

**OFFICIAL PROCEEDINGS OF THE MEETING  
OF THE BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF ST. LOUIS, MINNESOTA,  
HELD ON AUGUST 9, 2016**

The Board of County Commissioners of the County of St. Louis, Minnesota, met this 9<sup>th</sup> day of August 2016, at 9:47 a.m., at the Hibbing City Council Chambers, Hibbing, Minnesota, with the following members present: Commissioners Patrick Boyle, Chris Dahlberg, Tom Rukavina, Pete Stauber, Keith Nelson, and Chair Steve Raukar - 6. Absent: Frank Jewell - 1.

Chair Raukar asked for a moment of silence to honor U.S. troops, their families, and for all innocent victims of war and conflict, and asked that everyone pray that mankind comes to the realization that our commonalities far outweigh our differences on a global scale, followed by the pledge of allegiance.

County Sheriff Ross Litman discussed recent natural disasters and commented on the immediate response and cooperation of government and private sectors in efforts to restore power to affected areas. Sheriff Litman offered his "Words of Wisdom" by reading quotes from Fred Rogers, Haruki Murakami, Bruce Barton, Lee Trevino, and Clint Eastwood. (Board File No. 60292)

Chair Raukar then opened the meeting to persons who wanted to address the Board concerning issues not on the agenda. George Pliml, of Cook, provided the Board with a resolution endorsing bee safe policies and procedures and asked that the Board consider adopting the resolution.

Commissioner Nelson, supported by Commissioner Boyle, moved to approve the consent agenda. The motion passed; six yeas, zero nays, one absent (Jewell).

Commissioner Nelson, supported by Commissioner Stauber, moved to approve the purchase of four city lots (parcel codes 090-0010-07570, 090-0010-07550 and 090-0010-07530) from the City of Virginia for purposes of county parking adjacent to the County Motor Pool in Virginia, MN, for a cost of \$118,000, plus filing fees. The motion passed; six yeas, zero nays, one absent (Jewell). Resolution No. 16-524.

Commissioner Nelson, supported by Commissioner Boyle, moved to authorize the Property Management Director to advertise for proposals for the purchase of the Northland Office Center pursuant to the requirements and procedures of Minn. Stat. § 373.01; and further, that the County Board establishes the time for receiving written proposals for the property to be at 9:40 a.m. on October 4, 2016, at the St. Louis County Courthouse, Duluth, MN. St. Louis County Property Management Director Tony Mancuso discussed the overall condition of the Northland Office Center and said operating costs continue to rise due to the condition of the building. After further discussion, the motion passed; six yeas, zero nays, one absent (Jewell). Resolution No. 16-525.

Commissioner Nelson, supported by Commissioner Stauber, moved to approve the Issuance of \$23,315,000 General Obligation Capital Improvement Bonds, Series 2016A, establish the terms and form for the bond sale, create a debt service fund, and award the sale. Commissioner Dahlberg

stepped out of the meeting from 10:37 a.m. to 10:40 a.m. Commissioner Rukavina stepped out of the meeting from 10:37 a.m. to 10:42 a.m. Commissioner Stauber stepped out of the meeting from 10:43 a.m. to 10:48 a.m. St. Louis County Auditor Don Dicklich indicated the issuance would result in a lower debt service for the citizens of St. Louis County. Terri Heaton, of Springsted Incorporated, reviewed the bond sale results and said the low interest rates can be attributed St. Louis County's AA+ bond rating, strong management, and strong financial practices. After further discussion, the motion passed; six yeas, zero nays, one absent (Jewell). Resolution No. 16-528.

Commissioner Nelson, supported by Commissioner Boyle, moved to approve the Issuance of \$15,200,000 General Obligation Capital Improvement Refunding Bonds, Series 2016B, establish the terms and form for the bond sale, create a debt service fund, and award the sale. The motion passed; six yeas, zero nays, one absent (Jewell). Resolution No. 16-529.

The Board recessed at 10:52 a.m. and reconvened at 11:11 a.m. with all Commissioners present except Commissioner Jewell.

Commissioner Nelson, supported by Commissioner Rukavina, moved to approve the purchase of a 7.8-acre parcel (parcel code 260-0014-00820) adjacent to Camp Esquagama from Gerald L. Spragg and Cheryl L. Spragg at a purchase price of \$36,700, with St. Louis County responsible for closing costs and property taxes payable in 2017. The motion passed; five yeas, one nay (Dahlberg), one absent (Jewell). Resolution No. 16-526.

Commissioner Boyle, supported by Commissioner Dahlberg, moved to approve the issuance of a Temporary On-Sale Intoxicating Liquor License to YMCA Camp du Nord, Unorganized Township 64-13, for September 3-4, 2016. Commissioner Nelson stated most entities use a licensed caterer to serve liquor at this type of event and expressed concern about serving liquor at a kid's camp. Commissioner Boyle was supportive of the motion since both the County Attorney and Sheriff voted in favor of the request at the Liquor Licensing Committee. Commissioner Dahlberg said that it appears the Liquor Licensing Committee asked appropriate questions and the issue of safety appears to have been addressed by the applicant. Commissioner Rukavina expressed concerns about serving liquor at a kid's camp and felt a caterer should be used. Auditor Dicklich indicated that this was a new applicant and expressed concerns about setting a precedent of serving liquor at a kid's camp. The motion failed; two yeas (Boyle, Dahlberg), four nays (Rukavina, Stauber, Nelson, Raukar), one absent (Jewell).

Chair Raukar said Hibbing is celebrating its 123<sup>rd</sup> birthday and said three citizens are being inducted into the Hibbing Hall of Service: Sam Perella, William Schleppegrell, and Norma Schleppegrell. Commissioner Nelson, supported by Commissioner Rukavina, moved to recognize Sam Perella, William Schleppegrell, and Norma Schleppegrell. The motion passed; six yeas, zero nays, one absent (Jewell).

The Board recessed at 12:01 p.m.

At 4:25 p.m., the County Board reconvened with the following members present: Commissioners Patrick Boyle, Chris Dahlberg, Tom Rukavina, Pete Stauber, Keith Nelson, and Chair Steve Raukar - 6. Absent: Commissioner Frank Jewell - 1.

Commissioner Boyle, supported by Commissioner Rukavina, moved to approve a second consent agenda consisting of items passed unanimously at the Committee of the Whole meeting. The motion passed; six yeas, zero nays, one absent (Jewell).

Commissioner Boyle, supported by Commissioner Rukavina, moved to authorize the addition of five (5.0) full-time equivalent (FTE) Financial Worker positions to the Public Health and Human Services Department – Financial Division for staff transition purposes. The motion passed; five yeas, one nay (Dahlberg), one absent (Jewell). Resolution No. 16-536.

Commissioner Nelson, supported by Commissioner Stauber, moved to authorize the addition of two (2.0) FTE Deputy Sheriff positions to backfill Deputies assigned to Independent School District (ISD) 2142 as School Resource Officers for the next three school years. Commissioner Rukavina, supported by Commissioner Raukar, move to table the resolution to the September 6, 2016 Board meeting. The tabling motion failed; two yeas (Rukavina, Raukar), four nays (Boyle, Dahlberg, Stauber, Nelson), one absent (Jewell). Undersheriff Dave Phillips provided the Board with an overview of the duties of the School Resource Officers. After further discussion, the motion failed; three yeas (Boyle, Stauber, Nelson), three nays (Dahlberg, Rukavina, Raukar), one absent (Jewell). Commissioner Nelson indicated that he changed his vote to nay. Motion failed; two yeas (Boyle, Stauber), four nays (Dahlberg, Nelson, Rukavina, Raukar), one absent (Jewell).

The following Board and contract files were created resulting from documents received at this Board meeting:

Kevin Gray, County Administrator, and Linnea Mirsch, Interim Public Health and Human Services Director, submitting Board Letter No. 16-343, Acceptance of Grant from the Carlton-Cook-Lake-St. Louis Community Health Board for Public Health Emergency Preparedness Funding.—60419

Kevin Gray, County Administrator, and Barbara Hayden, Planning and Community Development Director, submitting Board Letter No. 16-352, Accept Designation as the Responsible Government Unit for Environmental Review of the Proposed Louisiana-Pacific Siding Manufacturing Facility and Amend the St. Louis County Environmental Impact Statements Policy.—60420

Kevin Gray, County Administrator, and Barbara Hayden, Planning and Community Development Director, submitting Board Letter No. 16-350, Execute 2016 HUD Contracts – CDBG, HOME and ESG Entitlement Grants.—60421

Kevin Gray, County Administrator, and Tony Mancuso, Property Management Director, submitting Board Letter No. 16-354, Purchase of Parcels from the City of Virginia.—60422

Kevin Gray, County Administrator, and Tony Mancuso, Property Management Director, submitting Board Letter No. 16-355, Advertisement and Request for Proposals for Sale of the Northland Office Center (Virginia).—60423

Kevin Gray, County Administrator, and Tony Mancuso, Property Management Director, submitting Board Letter No. 16-356, Purchase of Parcel Adjacent to Camp Esquagama.—60424

Kevin Gray, County Administrator, Mark Weber, Land and Minerals Director, and Donald Dicklich, County Auditor/Treasurer, submitting Board Letter No. 16-362, Public Sale of Shoreland Lease Lots.—60425

Kevin Gray, County Administrator, and Ross Litman, Sheriff, submitting Board Letter No. 16-366, Application and Acceptance of 2016 Emergency Management Performance Grant.—60426

Kevin Gray, County Administrator, and Linnea Mirsch, Public Health and Human Services Interim Director, submitting Board Letter No. 16-367, Appointment to the Heading Home St. Louis County Leadership Council.—60427

Kevin Gray, County Administrator, and Linnea Mirsch, Public Health and Human Services Interim Director, submitting Board Letter No. 16-368, Addition of 5.0 FTE Financial Workers for Succession Planning.—60428

Kevin Gray, County Administrator, and Linnea Mirsch, Public Health and Human Services Interim Director, submitting Board Letter No. 16-369, Child Protection Staffing.—60429

Kevin Gray, County Administrator, Ross Litman, Sheriff, and James Gottschald, Human Resources Director, submitting Board Letter No. 16-370, Addition of 5.0 FTE Deputy Sheriff-Correction Officers for Succession Planning.—60430

Kevin Gray, County Administrator, Ross Litman, Sheriff, and James Gottschald, Human Resources Director, submitting Board Letter No. 16-371, Increase of 2.0 FTE Deputy Sheriff Positions for School Resource Officers.—60431

Chair Raukar submitting an article about three citizens to be inducted into the Hibbing Hall of Service and Achievement and St. Louis County's Outstanding Citizenship Awards to Norma and Bill Schleppegrell and Sam Perrella (posthumously).—60432

George Pliml, Cook, MN, submitting a resolution endorsing bee safe policies and procedures for the County of St. Louis.—60433

Purchase of Service Agreement, Contract No. 15838, between the St. Louis County Board of Commissioners and Arrowhead Economic Opportunity Agency, Virginia, MN, for Volunteer Transportation Services during the period January 1, 2016 to December 31, 2016.—16-744

Purchase of Service Agreement, Contract No. 15839, between the St. Louis County Board of Commissioners and CHOICE, Unlimited – CHOICE (CCSA), Duluth, MN, for Day Training and Habilitation services to persons with developmental disabilities, during the period July 1, 2016 to June 30, 2017.—16-745

Purchase of Service Agreement, Contract No. 15840, between the St. Louis County Board of Commissioners and CHOICE, Unlimited – Options (CCSA), Duluth, MN, for Day Training and

Habilitation services to persons with developmental disabilities, during the period July 1, 2016 to June 30, 2017.—16-746

Purchase of Service Agreement, Contract No. 15845, between the St. Louis County Board of Commissioners and Duluth Regional Care Center, Inc., Duluth, MN, for Semi-Independent Living Services during the period July 1, 2016 to June 30, 2017.—16-747

Amendment No. 1 to the 2014 Minnesota Family Investment Program Innovation Fund Grant – Racial and Ethnic Disparities in Employment Outcomes (Grant No. GRK%86917) extending the contract expiration date to December 31, 2016 and increasing the grant amount by \$219,412 for a total grant contract amount of \$989,120.—16-748

Local Road Improvement Program (LRIP) Grant Agreement, MnDOT Agreement No. 1025841, between the Minnesota Department of Transportation and St. Louis County for Rice Lake Road Continuous Green T-Intersection (SAP 069-604-075).—16-749

Agreement between the Township of Canosia and the County of St. Louis for Seal Coat (CP 0007-241426/SAP 069-607-051 Low), Scrub Seal (CP 0005-287158 Low), and Crack Seal and Crack Repair Special (CP 0000-277015 Low) on various paved townships roads and county highways in Canosia Township.—16-750

Amendment No. 1, Original Damion No. 2015-9894, between the County of St. Louis and the City of Hermantown for a traffic signal timing project (CP 0000-259405) adding four (4) intersection into the timing project.—16-751

Amendment No. 2, Original Damion No. 2014-008786, between the County of St. Louis and Element Materials Technology, St. Paul, MN, for geotechnical investigations/evaluations, asbestos testing, and material testing on an on-call basis for the design and construction of roadways, bridges, retaining walls, culvert, etc., extending the contract termination date to June 30, 2017.—16-752

Amendment No. 2, Original Damion No. 2014-008796, between the County of St. Louis and LHB, Inc., Duluth, MN, on an on-call basis for the design, hydraulics, and permitting activities for storm sewer systems, culverts, and bridges on various county roads, extending the contract termination date to June 30, 2017.—16-753

Amendment No. 2, Original Damion No. 2014-008797, between the County of St. Louis and LHB, Inc., Duluth, MN, for wetland delineation on an on-call basis, extending the contract termination date to June 30, 2017.—16-754

Amendment No. 1 to Lease Agreement No. 2015-009786 between the Cook Housing and Redevelopment Authority in and for the City of Cook, and St. Louis County for PHHS office space in the Homestead Apartments Building in Cook, MN, extending the term of the lease to April 30, 2017.—16-755

Service Contract between the County of St. Louis and Mahkahta Trucking, Eveleth, MN, to load, haul and unload demolition waste from the Aurora Transfer Station and Northwoods Transfer Station to their MPCA Landfill at Waste Management Voyageur Landfill near Canyon, MN, through March

31, 2017.—16-756

Service Contract #5222, Phase I, between the County of St. Louis and LHB, Inc., Duluth, MN, for Phase I design services for the Joint Public Works Facility in Cook, MN.—16-757

Project Contract #5282B between the County of St. Louis and Four Star Construction, Inc., Superior, WI, for construction of the Virginia Survey Equipment Storage Building – Re-bid.—16-758

Amendment No. 1, Original Damion No. 2016-10194, between the County of St. Louis and Northeast Technical Services, Virginia, MN, for structure precondition surveys on all structures on 4<sup>th</sup> Street/CSAH 9 between 6<sup>th</sup> Avenue East and 10<sup>th</sup> Avenue East, plus the first 2 houses past 10<sup>th</sup> Avenue East (CP 0009-147349/SP 069-609-40) to include 15 additional units.—16-759

Group Residential Housing Agreement – Group Settings, Contract No. 53146, between the County of St. Louis and Full Circle Senior Living – Keystone Bluffs, LLC, Duluth, MN, during State Fiscal Year 2016.—16-760

Group Residential Housing Agreement – Group Settings, Contract No. 53147, between the County of St. Louis and Full Circle Senior Living – Lester Park, LLC, Duluth, MN, during State Fiscal Year 2016.—16-761

Group Residential Housing Agreement – Group Settings, Contract No. 53148, between the County of St. Louis and Full Circle Senior Living – Mountain Iron, MN, during State Fiscal Year 2016.—16-762

Group Residential Housing Agreement – Group Settings, Contract No. 53149, between the County of St. Louis and Full Circle Senior Living – Proctor, LLC, Duluth, MN, during State Fiscal Year 2016.—16-763

Group Residential Housing Agreement – Group Settings, Contract No. 53166, between the County of St. Louis and Minnesota State Operated Community Services, Vadnais Heights, MN, during State Fiscal Year 2016.—16-764

Group Residential Housing Agreement – Group Settings, Contract No. 53213, between the County of St. Louis and CJ's House, LLC, Saint Paul, MN, during State Fiscal Year 2016.—16-765

Group Residential Housing Agreement – Group Settings, Contract No. 53233, between the County of St. Louis and TL Care Services, LLC d/b/a Westview Services, Duluth, MN, during State Fiscal Year 2016.—16-766

Group Residential Housing Agreement – Group Settings, Contract No. 53236, between the County of St. Louis and Martin Home for Seniors, Cook, MN, during State Fiscal Year 2016.—16-767

Group Residential Housing Agreement – Group Settings, Contract No. 53238, between the County of St. Louis and Premier Care, Duluth, MN, during State Fiscal Year 2016.—16-768

Agreement for Services between the City of Duluth and St. Louis County for 2015 Operation

Stonegarden Homeland Security Grant.—16-769

Amendment No. 1, Original Damion No. 2013-007683, between the County of St. Louis and LHB Corporation, Duluth, MN, for additional design services for County Bridge 488 (State Bridge 7165) over the Partridge River on CSAH 110 in White Township (CP 0110-176330, SAP 069-710-025) and extending the termination date to September 30, 2016.—16-770

Contract for County State Aid Highway Project between the County of St. Louis and Parsons Electric, Duluth, MN, for a Traffic Queue Warning System on CSAH 13 in Midway Township (CP 0013-247751 TST, SAP 069-613-041).—16-771

Upon motion by Commissioner Nelson, supported by Commissioner Boyle, resolutions numbered 16-502 through 16-523, as submitted on the consent agenda, were unanimously adopted as follows:

**BY COMMISSIONER NELSON:**

RESOLVED, That the official proceedings of the St. Louis County Board of Commissioners for the meeting of August 2, 2016, are hereby approved.

Adopted August 9, 2016. No. 16-502

WHEREAS, The State of Minnesota has received funds from the Centers for Disease Control and Prevention (CDC) for the period of July 1, 2013 through June 30, 2017 to assess and enhance the capacity of the state and local health departments to respond to bio-terrorism, infectious diseases, and other threats to public health and has allocated these funds to Community Health Boards; and

WHEREAS, The citizens of the four-county region will be better served due to the work done through the Community Health Board and this CDC grant to ensure the region is prepared to respond to public health threats; and

WHEREAS, The grant funding awarded to St. Louis County for the period July 1, 2016 through June 30, 2017 is in the amount of \$95,143;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board accepts funding from the Community Health Board in the amount of \$95,143 for the period July 1, 2016 through June 30, 2017.

Budget References:

PHEP Grant:	July 1, 2016 - June 30, 2017
Expenditures:	230-233999-610000-23601-99999999-2016
	230-233999-633100-23601-99999999-2016
Revenues:	230-233999-540241-23601-99999999-2016

Adopted August 9, 2016. No. 16-503

WHEREAS, The City of Mountain Iron has requested to purchase the following described state tax forfeited land for the price of \$5,772.50, plus fees, for a public purpose:

Legal: Lot 8, Block 7  
Merritts First Addition to Mountain Iron  
Parcel Code: 175-0020-00840  
Acres: 0.14  
LDKey: 117937; and

WHEREAS, Minn. Stat. § 282.01, Subd. 1a., authorizes the sale of state tax forfeited land to an organized governmental subdivision for any public purpose for which the subdivision is authorized to acquire property; and

WHEREAS, This parcel of land has not been withdrawn from sale pursuant to Minn. Stat. §§ 85.012, 92.461, 282.01, Subd. 8, and 282.018, and other statutes that require the withholding of state tax forfeited lands from sale; and

WHEREAS, This parcel of land has been classified as non-conservation land pursuant to Minnesota Stat. § 282.01;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the sale of state tax forfeited land, as described, to the City of Mountain Iron for the price of \$5,000 plus the following fees: 3% assurance fee of \$150, deed fee of \$25, deed tax of \$16.50, and recording fee of \$46, and appraisal fee of \$535, for a total of \$5,772.50 to be deposited into Fund 240 (Forfeited Tax Fund);

RESOLVED FURTHER, That the St. Louis County Auditor may offer for sale at public auction the state tax forfeited land described here if the City of Mountain Iron does not purchase the land by December 31, 2016.

Adopted August 9, 2016. No. 16-504

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

WHEREAS, The applicants, Timothy Klande and Jennifer Klande of Duluth, MN, have applied to repurchase state tax forfeited land legally described as:

CITY OF DULUTH  
LOT 24 AND SLY 1/2 OF LOT 25, BLOCK 13  
NORTONS FAIRMOUNT PARK DIV OF DULUTH  
Parcel Code: 010-3510-02810; and

WHEREAS, The applicants were the owners of record at the time of forfeiture and are 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;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the repurchase application by Timothy Klande and Jennifer Klande of Duluth, MN, on file in County Board File No. 60327, subject to payments including total taxes and assessments of \$11,890.21, service fee of \$114, deed tax of \$39.24, deed fee of \$25, recording fee of \$92, and eviction costs of \$322, for a total of \$12,482.45 to be deposited into Fund 240 (Forfeited Tax Fund).

Adopted August 9, 2016. No. 16-505

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

WHEREAS, The applicant, Paula Janke of Albion, MN, has applied to repurchase state tax forfeited land legally described as:

TOWN OF ALBORN  
S ½ of N ½ of NE ¼ of SE ¼

SECTION 24, TOWNSHIP 52 NORTH, RANGE 18 WEST

Parcel Code: 205-0010-04342; and

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;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the repurchase application by Paula Janke of Alborn, MN, on file in County Board File No. 60327, subject to payments including total taxes and assessments of \$7,909, service fee of \$114, deed tax of \$26.10, deed fee of \$25, recording fee of \$46, well \$50, and court cost \$322, for a total of \$8,492.10 to be deposited into Fund 240 (Forfeited Tax Fund).

Adopted August 9, 2016. No. 16-506

WHEREAS, Louisiana-Pacific Corporation has proposed to construct a new siding manufacturing facility on approximately 120 acres in the Laskin Energy Park in the City of Hoyt Lakes and the Town of White; and

WHEREAS, The City of Hoyt Lakes has requested that St. Louis County serve as the Responsible Government Unit for environmental review; and

WHEREAS, Louisiana-Pacific Corporation has requested an Alternative Urban Areawide Review (AUAR) as an alternative method to the required Environmental Impact Statement; and

WHEREAS, The County does not have a policy in place to review and administer an Alternative Urban Areawide Review (AUAR);

THEREFORE, BE IT RESOLVED, That the St. Louis County Board accepts the designation as Responsible Government Unit for environmental review of the proposed Louisiana-Pacific Corporation proposed siding manufacturing facility;

RESOLVED FURTHER, That the appropriate county officials are authorized to negotiate and execute all required agreements and documents in accepting this designation;

RESOLVED FURTHER, That the St. Louis County Board adopts the proposed amendment to the Environmental Impact Statements Policy, allowing for an alternative environmental review, County Board File No. 60420.

Adopted August 9, 2016. No. 16-507

WHEREAS, The Public Works Department's 2016 budget includes replacement of grader blades, cutting edges, plow shoes, pick blades, bits, and carbide blades; and

WHEREAS, The Purchasing Division issued a Request for Bids for this purchase; and

WHEREAS, Ziegler of Duluth, MN, submitted the low bid meeting specifications for Category 1 and Category 4 (grader blades and carbide insert cutting edges) in the amount of \$47,422.94; and

WHEREAS, H & L Mesabi, Hibbing, MN, submitted the low bid meeting specifications for Category 2 (wing blades, one way blades and snow plow and wing shoes) in the amount of \$113,794.85; and

WHEREAS, Titan Machinery of Hermantown, MN, submitted the low bid meeting specifications for Category 3 (pick blades and pick bits) in the amount of \$39,545.05;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the following purchases:

Categories 1 and 4 (grader blades and carbide insert cutting edge) from Ziegler of Duluth, MN, in the amount of \$47,422.94;

Category 2 (wing blades and one way blades, snow plow and wing shoes) from H & L Mesabi, Hibbing, MN, in the amount of \$113,794.85;

Category 3 (pick blades and bits) from Titan Machinery of Hermantown, MN, in the amount of \$39,545.05.

The total purchase amount of \$200,762.84 is payable from Fund 200, Agency 207001, Object 657000.

Adopted August 9, 2016. No. 16-508

RESOLVED, That the St. Louis County Board authorizes an agreement, and any amendments authorized by the County Attorney, with Short Elliott Hendrickson, Inc., of Duluth, MN, for survey services for the recovery, restoration and perpetuation of corners of the Public Land Survey System in northern St. Louis County (5332 Area A) in the amount of \$58,600 payable from Fund 200, Agency 200122, Object 626600.

Adopted August 9, 2016. No. 16-509

RESOLVED, That the St. Louis County Board authorizes an agreement, and any amendments authorized by the County Attorney, with JPJ Engineering, Inc., of Hibbing MN, for survey services for the recovery, restoration and perpetuation of corners of the Public Land Survey System in northern St. Louis County (5332 Areas B, C) in the amount of \$75,200 payable from Fund 200, Agency 200122, Object 626600.

Adopted August 9, 2016. No. 16-510

RESOLVED, That the St. Louis County Board authorizes an agreement, and any amendments authorized by the County Attorney, with Bolton & Menk, Inc., of Baxter, MN, for survey services for the recovery, restoration and perpetuation of corners of the Public Land Survey System in northern St. Louis County (5332 Area D) in the amount of \$26,650 payable from Fund 200, Agency 200122, Object 626600.

Adopted August 9, 2016. No. 16-511

RESOLVED, That the St. Louis County Board authorizes an agreement, and any amendments authorized by the County Attorney, with Northern Lights Surveying Company of Virginia, MN, for surveying services for the recovery, restoration and perpetuation of corners of the Public Land Survey System in northern St. Louis County (5332 Areas E, F) in the amount of \$92,870 payable from Fund 200, Agency 200122, Object 626600.

Adopted August 9, 2016. No. 16-512

RESOLVED, That the St. Louis County Board authorizes an agreement, and any amendments authorized by the County Attorney, with Arro of the North, LLC, of International Falls, MN, for survey services for the recovery, restoration and perpetuation of corners of the Public Land Survey System in northern St. Louis County (5332 Area G) in the amount of \$40,000 payable from Fund 200, Agency 200122, Object 626600.

Adopted August 9, 2016. No. 16-513

RESOLVED, That pursuant to Minn. Stat. § 349.213, Subd. 2, the St. Louis County Board approves the following Lawful Gambling License Application (Pull-Tabs {paper} with dispensing device; Tipboards; Electronic Pull-Tabs) on file in the office of the County Auditor, identified as County Board File No. 60394, for the following organization:

Virginia Elk's, Virginia, Minnesota, to operate out of the following:  
The Shack, Unorganized Township 59-16, 7075 Highway 169, Virginia, MN 55792,  
new.

Adopted August 9, 2016. No. 16-514

WHEREAS, The 2016 Action Plan was submitted on March 31, 2016, to the U.S. Department of Housing and Urban Development (HUD) for the 2016 Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs; and

WHEREAS, The U.S. Department of Housing and Urban Development has approved the 2016 Action Plan and provided program allocations to St. Louis County of \$1,790,398 for the CDBG program, \$439,410 for the HOME program, and \$161,676 for the ESG program; and

WHEREAS, The St. Louis County Board of Commissioners approved the CDBG Citizen Advisory Committee recommendation for 2016 Community Development Block Grant program awards by Board Resolution No. 16-182 on March 22, 2016; and

WHEREAS, The advisory committee for the Northeast Minnesota HOME Consortium recommends the award of \$489,410 in HOME funding for housing activities identified in the Consolidated Plan in the five-county region; and

WHEREAS, The Planning and Community Development and Public Health and Human Services Departments collaborated in a process to allocate the 2016 ESG funding. The process included county staff members, the Rural Housing Coalition, and the Heading Home Governance Board of the St. Louis County Homeless Continuum of Care. ESG funding supports essential services, homeless prevention activities, and emergency shelter and transitional housing operations;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board accepts the 2016 HUD grants and authorizes the St. Louis County Planning and Community Development Director to execute the grant agreements on behalf of St. Louis County, along with all the necessary forms, attachments, addendums, certifications, and subsequent forms to implement the programs and complete the agreements between St. Louis County and the U.S. Department of Housing and Urban Development;

RESOLVED FURTHER, That grant funds will be allocated as follows:

\$ 1,790,398 CDBG Grant 2016 to Fund 260  
\$ 439,410 HOME Grant 2016 to Fund 270  
\$ 161,676 ESG Grant 2016 to Fund 173;

RESOLVED FURTHER, That the term of occupancy for all previous HOME-funded Home Ownership Assistance Program mortgages will be converted to ten years for consistency, monitoring, and payoff calculation. The ten-year term remains compliant with the HOME Program Rule;

RESOLVED FURTHER, That the St. Louis County Board allocates 2016 projects from grants, program income and reprogrammed funds and authorizes the Planning and Community Development Director and a representative of the County Attorney to execute agreements for approved projects and that disbursements related to the CDBG sub-recipient agreements be made from CDBG Fund

260, HOME agreements from HOME Fund 270, and ESG agreements from ESG Fund 173 according to the specific 2016 projects included in County Board File No. 60421.

Adopted August 9, 2016. No. 16-515

WHEREAS, Menard, Inc., filed Tax Court petitions challenging the assessed value of its Hermantown Store in 2013, 2014, 2015 and 2016; and

WHEREAS, In order to defend the county's assessed values and provide the court with independent, expert evidence as to the market value of the property for property tax assessment purposes, the county needs to retain an appraiser to conduct the expert appraisal; and

WHEREAS, The Assessor's Office has determined that Diversified Real Estate Services, Inc., of Minneapolis, MN, has the experience and knowledge to provide this service;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves and authorizes the execution of the proposed Professional Services Agreement retaining Diversified Real Estate Services, Inc., of Minneapolis, MN, to conduct an expert appraisal in the amount not to exceed \$50,000, payable from Fund 100, Agency 118001.

Adopted August 9, 2016. No. 16-516

WHEREAS, St. Louis County has in excess of \$375,961,815 in property to insure; and

WHEREAS, St. Louis County has been purchasing property insurance on a loss limit basis which is less expensive with lower deductibles than a scheduled buildings type of insurance; and

WHEREAS, The current policy expires on July 24, 2017, and St. Louis County received a proposal from the current insurer, Chubb Group of Insurance Companies, through Otis-Magie Insurance Agency of Duluth, MN, to provide coverage at the same terms at a rate of \$.062 per \$100 of value for the coming year; and

WHEREAS, Chubb Group of Insurance Companies, through Otis-Magie Insurance Agency, also offered a two-year rate guarantee reflecting a -3% rate each year for 2017 and 2018;

THEREFORE BE IT RESOLVED, That the St. Louis County Board authorizes the purchase of Property and Related Insurance coverage on major structures and equipment, amended contents, and boiler and machinery from Chubb Group of Insurance Companies through Otis-Magie Insurance Agency of Duluth, MN, for the period July 24, 2016 to July 24, 2017 at the annual premium of \$240,390.66 payable from Fund 720 (Property, Casualty, Liability), Agency 720001 (Property, Casualty, Liability), Object 635100 (Insurance);

RESOLVED FURTHER, That the St. Louis County Board authorizes the acceptance of an additional two-year rate guarantee reflecting a -3% rate each year with the renewal subject to the same conditions as the previous guarantee;

RESOLVED FURTHER, That the Purchasing Division is authorized to add or delete county properties to the policy, or increase the base amount on future determination of valuation of county structures during the policy period.

Adopted August 9, 2016. No. 16-517

RESOLVED, That the recommendations of the Finance Committee for payment of claims and bills against the County of St. Louis, on file in the office of the County Auditor, identified as County Board File No. 60275, are hereby approved and the County Auditor shall issue checks in the following amounts:

**April 2016**

100	General Fund	\$6,073,875.51
149	Personal Service Fund	671.80
150	Sheriff's NEMESIS Fund Group	13,844.68
160	MN Trail Assistance	35,034.85
168	Sheriff's State Forfeitures	7,831.25
169	Attorney Trust Accounts-VW	1,367.17
173	Emergency Shelter Grant	20,186.30
176	Revolving Loan Fund	251.93
178	Economic Development – Tax Forf.	607.50
179	Enhanced 9-1-1	17,054.92
180	Law Library	140.52
184	Extension Service	109,945.86
200	Public Works	2,799,408.85
210	Road Maint – Unorg Townships	113.92
220	State Road Aid	85,352.89
230	Public Health & Human Services	7,634,414.47
240	Forfeited Tax	390,383.00
260	CDBG Grant	89,178.24
270	HOME Grant	3,699.59
280	Federal Septic Loan – EPA Fund	15,480.00
281	SLC Septic Loans	3,083.33
290	Forest Resources	119,636.29
400	County Facilities	263,112.42
402	Depreciation Reserve Fund	377.50
407	Public Works – Equipment	17,321.88
440	2013A Capital Improvement Bond	2,130.42
444	2015C – Capital Improvement Bond	1,425.00
600	Environmental Services	352,941.66
616	On-Site Waste Water Division	40,042.07
715	County Garage	303,988.56
720	Property Casualty Liability	20,420.58
730	Workers Compensation	202,431.17
740	Medical Dental Insurance	<u>2,297,829.43</u>

**\$20,923,583.56**

Adopted August 9, 2016. No. 16-518

RESOLVED, That the recommendations of the Finance Committee for payment of claims and bills against the County of St. Louis, on file in the office of the County Auditor, identified as County Board File No. 60275, are hereby approved and the County Auditor shall issue checks in the following amounts:

**May 2016**

100	General Fund	\$5,673,106.88
149	Personal Service Fund	932.44
150	Sheriff's NEMESIS Fund Group	8,965.46

160	MN Trail Assistance	9,230.55
166	Sheriff Fine Contingency	3,402.00
168	Sheriff's State Forfeitures	4,611.50
169	Attorney Trust Accounts-VW	1,239.76
170	Boundary Waters – Forfeiture	7,074.00
172	Sheriff Federal Forfeitures	375.00
173	Emergency Shelter Grant	3,271.00
176	Revolving Loan Fund	251.93
179	Enhanced 9-1-1	67,127.36
180	Law Library	27,217.39
183	City/County Communications	265.69
184	Extension Service	45,147.60
200	Public Works	2,670,204.17
204	Local Option Transit Sales Tax	161,595.93
210	Road Maint – Unorg Townships	113.92
220	State Road Aid	449,678.56
225	PW – June 2012 Flood	1,727.75
230	Public Health & Human Services	7,895,797.35
240	Forfeited Tax	447,240.09
250	St. Louis County HRA	59.40
260	CDBG Grant	123,775.30
270	HOME Grant	25.29
290	Forest Resources	63,643.16
400	County Facilities	55,869.69
402	Depreciation Reserve Fund	80,013.32
405	Public Works Building Construction	1,014.60
407	Public Works – Equipment	139,065.20
444	2015C – Capital Improvement Bond	762,393.58
600	Environmental Services	622,000.09
616	On-Site Waste Water Division	40,980.69
715	County Garage	93,687.26
720	Property Casualty Liability	7,445.42
730	Workers Compensation	152,711.47
740	Medical Dental Insurance	<u>3,135,000.20</u>
		<b>\$22,756,261.00</b>

Adopted August 9, 2016. No. 16-519

RESOLVED, That pursuant to the provisions of Minn. Stat. § 340A, as amended, and Rules and Regulations adopted by this Board under St. Louis County Ordinance No. 28, dated May 22, 1978, as amended, the following application for 3.2 percent malt liquor license is hereby approved, on file in the office of the County Auditor, identified as County Board File No. 60273;

RESOLVED FURTHER, That said license is approved contingent upon the license holder paying real estate or personal property taxes when due;

RESOLVED FURTHER, That if named license holder sells the licensed place of business, the County Board may, at its discretion and after an investigation, transfer the license to a new

owner, but without pro-rated refund of the license fee to the license holder;

RESOLVED FURTHER, That said license shall be effective through June 30, 2017:

Melrude Whistle Stop, LLC d/b/a Melrude Whistle Stop, LLC, Ellsburg Township, On/Off-Sale 3.2 Percent Malt Liquor License, transfer.

Adopted August 9, 2016. No. 16-520

RESOLVED, That pursuant to the provisions of Minn. Stat. § 340A, as amended, and Rules and Regulations adopted by this Board under St. Louis County Ordinance No. 28, dated May 22, 1978, as amended, the following application for permit authorizing the consumption and display (set-up) of intoxicating liquor is hereby approved, on file in the office of the County Auditor, identified as County Board File No. 60297;

Melrude Whistle Stop, LLC, d/b/a Melrude Whistle Stop, LLC, Ellsburg Township, transfer.

Adopted August 9, 2016. No. 16-521

RESOLVED, That pursuant to Ordinance No. 28, Section 11, Subd. 11.06, authorization is hereby granted to Melrude Whistle Stop, LLC d/b/a Melrude Whistle Stop, LLC, Ellsburg Township, to sell/serve outside the designated serving area of the County Liquor Licenses (On/Off-Sale 3.2 Percent Malt Liquor and Consumption & Display {Set-Up} Permit) for the dates of September 2-5, 2016, as per application on file in the office of the County Auditor, identified as County Board File No. 60273.

Adopted August 9, 2016. No. 16-522

RESOLVED, That the application for a Temporary On-Sale 3.2 Percent Malt Liquor License, on file in the office of the County Auditor, identified as County Board File No. 60273, is hereby approved and the County Auditor is authorized to issue the license to the applicant:

Babbitt Lions Club, Town of Embarrass, Temporary On-Sale 3.2 Percent Malt Liquor License, for August 26, 27, and 28, 2016.

Adopted August 9, 2016. No. 16-523

**BY COMMISSIONER NELSON:**

WHEREAS, St. Louis County Property Management has been developing plans to address county office building parking issues in conjunction with the long term office space planning and the consolidation of county services and the elimination of leasing space for county functions; and

WHEREAS, The St. Louis County Board recently approved a professional services contract for design and construction management services for the construction of a new office building to address the downtown Virginia office space issues and additional parking is required to implement this plan; and

WHEREAS, The City of Virginia has offered four (4) city lots for sale to the county in an amount of \$118,000 and has passed a resolution and forwarded the county a formal sale offer for the lots; and

WHEREAS, Property Management staff deem this to be a fair and equitable price for this property and acquisition of these lots will align with, and make attainable, future long term operational needs in downtown Virginia for both facility and parking requirements;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the purchase of four (4) city lots, described in County Board File No. 60422, for purposes of county parking adjacent to the County Motor Pool in Virginia, MN, for a cost of \$118,000, plus filing fees, payable from Fund 400, Agency 400021, Object 660100.

Unanimously adopted August 9, 2016. No. 16-524

**BY COMMISSIONER NELSON:**

WHEREAS, Property Management has evaluated the Northland Office Center Building in Virginia, MN, and found that the building will not meet planned goals and requirements as a government services center housing county employees; and

WHEREAS, The county desires to offer an opportunity for interested responsible parties to purchase this building; and

WHEREAS, The property is legally described as follows:

Lots Twenty-three (23) through Thirty-two (32), inclusive, Block Twenty-five (25), VIRGINIA;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the Property Management Director to advertise for proposals for purchase of the Northland Office Center pursuant to the requirements and procedures of Minn. Stat. § 373.01;

RESOLVED FURTHER, That the County Board establishes the time for receiving written proposals for the property to be at 9:40 A.M. on October 4, 2016, at the St. Louis County Courthouse, Duluth, MN.

Unanimously adopted August 9, 2016. No. 16-525

**BY COMMISSIONER NELSON:**

WHEREAS, A 7.8 acre parcel of property adjacent to the easterly property line of Camp Esquagama has recently become available for purchase, which includes frontage on County State Aid Highway 4; and

WHEREAS, Acquisition of this property would ensure that camp activities can continue in the entirety of the current camp property, as well as provide a buffer to the highway; and

WHEREAS, The Property Management Department negotiated with owners Gerald L. Spragg and Cheryl L. Spragg for the purchase of this property in the amount of \$36,700; and

WHEREAS, Gerald L. Spragg and Cheryl L. Spragg have agreed to have all the buildings removed from the property and have the well and septic system abandoned at their expense and performed by a licensed contractor prior to the county taking possession of the property; and

WHEREAS, Gerald L. Spragg and Cheryl L. Spragg are responsible for remaining taxes payable for the second half of 2016; and

WHEREAS, Closing on this sale will occur after the above conditions have been satisfied;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the purchase of a 7.8 acre parcel adjacent to Camp Esquagama, as described in County Board File No. 60424, from Gerald L. Spragg and Cheryl L. Spragg for a cost of \$36,700, with St. Louis County responsible for closing costs and property taxes payable in 2017. Funding has been identified in the County Administration budget for Other Professional (Fund 100, Agency 104001, Object 629000), to be transferred into Fund 100, Agency 102006 for expenditures related to Camp Esquagama.

Yeas – Commissioners Boyle, Rukavina, Stauber, Nelson and Chair Raukar – 5  
Nays – Commissioner Dahlberg – 1  
Absent – Commissioner Jewell – 1  
Adopted August 9, 2016. No. 16-526

**BY COMMISSIONER NELSON:**

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF  
ST. LOUIS COUNTY, MINNESOTA PROVIDING FOR THE ISSUANCE,  
SALE AND DELIVERY OF \$23,315,000 GENERAL OBLIGATION  
CAPITAL IMPROVEMENT BONDS, SERIES 2016A; ESTABLISHING  
THE TERMS AND FORM THEREOF; CREATING A DEBT SERVICE  
FUND THEREFOR; AND AWARDING THE SALE THEREOF**

BE IT RESOLVED, by the Board of Commissioners (the “Board”) of St. Louis County, Minnesota (the “County”), as follows:

Section 1. Purpose and Authorization.

1.01 Under and pursuant to the authority contained in Minnesota Statutes, Section 373.40, and Minnesota Statutes, Chapter 475 (collectively the “Act”), the County is authorized to issue capital improvement bonds to provide funds for capital improvements pursuant to an approved capital improvement plan.

1.02 Pursuant to Resolution No. 16-394 adopted by the Board on June 14, 2016, the Board proposed an amendment to the County’s Capital Improvement Plan, stated that it was considering issuing capital improvement bonds to finance capital improvements under the Capital Improvement Plan, as amended, and called for a public hearing to be held on July 5, 2016, regarding the plan amendment and the issuance of capital improvement bonds.

1.03 Following published notice and a public hearing according to the Act, the Board, pursuant to Resolution No. 16-448 adopted on July 5, 2016, approved the Capital Improvement Plan, as amended for the years 2016 through 2020 (the “Plan”), as presented to the Board and on file as County Board Document File No. 60388, and authorized the issuance of general obligation capital improvement bonds in the maximum amount of \$25,000,000 for the purpose of providing funds for the following capital improvements under the Plan and for the payment of costs of issuance of such bonds:

Road and Bridge Improvements – a portion of the road and bridge improvements identified in the “St. Louis County Greater MN Transportation Sales and Use Tax Transportation Improvement Plan” dated November 25, 2014, and approved on December 2, 2014, as amended, which is a part of the County’s Capital Improvement Plan, as amended (the “Project”).

1.04 No petition requesting a vote on the issuance of the bonds authorized pursuant to Resolution No. 16-448 has been filed with the County Auditor in accordance with the Act.

1.05 The Board has determined that it is necessary and expedient to issue its General Obligation Capital Improvement Bonds, Series 2016A (the “Bonds”), in the maximum amount of \$25,000,000 to provide funds to finance the Project and the costs of issuance of the Bonds. The maximum amount of principal and interest to become due in any year on the Bonds and all the outstanding bonds issued pursuant to Section 373.40 of the Act will not equal or exceed 0.12 percent of the estimated market value of property in the County.

1.06 The County has solicited proposals for the sale of the Bonds in the amount of \$25,000,000 and has received and considered all proposals presented pursuant to the Terms of Proposal and has determined that the most favorable proposal is that of Robert W. Baird & Co., Inc. of Milwaukee, Wisconsin (the “Purchaser”). Based on the premium bid of the Purchaser and the limitation on the sale price of obligations, including the Bonds, under Section 475.60, Subd. 1 of the Act, the par amount of the Bonds was resized and the Purchaser agreed to purchase the Bonds in the principal amount of \$23,315,000 at a cash price of \$25,499,711.42, which is within the permissible limitation of the Act, and upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The County, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The Chair is authorized and directed to execute on the part of the County a contract for the sale of the Bonds in accordance with the Purchaser’s proposal. All actions of the Chair, the County Auditor, the Administrator and Springsted Incorporated, independent municipal advisor to the County, taken with regard to the sale of the Bonds are hereby ratified and approved.

Section 2. Terms, Execution and Delivery of the Bonds.

2.01 The Bonds to be issued hereunder shall be dated the date of issuance of the Bonds, as the date of original issue, shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall mature on December 1 in the respective years and amounts stated and shall bear interest at the annual rates as follows:

<b>Year</b>	<b>Amount</b>	<b>Interest Rate</b>
2017	\$ 975,000	2.000%
2018	1,185,000	5.000%
2019	1,240,000	5.000%
2020	1,305,000	5.000%
2021	1,370,000	5.000%
2022	1,440,000	5.000%
2023	1,510,000	5.000%
2024	1,580,000	5.000%
2025	1,670,000	4.000%
2026	1,735,000	3.000%
2027	1,790,000	2.000%
2028	1,820,000	2.000%
2029	1,860,000	2.125%
2030	1,895,000	2.250%

<b>Year</b>	<b>Amount</b>	<b>Interest Rate</b>
2031	1,940,000	2.375%

2.02 The Bonds maturing in the years 2017 through 2025 shall not be subject to redemption and prepayment before maturity, but those maturing in the year 2026 and in subsequent years shall each be subject to redemption and prepayment at the option of the County on December 1, 2025, and on any day thereafter, in whole or in part, and if in part, at the option of the County and in such manner as the County shall determine. If less than all the Bonds of a maturity are called for redemption, the County, through the Bond Registrar, will notify The Depository Trust Company, New York, New York (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. All payments shall be at a price equal to the principal amount thereof plus accrued interest. No more than 60 days and no fewer than 30 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed, at the address shown on the registration books of the County.

2.03 The interest shall be payable semiannually on June 1 and December 1 in each year (each referred to herein as an “Interest Payment Date”), commencing June 1, 2017. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the registered owners of the Bonds shown on the bond registration records maintained by the Bond Registrar at the close of the business on the 15<sup>th</sup> day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners’ addresses shown on such bond registration records.

2.04 A. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the facsimile or manual signature of the Chair and attested by the manual or facsimile signature of the Clerk of the County Board and the County Auditor. In case any officer whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

B. The County Auditor is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete except as to dating thereof and cause the opinion to be printed on or attached to each Bond.

2.05 A. The Board hereby appoints the County Auditor as registrar, paying agent and transfer agent for the Bonds (the “Bond Registrar”). The County reserves the right to name a substitute, successor Bond Registrar upon giving prompt written notice to each registered bond holder. The manual signature of the County Auditor on the Bonds shall be conclusive evidence that it has been executed and delivered under this Resolution.

B. The County shall cause to be kept by the Bond Registrar at its principal office, a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the

County shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the Board.

2.06 Book-Entry System.

A. In order to make the Bonds eligible for the services provided by DTC, the County has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the County and DTC (the "Representation Letter").

B. Notwithstanding any provision herein to the contrary, so long as the Bonds shall be in Book-Entry Form, the provisions of this Section 2.06 shall govern.

C. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the County on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

D. DTC (or its nominees) shall be and remain recorded on the Bond Register as the holder of all Bonds which are in Book-Entry Form. No transfer of any Bond in Book-Entry Form shall be made, except from DTC to another depository (or its nominee) or except to terminate the Book-Entry Form. All Bonds of such stated maturity of any Bonds in Book-Entry Form shall be issued and remain in a single Bond certificate registered in the name of DTC (or its nominee); provided, however, that upon termination of the Book-Entry Form pursuant to the Representation Letter, the County shall, upon delivery of all Bonds of such series from DTC, promptly execute, and the Bond Registrar shall thereupon authenticate and delivery, Bonds of such series to all persons who were beneficial owners thereof immediately prior to such termination; and the Bond Registrar shall register such beneficial owners as holders of the applicable Bonds.

The Bond Registrar shall maintain accurate books and records of the principal balance, if any, of each such outstanding Bond in Book-Entry Form, which shall be conclusive for all purposes whatsoever. Upon the execution or the authentication of any new Bond in Book-Entry Form in exchange for a previous Bond, the Bond Registrar shall designate thereon the principal balance remaining on such bond according to the Bond Registrar's books and records.

No beneficial owner (other than DTC) shall be registered as the holder on the Bond Register for any Bond in Book-Entry Form or entitled to receive any bond certificate. The beneficial ownership interest in any Bond in Book-Entry Form shall be recorded, evidenced and transferred solely in accordance with the Book-Entry System.

Except as expressly provided to the contrary herein, the County and the Bond Registrar may treat and deem DTC to be the absolute owner of all Bonds of each series which are in Book-Entry Form (i) for the purpose of payment of the principal of and interest on such Bond, (ii) for the purpose of giving notices hereunder, and (iii) for all other purposes whatsoever.

E. The County and the Bond Registrar shall each give notices to DTC of such matters and at such times as are required by the Representation Letter, including the following:

- (i) with respect to notices of redemption; and
- (ii) with respect to any other notice required or permitted under this Bond Resolution to be given to any holder of a Bond.

All notices of any nature required or permitted hereunder to be delivered to a holder of a Bond in Book-Entry Form shall be transmitted to beneficial owners of such Bonds at such times and in such manners as shall be determined by DTC, the participants and indirect participants in accordance with the Book-Entry System and the Representation Letter.

F. All payments of principal, redemption price of and interest on any Bonds in Book-Entry Form shall be paid to DTC (or Cede & Co.) in accordance with the Book-Entry System and the Representation Letter in same day funds by wire transfer.

2.07 The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The County shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

2.08 If a Bond becomes mutilated or is destroyed, stolen or lost, the Bond Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the County in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Bond Registrar and the County of evidence satisfactory to it and the County that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it and the County and as provided by law, in which both the County and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the County. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

2.09 Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the County and the Purchaser. Executed Bonds shall be furnished by the County without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the County Auditor to the Purchaser thereof upon receipt of the purchase price plus accrued interest.

### Section 3. Form of the Bonds.

3.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA

ST. LOUIS COUNTY

GENERAL OBLIGATION CAPITAL IMPROVEMENT BOND  
SERIES 2016A

R-\_\_\_\_\_ \$\_\_\_\_\_

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	December 1, 20__	September __, 2016	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

St. Louis County, Minnesota (the "County"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest on said principal amount to the registered owner hereof from the Date of Original Issue, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount is paid or discharged, said interest being at the rate per annum specified above. Interest is payable semiannually on June 1 and December 1 of each year (each referred to herein as an "Interest Payment Date") commencing on June 1, 2017. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of the County Auditor, as registrar, paying agent and transfer agent (the "Bond Registrar"), or at the office of such successor registrar as may be designated by the Board of Commissioners. The Bond Registrar shall make all interest payments with respect to this Bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the County by the Bond Registrar at the close of business on the 15<sup>th</sup> day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said bond registration records, without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Payment of principal shall be made upon presentation and surrender of this Bond to the Bond Registrar when due. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the County are irrevocably

pledged.

This Bond is one of a series issued by the County in the aggregate amount of \$23,315,000, all of like date and tenor, except as to number, amount, maturity date and interest rate, pursuant to the authority contained in Minnesota Statutes, Section 373.40 and Minnesota Statutes, Chapter 475, amendments to the County's Capital Improvement Plan approved by the governing board of the County on July 5, 2016 (the "Plan") and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the County on August 9, 2016 (the "Resolution"). This Bond is issued for the purpose of providing funds to finance road and bridge improvements, as more fully set forth in the Plan. The County has levied a direct, annual ad valorem tax upon all taxable property within the County which shall be extended upon the tax rolls for the years and in the amounts sufficient to produce sums not less than five percent in excess of the amounts of principal and interest on the Bonds, as such principal and interest respectively come due.

The Bonds of this series maturing in the years 2017 through 2025 are not subject to optional redemption before maturity, but those maturing in the year 2026 and in subsequent years are each subject to redemption and prepayment at the option of the County on December 1, 2025, and on any day thereafter, in whole or in part, and if in part at the option of the County and in such manner as the County shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest. Not less than 30 days nor more than 60 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; however, so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, Jersey City, New Jersey ("DTC"), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations executed by the County and DTC. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the County shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

The Bonds of this series are issued as fully registered obligations without coupons, in the denomination of \$5,000 or any integral multiple thereof. Subject to limitations set forth in the Resolution, the County will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount. This Bond is

transferable by the registered owner hereof upon surrender of this Bond for transfer at the principal corporate office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the County shall execute and the Bond Registrar shall authenticate if required by law or the Resolution, and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to but the County may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS CERTIFIED AND RECITED that all acts and conditions required by laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the County in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the corporate limits of the County is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest thereon when due, without limitation as to rate or amount; and that the issuance of this Bond does not cause the indebtedness of the County to exceed any charter, constitutional or statutory limitation.

IN WITNESS WHEREOF, St. Louis County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the manual or facsimile signatures of the Chair, the Clerk of the County Board and the County Auditor.

ATTEST:

(form-no signature required)  
Clerk of the County Board

(form-no signature required)  
Chair

(form-no signature required)  
County Auditor  
Date of Execution: \_\_\_\_\_

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by the County Auditor of St. Louis County, Minnesota, as Bond Registrar. No transfer of this Bond shall be

valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of the County Auditor in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of County Auditor</u>
9/__/2016	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No. 13-2555119	<i>(form-no signature required)</i>

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
Social Security or Other  
Identifying Number of  
Assignee

the within Bond and all rights thereunder and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the fact of the within Bond with every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
(Bank, Trust Company, member of  
National Securities Exchange)

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the County or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

Section 4. Covenants, Accounts and Representations.

4.01 The full faith and credit and taxing power of the County are irrevocably pledged for the prompt and full payment of the Bonds and the interest thereon, in accordance with the terms set forth in this Resolution.

4.02 On receipt of the purchase price of the Bonds, the County shall credit \$25,499,711.42 of the proceeds from the sale of the Bonds to a separate construction fund, which is hereby created and designated as the "Series 2016A Capital Improvement Bonds Construction Account" in the Capital Projects Fund (the "Construction Fund"). The Construction Fund shall be used solely to pay costs of construction of the Project, and costs of issuance of the Bonds, as such payments become due.

4.03 A. Debt Service Fund. For the convenience and proper administration of the monies to be borrowed and repaid on the Bonds and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the 2016A General Obligation Capital Improvement Bonds Debt Service Fund (the "Debt Service Fund") to be administered and maintained by the County Auditor as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the County. The Debt Service Fund shall be maintained in the manner herein specified until all of the Bonds and interest thereon have been fully paid.

B. To the Debt Service Fund there is hereby pledged and irrevocably appropriated and there shall be credited: (i) all investment earnings on funds in the Debt Service Fund; (ii) rounding in the amount of \$0.00; (iii) any taxes levied to pay the principal and interest on the Bonds; and (iv) any and all other monies which are properly available and are appropriated by the County to the Debt Service Fund.

The money in the Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds. If the balances in the Debt Service Fund are ever insufficient to pay all principal and interest then due on the Bonds, the County Auditor shall nevertheless provide sufficient

money from any other funds of the County which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Fund when the balance therein is sufficient.

4.04 A. To assure sufficient monies for the payment of the principal of and interest on the Bonds, there is hereby levied a direct, annual, ad valorem tax upon all taxable property in the County which shall be extended upon the tax rolls and collected with and as part of the other general property taxes in the County for the years and in the amounts as follows:

<b>Levy Year</b>	<b>Collection Year</b>	<b>Tax Levy</b>
2016	2017	\$2,083,630
2017	2018	2,085,077
2018	2019	2,080,615
2019	2020	2,083,765
2020	2021	2,083,502
2021	2022	2,085,077
2022	2023	2,082,977
2023	2024	2,077,202
2024	2025	2,088,752
2025	2026	2,086,862
2026	2027	2,089,960
2027	2028	2,083,870
2028	2029	2,087,650
2029	2030	2,082,899
2030	2031	2,085,379

B. The tax levies are such that if collected in full they, together with the rounding amount, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. Such tax receipts shall be deposited in the Debt Service Fund. If the tax receipts from such levies are ever insufficient to pay all principal and interest on the Bonds when due, the County Auditor shall, nevertheless, provide sufficient monies from other funds of the County which are available and such other funds shall be reimbursed from such tax collections when received.

C. Such tax levies shall be irrevocable as long as any of the Bonds issued hereunder are outstanding and unpaid; provided, however, that prior to November 30 of each year, while any Bonds issued hereunder remain outstanding, the Board may reduce or cancel the above levies to the extent of the amount on deposit in and which has been appropriated to the Debt Service Fund to pay the principal of and interest on the Bonds, and may direct the County Auditor to reduce the levy for such year by that amount. The Board anticipates annually utilizing local option transit sales tax proceeds to cancel all or a portion of such tax levies.

4.05 Monies on deposit in the Construction Fund and in the Debt Service Fund may, at the discretion of the County, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of the principal and interest on the Bonds when due.

Section 5. Tax Covenants.

5.01 The County covenants and agrees with the holders of the Bonds that the County will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

5.02 A. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Notes or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Debt Service Fund (or any other County account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations.

B. In addition, the proceeds of the Bonds and money in the Debt Service Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof it and to the extent that such investment would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue code of 1986, as amended (the "Code").

C. The County hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

5.03 Unless the proceeds are spent pursuant to an arbitrage rebate spending exception, the County covenants to compute and cause the payment to the United States of all amounts required under the rebate requirement of Code Section 148(f), the regulations issued thereunder with regard to the Bonds. To this end, the County agrees to:

(1) maintain records identifying all "gross proceeds" as defined in Code Section 148(f)(6)(B) attributable to the Bonds, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Bonds) and any earnings derived from the investment of such arbitrage profit;

(2) make, or cause to be made within 30 days after the close of each fifth bond year, the annual determination of the amount, if any, of excess arbitrage required to be paid to the United States by the County (the "Rebate Amount");

(3) pay, or cause to be paid, to the United States at least once every five bond years the Rebate Amount, if any, including the last installment which must be made no later than 60 days after the day on which the Bonds are paid in full;

(4) retain all records of the annual determination of the foregoing amounts until six years after the Bonds have been fully paid.

5.04 The County shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this section.

Section 6. Miscellaneous.

6.01 The County Auditor is directed to file a certified copy of this Resolution and such other information as may be required, and to provide to bond counsel a certificate stating that the Bonds herein authorized have been duly entered on his register.

6.02 The officers of the County are authorized and directed to prepare and furnish to the Purchaser and to bond counsel, certified copies of all proceedings and records of the County relating to the legality and marketability of the Bonds, as such facts appear from the official books and records in the officers' custody or are otherwise known to them. All such certified copies, Bonds and affidavits, including any heretofore furnished, constitute representations of the County as to the correctness of the facts recited therein and the action stated therein to have been taken.

6.03 The Chair, the Clerk of the County Board and the County Auditor are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

6.04 In the event of the absence or disability of the Chair, the Clerk of the County Board or the County Auditor, such officers as in the opinion of the County Attorney, may act in their behalf, shall without further act or authorization, execute and deliver the Bonds and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 7. Continuing Disclosure. The County acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to the bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Chair and the County Auditor are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the County Auditor.

Section 8. Post-Issuance Compliance Policy and Procedures. The Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The Board hereby approves the Policy and Procedures for the Bonds. The County Auditor continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

**BY COMMISSIONER NELSON:**

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF  
ST. LOUIS COUNTY, MINNESOTA PROVIDING FOR THE ISSUANCE,  
SALE AND DELIVERY OF \$15,200,000 GENERAL OBLIGATION  
CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2016B;  
ESTABLISHING THE TERMS AND FORM THEREOF; CREATING A  
DEBT SERVICE FUND THEREFOR; AND AWARDING THE SALE  
THEREOF**

BE IT RESOLVED, by the Board of Commissioners (the “Board”) of St. Louis County, Minnesota (the “County”), as follows:

Section 1. Purpose and Authorization.

1.01 Under and pursuant to the authority contained in Minnesota Statutes, Section 373.40, and Minnesota Statutes, Chapter 475 (collectively the “Act”), the County previously issued its \$20,650,000 General Obligation Capital Improvement Bonds, Series 2013A, dated September 5, 2013 (the “2013 Bonds”) as authorized by a resolution adopted by the Board on August 6, 2013 (the “2013 Resolution”). The 2013 Bonds were issued to finance capital improvements under the County’s capital improvement plan for the years 2013 through 2017 (the “2013 Plan”), adopted by the Board on July 2, 2013.

1.02 Under and pursuant to the provisions of the Act, specifically Section 475.67, Subd. 1 through 3 and 13 of the Act, the County is authorized to issue and sell its general obligation refunding bonds to refund the 2022 through 2031 and 2033 maturities of the 2013 Bonds in advance of their scheduled maturities on an advance refunding basis, if consistent with covenants made with the holders thereof, when determined by the Board to be necessary or desirable for the reduction of debt service costs to the County.

1.03 The Board hereby finds and determines that it is necessary and desirable, in order to reduce debt service costs, that the County issue its \$15,200,000 General Obligation Capital Improvement Refunding Bonds, Series 2016B (the “Bonds”), to provide for the refunding of the 2022 through 2031 and 2033 maturities of the 2013 Bonds, of which \$14,640,000 in principal amount are outstanding and subject to prepayment and redemption on December 1, 2021 (the “Refunded Bonds”) (December 1, 2021 is herein referred to as the “Redemption Date”).

1.04 The County has solicited proposals for the sale of the Bonds and has received and considered all proposals presented pursuant to the Terms of Proposal and has determined that the most favorable proposal is that of Robert W. Baird & Co., Inc. of Milwaukee, Wisconsin (the “Purchaser”), to purchase the Bonds at a cash price of \$16,124,695.13, and upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The County, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The Chair and the County Auditor are authorized and directed to execute on the part of the

County a contract for the sale of the Bonds in accordance with the Purchaser’s proposal. All actions of the Chair, the County Auditor, the Administrator and Springsted Incorporated, independent municipal advisor to the County, taken with regard to the sale of the Bonds are hereby ratified and approved.

Section 2. Terms, Execution, and Delivery of the Bonds.

2.01 The Bonds to be issued hereunder shall be dated the date of issuance of the Bonds, as the date of original issue, shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall mature on December 1 in the respective years and amounts stated and shall bear interest at the annual rates as follows:

<b>Year</b>	<b>Amount</b>	<b>Interest Rate</b>
2022	\$ 1,040,000	5.000%
2023	1,090,000	5.000%
2024	1,145,000	4.000%
2025	1,190,000	4.000%
2026	1,235,000	3.000%
2027	1,275,000	2.000%
2028	1,300,000	2.000%
2029	1,325,000	2.125%
2030	1,350,000	2.250%
2031	1,385,000	2.375%
2032	1,415,000	2.500%
2033	1,450,000	3.000%

2.02 The Bonds maturing in the years 2022 through 2025 shall not be subject to redemption and prepayment before maturity, but those maturing in the year 2026 and in subsequent years shall each be subject to redemption and prepayment at the option of the County on December 1, 2025, and on any day thereafter, in whole or in part, and if in part, at the option of the County and in such manner as the County shall determine. If less than all the Bonds of a maturity are called for redemption, the County, through the Bond Registrar, will notify The Depository Trust Company, New York, New York (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. All payments shall be at a price equal to the principal amount thereof plus accrued interest. No more than 60 days and no fewer than 30 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed, at the address shown on the registration books of the County.

2.03 The interest shall be payable semiannually on June 1 and December 1 in each year (each referred to herein as an “Interest Payment Date”), commencing June 1, 2017. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the registered

owners of the Bonds shown on the bond registration records maintained by the Bond Registrar at the close of the business on the 15<sup>th</sup> day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners' addresses shown on such bond registration records.

2.04 A. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the facsimile or manual signature of the Chair and attested by the manual or facsimile signature of the Clerk of the County Board and the County Auditor. In case any officer whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

B. The County Auditor is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete except as to dating thereof and cause the opinion to be printed on or attached to each Bond.

2.05 A. The Board hereby appoints the County Auditor, as registrar, paying agent and transfer agent for the Bonds (the "Bond Registrar"). The County reserves the right to name a substitute, successor Bond Registrar upon giving prompt written notice to each registered bond holder. The manual signature of the County Auditor on the Bonds shall be conclusive evidence that it has been executed and delivered under this Resolution.

B. The County shall cause to be kept by the Bond Registrar at its principal office, a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the County shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the Board.

#### 2.06 Book-Entry System.

A. In order to make the Bonds eligible for the services provided by DTC, the County has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the County and DTC (the "Representation Letter").

B. Notwithstanding any provision herein to the contrary, so long as the Bonds shall be in Book-Entry Form, the provisions of this Section 2.06 shall govern.

C. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the County on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

D. DTC (or its nominees) shall be and remain recorded on the Bond Register as the holder of all Bonds which are in Book-Entry Form. No transfer of any Bond in Book-Entry Form

shall be made, except from DTC to another depository (or its nominee) or except to terminate the Book-Entry Form. All Bonds of such stated maturity of any Bonds in Book-Entry Form shall be issued and remain in a single Bond certificate registered in the name of DTC (or its nominee); provided, however, that upon termination of the Book-Entry Form pursuant to the Representation Letter, the County shall, upon delivery of all Bonds of such series from DTC, promptly execute, and the Bond Registrar shall thereupon authenticate and deliver, Bonds of such series to all persons who were beneficial owners thereof immediately prior to such termination; and the Bond Registrar shall register such beneficial owners as holders of the applicable Bonds.

The Bond Registrar shall maintain accurate books and records of the principal balance, if any, of each such outstanding Bond in Book-Entry Form, which shall be conclusive for all purposes whatsoever. Upon the execution or the authentication of any new Bond in Book-Entry Form in exchange for a previous Bond, the Bond Registrar shall designate thereon the principal balance remaining on such bond according to the Bond Registrar's books and records.

No beneficial owner (other than DTC) shall be registered as the holder on the Bond Register for any Bond in Book-Entry Form or entitled to receive any bond certificate. The beneficial ownership interest in any Bond in Book-Entry Form shall be recorded, evidenced and transferred solely in accordance with the Book-Entry System.

Except as expressly provided to the contrary herein, the County and the Bond Registrar may treat and deem DTC to be the absolute owner of all Bonds of each series which are in Book-Entry Form (i) for the purpose of payment of the principal of and interest on such Bond, (ii) for the purpose of giving notices hereunder, and (iii) for all other purposes whatsoever.

E. The County and the Bond Registrar shall each give notices to DTC of such matters and at such times as are required by the Representation Letter, including the following:

(i) with respect to notices of redemption; and

(ii) with respect to any other notice required or permitted under this Bond Resolution to be given to any holder of a Bond.

All notices of any nature required or permitted hereunder to be delivered to a holder of a Bond in Book-Entry Form shall be transmitted to beneficial owners of such Bonds at such times and in such manner as shall be determined by DTC, the participants and indirect participants in accordance with the Book-Entry System and the Representation Letter.

F. All payments of principal, redemption price of and interest on any Bonds in Book-Entry Form shall be paid to DTC (or Cede & Co.) in accordance with the Book-Entry System and the Representation Letter in same day funds by wire transfer.

2.07 The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The County shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

2.08 If a Bond becomes mutilated or is destroyed, stolen, or lost, the Bond Registrar will

deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the County in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Bond Registrar and the County of evidence satisfactory to it and the County that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it and the County and as provided by law, in which both the County and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the County. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

2.09 Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the County and the Purchaser. Executed Bonds shall be furnished by the County without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the County Auditor to the Purchaser thereof upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bonds.

3.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA

ST. LOUIS COUNTY

GENERAL OBLIGATION CAPITAL IMPROVEMENT REFUNDING  
BOND  
SERIES 2016B

R-\_\_\_\_\_ \$\_\_\_\_\_

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	December 1, 20__	September __, 2016	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

St. Louis County, Minnesota (the "County"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date

specified above, and to pay interest on said principal amount to the registered owner hereof from the Date of Original Issue, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount is paid or discharged, said interest being at the rate per annum specified above. Interest is payable semiannually on June 1 and December 1 of each year (each referred to herein as an "Interest Payment Date") commencing on June 1, 2017. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of the County Auditor, as registrar, paying agent and transfer agent (the "Bond Registrar"), or at the office of such successor registrar as may be designated by the Board of Commissioners. The Bond Registrar shall make all interest payments with respect to this Bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the County by the Bond Registrar at the close of business on the 15<sup>th</sup> day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said bond registration records, without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Payment of principal shall be made upon presentation and surrender of this Bond to the Bond Registrar when due. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the County are irrevocably pledged.

This Bond is one of a series issued by the County in the aggregate amount of \$15,200,000, all of like date and tenor, except as to number, amount, maturity date and interest rate, pursuant to the authority contained in Minnesota Statutes, Chapter 475, Section 475.67, Subd. 1 through 3 and 13, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the County on August 9, 2016 (the "Resolution"). This Bond is issued for the purpose of providing funds to refund in advance of maturity the 2022 through 2031 and 2033 maturities of the County's \$20,650,000 General Obligation Capital Improvement Bonds, Series 2013A, dated September 5, 2013 (the "Refunded Bonds"). The interest on the Bonds shall be payable through December 1, 2021 (the "Redemption Date"), solely out of the Escrow Account in the County's Escrow Agreement and after the Redemption Date from a direct, annual ad valorem tax levy on all taxable property within the County. Reference is hereby made to the Resolution for a full statement of rights, powers and duties therein provided or conferred.

The Bonds of this series maturing in the years 2022 through 2025 are not subject to optional redemption before maturity, but those maturing

in the year 2026 and in subsequent years are each subject to redemption and prepayment at the option of the County on December 1, 2025, and on any day thereafter, in whole or in part, and if in part at the option of the County and in such manner as the County shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest. Not less than 30 days nor more than 60 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; however, so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, Jersey City, New Jersey (“DTC”), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations executed by the County and DTC. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the County shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

The Bonds of this series are issued as fully registered obligations without coupons, in the denomination of \$5,000 or any integral multiple thereof. Subject to limitations set forth in the Resolution, the County will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount. This Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at the principal corporate office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner’s attorney duly authorized in writing. Thereupon the County shall execute and the Bond Registrar shall authenticate if required by law or the Resolution, and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to but the County may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS CERTIFIED AND RECITED that all acts and conditions required by laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the County in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the corporate

limits of the County is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest thereon when due, without limitation as to rate or amount; and that the issuance of this Bond does not cause the indebtedness of the County to exceed any charter, constitutional or statutory limitation.

IN WITNESS WHEREOF, St. Louis County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the manual or facsimile signatures of the Chair, the Clerk of the County Board and the County Auditor.

ATTEST:

(form-no signature required)  
Clerk of the County Board

(form-no signature required)  
Chair

(form-no signature required)  
County Auditor

Date of Execution: \_\_\_\_\_

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by the County Auditor of St. Louis County, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of the County Auditor in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of County Auditor</u>
9/___/2016	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No. 13-2555119	<u>(form-no signature required)</u>

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
\_\_\_\_\_  
Social Security or Other  
Identifying Number of  
Assignee

the within Bond and all rights thereunder and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the fact of the within Bond with every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
(Bank, Trust Company, member of  
National Securities Exchange)

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

Section 4. Escrow Agreement; Escrow Agent.

4.01 U.S. Bank National Association of St. Paul, Minnesota, which is a suitable financial institution within the State of Minnesota whose deposits are insured by the Federal Deposit Insurance Corporation whose combined capital and surplus is not less than \$500,000, is hereby designated escrow agent (the “Escrow Agent”) with respect to the Refunded Bonds.

4.02 On or prior to the delivery of the Bonds, the Chair and the County Auditor are hereby authorized and directed to execute on behalf of the County an escrow agreement (the “Escrow Agreement”) with the Escrow Agent in substantially the form now on file with the County Auditor. The execution and delivery of the Escrow Agreement by the Chair, the Clerk of the County Board and the County Auditor, in the form presented to the Board with such changes, omissions, insertions and revisions as the Chair, the Clerk of the County Board and the County Auditor deem advisable is hereby approved, and the execution by such officers shall be conclusive evidence of such approval. All essential terms and conditions of the Escrow Agreement, including payment by the County of reasonable charges for the services of the Escrow Agent, are hereby approved and adopted and made a part of this Resolution, and the County covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

4.03 Escrow Account.

A. To the Escrow Account there is hereby pledged and irrevocably appropriated and there shall be credited: (a) proceeds of the Bonds received from the Purchaser in the amount of \$16,050,922.62 and (b) investment earnings on such monies referenced in clause (a) for the payment and redemption on the Redemption Date of the Refunded Bonds and for payment of the interest to become due on the Bonds through the Redemption Date.

B. The Escrow Account shall be maintained by the Escrow Agent pursuant to the Escrow Agreement and this Resolution. The Escrow Account shall be invested in accordance with the Act, the Escrow Agreement and this Section, in securities specified in Section 475.67, Subd. 8 of the Act, which investments will provide sufficient funds, together with any cash or other funds retained in the Escrow Account, to pay when due the interest to accrue on the Bonds to and including the Redemption Date, and to pay on the Redemption Date the principal amount of the Refunded Bonds.

C. From the Escrow Account there shall be paid: (a) all interest to be paid on the Bonds to and including the Redemption Date; and (b) the principal of the Refunded Bonds due by reason of redemption on the Redemption Date.

D. The Escrow Account is irrevocably appropriated to the payment of the interest on the Bonds until the monies therein are applied to repayment of the Refunded Bonds. The monies in the Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the County, all in accordance with the Escrow Agreement. Any monies remitted to the County upon termination of the Escrow Agreement shall be deposited in the Debt Service Fund.

E. Securities purchased for the Escrow Account shall be purchased simultaneously with the delivery of and payment for the Bonds. The Chair and the County Auditor or their designee are

authorized and directed to purchase such securities.

F. The construction fund created in the 2013 Resolution is hereby terminated and any monies remaining therein shall be transferred to the Debt Service Fund established therein.

Section 5. Covenants; Accounts and Tax Levies.

5.01 A. Debt Service Fund. For the convenience and proper administration of the monies to be borrowed and repaid on the Bonds and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the 2016B General Obligation Capital Improvement Refunding Bonds Debt Service Fund (the “Debt Service Fund”) to be administered and maintained by the County Auditor as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the County. The Debt Service Fund shall be maintained in the manner herein specified until all of the Bonds and interest thereon have been fully paid.

B. To the Debt Service Fund there is hereby pledged and irrevocably appropriated and there shall be credited: (i) any balance remitted to the County upon termination of the Escrow Agreement; (ii) any balance remaining on the Redemption Date in the 2013 Bonds Debt Service Fund after the Redemption Date; (iii) all investment earnings on funds in the Debt Service Fund; (iv) accrued interest, if any, received from the Purchaser upon delivery of the Bonds to the extent not required to fund the Escrow Account (the “Accrued Interest”); (v) any amount of additional interest permitted by Section 475.56 of the Act paid by the Purchaser (the “Additional Interest”), to the extent not required to fund the Escrow Account (\$3,197.51); (vi) all taxes pledged to repayment of the 2013 Bonds collected after the Redemption Date, which levies shall not be cancelled except as permitted by Section 475.61, Subd. 3 of the Act; (vii) any taxes levied to pay the principal and interest on the Bonds; and (viii) any and all other monies which are properly available and are appropriated by the County to the Debt Service Fund.

The money in the Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds. If the balances in the Debt Service Fund are ever insufficient to pay all principal and interest then due on the Bonds, the County Auditor shall nevertheless provide sufficient money from any other funds of the County which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Fund when the balance therein is sufficient.

5.02 A. For the prompt and full payment of the principal and interest on the Bonds coming due after the Redemption Date, the full faith and credit and taxing power of the County are hereby irrevocably pledged. There is hereby levied a direct annual ad valorem tax upon all taxable property in the County which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the County. Said levies are for the years and in the amounts as follows:

<b>Levy Year</b>	<b>Collection Year</b>	<b>Tax Levy</b>
2021	2022	\$1,570,490
2022	2023	1,571,588
2023	2024	1,572,113

2024	2025	1,571,273
2025	2026	1,568,543
2026	2027	1,571,640
2027	2028	1,571,115
2028	2029	1,570,065
2029	2030	1,566,751
2030	2031	1,571,608
2031	2032	1,568,569
2032	2033	1,568,175

\* The levy Collection Year is reduced by \$3,197.51, which is the amount of the initial deposit, at closing, into the Debt Service Fund.

B. The tax levies are such that, if collected in full, they will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds coming due after the Redemption Date.

C. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid; provided, however, that on November 30 of each year, while any Bonds issued hereunder remain outstanding, the Board shall reduce or cancel the above levies to the extent of funds available in the Debt Service Fund to pay principal and interest due during the ensuing year.

5.03 Proceeds of the Bonds in the amount of \$70,575.00 shall be used by the County to pay costs of issuance of the Bonds.

Section 6. Refunding; Findings; Redemption of Refunded Bonds.

6.01 A. It is hereby found and determined, based upon information presently available from the County's municipal advisors, that as of the Redemption Date, the issuance of the Bonds will result in a reduction of debt service costs to the County on the Refunded Bonds. In accordance with Section 475.67 of the Act, as of the Redemption Date, the present value of the dollar amount of the debt service on the Bonds, computed to their stated maturity dates, after deducting any premium, is lower by at least three percent than the present value of the dollar amount of debt service on the Refunded Bonds, exclusive of any premium, computed to their stated maturity dates. (Present value of the dollar amount of debt service means the dollar amount of debt service to be paid, discounted to the nominal date of the Bonds at a rate equal to the yield on the Bonds.)

B. It is hereby found and determined that the proceeds of the Bonds and funds of the County available and appropriated to the Escrow Account will be sufficient, together with the permitted earnings on the investment of the Escrow Account, to pay all of the principal of the Refunded Bonds on the Redemption Date, and all interest coming due on the Bonds through the Redemption Date.

C. The proceeds of the 2013 Bonds have been fully expended for the governmental purposes for which such bonds were issued.

6.02 A. The County Auditor or the designee is hereby authorized and direct to provide a material event notice with respect to the Refunded Bonds in accordance with the Continuing Disclosure Certificate of the County dated September 5, 2013, and delivered in connection the 2013 Bonds.

B. The Refunded Bonds shall be redeemed and prepaid in accordance with: (i) their terms; (ii) with the terms and conditions set forth in the form of Notice of Call for Redemption attached to the Escrow Agreement; and (iii) with the terms and conditions of the Representation Letter, all of which terms and conditions are hereby approved and incorporated herein by reference.

Section 7 Tax Covenants.

7.01 The County covenants and agrees with the holders of the Bonds that the County will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

7.02 A. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Debt Service Fund (or any other County account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations.

B. In addition, the proceeds of the Bonds and money in the Debt Service Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

C. The County hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

7.03 A. The County covenants and certifies to and for the benefit of the owners of the Bonds that no use will be made of the proceeds of the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations

promulgated thereunder.

B. The County covenants to compute and cause the payment to the United States of all amounts required under the rebate requirement of Code Section 148(f) and the Regulations issued thereunder with regard to the Bonds. To this end, the County agrees to:

(1) maintain records identifying all “gross proceeds” as defined in Code Section 148(f)(6)(B) attributable to the Bonds, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Bonds) and any earnings derived from the investment of such arbitrage profit;

(2) make, or cause to be made within 30 days after the close of each fifth bond year and upon payment in full of the Bonds, the annual determination of the amount, if any, of excess arbitrage required to be paid to the United States by the County (the “Rebate Amount”);

(3) pay, or cause to be paid, to the United States at least once every five bond years the Rebate Amount, if any, including the last installment which must be made no later than 60 days after the day on which the Bonds are paid in full; and

(4) retain all records of the annual determination of the foregoing amounts until six years after the Bonds have been fully paid.

7.04 In addition to the Bonds, the County is selling, pursuant to a single offering document and on the same date, the following obligations: General Obligation Capital Improvement Bonds, Series 2016A (the “Series 2016A Bonds”). The Bonds will be paid out of substantially the same source as the Series 2016A Bonds; consequently, the Bonds and the Series 2016A Bonds are a single issue under Treasury Regulations Section 1.150-1(c).

#### Section 8. Miscellaneous.

8.01 The County Auditor is directed to file a certified copy of this Resolution and such other information as may be required, and to provide to bond counsel a certificate stating that the Bonds herein authorized have been duly entered on his register.

8.02 The officers of the County are authorized and directed to prepare and furnish to the Purchaser and to bond counsel, certified copies of all proceedings and records of the County relating to the legality and marketability of the Bonds, as such facts appear from the official books and records in the officers’ custody or are otherwise known to them. All such certified copies, Bonds, and affidavits, including any heretofore furnished, constitute representations of the County as to the correctness of the facts recited therein and the action stated therein to have been taken.

8.03 The Chair, the Clerk of the County Board and the County Auditor are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

8.04 In the event of the absence or disability of the Chair, the Clerk of the County Board or the County Auditor, such officers as in the opinion of the County Attorney may act in their behalf shall, without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 9. Continuing Disclosure. The County acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the “Rule”). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to the bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Chair and the County Auditor are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the County Auditor.

Section 10. Post-Issuance Compliance Policy and Procedures. The Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The Board hereby approves the Policy and Procedures for the Bonds. The County Auditor continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Unanimously adopted August 9, 2016. No. 16-529

Upon motion by Commissioner Boyle, supported by Commissioner Rukavina, resolutions numbered 16-527, 16-530 through 16-535, and 16-537 through 16-538, as submitted on a second consent agenda, were unanimously adopted as follows:

**BY COMMISSIONER BOYLE:**

WHEREAS, The Land and Minerals Department has initiated an effort to curb the devastation of deer and rabbit browse on its one- to five-year old plantations through a bud capping application to tree seedlings; and

WHEREAS, The Land and Minerals Department has identified 2,761.5 acres for treatment in 2016; and

WHEREAS, Northwoods Forestry of Eleva, WI, submitted the only bid of \$127,267.50 on eighteen (18) tracts;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the appropriate county officials to execute a contract with Northwoods Forestry of Eleva, WI, in the amount of \$127,267.50 for Bud Capping Application on state tax forfeited lands during the fall of 2016, in accordance with the specifications of Bid No. 5335, payable from Fund 290, Agency 290001, subject to approval by the County Attorney.

Adopted August 9, 2016. No. 16-527

WHEREAS, Minnesota Session Laws, 2012, Chapter 236, Section 28, authorizes St. Louis County to sell state tax forfeited shoreland lots currently under lease; and

WHEREAS, If a leaseholder chooses not to purchase a lot or continue leasing, the county may offer the lands for sale at public auction under the provisions of Minn. Stat. § 282.01, Subd. 7; and

WHEREAS, The parcels described in County Board File No. 60425 have not been purchased or leased by leaseholders;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the County Auditor to offer these lands at public sale at not less than the basic sale price in accordance with the provisions in Minnesota Session Laws, 2012, Chapter 236, Section 28. Net proceeds from the auction are to be deposited into Fund 500, Agency 500001 (Environmental Trust Fund).

Adopted August 9, 2016. No. 16-530

WHEREAS, The St. Louis County Board desires to offer for sale, as recommended by the Land Commissioner, certain parcels of land that have forfeited to the State of Minnesota for non-payment of taxes; and

WHEREAS, The parcels as described in County Board File No. 60349 have been classified as non-conservation as provided for in Minn. Stat. Chapter 282.01; and

WHEREAS, These parcels are not withdrawn from sale pursuant to Minn. Stat. §§ 85.012, 92.461, 282.01, Subd. 8, and 282.018, and other statutes that require the withholding of state tax forfeited lands from sale; and

WHEREAS, The Commissioner of Natural Resources has approved the sale of these lands, as required by Minn. Stat. Chapter 282;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the County Auditor to offer these lands at public sale for not less than the basic sale price in accordance with terms set forth in the Land and Minerals Department policy, and in a manner provided for by law on Thursday, October 13, 2016, at 11:00 a.m. at the Miners Memorial Building, 821 South 9<sup>th</sup> Avenue, Virginia, MN. Funds from the auction are to be deposited into Fund 240 (Forfeited Tax Fund).

Adopted August 9, 2016. No. 16-531

RESOLVED, That the St. Louis County Board approves the applications for abatements, correction of assessed valuations and taxes plus penalty and interest, and any additional accrual, identified in County Board File No. 60288.

Adopted August 9, 2016. No. 16-532

WHEREAS, The Information Technology (IT) Department set out with a mission to improve four key metrics within the way that IT supports county business operations including customer service and support, project management and accountability, risk management, and fiscal responsibility; and

WHEREAS, In 2016 IT has focused its attention on architecting and planning for a way to more efficiently manage and hold IT accountable to completing business technology enabled projects on-time, within budget, and within scope; and

WHEREAS, Microsoft Project Online was selected as the preferred project management software package, and vendor partner Projility as the implementation partner, with total one-time project costs totaling \$132,598, broken down as follows:

1 <sup>st</sup> Year Cost		
<u>Vendor</u>	<u>Purchase</u>	<u>Cost</u>
SHI	Licenses	\$ 21,258
Projility	Consulting (280 hours)	\$ 55,840
Projility	Travel Expenses	\$ 8,000
Projility	Hammerhead (Dashboards & Reports)	\$ 47,500
	<b>Total</b>	<b>\$132,598</b>

WHEREAS, There will be ongoing annual software subscription costs starting in year two in the amount of \$21,258;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the Information Technology Department to execute purchase agreements and professional service contracts to purchase and implement the Microsoft Project Online software package in the amount of \$132,598, payable from Fund 100, Agency 117001, Object 634800, and to update the 2017 budget to include the annual subscription cost of \$21,258.

Adopted August 9, 2016. No. 16-533

WHEREAS, The State of Minnesota has made \$77,632 available through the Emergency Management Performance Grant to assist the St. Louis County Sheriff's Office for local emergency management programs;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the application and acceptance of the 2016 State of Minnesota Emergency Management Performance Grant in the amount of \$77,632, to be accounted for in Fund 100, Agency 132999, Grant 13203;

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

Adopted August 9, 2016. No. 16-534

WHEREAS, The Heading Home St. Louis County Leadership Council acts as a neutral party in making decisions, in conjunction with funding sources, on behalf of homeless people and those at risk of homelessness in St. Louis County; and

WHEREAS, Members are appointed by the City Council of Duluth and the St. Louis County Board of Commissioners;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board appoints the following applicant to the Heading Home St. Louis County Leadership Council:

<u>Position</u>	<u>Period</u>	<u>Appointed</u>
Education	Term ends 12/31/17	Lynette Zupetz

Adopted August 9, 2016. No. 16-535

WHEREAS, As a result of the findings of the Governor's Task Force for the Protection of Children, the 2015 Minnesota Legislature has allocated \$23 million per year for the next biennium for additional funding to counties for Child Protection staffing; and

WHEREAS, Using the formula devised by the Minnesota Department of Human Services, St. Louis County has been allocated \$786,400 for both State Fiscal Years 2016 and 2017 (County Fiscal

Years 2015-2016) and this is a new ongoing State Aid payment; and

WHEREAS, The level of funding provides revenue for ten (10) additional child protection staff based on state averages; and

WHEREAS, The Public Health and Human Services Department had delays in filling these positions initially which resulted in \$637,159.59 of the County Fiscal Year 2015 payment available as unearned revenue to be used exclusively for new Child Protection staffing; and

WHEREAS, A comprehensive staffing analysis was conducted identifying significant caseload challenges that impact services, safety planning and revenue generation through appropriate time recording and documentation, coupled with significant challenges in supervisory span of controls;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board increases the Public Health and Human Services Department staffing complement by 16.0 FTE Social Workers for Initial Intervention and Ongoing Child Protection and 4.0 FTE Social Service Supervisors for Child Protection (Fund 230, Agency 232024);

RESOLVED FURTHER, That funding is available through the remainder of 2016 for these positions from unearned revenue from the initial Child Protection Task Force payment in Fund 230, Agency 232024, Object 530554. The proposed 2017 budget will be updated to reflect the remaining Task Force Aid payment as well as standard revenue assumptions for Child Protection and county levy support in the amount of \$783,760;

RESOLVED FURTHER, That the Public Health and Human Services Department will track and report to the County Board on revenue recapture of Child Welfare – Targeted Case Management funds on a quarterly basis.

Adopted August 9, 2016. No. 16-537

**BY COMMISSIONER NELSON:**

WHEREAS, When a vacancy occurs in the Public Health and Human Services Department (PHHS), a review is done to determine if that position should be filled as is or be reallocated to a level more aligned with the needs of the Department; and

WHEREAS, A comprehensive staffing analysis conducted in the PHHS Financial Division indicates that challenges in maintaining the authorized complement of Full-Time-Equivalents (FTEs) in the Financial Worker series are largely attributed to an extensive onboarding process and training academy for new hires, promotional opportunities to higher level positions within the department and normal attrition; and

WHEREAS, Analysis by the Human Resources Department conducted over the last three years shows a recurrent 5.0 FTE vacant rate in spite of efforts to hire and train for vacancies occurring in approved positions;

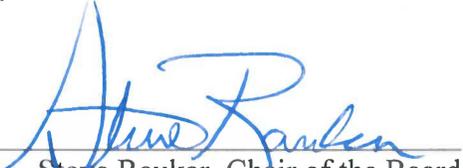
THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the addition of 5.0 FTE Financial Worker positions to the Public Health and Human Services Department – Financial Division for staff transition purposes;

RESOLVED FURTHER, That these positions will be paid out of Fund 230, Agency 231014, Object 610201, a new object to track these training expenditures and ensure that existing personnel resources are sufficient to cover these additional positions. No additional personnel budget is authorized.

Yeas – Commissioners Boyle, Rukavina, Stauber, Nelson and Chair Raukar – 5

Nays – Commissioner Dahlberg – 1  
Absent – Commissioner Jewell – 1  
Adopted August 9, 2016. No. 16-536

At 4:40 p.m., August 9, 2016, Commissioner Nelson, supported by Commissioner Boyle, moved to adjourn the meeting. The motion passed; seven yeas, zero nays.

  
\_\_\_\_\_  
Steve Raukar, Chair of the Board  
of County Commissioners

Attest:

  
\_\_\_\_\_  
Donald Dicklich, County Auditor  
and Ex-Officio Clerk of the Board  
of County Commissioners

(Seal of the County Auditor)