



COMMITTEE OF THE WHOLE AGENDA
Board of Commissioners, St. Louis County, Minnesota

April 10, 2012

Immediately following the Board Meeting, which begins at 9:30 A.M.
Commissioners' Conference Room, St. Louis County Courthouse, Duluth, MN

CONSENT AGENDA:

All matters listed under the consent agenda are considered routine and/or non-controversial and will be enacted by one unanimous motion. If a commissioner requests, or a citizen wishes to speak on an item on the consent agenda, it will be removed and handled separately.

Minutes of April 3, 2012

Environment & Natural Resources Committee – Commissioner Dahlberg, Chair

1. Reinstatement of Contract for Repurchase of State Tax Forfeited Land – Anderson [12-138]
2. Repurchase of State Tax Forfeited Land – DuFresne [12-139]

Public Works & Transportation Committee – Commissioner Forsman, Chair

3. Agreements for Crack Sealing with Lake County, Various Cities and Townships [12-140]

Public Safety & Corrections Committee – Commissioner Sweeney, Chair

4. Correction of Application and Acceptance of the 2009 Port Security Grant Resolution [12-141]

REGULAR AGENDA:

For items on the Regular Agenda, citizens will be allowed to address the Board at the time a motion is on the floor.

Public Works & Transportation Committee – Commissioner Forsman, Chair

1. **Award of Bids CP 1823 in Owens Township, the South Crushing Program and North Gravel Road Investment Program [12-142]**
A bid opening is scheduled for April 5, 2012, and the County Board will be provided with bid results and resolutions for consideration at the April 10, 2012 Committee of the Whole meeting.

Central Management & Inter-Governmental Committee – Commissioner Jewell, Chair

1. **Deferred Compensation Plan Document Update [12-143]**
Resolution approving the updated 457(b) Governmental Deferred Compensation Plan Document.
2. **Reorganization of Public Health & Human Services Department Financial Reporting and Supervisory Structure (Information to Follow)**
Commissioner Nelson has requested that the County Board have an opportunity to discuss a partial restructure of financial reporting and accountability within the Public Health & Human Services Department to provide enhanced Auditor oversight.

COMMISSIONER DISCUSSION ITEMS AND REPORTS:

At this time, Commissioners may introduce items for discussion or report on past and future activities.

ADJOURNED:

NEXT COMMITTEE OF THE WHOLE MEETING DATES:

April 24, 2012 **Clinton Town Hall, Iron, MN**

May 1, 2012 **Commissioners' Conference Room, Courthouse, Duluth, MN**

May 8, 2012 **Commissioners' Conference Room, Courthouse, Duluth, MN**

BARRIER FREE: *All St. Louis County Board meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual needs for special services. Please contact St. Louis County Property Management (218-725-5085) early so necessary arrangements can be made.*

COMMITTEE OF THE WHOLE
ST. LOUIS COUNTY BOARD OF COMMISSIONERS

Tuesday, April 3, 2012

Location: County Commissioner Conference Room, Duluth Courthouse
Present: Commissioners Jewell, O'Neil, Dahlberg, Sweeney, Nelson and Raukar
Absent: Commissioner Forsman
Convened: Chair Nelson called the meeting to order at 10:14 a.m.

CONSENT AGENDA

Raukar/Sweeney moved to approve the consent agenda. At the request of Commissioner Dahlberg, CY 2012 LSS Bethany Crisis Nursery Funding was removed for separate consideration. The remainder of the consent agenda passed (6-0)

- Minutes of March 27, 2012
- Reinstatement of Contract for Repurchase of State Tax Forfeited Land – Rudy
- Agreement with LHB Corp. for Design Services – Haines Road Reconstruction (Duluth and Hermantown)
- Acquisition of Right of Way by Condemnation – Haines Road Reconstruction (Duluth and Hermantown)
- Purchase of GPS Units and Related Equipment
- Acceptance of Quotes for Bridge Project Materials Purchase (Hibbing and Angora Township)
- Hibbing Annex Office Space Lease – MN Department of Employment and Economic Development
- Establish Public Hearing to Consider Amendments to the FY 2011 and FY 2012 Action Plans for the Emergency Solutions Grant Program (9:40 a.m., Tuesday, May 8, 2012, St. Louis County Courthouse, Duluth, MN)

REGULAR AGENDA

Raukar/Jewell moved to approve the updated master prioritized bridge replacement list. Administrator Gray said the reason it came to the board for formal action is the addition of two bridges which will be replaced and exceed the 10' requirement. After further discussion, the motion passed. (6-0)

Commissioner O'Neil congratulated Public Works on the speedy repair to the Brewery Creek tunnel, which runs beneath East 4th Street. The road looks good and the neighbors and businesses are happy.

Jewell/Raukar moved to approve a special committee to consider findings and recommendations of the Assessment Practices Review Panel, also known as the "Blue Ribbon Panel". Commissioner Nelson said Administration along with the Public Works and Property Valuation Director would facilitate the special committee and a chair is not needed. Commissioner Sweeney said this is not something that will go away and would like to see short-term goals. Commissioner Jewell made an amendment to his motion that the date for the first report to the Committee of the Whole will be no later than June 12, 2012, with periodic reports thereafter, and the supporter agreed. Commissioner Nelson said some information reached the media prior to their knowledge, adding the City of Duluth is an important component and contributor to the process. Commissioner Raukar said he is pleased to be serving on the committee and bringing forth recommendations for a better, fairer system for all. After further discussion, the motion with the amendment to the final further resolved passed. (6-0)

The board recessed from 10:54 a.m. to 11:02 a.m.

O'Neil/Dahlberg moved to approve an agreement with Lutheran Social Services for the period January 1 to December 31, 2012, for the Bethany Crisis Nursery in the amount of \$37,182. Commissioner Dahlberg said this is an excellent program and provides crisis nursery care for children up to age 12, noting part of our core service is to provide a safety net to our most vulnerable. (6-0)

Commissioner O'Neil requested the board to consider approval of a letter of opposition to a proposed new methdone clinic in Duluth to the Commissioner of the Minnesota Department of Human Services. Commissioner O'Neil said he has received two serious complaints about the existing clinic. Director of Public Health and Human Services (PHHS) Ann Busche said PHHS was approached by Superior Treatment Center for a letter of need to the state in support of their proposal, which PHHS did not provide. While a letter of support is requested, it is not required for licensure. Director Busche has calls into the state, however feels a letter from the board will be very helpful. PHHS Senior Manager of Adult Services Mark Nelson said there has been no contact with the county on a needs assessment, and he has concerns as newer models for these clinics include rehabilitation and an exit strategy. Manager Nelson said the existing clinic in Duluth recently had 26 violations, citing this as an example as why this new clinic needs to be looked at extensively. After lengthy discussion, Dahlberg/ O'Neil moved the following directive motion: The St. Louis County Board directs the County Administrator and Director of Public Health & Human Services to send a letter to the Commissioner of the Minnesota Department of Human Services addressing the review and oversight of the Lake Superior Treatment Center and express opposition to the significant process concerns regarding the application for licensure of the Superior Treatment Center "Ridgewood Recovery Center" that has been submitted without accompanying comprehensive community-based needs assessment or support and involvement of St. Louis County or the City of Duluth. (6-0)

COMMISSIONER DISCUSSION ITEMS

Commissioner O'Neil announced the Expressions of Homes Art Expo and Silent Auction Fundraiser will be held at the Depot on Tuesday, April 10, 2012, from 4:00-9:00 p.m. in the Great Hall. There will be food and music, and all proceeds support Community Connect. Commissioner O'Neil invited all to attend and help those in need of housing and health resources.

Commissioner Nelson said IRRRB Commissioner Tony Sertich will speak at a Duluth Chamber event at Clyde Iron Works. The topic is "The Iron Range's Impact on Duluth (or Why You Should Hug a Ranger)" and will be held on Tuesday, April 10th from 11:30 a.m. to 1:00 p.m. Commissioner Nelson said he would like the board to explore the opportunity to attend this event and possibly break from the board meeting from 11:30 a.m. to 1:00 p.m.

At 11:54 a.m., O'Neil/Dahlberg moved to adjourn. (6-0)

Keith Nelson, Chair of the County Board

Patricia Stolee, Clerk of the County Board

BOARD LETTER NO. 12 - 138

ENVIRONMENT & NATURAL RESOURCES COMMITTEE CONSENT NO. 1

BOARD AGENDA NO.

DATE: April 10, 2012 **RE:** Reinstatement of Contract for
Repurchase of State Tax
Forfeited Land - Anderson

FROM: Kevin Z. Gray
County Administrator

Robert Krepps, Land Commissioner
Land and Minerals

RELATED DEPARTMENT GOALS:

To perform public services; to provide financial return to the county and taxing districts.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize the reinstatement of a contract for deed to repurchase state tax forfeited land.

BACKGROUND:

Minn. Stat. § 282.341, Subd. 1 provides for reinstatement of a contract for deed subject to payment equivalent to the delinquent installments, taxes, assessments, penalties, costs, and interest. Larry Anderson of Cloquet, MN, has requested to reinstate his contract to repurchase state tax forfeited land. Less than 50 percent of the basic sale price was paid prior to cancellation; therefore, reinstatement requires county board approval (Minn. Stat. § 282.341, Subd. 1). Payment and fees required to reinstate the contract have been paid.

RECOMMENDATION:

It is recommended that the St. Louis County Board approve reinstatement of a contract with Larry Anderson of Cloquet, MN, for repurchase of state tax forfeited land in the amount of \$ 13,512.30, to be deposited into Fund 240 (Forfeited Tax Fund).

Larry Anderson, Cloquet, MN

Address of Property	6391 Morris Thomas Road Cloquet, MN 55720
Legal Description	TOWN OF SOLWAY SW 1/4 OF SE 1/4, EX E 1/2 SEC 27 TWP 50 RGE 16 Parcel Code: 530-0010-05190
Date of Cancellation and Resolution Number	12/20/2011 Resolution No. 11-461
Amount Needed to Reinstate	\$13,512.30
Date Paid	3/27/2012
Cancelled Contract Number	C22080118
New Contract Number	C22120016
Proof of Insurance	Provided

**Reinstatement of Contract for Repurchase
of State Tax Forfeited Land - Anderson**

BY COMMISSIONER _____

WHEREAS, under the provisions of Minn. Stat. § 282.341, Subd. 1, a contract for deed to repurchase state tax forfeited land previously cancelled may be reinstated by the previous contract holder subject to payment of installments, taxes, assessments, penalties, costs, and interest; and

WHEREAS, less than 50 percent of the basic sale price was paid prior to cancellation; therefore, county board approval is required for reinstatement; and

WHEREAS, Larry Anderson of Cloquet, MN, has requested to reinstate Contract C22080118, having been cancelled on 12/20/2011, under new Contract C22120016 for property described as:

TOWN OF SOLWAY
SW 1/4 OF SE 1/4, EX E 1/2
SEC 27 TWP 50 RGE 16
Parcel Code: 530-0010-05190

NOW THEREFORE, BE IT RESOLVED, that the St. Louis County Board approves the reinstatement of Contract C22120016 by Larry Anderson of Cloquet, MN, in the amount \$13,512.30, to be deposited into Fund 240 (Forfeited Tax Fund).



St. Louis County Land Department Tax Forfeited Land Sales

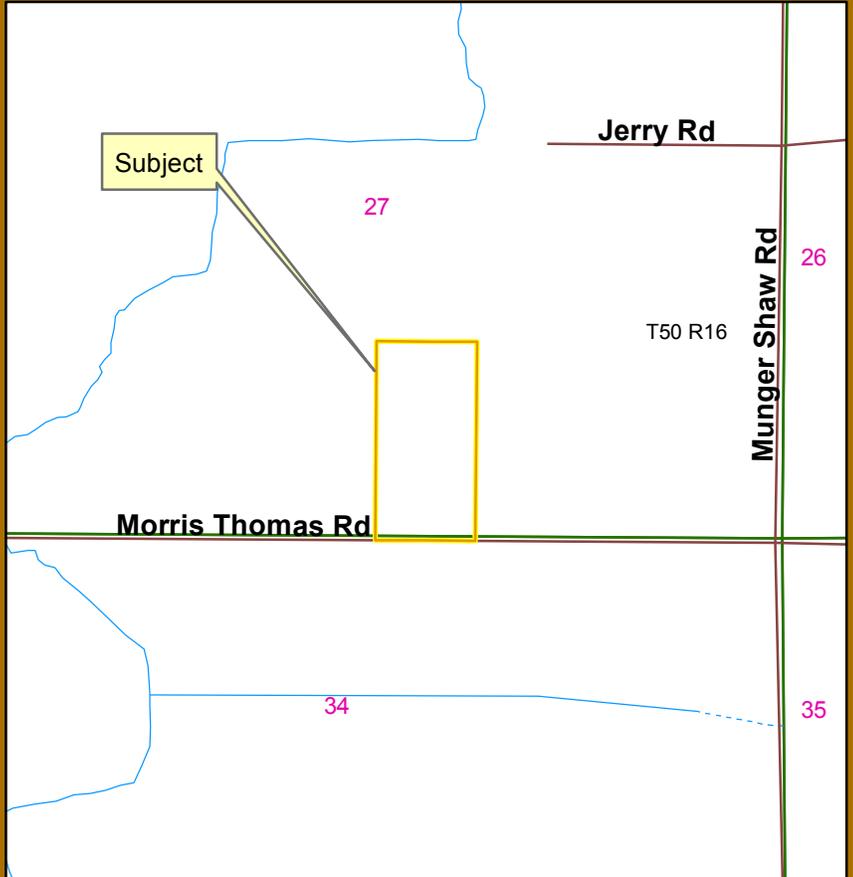
Reinstatement of Contract

Legal : TOWN OF SOLWAY
SW 1/4 OF SE 1/4, EX E 1/2
Sec 27 Twp 50 Rge 16

Parcel Code : 530-0010-05190

Acres: 20.00

LDKEY : 62500



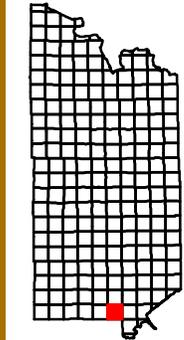
Town of Solway

Sec: 27 Twp: 50 Rng: 16



Commissioner District # 5

-  State Tax Forfeited Land
-  Water
-  Road
-  Area of Interest
-  Tract

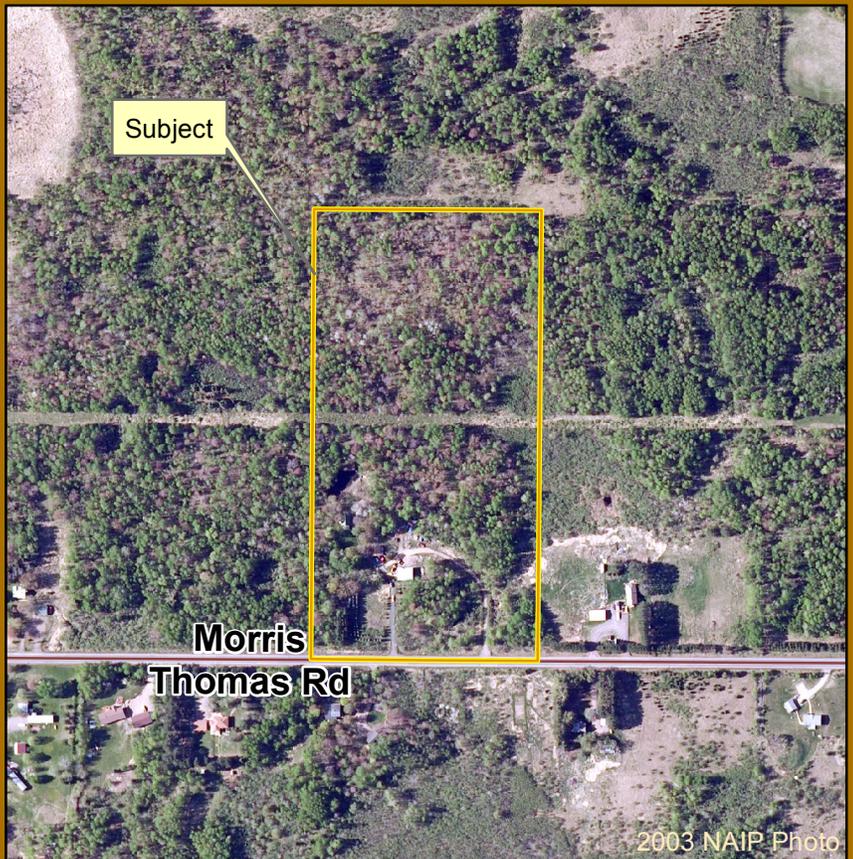


St. Louis County, Minnesota

This drawing is neither a legally recorded map nor a survey and is not intended to be used as such. This drawing is a compilation of recorded information and data located in various city, county, state and federal offices. St. Louis County is not responsible for any incorrectness herein.

St. Louis County
Land Department

April 2012



2003 NAIP Photo

Repurchase of State Tax Forfeited Land - DuFresne

BY COMMISSIONER _____

WHEREAS, Minn. Stat. § 282.241 provides that state tax forfeited land may be repurchased by the previous owner subject to payment of delinquent taxes and assessments, with penalties, costs, and interest; and

WHEREAS, the applicant, Bonnie DuFresne of Gilbert, MN, has applied to repurchase state tax forfeited land legally described as:

TOWN OF WUORI
E1/2 OF SW1/4 OF SE1/4 EX N 417.4 FT OF E 313.1 FT & EX NLY 517.4 FT
OF WLY 313.1 FT
SEC 3 TWP 59 RGE 17
PARCEL 580-0010-00560

WHEREAS, the applicant was the owner of record at the time of forfeiture and is eligible to repurchase the property; and

WHEREAS, approving the repurchase will correct undue hardship and promote the use of lands that will best serve the public interest.

NOW THEREFORE, BE IT RESOLVED, that the St. Louis County Board approves the repurchase application by Bonnie DuFresne of Gilbert, MN, on file in County Board File No. _____, subject to payments including total taxes and assessments of \$230.56, service fee of \$114.00, deed tax of \$1.65, deed fee of \$25.00, and recording fee of \$46.00; for a total of \$417.21, to be deposited into Fund 240 (Forfeited Tax Fund).

APPLICATION FOR REPURCHASE OF TAX FORFEITED LANDS

Pursuant to Minnesota Statutes 1986, Section 282.241, as amended by Chapter 268, Laws of 1987.

TO THE COUNTY BOARD AND COUNTY AUDITOR OF ST. LOUIS COUNTY, MINNESOTA:

The undersigned, BONNIE DUFRESNE, hereby makes application to repurchase from the State of Minnesota the following described land, pursuant to Minnesota Statutes 1987, Section 282.241, as amended; said land is situated in St. Louis County, Minnesota, and more particularly described as follows:

TOWN OF WUORI, E1/2 OF SW1/4 OF SE1/4 EX N 417.4 FT OF E 313.1 FT & EX NLY 517.4 FT OF WLY 313.1 FT, Sec 3 Twp 59 Rge 17.

Applicant states and shows that at the time of the forfeiture to the State, he/she was (please check one)

- the owner
- heir(s) of the owner
- the representative of the owner
- the person to whom the right to pay taxes is given by statute, to wit:
- designating under what claim of right, whether as mortgage or otherwise the right is exercised

That such taxes became delinquent in 2005 and remained delinquent and unpaid for the subsequent years of: 2006, 2012

That pursuant to Minnesota Statutes, the total cost of repurchase \$416.32 which is the greater value of all delinquent taxes and assessments computed under Section 282.241, together with all accrued interest and penalties, including fees. Please contact our office at 218-726-2606 for the current amount due which increases monthly.

That a hardship would result to the petitioner unless said repurchase is allowed, for the reason that: applicant to state reasons why taxes were not paid.

I was very poor with almost not enough \$ to pay bills. Keep lights on & eat. Had power shut off 1 time no phone ran out of fuel oil had furnace worked on 3 times

Please check the appropriate box below:

- There are one or more wells on this property (See enclosed well disclosure information sheet)
- No change since last well certificate Well disclosure completed - \$50.00 enclosed
- There are no wells on this property

APPLICANT REQUESTS THAT REPURCHASE BE MADE IN THE NAME OF:

Name (s): Bonnie Dufresne

Are you currently in active military service? no

If you have been discharged within the last 6 months, provide discharge date _____ and documentation.

Applicant offers to pay upon such repurchase, by check or money order, as directed by the St. Louis County Board, the full price of repurchase as stated above, the terms of which will be stated by the contract and required by law.

Dated: 3/22/2012

By: Bonnie Dufresne
(Signature)

Address: 16532 Townline Rd
City: Colbert State: IN Zip: 55741

Phone: 815 249-4240



St. Louis County Land Department Tax Forfeited Land Sales

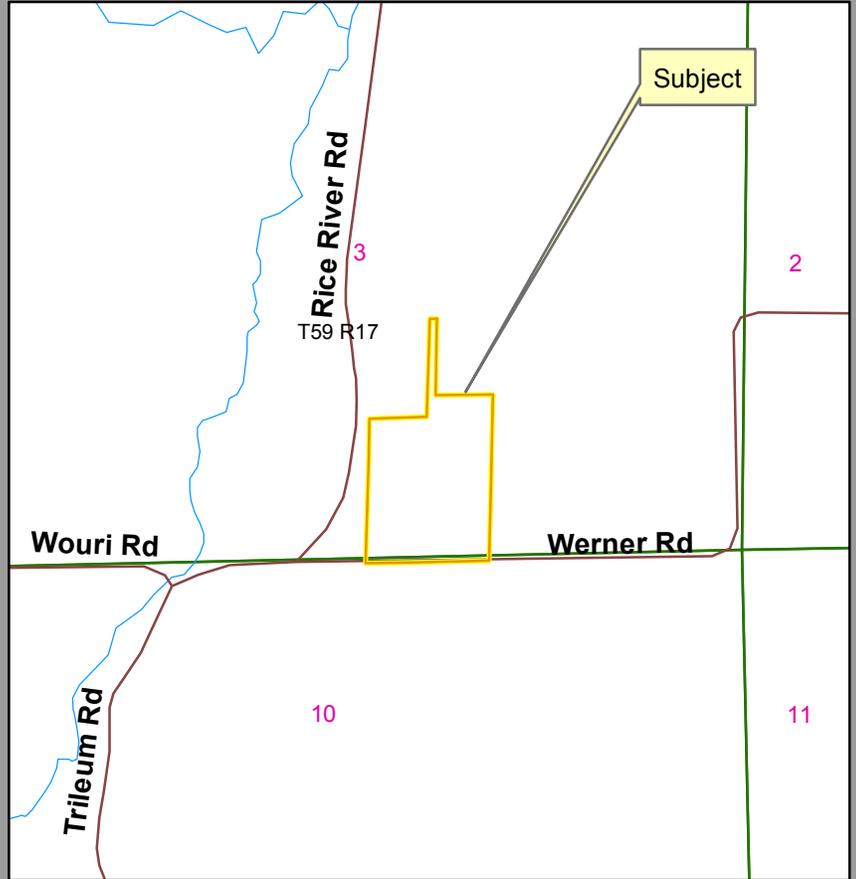
Repurchase of Property

Legal : TOWN OF WUORI
E1/2 OF SW1/4 OF SE1/4 EX N 417.4 FT
OFE 313.1 FT & EX NLY 517.4 FT OF
WLY 313.1 FT, Sec 3 Twp 59 Rge 17

Parcel Code : 580-0010-00560

Acres: 13.28

LDKEY : 71658

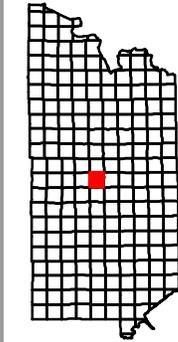


Town of Wuori

Sec: 3 Twp: 59 Rng: 17

Commissioner District # 4

-  State Tax Forfeited Land
-  Water
-  Road
-  Area of Interest
-  Tract

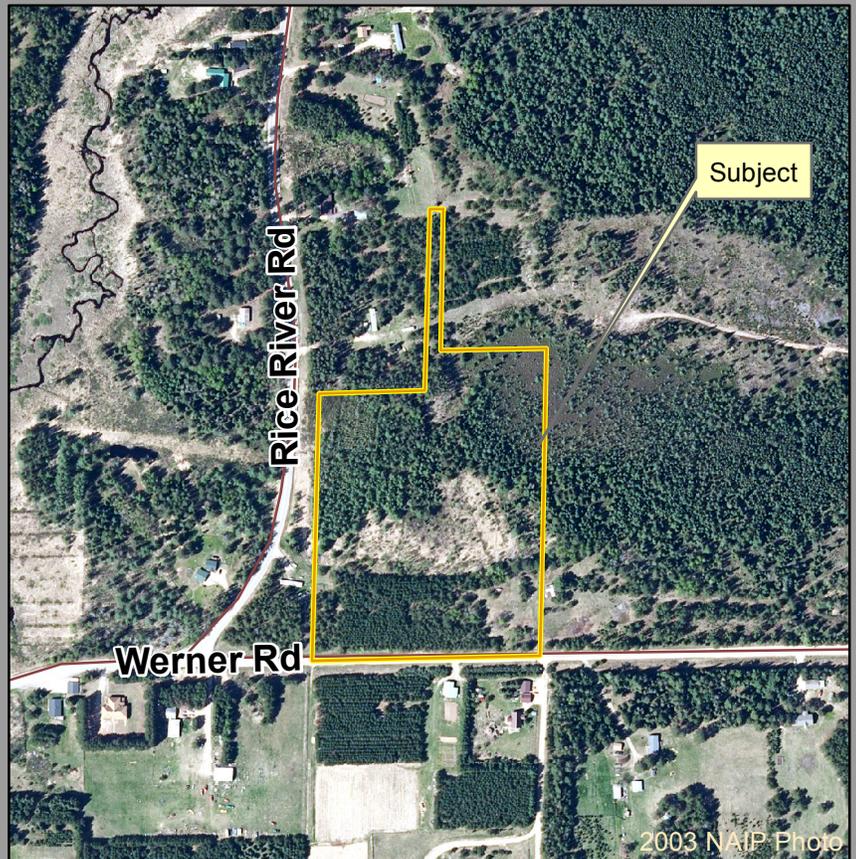


St. Louis County, Minnesota

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St. Louis County
Land Department

April 2012



Agreement for Crack Sealing – Lake County

BY COMMISSIONER _____

RESOLVED, that the St. Louis County Board authorizes an agreement, and any amendments approved by the County Attorney, with Lake County, where Lake County will pay its share for items listed in the Schedule of Prices in the Proposal/Plan Package and Plan described as MP 97044, Crack Sealing 2012, with the funds to be receipted into Fund 200, Agency 201073, Object 551508.

Agreement for Crack Sealing - City of Babbitt

BY COMMISSIONER _____

RESOLVED, that the St. Louis County Board authorizes an agreement, and any amendments approved by the County Attorney, with the City of Babbitt where the city will pay its share for items listed in the Schedule of Prices in the Proposal/Plan Package and Plan described as MP 97044, Crack Sealing 2012, with the funds to be receipted into Fund 200, Agency 201073, Object 551518.

Agreement for Crack Sealing - City of Chisholm

BY COMMISSIONER _____

RESOLVED, that the St. Louis County Board authorizes an agreement, and any amendments approved by the County Attorney, with the City of Chisholm where the city will pay its share for items listed in the Schedule of Prices in the Proposal/Plan Package and Plan described as MP 97044, Crack Sealing 2012, with the funds to be receipted into Fund 200, Agency 201073, Object 551530.

Agreement for Crack Sealing – Town of Rice Lake

BY COMMISSIONER _____

RESOLVED, that the St. Louis County Board authorizes an agreement, and any amendments approved by the County Attorney, with the Town of Rice Lake where the township will pay its share for items listed in the Schedule of Prices in the Proposal/Plan Package and Plan described as MP 97044, Crack Sealing 2012, with the funds to be receipted into Fund 200, Agency 201073, Object 551521.

Agreement for Crack Sealing – Town of French

BY COMMISSIONER _____

RESOLVED, that the St. Louis County Board authorizes an agreement, and any amendments approved by the County Attorney, with the Town of French, where the township will pay its share for items listed in the Schedule of Prices in the Proposal/Plan Package and Plan described as MP 97044, Crack Sealing 2012, with the funds to be receipted into Fund 200, Agency 201073, Object 551582.

Agreement for Crack Sealing – Town of Canosia

BY COMMISSIONER _____

RESOLVED, that the St. Louis County Board authorizes an agreement, and any amendments approved by the County Attorney, with the Town of Canosia, where the township will pay its share for items listed in the Schedule of Prices in the Proposal/Plan Package and Plan described as MP 97044, Crack Sealing 2012, with the funds to be receipted into Fund 200, Agency 201073, Object 551511.

Agreement for Crack Sealing – Town of Grand Lake

BY COMMISSIONER _____

RESOLVED, that the St. Louis County Board authorizes an agreement, and any amendments approved by the County Attorney, with the Town of Grand Lake, where the township will pay its share for items listed in the Schedule of Prices in the Proposal/Plan Package and Plan described as MP 97044, Crack Sealing 2012, with the funds to be receipted into Fund 200, Agency 201073, Object 551555.

BOARD LETTER NO. 12 – 141

PUBLIC SAFETY & CORRECTIONS COMMITTEE

CONSENT NO. 4

BOARD AGENDA NO.

DATE: April 10, 2012

RE: Correction of Application and
Acceptance of the 2009 Port
Security Grant Resolution

FROM: Kevin Z. Gray
County Administrator

Ross Litman
Sheriff

RELATED DEPARTMENT GOAL:

To enhance public safety.

ACTION REQUESTED:

The St. Louis County Board is requested to rescind Resolution No.12-178 dated March 27, 2012, and approve a revised resolution correcting the grant award amount.

BACKGROUND:

On March 27, 2012 the County Board adopted Resolution No.12-178, authorizing application and acceptance of the 2009 Port Security Grant in the amount of \$320,453 and the local match of \$100,141. The resolution referenced an incorrect dollar amount of the grant and a correction is necessary.

RECOMMENDATION:

It is recommended that the St. Louis County Board rescind Resolution No.12-125, dated March 27, 2012, and authorize application and acceptance of the 2009 Port Security Grant in the amount of \$319,469, to be accounted for in Fund 100, Agency 129999, Grant 12938, Year 2012, with a local match of \$106,490.

Authorization to Apply for and Accept the 2009 Port Security Grant

BY COMMISSIONER _____

WHEREAS, the Department of Homeland Security has made funding available to the Port of Duluth/Superior under the FY 2009 Port Security Grant Program; and

WHEREAS, the Sheriff's Office is eligible to receive funding under this grant for investments important to increasing Port Security while strengthening core services; and

WHEREAS, the term of the grant is 36 months and the majority of the work would be done in 2012; and

WHEREAS, the investments proposed would enhance Computer-Aided Dispatch capabilities, provide for end-user radio equipment, and allow the Rescue Squad and Sheriff's Office to acquire the latest in scanning sonar technology.

NOW THEREFORE, BE IT RESOLVED, that the St. Louis County Board authorizes application and acceptance of the 2009 Infrastructure Protection Program Grant for Port Security in the amount of \$319,469, to be accounted for in Fund 100, Agency 129999, Grant 12938, Year 2012.

RESOLVED FURTHER, that the required local match shall not exceed \$106,490, to be accounted for as follows:

Computer Aided Dispatch Upgrades/Training:

Total grant amount: \$100,000

Match required: \$ 33,333

Fund 179, E-911

Stationary Scanning Sonar:

Total grant amount: \$68,969

Match required: \$22,990

Fund 100, Agency 129003, Object 643200

End User Radios:

Total grant amount: \$150,500

Match required: \$ 50,167

Fund 100, Agency 129003, Object 643200

RESOLVED FURTHER, that the St. Louis County Board authorizes the appropriate county officials to sign any associated contract documents.

RESOLVED FURTHER, that St. Louis County Board Resolution No. 12-178, dated March 27, 2012, is hereby rescinded.

GRANT APPROVAL FORM

GRANT NAME: 2009 Port Security Grant GRANT AMOUNT: \$ 319,469
GRANTOR: US Dep. of Homeland Security MATCH AMOUNT: \$106,490
FUND: 100 AGENCY: 129999 GRANT: 12931 GRANT YEAR: 2012
AGENCY NAME: Sheriff
CONTACT PERSON: Dawn Sathers PHONE: 218-726-2389
GRANT PERIOD: BEGIN DATE: _____ END DATE: _____
STATE GRANT AWARD NUMBER OR FEDERAL CFDA # _____

FILL IN THE ABOVE INFORMATION ON THIS FORM AND IDENTIFY THE CATEGORY OF THE GRANT FROM THE CHOICES BELOW. ATTACH THIS FORM TO THE GRANT APPLICATION AND ANY OTHER PERTINENT OTHER DOCUMENTATION AND ROUTE THE PACKET TO THE INDIVIDUALS LISTED FOR THE TYPE OF GRANT.

IT IS ESSENTIAL THAT DEPARTMENTS SUBMIT THE COMPLETED APPROVAL FORM ON THOSE GRANTS THAT DO NOT REQUIRE BOARD RESOLUTION TO THE AUDITOR'S OFFICE ACCOUNTING DEPARTMENT FOR BUDGETING PURPOSES. NO GRANT ACTIVITY WILL BE RECORDED WITHOUT AN ESTABLISHED BUDGET.

GRANTS OF \$25,000 OR LESS

A grant of \$25,000 or less may be applied for and/or accepted by the department without a separate County Board Resolution if it meets the following:

- 1. The grant fits within the department's functions, and
- 2. If the grant requires a County match (not to exceed in money or value an amount equal to the actual grant), and if that match is "in kind", that "in-kind" match is part of the ongoing operations, or if the match is monetary, that the department can find the necessary amount within its existing budget.

DOES THIS GRANT QUALIFY UNDER "GRANTS OF \$25,000 OR LESS"?

YES NO

If so, this type of grant requires the following review approval:

County Auditor _____ Date: _____
County Administrator _____ Date: _____
County Attorney _____ Date: _____

The Grant Budget must be entered into the accounting system. Send a copy of the grant, this signed approval form and any other pertinent information to the Auditor's Office-Accounting, so the budget can be entered into the system. Without a budget, no expenditures or revenues will be recorded.

NEW GRANTS GREATER THAN \$25,000

All new grants that exceed \$25,000 and all recurring grants that exceed \$25,000 that contain changes in the grant's requirements which may affect either County resources or the scope of the grant need two (2) board resolutions. One board resolution is required to apply for the grant and a second resolution is required to accept the grant.

DOES THIS GRANT QUALIFY UNDER "GRANTS GREATER THAN \$25,000"?
YES NO

If this is a new grant greater than \$25,000, it requires the following review approval:

County Auditor _____ Date: _____
County Administrator _____ Date: _____

The Grant Budget must be entered into the accounting system. Send a copy of the grant, this completed approval form and the Board Resolution to the Auditor's Office-Accounting, so a budget can be entered into the system. Without a budget, no expenditures or revenues will be recorded.

RECURRING GRANTS GREATER THAN \$25,000

A recurring grant greater than \$25,000 that is a repeat of a grant which has been received by the County in past year(s) and that has no changes in the use of County resources or in the scope of the grant, requires one Board Resolution to both apply for and/or accept the grant.

DOES THIS GRANT QUALIFY AS "RECURRING GRANTS GREATER THAN \$25,000"?
YES NO

If yes, this recurring grant greater than \$25,000 requires the following review approval:

County Auditor Don DePlich Date: 4-3-12
County Administrator Barbara Klemberg Date: 4-5-12

The Grant Budget must be entered into the accounting system. Send a copy of the grant, this completed approval form and the Board Resolution to the Auditor's Office-Accounting, so a budget can be entered into the system. Without a budget, no expenditures or revenues will be recorded.

BOARD LETTER NO. 12 - 142

PUBLIC WORKS & TRANSPORTATION COMMITTEE NO. 1

BOARD AGENDA NO.

DATE: April 10, 2012 **RE:** Award of Bids CP 1283 in
Owens Township, the South
Crushing Program and North
Gravel Road Investment
Program

FROM: Kevin Z. Gray
County Administrator

James T. Foldesi
Public Works Director/Highway Engineer

RELATED DEPARTMENT GOAL:

Provide a safe, well maintained road and bridge system.

ACTION REQUESTED:

The St. Louis County Board is requested to award projects to the low bidders for an overlay project in Owens Township, the south crushing program and the North Gravel Road Investment Program.

BACKGROUND:

County staff is authorized under Resolution No. 88-381, dated May 24, 1988, to call for bids on projects which are already included in the budget document. Bids were requested for a reclaim and overlay project on the south border of Owens Township, a crushing program project, and a Gravel Road Investment Program (GRIP) project in Wuori and Sandy Townships.

A call for bids is to be received by the St. Louis County Public Works Department at 10:00 A.M on April 5, 2012, for the following projects in accordance with the plans and specifications on file in the Office of the County Highway Engineer:

- Project:** MP 87-1283, CP 1283
Location: CSAH 87 (Leander Road) from TH 53 to CSAH 78 on the south border of Owens Township, length 3.86 mi.
Traffic: 240 **PQI:** 1.5
Construction: Culvert Replacement, Bituminous Pavement Reclamation, Bituminous Surface, and Aggregate Shouldering
Funding: Fund 200, Agency 203101, Object 652800
Anticipated Start Date: June 4, 2012
Anticipated Completion Date: August 31, 2012
Engineer's Estimate: To be provided after bid opened

2. **Project:** MP 97049, Aggregate Crushing, South
Location: Various locations
Traffic: N.A. **PQI:** N.A.
Construction: Aggregate Crushing, South St. Louis County 2012
Funding: Fund 200, Agency 201070, Object 650200 (Crushing), and Object 652805 (Gravel Road Investment Program)
Anticipated Start Date: June 1, 2012
Anticipated Completion Date: September 17, 2012
Engineer's Estimate: To be provided after bid opened
3. **Project:** WO 148958, Gravel Road Investment Program, North
Location: A. CR 307 (Werner Road) from CR 303 to CR 305, Wuori Township and
B. CSAH 68 from CR 616 to CR 303, Sandy Township, length 2.41 mi.
Traffic: A. 275, B. 310 **PQI:** N.A.
Construction: Gravel Road Investment Program, North 2012, Aggregate Base, Aggregate Stabilization, Calcium Chloride
Funding: Fund 200, Agency 203260, Object 652805
Anticipated Start Date: June 1, 2012
Anticipated Completion Date: August 3, 2012
Engineer's Estimate: To be provided after bid opened

RECOMMENDATION:

The bid opening is scheduled for April 5, 2012 and the County Board will be provided with bid results and resolutions for consideration at the April 10, 2012 Committee of the Whole meeting.

BOARD LETTER NO. 12 - 143

CENTRAL MANAGEMENT & INTERGOVERNMENTAL COMMITTEE NO. 1

BOARD AGENDA NO.

DATE: April 10, 2012 **RE:** Deferred Compensation Plan
Document Update

FROM: Kevin Z. Gray
County Administrator

Mark Rubin
County Attorney

Donald Dicklich
County Auditor

James R. Gottschald
Human Resources Director

RELATED DEPARTMENT GOAL:

To provide effective and efficient government.

ACTION REQUESTED:

The St. Louis County Board is requested to approve an updated St. Louis County 457(b) Governmental Deferred Compensation Plan Document for employees and officials.

BACKGROUND:

The St. Louis County Board previously adopted a Section 457(b) Governmental Deferred Compensation Plan and Trust, a copy of which is on file in the office of the St. Louis County Auditor and found in Board File No. 57095. The Plan is available to St. Louis County employees and officials for purposes of retirement savings.

Participants are allowed to defer funds through one of the three active providers within the St. Louis County Plan, including ICMA Retirement Corporation, Lincoln Financial Group or NationWide Retirement Solutions. The county also offers the State of Minnesota deferred compensation plan as another alternative. Some participants may also be participating through one of the county's two inactive providers: Thrivent or Citistreet (neither of these two inactive plans is open to new participants).

Since approval of the present Plan Document in December 2001, there have been a number of changes to the Internal Revenue Service (IRS) regulations which govern Section 457(b) deferred compensation programs. The county's deferred compensation committee has updated its Plan document to ensure compliance with the applicable IRS regulations.

RECOMMENDATION:

It is recommended that the St. Louis County Board approve the updated 457(b) Governmental Deferred Compensation Plan Document and authorize the Board Chair and other necessary county officials to sign the Plan Document and required amendments.

Deferred Compensation Plan Document Update

BY COMMISSIONER _____

WHEREAS, St. Louis County has established a 457(b) Governmental Deferred Compensation Plan for its employees and officials that serves the interest of the county by enabling it to provide reasonable retirement security to its employees and officials; and

WHEREAS, the county established a deferred compensation committee on August 2, 1988 by Resolution Number 606, consisting of the County Administrator, County Attorney, County Auditor and Human Resources Director; and

WHEREAS, the county's deferred compensation committee has updated the Deferred Compensation Plan Document to reflect amendments made to the Internal Revenue Service regulations governing 457(b) deferred compensation plans since the county's Plan Document was last updated in 2001.

NOW, THEREFORE, BE IT RESOLVED, the St. Louis County Board approves and adopts the updated St. Louis County 457(b) Governmental Deferred Compensation Plan Document contained in County Board File No. _____.

RESOLVED FURTHER, that the Board authorizes the Chair of the County Board and other necessary officials to execute the updated Deferred Compensation Plan Document.

RESOLVED FURTHER, the previous Deferred Compensation Plan Document is hereby rescinded.

RESOLVED FURTHER, that the Board hereby directs the Human Resources Director to distribute copies of the updated St. Louis County 457(b) Governmental Deferred Compensation Plan Document to providers of deferred compensation services under the county's Plan.



S A I N T
LOUIS ❖
COUNTY
.....
M I N N E S O T A

**457(b) Governmental
Deferred Compensation Plan and Trust**

April 2012

Table of Contents

I. Introduction	3
II. Definitions.....	3
III. Administration.....	4
IV. Participation in the plan.....	4
V. Distribution procedures.....	6
VI. Form of distributions	7
VII. Leave of absence.....	8
VIII. Amendment or termination of plan	8
IX. Relationship to other plans	8
X. No Transfer in lieu of benefits.....	8
XI. Non-assignability	8
XII. Assets.....	8
XIII. Participation by administrative members	9
XIV. Employer participation	9
XV. Disclaimer with respect to investments	9
XVI. Plan-to-plan transfers.....	9
XVII. Protection under the Uniformed Services Employment and Reemployment Rights Act of 1994.....	10
XVIII. Interpretation.....	10

Deferred Compensation Plan of St. Louis County, Minnesota

I. Introduction

In accordance with the provisions of St. Louis County, Minnesota (Citation to state or local law, board resolution, etc. authorizing this deferred compensation plan), St. Louis County, Minnesota the *employer*, hereby establishes the St. Louis County's 457(b) Deferred Compensation Plan and Trust ("*plan*") pursuant to Section 457(b) of the *Code*.

This *plan* is an "eligible deferred compensation plan" as that term is defined under Section 457(b) of the *Code* for employers described in 457(e)(1)(A) of the *Code*, and is not governed by Section 457(f) of the *Code*. The *plan* shall operate independently of, and in addition to, any 457(f) plan maintained by the *employer* and shall not constitute a modification of any such 457(f) plan or any other deferred compensation plan being maintained by the *employer*.

Nothing contained in this *plan* shall be deemed to constitute an employment contract or agreement for services between a *participant* and the *employer* nor shall it be deemed to give a *participant* any right to be retained in the employ of, or modify the terms of any employment contract or agreement for services between a *participant* and the *employer*.

II. Definitions

2.01 Administrator shall mean the person or persons appointed by the *employer* to administer the *plan*. If none is appointed, the *employer* shall be deemed the *administrator*.

2.02 Beneficiary shall mean the persons or entities designated by a *participant* who are entitled to benefits following the *participant's* death pursuant to Section 5.02 or an alternate payee as described in Section 5.08.

2.03 Code shall mean the Internal Revenue Code of 1986, as amended, or any future United States internal revenue law. References herein to specific Section numbers shall be deemed to refer to corresponding provisions of any future United States internal revenue law.

2.04 Compensation shall mean all payments made to an *employee* by the *employer* as remuneration for services rendered, including salaries and fees.

2.05 Employee An individual receiving compensation for services rendered or an

independent contractor of St. Louis County or other related employers who have been designated by the Deferred Compensation Committee as eligible to participate in the *plan*.

2.06 Employer shall mean St. Louis County, Minnesota.

2.07 Includible compensation shall mean, for purposes of the limitation set forth in Section 4.02, *compensation* for services performed for the *employer* as provided under 415(c)(3) of the *Code* with respect to "*participant's compensation*." The amount of *includible compensation* is determined without regard to any community property laws.

2.08 Normal retirement age shall mean age 65. Normal retirement age shall mean, the age that is on or after the earlier of (1) age 65, (2) the age at which a *participant* has the right to retire and receive, under the basic defined benefit pension *plan* of the state, immediate retirement benefits without actuarial or similar reduction or (3) the normal retirement age as described in the *employer's* Money Purchase Plan. The normal retirement age may not be later than age 70 ½. Alternatively, a *plan* may provide that a *participant* is allowed to designate a *normal retirement age* within these ages which is deemed to be made upon a catch-up election under Section 4.03.

2.09 Participant shall mean any *employee* who executes a *participation agreement* with the *administrator* assenting to the provisions of this *plan*, once the *agreement* has been approved by the *administrator*. The *administrator*, if otherwise eligible, may participate in the *plan*.

2.10 Participation agreement shall mean the agreement executed and filed by an *employee* with the *employer* pursuant to Section 4.01, in which the *employee* elects to become a *participant* in the *plan*.

2.11 Plan year shall mean the calendar year.

2.12 Rollover shall mean a tax-free transfer of all or a portion of an eligible *rollover* distribution amount from one eligible retirement plan to another eligible plan pursuant Section 402(c) of the *Code*.

2.13 Severance from Employment shall mean the *participant's* termination from service with the *employer* for any reason, including death, disability, or retirement.

2.14 Total amount deferred shall mean, with respect to each *participant*, the sum of all *compensation* deferred under the *plan*, plus income or less loss thereon calculated in accordance with Section 4.09 attributable to the investment options designated in the *participant's participation agreement(s)* under

which such *compensation* was deferred and in any subsequent election(s) to change investment options. *Total amount deferred* shall include non-elective contributions as described in Section 14.01. Except as otherwise specifically indicated, *total amount deferred* shall include any *rollover* amount held by the *plan*.

2.15 Unforeseeable emergency shall mean a severe financial hardship of the *participant* or *beneficiary* resulting from an illness or accident of the *participant* or *beneficiary*, the *participant's* or *beneficiary's* spouse or the *participant's* or *beneficiary's* dependent (as defined in Section 152(a) of the *Code*); loss of the *participant's* or *beneficiary's* property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the *participant* or the *beneficiary*. Examples of severe financial hardship include (1) imminent foreclosure of or eviction from the *participant's* or *beneficiary's* primary residence, (2) the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, and (3) the need to pay for funeral expenses of a spouse or a dependent (as defined in Section 152(a) of the *Code*). The *administrator* (or *designee*) shall determine in its sole discretion whether a hardship to a *participant* constitutes an *unforeseeable emergency*.

III. Administration

3.01 Administration

This *plan* shall be administered by the *administrator*, who shall represent the *employer* in all matters concerning the administration of this *plan*.

3.02 Appointment and termination of administrator

The *employer* shall be the *administrator*.

3.03 Powers of the administrator

Subject to any applicable laws, the *administrator* shall have full power and authority to adopt rules and regulations for the administration of the *plan*, and to interpret, alter, amend, or revoke any rules and regulations so adopted.

3.04 Actions of the administrator

Every action taken by the *administrator* shall be presumed to be a fair and reasonable exercise of the authority vested in or the duties imposed upon it. The *administrator* shall be deemed to have exercised reasonable care, diligence and prudence and to have acted impartially as to all persons interested, unless the contrary be proven by affirmative evidence. The

administrator shall not be liable for amounts payable under the *plan*.

3.05 Reports and records

For convenience and to facilitate the orderly administration of the *plan*, the *administrator* shall maintain a deferred compensation ledger account with respect to each *participant*.

3.06 Delegation of duties

Subject to any applicable laws and any approvals required by the *employer*, the *administrator* may delegate any or all of its powers and duties hereunder to another person, persons, or entity, and may pay reasonable *compensation* for such services as an administrative expense of the *plan*, to the extent such *compensation* is not otherwise paid.

IV. Participation in the plan

4.01 Enrollment in the plan

- (a) An *employee* may become a *participant* by executing a *participation agreement*. *Compensation* will be deferred for any calendar month only if a *participation agreement* providing for such deferral is executed by the *participant* and approved by the *administrator* or its designee before the beginning of such month.
- (b) A new *employee* may defer *compensation* payable in the calendar month during which the *participant* first becomes eligible if a *participation agreement* providing for the deferral is entered into on or before the first day on which the *participant* becomes eligible.
- (c) By signing the *participation agreement*, the *participant* elects to participate in this *plan* and consents to the deferral by the *employer* and the amount specified in the *participation agreement* from the *participant's* gross *compensation* for each pay period.

4.02 Deferral limitations

Except as provided in Section 4.03 and 4.04, the maximum that may be deferred under the *plan* for any taxable year of a *participant* shall not exceed the lesser of (a) the scheduled amount under Section 457(e)(15)(A) of the *Code* (as adjusted for cost of living increases pursuant to Section 457(e)(15)(B) of the *Code*) or (b) 100% of the *participant's* *includible compensation*. Amounts contributed to this *plan* as *rollover* distributions are not taken into account for purposes of the deferral limit as set forth in this Section 4.02.

In the case of a person who participates in more than one deferred compensation plan governed by Section 457(b) of the *Code*, the limitations set forth in Sections 4.02, 4.03, and 4.04 shall apply to all such

plans considered together. The limitation of this Section 4.02 shall not apply to any qualified governmental excess benefit arrangement (as defined in Section 415(m)(3) of the *Code*), and benefits provided under such an arrangement shall not be taken into account in determining whether the *plan* is an eligible deferred compensation plan.

4.03 Limited catch-up

For one or more of the *participant's* last three taxable years ending before attaining *normal retirement age* under the *plan*, the maximum deferral shall be the lesser of:

- (a) Twice the dollar amount in effect under Section 457(e)(15) of the *Code*, or
- (b) The sum of
 - (1) the limitations established for purposes of Section 4.02 of the *plan* for such taxable year (determined without regard to this Section 4.03), plus
 - (2) so much of the limitation established under Section 4.02 for prior taxable years (beginning after December 31, 1978 and during all or any portion of which the *participant* was eligible to participate in this *plan*) as has not theretofore been used under Sections 4.02 or 4.03.

This limited catch-up is not available in the years in which the *participant's* contribution limitation is greater Under Section 4.04.

4.04 Age 50 Catch-up

Any *participant* who is age 50 before the end of the *plan year* may make additional deferrals to the *plan* if their contributions are otherwise limited by the application of Section 4.02 above. Such additional deferrals shall be made in accordance with Section 414(v) of the *Code*. This additional deferral is not available in the years in which the *participant's* contribution limitation is greater under Section 4.03.

4.05 Disallowing deferrals

The *participant* acknowledges the right of the *administrator* to disallow deferral of *compensation* under the *plan* in excess of the limitations stated above. However, the *administrator* shall have no liability to a *participant* if the *administrator* fails to disallow a deferral in excess of such limitations, if the *participant's participation agreement* directed such deferral.

4.06 Modification of participation agreement

A *participant* may modify the *participation agreement* with respect to future amounts in accordance with Section 4.01 at such time as authorized by the *administrator*.

4.07 Revocation of participation agreement

A *participant*, may at any time, revoke his agreement to defer *compensation* by filing a written request for revocation with the *administrator* on a form approved by the *administrator*, at least 30 days prior to the effective date of the revocation. However, his *total amount deferred* shall be distributed only as provided in Articles V and VI.

4.08 Reinstatement of participation agreement

A *participant* who has experienced a leave of absence, as set forth in Article VII, or revoked his *participation agreement* as set forth in Section 4.07 above, may again execute a new *participation agreement* to defer *compensation* not yet earned.

4.09 Choice of Investment

Income will be earned on amounts deferred under the *plan* in accordance with the following procedure. The *administrator* will, in its sole discretion, select certain investment options to be made available for the investment of the *total amount deferred* of each *participant*. These investment options may include annuity contracts.

Each *participant* will designate on his *participation agreement*, or other form as provided by the *administrator*, the investment option or options in which his *total amount deferred* will be invested. If the investment chosen by the *participant* experiences a gain, the *participant's* benefits under the *plan* likewise will reflect income for that period. If the investment chosen by a *participant* experiences a loss, the *participant's* benefits under the *plan* likewise will reflect a loss for that period. The *administrator* may, from time to time, change the investment options made available under the *plan* and may invest such funds in a manner, as it deems prudent. If the *administrator* eliminates a certain investment option, all *participants* who had chosen that investment option may select another investment option; *participants* shall have no right to require the *administrator* to select or retain any particular investment option; and the *administrator* may invest in the investment funds of its own choosing. A *participant* may, from time to time, (whether before or after payments have commenced under the *plan*) on such forms and in accordance with such rules and procedures as the *administrator* may, from time to time, prescribe, change his choice of investment option. Any change with respect to investment options made by either the *administrator* or a *participant*, however, may affect only income to be earned after that change.

4.10 Rollover

Rollover contributions are permitted to be made to the *plan* at the discretion of the *administrator*. This *plan* may accept amounts eligible under the *Code* for rollover to a Section 457(b) governmental plan, including rollovers from 401(a) plans, 457(b) governmental plans, traditional IRAs and 403(b) plans, as otherwise permitted by Section 402(c) or 408(d) of the *Code*. Notwithstanding the preceding sentence, the *plan* shall not accept rollover loans. This *plan* shall separately account for rollovers from 401(a) plans, 403(b) plans, and traditional IRAs. Amounts attributable to rollovers that are maintained in separate accounts are permitted to be distributed at any time even though distribution of other amounts, as described in Article V, are restricted pursuant to 457(d)(1)(A) of the *Code*.

4.11 Deferral of vacation and back pay

Subject to the *employer's* discretion, a *participant* may elect to defer accumulated vacation pay and back pay if a *participation agreement* is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the *participant* is an *employee* in that month. In the case of accumulated vacation pay or back pay that is payable before the *participant* has a *severance from employment*, the requirements of the preceding sentence are deemed to be satisfied in the *participation agreement* providing for the deferral is entered into before the amount is currently made available. Any deferrals made under Section 4.11 are subject to the maximum deferral limitations set forth under Section 4.02.

V. Distribution procedures

5.01 Commencement of Benefit

Unless the *participant* has elected, in the manner developed by the *administrator*, a form of distribution described in Article VI, distribution shall commence as soon as administratively possible following his *severance from employment* and will be paid as a lump sum payment. The amount of such lump sum or scheduled payments, unless distributed as annuity contracts, shall equal the value of the *participant's total amount deferred*. All irrevocable elections to defer commencement of benefit payments made prior to December 1, 2002 and defaulted distributions (other than a defaulted distribution to an annuity option) may be voided with respect to amounts not already distributed at the election of the *participant* or *beneficiary*.

5.02 Survivor Benefits

In the event of a *participant's* death prior to the distribution of all amounts of his *total amount deferred*, such remaining amounts shall be paid to the *participant's beneficiary* commencing not later than

90 days after the *participant's* death. Such distribution shall be in the form of a single lump sum payment or regularly scheduled payments, at the election of the *participant* in the *participation agreement* or (if there is no such election by the *participant*) of the *beneficiary* after the *participant's* death but at least 30 days (or such lesser number of days as the *administrator* may from time to time specify) prior to the commencement of payments. Each *participant* may designate in his *participation agreement* a *beneficiary* or *beneficiaries* to receive any amounts which may be distributed in the event of his death prior to the complete distribution of the *total amount deferred*. A *participant* may change his designation of *beneficiaries* at any time by filing a proper application with the *administrator*. If no such designation is in effect on a *participant's* death, or if the designated *beneficiary* does not survive the *participant* by 30 days, the *participant's beneficiary* shall be, in the following order, his surviving spouse, child, parent, sibling in such priority order and in equal shares if there is more than one individual in a category, and then to any other persons determined in the sole discretion of the *administrator*. Should the *administrator* choose not to exercise such discretion, payment will be made to the *participant's* estate. The *plan administrator* should review the investment contract prior to exercising such discretion.

5.03 Independent contractor

Notwithstanding any other provisions of this *plan*, any amount payable under Section 5.01 of this *plan* to a *participant* who is or was an independent contractor shall not be paid:

- (a) Before a date at least 12 months after the date on which the contract expires under which services are performed for the *employer* (or, in the case of more than one contract, all such contracts expire), and
- (b) On such date if the *participant* performs services for the *employer* as an independent contractor or *employee* after the expiration of the contract(s) and before such date.

5.04 Required beginning date

The entire interest of the *participant* will be distributed, or commence to be distributed, not later than April 1 following the later of the calendar year in which the *participant* attains age 70 1/2 or in the calendar year in which the *participant* retires ("required beginning date"), in amounts as determined by Section 401(a)(9) of the *Code* and the Regulations promulgated thereunder.

5.05 Required Minimum Distributions

The *plan* will apply the required minimum distribution rules under Section 401(a)(9) of the *Code*

and the Regulations promulgated thereunder, notwithstanding any other provisions of this *plan* to the contrary.

5.06 Unforeseeable Emergency

Notwithstanding any other provision herein, in the event of an *unforeseeable emergency* as defined in Section 2.15 hereof, a *participant* may make a request to the *administrator* for payment of all or a portion of the *total amount deferred* to the date of payment. If the application for payment is approved by the *administrator*, payment will be made within 60 days following such approval. Payment shall be limited strictly to that amount reasonably necessary to meet the situation constituting the *unforeseeable emergency*, including any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from such distribution. Furthermore, payments may not be made to the extent that a hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the *participant's* assets (to the extent such liquidation does not itself cause severe financial hardship), or by cessation of deferrals under the *plan*. Any remaining amounts shall be paid in accordance with Articles V and VI of the *plan*.

5.07 Reserved

5.08 Qualified Domestic Relations Order

Payments from this *plan* will be made to an alternate payee under a qualified domestic relations order, under the terms of Section 414(p) of the *Code*, as applied by the *administrator*. If so provided by the qualified domestic relations order, distribution of the *total amount deferred* will be made to the alternate payee within a reasonable period of time following the date it is made available under the qualified domestic relations order.

5.09 Service credit

A *participant* may direct the transfer of the account balance to a governmental defined benefit plan for the purchase of permissive service credits in accordance with Section 457(e)(17) of the *Code*.

5.10 Distribution of Excess Deferral

If a *participant* defers more than the maximum allowed under Section 4.02 for a *plan year*, then as soon as administratively practicable after the *administrator* determines that the limits have been exceeded, the *administrator* shall distribute to the *participant* the excess deferrals, plus income or less loss attributable to such excess deferrals. The excess deferrals are subject to income tax in the year of deferral. Earnings on the excess deferrals are taxable for the year of distribution. If an excess deferral is not corrected by distribution, the plan is an ineligible

plan under which benefits are taxable in accordance with ineligible plan rules.

VI. Form of distributions

6.01 Distributions of amounts under Article V of the *plan* shall conform to the requirements of this Article VI.

- (a) Each *participant* may elect the settlement option and payment period for payments to be made with respect to each event described in Article V from among any alternatives offered by the *administrator*. The settlement options and payment periods available under the *plan* shall be:
 - (1) a lump sum distribution;
 - (2) annual or more frequent (but not more frequently than monthly) installments as nearly equal as practicable over a definite period;
 - (3) a life annuity provided by an insurance company.
- (b) If the *total amount deferred* is less than \$5,000, or if a *participant* has elected a settlement option for himself or his *beneficiary* that requires installment or annuity payments of less than \$50 per month, determined as of the day benefit payments are to commence, then notwithstanding any election made pursuant to subsection (a), the *total amount deferred* shall be paid to the *participant* or his *beneficiary* in a single payment on the date payments are to commence.
- (c) Subject to the provisions of this Article VI, if a *participant* does not effectively elect a settlement option and payment period for benefits payable under Section 5.01 or 5.02, then such benefits shall be paid to the *participant* or *beneficiary* in a lump sum.

6.02 Direct rollovers

A distributee may elect, at the time and in the manner prescribed by the *administrator*, to have any portion of an eligible *rollover* distribution paid directly to an eligible retirement plan specified by the distributee in a direct *rollover*. An eligible *rollover* distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible *rollover* distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives/ joint life expectancies of the distributee and the distributee's designated

beneficiary or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the *Code*; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to *employer* securities); and any distribution made pursuant to an *unforeseeable emergency* under Section 5.06.

VII. Leave of absence

7.01 If a *participant* is on an approved leave of absence from the *employer* with *compensation*, or on approved leave of absence without *compensation* for a period of not more than three months (which period may be extended by the *employer*), his participation in the *plan* may continue.

7.02 If a *participant* is on an approved leave of absence without *compensation* and such leave of absence continues beyond the period specified in Section 7.01, said *participant* shall incur a *severance from employment* with the *employer*, provided, however, that prior to the expiration of the period specified in Section 7.01, said *participant* may request the *administrator* to permit him to leave the funds previously deferred in the plan. Upon termination of leave without pay and return to active status, the *participant* may execute a new *participation agreement* to be effective when permitted by the *plan*.

VIII. Amendment or termination of plan

8.01 The *employer* may at any time terminate this *plan*. Upon such termination, each *participant* in the *plan* will be deemed to have revoked his agreement to defer future *compensation* as provided in Section 4.07 as of the date of such termination. Each *participant's* full *compensation* on a non-deferred basis will thereupon be restored.

8.02 The *employer* may also amend the provisions of this *plan* (including those provisions with respect to its duties and responsibilities hereunder) at any time; provided, however, that no amendment shall:

- (a) Affect the amount of benefits which at the time of such amendment shall have accrued for *participants* or *beneficiaries*, to the extent of any *compensation* deferred before the time of the amendment and income thereon accrued to the date of the amendment, calculated in accordance with Section 4.08; or
- (b) Authorize or permit at any time any part of the amounts of *compensation* deferred under the *plan*, the property and rights purchased with such

amounts, or the income attributable to such amounts, property, or rights to be used in any manner for, or diverted to, purposes other than for the exclusive benefit of *participants* and their *beneficiaries*.

IX. Relationship to other plans

9.01 It is intended that, pursuant to Section 457 of the *Code*, the amounts deferred under this *plan* will not be considered current *compensation* for purposes of federal income taxation. Such amounts will, however, be included as *compensation* to the extent required under the Federal Insurance Contributions Act (FICA).

X. Transfer in lieu of benefits

10.01 Upon the occurrence of any event requiring the payment of amounts under this *plan*, the *administrator* may, in its sole discretion, elect to honor a request from a *participant* to substitute the transfer in kind and assignment of any asset, which the *plan* has acquired, at fair market value.

XI. Non-assignability

11.01 Except as provided in Section 5.08, it is agreed that neither the *participant*, nor his *beneficiary*, nor any other designator shall have any right to commute, sell, assign, transfer, or otherwise convey the right to receive any payments hereunder, which payments and right thereto are expressly declared to be non-assignable and non-transferable; nor shall any unpaid amounts be subject to attachment, garnishment or execution, or be transferable by operation of law in event of bankruptcy, or insolvency; except to the extent otherwise required by law.

XII. Assets

12.01 The assets and income of this *plan* shall be held for the exclusive benefit of the *participants* and *beneficiaries*. The *employer* shall either adopt a trust under which all amounts of *compensation* deferred under the *plan*, all property (including annuity contracts) and rights purchased with such amounts, and all income attributable to such amounts, property or rights, will be held; or may deposit all such amounts deferred under the *plan* into an annuity contract. In no event shall the amounts so held or applied be subject to the rights or claims of any creditor of the *employer*. Such assets may be used to pay the reasonable expenses of the *plan*. Any assets remaining in the trust or annuity after all *plan* obligations have been fulfilled upon termination of the *plan* shall be returned to the *employer*. The account balances, without earnings, of any *participant* who cannot be located upon the

termination of the *plan* shall be returned to the *employer* and made payable to the lost *participant* upon a claim being made by the *participant*.

XIII. Participation by administrative members

13.01 Any person designated as *administrator* who is otherwise eligible may participate in the *plan* under the same terms and conditions as apply to other *participants* but such *participant/administrator* shall not have the power to participate in any administrative action taken with respect to his participation.

XIV. Employer participation

14.01 Notwithstanding any other provisions of this *plan*, the *employer* may make non-elective contributions to this *plan*. Non-elective contributions are contributions made by the *employer* for the *participant* with respect to which the *participant* does not have the choice to receive the contribution in cash or property. These non-elective contributions may be made to the *plan*, provided:

- (a) Non-elective *employer* contributions are treated as being made under an agreement entered into before the first day of the calendar month, and
- (b) Such non-elective *employer* contribution, when added to all other *compensation* deferred under the *plan*, does not exceed the maximum deferral permitted by Article IV.

XV. Disclaimer with respect to investments

15.01 The *employer*, the governing board and the *administrator*, make no endorsement, guarantee or any other representation and shall not be liable to the *plan* or to any *participant, beneficiary*, or any other person with respect to the financial soundness, investment performance, fitness, or suitability (for meeting a *participant's* objectives, future obligations under the *plan*, or any other purpose) of any investment vehicle in which amounts deferred under the *plan* are invested.

XVI. Plan-to-plan transfers

16.01 Post severance transfers:

A transfer to and from the *plan* and another eligible governmental deferred compensation plan will be permitted under the following circumstances:

- (a) The other plan also provides for such transfers,
- (b) The *participant* or *beneficiary* whose amounts deferred are being transferred will have an

amount deferred immediately after the transfer at least equal to the amount deferred with respect to that *participant* or *beneficiary* immediately before the transfer, and

- (c) In the case of a transfer for a *participant*, the *participant* has had a *severance from employment* with the transferring employer and is performing services for the entity maintaining the receiving plan.

16.02 Transfers of all plan assets

Transfer of all assets of the *plan* to and from another eligible governmental deferred compensation plan will be permitted under the following circumstances:

- (a) The transfer is between the *plan* and another plan in the same State,
- (b) All the assets of the transferring plan are transferred,
- (c) The other eligible governmental deferred compensation plan provides for the transfer or receipt, as applicable,
- (d) The *participant* or *beneficiary* whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that *participant* or *beneficiary* immediately before the transfer, and
- (e) The *participants* or *beneficiaries* whose deferred amounts are being transferred are not eligible for additional annual deferrals in the receiving plan unless they are performing services for the entity maintaining the receiving plan, including the *employer* if the *plan* is the receiving plan.

16.03 Transfer among plans of the employer

Transfer to and from the *plan* and another eligible governmental deferred compensation plan of the employer will be permitted under the following circumstances:

- (a) For this purpose the *employer* is not treated as the same employer if the participant's compensation is paid by another entity,
- (b) The other eligible governmental deferred compensation plan provides for the transfer or receipt, as applicable,
- (c) The *participant* or *beneficiary* whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that *participant* or *beneficiary* immediately before the transfer, and

- (d) The *participant* or *beneficiary* whose deferred amounts are being transferred is not eligible for additional annual deferrals in the receiving plan unless he is performing services for the entity maintaining the receiving plan, including the *employer* if the *plan* is the receiving plan.

16.04 Administrative rules

The *administrator* shall prescribe such rules consistent with the provisions of this Article concerning plan-to-plan transfers as in its sole judgment it deems desirable for the orderly administration of the *plan*, including, but not limited to, the following:

- (a) The *administrator* may require in its sole discretion that some or all of such interest be transferred in cash or its equivalent. Such amount shall be held, accounted for, administered and otherwise treated in the same manner as *compensation* deferred by the participant under the *plan* (including, without limitation, for purposes of Section 4.01), except that only the amount, if any, transferred to this *plan* which was deferred under the transferor plan in the taxable year when transfer occurs shall be treated as *compensation* deferred under the *plan* in such year for purposes of Section 4.01, 4.02 and 4.03, and
- (b) Such amount shall remain subject to, and shall be administered in accordance with, any distribution restrictions applicable under this receiving *plan* with respect to such amount.

16.05 Application for transfer

If the conditions in Article XVI are met and the *participant* wishes to transfer his account from the *plan* or an account of another eligible deferred compensation governmental plan to the *plan*, he shall complete any application form and/or other documents as may be required by the *administrator*.

XVII. Protection under the Uniformed Services Employment and Reemployment Rights Act of 1994

17.01 Notwithstanding any provision of this *plan* to the contrary, contributions, payment of benefits, accrual of benefits and service credit with respect to qualified military service will be provided in accordance with *Code* Section 414(u).

XVIII. Interpretation

18.01 This *plan* shall be construed under the laws of the state of Minnesota.

18.02 This *plan* is intended to be a deferred compensation plan within the meaning of Section 457(b) of the *Code* for employers defined in Section 457(e)(1)(A) of the *Code*, and shall be interpreted so as to be consistent with such section and all Regulations promulgated thereunder.

18.03 Word Usage

Words used herein in the singular shall include the plural and the plural the singular where applicable, and one gender shall include the other genders where appropriate.

18.04 Headings

The headings of Articles, Sections or other Subdivisions hereof are included solely for convenience of reference, and if there is any conflict between such heading and the text of the plan, the text shall control.

XIX. Participant Loans

19.01 Reserved

St. Louis County, Minnesota
100 North 5th Avenue West, Room 1
Duluth, MN 55802-1202
GP46001
EIN 41-6005890

The plan's original effective date is August 20, 1973. The plan has been restated/amended April 1, 2012.

Adopted this _____ day of _____, in the year _____.

By _____

Chair – St. Louis County Board

Attest

By _____

Chair – St. Louis County Deferred Compensation Committee

St. Louis County 457(b) Governmental Deferred Compensation Plan

This *plan* is intended to satisfy Section 457 of the Internal Revenue *Code* of 1986, which may be used in preparing deferred compensation plans. In general, under a Section 457 *plan*, a *participant* may defer amounts of *compensation* (and income earned on those deferrals) and avoid federal income taxation until those amounts are paid or otherwise made available to the *participant*. The *plan* is not intended to provide participants with legal advice.

**THE PENSION PROTECTION ACT OF 2006,
THE HEROES EARNINGS ASSISTANCE AND RELIEF TAX ACT OF 2008
THE PROVISION IN THE EMERGENCY ECONOMIC STABILIZATION ACT OF 2008
KNOWN AS THE HEARTLAND DISASTER TAX RELIEF ACT OF 2008 AND
THE WORKER, RETIREE AND EMPLOYER RECOVERY ACT OF 2008**

Plan Name: St. Louis County's 457(b) Deferred Compensation Plan and Trust
EIN: 41-6005890

REMITTER/PLAN: GP46001

WHEREAS, the *employer* desires to amend the *plan* as provided herein in accordance with Section 8.02 of the *plan document* to reflect the applicable provisions of the Pension Protection Act of 2006 (PPA), the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART), the provision of the Emergency Economic Stabilization Act of 2008 (EESA) known as the Heartland Disaster Tax Relief Act of 2008, and the Worker, Retiree and Employer Recovery Act of 2008 (WRERA). Except as otherwise provided, this amendment (*amendment*) is intended to provide good faith compliance with the requirements of those provisions, and shall supersede any inconsistent provisions of the *plan*. All terms in this *amendment* in italics are defined terms and will have the same meaning as provided in the *plan document* unless provided otherwise herein;

WHEREAS, the *employer* has authorized its officers, and any one of them, to execute this *amendment* and to complete such other matters, if any, such officer or officers believe necessary to effectuate this *amendment*;

NOW THEREFORE, the St. Louis County 457(b) Governmental Deferred Compensation Plan (hereinafter together or separately the "*plan document*") shall be amended as follows, and is adopted by: St. Louis County, Minnesota (*employer*) as of the date provided next to the *employer's* signature hereto.

St. Louis County 457(b) Governmental Deferred Compensation Plan Document is hereby amended as follows:

1. Section 2.04 entitled "*Compensation*" is hereby amended by the addition of the following paragraph to read as follows:

"Effective for *plan years* beginning after December 31, 2008, *compensation* includes differential pay received by *employees* who are called to active duty in the uniformed services. Differential pay is *compensation* paid by the *employer* equal to the difference between the *employee's compensation* paid by the *employer* and the *employee's* military compensation. This paragraph shall only apply if all *employees* are receiving differential pay on a reasonably equivalent basis, are eligible to participate in the *employer's plan*, and may make contributions based on the payments on reasonably equivalent terms."

2. Effective for *plan years* beginning after December 31, 2006, Section 5.01 entitled "Commencement of Benefit" is amended by the addition of the following paragraph to read as follows:

"Effective for distributions made after December 31, 2006, a special tax notice must be given to participants requesting a distribution no less than 30 days and no more than 180 days before the date of the distribution."

3. Section 5.05 entitled "Required Minimum Distributions" is amended by the addition of the following paragraph to read as follows:

"In accordance with the provisions of the Worker, Retiree and Employer Recovery Act of 2008, the *plan* hereby suspends the required minimum distributions for *plan participants* or their *beneficiaries* for the 2009 calendar year. However, on an individual basis, *participants* or *beneficiaries* shall have the right to continue their required minimum distribution payments upon notice to the *plan administrator*. Any required minimum distribution received for the 2009 calendar year may be rolled over to an individual retirement plan or annuity or other eligible retirement plan within the time period permitted by law. The *plan* is not required to apply the direct rollover rules, nor to provide the written notice and explanation of the direct rollover rights, nor apply the mandatory 20% withholding which applies to an eligible rollover distribution. An indirect rollover contribution of the distribution amount still may be made pursuant to the sixty (60) day rollover rule.

If a *participant* has died prior to the distribution of his benefit beginning in accordance with the required minimum distribution rules, then distribution of the *participant's* account must be completed within five (5) years after the death of the *participant*. Special rules apply for the spouse of a deceased *participant* and an election may be made to distribute the benefits over the lifetime or life expectancy of the designated *beneficiary*. In applying the five (5) year rule, the relief allows the 2009 calendar year to be ignored. For *beneficiaries* of deceased *participants*, 2009 will not be counted as part of the five (5) year period during which they must take a distribution.”

4. Section 5.06 entitled “Unforeseeable Emergency” is amended by the addition of the following paragraphs to read as follows:

“(a) Notwithstanding any other provision herein, in the event of an unforeseeable emergency as defined in Section 2.15, a participant may make a request to the *plan administrator* for payment of all or a portion of the total amount deferred to the date of payment. If the application for payment is approved by the *plan administrator*, payment will be made within 60 days following such approval. Payment shall be limited strictly to that amount reasonably necessary to meet the situation constituting the unforeseeable emergency, including any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from such distribution. Furthermore, payments may not be made to the extent that a hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the *participant's* assets (to the extent such liquidation does not itself cause severe financial hardship), or by cessation of deferrals under the plan. Any remaining amounts shall be paid in accordance with Articles V and VI of the *plan*.

(b) Notwithstanding the foregoing provisions of this Section 5.06, unforeseeable emergency withdrawals shall be permitted to *participants* that meet the definition of a ‘Qualified Disaster Recovery Assistance Distribution.’ A Qualified Disaster Recovery Assistance Distribution is a distribution made from the *plan* on or after the Applicable Disaster Date and before January 1, 2010 to a Qualified Storm Damage Individual. Such distribution cannot exceed \$100,000 per individual and is exempt from the 10% federal income tax on early distributions and the mandatory 20% federal tax withholding. Any distribution made will be included in the *participant's* gross income ratably over a three (3) taxable year period, beginning with the year in which the distribution occurred, unless the *participant* elects otherwise. A distribution made during the applicable time period may qualify as a Qualified Disaster Recovery Assistance Distribution even if it is not made as a result of the disaster, and different types of distributions (i.e., periodic payments, plan loan offsets, hardship withdrawals, in-service withdrawals or required minimum distributions) may be considered Qualified Disaster Recovery Assistance Distributions.

(1) The Applicable Disaster Date means the date on which severe storms, tornadoes and flooding occurred in the designated counties in the Midwestern areas as declared by the President of the United States of America on or after May 20, 2008 and before August 1, 2008 which entitled individuals to public assistance from the federal government under the Emergency Economic Stabilization Act of 2008 (EESA) and its provision entitled the Heartland Disaster Tax Relief Act of 2008 with respect to damages caused by such disasters.

(2) A Qualified Storm Damage Individual is a *participant* whose principal residence on the Applicable Disaster Date was located in the Midwestern Disaster Area and who incurred an economic loss as the result of severe storms, flooding or tornadoes. A *participant's* principal residence is defined as the main home where such *participant* lives most of the time. A temporary absence due to special circumstances such as illness, education, business, military services, evacuation or vacation, will not change the definition of a *participant's* principal residence. A complete list of affected counties in the Midwestern Disaster Area can be found in IRS Publication 4492-B.

(3) If permitted, the distribution may be repaid within three (3) years to an IRA, a qualified plan, a governmental *Code* Section 457(b) plan or a *Code* Section 403(b) plan in which the individual is a *participant* provided such plan accepts a rollover contribution. Repayment does not have to be made to the same plan from which the distribution was made. *Participants* who took a hardship distribution from a 457(b) plan to purchase a home in the Midwestern Disaster Area that was made six (6) months before the Applicable Disaster Date and where the home was not purchased due to the disaster, may have re-contributed such distribution to the *plan* and received favorable treatment provided such amounts were re-contributed before March 4, 2009.”

5. Section 5.09 entitled “Service Credit” is deleted and replaced in its entirety as follows:

“A *participant* may direct the transfer of the account balance to a governmental defined benefit plan for the purchase of permissive service credits in accordance with Section 457(e)(17) of the *Code*. Amounts from a 457(b) governmental plan may be transferred to a state or local defined benefit plan for the specific purpose of purchasing service credits. It is the responsibility of the state or local defined benefit plan to determine whether it will limit the purchase of service credit to “qualified service credit” as described in 415(n)(3)(A) or expand to include “non-qualified service credit” as described in 415(n)(3)(C).”

6. Article V is amended to add a new Section 5.11 entitled “Payment for Certain Insurance” to read as follows:

“For distributions after December 31, 2006, a governmental plan may permit eligible retired public safety officers to make an election to have direct payments for premiums made from an eligible retirement plan to an insurer for qualified health insurance premiums. Up to \$3,000 of a distribution that meets the criteria is not included in the retiree’s gross income each tax year.

An eligible retired public safety officer is described as a retired or disabled public safety officer, including law enforcement officers, firefighters, or rescue squad or ambulance crew.

A qualified health insurance premium means premiums for coverage for an eligible retired public safety officer, a spouse and dependents by an accident or health insurance plan or qualified long-term care insurance contract.”

7. Article V is amended to add a new Section 5.12 entitled “Periods of Qualified Active Military Service Treated as Severance from Employment” to read as follows:

“*Employees* performing military service while on active duty for more than thirty (30) days will be considered to have a severance from employment during any period the *employee* is performing service in the uniformed services described in Code Section 3401(h)(2)(A).“

8. Section 6.02 entitled “Direct rollovers” is amended by the addition of the following paragraphs to read as follows:

“Effective for distributions made after December 31, 2006, in the case of an eligible rollover distribution to a non-spouse *beneficiary*, an eligible retirement plan is an individual retirement or individual retirement annuity as defined in *Code* Sections 408(a) and 408(b). A direct rollover of a distribution by a non-spouse *beneficiary* is a rollover of an eligible rollover distribution for purposes of *Code* Section 402(c) only. If an amount is distributed from a *plan* and is received by a non-spouse *beneficiary*, the distribution is not eligible for rollover treatment.

For distributions made after December 31, 2007, an eligible retirement plan shall include a Roth IRA as described in *Code* Section 408A; however, for taxable years beginning prior to January 1, 2010, the income restrictions that apply to a rollover from a traditional IRA into a Roth IRA will continue to apply.”

9. Article XVII entitled “Protection under the Uniformed Services Employment and Reemployment Rights Act of 1994” is deleted and replaced in its entirety as follows:

“Article XVII Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

17.01 Notwithstanding any provision of this *plan* to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the *Code*. Also, if the written loan policy described in Section 19.01 so provides, loan repayments to be made by such individuals may be suspended under this plan by the *plan administrator* as permitted under Section 414(u)(4) of the *Code*.

17.02 For benefit accrual purposes, the *employer* may elect to treat an *employee* who dies or becomes disabled (as defined under the terms of the *plan*) while performing qualified military service with respect to the *employer* maintaining the *plan* as an *employee* who had resumed employment in accordance with the individual’s reemployment rights under USERRA on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability. In the case of any such treatment, and subject to the following paragraphs, any full or partial compliance by such *plan* with respect to the benefit accrual requirements with respect to such *employee* shall be treated as if such compliance were required under USERRA.

(a) With respect to the *employer* maintaining the retirement plan, all *employees* performing qualified military service who died or become disabled as a result of performing qualified military service, prior to reemployment by the *employer*, are to be credited with service and benefits on reasonably equivalent terms.

(b) The amount of deferred *compensation* of an *employee* treated as reemployed on the day before death or Disability shall be determined on the basis of the individual's average actual employee contributions or *employee elective deferrals* for the lesser of (1) the twelve (12) month period of Service with the *employer* immediately prior to qualified military service, or (2) if Service with the *employer* is less than such twelve (12) month period, the actual length of continuous Service with the Employer."

17.03 *Employees* performing military service while on active duty for more than thirty (30) days will be considered to have a severance from employment during any period the *employee* is performing service in the uniformed services described in Code Section 3401(h)(2)(A). If an *employee* who is a *plan participant* elects to receive a distribution of *elective deferrals* under this provision, the *participant* may not make an *employee elective deferral* or *employee* contribution during the six (6) month period beginning on the date of the distribution.

17.04 An *employee* who receives a qualified reservist distribution may repay to an individual retirement plan (in one or more contributions) the amount of the distribution at any time during the two (2) year period beginning after the end of the active duty period. The dollar limitations that would otherwise apply to IRA contributions will not apply to repayment contributions during such two (2) year period and no deduction is allowed for any contribution made under this provision."

10. Article XIX entitled "Participant Loans" is amended by adding the following new subparagraph (c) to Section 19.01 to read as follows:

"(c) A Qualified Storm Damage Individual [as defined at subparagraph 5.06(b)(2) herein] may take a loan from the *plan* that exceeds the maximum loan amount as referenced above at section 19.01(a). The maximum loan amount available to such individual cannot exceed the lesser of \$100,000 or 100% of the *participant's* vested account balance when taken or added to any outstanding loan balance during the applicable period. The applicable period is defined as the period beginning on October 3, 2008 and ending on December 31, 2009. Additionally, any Qualified Storm Damage Individual who had outstanding loan repayments due on or after the Applicable Disaster Date [as defined in subparagraph 5.06(b)(2)] and before January 1, 2010, may suspend repayments for one (1) year upon notifying the *plan administrator*. Any such suspension will not cause the loan to become a deemed distribution."

NOW THEREFORE, this *amendment* is hereby adopted as of date provided below.

St. Louis County, Minnesota
Employer

Date: _____

Signature

James R. Gottschald
Human Resources Director
Chair, Deferred Compensation Committee

**ROTH "GOOD FAITH" AMENDMENT PER
THE SMALL BUSINESS JOBS ACT OF 2010**

PLAN NAME: St. Louis County's 457(b) Deferred Compensation Plan and Trust
EIN: 41-6005890

REMITTER/PLAN #: GP46001

WHEREAS, the *employer* desires to amend the *plan* as provided herein in accordance with Section 8.02 of the *plan document* to reflect the Roth provisions of the Small Business Jobs Act of 2010. Except as otherwise provided, this amendment (*amendment*) is intended to provide good faith compliance with the requirements of those provisions, and shall supersede any inconsistent provisions of the *plan*. All terms in this *amendment* in italics are defined terms and will have the same meaning as provided in the *plan document* unless provided otherwise herein. The *plan administrator* will administer *roth deferrals* in accordance with applicable regulations or other binding authority not reflected in this *amendment*. Any applicable regulations or other binding authority shall supersede any contrary provisions of this *amendment*.

WHEREAS, the *employer* has authorized its officers, and any one of them, to execute this *amendment* and to complete such other matters, if any, such officer or officers believe necessary to effectuate this *amendment*;

NOW THEREFORE, the St. Louis County 457(b) Governmental Deferred Compensation Plan (*plan document*) shall be amended as follows, and is adopted by St. Louis County, Minnesota (*employer*) as of the date provided next to the *employer's* signature hereto:

1. The *plan document* is hereby amended to add Article XX, entitled "**Roth Provisions**".
2. Article XX is amended to add a new Section 20.01, entitled "**Effective Date**" to read as follows:

"20.01 Effective Date

The *effective date* for the "Roth Provisions" is January 1, 2011.

As of the *effective date*, the *plan* will accept Roth deferrals made on behalf of *participants*. A *participant's roth deferrals* will be allocated to a separate Individual Account defined as the *roth deferral* account maintained for such *roth deferral*."

3. Article XX is amended to add a new Section 20.02, entitled "**Roth Deferral**" to read as follows:

"20.02 Roth Deferral

A *roth deferral* is a deferral that is:

1. Designated irrevocably by the *participant* at the time of the salary reduction election as a *roth deferral* that is being made in lieu of all or a portion of the pre-tax deferrals the *participant* is otherwise eligible to make under the *plan*, and
2. Treated by the *employer* as includible in the *participant's* income at the time the *participant* would have received that amount in cash if the *participant* had not made a *participation agreement*.
3. Unless specifically stated otherwise, *roth deferrals* will be treated as deferral contributions for all purposes under the *plan*.

Furthermore, the *plan* will maintain a record of the amount of *roth deferrals* in each *participant's roth deferral* account. Contributions and withdrawals of *roth deferrals* will be credited and debited to the *roth deferral* account maintained for each *participant*. No contributions other than *roth deferrals* and properly attributable earnings will be credited to each *participant's roth deferral* account. Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each *participant's roth deferral* account and the *participant's* other accounts under the *plan*."

4. Article XX is amended to add a new Section 20.03, entitled "**Direct Roth Rollovers from the Plan**" to read as follows:

"20.03 Notwithstanding the above, a direct rollover of a distribution from a *roth deferral* account under this *plan* will only be made to another *roth deferral* account under an applicable retirement plan described in § 402A(e)(1) or to a Roth IRA described in § 408A, and only to the extent the rollover is permitted under the rules of § 402(c).

Furthermore, the *plan* will not provide for a direct rollover (including an automatic rollover) for distributions from a *participant's roth deferral* account if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a *plan year*. In addition, any distribution from a *participant's roth deferral* account is not taken into account in determining whether distributions from a *participant's* other individual accounts are reasonably expected to total less than \$200 during a *plan year*. However, eligible rollover distributions from a *participant's roth deferral* account are taken into account in determining whether the total amount of the *participant's* individual account balances under the *plan* exceeds \$1,000 for purposes of mandatory distributions from the *plan*."

5. Section 4.10, entitled "**Rollover**" is amended by adding the following paragraph:

"Notwithstanding the above, at the discretion of the administrator, a direct *rollover* of Roth Contribution is permitted only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in *code* section 402A(e)(1) and only to the extent the Roth rollover contribution is permitted under the rules of *code* section 402(c).

Furthermore, an indirect or *participant* rollover of the taxable portion of a distribution from a Roth elective deferral account to the *plan* is not permitted.”

6. Section 5.06, entitled “**Unforeseeable Emergency**” is amended by adding the following paragraph:

“Notwithstanding the above, the *plan* will not permit an *unforeseeable emergency* distribution from *roth deferral* account.”

7. Section 19.01, entitled “**Loans**” is amended by adding the following paragraph:

“Notwithstanding the above, the *plan* will not permit a *participant* loan from *roth deferral* account.”

8. Section 5.10, entitled “**Distribution of Excess Deferral**” is amended by adding the following paragraph:

“Notwithstanding the above, if the excess deferral for the *plan year* is composed of pre-tax deferrals and *roth deferrals*, the affected *participant* may designate before March 1st which individual account will be used to distribute the excess deferral. In the absence of the *participant’s* election, the *plan* shall distribute pre-tax deferrals first.”

NOW THEREFORE, this *amendment* is hereby adopted as of date provided below.

St. Louis County, Minnesota
Employer

Date: _____

Signature of Officer

James R. Gottschald
Human Resources Director
Chair, Deferred Compensation Committee