

PROCEEDINGS OF THE  
MARTIN COUNTY BOARD OF COMMISSIONERS  
JUNE 21, 2016  
@ 9:00 A.M.

The regular meeting of the Martin County Board of Commissioners was called to order at 9:00 a.m. by Chairman Elliot Belgard. Commissioners present were Steve Flohrs, Dan Schmidtke, Kathy Smith, Elliot Belgard, and Tom Mahoney. Also present were Scott Higgins, Martin County Coordinator, James Forshee, Martin County Auditor/Treasurer, Kevin Peyman, County Engineer, Judy Bryan, Sentinel Newspaper, Rod Halvorsen, KSUM-KFMC Radio, Dan Whitman, County Assessor, Julie Walters, Administrative Assistant, and members of staff and public.

The Pledge of Allegiance was recited.

Motion by Commissioner Smith, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve the agenda for the June 21, 2016, regular Board of Commissioners meeting. Carried unanimously.

Motion by Commissioner Flohrs, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby approve the minutes of the June 7, 2016, regular Board of Commissioners meeting. Carried unanimously.

Bryan Stading, Senior Business Facilitator with Regional Center for Entrepreneurial Facilitation (RCEF) presented the 2015 Annual Report of the Martin County Economic Development Authority. Stading noted the Martin County Economic Development Authority (MCEDA) partners with the Regional Center for Entrepreneurial Facilitation (RCEF) to provide one-on-one free and confidential business consulting, training, and mentorship to individuals, start-ups, and established businesses in Martin County through a business facilitation program called IGNITE. Services provided include: Needs, Goals, & Business Assessments; Business Plan Writing/Development; Feasibility Studies; Market Research; Start-up & Expansion Assistance; Financial Analysis; Strategic Planning; Professional Management Advice; and Community Development Support. Stading went on to note the 2015 Activity & Client Results including: 31-Entrepreneurs Consulted; 550.25-Consulting Hours; 4-New Businesses Created; 3-Businesses Stabilized; and 9-Businesses Expanded. Stading also noted Program highlights including Blandin Broadband Community; Brain Gain; Area Career Exploration Event (ACE); Martin County Leadership Program; Sponsorship of Top 20 Community Fairmont Public Educational Seminars; and Shop Local Ad Campaign. Stading noted a few Client Success Stories including: Timberlake Orchard; The Butcher Block; and Custom Computers and Software. Stading also noted the Martin County EDA has a very focused strategic plan set for 2016 with full intentions of maximizing the efficiency and effectiveness of the IGNITE business facilitation program.

The Board thanked Stading for his report.

Vicki Paskey, Family Resource Coordinator with Minnesota Valley Action Council, was present to provide an update on the Martin County/MVAC Summer Internship Program noting this year

we received 32 applications. With so many applications received, we developed a ranking system to make it a fair selection process with selection based on complete applications, age of participants, if they turned in their resume, if their GPA was the required 3.0 or higher, what extracurricular activities they engaged in, and whether or not they had been previously served. Based on this criteria 17 candidates were selected. Demographics of the 32 that applied included 8 who were 21-24 years of age, 6 who were 20 years of age, 12 who were 19 years of age, and 6 who were 18 years of age.

Paskey noted 17 worksites applied for an intern and those worksites were presented to all of the candidates. In many cases it wasn't a match to what their college major was and so I would give them the top 3 that they were interested in. We had probably 10 worksites that applied who we did not use and we have 7 worksites that we are currently using with multiple people in 3 settings. We had some really good collaboration this year. We have two interns at CER and Ronni Dauer approached me about this because she had received money from the Fairmont City Council to start a park program and I had 2 very qualified interns to help her. So by virtue of the fact that they're developing this program and their internship was paid for by us and the Fairmont City Council money can go more toward program development, then after their 8 weeks with us ends and there is sufficient funds left over they can extend their internship. I have a young person who wanted to work in a clinical dietitian capacity and I found this in a couple other situations where worksites want the applicants in the program major before they will accept them in an internship. For example, this young girl wanted to go to Hy-Vee and Hy-Vee was very interested in having her but she had not yet applied to a clinical dietitian program so Hy-Vee would not accept her for an intern. I had 2 people who wanted to go to the Fairmont Veterinary Hospital and they weren't enrolled in a pre-vet program but 1 of them did get to go to a partner business and the other one was selected to go to another worksite. We are going to be collaborating with Ann Sheppard from Mayo Health Systems and we're going to have the interns go to Heaven's Table Food Shelf and Mayo wants to become involved in that. So there will be some dietitian input for the food that people receive at the food shelf along with the intern who goes there is also majoring in a clinical dietitian program and she also has a blog going so she is going to include that in all the information for her internship.

Paskey went on to note this year I was to invoice businesses to pay \$500 if they have more than 1 intern and they are determined to be a large business. Where that comes into play is we have several at 3M; however, I wrote a grant early this spring from 3M and they were granted \$2500 so they do have 3 interns that the cost of that grant took care of...actually they only had 2 interns that would have had to have the \$500 fee and so there is a \$1500 balance there. There are also 3 interns at another business but at the time we placed them their employee census was only 48 so the \$500 did not come into play. The other large business who requested 8 interns only took 1 intern so there won't be a \$500 fee from them. As it turns out, every year is different.

Commissioner Mahoney inquired who requested the 8 interns.

Paskey noted Avery Weigh-Tronix. I had a couple candidates that wanted to go there but was declined because the person who requested them did not feel as though they had enough education behind them and thought it would take too much time to get them up to speed. Last

year we had 5 graphic designers who applied so we put them in businesses like AdMfg and the Historical Society. This year I had 6 candidates who wanted some type of engineering and we were able to help most of them...there was only one we didn't. As far as social media there were a lot of businesses requesting young people that have Twitter and have Facebook use background or are interested in it, but they don't want to do that if it is not their major at school. So it was a real hard sell to those businesses. The food shelf quite honestly was a hard sell too. Paskey also noted future plans include and intern mixer where we will have some training on career related things and then we will have a recognition event again sometime in early August.

Paskey thanked the Board for the continued support for this program. It really is a great thing for Martin County youth.

The Board thanked Paskey for her report.

Corey Klanderud, Captain-Martin County Sheriff's Office, noted the City of Ceylon, Martin County Sheriff's Office, and Martin County Attorney's Office have been working toward the development of an Agreement for Law Enforcement Services in the City of Ceylon and that an agreement has been drafted outlining law enforcement services to be performed by the Sheriff; and fees paid by the City of Ceylon to Martin County for law enforcement services. Klanderud went on to note the agreement is month to month with the City of Ceylon and is to provide services to enforce their city ordinances. By statute the Sheriff's Office doesn't enforce city ordinances in their communities and so they can contract with the Sheriff's Office to provide that service. This will be a case by case agreement where when they have issues that come up whether it be junk or long grass or animal nuisance, they can contact the Sheriff's Office and contract to have those things enforced at a fee of \$65/hour for that service including costs associated all the way through the court process if necessary. Klanderud also noted we have worked with the City of Ceylon in years past on different contracts and have given them lots of options but this is what they think they can afford. Klanderud recommends approval.

Commissioner Smith inquired if there is a cap on the number of dollars they have to spend.

Klanderud noted not listed in this agreement.

Higgins inquired if prosecution and citations will be handled by Ceylon's city attorney and not the county attorney.

Klanderud noted correct.

Motion by Commissioner Flohrs, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, Whereas, the City of Ceylon is desirous of contracting with the County and the Sheriff for the performance of the hereinafter described law enforcement of municipal ordinances within the City boundaries, with said function to be performed by the Martin County Sheriff's Office; and Whereas, such contract is authorized and provided for by the provisions of Minn. Stat. §§471.59, 625.76, and 629.40; Now Therefore Be It Resolved, that the Martin County Board of Commissioners, hereby approve and authorize the Board Chair to

sign the Agreement for Law Enforcement Services for the City of Ceylon, Minnesota, to be provided by the Martin County Sheriff's Office. Carried unanimously.

James Forshee, Martin County Auditor/Treasurer, presented a resolution for an exempt gambling permit from Southern MN Ducks Unlimited to hold a raffle at the Fox Lake Golf Club on August 20, 2016.

Motion by Commissioner Schmidtke, seconded by Commissioner Flohrs,

R-#27/'16

GAMBLING PERMIT APPLICATION APPROVAL (EXEMPT PERMIT)  
SOUTHERN MN DUCKS UNLIMITED

BE IT RESOLVED, the Martin County Board of Commissioners, hereby approve the Minnesota Lawful Gambling Exempt Permit Application – Form LG220 Application to Conduct Gambling/Raffle Activity for the Southern MN Ducks Unlimited per the requirements of Minnesota Statutes; and concurrent with the rest of their exempt permits, to include the following location at: Fox Lake Golf Club, Inc., 15 East Park Drive, Sherburn, MN 56171, on August 20, 2016.

Motion by Commissioner Schmidtke, seconded by Commissioner Flohrs, and was duly passed and adopted this 21<sup>st</sup> day of June, 2016.

BOARD OF COMMISSIONERS  
MARTIN COUNTY, MN

\_\_\_\_\_  
Elliot Belgard, Board Chair

ATTEST: \_\_\_\_\_  
Scott Higgins, County Coordinator

Roll Call AYES: Commissioners Schmidtke, Smith, Mahoney, Flohrs, and Belgard. NAYS: None. Resolution duly passed and adopted this 21<sup>st</sup> day of June, 2016.

Michael Burnham and Keith Severson, Frontier Communications, were present to review a revised proposal for upgrade to the County's current telephone system. Burnham noted today he will be reviewing pricing on the phone systems themselves so you have final numbers on those. This is all based on the number of phones that will be needed throughout the County. The change from the last proposal is that I didn't have the connectivity between the county attorney's office and the courthouse included in that proposal. So that's included in there now so the savings with police, if you flip back to the pricing, there's a difference of \$100 with adding on that connectivity to get the county attorney connected back to the system here and everybody utilizing the two PRI's that will be installed into the system. The promos end the end of June as explained and again for the courthouse, if you go with the equipment one, the savings is \$8,180;

for the Highway Department the savings is \$489.80. The other thing that got approved from Mitel is they will do a 60 day deferral on the payment if you want to do the cash purchase. And then Frontier agreed to do another 30 days so you've got 90 days deferred payment if you want to make your decision before June 30<sup>th</sup> and make a decision on the wiring.

Commissioner Smith noted we all want Steve McDonald's questions answered...you got those on Monday.

Burnham noted yes. The email that everybody got on Friday boiled down to one question...it was a long email but there was really only one question. The rest of those had already previously been answered. As of today I cannot answer his question on the VSO because I don't have that price. You need to have this service regardless of whether you go with a phone system or not because it's providing internet from the courthouse to the VSO. So the phone will just be a tag along. You don't need any extra bandwidth...you don't need anything extra for doing what we need to do down at the VSO. We'll just hang two or three phones once everything is set up.

Commissioner Schmidtke inquired the connection cost.

Burnham noted no matter whether you do the phone system or not because he (Steve McDonald) needs to get data down to them...he needs to get them connected back to your server here. So, that cost is whether you do the phone system or not.

Chair Belgard noted that part of the decision has already been made. Jason (Nelson), do you have any input here that Steve (McDonald) wanted you to share with us?

Nelson noted before we do the wiring closet there will be some costs for an electrician because we need the switches powered by the generator circuit. We do have an electrical box down in the basement already set up.

Chair Belgard inquired what Steve (McDonald) thought the timeline would be between doing this and the re-cabling that we were thinking of doing, and we've got to have a spot for that...I didn't hear that from him. Would his recommendation be that we wait?

Commissioner Schmidtke noted I think the cabling can be done by either one of two companies within the next 30-60 days.

Nelson noted, yeah, the catch is we've got to find a place to go with it.

Commissioner Schmidtke noted that won't take us very long.

Chair Belgard noted the reason that is important, of course, is that we're trying to decide on if we're going to decide on this phone upgrade. If we're going to decide on this while we have that savings...it's got to be today. I don't know if we're at that point or not. We've got a lot of other questions with the cabling and I don't know if Steve (McDonald) wanted to...he seemed a little unsure of moving ahead with this.

Higgins noted the Building Committee talked about that with him not being here this week. He will be back here on July 6<sup>th</sup> and have input.

Commissioner Schmidtke inquired if Frontier can stretch that date out to make it easier for us to have the final say.

Burnham noted you guys can make your decision whenever. The promo that is being offered by Mitel will end June 30<sup>th</sup>.

Chair Belgard noted that doesn't mean there might not be another one.

Burnham noted and I think we indicated that all along that there will probably be another promo; the issue is, what will that promo be? Promos have been less and less each time they come out with one.

Commissioner Mahoney noted he talked with Steve (McDonald) Friday afternoon and I don't know if he was real comfortable with the situation. He said this is probably one of the most stressful things he's been through in his 18 years here and he was kind of disappointed that he wasn't in the loop on a lot of the things.

Commissioner Schmidtke noted we have been discussing this for over a year and he has been aware of it.

Commissioner Mahoney inquired this has been on the desk for a year?

Commissioner Schmidtke noted close to it.

Chair Belgard noted the question at hand is do we want to act on this or are we just going to decline it for now and see what happens? Which would be what I'm thinking.

Higgins noted just for your information the new proposal has if the county bought the equipment.

Burnham noted correct.

Chair Belgard inquired we were talking about a four year lease before.

Burnham noted five year lease. So the savings to the county if you purchase is almost \$2,800 from what you're paying today.

Chair Belgard inquired that's if we lease or buy?

Burnham noted if you lease, including that in the monthly reoccurring, you're savings then is just under \$900 a month because obviously you've got a monthly cost with the lease going along with that.

Higgins noted and what he's brought here today is cost to purchase outright, which will provide a bigger savings on monthly service costs.

Burnham noted that's the cash purchase. That is showing...regardless...that's what the cost of the equipment is whether I include it in the lease or whether you buy it outright.

Commissioner Smith inquired what the savings is on buying it outright.

Burnham noted it is just shy of \$2,800 a month. And I think it is actually going to end up being a little more than that because I think there are a number of analog lines that are still included in this proposal. I think that we can eliminate some of them along the line.

Commissioner Schmidtke noted I understand Steve's (McDonald) concern; but he's had this, he's known about this, we've talked about it at the Building Committee for almost a year...there might be more savings after this one ends but will it be as good or will it be better? We don't know.

Chair Belgard noted my concern is we're doing a feasibility study on where everyone is going to be located and I understand that that doesn't change very much. We're also talking about rewiring and re-cabling the building so somehow or another it seems like we're putting a little bit of the cart before the horse here.

Commissioner Schmidtke noted the cabling could be done within this 90 day window. That sounds like it won't be a problem. You're going to re-cable whether we do these phones or not.

Chair Belgard noted right, we're going to do that. The Feasibility Study just determines who ends up where.

Commissioner Schmidtke noted the desks are pretty much in the same spot no matter what.

Burnham noted with this system the person unplugs their phone, takes it to their new desk, plugs it in and they're found. If you don't have this solution in place when we move people around you're going to pay us to come in and move all of your phones from place to place, reprogram, and so on. So just another thing to think about.

Higgins noted Steve (McDonald) had suggested on a couple of things he said of the new proposal that the Frontier Shield 60 months with maintenance cost is missing (includes Phone Solution and 5 year support) is missing from your proposal.

Burnham noted I took it off the second one...the proposal I sent you on Friday was just to show a cash purchase...what your ultimate savings would be. Based on the conversations we've had so far. I guess that's the way you guys were more leaning was buying it outright. It wasn't in the proposal; but its back in the proposal now. If you lease, it is that \$1,860 per month and that includes the 4 additional years of maintenance.

Higgins noted McDonald also questioned Private Lines 2-M to County Attorney \$200/month – what is the line actually used for. Used for 3 digit extension dialing or more than that?

Burnham noted it is so they can use the PRI here. So they'll actually connect back here. They'll still retain all those phone numbers but those phone numbers will reside over here.

Higgins also noted McDonald questioned the 3 MiVoice Office Phone Systems and iView Appliance for Remote MAC's. Why three and where are they located?

Burnham noted so you've already got one at the County Attorney Office, you'll have one at the Highway Department, and then one here. We're not quoting the County Attorney anymore...we'll interconnect the three. No, we're not replacing anything at the County Attorney's Office...everything is staying exactly the same there except that we'll interconnect it back here.

Commissioner Schmidtke noted I have a concern not doing this because the public sees us spend money...then we have a chance to save \$2,800 per month and we're going to sit here and think about it? We're going to get calls left and right. You better have a good phone system because we're going to be taking a lot of calls.

Chair Belgard noted no doubt we're going to save some money here. The question is if we do it this month or next month.

Commissioner Mahoney inquired did the Building Committee have another bid on the phone system?

Commissioner Schmidtke noted we didn't go out for bids because this company is replacing an older system...an upgrade. We never went out for bid on anything. Our current provider is trying to give us a better phone system at a reduced price. It saves us money...to me it's a no brainer...yet we've spent a year trying to figure it out.

Chair Belgard noted and I agree. There are some considerations because of some of the other things we're doing.

Commissioner Smith inquired if we buy we have the 60 month service contract?

Burnham noted no, that is not included in the purchase because what I do with county government is give them a year's experience and then at that point they can decide at the end of the year if they want to buy a year or an additional four years. What is included is software assurance to make sure that the software is updated every year for five years.

Commissioner Smith inquired what would that service contract cost?

Burnham noted about \$13,000 for the four years. That is included in the lease because we have to do that. It's your equipment but that's what we show on the lease. I have an option without

service on the lease and then you can also purchase the maintenance agreement as an outright purchase every year if you decided you wanted to do that.

Commissioner Smith inquired so we'd be paying \$3,200 per year for the four years for service contract if we purchased.

Burnham noted yes for the courthouse and then the Highway Department about \$1,000 per year.

Commissioner Smith noted I think this is the first time I've heard this.

Commissioner Schmidtke noted yes, it sounds a little different. We were always talking lease before.

Burnham noted right, it's included in the lease.

Commissioner Flohrs noted you should almost go along with the lease, shouldn't you? So you'd have that contract in there so they're taking care of these payments for four years? Even though you're going to make some savings the other way it's going to eat it up somewhere else.

Motion by Commissioner Schmidtke, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize Board Chair to sign Frontier Communications Agreement for lease of MiVoice Office Telephone Solution upgrade, including new Mitel telephones, at an approximate savings of \$976.44 per month. All those voting in favor: Commissioners Flohrs and Schmidtke. Against: Commissioners Mahoney, Smith, and Belgard. Motion denied.

Burnham thanked the Board for their consideration.

Commissioner Mahoney noted he'd feel a lot more comfortable if Steve (McDonald) was in charge of this.

Commissioner Schmidtke noted he's been told he's in charge of this a long time ago and was told again last Thursday at our Building Committee meeting.

Burnham noted Steve's (McDonald) involvement will be pretty minor when this is all deployed. Our techs are going to interconnect the phones.

Chair Belgard noted it might be minor with the phone system but it won't be with the cabling and communications and so forth. There is some logic to this. We'll get it done...we're just taking our time and doing it right.

Kevin Peyman, County Engineer, noted the Board authorized the recruitment of a Heavy Equipment Operator position for the Martin County Highway Department and that Internal applications were called for and one person applied. Peyman recommends the promotion and

hire of Paul Betts to the Heavy Equipment Operator position effective July 10, 2016. Peyman also noted Betts has been the backup Heavy Equipment Operator for approximately ten years.

Motion by Commissioner Schmidtke, seconded by Commissioner Mahoney, upon the recommendation of County Engineer, hereby approve the promotion and hire of Paul Betts, Heavy Equipment Operator for the Martin County Highway Department at Grade 12 Step 11 at \$25.05/hour, effective July 10, 2016. Carried unanimously.

Peyman noted with the promotion of Paul Betts to Heavy Equipment Operator, this opens up a second Maintenance Worker position and recommends moving forward to fill the two open positions.

Motion by Commissioner Flohrs, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize advertising for the recruitment of two (2) Maintenance Worker positions for the Martin County Highway Department. Carried unanimously.

Peyman presented an amended resignation date for Kyle Gustafson, Maintenance Worker for the Martin County Highway Department. Peyman noted Gustafson's official resignation date is changing from July 1, 2016, to June 30, 2016. Peyman recommends acceptance of the amended resignation date.

Motion by Commissioner Flohrs, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize amended resignation date for Kyle Gustafson, Maintenance Worker for the Martin County Highway Department, from July 1, 2016, to June 30, 2016. Carried unanimously.

Peyman presented a brief Highway Department update including heavy rains that fell around the County on Friday, especially in the Truman area. Peyman noted the county line road two miles north and west of Truman has been under water since Friday and it doesn't look like it has gone down a lot so it will probably be another week or so. We had a few other random spots for a short time...nothing had to be closed but water was on the road or over the road and we had to haul about 10 loads of gravel in to fix those spots; and some miscellaneous small debris down. Peyman went on to note we've been prepping for sealcoating which is normally set to begin after July 4<sup>th</sup> and will take approximately one week to complete. Tomorrow is our preconstruction conference for our overlays which will be coming up in the not so distant future.

Commissioner Mahoney inquired how Memorial Day Weekend went at the county parks.

Peyman noted our parks are on record pace both on Memorial Day Weekend and in overall use. We've got four (4) monthly campers at Cedar-Hanson Park and both parks were pretty much full on Memorial Day Weekend for about four days even with the bad weather.

Commissioner Flohrs noted he had spent last weekend camping at Cedar-Hanson Park and it was quite full, the electric sites were mostly full, and your hostess is doing an exceptional job.

Commissioner Schmidtke inquired if Peyman has met with MnDOT regarding the Hwy 263 project?

Peyman noted a meeting is set up and will take place on July 8, 2016.

Dan Whitman, Martin County Assessor, was present and noted we've got tax court petitions and typically tax court runs about three years late so what we've got is three years on Weigh-Tronix at this point. The communication I've had with the tax representative is not the best. We've talked...but they've given us an appraisal and I just did some quick numbers the appraisal that they suggested if we just took what they are proposing we would have to pay them back \$283,073 plus interest. I find their appraisal to be way, way out of line. I gathered information on about fifty different sales in the upper Midwest and I feel like our estimate is well within the realm of reality. What I'd like to do is hire an appraisal to be done on the property that will prepare us for tax court. We have to exchange appraisals coming up here in about three or four months...I want to give them time to get it done and then that will also help if we didn't want to negotiate it would give us hard evidence that we're close to where we should be on our estimate and that they are way out of line. Right now I'm asking for approval to get an appraisal done on this facility. I've talked to three or four appraisers and evidently it has gone up quite a bit in the last year or two so they're estimating \$5,000 to \$8,000 for the appraisal.

Commissioner Mahoney inquired why can't you do it.

Whitman noted because I'm not an MAI. The office could prepare that but with this amount of money on the table typically everybody hires appraisals done when you're going into court. We used Mass Appraisal techniques. In other words, we treat everybody the same and use tools to estimate our values and then we're held accountable to the market. When you're preparing for court it's a different ballgame because now you're looking at one property and you're creating an appraisal on one property rather than a whole class of properties. So when you're doing that then you're focusing on that one property and you're adding comps and all the appraisal things we do to estimate the value rather than treating it as one of many.

Commissioner Schmidtke noted it seems like a lot of money to hire somebody but it sure beats the heck out of \$283,000 if we lose.

Mahoney inquired is there a date set for the tax court?

Whitman noted the tax court date is in January.

Commissioner Flohrs noted it is incredibly important to have an outside person look at this. It will give us more clout when we get to court.

Whitman noted I have conferred with the Department of Revenue and their expert and a number of others and everyone I've talked to feels like we're well within the realm of where we need to be and the draft appraisal that we received is extremely out of line and unreasonable so I'm pretty comfortable it will come in considerably higher than theirs for sure.

Motion by Commissioner Schmidtke, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, upon the recommendation of Martin County Assessor, hereby approve the expenditure for the hire of an appraisal firm as needed for related tax court filings. Carried unanimously.

Whitman noted the Assessor's Office received good, strong candidates for the open Appraiser position and had a tough decision to make. Whitman recommends the hire of Laura Odgren to fill the Appraiser position.

Motion by Commissioner Mahoney, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, upon the recommendation of Martin County Assessor, hereby approve the hire of Laura Odgren as Appraiser for the Martin County Assessor's Office at Grade 13 Step 1 at \$21.11/hour, effective June 27, 2016; and is contingent upon satisfactory reference and criminal background checks (BCA); and eligible for benefits per the Martin County Personnel Policy; and to serve a one year (1) probationary period per the County Policy. Carried unanimously.

Whitman noted the Assessor's Office is requesting approval to attend the annual Schneider/Beacon User Conference to be held July 27-28, 2016, in Ankeny, Iowa. Whitman noted fees for Mike Sheplee will be covered because he is the chairman of the GIS committee with our MCCC.

Motion by Commissioner Schmidtke, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the out of state travel request for Mike Sheplee to attend the Schneider/Beacon User Conference to be held July 27-28, 2016, in Ankeny, Iowa. Carried unanimously.

Commissioner Flohrs noted Guy Rudolph, representing Commissioner District 5, has resigned from the Extension Committee effective June 13, 2016, leaving a vacancy to fill the remaining term ending December 31, 2016.

Motion by Commissioner Flohrs, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby accept the resignation of Guy Rudolph, representing Commissioner District 5, from the Extension Committee effective June 13, 2016. Carried unanimously.

Higgins noted the Martin County Library Board has hired Amber Sternitzke as Children's/Young Adult Librarian and asks the Board ratify the hire. Higgins went on to note Sternitzke's start date is Tuesday, July 5, 2016.

Motion by Commissioner Flohrs, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby ratify the hire of Amber Sternitzke, Children's/Young Adult Librarian for the Martin County Library, effective July 5, 2016, at Grade 12 Step 1 at \$19.48/hour, at 35 hours per week. Carried unanimously.

James Forshee, Martin County Auditor/Treasurer, presented and reviewed Joint Powers Agreements for reimbursement by the State for assisting in the recount of ballots cast in the 2016 Primary and General Elections. Forshee noted in order to reimburse Martin County, a separate Joint Powers Agreement for each election is required by the Department of Administration.

Motion by Commissioner Smith, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize Board Chair to sign the Joint Powers Agreements for reimbursement by the State in the amount of \$100 for assisting in the recount of ballots cast in the 2016 Primary Election Recount and General Election Recount. Carried unanimously.

Higgins presented and reviewed rent increase addendums for the City/County Law Enforcement Center Lease Agreement, effective January 1, 2017; and the Human Services of Faribault & Martin Counties Lease Agreement, effective January 1, 2017. Higgins recommends a three percent (3%) increase to the amount of rent being received for 2017 leased office space by the City of Fairmont Police Department in the Security Building; and Faribault/Martin County Human Services in the Human Resource Building. The increase in the lease amount is due to increased building and maintenance costs. Higgins noted the last increase was effective in 2016.

Motion by Commissioner Mahoney, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize a three (3%) percent increase in lease amount for county office space being leased by the City of Fairmont (Police Department) that includes office space in the Martin County Security Building from \$46,773.00 to \$48,177.00 (annually); and to increase the lease amount for Faribault/Martin County Human Services from \$173,260.20 to \$178,491.0 (annually) that includes office space in the Human Resource Building; and due to increased cost in building maintenance and energy costs; both becoming effective January 1, 2017. Carried unanimously.

Klanderud presented and reviewed a resolution approving renewal of the State of Minnesota Joint Powers Agreements (JPA) with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension, to use systems and tools available over the State's criminal justice data communications network for which the County is eligible. Klanderud noted the JPA further provide the County with the ability to add, modify and delete connectivity, systems and tools over the five year life of the agreement and obligates the County to pay the costs for the network connection. Klanderud went on to note payment to the Bureau of Criminal Apprehension (BCA) for access to the criminal justice data communications network in the amount of \$390.00 is due quarterly. Klanderud recommends approval of the JPA.

Motion by Commissioner Schmidtke, seconded by Commissioner Mahoney,

RESOLUTION NO. 29'16

RESOLUTION APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENTS  
WITH THE COUNTY OF MARTIN  
ON BEHALF OF ITS COUNTY ATTORNEY AND SHERIFF

WHEREAS, the County of Martin, Minnesota, on behalf of its County Attorney and Sheriff desires to enter into Joint Powers Agreements with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension to use systems and tools available over the State's criminal justice data communications network for which the County is eligible. The Joint Powers Agreements further provide the County with the ability to add, modify and delete connectivity, systems and tools over the five year life of the agreement and obligates the County to pay the costs for the network connection.

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

1. That the State of Minnesota Joint Powers Agreements by and between the State of Minnesota acting through its Department of Public Safety, Bureau of Criminal Apprehension and the County of Martin, Minnesota, on behalf of its County Attorney and Sheriff are hereby approved. Copies of the two Joint Powers Agreements are attached to this Resolution and made a part of it.
2. That the Martin County Sheriff, Jeff Markquart, or his or her successor, is designated the Authorized Representative for the Sheriff. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the County's connection to the systems and tools offered by the State.
3. That the Martin County Attorney, Terry Viesselman, or his or her successor, is designated the Authorized Representative for the County Attorney. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the County's connection to the systems and tools offered by the State.
4. That Elliot Belgard, the Chair of the County of Martin, Minnesota, and Scott Higgins, the County Coordinator, are authorized to sign the State of Minnesota Joint Powers Agreements.

Motion by Commissioner Schmidtke, seconded by Commissioner Mahoney, said resolution was duly passed and adopted this 21<sup>st</sup> day of June, 2016.

BOARD OF COMMISSIONERS  
MARTIN COUNTY, MN

---

Elliot Belgard, Board Chair

ATTEST: \_\_\_\_\_  
Scott Higgins, County Coordinator

Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the Board Chair to sign the State of Minnesota Joint Powers Agreements with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension to use systems and tools available over the State's criminal justice data communications network, and make

payment to the BCA for access to the data communications network in the amount of \$390.00 per quarter; and is contingent upon review by the county attorney. Roll Call AYES: Commissioners Schmidtke, Smith, Mahoney, Flohrs, and Belgard. NAYS: None. Resolution duly passed and adopted this 6<sup>th</sup> day of June, 2016.

Klanderud presented a Martin County Jail Population Update including twenty-two (22) in-house; sixteen (16) out of county; and seven (7) on Electronic Home Monitoring (EHM).

Higgins proposed a Board Work Session during the week of June 27, 2016; along with setting aside the last Wednesday of the month at 3:30 p.m. to hold future monthly work sessions.

After discussion,

Consensus of the Board is to set the next Board Work Session for Wednesday – June 29, 2016, at 3:30 p.m. in the Commissioners Meeting Room; and to continue to set future work sessions on an as needed basis.

Higgins noted the County has been contacted by Paul Hoyer, Finance Director with the City of Fairmont, regarding the City's referendum for the 2016 General Election proposing a ½ cent local option sales tax for a Regional Wellness Center and other recreation. Higgins went on to note the Fairmont City Council has awarded Bolton and Menk Engineering Firm to conduct a feasibility study for the proposed Regional Wellness Center; and the Council is seeking to complete the feasibility study prior to the referendum to help shape the project to benefit the County as a whole. Higgins also noted the City is asking for an appointment of a County Commissioner to serve on the Feasibility Study Committee. It is expected that the committee will hold its initial meeting the week of June 27, 2016.

Motion by Commissioner Mahoney, seconded by Commissioner Schmidtke, in consideration of the City of Fairmont considering a ½ cent local option sales tax for the purpose in establishing a Regional Wellness Center for use by the public, and that a Committee is being established to determine the feasibility of a Regional Wellness Center, and request for a Commissioner appointment to participate in the Feasibility Study Committee, the Martin County Board of Commissioners, hereby appoints Commissioner Smith to represent the County on the Regional Wellness Center Feasibility Study Committee; and to provide periodic reports to the full county board on the progress of the Feasibility Study; and to approve and authorize per diem and expenses related to participation on the Feasibility Study Committee; and to authorize the County Coordinator to attend these meetings. Carried unanimously.

Bill Fahey, Northland Securities and Financial Consultant of the County, was present to review the sale of Drainage Ditch Bonds, Series 2016A, noting the bonds are being issued to finance improvements to County Ditches 29, 30 and 73 and Judicial Ditches 367, 51 and 98. Based on tentative construction bids, the County's net financing requirement for this project is \$7,425,000 inclusive of all project and financing costs. The County is also planning on contributing \$49,359 in prepaid assessments from County Ditch 73.

Fahey noted the Bonds will be issued pursuant to Minnesota Statutes, Chapters 475 and Section 103E.635. The County will levy special assessments on benefited properties to pay debt service on the Bonds. Assessments will be levied in 2017 for initial collection in 2018 for County Ditch 29 and Judicial Ditches 367 and 51 and spread over 20 years. Assessments will be levied in 2016 for initial collection in 2017 for County Ditch 30 and Judicial Ditch 98 and spread over 20 and 10 years, respectively. Assessments were levied in 2015 for initial collection in 2016 for County Ditch 73 and spread over 15 years.

Fahey went on to note the Bonds will be dated August 15, 2016. Interest will be payable on June 15 and December 15, beginning June 15, 2017. Principal is paid on December 15 in the years 2017 through 2037. The Bonds are structured with level annual principal and interest payments over the term of the Bonds.

Current market conditions may require the use of premiums to attract investors and achieve the best results. In simplest terms, the County is paid more than the face (par) amount of a maturity and the investor receives a higher interest rate. The combination of these factors creates a net yield determined on a "true interest cost" TIC basis that is comparable to the interest rate without premium. The County has three options for using the additional monies from the premiums:

1. Deposit the premium amount in the Construction Fund and use it for additional project costs.
2. Deposit the premium amount in the Debt Service Fund and use the additional funds to manage debt service payments.
3. Reduce the size of the bond issue by the amount of the premium at time of sale.

Fahey also noted in 2014 we issued a series of ditch bonds and those bonds are right on the edge of being refundable because of these super low interest rates. And because we can take the expenses out of that of that \$1.7 million and share it with this \$7 million, in other words they pay a smaller portion (if the interest rates stay the same or similar). If that works would you be amenable to add that into this because it's just saving more money.

Chair Belgard inquired you're refunding a bond and reselling it at a lower interest rate.

Fahey noted yes, and we have to save a 3% present value by law, but we've already sold the bonds once. It's just a matter of restructuring them.

Chair Belgard inquired and we'd get that great of savings.

Fahey noted yes.

Motion by Commissioner Schmidtke, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the refinancing of Martin County Series 2014A Ditch Bonds. Carried unanimously.

Fahey noted the County is currently rated AA- with a stable outlook by Standard & Poor's Ratings Services (S&P). The rating was assigned with the County's Series 2014B Bonds. The

underlying rating will improve marketability of the Bonds and should attract lower interest rates. Fahey introduced, recommended and reviewed the Minnesota Public Facilities Authority Credit Enhancement Program that provides limited state bond guarantees which result in higher credit ratings for counties and lower interest rates on general obligation bonds. We're sure of having an AA2 S&P credit rating, the States' is AA1, so we're just a step down from the State. The cost is \$500 up front and you give them a check every time principal and interest is due three to five days in advance.

Chair Belgard inquired that's a one time or every year?

Fahey noted you pay them \$500 up front and we monitor it with our Drainage Department and we just make sure that they get the money. We send Jim (Forshee) the invoice of principal and interest, we collect it a day or two early, and then we send it to the State. The Credit Enhancement Program works really well if you have less than AA credit rating. We're AA- and we hope to go to AA (plain) and that's what this. I'm just concerned that S&P may say your values are down. If they say that then we're where we were before and there's nothing wrong with being AA-. But, if we can get AA then it's worth the \$500.

Chair Belgard noted so we pay the \$500 and we earn that in the sale?

Fahey noted if S&P said you're AA- and if we tell them that we've signed up for the Credit Enhancement Program then they'll say AA over AA- so we'll get it back during the first year.

After further discussion,

Motion by Commissioner Smith, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize Board Chair to sign the Minnesota Public Facilities Authority Credit Enhancement Program Agreement in the amount of \$500. Carried unanimously.

Fahey presented and reviewed a resolution providing for the issuance and sale of approximately \$7,425,000 general obligation drainage ditch bonds, series 2016A, to finance construction or repair of certain drainage ditches in the County. Fahey noted Bond Council has approved the transcripts prepared by Mike Forstner and James Forshee. Fahey recommends authorizing the resolution.

Motion by Commissioner Schmidtke, seconded by Commissioner Flohrs,

Extract of Minutes of Meeting  
of the Board of Commissioners of  
Martin County, Minnesota

Pursuant to due call and notice thereof a regular meeting of the Board of Commissioners of Martin County, Minnesota, was held at the Courthouse in the City of Fairmont, Minnesota on Tuesday, June 21, 2016, commencing at 9:00 a.m.

The following commissioners were present: Schmidtke, Smith, Belgard, Mahoney, Flohrs.

and the following were absent: None.

\* \* \*

\* \* \*

\* \* \*

The following resolution was presented by Commissioner Schmidtke who moved its adoption:

RESOLUTION NO. R-#28/'16

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF  
APPROXIMATELY \$7,425,000 GENERAL OBLIGATION DRAINAGE  
DITCH BONDS, SERIES 2016A

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

1. It is hereby determined that:

(a) The County is authorized by Minnesota Statutes, Chapters 103E and 475, as amended, specifically Section 103E.635, as amended (collectively, the "Act"), to issue general obligation bonds to finance the County's allocable share of costs in connection with the construction or repair of a drainage system. The County Board has determined to issue general obligation drainage ditch bonds in the approximate aggregate principal amount of approximately \$7,425,000 to finance construction or repair of certain drainage ditches in the County, as described below.

(b) As authorized by the Act, contracts have been awarded for the construction or repair of drainage ditch systems for Judicial Ditches 51, 98 and 367 and

County Ditches 29, 30 and 73 (collectively, the “Improvements”), and assessments have been or will be levied for the Improvements.

(c) It is necessary and expedient to the sound financial management of the affairs of the County to issue its General Obligation Drainage Ditch Bonds, Series 2016A (the “Bonds”), in the proposed aggregate principal amount of \$7,425,000, pursuant to the Act, to provide financing for the Improvements.

(d) The County is authorized by Minnesota Statutes Section 475.60, subdivision 2(9) to negotiate the sale of the Bonds, it being determined that the County has retained an independent financial advisor in connection with such sale. The actions of the County staff and the County’s municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all respects.

2. In order to provide financing for the Improvements, the County will therefore issue and sell Bonds in the amount of \$7,335,900. To provide in part the additional interest required to market the Bonds at this time, additional Bonds will be issued in the amount of \$148,500. The amounts cited above are subject to adjustment in accordance with the Notice of Sale. The Bonds will be issued, sold and delivered in accordance with the terms of the following Notice of Sale:

(The remainder of this page is intentionally left blank.)

**NOTICE OF SALE**

\$7,425,000\*

GENERAL OBLIGATION DRAINAGE DITCH BONDS, SERIES 2016A

**NOTICE OF SALE**

\$7,425,000\*

GENERAL OBLIGATION DRAINAGE DITCH BONDS, SERIES 2016A

MARTIN COUNTY, MINNESOTA

(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Bonds will be offered for sale according to the following terms:

**TIME AND PLACE**

Proposals will be opened by the County Auditor/Treasurer, or designee, on Monday, July 18, 2016, at 10:30 AM Central Time, at the offices of Northland Securities, Inc., 45 South 7<sup>th</sup> Street, Suite 2000, Minneapolis, Minnesota 55402. Consideration of the proposals for award of the sale will be by the Board or its designees on Tuesday, July 19, 2016 at 9:00 AM Central Time.

**SUBMISSION OF PROPOSALS**

Proposals may be:

- a) submitted to the office of Northland Securities, Inc.;
- b) faxed to Northland Securities, Inc. at (612) 851-5918;
- c) for proposals submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at (612) 851-4920; or
- d) submitted electronically.

Notice is hereby given that electronic proposals will be received via PARITY™, in the manner described below, until 10:30 AM, Central Time, on July 18, 2016. Bids may be submitted electronically via PARITY™ pursuant to this Notice until 10:30 AM, Central Time, but no bid

---

\* The County reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

\* The County reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY™ conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, potential bidders may contact Northland Securities, Inc. or Ipreo® at 1359 Broadway, 2<sup>nd</sup> floor, New York, NY 10018, telephone (212) 849-5021.

Neither the County nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the County to purchase the Bonds regardless of the manner in which the proposal is submitted.

### **BOOK-ENTRY SYSTEM**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds.

Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the County through Northland Trust Services, Inc., Minneapolis, Minnesota (the “Paying Agent/Registrar”), to DTC, or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful proposal maker, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC. The County will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

### **DATE OF ORIGINAL ISSUE OF BONDS**

August 15, 2016

### **AUTHORITY/PURPOSE/SECURITY**

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 475 and 103E, as amended. Proceeds will be used to finance improvements to County Ditch 29, Judicial Ditch 367, Judicial Ditch 51, County Ditch 30, County Ditch 73 and Judicial Ditch 98 and to pay costs associated with Bond issuance. The Bonds are valid and binding general obligations of the County payable from special assessments against benefitted properties. The full faith and credit of the County is pledged to their payment and the County has validly obligated itself to levy ad valorem taxes in the event of any deficiency in the debt service account established for this issue.

## INTEREST PAYMENTS

Interest is due semiannually on June 15 and December 15, commencing June 15, 2017, to registered owners of the Bonds appearing of record in the bond register as of the close of business on the first (1st) day (whether or not a business day) of the calendar month of such interest payment date.

## MATURITIES

Principal is due annually on December 15, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2017	\$80,000	2024	\$365,000	2031	\$370,000
2018	330,000	2025	370,000	2032	380,000
2019	335,000	2026	375,000	2033	385,000
2020	335,000	2027	355,000	2034	400,000
2021	345,000	2028	365,000	2035	410,000
2022	345,000	2029	380,000	2036	420,000
2023	345,000	2030	385,000	2037	350,000

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

## INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *Rates must be in level or ascending order.* All bonds of the same maturity must bear a single uniform rate from date of issue to maturity.

## ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER PROPOSALS

The County reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to award of bids by the County and shall be at the sole discretion of the County.

The successful bidder may not withdraw or modify its bid once submitted to the County for any reason, including post bond adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

## **OPTIONAL REDEMPTION**

The Bonds are subject to redemption and prepayment at the option of the County on December 15, 2024 (2025 through 2037 maturities), and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part. If redemption is in part, the maturity and the principal amounts within each maturity to be redeemed shall be determined by the County and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Notice of redemption shall be given by registered mail to the registered owners of the Bonds not less than 30 days prior to such redemption date.

## **CUSIP NUMBERS**

If the Bonds qualify for assignment of CUSIP numbers, such numbers will be printed on the bonds, but neither the failure to print such numbers on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the bonds in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

## **DELIVERY**

Within forty days after award subject to approving legal opinion by Kennedy & Graven, Chartered, Bond Counsel. Legal opinion will be paid by the County and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

## **TYPE OF PROPOSAL**

Proposals of not less than \$7,335,900 (98.80%) and accrued interest on the principal sum of \$7,425,000 must be filed with the undersigned prior to the time of sale. Proposals must be unconditional except as to legality. Proposals for the Bonds should be delivered to Northland Securities, Inc. and addressed to:

James Forshee, County Auditor/T  
201 Lake Avenue  
Fairmont, Minnesota 56031

A good faith deposit (the "Deposit") in the amount of \$148,500 in the form of a federal wire transfer (payable to the order of the County) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of bids. The apparent winning bidder will receive notification of the wire instructions from the Municipal Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the County may choose to reject their bid and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original bid, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The County will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted proposal, said amount will be retained by the County. No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the County scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

### **AWARD**

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The County's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The County will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal which the County determines to have failed to comply with the terms herein.

### **INFORMATION FROM SUCCESSFUL BIDDER**

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

### **OFFICIAL STATEMENT**

By awarding the Bonds to any underwriter or underwriting syndicate submitting a proposal therefor, the County agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded, the Final Official Statement in an electronic format only as prescribed by the Municipal Securities Rulemaking Board (MSRB).

### **FULL CONTINUING DISCLOSURE**

The County will covenant in the resolution awarding the sale of the Bonds and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the County, and notices of certain material events, as required by SEC Rule 15c2-12.

### **BANK QUALIFICATION**

The County will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

## **BOND INSURANCE AT UNDERWRITER'S OPTION**

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Bonds. Any increase in the costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the County has requested and received a rating on the Bonds from a rating agency, the County will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Bonds.

The County reserves the right to reject any and all proposals, to waive informalities and to adjourn the sale.

Dated: June 21, 2016

**BY ORDER OF THE MARTIN COUNTY  
BOARD**

/s/ James Forshee  
County Auditor/Treasurer

Additional information may be obtained from:  
Northland Securities, Inc.  
45 South 7<sup>th</sup> Street  
Suite 2000  
Minneapolis, Minnesota 55402  
Telephone No.: (612) 851-5900

(The remainder of this page is intentionally left blank.)

**3. Northland Securities, Inc. is authorized and directed to advertise the Bonds for sale in accordance with the foregoing Notice of Sale. The Board of Commissioners will meet at 9:00 a.m. on Tuesday, July 19, 2016, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.**

4. The law firm of Kennedy & Graven, Chartered, as bond counsel for the City, is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the County are hereby authorized to assist Kennedy & Graven, Chartered in the preparation of such documents, certificates, and instruments.

5. In the resolution awarding the sale of the bonds, the Board of Commissioners will set forth the covenants and undertakings required by the Act.

(The remainder of this page is intentionally left blank.)

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner Flohrs, and upon vote being taken thereon the following members voted in favor of the motion: Commissioners Schmidtke, Smith, Mahoney, Flohrs and Belgard.

and the following voted against: None.

whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA            )  
  )  
COUNTY OF MARTIN            )

I, the undersigned, being the duly qualified and acting County Auditor/Treasurer of Martin County, Minnesota, hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the Board of Commissioners of the County held on Tuesday, June 21, 2016, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes, insofar as they relate to the issuance and sale of approximately \$7,425,000 General Obligation Drainage Ditch Bonds, Series 2016A of the City.

WITNESS My hand as County Auditor/Treasurer and the corporate seal of the County this 21<sup>st</sup> day of June, 2016.

---

County Auditor/Treasurer  
Martin County, Minnesota

Roll Call AYES: Commissioners Schmidtke, Smith, Mahoney, Flohrs, and Belgard. NAYS: None. Resolution duly passed and adopted this 21<sup>st</sup> day of June, 2016.

Fahey reviewed the Municipal Advisory Service Agreement between Martin County and Northland Securities, Inc. (NSI), noting the County’s desire to have NSI provide it with advice on the structure, terms, timing and other matters related to the issuance of the General Obligation Drainage Ditch Bonds, Series 2016A.

Issuing Process

June 21, 2016	County Board adopts the Set Sale Resolution
Week of June 27, 2016	Rating Conference Call
Week of July 11, 2016	Rating Received. Authorizing Resolution sent to County for Board Packets
July 18, 2016	Public Sale of the Bonds – 10:30 a.m.
July 19, 2016	Award-Authorizing Resolution Adopted
August 16, 2016	Closing on the Bonds (Proceeds available)

Motion by Commissioner Mahoney, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize Board Chair to sign the Municipal Advisory Service Agreement by and between Martin County, Minnesota, and Northland Securities, Inc., for advisory services related to the issuance of the General Obligation Drainage Ditch Bonds, Series 2016A. Carried unanimously.

The Board reviewed warrants to be paid June 21, 2016.

Motion by Commissioner Flohrs, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve bills to be paid on June 21, 2016, as presented; and includes the Martin County Highway Department and Drainage bills as presented. Carried unanimously.

Warrants received and paid June 21, 2016, are registered on file in the Auditor/Treasurer's Office as follows:

Revenue Fund – Warrants Approved June 7, 2016	\$183,319.75
Enhanced 9-1-1 Fund	\$ 422.00
Martin Co. Economic Development Fund	\$ 4,896.47
Solid Waste Management Fund	\$ 66,910.55
Law Library Fund	\$ 2,963.69
Ind. Sewage Treatment Sys. Loans	\$ 11,400.00
Bank Building Fund	\$ 1,869.90
Total	\$271,782.36
Road and Bridge Funds Totaled	\$122,491.42
Martin County Ditch Funds Totaled	\$ 20,934.98

The Board reviewed information and reports including Martin County's Ancillary Benefits Summary (Vision, Dental, Long Term Disability, Life Insurance); Uniform Municipal Contracting Laws (MN Statute 471.345); and Monthly Financial Statement (April, 2016).

Commissioners presented their individual board member reports.

Commissioner Schmidtke noted he participated in the Interlaken Heritage Days parade on June 11, 2016; Sherburn Holiday Festival parade on June 19, 2016; Building Committee meeting on June 16, 2016; Prairieland meeting on Friday, June 17, 2016; and Extension Committee meeting on Tuesday, June 14, 2016.

Commissioner Smith noted in addition to what has already been mentioned she attended the Trimont Town Center grand opening; Board of Equalization meeting on June 16, 2016; local parades; and Buffer Strip meeting last night.

Commissioner Mahoney noted in addition to what has already been mentioned he attended the Human Services Executive Board meeting, F-M Joint Transit Executive Board meeting, and Park

Board meeting on June 8, 2016; and Minnesota Valley Work Force meeting in Mankato, MN, on June 13, 2016.

Commissioner Flohrs noted in addition to what has already been mentioned he attended Soil and Water on June 9, 2016; Library Board meeting on June 14, 2016; Traverse de Sioux Library meeting on June 16, 2016; and Wellness Golf Outing on June 20, 2016.

Commissioners reviewed their calendars of upcoming meetings and activities: June 21, 2016 – Labor Management Committee meeting at 11:00 a.m. and SHIP meeting in Truman at 11:00 a.m.; June 22, 2016 – Human Services meeting and F-M Joint Transit Board meeting in Blue Earth, and Region 9 Development Commission annual meeting in Mankato; June 23, 2016 – Water Plan meeting at 7:00 p.m.; June 27, 2016 – meet with Franken’s representatives at 1:00 p.m. in Blue Earth; June 29, 2016 - Board Work Session at 3:30 p.m. and Audit Exit Review with State Auditors at 1:00 p.m.; 4<sup>th</sup> of July Holiday Observed – Courthouse Closed; July 6, 2016 – next regular Board of Commissioners meeting at 8:00 a.m., and joint meeting with Martin County Historical Society at 11:30 a.m.; July 8, 2016 – Tour in Faribault County sponsored by GBERBA (meet in Winnebago at 9:30 a.m. and tour is just south of Winnebago).

With no further business to wit, Board Chair adjourned the meeting at 11:06 a.m.

BOARD OF COMMISSIONERS  
MARTIN COUNTY, MN

---

Elliot Belgard, Board Chair

ATTEST: \_\_\_\_\_  
Scott Higgins, County Coordinator