

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: August 6, 2024

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present: Dewey Severson, Robert Burns, Bob Schuldt, and Greg Myhre

Others Present: Interim Auditor/Treasurer Polly Heberlein, Fillmore County Journal Reporter Charlene Selbee, The Caledonia Argus Associate Editor Rose Korabek, Interim Administrator Carol Lapham, Board Clerk/EDA Director Allison Wagner, Recorder Mary Betz, Public Health and Human Services Director John Pogleasa, Public Health Supervisor Jordan Knoke, Deputy Auditor/Treasurer Eliana Babinski, Deputy Auditor/Treasurer Amy Sylling, Engineer Brian Pogodzinski, Assessor Lucas Onstad, Interim County Environmental Services Director Amelia Meiners, Social Services Supervisor Bethany Moen, Human Resource Technician Ann Diersen, and Nathan Wurm

Presiding: Vice Chairperson Schuldt

Call to order.

Pledge of Allegiance.

Prior to any motions being made one item was added to the Consent Agenda: Approve an Exempt Permit for Minnesota Lawful Gambling Application LG220 for Caledonia Girls Court Club INC for gambling (raffle) activities to be conducted at Ma Cal Grove Country Club in Caledonia Township with drawing to be held October 25, 2024, with no waiting period. Motion was made by Commissioner Myhre, seconded by Commissioner Severson motion unanimously carried to approve the agenda with the addition.

Motion was made by Commissioner Myhre, seconded by Commissioner Severson, motion unanimously carried to approve the meeting minutes from July 23, 2024.

Public Comment:

None.

APPOINTMENTS

Interim Auditor/Treasurer Heberlein reviewed Cash and Investments through June 30, 2024 with the Commissioners.

CONSENT AGENDA

Motion by Commissioner Severson, seconded by Commissioner Burns, motion unanimously carried to approve the consent agenda. Items are listed below.

- 1) Initiate a competitive search for a probationary 1.0 FTE Environmental Services Technical Clerk, B-21 (Note, this position will also provide general office support to the Assessor's Office).
- 2) Hire Harley Thompson as a probationary 1.0 FTE, Highway Maintenance Specialist, B23, Step 2, effective 08/19/2024 conditioned upon successful completion of background check.
- 3) Hire Celia Rose as a probationary 1.0 FTE, Adult Services Social Worker, C41, Step 1, effective 08/26/2024 conditioned upon successful completion of background check.
- 4) Approve an Exempt Permit for Minnesota Lawful Gambling Application LG220 for Caledonia Girls Court Club INC for gambling (raffle) activities to be conducted at Ma Cal Grove Country Club in Caledonia Township with drawing to be held October 25, 2024, with no waiting period.

ACTION ITEMS

File No. 1 – Commissioner Myhre moved, Commissioner Severson seconded, motion unanimously carried to select Commissioner Johnson and Schuldt to be appointed to the County Canvassing Board for the State Primary Election to be held on August 13, 2024. The canvassing would take place on August 15, 2024.

File No. 2 – Commissioner Burns moved, Commissioner Schuldt seconded, motion unanimously carried to approve the stipulation between MAPE and LELS, for Chief Deputy position unit representation to be LELS.

File No. 3 – Commissioner Myhre moved, Commissioner Severson seconded, motion unanimously carried to approve a CUP for Dale and Sally Mensink and Scott and Tina Bartsch to place a dwelling on less than 40 acres in Houston Township.

File No. 4 – Commissioners Burns, Commissioner Severson seconded, motion unanimously carried to approve a CUP for Tyler Ladsten to place a dwelling on less than 40 acres in Spring Grove Township.

File No. 5 – Commissioner Myhre moved, Commissioner Burns seconded, motion unanimously carried to approve a CUP for Augedahl and Moenck Builders, LLC for Nathan and Jennifer Wurm for an accessory building in a residential district in Caledonia Township.

File No. 6 – Commissioner Burns moved, Commissioner Severson seconded, motion unanimously carried to approve Resolution No. 24-26 Final Acceptance for CP 2024-04, Contract #067 with Fahrner Asphalt Sealers, LLP for crackfill repair. The total cost was \$57,287.16. See resolution below.

RESOLUTION NO. 24-26

**FINAL ACCEPTANCE FOR CP 2024-04 CRACKFILL
CONTRACT # 067**

FAHRNER ASPHALT SEALERS, LLC

AUGUST 6, 2024

WHEREAS, Contract No. 067 has in all things been completed, and the County Board being fully advised in the premises,

NOW, THEN BE IT RESOLVED, That we do hereby accept said completed project for and in behalf of the County of Houston and authorize final payment as specified herein.

File No. 7 – Commissioner Severson moved, Commissioner Myhre seconded, motion unanimously carried to approve Resolution No. 24-27 Final Acceptance for CP 2024-01, contract #064 with Bruening Rock Products, Inc. for shouldering repair. Total cost was \$300,946.32. Resolution is below.

RESOLUTION NO. 24-27

**FINAL ACCEPTANCE FOR CP 2024-01 SHOULDERING
CONTRACT # 064**

BRUENING ROCK PRODUCTS, INC

AUGUST 6, 2024

WHEREAS, Contract No. 064 has in all things been completed, and the County Board being fully advised in the premises,

NOW, THEN BE IT RESOLVED, That we do hereby accept said completed project for and in behalf of the County of Houston and authorize final payment as specified herein.

File No. 8 – Commissioner Severson moved, Commissioner Myhre seconded, motion unanimously carried to approve Resolution No. 24-28 Final Acceptance for CP 2024-10, Contract #073 with Bruening Rock Products, Inc for maintenance rock. Total cost was \$109,841.99.

RESOLUTION NO. 24-28

**FINAL ACCEPTANCE FOR CP 2024-10 MAINTENANCE ROCK
CONTRACT # 073**

BRUENING ROCK PRODUCTS, INC

AUGUST 6, 2024

WHEREAS, Contract No. 073 has in all things been completed, and the County Board being fully advised in the premises,

NOW, THEN BE IT RESOLVED, That we do hereby accept said completed project for and in behalf of the County of Houston and authorize final payment as specified herein.

File No. 9 – Commissioner Severson moved, Commissioner Burns seconded, motion unanimously carried to approve service agreement from North Dakota State University, through its Upper Great Plain Transportation Institute for new software to be used by the highway department.

File No. 10 – Commissioners discussed the possibility of using ARPA funds for one time project costs and data conversion for Case Works documents with Public Health and Human Services Director Pugleasa. Interim Administrator Lapham recommended using \$15,000 from the department’s fund balance for the purchase. She said there may be other items the County would want to use ARPA dollars on. The matter was tabled.

File No. 11 – Commissioner Severson moved, Commissioner Burns seconded, motion unanimously carried to approve the use of MA unwind grant from DHS for CaseWorks one time project costs for Public Health and Human Services Accounting Division.

File No. 12 – Commissioner Severson moved, Commissioner Burns seconded, motion unanimously carried to review and approve payments. Payments are listed below.

REVIEW LICENSE CENTER PAYMENTS

2024/07/25 AUDITOR WARRANTS:

VENDORNAMEATPAYMENT	AMOUNT
CEDA	7,107.69
LEWISTON AUTO	32,126.94
WILDCAT CREEK MANAGEMENT LLC	8,348.14
	<u>47,582.77</u>

2024/08/06 COMMISSIONER'S WARRANTS:

AVFUEL CORPORATION	14,554.95
BRUENING ROCK PRODUCTS INC	21,286.78
BRYAN SPIER & TRACEY KNUTSON	30,000.00
CEDA	7,107.69
COMMISSIONER OF TRANSPORTATION	92,761.63
DELTA DENTAL	6,034.16
FAHRNER ASPHALT SEALERS LLC	41,361.30
IUOE LOCAL 49 FRINGE BENEFIT FUNDS	25,075.00
MEDICA	192,082.40
MN LIFE INSURANCE COMPANY	2,505.58
VERIZON WIRELESS	3,394.37
VISA	7,087.59
ZENKE INC	70,786.65
	<u>514,038.10</u>
34 VENDORS PAID LESS THAN \$2000.00	15,578.83
	<u>529,616.93</u>
PUBLIC HEALTH & HUMAN SERVICES	17,989.83
	<u><u>547,606.76</u></u>

Public Comment:

None.

DISCUSSION ITEMS

Commissioners discussed recent and upcoming meetings including a Hiawatha Valley Mental Health, Township District 1, Union, and National Night Out.

Interim Administrator Lapham said with transitions, changes, and new hirings she would work with Board Chair Johnson on a few items. These included the possibility of hiring a HR firm at least in the short term to help with the transition, and considering hiring a firm to take a look at job duties to potentially move things around making the County more efficient overall. She said further discussion would take place at the next workgroup session.

There being no further business at 10:19 a.m., a motion was made by Commissioner Myhre seconded by Commissioner Severson, motion unanimously carried to adjourn the meeting. The next meeting would be a workgroup session on August 13, 2024.

BOARD OF COUNTY COMMISSIONERS

HOUSTON COUNTY, MINNESOTA

By: _____
Eric Johnson, Chairperson

Attest: _____
Carol Lapham, Interim Administrator

PROCEEDINGS OF THE BOARD OF COUNTY COMMISSIONERS

Date: August 13, 2024

9:00 a.m.

Place: Commissioners Room, Courthouse, Caledonia, MN

Members Present:

Dewey Severson, Eric Johnson, Robert Burns, Bob Schuldt, and Greg Myhre

Others Present:

Interim Auditor/Treasurer Polly Heberlein, Interim Administrator Carol Lapham, Board Clerk/EDA Director Allison Wagner, Recorder Mary Betz, Deputy Auditor/Treasurer Eliana Babinski, Deputy Auditor/Treasurer Amy Sylling, Public Health and Human Services Director John Pogleasa, Engineer Brian Pogodzinski, Office Support Specialist Lee Langager, Houston County Appraiser Mark Bennett, Deb Wray, Janene Hosch, Rich Cordes, and Rose Korabek

Board Workgroup Session

The Commissioners discussed the future of the historic jail with Deb Wray, Janene Hosch, and Rich Cordes from the Houston County Historical Society. They discussed the possibility of the Historical Society having an agreement with the County to lease the building in the future. The interior of the Historic Jail had been gutted due to flooding in the past, so it would need substantial fixing before it could be used. No official decisions were made on the matter. Later in the meeting Sheriff Swedberg said if in the future the current Houston County Jail was made into a strictly juvenile hold facility (and not just a temporary hold facility) the County would need a recreational area, and the site of the Historic Jail could be used for that. The Sheriff asked that the Commissioners consider that possibility when deciding what to do with the Historic Jail.

Interim Administrator Lapham updated the board saying she had been doing research and looking at different organizational structures used in other counties. She said she was looking into outside companies to help with HR duties in the interim who could help with union negotiations and other duties. Lapham said the County would need to decide if the County Attorney was going to do contract writing, or if that service should be hired out, as the current HR Director was involved with contract writing. Lapham said it may be hard to find a future HR candidate with contract writing skills. Other duties currently being done by the HR Director would need to be reviewed and possibly reallocated.

Sheriff Swedberg told the board the current Houston County Jail was officially open as a temporary juvenile hold facility. In the first week of being open the facility had housed one juvenile inmate. The Sheriff said Attorney Jandt was sharing the opportunity to contract for a bed year round with other entities in the area.

Engineer Pogodzinski discussed with the board future highway projects and potential costs.

EDA Director Wagner and Public Health and Human Services Director Pugelasa shared with the board some childcare information and possible talking points for the Commissioners to pass on to elected officials. Workforce Development Inc. had helped gather information from providers in Houston County. DHS had released a draft of revised family child care licensing standards earlier in the year. Providers in the County and multiple organizations were challenging the draft and recommending DHS take at least one more year to more effectively gather input on the changes. Wagner and Pugleasa said DHS had announced the day before that they were going to wait another year to implement the proposed standards into legislation. The Houston County Core Team supported the Commissioners passing along information, feedback, and concerns from Houston County.

Commissioner Burns said he had some concerns about Wildcat Park regarding temporary rentals that should be looked into by the Parks Committee.

Commissioner Burns said he had researched possible vehicle options for the County to be considered at the next regular board meeting.

The workgroup session ended at 11:04 a.m.

BOARD OF COUNTY COMMISSIONERS

HOUSTON COUNTY, MINNESOTA

By: _____
Eric Johnson, Chairperson

Attest: _____
Polly Heberlein, Interim Auditor/Treasurer


Agenda Item - Houston County Aquatic Invasive Species Resolution FY25

Janice Messner <messnerjanice@gmail.com>

Wed 8/7/2024 5:48 PM

To: Houston County BOC <BOC@co.houston.mn.us>;

Cc: Dave Walter <goosey10@hotmail.com>;

 2 attachments (752 KB)

2024-ais-prevention-aid-metrics-template.docx; 08072024 Agenda Request Form.pdf;

***** HOUSTON COUNTY SECURITY NOTICE *****

This email originated from an external sender. Exercise caution before clicking on any links or attachments and consider whether you know the sender. For more information please contact HelpDesk.

We will need to have the BOC approve the attached AIS resolution. This is for fiscal year 2025.

Please update the highlighted dates and have Polly Heberlein sign and return to us.

Thank you,
Janice

--

Janice Messner
Root River SWCD
Administrative Assistant
(507) 724-5261 ext. 3

RESOLUTION NO. 24-29

AQUATIC INVASIVE SPECIES PREVENTION AID

August 20, 2024

WHEREAS, 2014 Session Law Chapter 308 enacted by the Legislature provides Minnesota counties a County Program Aid grant for Aquatic Invasive Species (AIS) prevention. The amount designated for each county is based on the number of watercraft trailer launches as well as the number of watercraft trailer parking spaces within each county. Houston County was allocated \$22,521 for 2025 and years following (5 watercraft trailer launches and 50 watercraft trailer parking spaces), and

WHEREAS, the legislation requires that Houston County must establish, by resolution or through adoption of a plan, guidelines for the use of the proceeds which are to prevent the introduction or limit the spread of aquatic invasive species at all access sites within the county, and

WHEREAS, the county may appropriate the proceeds directly or may use any portion of the proceeds to provide funding to a soil and water conservation district in the county, for a joint powers board or cooperative agreement with another political subdivision, a watershed district in the county, or a lake association located in the county. Any money appropriated by the county to a different entity or political subdivision must be used as required under this section, and

WHEREAS, the county must submit a copy of its guidelines for use of the proceeds to the Department of Natural Resources by December 31 of the year the payments are received, and

WHEREAS, maintaining an ongoing effort to inform the public of resource needs, resource impairments and resource protection matters has been identified as the most important tool in addressing water resource concerns in the Houston County Water Plan, the fight against Aquatic Invasive Species is included in this educational effort and will continue to be a cornerstone of Houston County's Water Plan.

NOW THEREFORE, BE IT RESOLVED the Board of Commissioners of Houston County, Minnesota designate oversight of Houston County's AIS prevention efforts to the Root River Soil and Water Conservation District and delegates to them the responsibility to prepare, implement and report annually a plan to allocate the funding in accordance with the above legislation.

*****CERTIFICATION*****

STATE OF MINNESOTA, COUNTY OF HOUSTON

I, Polly Heberlein, 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 August 20, 2024.

WITNESS my hand and the seal of my office this 20th day of August 2024.

Polly Heberlein, County Auditor

**HOUSTON COUNTY
AGENDA REQUEST FORM
August 20, 2024**

**Date Submitted: August 9, 2024
By: Polly Heberlein**

Consent Agenda:

**Review 2023 Annual Disclosure Statements for City of Spring Grove Tax
Increment Financing (TIF) Districts for the year ended December 31, 2023.**

<u>Reviewed by:</u>	<input type="checkbox"/> HR Director	<input type="checkbox"/> County Sheriff	<input type="text"/>
	<input type="checkbox"/> Finance Director	<input type="checkbox"/> County Engineer	<input type="text"/>
	<input type="checkbox"/> IS Director	<input type="checkbox"/> PHHS	<input type="text"/>
	<input type="checkbox"/> County Attorney	<input type="checkbox"/> Other (indicate dept)	<input type="text"/>
	<input type="checkbox"/> Environmental Svcs		
<u>Recommendation:</u>			
<u>Decision:</u>			

Spring Grove EDA - TIF 1-2 Bender 4th Addition - 2023 Annual Reporting Form

Home	Overview	District Info	Debt	Interfund Loans	PAYG	Project Costs	Transfers	Rev & Expr	B:
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2023 Annual Disclosure Statement

1	Name of Development Authority:	Spring Grove EDA
2	Name of Municipality:	Spring Grove
3	Fillmore County Journal (Name of the Newspaper)	8/12/2024 (Date of Publication)

The following information represents the annual disclosure of tax increment districts for the year ended December 31, 2023.

		TIF 1-2 Bender 4th Addition
4	Current net tax capacity	\$ 19,178
5	Original net tax capacity	\$ 110
6	Captured net tax capacity	\$ 19,068
7	Principal and interest payments due in 2024	\$ 0
8	Tax increment received in 2023	\$ 23,061
9	Tax increment expended in 2023	\$ 23,076
10	Month and year of first tax increment receipt	7/2009
11	Date of required decertification	12/31/2034
12	The total increased property taxes to be paid from outside the district if fiscal disparities Option A applies*	\$ 0

* The fiscal disparities property tax law provides that the growth in commercial-industrial property tax values is shared throughout the area. In a tax increment financing district, this value sharing can either result in a decrease in tax increment financing district revenue or a tax increase for other properties in the municipality depending on whether the tax increment financing district contributes its share of the growth. Amounts displayed here indicate that the district did not contribute its growth in commercial-industrial property tax values and represent the resulting increase in taxes on other properties in the City for taxes payable in 2023.

Additional information regarding this district may be obtained from:

13	Name:	Erin Konkell
14	Address:	118 1st Ave NW
15	City:	Spring Grove
16	State:	MN
17	Zip Code:	55974
18	Phone:	5074985221 Enter as 6512962551
19	Email:	erin@springgrovern.com

Enter 'none' if no email address.

Spring Grove EDA - TIF 1-3 Daycare Redev Project - 2023 Annual Reporting Form

Home	Overview	District Info	Debt	Interfund Loans	PAYG	Project Costs	Transfers	Rev & Expr	B:
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2023 Annual Disclosure Statement

1	Name of Development Authority:	Spring Grove EDA
2	Name of Municipality:	Spring Grove
3	Fillmore County Journal (Name of the Newspaper)	8/12/2024 (Date of Publication)

The following information represents the annual disclosure of tax increment districts for the year ended December 31, 2023.

		TIF 1-3 Daycare Redev Project
4	Current net tax capacity	\$ 9,014
5	Original net tax capacity	\$ 2,940
6	Captured net tax capacity	\$ 6,074
7	Principal and interest payments due in 2024	\$ 37,450
8	Tax increment received in 2023	\$ 4,230
9	Tax increment expended in 2023	\$ 3,931
10	Month and year of first tax increment receipt	6/2018
11	Date of required decertification	12/31/2043
12	The total increased property taxes to be paid from outside the district if fiscal disparities Option A applies*	\$ 0

* The fiscal disparities property tax law provides that the growth in commercial-industrial property tax values is shared throughout the area. In a tax increment financing district, this value sharing can either result in a decrease in tax increment financing district revenue or a tax increase for other properties in the municipality depending on whether the tax increment financing district contributes its share of the growth. Amounts displayed here indicate that the district did not contribute its growth in commercial-industrial property tax values and represent the resulting increase in taxes on other properties in the City for taxes payable in 2023.

Additional information regarding this district may be obtained from:

13	Name:	Erin Konkel
14	Address:	118 1st Ave NW
15	City:	Spring Grove
16	State:	MN
17	Zip Code:	55974
18	Phone:	5074985221 Enter as 6512962551
19	Email:	erin@springgrovemn.com

Enter 'none' if no email address.

Spring Grove EDA - TIF 1-4 - 2023 Annual Reporting Form

Home	Overview	District Info	Debt	Interfund Loans	PAYG	Project Costs	Transfers	Rev & Expr	Bi
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2023 Annual Disclosure Statement

1	Name of Development Authority:	Spring Grove EDA
2	Name of Municipality:	Spring Grove
3	Fillmore County Journal (Name of the Newspaper)	8/12/2024 (Date of Publication)

The following information represents the annual disclosure of tax increment districts for the year ended December 31, 2023.

		TIF 1-4
4	Current net tax capacity	\$ 6,872
5	Original net tax capacity	\$ 1,890
6	Captured net tax capacity	\$ 4,982
7	Principal and interest payments due in 2024	\$ 46,884
8	Tax increment received in 2023	\$ 7,024
9	Tax increment expended in 2023	\$ 125
10	Month and year of first tax increment receipt	5/2020
11	Date of required decertification	12/31/2027
12	The total increased property taxes to be paid from outside the district if fiscal disparities Option A applies*	\$ 0

* The fiscal disparities property tax law provides that the growth in commercial-industrial property tax values is shared throughout the area. In a tax increment financing district, this value sharing can either result in a decrease in tax increment financing district revenue or a tax increase for other properties in the municipality depending on whether the tax increment financing district contributes its share of the growth. Amounts displayed here indicate that the district did not contribute its growth in commercial-industrial property tax values and represent the resulting increase in taxes on other properties in the City for taxes payable in 2023.

Additional information regarding this district may be obtained from:

13	Name:	Erin Konkel
14	Address:	118 1st Ave NW
15	City:	Spring Grove
16	State:	MN
17	Zip Code:	55974
18	Phone:	5074985221 Enter as 6512962551
19	Email:	erin@springgrovemn.com

Enter 'none' if no email address.

**HOUSTON COUNTY
AGENDA REQUEST
August 20, 2024**

Date Submitted: August 15, 2024

By: Tess Kruger, HRD/Facilities Mgr.

ACTION

- **Labor Negotiations – Closed session pursuant to Minn. Stat. §13D.03, Subd. 1, (b) to discuss labor negotiations, including negotiation strategies or developments or discussion and review of labor negotiation proposals, conducted pursuant to sections [179A.01](#) to [179A.25](#).**

APPOINTMENT REQUEST

NONE

HR CONSENT AGENDA REQUEST

Auditor-Treasurer's Office

- **Change Darlene Johnson's status from part time probationary Deputy Auditor/Treasurer to full-time probationary Deputy Auditor/Treasurer, effective 09/09/2024. (Hours served probationary time to date will be credited towards the 6 months probationary/trial work period.)**
- **Approve unpaid leave for Darlene Johnson from 10/22/2024 through 11/08/2024**

County Attorney's Office

- **Approve the banding and pay rate change of Administrative Legal Assistant Cindy Augedahl, from B23 non-exempt to B24 non-exempt, Step 7 effective 08/26/2024**
- **Approve the banding and pay rate change of Administrative Legal Assistant Julie Von Arx-Abnet, B23 non-exempt to B24 non-exempt, Step 7 effective 08/26/2024**

Public Health & Human Services Department

- **Change the employment status of Social Worker, Abigail Bendel, from probationary to regular, effective 08/26/2024**

CC:

☐ HR Director
☒ Finance Director
☐ IS Director

☒ County Attorney
☐ Environmental Svcs

☐ Sheriff
☐ Engineer
☒ PHHS
(indicate
other dept) ☐ A/T

HOUSTON COUNTY

Personnel Office

304 South Marshall Street - Room 208

Caledonia, Minnesota 55921

Phone: (507) 725-5822

Fax: (507) 725-5590

www.co.houston.mn.us



TENTATIVE AGREEMENT BETWEEN HOUSTON COUNTY
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL No. 49 AFL-CIO
July 29, 2024

The following reflects the Employer's understanding of the tentative agreement reached by the parties' bargaining representatives on 07/23/2024. Further, the Employer and the Union recognized at that meeting that all proposed contract terms and tentative agreements are not effective until approved by the parties' respective union membership and the Houston County Board of Commissioners.

ARTICLE 6 – WORK SCHEDULES/ASSIGNMENTS

E: Equalization between groups. Engineer Assistants and Survey Crew Chief to receive four (4) hours call back.

ARTICLE 7 – OVERTIME PAY

D: Change the maximum of overtime may be "banked" from 140 hours to 160 hours.

ARTICLE 9 - HOLIDAYS

A: Add Juneteenth and Indigenous People Day.

Make the ½ day for Christmas Eve applicable to all days of the week, not just when it falls on Monday – Thursday.

Delete the extraneous * behind Christmas Eve

ARTICLE 10 – SICK LEAVE

B. Accumulated sick leave may be approved for absences for the following reasons:

- Because of illness or injury which prevents the employee from performing job duties and responsibilities.
- Because of medical or dental care which cannot be scheduled at a time other than during the employee's normal workday.
- For any use permitted by the County's Sick Policy, and consistent with Minn. Stats. §§ 181.9445, 181.9446, 181.9447, and 181.9448.

C. The Employer may require written medical verification of an employee's illness, a family member's illness or an employee's ability to return to work following an illness or injury. The Employer agrees to pay for the full cost of obtaining the medical verification. For sick leave hours used as ESST, the Employer may require reasonable documentation as defined by Minn. Stat. § 181.9447.

D. Misuse of the sick leave benefit shall be just cause for disciplinary action as provided by Article 18 (Discipline).

E. Notification. Employees unable to report on their workday because of illness or injury shall notify their supervisor, or foreman should the supervisor not be available, as soon as possible prior to their scheduled starting time. Employees returning to work from sick leave of three (3) days or more duration shall notify the supervisor or his designee at least one (1) calendar day prior to their scheduled starting time. Employees failing to give such notice may be subject to discipline as provided in Article 18 (Discipline).

F. When sick leave is approved, employees, for compensation purposes, will be considered to have worked their normal workday.

G. Part-time employees shall earn pro-rata sick leave benefits based on the number of hours actually worked during a pay period, up to full-time. Part-time employees shall be eligible for ESST pursuant to the County's ESST policy.

H. Because ESST is a form of sick leave and does not accrue in addition to or on top of sick leave, any accrued and unused sick leave hours, whether considered ESST or not, shall carry over and be paid out in accordance with the terms of this Labor Agreement.

~~B. No sick leave shall be granted during the first six (6) months of an Employee's probationary period of twelve (12) months; but upon satisfactory completion of such period, sick leave shall accrue to the Employee for the full time served.~~

~~C. Employees may use their accrued sick leave for the following:~~

~~1. Actual illness of Employee.~~

~~2. Temporary physical disability of Employee.~~

~~3. Serious illness or death in immediate family, meaning the Employee's spouse, parent, child, brother, sister, father in law, mother in law, grandchild or grandparent.~~

ARTICLE 11 – INSURANCE

B. The Employer agrees to the following premium schedule for contributions to be paid to the Local 49 Plan:

- For January and February of 2025, the Employer agrees to pay a monthly premium contribution of \$1,455.18.
- ~~For March 2022 through February 2023, the Employer agrees to pay a monthly premium contribution of \$1,278.75.~~
- For subsequent renewal periods, the Employer agrees to increase the Employer's monthly premium contribution up to 4.9% over the previous Local 49 health plan's annual premium conditioned upon an equivalent actual premium rate increase up to 4.9%. The 4.9% will be applied with the

maximum cumulative effect from benefit year 2025 through benefit year 2027.

- The maximum employer premium contribution per plan year will not exceed the following amounts:

March 2025 through February 2026 - \$1,526.48

March 2026 through February 2027 - \$1,601.28

March 2027 through December 2028 - \$1,679.74

For example:

- Should there be an actual increase in premium costs of 8% for March 2026 through February 2027 the Employer agrees to an Employer contribution of a maximum of \$1,601.28 per month per Employee.

(The balance of B. unchanged)

ARTICLE 14 – SAFETY, UNIFORMS AND CDL

B: Increase clothing allowance \$325.00 bringing total to \$850.00.

ARTICLE 15 - WAGES

A. Appendix A – Adjust the pay grids to reflect the following general wage increases:

Effective January 1, 2025: 6.5%

Effective January 1, 2026: 3.5%

Effective January 1, 2027: 3.25%

B. Amend language to reflect the 2022-2024 CBA adoption of the 9 step pay grid.

Employees shall be entitled to advance one (1) step for every year (2080 hours; overtime excluded) of service. ~~Employees who after three (3) years service and who have the experience to operate two (2) of the three (3), blade, loader or backhoe and who have a Class A license shall be classified as a Maintenance Specialist Step 3.~~

C: Increase the CDL drug testing pool payment from \$250.00/year to \$350.00/year

D. Add applicators license payment for up to two (2) employees, as determined by the County DOT Engineer, of \$800.00/year payable first pay period in December.

ARTICLE 20 – SHOW UP PAY/EARLY CALL

B. ...In consideration for being subject to an early call-out/shift start, all Employees who are required to start their shift before their normally scheduled starting time shall receive a payment of \$75.00 ~~40.00~~ for that shift, in addition to their normal pay for that day.

ARTICLE 21 – CENTRAL PENSION FUND

Update language.

A. The County of Houston recognizes and agrees to participate in the Central Pension Fund of the International Union of Operating Engineers and Participating Employers (“CPF”) as set forth in Minnesota State law and in accordance with the terms of the Restated Agreement and Declaration Trust of the Central Pension, the Plan of Benefits, and this Memorandum of Understanding.

1. Minnesota Statute § 356.24, Subd. 1(10) expressly authorizes the Employer to contribute public funds to the Central Pension Fund as a supplemental pension plan for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for such coverage.
2. Sections 4.1 of the Restated Agreement and Declaration of Trust of the Central Pension Fund and 13.01 of the Plan of Benefits only permits Employer Contributions to the Fund.
3. The Parties agree that the agreed upon Employer contribution amount that would otherwise be paid in salary or wages will be contributed instead to the CPF as a pre-tax Employer contribution. Contributions from the Employer will not be funded from any other source unless agreed upon by the parties.
4. The hourly contribution rate will be applied to straight time hours compensated (i.e. hours worked, vacation, holiday and sick time and excludes overtime hours worked. The Employer shall remit this contribution directly to the Central Pension Fund at P.O. Box 418433 Boston, MA 02241-8433.
5. A contribution of \$4.80 per straight time hours compensated prevents annual Central Pension Fund contributions on behalf of eligible Employees from exceeding \$10,000.00 in a calendar year and therefore complies with the limitations set forth under Minnesota Statute, §356.24, Subd. 1(10) as amended.
6. For purposes of determining future wage rates, the Employer shall first restore the amount of the Employer Contribution, which is currently the CPF contribution rate of \$2.40 per hour, then apply the applicable wage multiplier, then reduce the revised wage by the Central Pension Fund contribution rate.
7. For purposes of calculating overtime compensation, the Employer shall first restore the amount of the Employer Contribution \$2.40 then apply the applicable 1.5 wage multiplier required under the Fair Labor Standards Act (FLSA) and the Collective Bargaining Agreement, then pay the resulting amount for overtime worked.
8. The Parties agree that the Public Employees Retirement Association (PERA) interprets Employer contributions to the Central Pension Fund as being included in determining “salary” for the purposes of the public pension.
9. Effective 03/12/2024, the contribution rate equals \$2.40 per straight time hour compensated, not to exceed 2080 hours per calendar year.
10. Members, by majority vote, may change the contribution rate at any time during the life of the Collective Bargaining Agreement. The Union and Employer will work together to implement member approved changes as soon as is practicable.

ARTICLE 22 – PROFESSIONAL DEVELOPMENT/TRAVEL EXPENSES

B: Increase \$30.00 = \$155.00 per MNDOT Certifications.

ARTICLE 24

The parties agree to amend its current 2022 through 2024 agreement and adopt a three (3) year agreement for 2025, 2026, and 2027.

Lastly, it is understood that the parties reserve the right to add to, modify, or withdraw proposals during the course of contract negotiations.

**2026
3.50%**

**Current
Band
Grade**

Position

Steps

3.50%

3.50%

3.50%

3.50%

3.50%

0

1 yr

2 yr

3 yr

4 yr

5 yr

1

2

3

4

5

6

B21 Laborer

\$22.11

\$22.88

\$23.70

\$24.53

\$25.39

\$26.26

B23 Maintenance Specialist

\$25.56

\$26.44

\$27.37

\$28.34

\$29.31

\$30.35

B23 Sign Specialist

\$25.56

\$26.44

\$27.37

\$28.34

\$29.31

\$30.35

B24 Maintenance Specialist Sr.

\$27.09

\$28.03

\$29.01

\$30.02

\$31.07

\$32.17

B24 Mecanic

\$27.09

\$28.03

\$29.01

\$30.02

\$31.07

\$32.17

B24 Engineering Technician

\$27.09

\$28.03

\$29.01

\$30.02

\$31.07

\$32.17

B25 Sr. Engineering Technician

\$28.71

\$29.71

\$30.75

\$31.83

\$32.92

\$34.08

B31 Engineering Assistant

\$29.57

\$30.62

\$31.68

\$32.79

\$33.94

\$35.13

B31 Engineering Tech-Survey

\$29.57

\$30.62

\$31.68

\$32.79

\$33.94

\$35.13

Crew Chief

C41 Maintenance Foreman

\$33.23

\$34.40

\$35.60

\$36.85

\$38.14

\$39.46

3.50%	3.50%	3.50%
6 yr	7 yr	8 yr
7	8	9

\$27.19	\$28.13	\$29.14
\$31.41	\$32.51	\$33.63
\$31.41	\$32.51	\$33.63
\$33.28	\$34.44	\$35.65
\$33.28	\$34.44	\$35.65
\$33.28	\$34.44	\$35.65
\$35.28	\$36.53	\$37.80
\$36.35	\$37.63	\$38.95
\$36.35	\$37.63	\$38.95
\$40.86	\$42.28	\$43.76

**HOUSTON COUNTY
AGENDA REQUEST FORM
August 20, 2024**

Date Submitted: 8.8.24
By: Polly Heberlein

Consent Agenda Request:

Consider appointing Dave Melbostad of La Crescent to fill the vacant position on the Parks Committee.

<u>Reviewed by:</u>	<input type="checkbox"/> HR Director	<input type="checkbox"/> County Sheriff	<input type="text"/>
	<input checked="" type="checkbox"/> Finance Director	<input checked="" type="checkbox"/> County Engineer	<input type="text" value="Pogodzinski"/>
	<input type="checkbox"/> IS Director	<input type="checkbox"/> PHHS	<input type="text"/>
	<input type="checkbox"/> County Attorney	<input type="checkbox"/> Other (indicate dept)	<input type="text"/>
	<input type="checkbox"/> Environmental Svcs		
<u>Recommendation:</u>			
<u>Decision:</u>			

Houston County Agenda Request Form

Date Submitted: August 8, 2024

Board Date: August 20, 2024

Person requesting appointment with County Board: Brian Pogodzinski

Issue:

Discussion regarding the Highway Department's 5 - year CIP - Capital Improvement Plan for Houston County highways.

Attachments/Documentation for the Board's Review:

Justification:

Action Requested:

For County Use Only

Reviewed by:

_____ County Auditor

_____ County Attorney

_____ Zoning Administrator

_____ Finance Director

_____ County Engineer

_____ Environmental Services

_____ IS Director

_____ Other (indicate dept)

Recommendation:

Decision:

All agenda request forms must be submitted to Allison Wagner at BOC@co.houston.mn.us by 12:00 p.m. on Thursday in order to be considered for inclusion on the following week's agenda. The Board will review all requests and determine if the request will be heard at a County Board meeting.

Houston County Agenda Request Form

Date Submitted: August 15, 2024

Board Date: August 20, 2024

Person requesting appointment with County Board: Brian Pogodzinski

Issue:

Review and approve the contract with Bolten Menk to prepare the Runway 13/31 Clear Zone Acquisition Plan. (CZAP). In the future we will be pursuing a Mn Dot Aeronautic Grant to pay for 75% of the cost. Local portion will be \$2,500.

Attachments/Documentation for the Board's Review:

Justification:

Action Requested:

Approve the Bolten and Menk contract.

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

All agenda request forms must be submitted to Allison Wagner at BOC@co.houston.mn.us by 12:00 p.m. on Thursday in order to be considered for inclusion on the following week's agenda. The Board will review all requests and determine if the request will be heard at a County Board meeting.



Real People. Real Solutions.

7533 Sunwood Drive NW
Suite 206
Ramsey, MN 55303-5119

Ph: (763) 433-2851
Fax: (763) 427-0833
Bolton-Menk.com

August 13, 2024

Mr. Brian Pogodzinski, P.E.
County Engineer
Houston County
1124 East Washington Street
Caledonia, MN 55921

RE: Houston County Airport (CHU)
Runway 13/31 Clear Zone Acquisition Plan (CZAP)
BMI Work Order No.5
Proposal for Professional Services

Dear Ms. Pogodzinski,

Bolton & Menk is pleased to submit our proposal for Professional Services for the Runway 13/31 Clear Zone Acquisition Plan (CZAP) at the Houston County Airport.

MnDOT Office of Aeronautics prioritizes airport sponsors having ownership over 100% of the entire area of the MnDOT Clear Zone off of each runway end. The MnDOT Clear Zone is a trapezoidal shaped area off each runway end the size of which is determined by the runway category, visibility minimums, and most critical approach ultimately planned for each runway configuration. Due to the altitude at which aircraft operate within the airspace above the MnDOT Clear Zone, maintaining it free of obstructions is paramount to safe operations.

If the entirety of each MnDOT Clear Zone is not owned by the airport sponsor, MnDOT recommends establishing a Clear Zone Acquisition Plan (CZAP) that outlines the existing and future ownership goals of these areas. If the airport sponsor does not own 100% of their MnDOT Clear Zone and does not have a CZAP on file, it limits their opportunity to receive MnDOT funding per the State funding prioritization model guide.

For the Runway 13 and 31 ends, the county has control over the majority of the clear zone via easement. This proposal will include services to establish a CZAP with the city and MnDOT Office of Aeronautics. Funding shall be provided by MnDOT at a 75% participation rate with the county share being 25%.

SCOPE OF SERVICES:

TASK 1 CLEAR ZONE ACQUISITION PLAN (CZAP)

1.1 Project Meetings

Up to a maximum of three (3) meetings with the Airport Sponsor and MnDOT Office of Aeronautics are included. It is anticipated that these meetings will include appropriate personnel from the Airport Sponsor and MnDOT Office of Aeronautics. It is anticipated the meetings will take place virtually and may cover the following topics or decision points:

1. Kickoff meeting to review project purpose and goal.
2. Initial review of draft CZAP.
3. Final review of draft CZAP.

1.2 Clear Zone Acquisition Plan

The CZAP will be prepared in accordance with the Minnesota State Aviation System Plan Phase II, established in September of 2023.

The CZAP will include the components described below.

1.2.1 Airport and Surrounding Vicinity Map

The Airport Sponsor will be displayed on a 22" x 34" layout to provide a graphic depiction of the airport and the surrounding vicinity. The information on this layout will include the following:

- MnDOT Clear Zone dimensions as established by the MnDOT Clear Zone Guidance Statement established in 2022.
- Existing land ownership within MnDOT Clear Zone, including parcels owned by the Airport Sponsor in fee simple.
- Property interests proposed for future fee simple ownership.
- Property interests neither proposed nor designated for future fee simple ownership.
- Natural and manmade features, structures, and objects pertaining to the airport compatibility of land uses within and in the vicinity of MnDOT Clear Zone, including those that may result in congregations of people or exceed height standards defined by Minnesota Administrative Rules Part 8800.1200.
- Existing airport property boundary.
- Part 77 approach surface at ultimate airport build-out.

1.2.2 Narrative Report

The Narrative report will provide explanation as to why the Airport Sponsor currently does not own 100% of the MnDOT Clear Zone. The report will also suggest possible alternative options for the MnDOT Clear Zone if ownership is not feasible, such as possible easements. The report will describe any efforts that have already been taken to enact any alternative options.

Name: CHU Clear Zone Action Plan (CZAP)
Date: August 13, 2024
Page: 3 of 3

1.2.3 Property Ownership Table

A table will be included on the Airport and Surrounding Vicinity Map as described in Task 1.3.2 and will include the following information:

- Property Owner.
- Estimated market value.
- Existing land use.
- Distance of all buildings from extended runway centerline.
- Height of all buildings.
- When the parcel is anticipated to be acquired and proposed funding source(s).

CONSIDERATION:

The services described above in this proposal shall be completed on a LUMP SUM basis of **\$10,000.00**.

The anticipated funding participation is as follows:

- State (75%): \$ 7,500.00
- Local (25%): \$ 2,500.00

SCHEDULE:

We anticipate the work can be performed according to the following schedule.

- CZAP: September – December 2024
- Adoption: January 2025

Bolton & Menk, Inc. puts a high priority on ensuring that our company's efforts are consistent with our clients' needs. If you find this proposal acceptable, please return a signed and dated copy our proposal.

Sincerely,

Bolton & Menk, Inc.



Silas Parmar, P.E.
Aviation Project Manager

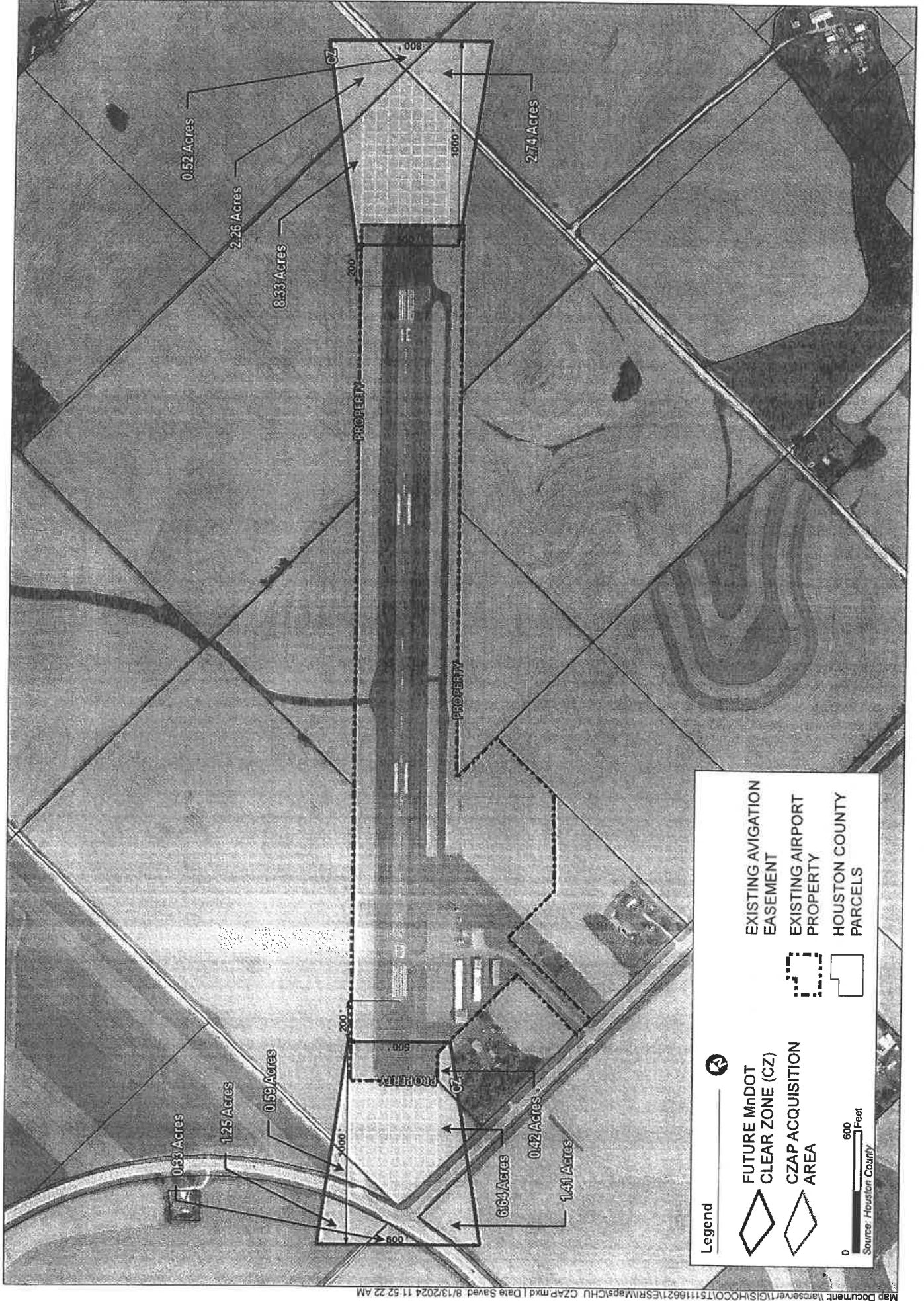
Authorization and acceptance of this letter proposal.

Houston County, Minnesota

By:

Mr. Brian Pogodzinski
County Engineer

Date



Legend



 FUTURE MnDOT
CLEAR ZONE (CZ)

 CZAP ACQUISITION
AREA

EXISTING AVIGATION
EASEMENT



EXISTING AIRPORT
PROPERTY



HOUSTON COUNTY
PARCELS

0 800 Feet
Source: Houston County

Houston County Agenda Request Form

Date Submitted: 8/15/2024

Person requesting appointment with County Board: John Pugleasa, Director Public Health & Human Services

Will you be doing a power point or video presentation: Yes X NO

Issue:

Approve contract with Next Chapter Technology for CaseWorks - Accounting version. Cost of project will be covered by State MA unwind grant.

Attachments/Documentation for the Board's Review:

Soft copy of contract for review, hard copy for signature

Justification:

Action Requested:

Approve contract as presented.

For County Use Only

<u>Reviewed by:</u>	<u> </u> County Auditor	<u> </u> County Attorney	<u> </u> Zoning/Environmental Service
	<u> </u> Finance Director	<u> </u> County Engineer	<u> </u> HR/Personnel
	<u> </u> IS Director	<u> </u> Other (indicate dept)	<u> </u>

Recommendation:

Decision:

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 requests and schedule appointments as appropriate.

Houston County Agenda Request Form

Date Submitted: 8/15/2024

Person requesting appointment with County Board: John Pugleasa, Director Public Health & Human Services

Will you be doing a power point or video presentation: Yes X NO

Issue:

Approve allocation of ARPA funds and contract with Next Chapter Technology for CaseWorks - Social Services version. ARPA finds will cover cost of project.

Attachments/Documentation for the Board's Review:

Soft copy of contract fro review, hard copy for signature

Justification:

Action Requested:

Approve ARPA allocation and contract as presented.

For County Use Only

Reviewed by:	<u> </u> County Auditor	<u> </u> County Attorney	<u> </u> Zoning/Environmental Service
	<u> </u> Finance Director	<u> </u> County Engineer	<u> </u> HR/Personnel
	<u> </u> IS Director	<u> </u> Other (indicate dept)	<u> </u>

Recommendation:

Decision:

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 requests and schedule appointments as appropriate.

Houston County Agenda Request Form

Date Submitted: 8/15/2024

Person requesting appointment with County Board: John Pogleasa, Director Public Health & Human Services

Will you be doing a power point or video presentation: ☐ Yes ☒ NO

Issue:

Approve allocation of ARPA funds of up to \$15,000 for data transfer associated with CaseWroks Social Services project.

Attachments/Documentation for the Board's Review:

None

Justification:

Action Requested:

Approve allocation as submitted.

For County Use Only

<u>Reviewed by:</u>	<input type="checkbox"/> County Auditor	<input type="checkbox"/> County Attorney	<input type="checkbox"/> Zoning/Environmental Service
	<input type="checkbox"/> Finance Director	<input type="checkbox"/> County Engineer	<input type="checkbox"/> HR/Personnel
	<input type="checkbox"/> IS Director	<input type="checkbox"/> Other (indicate dept)	

Recommendation:

Decision:

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 requests and schedule appointments as appropriate.

**SOFTWARE LICENSE AGREEMENT
for
CASEWORKS ACCOUNTING EDITION**

The below, Software Licenses Agreement ("Agreement") is entered into this 25th day of August, 2024 by and between Next Chapter Technology, Inc. ("NCT" or "Company"), with its principal place of business at 7700 Equitable Drive, Suite 200, Eden Prairie, MN 55344 and Houston County on behalf of Houston County Human Services (County), with its principal place of business at 304 S. Marshall St., Caledonia, MN 55921.

Whereas, the County Board of Commissioners authorized the purchase of an Electronic Document Management System to be implemented within the Human Services Department; and,

Whereas, NCT has developed certain software containing the functionality required to support the County Human Services Electronic Document Management needs; and

Whereas, NCT has agreed to provide services and features to County; and

Whereas, County desire to receive a license from NCT to utilize the CaseWorks Software – Accounting Edition, (hereinafter collectively "Software") and NCT is willing to grant County a limited, non-exclusive, non-assignable, non-transferable license, under the terms and conditions provided herein, to so utilize the Software; and

Whereas, the County and NCT desire to enter into a contractual relationship for the above purpose,

NOW THEREFORE, the County and NCT agree as follows:

ARTICLE I
THE CONTRACT DOCUMENTS

The agreement documents consist of this agreement, NCT's Statement of Work (Exhibit One), the County Insurance Requirements (Exhibit Two), the Project Schedule (Exhibit Three), the Software Support Agreement (Exhibit Four), the Purchase Agreement (Exhibit Five), and the Vendor Technology Usage Agreement (Exhibit Six). These form the Agreement, and all are as fully a part of the Agreement as if repeated herein.

ARTICLE II
THE PRODUCTS AND SERVICES

NCT shall provide the products and perform all of the services required by this Agreement and those Documents as listed in Article 1.

ARTICLE III
TIME AND COMMENCEMENT

The Installation Work to be performed under this Agreement, except for updates and on-going support, shall commence on or around September 1, 2024 and must be completed by November 30, 2024 unless the parties agree otherwise due to extraordinary circumstances. County acknowledges that NCT depends upon County acquisition of hardware and third-party software as well as access, cooperation and assistance by County personnel. County delay or failure to perform its obligations or provide hardware, third party software or other cooperation or assistance in a timely manner will extend project schedule and NCT's timing of performance.

NCT agrees that it has reviewed the scope of the work and has sufficient staff to fully implement all aspects of this Agreement.

ARTICLE IV
GRANT OF LICENSE TO USE NEXT CHAPTER TECHNOLOGY SOFTWARE

Upon and subject to receipt of payment by County of the applicable initial license fee, implementations fees set out in Article VI, as well as the applicable annual support fee as set out in Exhibit 4, NCT hereby grants to County, a limited, non-exclusive, non-assignable, non-transferable right and license to use and install the Software in object code and in run-time format, pursuant to the terms, fees, limitations and conditions set forth herein. The Software is being licensed, not sold, to County by NCT for use only under the terms of this License, and NCT reserves all rights not expressly granted to County.

ARTICLE V
LICENSES PURCHASED

By this agreement, County is purchasing Edition Licenses and Primary System End User Client Licenses as set forth in Exhibit Five for access and use by the County's Human Services Department.

ARTICLE VI
AGREEMENT AMOUNT AND TERMS OF PAYMENT

A. Amount

The County shall pay NCT for the delivery of product (Software Licenses), the performance of the work (Services), expenses (Travel), and first year support services (Software Support). The amount for Products and Services are unchanging, or fixed, unless an agreed upon change order has been completed. These amounts are subject to additions by Change Order as described in this agreement. Travel will be invoiced at actual cost. In addition, the County agrees to pay software support fees according to the terms of the Software Support Agreement (Exhibit Four), which is incorporated herein and made part of this agreement. The amounts are follows:

Accounting Edition

Category	Cost
Product Licenses (Supporting detail on Exhibit 5)	38,000
Implementation Services (Supporting detail on Exhibit 1)	20,265
Travel (Estimated)	NA
Total	58,265

B. Terms of Payment NCT shall submit billing invoices to the County as follows:

Category	Terms
Software Licenses	<ul style="list-style-type: none">• 50% August 25, 2024 and receipt of invoice.• 25% upon completion of Business Process Reviews and preparation of Business Process Documents• 25% upon completion of Go Live and Go Live Support

Category	Terms
Implementation Services	<ul style="list-style-type: none"> • 50% August 25, 2024 and receipt of invoice. • 25% upon completion of Phase 1 Business Process Reviews and preparation of Business Process Documents. • 25% upon completion of Phase 1 Go-Live and Go Live Support

No additional payment above the amount specified at the beginning of this section will be paid without an approved Change Order.

C. Deliverable Acceptance

At specified milestones throughout the project, NCT will deliver completed work products to the County for review and approval. This process is formally called Deliverable Acceptance. The acceptance process allows the County thirty (30) working days to formally review all work products to ensure that they meet the deliverables outlined in the Statement of Work and any changes that were formally approved through the Change Order process. NCT will strive to obtain constant feedback from the County during the project so that deliverable acceptance is a simple formality. However, in the event that a deliverable fails to meet the requirements in the Statement of Work and approved changes, the County Representative shall sign and date, and complete the "Deliverable Non-Acceptance" section of the Work Acceptance Form, in the Statement of Work. The County Representative shall also provide a reason for rejection, which will serve as a basis for discussion of the deliverable between the NCT and the County Authorized Representative. NCT will act expediently to correct all in-scope problems found with the deliverable, and will estimate any out-of-scope changes according to the change procedures established for the project.

D. Change Orders

Without invalidating this Agreement, County may request changes in the work. Price and time will be adjusted accordingly. All such changes in the work shall be in writing, signed by NCT and the County Authorized Representative, and attached to the Agreement. NCT must not provide significant work that is not specified in this agreement without first obtaining a signed change order. County's Representative authorized to submit and approve change orders is identified in Section XIV C.

E. Costs Not Provided For

No claim for services or supplies furnished by NCT, not specifically provided for in this Contract, will be honored by the County.

F. Intent

Excluding hardware and third party software, NCT shall provide all of the products and services set forth hereunder for the compensation set forth above. NCT agrees that it has made a careful examination of the product and services to be provided hereunder and that the price set forth herein is adequate compensation for the product and services to be provided under the terms of this Agreement, subject to any authorized Change Order.

ARTICLE VII **SOFTWARE USE**

A. Limitations on Use

Each Edition level license granted by this License Agreement entitles County to utilize the Software on a single CPU or Multi-core Server (Physical or Virtual). Software is licensed for one production database and unlimited training databases, unless otherwise specified. Each Primary System User Level License granted by this License Agreement entitles County to utilize the Software on a user level. At any instance, the number of active users cannot exceed the number of user licenses purchased for the respective software item. Unless specifically authorized by NCT in a separate agreement, the County shall not

- i. use the Software for any purpose other than for the County's Human Services functions assigned by County by the relevant governmental authorities;

- ii. allow anyone other than the County's employees and agents to have physical access to the Software;
- iii. make any copies of the Software unless granted in writing by NCT, apart from the limited right provided in this Article VII, Section C;
- iv. make any modifications, enhancements, adaptations, or translations to or any of the Software except for those resulting from License interactions with the Software associated with normal use (e.g. inputted data or Software-permitted configuration selections).
- v. make full or partial copies of any documentation or other similar printed or machine-readable matter provided with the Software in order to derive the source code form of the Software;
- vi. export or re-export the Software and/or associated documentation in violation of the United States export rules and regulations; or
- vii. sell, rent, lease, lend, transfer or sublicense the NCT Software to any other party unless specifically authorized by NCT.

The breach of any of these terms by County shall, without limitation as to other terms hereof, be deemed a material breach of this License Agreement and shall entitle NCT, among its other remedies, to terminate the License.

B. Permitted Uses and Restrictions on Software

County's right to use the Software is subject to its adherence to the terms of this License Agreement. County is only granted those rights expressly set forth in this License Agreement. NCT expressly reserves all other rights. NCT warrants that it will not knowingly install any Self Help Code or any Unauthorized Code as defined below. "Self Help Code" means any back door, time bomb, drop dead device, or any other software routine designed to disable the software automatically with the passage of time or under the positive control of a person other than the licensee of the Software. "Unauthorized Code" means any virus, Trojan Horse, worm or other software routine or equipment designed to permit unauthorized access to disable, erase or otherwise harm software, equipment or data or to perform any other similar action.

Software is a "commercial item", as that term is defined in 48 C.F.R. 12.101 (Oct. 1995), consisting of "commercial computer software" and "commercial computer software documentation", as such terms are used in 48 C.F.R. 12.212 (Sept. 1995). Consistent with 48 C.F.R. 12.212 and 48 C.F.R. 227.7202-1 through 227.7202-4 (June 1995), all U.S. Government End Users acquire NCT's **Scanning Software** with only those rights set forth herein.

C. Limited Right to Copy Software

County may make a reasonable number of copies of the Software for backup purposes only. A backup copy must include all copyright or other proprietary notices contained on the original. County shall not otherwise copy, decompile, reverse engineer, disassemble, modify, or create derivative works of the Software.

D. No Modification to Software

County shall not modify, or attempt to modify, the Software including database structures in any manner, nor shall it merge, associate or combine, or attempt to merge, associate or combine the Software with or into any third-party software without the express written consent of NCT.

E. Support

County acknowledges the Software is meant to be supported software. Support shall be provided pursuant to the terms and conditions set forth in the Software Support Agreement ("Support Services") between NCT and County. Support Services shall continue to be provided based on the term of the Software Support Agreement, at the rate and pursuant to the terms and conditions of the then-current Software Support Agreement.

F. Updates

Updates are only available to County if they have an executed Software Support Agreement in good standing at the time the update is released. If County does not have an executed Software Support Agreement in good standing at the time the update is released, the County shall not be entitled to receive the update and NCT shall not be obligated to sell the update to County. The release of any new version of the Software within one year of purchase of any other version of the Software by County is to be considered an "update" and shall be provided as part of the Software Support Agreement, to County under the terms applicable to provision of such updates.

G. Proprietary and Confidential Information

County acknowledges and agrees that, without affecting the scope of all licenses granted herein, the Software and associated documentation, including any and all copies hereof, in whole or in part, are and shall remain the sole and exclusive property of NCT. The County further acknowledge and agree that the Software, including, but not limited to, all code, data file structures, the specific design, structure and logic of individual programs of Software, their interactions with other portions of the Software, both internal and external, the programming techniques employed therein and other trade secrets, are the proprietary and confidential information of NCT. To the extent permitted by law, and consistent with the Minnesota Data Practices Act, Chapter 13, the County agrees to take all reasonable precautions, including those that may be reasonably requested by NCT, to protect its proprietary and confidential information. Unless otherwise agreed, in advance and in writing, in the event that County or any employee or agent of County, suggests any improvements and modifications to the Software, County acknowledges and agrees that, whether such improvements and/or modifications are implemented by NCT in whole or part, it assigns all right, title and interest, including copyrights, patents, trade secrets, and all other intellectual property rights, in any such suggestions, improvements and modifications to NCT without payment or compensation of any kind.

H. Nondisclosure

County recognizes and acknowledges the special value and the importance in protecting proprietary and confidential information. To the extent permitted by law and consistent with the Minnesota Data Practices Act, Chapter 13, all proprietary and confidential Information, the disclosure of which might give an advantage to any third party, including competitors of NCT, that has been or may be furnished or disclosed to County, shall be kept confidential and used only for the purposes described in this Agreement. Unless otherwise required by applicable law, County, its employees and agents agree, not to provide, disclose or otherwise make available the proprietary and confidential information of NCT in any form to any third party. In addition, NCT acknowledges that the records and data of County must remain confidential and agrees that, unless otherwise required by applicable law, NCT, its employees and agents shall use commercially reasonable means to prevent the disclosure of such records or data or any portion thereof without the express written consent of County.

To the extent applicable, NCT agrees to implement and comply with applicable provisions of the Health Insurance and Portability and Accountability Act of 1996 (HIPAA, public law 104-191). In performing its obligations under this contract, to the extent applicable, NCT agrees to comply with the HIPAA Privacy requirements, the HIPAA Standards for Electronic Transactions, the HIPAA security requirements, and any other applicable HIPAA laws, standards and requirements now in effect or hereinafter adopted as they become law. Parties intend all data (including protected health information) will be kept within County's technical environment.

ARTICLE VIII
SECURITY

NCT agrees to:

- i. ensure that any of its staff, who provide services under this Agreement, in so far as such work is performed on the County's premises, observes the County's reasonable security procedures and internal rules as communicated to NCT by the County;
- ii. adhere to all County's remote access and security requirements communicated to NCT by the County. NCT is required to ensure that all of its employees and/or agents abide by the

County's remote access and security requirements; and

- iii. take commercially reasonable measures to ensure that no virus, malware, or unapproved/unauthorized code is coded into or introduced into the Software or the electronic files provided by NCT to the County.

ARTICLE IX **WARRANTY**

NCT warrants that the Software will perform as to all substantial operating features, as specified in its User Manual and based upon the specifications of the then-current release of the Software for 30 days from acceptance of original installation. This warranty shall immediately become null and void in its entirety in the event that County fails to maintain or to use the Software in accordance with the applicable terms of use, or to notify NCT promptly in the event of any suspected defects or malfunctions and/or Errors (as defined in the Software Support Agreement). NCT's sole obligation, and County's sole and exclusive remedy for breach of the warranty set forth in this section, shall be, at NCT's election, for NCT to remedy such breach in a manner consistent with NCT's regular business practices or for NCT to refund a pro rata amount of fees for the defective Software. NCT does not warrant that the operation of the Software will be uninterrupted or error-free. For 30 days from acceptance of original installation and during periods of time when the Software Support Agreement is in effect, NCT will use commercially reasonable efforts to correct any Errors in the CaseWorks Software, replace the NCT Software with functionally equivalent software, or provide a work-around or patch for the portion of the NCT software containing the Errors, hereinafter "Error Corrections". Error Corrections will be made in a manner as identified in section 3(a) of the Software Support Agreement. Error Corrections will be deemed part of the NCT Software licensed under the Software License Agreement, and shall be provided subject to the terms and conditions contained in such Software License Agreement. NCT does not warrant any hardware, third party software (including without limitation MS-SharePoint), updates/releases or support services. Updates/releases and support services are provided "As Is".

Except for the express limited warranties provided in this Article X and to the full extent permitted by law, NCT disclaims all other warranties and conditions, whether express, implied, or statutory, including warranties and conditions of merchantability, satisfactory quality, fitness for a particular purpose, performance, accuracy, reliability, security and noninfringement. NCT also makes no warranty regarding (i) non-interruption of use, (ii) freedom from bugs, (iii) the availability and/or functionality of third party products, services, API's, and/or integrations that are made available by any third party, and/or (iv) that any product or service will meet the County's requirements. Any statements or representations about the program and its functionality in any communication with the County constitute technical information and not an express representation, warranty or guarantee. Other than the express warranties contained herein and statutory warranties and remedies that cannot be disclaimed or waived under applicable law, the Software is provided as-is and with all faults. This disclaimer of warranty constitutes an essential part of this Agreement.

ARTICLE X **INDEPENDENT CONTRACTOR**

NCT is an independent contractor and nothing herein contained shall be construed to create the relationship of an employer and employee between the County and NCT or NCT agents, servants or employees. NCT shall at all times be free to exercise initiative, judgment, and discretion as to how to best perform or provide services. NCT acknowledges and agrees that NCT, NCT agents, servants and employees, are not entitled to receive any of the benefits received by County's employees and is not eligible for workers' or unemployment compensation benefits. NCT also acknowledges and agrees that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due NCT and that it is NCT's sole obligation to comply with applicable provisions of all Federal and State tax laws.

ARTICLE XI
SUBCONTRACTORS

NCT shall not employ any subcontractor to perform any services in the scope of this Agreement, unless said subcontractor is approved in writing by the County. Any such subcontractor shall be paid by NCT.

ARTICLE XII
INDEMNIFICATION AND INSURANCE

A. Indemnification

- i. Intellectual Property Infringement Indemnification. NCT shall defend, indemnify and hold harmless the County, its directors, officers, employees, affiliates and agents (each a "County Indemnified Party") at NCT's expense from and against any suit, claim, action or proceeding brought against County by a third party that is not a party to this Agreement or an affiliate of a party to this Agreement ("Third Party Claim") alleging that the Software as provided by NCT infringes upon a United States or Canadian patent, copyright, trademark or trade secret of that third party, subject to the procedures set forth in subsection (iii) (Procedure) of this Article XII. For the avoidance of doubt, under the foregoing indemnity NCT will, where applicable, pay any damages and costs awarded against County by final judgment of a court, or the amount of any agreed settlement regarding any such Claim. NCT shall have no liability for settlements, obligations or costs incurred without its prior written consent. Should County's use of the alleged infringing Software be enjoined, or in the event that NCT desires to minimize its potential liability hereunder, NCT will, at its option and expense, (a) substitute non-infringing Software with functionality which is substantially similar to that of the allegedly infringing Service; (b) modify the infringing Service so that it no longer infringes but its functionality remains substantially equivalent; or (c) obtain for County the right to continue use of such Service. If, in NCT's sole discretion, none of options set forth in the foregoing sentence is commercially reasonable, NCT will terminate this Agreement respect to the allegedly infringing Service(s) and refund to County on a pro-rated basis, any pre-paid fees for the allegedly infringing Service(s). NCT shall have no obligation to defend and indemnify any IP Claim to the extent the claim alleges: (i) any combination by County of equipment, processes, content or software with NCT's Software, if such claim would have been avoided but for such combination; (ii) modification of the Service(s) by a party other than NCT, if such claim would not have occurred but for such modification; or (iii) County's failure to use updated or modified product which is provided by NCT at no cost to County to avoid or cure such claim, after notice by NCT to County of the availability of such updated or modified product. The foregoing states the entire liability and obligations of NCT and County's sole remedy for infringement, alleged infringement, or any breach of warranty of non-infringement, express or implied.
- ii. General Indemnity. Each of County and NCT, at their own expense, will indemnify, defend, and hold harmless the other party, its subsidiaries, affiliates and assigns, and its and their respective directors, officers, employees, and agents (each, an "Indemnitee") from and against any Third Party Claims (including reasonable attorney's fees and expenses arising therefrom) ("Losses") relating to or incurred in connection with any arising out of or related to the indemnifying party's actual or alleged: (a) breach of its obligations under this Agreement; or (b) its Gross Negligence. "Gross Negligence" means a blatant violation of a legal duty with respect of the rights of others, being a conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both. Gross negligence involves conduct that is extreme, when compared with ordinary negligence. A mere failure to exercise reasonable care shall not be a gross negligence.
- iii. Procedure. In the event a party seeks indemnity under this Article XII (Indemnification), as the case may be (the "Indemnified Party"), the Indemnified Party will give prompt written notice to the other party (the "Indemnifying Party") of the claim against which it seeks to be indemnified. (The failure by an Indemnified Party to give such notice will not relieve the Indemnifying Party of its obligations under this Article XIII, except to the extent, if any, that the Indemnifying Party is materially prejudiced by such failure or delay.) The Indemnified Party will allow the Indemnifying Party to direct the defense and settlement of any such claim, with counsel of the Indemnifying Party's choosing, and will provide the Indemnifying Party, at the Indemnifying Party's sole cost and expense, with

information and assistance that are reasonably necessary for the defense and settlement of the claim. The Indemnified Party will have the right to retain separate counsel and to participate in (but not control) any such action, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless: (a) the retention of counsel by the Indemnified Party has been authorized in writing by the Indemnifying Party; (b) the Indemnified Party has been advised by its counsel in writing that there is a conflict of interest between the Indemnifying Party and the Indemnified Party in the conduct of the defense of the action, in which case the Indemnifying Party will not have the right to direct the defense of the action on behalf of the Indemnified Party unless it is able to engage counsel who is not subject to so conflicted); or (c) the Indemnifying Party has not in fact retained counsel to assume the defense of the action within a reasonable period of time following receipt of the notice given pursuant to this paragraph (iii), in each of which cases the fees and expenses of such counsel will be at the expense of the Indemnifying Party. The Indemnifying Party shall have the right to settle any such claim without the consent of the Indemnified Party only so long as such settlement does not admit to any wrongdoing by any Indemnified Party, does not impose any liability or obligation (whether financial or otherwise) on any Indemnified Party and fully releases the all Indemnified Parties from liability in connection with such claim. The Indemnifying Party will not be liable for any settlement of an action effected without written consent of its duly authorized representative (which consent will not be unreasonably withheld or delayed). No Indemnifying Party will consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party a release from all liability with respect to the claim.

B. Limitation of Liability

NCT's entire liability for all claims or damages arising out of or related to this Agreement and the Software, regardless of the form of action, whether in contract, tort or otherwise, will be limited to and will not exceed, 2 times the aggregate the amount paid or payable to NCT under this Agreement during the twelve month period preceding the event giving rise to the claim. In no event will NCT be liable for loss of income, profit or savings or indirect, incidental, consequential, exemplary, punitive or special damages of any party, including third parties, even if NCT or its agent has been advised of the possibility of such damages in advance. These limitations shall apply despite the failure of the essential purpose of any remedy.

The foregoing limitations of liability allocate the risks between NCT and the County and form a material basis of the bargain between the parties. NCT's pricing reflects this allocation of risk and the limitation of liability specified herein.

C. Insurance

NCT at its own expense shall procure and maintain policies of insurance as set forth in Exhibit Two.

ARTICLE XIII
GENERAL TERMS AND CONDITIONS

A. Data Privacy

In collecting, storing, using and disseminating data on individuals in the course of providing services hereunder. NCT agrees to abide by all applicable state and federal statutes, rules and regulation covering data privacy under which County is obligated, including but not limited to HIPAA, the Minnesota Data Practices Act and all rules promulgated pursuant thereto by the Commissioner of the Department of Administration and shall not release any such data in a manner which would be prohibited to the County.

B. Disputes-Good Faith Negotiations

It is the expressed desire of all parties that a good faith effort be made to resolve all disputes prior to the resort to legal proceedings. Accordingly, it is agreed that any dispute arising under this License Agreement, including without limitation, any dispute regarding the operating of the CaseWorks, or payments due hereunder, shall be expressed to the other party in a writing which describes each dispute in detail and includes documentation sufficient to evidence the nature of the dispute. The writing shall be delivered to the other party at the address set forth in the Notices provision hereof. The party receiving the dispute shall

respond in writing within thirty (30) days and shall provide documentation supporting its response. Following such delivery and response, the parties shall engage in direct, good faith negotiations for the following thirty (30) days in an effort to resolve all disputes. If the parties are unable to reach an agreement, and in the absence of a written agreement to extend the negotiation period, either party may initiate proceedings. The foregoing provision shall not limit the ability of a party to seek injunctive relief.

C. Authorized Representative

Notification required to be provided pursuant to this Agreement shall be provided to the following named persons and addresses unless otherwise stated in this agreement or in a modification of this Agreement.

Next Chapter Technology, Inc.:

Cathy Wassenaar, CEO
7700 Equitable Drive, Suite 200,
Eden Prairie, MN 55344

County:

John Pogleasa, DHS Director
Houston County Human Services
304 S. Marshall St.
Caledonia, MN 55921

D. Assignment of Interest

This Agreement shall be binding upon and inure to the benefit of each Party's successors and permitted Assignees. This Agreement and the License granted herein shall not be assigned or transferred by either party without the prior written consent of the other party. Notwithstanding the foregoing, NCT may assign this Agreement to an affiliate or successor in connection with reorganization, merger, consolidation, acquisition, or other restructuring, whether via asset sale, by sale of stock or otherwise.

E. Audit

The County or any of its duly authorized representatives shall have access to any books, documents, papers and records of NCT which are directly pertinent to the performance of this Agreement for the purpose of making audit, examination, excerpts and transactions to verify compliance with this Agreement. In the event County are not under a Support Agreement with NCT at any time, NCT or any of its duly authorized representatives shall have the right to audit County's systems, controls, equipment and records of County to verify use of the Software and associated documentation is in compliance with the terms of this Agreement. Any unauthorized copies of usage of the Software will be infringement and a material breach of this Agreement.

Upon written request, County will provide signed, written assurance that the use of the Software and associated documentation is in compliance with the terms of this Agreement. For purposes of clarification, NCT will not be given access to specific data, specific data bases or other confidential information of any third party. This provision survives termination of this Agreement.

F. Compliance with Laws

The parties shall abide by applicable Federal, State or local laws, statutes, ordinances, rules and regulations now in effect, or hereafter adopted, pertaining to this Agreement or the subject matter of this Agreement. This shall include obtaining all licenses, permits or other rights required for the provision of services contemplated by this agreement.

During the performance of this agreement, NCT agrees that no person shall, on the grounds of race, color, religion, age, sex, disability, marital status, status with regard to public assistance, criminal record, familial status, sexual orientation, creed or national origin be excluded from full employment rights or be denied the benefits of or be otherwise subjected to discrimination under any and all applicable Federal and State laws against discrimination.

Specifically, NCT agrees:

- i. That, in the hiring of common or skilled labor for the performance of work under this Agreement or any subcontract, no contractor, material supplier, or vendor shall by reason of race, color, religion,

age, sex, disability, marital status, status with regard to public assistance, criminal record, familial status, sexual orientation, creed or national origin 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.

- ii. That no contractor, material supplier or vendor shall, in any manner, discriminate against or intimidate or prevent the employment of such person or persons identified in clause i., or on being hired, prevent or conspire to prevent the persons or persons from the performance of work under any contract on account of race, color, religion, age, sex, disability, marital status, status with regard to public assistance, criminal record, familial status, sexual orientation, creed or national origin.
- iii. That a violation of clause i. or ii. is a misdemeanor; and
- iv. This Agreement may be cancelled or terminated by the County and all money due or to become due may be forfeited for a second or any subsequent violation of this Agreement.

G. Severability

The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement unless the part or parts which are void, invalid or otherwise unenforceable shall substantially impair the value of the entire Agreement with respect to either party.

H. Binding Effect

This Agreement shall be binding upon the parties, their affiliates, subsidiaries, successors and assigns.

I. Modifications

The County and NCT hereby acknowledge that they have read this Agreement and affirmatively state and represent that they understand its contents. Further, that the above constitutes the entire Agreement by and between the County and NCT and is binding upon themselves, their heirs, assigns and successors in interest and any alterations, variations, modifications or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by the authorized representatives of the County and NCT.

J. Applicable Law and Venue

This Agreement will be governed by the laws of the State of Minnesota, excluding its conflict of laws rule. The operation of the United Nations Convention on Contracts for the International Sale of Goods will not apply. Venue for all proceedings related to this Agreement shall be in Rice County, Minnesota.

K. Appropriations

If the County fails to appropriate funding for this Agreement, the County may immediately terminate the Agreement with written notice. Any services provided prior to notice shall be reimbursed including the value of any Software updates.

L. Force Majeure

In the event performance of this Agreement, or any obligation hereunder, is prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Client, or any other circumstances beyond the reasonable control and without the fault or negligence of the party affected, the party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both parties shall proceed whenever such causes are removed or cease.

ARTICLE XIV
TERMINATION

Either Party may terminate this Agreement anytime by providing thirty (30) days written notice to the other party of the intent to terminate. In such event, all finished and unfinished documents, data, studies and reports prepared by NCT under this Agreement, at the option of the County, become its property, and NCT shall be entitled to receive compensation for satisfactory work completed on such documents as well as amounts due NCT for software licenses, software support and other services approved in writing by County up to effective date termination.

IN WITNESS WHEREOF; the parties hereto have executed this Agreement on the date(s) indicated below. The signatures listed below authorize the engagement of Next Chapter Technology, Inc.

Houston County Approval

Next Chapter Technology, Inc. Approval

Authorized County Representative (Signature)

Authorized NCT Representative (Signature)

(Print Name and Title)

(Print Name and Title)

Street Address

7700 Equitable Drive, Suite 200

City, State, Zip

Eden Prairie, MN 55344

Date

Date

Approved as to form and execution

Houston County Attorney (Signature)

(Print Name and Title)

Street Address

City, State, Zip

Date



Exhibit One

CASEWORKS - ACCOUNTING EDITION

ELECTRONIC DOCUMENT MANAGEMENT SYSTEM

FOR

HOUSTON COUNTY HUMAN SERVICES

STATEMENT OF WORK

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Document Overview

The objective of this document is to record project goals, in scope and out of scope activities, roles and responsibilities, and assumptions for implementing the Caseworks Software Accounting Edition solution within Houston County Human Services.

Project Overview

The County is seeking to implement an Electronic Document Management System (EDMS) solution for Human Services. The Caseworks Software integrates back office data from the County's financial management System of Record with SharePoint collaboration technologies – combining them with the County's business processes to create a productivity solution that transforms the way the aforementioned units complete their work.

The overall Project Process is summarized below:



Project Goals

Goal 1: Implement an Electronic Document Management System that supports today's Programs and Services, is flexible to support future changes in State and Federal programs; and facilitates productivity gains in order to handle (some, not all) increases in case growth in the County's Human Services department.

Goal 2: Implement an Electronic Document Management System which serves as a catalyst to streamline business process, improves the sharing and the security of the electronic document across all locations, and improve compliance within the County's Human Services department.

Goal 3: Provide an Electronic Document Management System which will significantly reduce manual processing of paper (copying, handling, searching, and filing) by capturing the paper at the point of initial contact with the document; and by providing the capability to route, store, and retrieve the electronic documents after capture.

Goal 4: Provide an Electronic Document Management System which greatly improves the Worker's efficiency and effectiveness in the handling of their tasks; ultimately resulting in improved Customer Service.

Goal 5: Provide an intuitive, easy to use, and "friendly" Electronic Document Management System which greatly improves the employee experience resulting in improved employee morale and retention.

Goal 6: Provide application software and hardware which leverages the investment in the County's technology platforms standards.

Project Assumptions

- IFS is the System of Record for Accounting functions
- Off-site workers are fully supported, both during implementation and after Go Live
- All Status Meetings, Process & Forms Reviews, Training, Support will be accomplished virtually
- CaseWorks is hosted by Houston County

Project Deliverables

- Accounting Edition deliverables include:
 - Scanning Solution (CaseWorks™ Scanning)
 - Capture Solution (Print2CaseWorks™)
 - Business Process Review and Documentation
 - Capability to Route and Approve Documents electronically
 - IFS Integration
 - Office Integration – Microsoft/CaseWorks
 - Outlook Integration – Microsoft/CaseWorks
 - Fax Integration – County's Integrated Fax Solution
 - Role Based Security – CaseWorks
 - CaseWorks™ Archiving
 - Automated Document Retention Process
- Business Processes will align with the features of software
- Business processes will be reviewed to ensure CaseWorks supports current and future County business processes and best practice
- Scanning of documents is accomplished by Office Support Specialists on desktop scanners or at scanning stations
- Capture of electronic documents accomplished using Print2CaseWorks
- Workstation hardware already in place (e.g., PC's, dual monitors, etc.)
- Network infrastructure (bandwidth) already in place

In Scope Activities

Activity	Description
Project Management	<ul style="list-style-type: none"> • Create and maintain project plan, including tracking timeline and task completion • Coordinate resources and activities • Review and manage NCT Professional Services budget • Facilitate the Weekly Status Meeting with Project Team to provide updates on next step tasks, current topics, scheduling, and overall project status.
Business Process Review	<ul style="list-style-type: none"> • Facilitate the Review of the current manual process • Document the new process representing the business processes after Caseworks Software Go Live
System Install and Configuration	<ul style="list-style-type: none"> • Install and Configure Caseworks Software – Standard Accounting Edition <ul style="list-style-type: none"> – Scanning and Indexing Solution – CaseWorks – Capture and Indexing of Electronic Documents – Print2CaseWorks – Document Management Solution – CaseWorks – Capability to Route and Approve Documents Electronically – State System/Local System Integration – IFS – Role Based Security – CaseWorks – Batch Processing and Management – OCR Scanning for Importing of Document Data – Line Items, Payee Information, Invoice Total – Role Based Approvals of Documents and Associated Payments for Accounting Related Payments – Batch Search and Payee Search • Line Item Tracking and Functionality
Solution Deployment	<ul style="list-style-type: none"> • Conduct Testing and Quality Assurance Reviews <ul style="list-style-type: none"> – Provide a QA Review for the Quality Assurance Team to ensure that CaseWorks is functioning as expected, based on Discovery, Development, and Testing – Resolve issues identified during the Testing and QA Review
Training	<ul style="list-style-type: none"> • Training <ul style="list-style-type: none"> – Provide Training Materials – Conduct End User Training • Provide virtual training to End Users • Provide virtual training and support during go live week
Documentation	<ul style="list-style-type: none"> • End user documentation • Administrator documentation

Out of Scope Activities

Activity	Description
Data Conversion (other)	<ul style="list-style-type: none"> Work outlined in this SOW does not include data conversion from existing or legacy systems to Caseworks Software,
3 rd Party integrations	<ul style="list-style-type: none"> Integration efforts with solutions <i>other than IFS</i> are considered out of scope.
Other Divisions and Departments	<ul style="list-style-type: none"> Activities related to the implementation of Caseworks Software – Accounting Edition in business Units other than the Human Services department is considered out of scope.

Roles and Responsibilities

Common roles and responsibilities are defined so every resource will understand what is expected of them on this project. Upon joining the project, a resource will be assigned one or more of the following roles. Resources that have been assigned multiple roles are expected to meet all the responsibilities for those roles.

NCT Engagement Manager (Dani Gorman)

The Engagement Manager provides high-level oversight and guidance to the Project Team to ensure that the project meets overall schedule and cost objectives.

NCT Project Manager (Nikk Livingston)

The Overall Project Manager is the individual responsible for the project implementation and will manage the day-to-day activities of the project for Houston County, as well as for NCT activities.

County Project Manager (Heidi Harms)

The Project Manager will assist in the management of internal tasks and resources to ensure the successful implementation of the Caseworks Software - Accounting Edition solution.

NCT Technical Architect/Lead (Clayton Ostler)

The NCT Technical Architect is the individual responsible for the design, configuration, and installation of the Caseworks Software - Accounting Edition solution at the client site.

Project Sponsor (John Pugleasa)

The Project Sponsor provides high-level oversight and guidance for the project to ensure that the project solution meets overall schedule and cost objectives.

Quality Assurance Team (TBD)

The Quality Assurance team provides ongoing business expertise and insight on business processes, including input/feedback on current business processes. For the purpose of this project, this group is referred to as the Quality Assurance Team.

Information Technology Subject Matter Experts – Hardware/OS, Desktop, LAN Admin (Andrew Milde)

Information Technology Subject Matter Experts/Resources provide initial and ongoing technical expertise. They will provide technical insight and serve as the liaison between NCT and County IT resources.

County Insurance Requirements:

Next Chapter Technology (NCT) shall not commence work under the Contract until it has obtained at its own cost and expense all insurance requirements herein. All insurance coverage is subject to approval of County and shall be maintained by NCT until final completion of the work.

A. Comprehensive General Liability:

- a. Coverage shall have minimum limits of:
 - i. \$3,000,000 Aggregate
 - ii. \$3,000,000 Products and Completed Operations Aggregate
 - iii. \$1,500,000 Personal Injury and Advertising Injury
 - iv. \$1,500,000 Each Occurrence
 - v. \$ 100,000 Fire Damage Limit
 - vi. \$ 5,000 Medical Expenses
- b. The policy should be written on an occurrence basis, not a claims-made basis

B. Commercial Auto Liability: Coverage shall have minimum limits of \$1,500,000 per occurrence, Combined Single Limit for Bodily Injury Liability and Property Damage.**C. Liability:** This shall include: Owned Vehicles, Hired and Non-Owned Vehicles and Employee Non-Ownership.**D. Professional Liability:** Coverage shall have minimum limits of:

- a. \$2,000,000 per Wrongful Act or Occurrence
- b. \$4,000,000 Annual Aggregate

E. Workers' Compensation and Employer's Liability Coverage:

- a. Workers' Compensation limits are to be statutory per applicable state and federal laws
- b. Employer's Liability Coverage - Minimum Limits of:
 - i. Bodily Injury by Accident: \$500,000 each accident
 - ii. Bodily Injury by Disease: \$500,000 each employee
 - iii. Bodily Injury by Disease: \$500,000 policy limit

F. Special Requirements: County is to be included as an **Additional Insured** on both the Comprehensive General Liability and Commercial Auto Liability Policies.**G. Other Requirements:** Insurance shall be placed with insurers with a current A.M. Best rating of no less than A:VII

Current, valid insurance policies meeting the requirements herein identified shall be filed with County before NCT commences a project and maintained during the named project's duration. A person authorized by the insurer to bind coverage should sign the Certificate. Renewal Certificates shall be sent to County within thirty (30) days prior to any expiration date. There shall also be a thirty (60) days notification to County in the event of cancellation or modification of any stipulated insurance coverage.

It shall be the responsibility of NCT to insure that any and all subcontracts comply with the same insurance requirements that NCT is required to meet.

Proposed Schedule

CaseWorks ACE

Exhibit Three

Task No.	Task	Resources	Start Date	End Date	Comment
1	Implementation Kick-off Meeting	NCT	08/05/24	08/09/24	
2	Discovery & Planning	Both	TBD	TBD	
3	Data Integration	NCT	TBD	TBD	IFS Integration
4	Scanners Procurement	County	TBD	TBD	
5	Application Software Set-up & Configuration	NCT	TBD	TBD	
6	Application Software Customization	NCT	TBD	TBD	
7	Business Process Documents Review	Both	TBD	TBD	
8	Quality Assurance Reviews	Both	TBD	TBD	Internal/External
9	Workstation Set-up (Users)	County	TBD	TBD	
10	End User Training	NCT	TBD	TBD	
11	Go Live	NCT	11/18/24	11/18/24	
12	Post Go-Live Support	NCT	11/18/24	11/22/24	
13	Project Management/Weekly Status Meetings	Both	TBD	TBD	

This Software Support Agreement ("Agreement") is entered by and between Next Chapter Technology, Inc. ("NCT" or "Company"), a Minnesota corporation, with its principal place of business at 7700 Equitable Drive, Suite 200, Eden Prairie, MN 55344 and Houston County on behalf of Houston County Human Services (County), with its principal place of business at 304 S. Marshall St, Caledonia, MN 55921.

Whereas, NCT and County have entered into a Software License Agreement, which sets forth the terms and conditions under which the County is licensing the NCT Caseworks Software -Accounting Edition ("Software");

Whereas, the County acknowledges the Software is meant to be supported software and desires to obtain Software Support services described herein in connection with its use of the CaseWorks Software, and

Whereas, NCT desires to provide those software Support Services;

NOW THEREFORE, in consideration of the covenants set forth herein, the parties agree as follows:

Definitions: As used in this Agreement, the following terms shall have the following meanings:

- a. "Documentation" shall mean the written or electronic materials provided with CaseWorks Software, provided by NCT.
- b. "CaseWorks Software (Accounting Edition)" or "CaseWorks Software" or "Software" shall mean the components of the NCT Software as described in the Software License Agreement.
- c. "Term" shall have the meaning set forth in Section 1 below.
- d. "Designated Representatives" shall mean the County employee(s) who is trained and continues to keep updated with the ongoing product details of the CaseWorks Software.
- e. "Error" shall mean material failure of the CaseWorks Software to conform substantially to its functional specifications described in its user documentation which failure is repeatable, reproducible and caused by the CaseWorks Software.

All other terms used herein shall be as defined in the Software License Agreement.

1. Term and Price. This Agreement shall begin on the date the Software License Agreement is signed by the County for an initial term ending on December 31, 2028. The term of this Agreement shall automatically renew for successive one (1) year renewal terms on January 1 of subsequent years unless either party delivers written notice to the other at least 60 days prior to the end of the then-current term of its intent not to renew. Invoicing for such renewal terms shall occur approximately 60 days prior to the date Software Support services begin and payment will be due on January 15th. NCT will provide pricing to county 6 months prior to contract renewal. In the event that the County terminates its Software Support services, and the County thereafter wish to reinstate those Software Support services (and NCT agrees to such reinstatement), in addition to the then-existing rate for Software Support services, NCT may require the County to pay a Reinstatement Fee equal to thirty five percent (35%) of such then-existing rate. All amounts due for Software Support services, including any Reinstatement Fees, are due in advance, in full, and prior to the provision of any Software Support services. The amounts due from the County will be in accordance with the schedule listed below.

Support Year	ACE	Total Annual Support
Dec 2024	950*	950*
Jan - Dec 2025	11,400	11,400
Jan - Dec 2026	11,970	11,970
Jan - Dec 2027	12,569	12,569
Jan - Dec 2028	13,197	13,197

*Prorated based on Go Live

2. **County Responsibilities.** The County will be responsible for the following:
 - a. Installing any updates to user workstations required for CaseWorks Software including but not limited to Print2CaseWorks, PDF viewer settings, scan drivers, etc.
 - b. Keeping its software, hardware and network in proper working order.
 - c. Maintaining trained designated representatives with a working knowledge of the County software programs and system hardware;
 - d. Promptly notifying NCT of Errors, and upon request, providing to NCT written documentation with respect to any such Errors; and
 - e. In order to maintain its right to obtain Software Support services, including remote troubleshooting and other diagnostic and repair functions, the County must provide NCT with access (via the secured Internet) to servers running the NCT CaseWorks Software whenever necessary to troubleshoot or fix a specific problem that has arisen and for which assistance has been requested pursuant to this Software Support Agreement. The County will communicate with NCT with respect to Software Support services only through its Designated Representative.

3. **Services Provided.** NCT will provide Software Support services as set forth in this Agreement. All Software Support services shall be provided on a remote basis unless specific arrangements are made for on-site support as described in Section 4(d) herein below. The County's right and ability to receive Software Support services is based on NCT's ability to access the NCT CaseWorks Software and the servers on which it runs, via a secure Internet connection.
 - a. **Telephone Support.** Telephone assistance for the NCT Software will be available Monday through Friday (except County holidays as identified on the County website) between the hours of 8:00 a.m. and 5:00 p.m., Central Time. Requests for support outside normal support hours may be made by requesting that support on the NCT support number, or by sending an email to NCT. NCT will use commercially reasonable efforts to respond to requests for Software Support services outside of normal hours within eight (8) business hours of its actual receipt and knowledge of such voice mail or email. After hour support for non-critical issues is provided for an additional cost calculated at NCT's then-current hourly rate (presently \$150 per hour).
 - b. **Error Corrections.** NCT will use commercially reasonable efforts to correct any Errors in the CaseWorks Software, replace the NCT CaseWorks Software with functionally equivalent software, or provide a work-around or patch for the portion of the NCT CaseWorks Software containing or causing the Errors, hereinafter "Error Corrections". Error Corrections will be made in the manner provided for in 3(a) above. Error Corrections will be deemed part of the NCT Software licensed under Software License Agreement, and shall be provided subject to the terms and conditions contained in such Software License Agreement.
 - c. **Updates.** From time to time during the term of the Software Support Agreement, NCT may provide the County with enhancements to or fixes of the existing version of the NCT Software and related Documentation (hereinafter "Updates"), which are released by NCT as part of the NCT support program. Any such Updates will be provided at no additional charge to the County who are then-receiving continuous Software Support services at time the Update is released and are not in default hereunder or under the Software License Agreement. All Updates will be deemed part of the NCT Software licensed under the Software License Agreement, and shall be

provided subject to the terms and conditions contained in such Software License Agreement. Nothing herein shall be construed as requiring NCT to provide enhancements or versions or updates that are generally not made available free of charge to all other clients of NCT.

- d. Online Support Options. Online support documentation is available on a 24 hours-a-day, 7 days-a-week basis. The information available online will, at NCT's option, include, timesaving technical tips, online support, a download library of Updates, and Documentation associated with the NCT Software.
- e. Response Levels. NCT will respond to service related incidents and/or requests for Support Services relating to Errors submitted by the County within the following timeframes:
 - i. 0-8 business hours (during business hours for issues classified as Severity 1 priority.
 - ii. Within 16 business hours (2 working days) for issues classified as Severity 2 priority.
 - iii. Within 40 business hours (5 working days) for issues classified as Severity 3 priority.

4. Severity Definitions & Resolution Times.

- a. Severity 1: Due to Errors, CaseWorks is completely unavailable for all critical business units, or greater than 75 percent of all production users. Only a production incident can be classified this severely. NCT will use commercially reasonable efforts to resolve Severity 1 issues within 8 business hours. If a Severity 1 Error takes longer than 8 business hours to correct, County shall be notified of the proposed Error Correction and Error Correction completion time within 8 business hours.
- b. Severity 2: Due to Errors, the supported solution is intermittently unavailable for all users, or there is serious performance degradation to the point where the system is unusable. A critical module is unavailable or over 50 percent of all end users are experiencing the same symptoms. Single user issues can be escalated to this severity if the issue is preventing a critical business function. Only a Production incident can be classified this severely. NCT will use commercially reasonable efforts to resolve Severity 2 issues within 16 business hours. If a Severity 2 Error takes longer than 16 business hours to correct, County shall be notified of the proposed Error Correction and Error Correction completion time within 16 business hours.
- c. Severity 3: Due to Errors, CaseWorks is experiencing minor to moderate issues. Single user issues can be escalated to this severity if it is preventing a critical business function at the County. A Severity 1 or 2 issues could be downgraded to this severity if a temporary work-around is available. NCT will use commercially reasonable efforts to resolve Severity 3 issues within 40 business hours.

5. Limitations. Software Support services shall not apply to the following:

- a. New NCT Software. Any product or module which is designated by NCT as a new product will not be included in Software Support services. Where NCT makes a new product available, the County may obtain such product from NCT pursuant to its regular purchasing practices. Upon purchasing the new product, the County already obtaining Software Support services may extend those Software Support services to the new product by paying an additional mutually agreed upon fee, at the then-current fees, for such new product Software Support services. All additional Software Support services will be provided pursuant to the terms hereof.
- b. Obsolete NCT Software. A version of a NCT Software will be deemed obsolete one hundred twenty (120) days following receipt by the County of a new update superseding the prior version of the NCT Software. NCT will not support obsolete versions of the NCT Software provided, however, that if installation of the new version requires the County to pay a new license purchase price, the County may choose not to purchase the new version and shall receive support through the end of the current support agreement period. In no event, however, shall NCT be required to support an obsolete version of the NCT Software for more than twelve (12) months from the date of release of an Update superseding the prior version of the NCT Software.
- c. Misuse. NCT will not provide Software Support services with respect to problems with the NCT Software or other product which results from any negligent conduct or misuse by the County, its

employees or agents, or any other third party or for any reason beyond NCT's control, including without limitation,

- i. damage caused by accidents, abuse, neglect, relocation or other movement;
- ii. services which are performed by other than by NCT;
- iii. a failure to maintain proper environmental conditions, including malfunction or modification of the County's systems or failure of the County to maintain the required configuration environment (i.e., memory disk capacity, operating system revision level, prerequisite items) specified in the Documentation or to supply adequate backups; or
- iv. a failure to use the NCT Software in accordance with the applicable Documentation.

In addition to the specific examples identified above "misuse" shall also include any use of the product in violation of the requirements of the Software License Agreement.

- d. On Site Support. All Software Support services will be provided remotely via an online connection. Software Support services, including all diagnostic and remedial assistance at the County facilities or other remote locations is not included within the Software Support services provided hereunder. Such diagnostic and remedial assistance at the County facilities or other remote locations may be obtained by the County by purchasing separate consulting services from NCT at NCT's then-existing rates, plus expenses.
 - e. Network. The County shall take full responsibility for all maintenance and support of any network linked to the CPU containing the Software.
 - f. Reporting. The County shall keep an accurate event log showing the incident of trouble, the action taken by the County personnel with respect to the incident, as well as report of trouble by the County to NCT. Upon request by NCT, the County shall provide a report to NCT relating to the foregoing. NCT shall keep an accurate event log showing the incident of trouble, the action taken by NCT's personnel with respect to the incident, as well as a report by NCT to the County.
 - g. No Expansion of Software Support Services. No action by NCT in the performance of Software Support services shall be deemed to expand the scope of Software Support services as defined herein.
 - h. Exclusions. Software Support Services shall not include (a) support of accessories, alterations, and attachments, other devices or peripheral equipment (including without cabling not furnished by NCT), and (b) electrical work external to the Software in this Software Support Agreement.
6. Disputes; Good Faith Negotiation. It is the expressed desire of both parties that a good faith effort be made to resolve all disputes prior to the resort to judicial proceedings. Accordingly, it is agreed that any dispute arising out of the terms of this Software Support Agreement shall be made in writing, describing each dispute in detail and include documentation sufficient to evidence the nature of the dispute. The writing shall be delivered to the other party at the address set forth in the Notices provision hereof. The party receiving the dispute shall respond in writing within thirty (30) days and shall provide documentation supporting its response. Following such delivery and response, the parties shall engage in direct, good faith negotiations for the following thirty (30) days in an effort to resolve all disputes. If the parties are unable to reach an agreement, and in the absence of a written agreement to extend the negotiation period, either party may seek judicial relief .
7. Events of Default. The following acts of commission or omission shall constitute an event of default hereunder and shall allow the non-defaulting Party to terminate this Software Support Agreement, where the default is not cured after 45 days (or for non-payment of funds due, 10 business days) of written notice following completion of required Dispute Resolution as described in paragraph 5, above.
- a. any breach of the Software License Agreement;
 - b. any unlawful, unauthorized or fraudulent use of the NCT Software or the third party software;
 - c. any failure by the County to make payment in full under this Support Agreement when due;

- d. any import of the County data into (or export of data from) the Software using any means not specifically provided for in the applicable Documentation or otherwise specifically authorized in writing by NCT; or
- e. a breach of any other term hereof.

This Agreement shall terminate automatically upon the termination of the Software License Agreement. Payment of Software Support services is non-refundable.

8. Indemnification.

- a. Intellectual Property Infringement Indemnification. NCT shall defend, indemnify and hold harmless the County, its directors, officers, employees, affiliates and agents (each a "County Indemnified Party") at NCT's expense from and against any suit, claim, action or proceeding brought against County by a third party that is not a party to this Agreement or an affiliate of a party to this Agreement ("Third Party Claim") alleging that the Software as provided by NCT infringes upon a United States or Canadian patent, copyright, trademark or trade secret of that third party, subject to the procedures set forth in subsection (c) (Procedure) of this Section 8. For the avoidance of doubt, under the foregoing indemnity NCT will, where applicable, pay any damages and costs awarded against County by final judgment of a court, or the amount of any agreed settlement regarding any such Claim. NCT shall have no liability for settlements, obligations or costs incurred without its prior written consent. Should County's use of the alleged infringing Software be enjoined, or in the event that NCT desires to minimize its potential liability hereunder, NCT will, at its option and expense, (a) substitute non-infringing Software with functionality which is substantially similar to that of the allegedly infringing Service; (b) modify the infringing Service so that it no longer infringes but its functionality remains substantially equivalent; or (c) obtain for County the right to continue use of such Service. If, in NCT's sole discretion, none of options set forth in the foregoing sentence is commercially reasonable, NCT will terminate this Agreement respect to the allegedly infringing Service(s) and refund to County on a pro-rated basis, any pre-paid fees for the allegedly infringing Service(s). NCT shall have no obligation to defend and indemnify any IP Claim to the extent the claim alleges: (i) any combination by County of equipment, processes, content or software with NCT's Software, if such claim would have been avoided but for such combination; (ii) modification of the Service(s) by a party other than NCT, if such claim would not have occurred but for such modification; or (iii) County's failure to use updated or modified product which is provided by NCT at no cost to County to avoid or cure such claim, after notice by NCT to County of the availability of such updated or modified product. The foregoing states the entire liability and obligations of NCT and County's sole remedy for infringement, alleged infringement, or any breach of warranty of non-infringement, express or implied.
- b. General Indemnity. Each of County and NCT, at their own expense, will indemnify, defend, and hold harmless the other party, its subsidiaries, affiliates and assigns, and its and their respective directors, officers, employees, and agents (each, an "Indemnatee") from and against any Third Party Claims (including reasonable attorney's fees and expenses arising therefrom) ("Losses") relating to or incurred in connection with any arising out of or related to the indemnifying party's actual or alleged: (a) breach of its obligations under this Agreement; or (b) its Gross Negligence. "Gross Negligence" means a blatant violation of a legal duty with respect of the rights of others, being a conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both. Gross negligence involves conduct that is extreme, when compared with ordinary negligence. A mere failure to exercise reasonable care shall not be a gross negligence.
- c. Procedure. In the event a party seeks indemnity under (Indemnification), as the case may be (the "Indemnified Party"), the Indemnified Party will give prompt written notice to the other party (the "Indemnifying Party") of the claim against which it seeks to be indemnified. (The failure by an Indemnified Party to give such notice will not relieve the Indemnifying Party of its obligations under this Section 8, except to the extent, if any, that the Indemnifying Party is materially prejudiced by such failure or delay.) The Indemnified Party will allow the Indemnifying Party to direct the defense and settlement of any such claim, with counsel of the Indemnifying Party's choosing, and will provide the Indemnifying Party, at the Indemnifying Party's sole cost and

expense, with information and assistance that are reasonably necessary for the defense and settlement of the claim. The Indemnified Party will have the right to retain separate counsel and to participate in (but not control) any such action, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless: (a) the retention of counsel by the Indemnified Party has been authorized in writing by the Indemnifying Party; (b) the Indemnified Party has been advised by its counsel in writing that there is a conflict of interest between the Indemnifying Party and the Indemnified Party in the conduct of the defense of the action, in which case the Indemnifying Party will not have the right to direct the defense of the action on behalf of the Indemnified Party unless it is able to engage counsel who is not subject to so conflicted); or (c) the Indemnifying Party has not in fact retained counsel to assume the defense of the action within a reasonable period of time following receipt of the notice given pursuant to this paragraph (iii), in each of which cases the fees and expenses of such counsel will be at the expense of the Indemnifying Party. The Indemnifying Party shall have the right to settle any such claim without the consent of the Indemnified Party only so long as such settlement does not admit to any wrongdoing by any Indemnified Party, does not impose any liability or obligation (whether financial or otherwise) on any Indemnified Party and fully releases the all Indemnified Parties from liability in connection with such claim. The Indemnifying Party will not be liable for any settlement of an action effected without written consent of its duly authorized representative (which consent will not be unreasonably withheld or delayed). No Indemnifying Party will consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party a release from all liability with respect to the claim.

9. **Disclaimer of Warranties.** Except as specified herein, NCT hereby disclaims all other representations, warranties, conditions and covenants with respect to Software Support services provided in association with the CaseWorks Software, whether express, implied, or statutory, including warranties and conditions of merchantability, satisfactory quality, fitness for a particular purpose, performance, accuracy, reliability, security and noninfringement. NCT also makes no warranty regarding (i) non-interruption of use, (ii) freedom from bugs, (iii) the availability and/or functionality of third party products, services, API's, and/or integrations that are made available by any third party, and/or (iv) that any product or service will meet the County's requirements. This warranty shall immediately become null and void in its entirety in the event that Licensee fails to maintain or to use the Software in accordance with the applicable terms of use, or to notify NCT promptly in the event of any suspected defects or malfunctions and/or errors. NCT's sole obligation, and Licensee's sole and exclusive remedy for breach of the warranty set forth in this section, shall be, at NCT's election, for NCT to remedy such breach in a manner consistent with NCT's regular business practices or for NCT to refund a pro rata amount of fees for the defective Software or services. NCT does not warrant that the operation of the Software will be uninterrupted or error-free or that all deficiencies, errors, defects or nonconformities will be corrected. NCT does not warrant any hardware, third party software (including without limitation MS-SharePoint), updates/releases or Software Support services. Updates/releases and Software Support Services are provided 'as is.' This disclaimer of warranty constitutes an essential part of this Agreement.
10. **Limitation of Liability.** NCT's entire liability for all claims or damages arising out of or related to this Agreement and the Software, regardless of the form of action, whether in contract, tort or otherwise, will be limited to and will not exceed, in the aggregate 2 times the amount paid or payable to NCT under this Agreement during the twelve month period preceding the event giving rise to the claim. In no event will NCT be liable for loss of income, profit or savings or indirect, incidental, consequential, exemplary, punitive or special damages of any party, including third parties, even if NCT or its agent has been advised of the possibility of such damages in advance. These limitations shall apply despite the failure of the essential purpose of any remedy.

The foregoing limitations of liability allocate the risks between NCT and the County and form a material basis of the bargain between the parties. NCT's pricing reflects this allocation of risk and the limitation of liability specified herein.

11. No Partnership or Agency Relationship. The relationship between NCT and the County shall not be that of partners or agents of one another or considered a joint venture, and nothing contained in this Agreement shall be deemed to constitute a partnership or agency agreement between them. Neither Party shall have the authority to assume or create any obligation on behalf of, in the name of, or binding upon the other Party.
12. No Third Party Beneficiary. The provisions of this Agreement are for the benefit only of the parties hereto, and it is not the intention nor shall any third party be allowed to enforce or benefit from any of the provisions hereof.
13. Successors and Assigns. This Support Agreement shall be binding upon and inure to the benefit of each Party's successors and permitted Assignees. This Support Agreement and the License granted herein shall not be assigned or transferred by either party without the prior written consent of the other party, except however NCT may assign this Agreement to an affiliate or successor in connection with a reorganization, merger, consolidation, acquisition, or other restructuring, whether via asset sale, by sale of stock or otherwise.
14. Force Majeure. In the event performance of this Agreement, or any obligation hereunder, is prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Client, or any other circumstances beyond the reasonable control and without the fault or negligence of the party affected, the party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both parties shall proceed whenever such causes are removed or cease.
15. Governing Law; Jurisdiction. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Minnesota, excluding its conflict of laws rules. The Uniform Commercial Code will not apply. Venue of all proceedings related to this Agreement shall be in Rice County, Minnesota.
16. Amendment. This Agreement, together with all attachments and exhibits, may be amended, modified or changed only by written agreement signed by authorized representatives of both parties.
17. Headings. The titles in the headings of paragraphs are intended for organization and convenience only and do not apply in the interpretation of any of the Agreement terms.
18. Rule of Construction. The parties acknowledge that they have both participated fully in the drafting of this Software Support Agreement. Accordingly, no rule of construction requiring interpretation against a drafting party shall apply in the interpretation of this Software Support Agreement.
19. Severability. If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part(s) thereof shall be stricken from this Software Support Agreement and such provision shall not affect the legality, enforceability, or validity of the remainder of this Software Support Agreement. If any provision or part thereof of this Software Support Agreement is stricken in accordance hereof, then

the stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

20. **Notices.** Except as otherwise provided in this Agreement, all notices required or permitted hereunder shall be in writing and shall be deemed given upon delivery if dispatched by (a) registered or certified mail, postage pre-paid, return receipt requested (b) by overnight courier or by hand delivery, or (c) by first class mail, facsimile, or other means of communication if receipt is acknowledged in writing by the other party. Notices shall be provided to the following named persons or their successors unless otherwise stated in this agreement or in a modification of this Agreement.

Next Chapter Technology:

Cathy Wassenaar, CEO
7700 Equitable Drive, Suite 200
Eden Prairie, MN 55344

County: Houston County

John Pogleasa, DHS Director
Houston County Human Services
304 S. Marshall St.
Caledonia, MN 55921

21. **Binding Effect.** This Agreement shall be binding upon the parties, their affiliates, subsidiaries, successors and assigns, particularly any successor including any successor to NCT or successor governmental organizations authorized to provide the public safety functions currently provided by the County and any successors or assigns of such authority.
22. **No Waiver.** Failure to enforce any provision of the Agreement by either party shall not constitute a waiver of that party's right to enforce that section, paragraph or portion of this Agreement.
23. **Responsibility for Costs.** Except as otherwise provided in this Agreement, each party shall pay all of its own fees and expenses incurred or to be incurred in negotiating this Agreement, in closing and carrying out the transactions contemplated by this Agreement, and in any litigation between the parties related to the enforcement of terms of this Agreement.
24. **Representation of Authority.** Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Software Support Agreement is a valid and legal agreement binding on such parties and enforceable in accordance with its terms and that all approvals required to perfect such authority have been received
25. **Entire Agreement.** This Agreement, along with the Software License Agreement, as well as any other documents acknowledged by the Parties, in writing, to be applicable, contains the entire understanding of the parties with respect to the provision of Software Support services and supersedes all previous verbal and written agreements, representations or warranties of any kind made by or between the parties. If any conflict between these documents becomes apparent, the Software License Agreement shall be deemed to be the controlling document.



Exhibit Five

August 25, 2024

John Pugleasa, DHS Director
Houston County Human Services
304 S. Marshall St.
Caledonia, MN 55921

Purchase Agreement

Description	Unit Cost	Units	Total
Primary System - Client Licenses	1,250	4	5,000
Scanning Solution - Client Licenses	500	4	2,000
Read-Only/Approver - Client Licenses	250	4	1,000
Records Center - Edition License	10,000	1	10,000
Approval/Signature Management - Edition License	5,000	1	5,000
Case Management - Edition License	10,000	1	10,000
Archive Module	5,000	1	5,000
Total Licensing			38,000

Additional software licenses can be based on the following fee schedule:

1. CaseWorks Primary System License \$ 1,250
2. CaseWorks Scan Solution License \$ 500
3. Caseworks – Payment Approver License \$ 250

The annual software support cost is calculated at 30% of the licenses cost. The cost includes the maintenance and support of all forms.

This Purchase Agreement is valid for 30 days.

Vendor personnel have no expectation of privacy in any electronic communications, use of County property, or Internet access. County reserves the right to review, audit, or monitor any information technology used by vendor personnel which attaches to or makes use of the County's network (s).

- 1.All vendor personnel shall use only accounts authorized by County's Security Staff.
- 2.Vendor personnel may access only those resources for which they are specifically authorized.
- 3.Vendor personnel are personally responsible for safeguarding their account and log-on information. Passwords shall adhere to current County password requirements. Passwords shall remain confidential. Passwords shall never be displayed, printed, or otherwise recorded in an unsecured manner.
- 4.Vendor personnel are not permitted to script their user IDs and passwords for log-on access.
- 5.Vendor personnel are not permitted to allow another person to log-on to any computer utilizing their, if provided, personal account, nor are they permitted to utilize someone else's account to log-on to a computer. Authorized system or service accounts may be used by multiple people.
- 6.Vendor personnel may not leave their workstation logged onto the network while away from their area. Vendor personnel may elect to lock the workstation rather than logging off when leaving for very short time periods.
- 7.Vendor personnel shall maintain a log, left with the computer, of all software loaded onto any County computer. The software must have been approved in writing by County.
- 8.Vendor personnel shall execute only applications that pertain to their specific contract work.
- 9.Vendor personnel shall promptly report log-on problems or any other computer errors to the County Network Administrator.
- 10.Vendor personnel shall promptly notify the County, in no event later than twelve (12) hours, if they have any reason to suspect a breach of security or potential breach of security.
- 11.Vendor personnel shall promptly report anything that they deem to be a security loophole or weakness in the computer network to the County.
- 12.Vendor personnel shall not install or use any type of encryption device or software on any County hardware, which has not been approved in writing by the County.
- 13.Vendor personnel shall not attach any device to the County network without written approval from the County.
- 14.Vendor personnel may not remove any computer hardware from any County building for any reason, without prior written approval from the County.
- 15.Vendor personnel shall not delete, disable, or bypass any authorized encryption device, or anti-virus or other software program, installed on County hardware.
- 16.Vendor personnel shall not attach any network or phone cables to any County device without written approval from the County.

- 17.Vendor personnel may not copy any data and/or software from any County resource for personal use.
- 18.County data and/or software shall not be removed from any County Building without prior written approval from the County.
- 19.Vendor personnel may not utilize County computer systems or networks for any of the following reasons:
 - a. Game playing;
 - b. Internet surfing not required for their work activity;
 - c. Non-related work activity; or
 - d. Any illegal activity.
 - e. Downloading of files from the Internet. If files are needed for your work, contact County IT personnel.
- 20.Vendor personnel are prohibited from intercepting or monitoring network traffic by any means, including the use of network sniffers, unless authorized in writing by the County.
- 21.Vendor personnel may not give out any County computer information to anyone. Exception: other vendor personnel needing the information to complete tasks. Information includes but is not limited to: IP addresses, security configurations, etc.
- 22.All data storage media shall be erased or destroyed prior to disposal.
- 23.Vendor personnel may not remove or delete any computer software without the written approval of the County.
- 24.Vendor personnel shall not attempt to obtain or distribute County system or user passwords.
- 25.Vendor personnel shall not attempt to obtain or distribute door pass codes/passkeys to secured rooms at any County facility for which they are not authorized.
- 26.All equipment issued to vendor personnel will be returned in good condition to County upon termination of the County/Vendor Personnel relationship.
- 27.Vendor personnel may not use County information technology to send or receive threatening, obscene, abusive, sexually explicit language or pictures.
- 28.Vendor personnel are prohibited from intentionally causing County to break copyright laws.
- 29.Use by vendor personnel of any County information technology will acknowledge acceptance of the above-referenced policies. Any vendor who violates any of these policies shall be subject to disciplinary action, including total removal from the County project as well as being subject to Minnesota civil and criminal liability.
- 30.Vendor personnel may not disclose of any private or confidential client information regardless of physical form or storage media (paper, computer, voice mail, microfiche, imaged, video or voice recordings). Vendor personnel will not attempt to access not public data for personal purposes.
- 31.**Vendor Acknowledgement** "Responsibilities of Persons Who Have Access to Not Public Data has been read and its' conditions will be complied with by all vendor personnel.

Vendor Acknowledgment

RESPONSIBILITIES OF PERSONS WHO HAVE ACCESS TO NOT PUBLIC DATA

VENDORS

As a vendor working with County, you may have access to records containing information which is protected from unauthorized use. For example, you may have access to special work areas, computers or other files. This information is protected by law, policy, contracts, agreements, or licenses regarding the disclosure both at work and outside the office.

Unauthorized use of data includes making copies of data or computer software and related materials without the permission of the originator or data subject. Unauthorized disclosure of data means releasing information over the phone, in verbal conversations, and in written form. Unauthorized disclosure also includes using the information obtained in connection with your vendor work duties in any manner different from the scope of your specified duties.

Protection of this data from unauthorized use or disclosure depends on the cooperation of all staff and vendors. The information in this handout explains some of these restrictions on information within the County so that you will understand what information is protected and your responsibilities in regard to that information.

NOT PUBLIC DATA

The following describes the private and confidential types of information, the restrictions on the use of it, and some examples of each type of information.

Not public data means any data which the law declares is not available to the public. It is a broad term which includes any government data classified by statute, federal law, or temporary classification as confidential, private, nonpublic, or protected nonpublic data, either singly or in any combination.

Generally, if the data you work with identifies a person it is private or confidential data. Use and access within the agency is restricted to those employees or vendors who need the information to do their jobs.

A. Private data is government data maintained on individuals who are identified or can be identified in the data. Only the following persons are permitted access to private data:

1. the individual who is the subject of the data or a designated representative;
2. anyone to whom the individual gives signed consent to view the data;
3. employees of the welfare system whose work assignments reasonably require access to the data;
4. anyone the law says can view the data.

Examples of private data include most welfare system data about individual clients, medical data, child abuse data, pre-commitment screening investigations and pre-admission screening investigations, chemical dependency data about patients, and personnel data.

B. Confidential data is data that identifies individuals and cannot be disclosed to the public or even to the individual who is the subject of the data. The subject of the data CANNOT authorize anyone else to see or receive copies of the data by signing a consent for release of information.

Examples of confidential data are adoption data and the names of individuals who report child or vulnerable adult abuse. Some medical data is confidential if the medical care provider deems that access to the data will be harmful to the patient. Most investigations of

individuals are confidential, but investigations involving corporations, agencies or vendors are protected nonpublic.

PENALTIES FOR UNLAWFUL USE OF DATA

Data Practices Act Penalties The Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, provides for disciplinary action for any government employee who knowingly violates the provisions of the Act. **Any person, even those who are not employees**, who willfully violate the provisions of the Act, may be charged with a misdemeanor.

Action for Damages A political subdivision, responsible authority, statewide system, or state agency which violates any provision of this chapter is liable to a person or representative of a decedent who suffers any damage as a result of the violation, and the person damaged or a representative in the case of private data on decedents or confidential data on decedents may bring an action against the political subdivision, responsible authority, statewide system or state agency to cover any damages sustained, plus costs and reasonable attorney fees. In the case of a willful violation, the political subdivision, statewide system or state agency shall, in addition, be liable to exemplary damages of not less than \$100, nor more than \$10,000 for each violation. The state is deemed to have waived any immunity to a cause of action brought under this chapter.

**SOFTWARE LICENSE AGREEMENT
for
CASEWORKS SOCIAL SERVICES EDITION**

The below Software Licenses Agreement ("Agreement") is entered into this 1st day of September, 2024 by and between Next Chapter Technology, Inc. ("NCT" or "Company"), with its principal place of business at 7700 Equitable Drive, Suite 200, Eden Prairie, MN 55344 and Houston County on behalf of Houston County Human Services (County), with its principal place of business at 304 S. Marshall St. Caledonia, MN 55921.

Whereas, the County Board of Commissioners authorized the purchase of an Electronic Document Management System to be implemented within the Human Services Department; and,

Whereas, NCT has developed certain software containing the functionality required to support the County Human Services Electronic Document Management needs; and

Whereas, NCT has agreed to provide services and features to County; and

Whereas, County desire to receive a license from NCT to utilize the CaseWorks Software – Social Services Edition, (hereinafter collectively "Software") and NCT is willing to grant County a limited, non-exclusive, non-assignable, non-transferable license, under the terms and conditions provided herein, to so utilize the Software; and

Whereas, the County and NCT desire to enter into a contractual relationship for the above purpose,

NOW THEREFORE, the County and NCT agree as follows:

ARTICLE I
THE CONTRACT DOCUMENTS

The agreement documents consist of this agreement, NCT's Statement of Work (Exhibit One), the County Insurance Requirements (Exhibit Two), the Project Schedule (Exhibit Three), the Software Support Agreement (Exhibit Four), the Purchase Agreement (Exhibit Five), and the Vendor Technology Usage Agreement (Exhibit Six). These form the Agreement, and all are as fully a part of the Agreement as if repeated herein.

ARTICLE II
THE PRODUCTS AND SERVICES

NCT shall provide the products and perform all of the services required by this Agreement and those Documents as listed in Article 1.

ARTICLE III
TIME AND COMMENCEMENT

The Installation Work to be performed under this Agreement, except for updates and on-going support, shall commence on or around December 1, 2024 and must be completed by May 31, 2025 unless the parties agree otherwise due to extraordinary circumstances. County acknowledges that NCT depends upon County acquisition of hardware and third-party software as well as access, cooperation and assistance by County personnel. County delay or failure to perform its obligations or provide hardware, third party software or other cooperation or assistance in a timely manner will extend project schedule and NCT's timing of performance.

NCT agrees that it has reviewed the scope of the work and has sufficient staff to fully implement all aspects of this Agreement.

ARTICLE IV
GRANT OF LICENSE TO USE NEXT CHAPTER TECHNOLOGY SOFTWARE

Upon and subject to receipt of payment by County of the applicable initial license fee, implementations fees set out in Article VI, as well as the applicable annual support fee as set out in Exhibit 4, NCT hereby grants to County, a limited, non-exclusive, non-assignable, non-transferable right and license to use and install the Software in object code and in run-time format, pursuant to the terms, fees, limitations and conditions set forth herein. The Software is being licensed, not sold, to County by NCT for use only under the terms of this License, and NCT reserves all rights not expressly granted to County.

ARTICLE V
LICENSES PURCHASED

By this agreement, County is purchasing Edition Licenses and Primary System End User Client Licenses as set forth in Exhibit Five for access and use by the County's Human Services Department.

ARTICLE VI
AGREEMENT AMOUNT AND TERMS OF PAYMENT

A. Amount

The County shall pay NCT for the delivery of product (Software Licenses), the performance of the work (Services), expenses (Travel), and first year support services (Software Support). The amount for Products and Services are unchanging, or fixed, unless an agreed upon change order has been completed. These amounts are subject to additions by Change Order as described in this agreement. Travel will be invoiced at actual cost. In addition, the County agrees to pay software support fees according to the terms of the Software Support Agreement (Exhibit Four), which is incorporated herein and made part of this agreement. The amounts are follows:

Social Services Edition

Category	Cost
Product Licenses (Supporting detail on Exhibit 5)	60,625
Implementation Services (Supporting detail on Exhibit 1)	75,613
NCT Migration Services	5,000
Travel (Estimated)	NA
Total	141,238

B. Terms of Payment NCT shall submit billing invoices to the County as follows:

Category	Terms
Software Subscription	<ul style="list-style-type: none">100% April 1, 2025 and receipt of invoice.

Category	Terms
Implementation Services	<ul style="list-style-type: none"> 100% December 15, 2024 and receipt of invoice.

Category	Terms
Migration Services	<ul style="list-style-type: none"> 100% December 15, 2024 and receipt of invoice.

No additional payment above the amount specified at the beginning of this section will be paid without an approved Change Order.

C. Deliverable Acceptance

At specified milestones throughout the project, NCT will deliver completed work products to the County for review and approval. This process is formally called Deliverable Acceptance. The acceptance process allows the County thirty (30) working days to formally review all work products to ensure that they meet the deliverables outlined in the Statement of Work and any changes that were formally approved through the Change Order process. NCT will strive to obtain constant feedback from the County during the project so that deliverable acceptance is a simple formality. However, in the event that a deliverable fails to meet the requirements in the Statement of Work and approved changes, the County Representative shall sign and date, and complete the "Deliverable Non-Acceptance" section of the Work Acceptance Form, in the Statement of Work. The County Representative shall also provide a reason for rejection, which will serve as a basis for discussion of the deliverable between the NCT and the County Authorized Representative. NCT will act expediently to correct all in-scope problems found with the deliverable, and will estimate any out-of-scope changes according to the change procedures established for the project.

D. Change Orders

Without invalidating this Agreement, County may request changes in the work. Price and time will be adjusted accordingly. All such changes in the work shall be in writing, signed by NCT and the County Authorized Representative, and attached to the Agreement. NCT must not provide significant work that is not specified in this agreement without first obtaining a signed change order. County's Representative authorized to submit and approve change orders is identified in Section XIV C.

E. Costs Not Provided For

No claim for services or supplies furnished by NCT, not specifically provided for in this Contract, will be honored by the County.

F. Intent

Excluding hardware and third party software, NCT shall provide all of the products and services set forth hereunder for the compensation set forth above. NCT agrees that it has made a careful examination of the product and services to be provided hereunder and that the price set forth herein is adequate compensation for the product and services to be provided under the terms of this Agreement, subject to any authorized Change Order.

ARTICLE VII **SOFTWARE USE**

A. Limitations on Use

Each Edition level license granted by this License Agreement entitles County to utilize the Software on a single CPU or Multi-core Server (Physical or Virtual). Software is licensed for one production database and unlimited training databases, unless otherwise specified. Each Primary System User Level License granted by this License Agreement entitles County to utilize the Software on a user level. At any instance, the number of active users cannot exceed the number of user licenses purchased for the respective software item. Unless specifically authorized by NCT in a separate agreement, the County shall not

- i. use the Software for any purpose other than for the County's Human Services functions

assigned by County by the relevant governmental authorities;

- ii. allow anyone other than the County's employees and agents to have physical access to the Software;
- iii. make any copies of the Software unless granted in writing by NCT, apart from the limited right provided in this Article VII, Section C;
- iv. make any modifications, enhancements, adaptations, or translations to or any of the Software except for those resulting from License interactions with the Software associated with normal use (e.g. inputted data or Software-permitted configuration selections).
- v. make full or partial copies of any documentation or other similar printed or machine-readable matter provided with the Software in order to derive the source code form of the Software;
- vi. export or re-export the Software and/or associated documentation in violation of the United States export rules and regulations; or
- vii. sell, rent, lease, lend, transfer or sublicense the NCT Software to any other party unless specifically authorized by NCT.

The breach of any of these terms by County shall, without limitation as to other terms hereof, be deemed a material breach of this License Agreement and shall entitle NCT, among its other remedies, to terminate the License.

B. Permitted Uses and Restrictions on Software

County's right to use the Software is subject to its adherence to the terms of this License Agreement. County is only granted those rights expressly set forth in this License Agreement. NCT expressly reserves all other rights. NCT warrants that it will not knowingly install any Self Help Code or any Unauthorized Code as defined below. "Self Help Code" means any back door, time bomb, drop dead device, or any other software routine designed to disable the software automatically with the passage of time or under the positive control of a person other than the licensee of the Software. "Unauthorized Code" means any virus, Trojan Horse, worm or other software routine or equipment designed to permit unauthorized access to disable, erase or otherwise harm software, equipment or data or to perform any other similar action.

Software is a "commercial item", as that term is defined in 48 C.F.R. 12.101 (Oct. 1995), consisting of "commercial computer software" and "commercial computer software documentation", as such terms are used in 48 C.F.R. 12.212 (Sept. 1995). Consistent with 48 C.F.R. 12.212 and 48 C.F.R. 227.7202-1 through 227.7202-4 (June 1995), all U.S. Government End Users acquire NCT's **Scanning Software** with only those rights set forth herein.

C. Limited Right to Copy Software

County may make a reasonable number of copies of the Software for backup purposes only. A backup copy must include all copyright or other proprietary notices contained on the original. County shall not otherwise copy, decompile, reverse engineer, disassemble, modify, or create derivative works of the Software.

D. No Modification to Software

County shall not modify, or attempt to modify, the Software including database structures in any manner, nor shall it merge, associate or combine, or attempt to merge, associate or combine the Software with or into any third-party software without the express written consent of NCT.

E. Support

County acknowledges the Software is meant to be supported software. Support shall be provided pursuant to the terms and conditions set forth in the Software Support Agreement ("Support Services") between NCT and County. Support Services shall continue to be provided based on the term of the Software Support Agreement, at the rate and pursuant to the terms and conditions of the then-current Software Support Agreement.

F. Updates

Updates are only available to County if they have an executed Software Support Agreement in good standing at the time the update is released. If County does not have an executed Software Support Agreement in good standing at the time the update is released, the County shall not be entitled to receive the update and NCT shall not be obligated to sell the update to County. The release of any new version of the Software within one year of purchase of any other version of the Software by County is to be considered an "update" and shall be provided as part of the Software Support Agreement, to County under the terms applicable to provision of such updates.

G. Proprietary and Confidential Information

County acknowledges and agrees that, without affecting the scope of all licenses granted herein, the Software and associated documentation, including any and all copies hereof, in whole or in part, are and shall remain the sole and exclusive property of NCT. The County further acknowledge and agree that the Software, including, but not limited to, all code, data file structures, the specific design, structure and logic of individual programs of Software, their interactions with other portions of the Software, both internal and external, the programming techniques employed therein and other trade secrets, are the proprietary and confidential information of NCT. To the extent permitted by law, and consistent with the Minnesota Data Practices Act, Chapter 13, the County agrees to take all reasonable precautions, including those that may be reasonably requested by NCT, to protect its proprietary and confidential information. Unless otherwise agreed, in advance and in writing, in the event that County or any employee or agent of County, suggests any improvements and modifications to the Software, County acknowledges and agrees that, whether such improvements and/or modifications are implemented by NCT in whole or part, it assigns all right, title and interest, including copyrights, patents, trade secrets, and all other intellectual property rights, in any such suggestions, improvements and modifications to NCT without payment or compensation of any kind.

H. Nondisclosure

County recognizes and acknowledges the special value and the importance in protecting proprietary and confidential information. To the extent permitted by law and consistent with the Minnesota Data Practices Act, Chapter 13, all proprietary and confidential Information, the disclosure of which might give an advantage to any third party, including competitors of NCT, that has been or may be furnished or disclosed to County, shall be kept confidential and used only for the purposes described in this Agreement. Unless otherwise required by applicable law, County, its employees and agents agree, not to provide, disclose or otherwise make available the proprietary and confidential information of NCT in any form to any third party. In addition, NCT acknowledges that the records and data of County must remain confidential and agrees that, unless otherwise required by applicable law, NCT, its employees and agents shall use commercially reasonable means to prevent the disclosure of such records or data or any portion thereof without the express written consent of County.

To the extent applicable, NCT agrees to implement and comply with applicable provisions of the Health Insurance and Portability and Accountability Act of 1996 (HIPAA, public law 104-191). In performing its obligations under this contract, to the extent applicable, NCT agrees to comply with the HIPAA Privacy requirements, the HIPAA Standards for Electronic Transactions, the HIPAA security requirements, and any other applicable HIPAA laws, standards and requirements now in effect or hereinafter adopted as they become law. Parties intend all data (including protected health information) will be kept within County's technical environment.

ARTICLE VIII
SECURITY

NCT agrees to:

- i. ensure that any of its staff, who provide services under this Agreement, in so far as such work is performed on the County's premises, observes the County's reasonable security procedures and internal rules as communicated to NCT by the County;
- ii. adhere to all County's remote access and security requirements communicated to NCT by the County. NCT is required to ensure that all of its employees and/or agents abide by the

County's remote access and security requirements; and

- iii. take commercially reasonable measures to ensure that no virus, malware, or unapproved/unauthorized code is coded into or introduced into the Software or the electronic files provided by NCT to the County.

ARTICLE IX **WARRANTY**

NCT warrants that the Software will perform as to all substantial operating features, as specified in its User Manual and based upon the specifications of the then-current release of the Software for 30 days from acceptance of original installation. This warranty shall immediately become null and void in its entirety in the event that County fails to maintain or to use the Software in accordance with the applicable terms of use, or to notify NCT promptly in the event of any suspected defects or malfunctions and/or Errors (as defined in the Software Support Agreement). NCT's sole obligation, and County's sole and exclusive remedy for breach of the warranty set forth in this section, shall be, at NCT's election, for NCT to remedy such breach in a manner consistent with NCT's regular business practices or for NCT to refund a pro rata amount of fees for the defective Software. NCT does not warrant that the operation of the Software will be uninterrupted or error-free. For 30 days from acceptance of original installation and during periods of time when the Software Support Agreement is in effect, NCT will use commercially reasonable efforts to correct any Errors in the CaseWorks Software, replace the NCT Software with functionally equivalent software, or provide a work-around or patch for the portion of the NCT software containing the Errors, hereinafter "Error Corrections". Error Corrections will be made in a manner as identified in section 3(a) of the Software Support Agreement. Error Corrections will be deemed part of the NCT Software licensed under the Software License Agreement, and shall be provided subject to the terms and conditions contained in such Software License Agreement. NCT does not warrant any hardware, third party software (including without limitation MS-SharePoint), updates/releases or support services. Updates/releases and support services are provided "As Is".

Except for the express limited warranties provided in this Article X and to the full extent permitted by law, NCT disclaims all other warranties and conditions, whether express, implied, or statutory, including warranties and conditions of merchantability, satisfactory quality, fitness for a particular purpose, performance, accuracy, reliability, security and noninfringement. NCT also makes no warranty regarding (i) non-interruption of use, (ii) freedom from bugs, (iii) the availability and/or functionality of third party products, services, API's, and/or integrations that are made available by any third party, and/or (iv) that any product or service will meet the County's requirements. Any statements or representations about the program and its functionality in any communication with the County constitute technical information and not an express representation, warranty or guarantee. Other than the express warranties contained herein and statutory warranties and remedies that cannot be disclaimed or waived under applicable law, the Software is provided as-is and with all faults. This disclaimer of warranty constitutes an essential part of this Agreement.

ARTICLE X **INDEPENDENT CONTRACTOR**

NCT is an independent contractor and nothing herein contained shall be construed to create the relationship of an employer and employee between the County and NCT or NCT agents, servants or employees. NCT shall at all times be free to exercise initiative, judgment, and discretion as to how to best perform or provide services. NCT acknowledges and agrees that NCT, NCT agents, servants and employees, are not entitled to receive any of the benefits received by County's employees and is not eligible for workers' or unemployment compensation benefits. NCT also acknowledges and agrees that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due NCT and that it is NCT's sole obligation to comply with applicable provisions of all Federal and State tax laws.

ARTICLE XI
SUBCONTRACTORS

NCT shall not employ any subcontractor to perform any services in the scope of this Agreement, unless said subcontractor is approved in writing by the County. Any such subcontractor shall be paid by NCT.

ARTICLE XII
INDEMNIFICATION AND INSURANCE

A. Indemnification

- i. Intellectual Property Infringement Indemnification. NCT shall defend, indemnify and hold harmless the County, its directors, officers, employees, affiliates and agents (each a "County Indemnified Party") at NCT's expense from and against any suit, claim, action or proceeding brought against County by a third party that is not a party to this Agreement or an affiliate of a party to this Agreement ("Third Party Claim") alleging that the Software as provided by NCT infringes upon a United States or Canadian patent, copyright, trademark or trade secret of that third party, subject to the procedures set forth in subsection (iii) (Procedure) of this Article XII. For the avoidance of doubt, under the foregoing indemnity NCT will, where applicable, pay any damages and costs awarded against County by final judgment of a court, or the amount of any agreed settlement regarding any such Claim. NCT shall have no liability for settlements, obligations or costs incurred without its prior written consent. Should County's use of the alleged infringing Software be enjoined, or in the event that NCT desires to minimize its potential liability hereunder, NCT will, at its option and expense, (a) substitute non-infringing Software with functionality which is substantially similar to that of the allegedly infringing Service; (b) modify the infringing Service so that it no longer infringes but its functionality remains substantially equivalent; or (c) obtain for County the right to continue use of such Service. If, in NCT's sole discretion, none of options set forth in the foregoing sentence is commercially reasonable, NCT will terminate this Agreement respect to the allegedly infringing Service(s) and refund to County on a pro-rated basis, any pre-paid fees for the allegedly infringing Service(s). NCT shall have no obligation to defend and indemnify any IP Claim to the extent the claim alleges: (i) any combination by County of equipment, processes, content or software with NCT's Software, if such claim would have been avoided but for such combination; (ii) modification of the Service(s) by a party other than NCT, if such claim would not have occurred but for such modification; or (iii) County's failure to use updated or modified product which is provided by NCT at no cost to County to avoid or cure such claim, after notice by NCT to County of the availability of such updated or modified product. The foregoing states the entire liability and obligations of NCT and County's sole remedy for infringement, alleged infringement, or any breach of warranty of non-infringement, express or implied.
- ii. General Indemnity. Each of County and NCT, at their own expense, will indemnify, defend, and hold harmless the other party, its subsidiaries, affiliates and assigns, and its and their respective directors, officers, employees, and agents (each, an "Indemnatee") from and against any Third Party Claims (including reasonable attorney's fees and expenses arising therefrom) ("Losses") relating to or incurred in connection with any arising out of or related to the indemnifying party's actual or alleged: (a) breach of its obligations under this Agreement; or (b) its Gross Negligence. "Gross Negligence" means a blatant violation of a legal duty with respect of the rights of others, being a conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both. Gross negligence involves conduct that is extreme, when compared with ordinary negligence. A mere failure to exercise reasonable care shall not be a gross negligence.
- iii. Procedure. In the event a party seeks indemnity under this Article XII (Indemnification), as the case may be (the "Indemnified Party"), the Indemnified Party will give prompt written notice to the other party (the "Indemnifying Party") of the claim against which it seeks to be indemnified. (The failure by an Indemnified Party to give such notice will not relieve the Indemnifying Party of its obligations under this Article XIII, except to the extent, if any, that the Indemnifying Party is materially prejudiced by such failure or delay.) The Indemnified Party will allow the Indemnifying Party to direct the defense and settlement of any such claim, with counsel of the Indemnifying Party's choosing, and will provide the Indemnifying Party, at the Indemnifying Party's sole cost and expense, with

information and assistance that are reasonably necessary for the defense and settlement of the claim. The Indemnified Party will have the right to retain separate counsel and to participate in (but not control) any such action, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless: (a) the retention of counsel by the Indemnified Party has been authorized in writing by the Indemnifying Party; (b) the Indemnified Party has been advised by its counsel in writing that there is a conflict of interest between the Indemnifying Party and the Indemnified Party in the conduct of the defense of the action, in which case the Indemnifying Party will not have the right to direct the defense of the action on behalf of the Indemnified Party unless it is able to engage counsel who is not subject to so conflicted); or (c) the Indemnifying Party has not in fact retained counsel to assume the defense of the action within a reasonable period of time following receipt of the notice given pursuant to this paragraph (iii), in each of which cases the fees and expenses of such counsel will be at the expense of the Indemnifying Party. The Indemnifying Party shall have the right to settle any such claim without the consent of the Indemnified Party only so long as such settlement does not admit to any wrongdoing by any Indemnified Party, does not impose any liability or obligation (whether financial or otherwise) on any Indemnified Party and fully releases the all Indemnified Parties from liability in connection with such claim. The Indemnifying Party will not be liable for any settlement of an action effected without written consent of its duly authorized representative (which consent will not be unreasonably withheld or delayed). No Indemnifying Party will consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party a release from all liability with respect to the claim.

B. Limitation of Liability

NCT's entire liability for all claims or damages arising out of or related to this Agreement and the Software, regardless of the form of action, whether in contract, tort or otherwise, will be limited to and will not exceed, 2 times the aggregate the amount paid or payable to NCT under this Agreement during the twelve month period preceding the event giving rise to the claim. In no event will NCT be liable for loss of income, profit or savings or indirect, incidental, consequential, exemplary, punitive or special damages of any party, including third parties, even if NCT or its agent has been advised of the possibility of such damages in advance. These limitations shall apply despite the failure of the essential purpose of any remedy.

The foregoing limitations of liability allocate the risks between NCT and the County and form a material basis of the bargain between the parties. NCT's pricing reflects this allocation of risk and the limitation of liability specified herein.

C. Insurance

NCT at its own expense shall procure and maintain policies of insurance as set forth in Exhibit Two.

ARTICLE XIII
GENERAL TERMS AND CONDITIONS

A. Data Privacy

In collecting, storing, using and disseminating data on individuals in the course of providing services hereunder. NCT agrees to abide by all applicable state and federal statutes, rules and regulation covering data privacy under which County is obligated, including but not limited to HIPAA, the Minnesota Data Practices Act and all rules promulgated pursuant thereto by the Commissioner of the Department of Administration and shall not release any such data in a manner which would be prohibited to the County.

B. Disputes-Good Faith Negotiations

It is the expressed desire of all parties that a good faith effort be made to resolve all disputes prior to the resort to legal proceedings. Accordingly, it is agreed that any dispute arising under this License Agreement, including without limitation, any dispute regarding the operating of the CaseWorks, or payments due hereunder, shall be expressed to the other party in a writing which describes each dispute in detail and includes documentation sufficient to evidence the nature of the dispute. The writing shall be delivered to the other party at the address set forth in the Notices provision hereof. The party receiving the dispute shall

respond in writing within thirty (30) days and shall provide documentation supporting its response. Following such delivery and response, the parties shall engage in direct, good faith negotiations for the following thirty (30) days in an effort to resolve all disputes. If the parties are unable to reach an agreement, and in the absence of a written agreement to extend the negotiation period, either party may initiate proceedings. The foregoing provision shall not limit the ability of a party to seek injunctive relief.

C. Authorized Representative

Notification required to be provided pursuant to this Agreement shall be provided to the following named persons and addresses unless otherwise stated in this agreement or in a modification of this Agreement.

Next Chapter Technology, Inc.:
Cathy Wassenaar, CEO
7700 Equitable Drive, Suite 200,
Eden Prairie, MN 55344

County:
John Puleasa, DHS Director
Houston County Human Services
304 S. Marshall St.
Caledonia, MN 55921

D. Assignment of Interest

This Agreement shall be binding upon and inure to the benefit of each Party's successors and permitted Assignees. This Agreement and the License granted herein shall not be assigned or transferred by either party without the prior written consent of the other party. Notwithstanding the foregoing, NCT may assign this Agreement to an affiliate or successor in connection with reorganization, merger, consolidation, acquisition, or other restructuring, whether via asset sale, by sale of stock or otherwise.

E. Audit

The County or any of its duly authorized representatives shall have access to any books, documents, papers and records of NCT which are directly pertinent to the performance of this Agreement for the purpose of making audit, examination, excerpts and transactions to verify compliance with this Agreement. In the event County are not under a Support Agreement with NCT at any time, NCT or any of its duly authorized representatives shall have the right to audit County's systems, controls, equipment and records of County to verify use of the Software and associated documentation is in compliance with the terms of this Agreement. Any unauthorized copies of usage of the Software will be infringement and a material breach of this Agreement.

Upon written request, County will provide signed, written assurance that the use of the Software and associated documentation is in compliance with the terms of this Agreement. For purposes of clarification, NCT will not be given access to specific data, specific data bases or other confidential information of any third party. This provision survives termination of this Agreement.

F. Compliance with Laws

The parties shall abide by applicable Federal, State or local laws, statutes, ordinances, rules and regulations now in effect, or hereafter adopted, pertaining to this Agreement or the subject matter of this Agreement. This shall include obtaining all licenses, permits or other rights required for the provision of services contemplated by this agreement.

During the performance of this agreement, NCT agrees that no person shall, on the grounds of race, color, religion, age, sex, disability, marital status, status with regard to public assistance, criminal record, familial status, sexual orientation, creed or national origin be excluded from full employment rights or be denied the benefits of or be otherwise subjected to discrimination under any and all applicable Federal and State laws against discrimination.

Specifically, NCT agrees:

- i. That, in the hiring of common or skilled labor for the performance of work under this Agreement or any subcontract, no contractor, material supplier, or vendor shall by reason of race, color, religion,

age, sex, disability, marital status, status with regard to public assistance, criminal record, familial status, sexual orientation, creed or national origin 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.

- ii. That no contractor, material supplier or vendor shall, in any manner, discriminate against or intimidate or prevent the employment of such person or persons identified in clause i., or on being hired, prevent or conspire to prevent the persons or persons from the performance of work under any contract on account of race, color, religion, age, sex, disability, marital status, status with regard to public assistance, criminal record, familial status, sexual orientation, creed or national origin.
- iii. That a violation of clause i. or ii. is a misdemeanor; and
- iv. This Agreement may be cancelled or terminated by the County and all money due or to become due may be forfeited for a second or any subsequent violation of this Agreement.

G. Severability

The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement unless the part or parts which are void, invalid or otherwise unenforceable shall substantially impair the value of the entire Agreement with respect to either party.

H. Binding Effect

This Agreement shall be binding upon the parties, their affiliates, subsidiaries, successors and assigns.

I. Modifications

The County and NCT hereby acknowledge that they have read this Agreement and affirmatively state and represent that they understand its contents. Further, that the above constitutes the entire Agreement by and between the County and NCT and is binding upon themselves, their heirs, assigns and successors in interest and any alterations, variations, modifications or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by the authorized representatives of the County and NCT.

J. Applicable Law and Venue

This Agreement will be governed by the laws of the State of Minnesota, excluding its conflict of laws rule. The operation of the United Nations Convention on Contracts for the International Sale of Goods will not apply. Venue for all proceedings related to this Agreement shall be in Rice County, Minnesota.

K. Appropriations

If the County fails to appropriate funding for this Agreement, the County may immediately terminate the Agreement with written notice. Any services provided prior to notice shall be reimbursed including the value of any Software updates.

L. Force Majeure

In the event performance of this Agreement, or any obligation hereunder, is prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Client, or any other circumstances beyond the reasonable control and without the fault or negligence of the party affected, the party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both parties shall proceed whenever such causes are removed or cease.

ARTICLE XIV
TERMINATION

Either Party may terminate this Agreement anytime by providing thirty (30) days written notice to the other party of the intent to terminate. In such event, all finished and unfinished documents, data, studies and reports prepared by NCT under this Agreement, at the option of the County, become its property, and NCT shall be entitled to receive compensation for satisfactory work completed on such documents as well as amounts due NCT for software licenses, software support and other services approved in writing by County up to effective date termination.

IN WITNESS WHEREOF; the parties hereto have executed this Agreement on the date(s) indicated below. The signatures listed below authorize the engagement of Next Chapter Technology, Inc.

Houston County Approval

Next Chapter Technology, Inc. Approval

Authorized County Representative (Signature)

Authorized NCT Representative (Signature)

(Print Name and Title)

(Print Name and Title)

Street Address

7700 Equitable Drive, Suite 200

City, State, Zip

Eden Prairie, MN 55344

Date

Date

Approved as to form and execution

Houston County Attorney (Signature)

(Print Name and Title)

Street Address

City, State, Zip

Date



Exhibit One

CASEWORKS – SOCIAL SERVICES EDITION

ELECTRONIC DOCUMENT MANAGEMENT SYSTEM

FOR

HOUSTON COUNTY HUMAN SERVICES

STATEMENT OF WORK

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Document Overview

The objective of this document is to record project goals, in scope and out of scope activities, roles and responsibilities, and assumptions for implementing the Caseworks Software, Social Services Edition solution within Houston County Human Services Department, specifically the Social Services Unit.

Project Overview

The County is seeking to implement an Electronic Document Management System (EDMS) solution for their Social Services Unit. The Caseworks Software integrates back office data from the County's case management System of Record with SharePoint collaboration technologies – combining them with the County's business processes to create a productivity solution that transforms the way the aforementioned units complete their work.

The overall Project Process is summarized below:



Project Goals

Goal 1: Implement an Electronic Document Management System that supports today's Programs and Services, is flexible to support future changes in State and Federal programs; and facilitates productivity gains in order to handle (some, not all) increases in case growth in the County's Social Services Unit.

Goal 2: Implement an Electronic Document Management System which serves as a catalyst to streamline business process, improves the sharing and the security of the electronic document across all locations, and improve compliance within the County's Social Services Unit.

Goal 3: Provide an Electronic Document Management System which will significantly reduce manual processing of paper (copying, handling, searching, and filing) by capturing the paper at the point of initial contact with the document; and by providing the capability to route, store, and retrieve the electronic documents after capture.

Goal 4: Provide an Electronic Document Management System which greatly improves the Worker's efficiency and effectiveness in the handling of their tasks; ultimately resulting in improved Customer Service.

Goal 5: Provide an intuitive, easy to use, and "friendly" Electronic Document Management System which greatly improves the employee experience resulting in improved employee morale and retention.

Goal 6: Provide application software and hardware which leverages the investment in the County's technology platforms standards.

Project Assumptions

- SSIS is the Case Management System and System of Record for Social Services
- Off-site workers are fully supported, both during implementation and after Go Live
- All Status Meetings, Process & Forms Reviews, Training, Support will be accomplished virtually
- CaseWorks is hosted by Houston County
- CaseWorks EDMS project deliverables include:
 - Implementation of CaseWorks SSE Edition
- Document Management Solution that supports:
 - SSIS Case Document
 - Business Process Review and Documentation
 - Forms Review
 - Scanning Solution
 - Electronic Forms Management Solution
 - Activity and Appointments Management Solution
 - Mobile solution
- A Quality Assurance Team is identified to assist in Discovery, Process Reviews, and QA Reviews (SSE)
- A "Hybrid" Model will be implemented (support for Team and Individual Case Management models)
- County business process will change to align with the application software features and workflows
- Workflows based on other MN County EDMS implementations
- Scanning accomplished in Client Meeting Rooms, Scan Stations, and at the Front Desk
- Counties will utilize the "local" forms already in CaseWorks, as much as possible
- Network infrastructure in place to support EDMS (e.g., Bandwidth, Connectivity, User Security, etc.)

Project Deliverables

- When completed, the County Human Services will have a fully implemented and supported CaseWorks Edition operational in their Social Services Department. This includes CaseWorks Social Services Edition.

- The CaseWorks EDMS project deliverables include:
 - Implementation of CaseWorks Social Services (SSE).
 - Deploy and configure CaseWorks - CaseWorks - Social Services Edition to be accessed and used by applicable County staff.
 - Document Management Solution that supports:
 - SSIS Case Documents
 - SSIS Media Files (video, audio, photo)
 - Business Process Review and Business Process Document
 - Forms Review
 - Scanning Solution (CaseWorks Scanning)
 - Capture Solution (Print2CaseWorks)
 - Electronic Auto-filled Forms Management Solution
 - eSignature Functionality (Transaction Costs not included)
 - County Attorney Features and Support
 - Privileged Case Management
 - Automated Document Retention Process
 - Copy/Transfer Documents
 - Mobile feature & function for site visits
 - Resident Portal with Identity Management
 - Implementation Team
 - Virtual End User Training
 - Virtual Go Live Support
 - Virtual Refresher Training
 - A fully supported set of CaseWorks EDMS solutions. The ongoing support include:
 - Help Desk Support (Tickets and/or Phone Calls)
 - Break/Fix Support
 - Feature Enhancements
 - Forms Maintenance

In Scope Activities

Activity	Description
Project Management	<ul style="list-style-type: none"> • Create and maintain project plan, including tracking timeline and task completion • Coordinate resources and activities • Review and manage NCT Professional Services budget • Facilitate the Weekly Status Meeting with Project Team to provide updates on next step tasks, current topics, scheduling, and overall project status.
Business Process Review	<ul style="list-style-type: none"> • Facilitate the Review of the current manual process • Document the new process representing the business processes after Caseworks Software Go Live
System Install and Configuration	<ul style="list-style-type: none"> • Install and Configure Caseworks Software Editions (SSE) <ul style="list-style-type: none"> – Insertion of existing state and local forms – Implementation of the forms management solution – Setting up the users and DocBoxes – Establishing the workflow activities within the system – Initiating the document management capabilities – Integrating the scanning solution – Initiating the Web Services with the State systems – Setting up email integration – Implement Activity Management Solution • Add local Forms uncovered during Discovery
Solution Deployment	<ul style="list-style-type: none"> • Conduct Quality Assurance Review <ul style="list-style-type: none"> – Provide a QA Review for the Quality Assurance Team to ensure that CaseWorks is functioning as expected, based on Discovery and Planning – Resolve issues (within project scope) identified during the QA Review
Training	<ul style="list-style-type: none"> • Training <ul style="list-style-type: none"> – Provide Training Materials – Conduct Virtual End User Training – Provide additional virtual ongoing training during go live week
Documentation	<ul style="list-style-type: none"> • End user documentation • Administrator documentation

Out of Scope Activities

Activity	Description
Migration - Data Extract	<ul style="list-style-type: none"> Work outlined in this SOW does not include data extract from existing or legacy systems,
3 rd Party integrations	<ul style="list-style-type: none"> Integration efforts with solutions <i>other than SSIS</i> are considered out of scope.
Other Divisions and Departments	<ul style="list-style-type: none"> Activities related to the implementation of Caseworks Software – SSE other than the Social Services Unit and County Attorney is considered out of scope.

Roles and Responsibilities

Common roles and responsibilities are defined so every resource will understand what is expected of them on this project. Upon joining the project, a resource will be assigned one or more of the following roles. Resources that have been assigned multiple roles are expected to meet all the responsibilities for those roles.

NCT Engagement Manager (Dani Gorman)

The Engagement Manager provides high-level oversight and guidance to the Project Team to ensure that the project meets overall schedule and cost objectives.

NCT Project Manager (Megan Otto/Xou Le Vang)

The Overall Project Manager is the individual responsible for the project implementation and will manage the day-to-day activities of the project for Houston County, as well as for NCT activities.

County Project Manager (Bethany Moen)

The Project Manager will assist in the management of internal tasks and resources to ensure a successful implementation of the Caseworks Software - Social Services Edition solution.

NCT Technical Architect/Lead (Clayton Ostler)

The NCT Technical Architect is the individual responsible for the design, configuration, and installation of the Caseworks Software - Social Services Edition solution at the client site.

Project Sponsor (John Houston)

The Project Sponsor provides high-level oversight and guidance for the project to ensure that the project solution meets overall schedule and cost objectives.

Quality Assurance Team (TBD)

The Quality Assurance team provides ongoing business expertise and insight on business processes, including input/feedback on current business processes. For the purpose of this project, this group is referred to as the Quality Assurance Team.

Information Technology Subject Matter Experts – Hardware/OS, Desktop, LAN Admin (Andy Milde)

Information Technology Subject Matter Experts/Resources provide initial and ongoing technical expertise. They will provide technical insight and serve as the liaison between NCT and County IT resources.

County Insurance Requirements:

Next Chapter Technology (NCT) shall not commence work under the Contract until it has obtained at its own cost and expense all insurance requirements herein. All insurance coverage is subject to approval of County and shall be maintained by NCT until final completion of the work.

A. Comprehensive General Liability:**a. Coverage shall have minimum limits of:**

- i. \$3,000,000 Aggregate
- ii. \$3,000,000 Products and Completed Operations Aggregate
- iii. \$1,500,000 Personal Injury and Advertising Injury
- iv. \$1,500,000 Each Occurrence
- v. \$ 100,000 Fire Damage Limit
- vi. \$ 5,000 Medical Expenses

b. The policy should be written on an occurrence basis, not a claims-made basis**B. Commercial Auto Liability:** Coverage shall have minimum limits of \$1,500,000 per occurrence, Combined Single Limit for Bodily Injury Liability and Property Damage.**C. Liability:** This shall include: Owned Vehicles, Hired and Non-Owned Vehicles and Employee Non-Ownership.**D. Professional Liability:** Coverage shall have minimum limits of:

- a. \$2,000,000 per Wrongful Act or Occurrence
- b. \$4,000,000 Annual Aggregate

E. Workers' Compensation and Employer's Liability Coverage:**a. Workers' Compensation limits are to be statutory per applicable state and federal laws****b. Employer's Liability Coverage - Minimum Limits of:**

- i. Bodily Injury by Accident: \$500,000 each accident
- ii. Bodily Injury by Disease: \$500,000 each employee
- iii. Bodily Injury by Disease: \$500,000 policy limit

F. Special Requirements: County is to be included as an **Additional Insured** on both the Comprehensive General Liability and Commercial Auto Liability Policies.**G. Other Requirements:** Insurance shall be placed with insurers with a current A.M. Best rating of no less than A:VII

Current, valid insurance policies meeting the requirements herein identified shall be filed with County before NCT commences a project and maintained during the named project's duration. A person authorized by the insurer to bind coverage should sign the Certificate. Renewal Certificates shall be sent to County within thirty (30) days prior to any expiration date. There shall also be a thirty (60) days notification to County in the event of cancellation or modification of any stipulated insurance coverage.

It shall be the responsibility of NCT to insure that any and all subcontracts comply with the same insurance requirements that NCT is required to meet.

Proposed Schedule
CaseWorks SSE

Exhibit Three

Task No.	Task	Resources	Start Date	End Date	Comment
1	Pre-planning - Kick-off Meeting	Both	12/3/2024	12/7/2024	Coordinate project schedule; kickoff planning
2	Project Management/Weekly Status Meetings	NCT	TBD	TBD	Once infrastructure tasks completed, IT need only attend as requested
3	All Team - Kick-off Meeting	Both	TBD	TBD	Communicate project plan; key dates; sneak peak demo of CW
4	Migration Mapping	Both	TBD	TBD	
5	Technical Review	Both	TBD	TBD	
6	User Matrix	Both	TBD	TBD	
7	Forms Review	Both	TBD	TBD	
8	Server Hardware & OS Software Review & Setup	Both	TBD	TBD	
9	Create Local Forms	NCT	TBD	TBD	
10	Establish data connection SSIS Connection	NCT	TBD	TBD	
11	Data Integration	NCT	TBD	TBD	
12	Application Software Set-up & Configuration	NCT	TBD	TBD	
13	Workstation Setup (Users)	County	TBD	TBD	
14	Business Process Reviews and Documentation	Both	TBD	TBD	
15	Identify & Review AutoSend Copy List	County	TBD	TBD	
16	Application Software Configuration	NCT	TBD	TBD	
17	Quality Assurance Review - Internal	NCT	TBD	TBD	
18	End User Access Sessions	Both	TBD	TBD	
19	Request 2nd PRISM download	County	TBD	TBD	
20	Quality Assurance Review - External	Both			Utilize Quality Assurance Team
21	End User Training	NCT	2/24/2025	2/28/2025	Multiple session offerings; total 1.5 days training for all users
22	Go Live	Both	3/3/2025	3/3/2025	
23	Post Go Live Support	NCT	3/3/2025	3/7/2025	
24	Migration	NCT	TBD	TBD	

This Software Support Agreement ("Agreement") is entered by and between Next Chapter Technology, Inc. ("NCT" or "Company"), a Minnesota corporation, with its principal place of business at 7700 Equitable Drive, Suite 200, Eden Prairie, MN 55344 and Houston County on behalf of Houston County Human Services (County), with its principal place of business at 304 S. Marshall St, Caledonia, MN 55921.

Whereas, NCT and County have entered into a Software License Agreement, which sets forth the terms and conditions under which the County is licensing the NCT Caseworks Software -Social Services Edition ("Software");

Whereas, the County acknowledges the Software is meant to be supported software and desires to obtain Software Support services described herein in connection with its use of the CaseWorks Software, and

Whereas, NCT desires to provide those software Support Services;

NOW THEREFORE, in consideration of the covenants set forth herein, the parties agree as follows:

Definitions: As used in this Agreement, the following terms shall have the following meanings:

- a. "Documentation" shall mean the written or electronic materials provided with CaseWorks Software, provided by NCT.
- b. "CaseWorks Software (Social Services Edition)" or "CaseWorks Software" or "Software" shall mean the components of the NCT Software as described in the Software License Agreement.
- c. "Term" shall have the meaning set forth in Section 1 below.
- d. "Designated Representatives" shall mean the County employee(s) who is trained and continues to keep updated with the ongoing product details of the CaseWorks Software.
- e. "Error" shall mean material failure of the CaseWorks Software to conform substantially to its functional specifications described in its user documentation which failure is repeatable, reproducible and caused by the CaseWorks Software.

All other terms used herein shall be as defined in the Software License Agreement.

1. **Term and Price.** This Agreement shall begin on the date the Software License Agreement is signed by the County for an initial term ending on December 31, 2029. The term of this Agreement shall automatically renew for successive one (1) year renewal terms on January 1 of subsequent years unless either party delivers written notice to the other at least 60 days prior to the end of the then-current term of its intent not to renew. Invoicing for such renewal terms shall occur approximately 60 days prior to the date Software Support services begin and payment will be due on January 15th. NCT will provide pricing to county 6 months prior to contract renewal. In the event that the County terminates its Software Support services, and the County thereafter wish to reinstate those Software Support services (and NCT agrees to such reinstatement), in addition to the then-existing rate for Software Support services, NCT may require the County to pay a Reinstatement Fee equal to thirty five percent (35%) of such then-existing rate. All amounts due for Software Support services, including any Reinstatement Fees, are due in advance, in full, and prior to the provision of any Software Support services. The amounts due from the County will be in accordance with the schedule listed below.

Subscription Year	SSE	Total Annual Subscription
Apr – Dec 2025	45,469*	45,469*
Jan - Dec 2026	63,656	63,656
Jan - Dec 2027	66,839	66,839
Jan - Dec 2028	70,181	70,181
Jan - Dec 2029	73,690	73,690

*Prorated based on Go Live

2. County Responsibilities. The County will be responsible for the following:
 - a. Installing any updates to user workstations required for CaseWorks Software including but not limited to Print2CaseWorks, PDF viewer settings, scan drivers, etc.
 - b. Keeping its software, hardware and network in proper working order.
 - c. Maintaining trained designated representatives with a working knowledge of the County software programs and system hardware;
 - d. Promptly notifying NCT of Errors, and upon request, providing to NCT written documentation with respect to any such Errors; and
 - e. In order to maintain its right to obtain Software Support services, including remote troubleshooting and other diagnostic and repair functions, the County must provide NCT with access (via the secured Internet) to servers running the NCT CaseWorks Software whenever necessary to troubleshoot or fix a specific problem that has arisen and for which assistance has been requested pursuant to this Software Support Agreement. The County will communicate with NCT with respect to Software Support services only through its Designated Representative.

3. Services Provided. NCT will provide Software Support services as set forth in this Agreement. All Software Support services shall be provided on a remote basis unless specific arrangements are made for on-site support as described in Section 4(d) herein below. The County's right and ability to receive Software Support services is based on NCT's ability to access the NCT CaseWorks Software and the servers on which it runs, via a secure Internet connection.
 - a. Telephone Support. Telephone assistance for the NCT Software will be available Monday through Friday (except County holidays as identified on the County website) between the hours of 8:00 a.m. and 5:00 p.m., Central Time. Requests for support outside normal support hours may be made by requesting that support on the NCT support number, or by sending an email to NCT. NCT will use commercially reasonable efforts to respond to requests for Software Support services outside of normal hours within eight (8) business hours of its actual receipt and knowledge of such voice mail or email. After hour support for non-critical issues is provided for an additional cost calculated at NCT's then-current hourly rate (presently \$150 per hour).
 - b. Error Corrections. NCT will use commercially reasonable efforts to correct any Errors in the CaseWorks Software, replace the NCT CaseWorks Software with functionally equivalent software, or provide a work-around or patch for the portion of the NCT CaseWorks Software containing or causing the Errors, hereinafter "Error Corrections". Error Corrections will be made in the manner provided for in 3(a) above. Error Corrections will be deemed part of the NCT Software licensed under Software License Agreement, and shall be provided subject to the terms and conditions contained in such Software License Agreement.
 - c. Updates. From time to time during the term of the Software Support Agreement, NCT may provide the County with enhancements to or fixes of the existing version of the NCT Software and related Documentation (hereinafter "Updates"), which are released by NCT as part of the NCT support program. Any such Updates will be provided at no additional charge to the County who are then-receiving continuous Software Support services at time the Update is released and are not in default hereunder or under the Software License Agreement. All Updates will be

deemed part of the NCT Software licensed under the Software License Agreement, and shall be provided subject to the terms and conditions contained in such Software License Agreement. Nothing herein shall be construed as requiring NCT to provide enhancements or versions or updates that are generally not made available free of charge to all other clients of NCT.

- d. Online Support Options. Online support documentation is available on a 24 hours-a-day, 7 days-a-week basis. The information available online will, at NCT's option, include, timesaving technical tips, online support, a download library of Updates, and Documentation associated with the NCT Software.
- e. Response Levels. NCT will respond to service related incidents and/or requests for Support Services relating to Errors submitted by the County within the following timeframes:
 - i. 0-8 business hours (during business hours for issues classified as Severity 1 priority.
 - ii. Within 16 business hours (2 working days) for issues classified as Severity 2 priority.
 - iii. Within 40 business hours (5 working days) for issues classified as Severity 3 priority.

4. Severity Definitions & Resolution Times.

- a. Severity 1: Due to Errors, CaseWorks is completely unavailable for all critical business units, or greater than 75 percent of all production users. Only a production incident can be classified this severely. NCT will use commercially reasonable efforts to resolve Severity 1 issues within 8 business hours. If a Severity 1 Error takes longer than 8 business hours to correct, County shall be notified of the proposed Error Correction and Error Correction completion time within 8 business hours.
- b. Severity 2: Due to Errors, the supported solution is intermittently unavailable for all users, or there is serious performance degradation to the point where the system is unusable. A critical module is unavailable or over 50 percent of all end users are experiencing the same symptoms. Single user issues can be escalated to this severity if the issue is preventing a critical business function. Only a Production incident can be classified this severely. NCT will use commercially reasonable efforts to resolve Severity 2 issues within 16 business hours. If a Severity 2 Error takes longer than 16 business hours to correct, County shall be notified of the proposed Error Correction and Error Correction completion time within 16 business hours.
- c. Severity 3: Due to Errors, CaseWorks is experiencing minor to moderate issues. Single user issues can be escalated to this severity if it is preventing a critical business function at the County. A Severity 1 or 2 issues could be downgraded to this severity if a temporary work-around is available. NCT will use commercially reasonable efforts to resolve Severity 3 issues within 40 business hours.

5. Limitations. Software Support services shall not apply to the following:

- a. New NCT Software. Any product or module which is designated by NCT as a new product will not be included in Software Support services. Where NCT makes a new product available, the County may obtain such product from NCT pursuant to its regular purchasing practices. Upon purchasing the new product, the County already obtaining Software Support services may extend those Software Support services to the new product by paying an additional mutually agreed upon fee, at the then-current fees, for such new product Software Support services. All additional Software Support services will be provided pursuant to the terms hereof.
- b. Obsolete NCT Software. A version of a NCT Software will be deemed obsolete one hundred twenty (120) days following receipt by the County of a new update superseding the prior version of the NCT Software. NCT will not support obsolete versions of the NCT Software provided, however, that if installation of the new version requires the County to pay a new license purchase price, the County may choose not to purchase the new version and shall receive support through the end of the current support agreement period. In no event, however, shall NCT be required to support an obsolete version of the NCT Software for more than twelve (12) months from the date of release of an Update superseding the prior version of the NCT Software.
- c. Misuse. NCT will not provide Software Support services with respect to problems with the NCT Software or other product which results from any negligent conduct or misuse by the County, its

employees or agents, or any other third party or for any reason beyond NCT's control, including without limitation,

- i. damage caused by accidents, abuse, neglect, relocation or other movement;
- ii. services which are performed by other than by NCT;
- iii. a failure to maintain proper environmental conditions, including malfunction or modification of the County's systems or failure of the County to maintain the required configuration environment (i.e., memory disk capacity, operating system revision level, prerequisite items) specified in the Documentation or to supply adequate backups; or
- iv. a failure to use the NCT Software in accordance with the applicable Documentation.

In addition to the specific examples identified above "misuse" shall also include any use of the product in violation of the requirements of the Software License Agreement.

- d. On Site Support. All Software Support services will be provided remotely via an online connection. Software Support services, including all diagnostic and remedial assistance at the County facilities or other remote locations is not included within the Software Support services provided hereunder. Such diagnostic and remedial assistance at the County facilities or other remote locations may be obtained by the County by purchasing separate consulting services from NCT at NCT's then-existing rates, plus expenses.
 - e. Network. The County shall take full responsibility for all maintenance and support of any network linked to the CPU containing the Software.
 - f. Reporting. The County shall keep an accurate event log showing the incident of trouble, the action taken by the County personnel with respect to the incident, as well as report of trouble by the County to NCT. Upon request by NCT, the County shall provide a report to NCT relating to the foregoing. NCT shall keep an accurate event log showing the incident of trouble, the action taken by NCT's personnel with respect to the incident, as well as a report by NCT to the County.
 - g. No Expansion of Software Support Services. No action by NCT in the performance of Software Support services shall be deemed to expand the scope of Software Support services as defined herein.
 - h. Exclusions. Software Support Services shall not include (a) support of accessories, alterations, and attachments, other devices or peripheral equipment (including without cabling not furnished by NCT), and (b) electrical work external to the Software in this Software Support Agreement.
6. Disputes; Good Faith Negotiation. It is the expressed desire of both parties that a good faith effort be made to resolve all disputes prior to the resort to judicial proceedings. Accordingly, it is agreed that any dispute arising out of the terms of this Software Support Agreement shall be made in writing, describing each dispute in detail and include documentation sufficient to evidence the nature of the dispute. The writing shall be delivered to the other party at the address set forth in the Notices provision hereof. The party receiving the dispute shall respond in writing within thirty (30) days and shall provide documentation supporting its response. Following such delivery and response, the parties shall engage in direct, good faith negotiations for the following thirty (30) days in an effort to resolve all disputes. If the parties are unable to reach an agreement, and in the absence of a written agreement to extend the negotiation period, either party may seek judicial relief .
7. Events of Default. The following acts of commission or omission shall constitute an event of default hereunder and shall allow the non-defaulting Party to terminate this Software Support Agreement, where the default is not cured after 45 days (or for non-payment of funds due, 10 business days) of written notice following completion of required Dispute Resolution as described in paragraph 5, above.
- a. any breach of the Software License Agreement;
 - b. any unlawful, unauthorized or fraudulent use of the NCT Software or the third party software;
 - c. any failure by the County to make payment in full under this Support Agreement when due;

- d. any import of the County data into (or export of data from) the Software using any means not specifically provided for in the applicable Documentation or otherwise specifically authorized in writing by NCT; or
- e. a breach of any other term hereof.

This Agreement shall terminate automatically upon the termination of the Software License Agreement. Payment of Software Support services is non-refundable.

8. Indemnification.

- a. Intellectual Property Infringement Indemnification. NCT shall defend, indemnify and hold harmless the County, its directors, officers, employees, affiliates and agents (each a "County Indemnified Party") at NCT's expense from and against any suit, claim, action or proceeding brought against County by a third party that is not a party to this Agreement or an affiliate of a party to this Agreement ("Third Party Claim") alleging that the Software as provided by NCT infringes upon a United States or Canadian patent, copyright, trademark or trade secret of that third party, subject to the procedures set forth in subsection (c) (Procedure) of this Section 8. For the avoidance of doubt, under the foregoing indemnity NCT will, where applicable, pay any damages and costs awarded against County by final judgment of a court, or the amount of any agreed settlement regarding any such Claim. NCT shall have no liability for settlements, obligations or costs incurred without its prior written consent. Should County's use of the alleged infringing Software be enjoined, or in the event that NCT desires to minimize its potential liability hereunder, NCT will, at its option and expense, (a) substitute non-infringing Software with functionality which is substantially similar to that of the allegedly infringing Service; (b) modify the infringing Service so that it no longer infringes but its functionality remains substantially equivalent; or (c) obtain for County the right to continue use of such Service. If, in NCT's sole discretion, none of options set forth in the foregoing sentence is commercially reasonable, NCT will terminate this Agreement respect to the allegedly infringing Service(s) and refund to County on a pro-rated basis, any pre-paid fees for the allegedly infringing Service(s). NCT shall have no obligation to defend and indemnify any IP Claim to the extent the claim alleges: (i) any combination by County of equipment, processes, content or software with NCT's Software, if such claim would have been avoided but for such combination; (ii) modification of the Service(s) by a party other than NCT, if such claim would not have occurred but for such modification; or (iii) County's failure to use updated or modified product which is provided by NCT at no cost to County to avoid or cure such claim, after notice by NCT to County of the availability of such updated or modified product. The foregoing states the entire liability and obligations of NCT and County's sole remedy for infringement, alleged infringement, or any breach of warranty of non-infringement, express or implied.
- b. General Indemnity. Each of County and NCT, at their own expense, will indemnify, defend, and hold harmless the other party, its subsidiaries, affiliates and assigns, and its and their respective directors, officers, employees, and agents (each, an "Indemnatee") from and against any Third Party Claims (including reasonable attorney's fees and expenses arising therefrom) ("Losses") relating to or incurred in connection with any arising out of or related to the indemnifying party's actual or alleged: (a) breach of its obligations under this Agreement; or (b) its Gross Negligence. "Gross Negligence" means a blatant violation of a legal duty with respect of the rights of others, being a conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both. Gross negligence involves conduct that is extreme, when compared with ordinary negligence. A mere failure to exercise reasonable care shall not be a gross negligence.
- c. Procedure. In the event a party seeks indemnity under (Indemnification), as the case may be (the "Indemnified Party"), the Indemnified Party will give prompt written notice to the other party (the "Indemnifying Party") of the claim against which it seeks to be indemnified. (The failure by an Indemnified Party to give such notice will not relieve the Indemnifying Party of its obligations under this Section 8, except to the extent, if any, that the Indemnifying Party is materially prejudiced by such failure or delay.) The Indemnified Party will allow the Indemnifying Party to direct the defense and settlement of any such claim, with counsel of the Indemnifying Party's choosing, and will provide the Indemnifying Party, at the Indemnifying Party's sole cost and

expense, with information and assistance that are reasonably necessary for the defense and settlement of the claim. The Indemnified Party will have the right to retain separate counsel and to participate in (but not control) any such action, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless: (a) the retention of counsel by the Indemnified Party has been authorized in writing by the Indemnifying Party; (b) the Indemnified Party has been advised by its counsel in writing that there is a conflict of interest between the Indemnifying Party and the Indemnified Party in the conduct of the defense of the action, in which case the Indemnifying Party will not have the right to direct the defense of the action on behalf of the Indemnified Party unless it is able to engage counsel who is not subject to so conflicted); or (c) the Indemnifying Party has not in fact retained counsel to assume the defense of the action within a reasonable period of time following receipt of the notice given pursuant to this paragraph (iii), in each of which cases the fees and expenses of such counsel will be at the expense of the Indemnifying Party. The Indemnifying Party shall have the right to settle any such claim without the consent of the Indemnified Party only so long as such settlement does not admit to any wrongdoing by any Indemnified Party, does not impose any liability or obligation (whether financial or otherwise) on any Indemnified Party and fully releases the all Indemnified Parties from liability in connection with such claim. The Indemnifying Party will not be liable for any settlement of an action effected without written consent of its duly authorized representative (which consent will not be unreasonably withheld or delayed). No Indemnifying Party will consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party a release from all liability with respect to the claim.

9. **Disclaimer of Warranties.** Except as specified herein, NCT hereby disclaims all other representations, warranties, conditions and covenants with respect to Software Support services provided in association with the CaseWorks Software, whether express, implied, or statutory, including warranties and conditions of merchantability, satisfactory quality, fitness for a particular purpose, performance, accuracy, reliability, security and noninfringement. NCT also makes no warranty regarding (i) non-interruption of use, (ii) freedom from bugs, (iii) the availability and/or functionality of third party products, services, API's, and/or integrations that are made available by any third party, and/or (iv) that any product or service will meet the County's requirements. This warranty shall immediately become null and void in its entirety in the event that Licensee fails to maintain or to use the Software in accordance with the applicable terms of use, or to notify NCT promptly in the event of any suspected defects or malfunctions and/or errors. NCT's sole obligation, and Licensee's sole and exclusive remedy for breach of the warranty set forth in this section, shall be, at NCT's election, for NCT to remedy such breach in a manner consistent with NCT's regular business practices or for NCT to refund a pro rata amount of fees for the defective Software or services. NCT does not warrant that the operation of the Software will be uninterrupted or error-free or that all deficiencies, errors, defects or nonconformities will be corrected. NCT does not warrant any hardware, third party software (including without limitation MS-SharePoint), updates/releases or Software Support services. Updates/releases and Software Support Services are provided 'as is.' This disclaimer of warranty constitutes an essential part of this Agreement.
10. **Limitation of Liability.** NCT's entire liability for all claims or damages arising out of or related to this Agreement and the Software, regardless of the form of action, whether in contract, tort or otherwise, will be limited to and will not exceed, in the aggregate 2 times the amount paid or payable to NCT under this Agreement during the twelve month period preceding the event giving rise to the claim. In no event will NCT be liable for loss of income, profit or savings or indirect, incidental, consequential, exemplary, punitive or special damages of any party, including third parties, even if NCT or its agent has been advised of the possibility of such damages in advance. These limitations shall apply despite the failure of the essential purpose of any remedy.

The foregoing limitations of liability allocate the risks between NCT and the County and form a material basis of the bargain between the parties. NCT's pricing reflects this allocation of risk and the limitation of liability specified herein.

11. No Partnership or Agency Relationship. The relationship between NCT and the County shall not be that of partners or agents of one another or considered a joint venture, and nothing contained in this Agreement shall be deemed to constitute a partnership or agency agreement between them. Neither Party shall have the authority to assume or create any obligation on behalf of, in the name of, or binding upon the other Party.
12. No Third Party Beneficiary. The provisions of this Agreement are for the benefit only of the parties hereto, and it is not the intention nor shall any third party be allowed to enforce or benefit from any of the provisions hereof.
13. Successors and Assigns. This Support Agreement shall be binding upon and inure to the benefit of each Party's successors and permitted Assignees. This Support Agreement and the License granted herein shall not be assigned or transferred by either party without the prior written consent of the other party, except however NCT may assign this Agreement to an affiliate or successor in connection with a reorganization, merger, consolidation, acquisition, or other restructuring, whether via asset sale, by sale of stock or otherwise.
14. Force Majeure. In the event performance of this Agreement, or any obligation hereunder, is prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Client, or any other circumstances beyond the reasonable control and without the fault or negligence of the party affected, the party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both parties shall proceed whenever such causes are removed or cease.
15. Governing Law; Jurisdiction. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Minnesota, excluding its conflict of laws rules. The Uniform Commercial Code will not apply. Venue of all proceedings related to this Agreement shall be in Rice County, Minnesota.
16. Amendment. This Agreement, together with all attachments and exhibits, may be amended, modified or changed only by written agreement signed by authorized representatives of both parties.
17. Headings. The titles in the headings of paragraphs are intended for organization and convenience only and do not apply in the interpretation of any of the Agreement terms.
18. Rule of Construction. The parties acknowledge that they have both participated fully in the drafting of this Software Support Agreement. Accordingly, no rule of construction requiring interpretation against a drafting party shall apply in the interpretation of this Software Support Agreement.
19. Severability. If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part(s) thereof shall be stricken from this Software Support Agreement and such provision shall not affect the legality, enforceability, or validity of the remainder of this Software Support Agreement. If any provision or part thereof of this Software Support Agreement is stricken in accordance hereof, then

the stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

20. Notices. Except as otherwise provided in this Agreement, all notices required or permitted hereunder shall be in writing and shall be deemed given upon delivery if dispatched by (a) registered or certified mail, postage pre-paid, return receipt requested (b) by overnight courier or by hand delivery, or (c) by first class mail, facsimile, or other means of communication if receipt is acknowledged in writing by the other party. Notices shall be provided to the following named persons or their successors unless otherwise stated in this agreement or in a modification of this Agreement.

Next Chapter Technology:

Cathy Wassenaar, CEO
7700 Equitable Drive, Suite 200
Eden Prairie, MN 55344

County: Houston County

John Pogleasa, DHS Director
Houston County Human Services
304 S. Marshall St.
Caledonia, MN 55921

21. Binding Effect. This Agreement shall be binding upon the parties, their affiliates, subsidiaries, successors and assigns, particularly any successor including any successor to NCT or successor governmental organizations authorized to provide the public safety functions currently provided by the County and any successors or assigns of such authority.
22. No Waiver. Failure to enforce any provision of the Agreement by either party shall not constitute a waiver of that party's right to enforce that section, paragraph or portion of this Agreement.
23. Responsibility for Costs. Except as otherwise provided in this Agreement, each party shall pay all of its own fees and expenses incurred or to be incurred in negotiating this Agreement, in closing and carrying out the transactions contemplated by this Agreement, and in any litigation between the parties related to the enforcement of terms of this Agreement.
24. Representation of Authority. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Software Support Agreement is a valid and legal agreement binding on such parties and enforceable in accordance with its terms and that all approvals required to perfect such authority have been received
25. Entire Agreement. This Agreement, along with the Software License Agreement, as well as any other documents acknowledged by the Parties, in writing, to be applicable, contains the entire understanding of the parties with respect to the provision of Software Support services and supersedes all previous verbal and written agreements, representations or warranties of any kind made by or between the parties. If any conflict between these documents becomes apparent, the Software License Agreement shall be deemed to be the controlling document.



August 25, 2024

John Pugleasa, DHS Director
Houston County Human Services
304 S. Marshall St.
Caledonia, MN 55921

Purchase Agreement

Product Subscription Licenses

Description	# of Licenses	Year 1 Subscription Cost
CaseWorks Social Services Edition (SSE)	24	60,625*
CaseWorks Client Portal	1	Included in above cost

Additional software licenses can be based on the following fee schedule:

1. CaseWorks Primary System License \$ 1,250
2. CaseWorks Scan Solution License \$ 500

Subscription Billing Schedule

Subscription Year	SSE	Total Annual Subscription
Apr – Dec 2025	45,469*	45,469*
Jan - Dec 2026	63,656	63,656
Jan - Dec 2027	66,839	66,839
Jan - Dec 2028	70,181	70,181
Jan - Dec 2029	73,690	73,690

This Purchase Agreement is valid for 30 days.

Vendor personnel have no expectation of privacy in any electronic communications, use of County property, or Internet access. County reserves the right to review, audit, or monitor any information technology used by vendor personnel which attaches to or makes use of the County's network (s).

1. All vendor personnel shall use only accounts authorized by County's Security Staff.
2. Vendor personnel may access only those resources for which they are specifically authorized.
3. Vendor personnel are personally responsible for safeguarding their account and log-on information. Passwords shall adhere to current County password requirements. Passwords shall remain confidential. Passwords shall never be displayed, printed, or otherwise recorded in an unsecured manner.
4. Vendor personnel are not permitted to script their user IDs and passwords for log-on access.
5. Vendor personnel are not permitted to allow another person to log-on to any computer utilizing their, if provided, personal account, nor are they permitted to utilize someone else's account to log-on to a computer. Authorized system or service accounts may be used by multiple people.
6. Vendor personnel may not leave their workstation logged onto the network while away from their area. Vendor personnel may elect to lock the workstation rather than logging off when leaving for very short time periods.
7. Vendor personnel shall maintain a log, left with the computer, of all software loaded onto any County computer. The software must have been approved in writing by County.
8. Vendor personnel shall execute only applications that pertain to their specific contract work.
9. Vendor personnel shall promptly report log-on problems or any other computer errors to the County Network Administrator.
10. Vendor personnel shall promptly notify the County, in no event later than twelve (12) hours, if they have any reason to suspect a breach of security or potential breach of security.
11. Vendor personnel shall promptly report anything that they deem to be a security loophole or weakness in the computer network to the County.
12. Vendor personnel shall not install or use any type of encryption device or software on any County hardware, which has not been approved in writing by the County.
13. Vendor personnel shall not attach any device to the County network without written approval from the County.
14. Vendor personnel may not remove any computer hardware from any County building for any reason, without prior written approval from the County.
15. Vendor personnel shall not delete, disable, or bypass any authorized encryption device, or anti-virus or other software program, installed on County hardware.
16. Vendor personnel shall not attach any network or phone cables to any County device without written approval from the County.

17. Vendor personnel may not copy any data and/or software from any County resource for personal use.
18. County data and/or software shall not be removed from any County Building without prior written approval from the County.
19. Vendor personnel may not utilize County computer systems or networks for any of the following reasons:
 - a. Game playing;
 - b. Internet surfing not required for their work activity;
 - c. Non-related work activity; or
 - d. Any illegal activity.
 - e. Downloading of files from the Internet. If files are needed for your work, contact County IT personnel.
20. Vendor personnel are prohibited from intercepting or monitoring network traffic by any means, including the use of network sniffers, unless authorized in writing by the County.
21. Vendor personnel may not give out any County computer information to anyone. Exception: other vendor personnel needing the information to complete tasks. Information includes but is not limited to: IP addresses, security configurations, etc.
22. All data storage media shall be erased or destroyed prior to disposal.
23. Vendor personnel may not remove or delete any computer software without the written approval of the County.
24. Vendor personnel shall not attempt to obtain or distribute County system or user passwords.
25. Vendor personnel shall not attempt to obtain or distribute door pass codes/passkeys to secured rooms at any County facility for which they are not authorized.
26. All equipment issued to vendor personnel will be returned in good condition to County upon termination of the County/Vendor Personnel relationship.
27. Vendor personnel may not use County information technology to send or receive threatening, obscene, abusive, sexually explicit language or pictures.
28. Vendor personnel are prohibited from intentionally causing County to break copyright laws.
29. Use by vendor personnel of any County information technology will acknowledge acceptance of the above-referenced policies. Any vendor who violates any of these policies shall be subject to disciplinary action, including total removal from the County project as well as being subject to Minnesota civil and criminal liability.
30. Vendor personnel may not disclose of any private or confidential client information regardless of physical form or storage media (paper, computer, voice mail, microfiche, imaged, video or voice recordings). Vendor personnel will not attempt to access not public data for personal purposes.
31. **Vendor Acknowledgement** "Responsibilities of Persons Who Have Access to Not Public Data has been read and its' conditions will be complied with by all vendor personnel.

Vendor Acknowledgment

RESPONSIBILITIES OF PERSONS WHO HAVE ACCESS TO NOT PUBLIC DATA

VENDORS

As a vendor working with County, you may have access to records containing information which is protected from unauthorized use. For example, you may have access to special work areas, computers or other files. This information is protected by law, policy, contracts, agreements, or licenses regarding the disclosure both at work and outside the office.

Unauthorized use of data includes making copies of data or computer software and related materials without the permission of the originator or data subject. Unauthorized disclosure of data means releasing information over the phone, in verbal conversations, and in written form. Unauthorized disclosure also includes using the information obtained in connection with your vendor work duties in any manner different from the scope of your specified duties.

Protection of this data from unauthorized use or disclosure depends on the cooperation of all staff and vendors. The information in this handout explains some of these restrictions on information within the County so that you will understand what information is protected and your responsibilities in regard to that information.

NOT PUBLIC DATA

The following describes the private and confidential types of information, the restrictions on the use of it, and some examples of each type of information.

Not public data means any data which the law declares is not available to the public. It is a broad term which includes any government data classified by statute, federal law, or temporary classification as confidential, private, nonpublic, or protected nonpublic data, either singly or in any combination.

Generally, if the data you work with identifies a person it is private or confidential data. Use and access within the agency is restricted to those employees or vendors who need the information to do their jobs.

A. Private data is government data maintained on individuals who are identified or can be identified in the data. Only the following persons are permitted access to private data:

1. the individual who is the subject of the data or a designated representative;
2. anyone to whom the individual gives signed consent to view the data;
3. employees of the welfare system whose work assignments reasonably require access to the data;
4. anyone the law says can view the data.

Examples of private data include most welfare system data about individual clients, medical data, child abuse data, pre-commitment screening investigations and pre-admission screening investigations, chemical dependency data about patients, and personnel data.

B. Confidential data is data that identifies individuals and cannot be disclosed to the public or even to the individual who is the subject of the data. The subject of the data CANNOT authorize anyone else to see or receive copies of the data by signing a consent for release of information.

Examples of confidential data are adoption data and the names of individuals who report child or vulnerable adult abuse. Some medical data is confidential if the medical care provider deems that access to the data will be harmful to the patient. Most investigations of

individuals are confidential, but investigations involving corporations, agencies or vendors are protected nonpublic.

PENALTIES FOR UNLAWFUL USE OF DATA

Data Practices Act Penalties The Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, provides for disciplinary action for any government employee who knowingly violates the provisions of the Act. **Any person, even those who are not employees**, who willfully violate the provisions of the Act, may be charged with a misdemeanor.

Action for Damages A political subdivision, responsible authority, statewide system, or state agency which violates any provision of this chapter is liable to a person or representative of a decedent who suffers any damage as a result of the violation, and the person damaged or a representative in the case of private data on decedents or confidential data on decedents may bring an action against the political subdivision, responsible authority, statewide system or state agency to cover any damages sustained, plus costs and reasonable attorney fees. In the case of a willful violation, the political subdivision, statewide system or state agency shall, in addition, be liable to exemplary damages of not less than \$100, nor more than \$10,000 for each violation. The state is deemed to have waived any immunity to a cause of action brought under this chapter.

**HOUSTON COUNTY
AGENDA REQUEST FORM
August 20, 2024**

Date Submitted: 8/15/2024
By: Carol Lapham, Finance Director

CONSENT AGENDA REQUEST

APPOINTMENT REQUEST

ACTION REQUEST

Requesting Board ratification of the 2025 – 2027 MCCC/TriMin Systems addendum to the 2022 – 2024 Master Agreement for the Integrated Financial System support.

<u>Reviewed by:</u>	<input type="checkbox"/> HR Director	<input type="checkbox"/> Sheriff	
	<input checked="" type="checkbox"/> Finance Director	<input type="checkbox"/> Engineer	
	<input type="checkbox"/> IS Director	<input type="checkbox"/> PHHS	
	<input type="checkbox"/> County Attorney	<input type="checkbox"/> (indicate other dept)	
	<input type="checkbox"/> Environmental Svcs		
<u>Recommendation:</u>			
<u>Decision:</u>			

To: IFS User Group

From: Lisa Meredith, MnCCC Executive Director
lisa@mncccc.gov 651-401-4201

Date: July 3, 2024

Subject: TriMin Contract for Board Ratification

Please note, this communication is being sent out via MnCCC's RSVP system to all signed up for the IFS User Group. This means that your county or agency will likely receive several copies. It is the responsibility of your county/agency to determine who will be responsible to bring the Board Ratification to your board and return a signed copy to MnCCC.

The TriMin Contract for maintenance and support of IFS has been approved and fully executed. Enclosed with this communication, you will find a copy of the contract along with a Board Ratification. The fully executed Board Ratifications *must* be returned to MnCCC **no later than September 6, 2024**. If your county or agency chooses not to continue with IFS/TriMin, documentation of discontinuation will be required. Failure to respond by the deadline will be assumed as a decision not to move forward with IFS.

Please return your signed Board Ratification to:

MnCCC
Attn: Emily Wick
100 Empire Drive Suite 201
Saint Paul, MN 55103

Alternatively, you may email it to emily@mncccc.gov

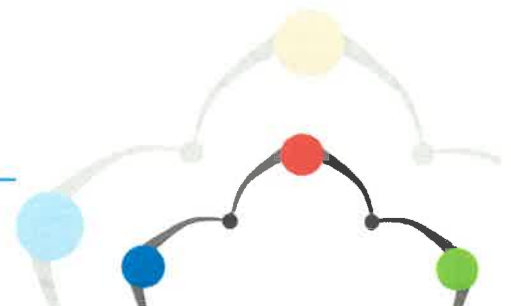
The contract with TriMin covers the period from January 1, 2025, to December 31, 2027. The associated fees have been previously distributed and approved by the IFS User Group during their annual meeting on June 3, 2024.

For any questions regarding pricing or the contract, feel free to contact me at lisa@mncccc.gov or (651) 401-4201. If you anticipate difficulty meeting the final deadline, please reach out to Emily Wick at emily@mncccc.gov or (651) 401-4204.

Thank you for your attention to this matter.

Attached:

- 2025 IFS User Group fees (below)
- 2025-2027 TriMin Contract
- Board Ratification document



IFS User Group Fees:

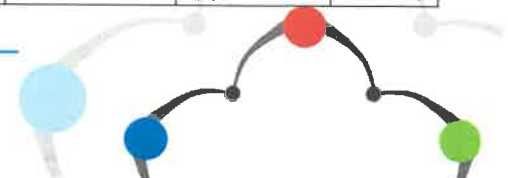
MnCCC Membership Fee:

\$1800, split by office: \$900 per office or \$1800 per county

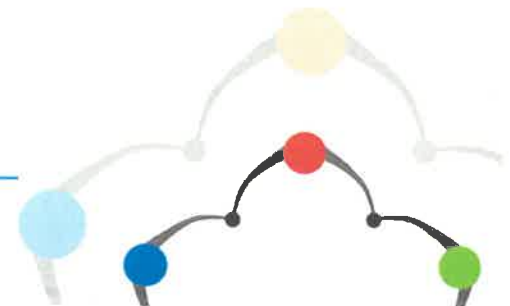
Enhancement Fund Annual Fee:

\$1000 per office or \$2000 per county

County/Agency	Auditor/ Treasurer Group	2025 CMHS Support	2025 CMHS Enhancement Fund	2025 Aud/Treas Support	2025 Aud/Treas Enhancement Fund	2025 Total	M&S Only	M&S increase
Aitkin County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Becker County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Beltrami County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Benton County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Big Stone County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Brown County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Carlton County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Carver County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Cass County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Chippewa County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Chisago County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Clay County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Clearwater County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Cook County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Cottonwood County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Dodge County	MCIS	\$ -	\$ -	\$ 8,523.79	\$ 1,000.00	\$ 9,523.79	\$ 8,523.79	12.50%
Douglas County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Faribault County	MnCCC	\$ -	\$ -	\$ 8,523.79	\$ 1,000.00	\$ 9,523.79	\$ 8,523.79	12.50%
Fillmore County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Freeborn County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Goodhue County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Grant County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Houston County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Hubbard County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Isanti County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Itasca County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Jackson County	MnCCC	\$ -	\$ -	\$ 8,523.79	\$ 1,000.00	\$ 9,523.79	\$ 8,523.79	12.50%
Kanabec County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Kandiyohi County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Kittson County	MnCCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Koochiching County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Lac qui Parle County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Lake County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Lake of the Woods County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	4.06%
Le Sueur County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Lincoln County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Lyon County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
McLeod County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Mahnomen County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Marshall County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Martin County	MnCCC	\$ -	\$ -	\$ 8,523.79	\$ 1,000.00	\$ 9,523.79	\$ 8,523.79	12.50%
Meeker County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Miller County	MnCCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Morrison County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Mower County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Murray County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Nicollet County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Nobles County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Norman County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Otter Tail County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Pennington County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Pine County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Pipestone County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Polk County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Pope County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%



Red Lake County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	4.06%
Redwood County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Renville County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Rice County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Rock County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Roseau County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Sherburne County	MCIS	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Sibley County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Stearns County	N/A	\$ 8,523.79	\$ 1,000.00	\$ -	\$ -	\$ 9,523.79	\$ 8,523.79	12.50%
Steele County	MSCC	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Stevens County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Swift County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Todd County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Traverse County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Wabasha County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Wadena County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Waseca County	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Watsonwan County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Wilkin County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Winona County	MnCCC	\$ 8,523.79	\$ 1,000.00	\$ 8,523.79	\$ 1,000.00	\$ 19,047.58	\$ 17,047.58	12.50%
Wright County	MnCCC	\$ 8,523.79	\$ 1,000.00			\$ 9,523.79	\$ 8,523.79	
Yellow Medicine County	MSCC	\$ 8,523.79	\$ 1,000.00	\$ 7,245.22	\$ 1,000.00	\$ 17,769.01	\$ 15,769.01	15.12%
Tri-County Corrections: Norman, Polk and Red Lake	N/A	\$ -	\$ -	\$ 8,523.79	\$ 1,000.00	\$ 9,523.79	\$ 8,523.79	12.50%
Southwest Health & Human Services: Lincoln, Lyon, Murray, Pipestone, Redwood, and Rock	CPT	\$ 6,886.34	\$ 1,000.00	\$ -	\$ -	\$ 7,886.34	\$ 6,886.34	12.50%
Human Services of Faribault and Martin Counties (FMHS) Faribault and Martin	N/A	\$ 8,523.79	\$ 1,000.00	\$ -	\$ -	\$ 9,523.79	\$ 8,523.79	12.50%
Minnesota Prairie County Alliance: Dodge, Steele, and Waseca	N/A	\$ 8,523.79	\$ 1,000.00	\$ -	\$ -	\$ 9,523.79	\$ 8,523.79	12.50%
Countryside Public Health: Big Stone, Chippewa, Lac qui Parle, Swift and Yellow Medicine	CPT	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Horizon Public Health: Stevens, Douglas, Pope, Grant and Traverse	CPT	\$ -	\$ -	\$ 7,245.22	\$ 1,000.00	\$ 8,245.22	\$ 7,245.22	18.36%
Western Prairie	N/A	\$ 8,523.79	\$ 1,000.00	\$ -	\$ -	\$ 9,523.79	\$ 8,523.79	12.50%
Des Moines Valley Health & Human Services: Cottonwood and Jackson	N/A	\$ 8,523.79	\$ 1,000.00	\$ -	\$ -	\$ 9,523.79	\$ 8,523.79	12.50%





Amendment to Agreement to provide Professional Services Between Minnesota Counties Computer Cooperative and TriMin Systems, Inc.

THIS AMENDMENT TO AGREEMENT TO PROVIDE PROFESSIONAL SERVICES BETWEEN MINNESOTA COUNTIES COMPUTER COOPERATIVE AND TRIMIN SYSTEMS, INC. (the "Addendum"), made effective as of January 1, 2025 (the "**Effective Date**"), is by and between TriMin Systems, Inc., with its principal place of business located at 2277 Hwy 36 West, Suite 250, Roseville, Minnesota 55113 ("**TriMin**"), and the Minnesota Counties Computer Cooperative, a joint powers organization, with its principal place of business located at 100 Empire Drive, Suite 201, St. Paul, Minnesota, 55103, for the benefit of and use by its participating end user members ("**Customer**").

R E C I T A L S

WHEREAS, the parties entered into the Agreement to provide Professional Services Between Minnesota Counties Computer Cooperative and TriMin Systems, Inc. dated January 1, 2022 ("**Master Agreement**"); and,

WHEREAS, the parties wish to add the following provisions as an Addendum to the Master Agreement.

NOW, THEREFORE, in exchange for and in consideration of the mutual promises, premises, and covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TriMin and Customer agree to make the following additions to the Master Agreement as follows:

1. (Section II A 3 from the Master Agreement) GASB Revisions

Provide any IFSpi revisions necessitated by changes in applicable GASB (Governmental Accounting Standards Board) requirements and/or Minnesota statutes, laws or regulations. MnCCC and/or the GASB Committee will advise TriMin of any requested changes, along with requirements to IFSpi as necessitated by changes in GASB requirements and/or Minnesota statutes, laws, or regulations and provide sufficient details to support TriMin in making the changes. A total of 100 hours of GASB enhancements per year will be included in this contract. (This includes time required for requirements assistance, design and scoping of enhancements.) Any unused hours at the end of each year will not be recoverable. Enhancement hours beyond the initial 100 in a given year will be billed at the hourly rate specified in section 4 of this agreement.

2. (Section II F from the Master Agreement) Training. TriMin will provide on-going updates to IFSpi end user documentation. TriMin training activities will be prioritized by the IFS training committee and based on the following initiatives:

- TriMin to provide popular support topic ideas to the training committee on a quarterly basis for the training newsletter
- TriMin to provide 6 to 10 hours of training per year, included with the contract at no extra cost.
 - MnCCC must provide a subject matter expert to assist TriMin in training when requested by TriMin



- The training will be delivered via virtual training events, training videos, or live at MnCCC events (including participating in open forum discussions during live meetings)
- If MnCCC signs a new county, or requests individual county training, training hours will not be included in the 6 to 10 hours of live training. Instead, this training will be covered under direct support

3. (Section II G from the Master Agreement) Modernization Hours

The IFSpi infrastructure modernization projects fund to increase to 6,000 person hours during this three-year agreement, initially allocated at 2,000 hours for each calendar year, with bi-monthly report out on specific progress made against approved plans and hours logged. Should 2,000 hours not be sufficient for the demand/needs in this area, then additional hours may be authorized by MnCCC during a calendar year, including the allocation of hours from future years, and/or new hours chargeable at time and materials rates, per **Section 4** this Amendment to the Master Agreement.

Should TriMin fail to utilize 2,000 hours in support of IFSpi infrastructure modernization during a given calendar year, then any unused hours will be rolled into the next calendar year(s). During year 3 of this agreement, if the balance of hours required for IFSpi infrastructure projects, based on actual activity in year 1 and year 2, is projected to be greater than remaining hours required to support known modernization projects then hours may be shifted to IFSpi functional enhancement activity to “consume” available hours. At this contract’s end (December 31, 2027) any unused hours will be carried over to future years, assuming future agreements are reached between TriMin and Customer.

4. (Attachment A in the Master Agreement) Fees. In consideration of the Services, Customer shall pay TriMin the following annual support fees

Support Elements	Support Fees 2025	Support Fees 2026	Support Fees 2027
Leel 1 Support	\$ 162,750.00	\$ 168,446.25	\$ 174,341.87
Level 2/3 Support	\$ 666,750.00	\$ 700,087.50	\$ 735,091.88
Infrastructure Modernization Projects	\$ 287,000.00	\$ 301,350.00	\$ 316,417.50
Annual Contract Total	\$ 1,116,500.00	\$ 1,169,883.75	\$ 1,225,851.24

IFSpi Release Update Fees

Direct Support Fees

	2025	2026	2027
Hourly Rates	\$ 190.00	\$ 200.00	\$ 210.00



5. New Entity Addition.

For each new Licensed instance of IFSpi, TriMin will provide the following Direct Support Services:

- **Discovery meeting to perform a gap-fit analysis.**
 - TriMin will create a Statement of Work for the implementation work that was planned for during the Discovery meeting.
 - If specific enhancements or interfaces are needed for a new installation, these enhancements will be covered under a separate Statement of Work.
 - MnCCC will provide a business line expert that can help identify and scope needed enhancements for the new installation.
- **Kick-off Meeting - In this meeting, you will determine a schedule for implementing IFS and develop a plan for conversion and technical training.**
 - Installation
 - Migration (if needed)
 - Technical training
- **MnCCC must provide a subject matter expert to assist TriMin in training when requested by TriMin**
- **Go-Live support will be provided by TriMin**
- **The above tasks will be billed on an hourly basis at the agreed upon rate outlined in the Statement of Work, which will be provided by TriMin.**
- **For each entity added, 50% of the yearly support fee paid by the new entity to MnCCC will be added to TriMin's annual contract fee.**
- **TriMin is open to an addendum to this contract, which would include TriMin acting as a selling agent for MnCCC or negotiating a royalty agreement for future software sales, if desired.**



6. Term and Termination.

The term of this Agreement shall be January 1, 2025, to December 31, 2027, inclusive, unless earlier terminated prior to expiration as provided by herein.

This Agreement may be terminated prior to expiration by MnCCC or by TriMin for default, and by written notice of default given by the non-breaching party, and to be effective upon expiration of a designated cure period of not less than thirty (30) days', unless the party alleged to be in default has cured such default(s) within such thirty (30) day cure period.

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

**Accepted and Agreed for
TriMin Systems, Inc.:**

Signed

By:

Name: Erin Hultgren

Title: Director of Government Solutions

Date: 6/18/2024

Accepted and Agreed for

MnCCC:

Signed

By:

Name: Karen Jensen

Title: MnCCC Chair

Date: 6/15/2024

Accepted and Agreed for

MnCCC:

Signed

By:

Name: Lisa C. Meredith

Title: Executive Director

Date: 6/5/2024

Accepted and Agreed for

MnCCC:

Signed

By:

Name: Martha Monsrud

Title: IFS Advisory Committee Chair

Date: 6/3/2024

BOARD RATIFICATION STATEMENT

Due back to MnCCC by September 6, 2024

The Board of _____ has ratified the Professional Services Agreement between TriMin Systems Inc. and the Minnesota Counties Computer Cooperative (MnCCC) for the maintenance and support of IFS. The Agreement will be effective January 1, 2025, through December 31, 2027. This Agreement commits the participating members for the term of the contract and the financial obligations associated with this agreement.

Signed: _____

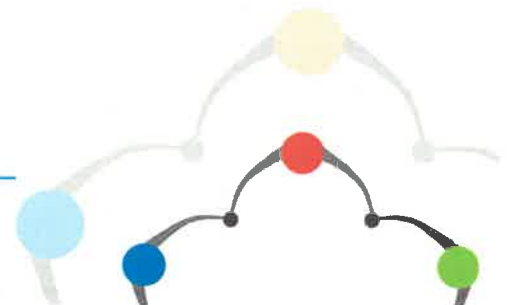
Board Chair

Date: _____

Attest: _____

Title: _____

Date: _____



Auditor Warrants 2024/08/14

Lynn Colsch

Thu 8/15/2024 11:24 AM

To:Houston County BOC <BOC@co.houston.mn.us>;

REVIEW LICENSE CENTER PAYMENTS

2024/08/14 AUDITOR WARRANTS:

VENDORNAMEATPAYMENT	AMOUNT
MASSMAN/LAVERNE	2,000.00
WERMAGER/KENNETH CARL	2,200.00
FILLMORE SWCD	3,920.64
WINONA COUNTY PLANNING & ZONING	5,346.26
HOUSTON COUNTY TREASURER	51,456.40
	64,923.30
6 VENDORS PAID LESS THAN \$2000.00	3,429.59
	68,352.89

Lynn Colsch
Finance Clerk
Houston County
304 South Marshall Street
Caledonia MN 55921

Phone 507-725-5825

Commissioner Warrants 2024/08/20

Lynn Colsch

Thu 8/15/2024 11:27 AM

To: Houston County BOC <BOC@co.houston.mn.us>;

Cc: Carol Lapham <Carol.Lapham@co.houston.mn.us>; Susan Tostenson <Susan.Tostenson@co.houston.mn.us>;

REQUEST APPROVAL FOR PAYMENT

2024/08/20 COMMISSIONER'S WARRANTS:

VENDOR NAME	AMOUNT
ABILITY BUILDING COMMUNITY	2,977.14
ACENTEK	4,424.71
CALEDONIA OIL CO INC	4,275.00
CALEDONIA/CITY OF	16,567.95
DUNN BLACKTOP COMPANY	1,977,443.18
ELECTION SYSTEMS & SOFTWARE INC	4,204.28
ENTERPRISE FM	16,530.44
HERNESS CONSTRUCTION LLC	2,805.00
HOUSTON COUNTY TREASURER	38,596.09
INSIGHT PUBLIC SECTOR	4,946.34
LIBERTY TIRE RECYCLING LLC	3,255.65
MAYO CLINIC	31,015.44
MEYERS LAWN SERVICE	2,035.00
MIENERGY COOPERATIVE	4,907.89
MINNOWA CONSTRUCTION INC	201,786.76
MN STATE AUDITOR	30,346.83
MN STATE TREASURER	4,313.50
RICHARDS SANITATION LLC	24,593.93
RON WEYMILLER CONSTRUCTION	20,793.85
SOUTHEAST MN PUBLIC INTEREST	3,330.00
STAR EQUIPMENT LTD	6,184.52
STREICHER'S	2,250.92
ULINE	2,327.86
WEX BANK	11,307.34
WINONA CONTROLS INC	2,700.00
	<hr/> 2,423,919.62
53 VENDORS PAID LESS THAN \$2000.00	<hr/> 25,756.68
	<hr/> 2,449,676.30
PUBLIC HEALTH & HUMAN SERVICES	<hr/> 169,399.10
	<hr/> <hr/> 2,619,075.40

8/15/24, 11:48 AM

Mail - BOC@co.houston.mn.us

Lynn Colsch
Finance Clerk
Houston County
304 South Marshall Street
Caledonia MN 55921

Phone 507-725-5825