

#### 8) Compliance with Future Requirements

- a) Take measures to comply with any future requirements issued beyond the date of these Post-Issuance Debt Compliance Procedures which are essential to ensuring compliance with the applicable state and federal regulations.

**Houston County, Minnesota**

**Resolution**  

**Adopting Post-Issuance Debt Compliance Policy for Tax-exempt and Tax-advantaged Governmental Bonds**

**WHEREAS**, Houston County, Minnesota (the “County”) from time to time will issue tax-exempt and tax-advantaged governmental bonds; and

**WHEREAS**, under the Internal Revenue Code of 1986, as amended and related regulations (the “Code”), and Securities and Exchange Commission (the “SEC”) the County is required to take certain actions after bond issuance to ensure that interest on those bonds remains in compliance with the Code and SEC; and

**WHEREAS**, the County has determined to adopt a policy regarding how the County will carry out its compliance responsibilities via written procedures, and to that end, has caused to be prepared documents titled Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures; and

**WHEREAS**, the County Board (the “Board”) of the County has reviewed the Post-Issuance Debt Compliance Policy in connection with the Post-Issuance Debt Compliance Procedures and has determined that it is in the best interest of the District to adopt the Policy.

**NOW THEREFORE, BE IT RESOLVED BY HOUSTON COUNTY, MINNESOTA**; the Board approves the Policy as shown in the form attached; and

**BE IT FURTHER RESOLVED**; County staff are authorized to take all actions necessary to carry out the Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures.

**Adopted by Houston County, Minnesota this** \_\_\_\_ **day of** \_\_\_\_.

**ATTEST:**

\_\_\_\_\_

\_\_\_\_\_

## **2020 Employee Recognition Awards**

### **25 Year Award**

Marilyn S Moore	2/13/1995
Sheila M Schroeder	5/17/1995

### **20 Year Award**

Suzanne M Bublitz	5/31/2000
Ann E Diersen	1/31/2000
Holly J Gleason	10/25/2000
Heather L Myhre	10/18/2000
Shawn L Peter	7/17/2000
Luke T Sass	2/29/2000
Susan K Schwebach	11/13/2000

### **15 Year Award**

Duane D Brownlee Jr	10/17/2005
Daniel T Coogan	4/14/2005
Andrew J Milde	11/30/2005
Matthew W Seitz	10/3/2005

### **10 Year Award**

Kelly J Petersen	6/28/2010
------------------	-----------



## **HOUSTON COUNTY**

### **Professional/Technical Service Agreement**

THIS CONTRACT, and amendments and supplements thereto, is between the County of Houston, acting through its Board of Commissioners, (hereinafter COUNTY), and Ability Building Center, 1911 NW 14 Street, Rochester, MN, a Minnesota Corporation an independent contractor (hereinafter CONTRACTOR).

WHEREAS, County, pursuant to Minnesota Statutes Chapter 375, is empowered to procure from time to time certain professional/technical services, and

WHEREAS, COUNTY is in need of services for the collection and processing of recyclable materials,

WHEREAS, the CONTRACTOR is desirous of opportunities to provide work programs for their adult individuals with disabilities, and

WHEREAS, the CONTRACTOR represents it is duly qualified and willing to perform the services set forth in this contract, through its satellite organization, Woodland Industries located at 521 Old Highway Drive, Caledonia, MN.

NOW, THEREFORE, it is agreed:

I. **TERM OF CONTRACT**

This CONTRACT shall be effective on January 1, 2020 or upon the date the final required signature is obtained by County, whichever occurs later, and shall remain in effect through December 31, 2020. The CONTRACTOR understands that no work should begin under this CONTRACT until all required signatures have been obtained and the CONTRACTOR is notified to begin work by COUNTY'S authorized representative.

II. **CONTRACTOR'S DUTIES**

A. **Client Workers**

CONTRACTOR will provide 3 individuals; one client to work 36 hours per week at the Houston County Recycling Center, located in Houston, Minnesota; and 2 individuals to work part-time at various Houston County drop-sites on an as needed basis as determined by COUNTY.

If any client provided by CONTRACTOR is deemed by the COUNTY unfit for the essential duties, the COUNTY may make an oral request to the CONTRACTOR'S

authorized representative for immediate resolution which may include the client's removal from the work-site. Should the matter remain unresolved for two (2) days or more, the COUNTY may provide written notification to the CONTRACTOR that the client will not be permitted to perform services at the COUNTY's work-site.

CONTRACTOR shall provide appropriate client supervision and safety training.

B. Redemption Center Services

CONTRACTOR agrees to serve as a redemption center for aluminum beverage containers in Caledonia, Minnesota.

III. CONSIDERATION AND TERMS OF PAYMENT

A. Consideration for all services performed by the CONTRACTOR pursuant to this contract shall be paid by COUNTY as follows:

1. Client services shall be compensated at a rate of \$15.00 per client hour.
2. Aluminum redemption costs plus \$0.15 per pound for administration, handling and bailing.

B. Terms of Payment

1. COUNTY shall make prompt payments upon CONTRACTOR'S presentation of monthly invoices. All services provided by the CONTRACTOR pursuant to this contract shall be performed to the satisfaction of County, and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The CONTRACTOR shall not receive payment for work found by COUNTY to be unsatisfactory or performed in violation of any applicable federal, state or local law, ordinance, rule or regulation.
3. Reimbursement for travel and subsistence expenses - The parties agree that no payment will be made for travel or subsistence expenses to the CONTRACTOR.

IV. AUTHORIZED REPRESENTATIVES

All official notifications, including but not limited to, cancellation of this CONTRACT must be sent to the other party's authorized representative.

A. County's authorized representative for the purpose of administration of this CONTRACT is:

Name: Aaron Lacher  
Address: 304 South Marshall Street, Caledonia, MN 55921  
Telephone: (507) 725 - 5800  
E-Mail: aaron.lacher@co.houston.mn.us  
Fax: (507) 725 - 5590

Such representative shall have final authority for acceptance of the CONTRACTOR'S services and, if such services are accepted as satisfactory, shall so certify on each invoice presented pursuant to Clause III, paragraph B.

- B. The CONTRACTOR'S authorized representative for the purpose of administration of this CONTRACT is:

Name: Samantha Sherry  
Address: 521 Old Highway Drive, Caledonia, MN 55921  
Telephone: (507) 725 - 2092  
E-Mail: samantha@abcinc.org  
Fax:

V. **CANCELLATION AND TERMINATION**

- A. This CONTRACT may be canceled by COUNTY at any time, with or without cause, upon thirty (30) days written notice to the CONTRACTOR. In the event of such a cancellation, the CONTRACTOR shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed.
- B. *Termination for Insufficient Funding.* COUNTY may immediately terminate this CONTRACT if funding cannot be continued at a level sufficient to allow for the payment of the services covered herein. Termination must be by written or fax notice to the CONTRACTOR within a reasonable time of COUNTY receiving notice that sufficient funding is not available. COUNTY is not obligated to pay for any services that are provided after notice and effective date of termination. However, the CONTRACTOR will be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed to the extent that funds are available.

VI. **ASSIGNMENT**

The CONTRACTOR shall neither assign nor transfer any rights or obligations under this contract without the prior written consent of COUNTY.

VII. **LIABILITY**

Each party shall be liable for its own acts to the extent provided by law and hereby agrees to indemnify, hold harmless and defend the other, its officers and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney's fees which the other, its officers and employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of the other party, its agents, servants or employees, in the execution, performance, or failure to adequately perform its obligations pursuant to this CONTRACT. Nothing contained in this paragraph, however, shall be construed to release the CONTRACTOR from liability for failure to properly perform duties and responsibilities assumed by CONTRACTOR under this CONTRACT.

VIII. **INSURANCE REQUIREMENTS**

CONTRACTOR agrees that at all times during the term of this CONTRACT to maintain:

- Comprehensive General Liability - \$1.5 million minimum per occurrence
- Excess Liability Coverage - \$3 million over the general and automobile coverage.
- Auto Liability: \$1.5 million combined single limit
- Workers Compensation as required by Minnesota Statutes

The COUNTY of Houston shall be listed as an additionally named insured on the above policies by the CONTRACTOR prior to the execution of this CONTRACT. Additionally, CONTRACTOR agrees to maintain the above required insurance and shall provide the COUNTY with thirty (30) days written notice of any proposed changes prior to the cancellation, non-renewal or material changes. An ACORD Certificate of Liability Insurance for the above listed coverage shall be supplied to COUNTY by CONTRACTOR for each calendar year covered by the term of this CONTRACT.

See Exhibit A.

IX. **WORKERS' COMPENSATION**

The CONTRACTOR certifies it is in compliance with Minnesota Statute §176.181, Subd. 2, regarding workers' compensation. The CONTRACTOR'S employees and agents will not be considered COUNTY employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way COUNTY'S obligation or responsibility.

X. **PUBLICITY.**

Any publicity given to the program, publications, or services provided resulting from this contract, including, but not limited to, notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the CONTRACTOR or its employees individually or jointly with others, or any subcontractors shall identify COUNTY and shall not be released prior to receiving the approval of COUNTY'S authorized representative.

XI. **NON-DISCRIMINATION.**

The CONTRACTOR will comply with the provisions of Minnesota Statute §181.59 which require:

Every contract for or on behalf of the COUNTY, for materials, supplies, or construction shall contain provisions by which the contractor agrees: (1) that, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason or race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) that no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) that a violation of this section is a misdemeanor; and (4) that this



contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the CONTRACT, may be forfeited for a second or any subsequent violation of the terms or conditions of this CONTRACT.

XII. **DATA DISCLOSURE.**

The CONTRACTOR is required by Minnesota Statute §270C.65, to provide either a social security number, a federal taxpayer identification number or a Minnesota tax identification number. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require CONTRACTOR to file state tax returns and pay delinquent state tax liabilities. *This contract will not be approved unless these numbers are provided.* These numbers will be available to federal and state tax authorities and state personnel involved in approving the CONTRACT and the payment of state obligations.

XIII. **GOVERNMENT DATA PRACTICES ACT.**

The CONTRACTOR and COUNTY must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by COUNTY in accordance with this contract, and as it applies to all data, created, collected, received, stored, used, maintained, or disseminated by the CONTRACTOR in accordance with this CONTRACT. The civil remedies of Minnesota Statute §13.08 apply to the release of the data referred to in this clause by either the CONTRACTOR or COUNTY.

In the event the CONTRACTOR receives a request to release the data referred to in this clause, the CONTRACTOR must immediately notify COUNTY. COUNTY will give the CONTRACTOR instructions concerning the release of the data to the requesting party before the data is released.

XIV. **INTELLECTUAL PROPERTY RIGHTS.**

The CONTRACTOR represents and warrants that MATERIALS produced or used under this contract do not and will not infringe upon any intellectual property rights of another, including, but not limited to, patents, copyrights, trade secrets, trade names, and service marks and names. The CONTRACTOR shall indemnify and defend, to the extent permitted law, COUNTY at the CONTRACTOR'S expense from any action or claim brought against COUNTY to the extent that it is based on a claim that all, or part of the materials, infringe upon the intellectual property rights of another. The CONTRACTOR shall be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including, but not limited to, reasonable attorney fees arising out of this contract, amendments and supplements thereto, which are attributable to such claims or actions.

If such a claim or action arises, or in the CONTRACTOR'S or County's opinion is likely to arise, the CONTRACTOR shall, at County's discretion, either procure for COUNTY the right or license to continue using the MATERIALS at issue or replace or modify the allegedly infringing MATERIALS. This remedy shall be in addition to and shall not be exclusive to other remedies provided by law.

XV. **ANTITRUST.**

The CONTRACTOR hereby assigns to the COUNTY any and all claims for overcharges as to goods or services provided in connection with this contract resulting from antitrust violations which arise under the antitrust laws of the United States or the antitrust laws of the State of Minnesota.

XVI. **JURISDICTION AND VENUE.**

This CONTRACT, and amendments and supplements thereto, shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this CONTRACT, or breach thereof, shall be in the state or federal court with competent jurisdiction in Houston County.

XVII. **AMENDMENTS.**

Any amendments to this CONTRACT shall be in writing and shall be executed by the same parties who executed the original contract, or their successors in office.

XVIII. **AUDITS.**

Under Minn. Stat. § 16C.05, subd. 5, the CONTRACTOR'S books The books, records, documents, and accounting procedures and practices of the CONTRACTOR relevant to this CONTRACT shall be subject to examination by COUNTY and the Office of the State Auditor, as appropriate for a minimum of six (6) years from the end date of the CONTRACT.

XIX. **SURVIVAL OF TERMS.**

The following clauses survive the expiration, cancellation or termination of this CONTRACT: VII., Liability; IX., Publicity; XI., Data Disclosure; XII., Government Data Practices Act; XIII., Intellectual Property Rights; XV., Jurisdiction and Venue; and XVII., State Audits.

***[SIGNATURE PAGE FOLLOWS]***

**IN WITNESS WHEREOF**, the parties have caused this contract to be duly executed intending to be bound thereby.

**APPROVED:**

**CONTRACTOR:**

By: (authorized signature)
Wayne Stenberg
Title: Executive Director
Date:

**HOUSTON COUNTY:**

By: (authorized signature)
Jeff Babinski
Title: Houston County Administrator
Date:

By: (authorized signature)
Aaron Lacher
Title: Environmental Services Director
Date:

**APPROVED AS TO FORM AND EXECUTION:**

By: (authorized signature )
Samuel Jandt
Title: Houston County Attorney
Date:

**EXHIBIT A**  
**ACORD LIABILITY INSURANCE CERTIFICATE**