

FARIBAULT COUNTY
BOARD OF COMMISSIONERS
OFFICIAL PROCEEDINGS
OCTOBER 20, 2020

The Faribault County Board of Commissioners met pursuant to the recess of October 6, 2020 in regular session via teleconference in the City of Blue Earth at 9:00 a.m. on October 20, 2020. The following members were present: Bill Groskreutz, Tom Loveall, John Roper, Tom Warmka, and Greg Young Commissioners. County Auditor/Treasurer/Coordinator Darren Esser and Acting Clerk to the Board Clara Vereide were also present. Also participating in the call were Faribault County employees: County Attorney Kathryn Karjala, Central Services Director Lexi Scholten, K. Anderson, Blair, Daly, Lore, and Rauenhorst; members of public: Dennis Koziolk, Randy Anderson, Ross Pollard, Kevin Mertens, and Milt Steele.

The meeting was called to order by Chair Warmka.

The pledge of allegiance was recited.

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Groskreutz/Young motion carried unanimously to approve the synopsis and official proceedings of the October 6, 2020 regular and drainage authority meetings.

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Loveall/Young motion carried unanimously to approve the agenda of October 20, 2020.

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The calendar was updated.

No member of the public spoke during public comment.

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Committee reports were given: Young reported on Planning and Zoning; Roper reported on Human Services exec and MVAC exec; Groskreutz reported on AMC Coffee & Conversation, Human Services exec, Planning and Zoning, and MVAC.

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St Casimir Principal Diane Edwards met regarding CARES Act Funding.

Groskreutz/Loveall motion carried unanimously to approve Resolution 20-CB-70 allocating unspent small cities and townships CARES Act funds of up to \$25,000 to Saint Casimir's School for qualified uses per the U.S. Treasury and Minnesota Management and Budget. Commissioners Groskreutz, Loveall, Roper, Warmka, and Young voted yes.

Groskreutz/Loveall motion carried unanimously to amend Resolution 20-CB-70 allocating unspent small cities and townships CARES Act funds of up to \$25,000 to Saint Casimir's School for qualified uses per

the U.S. Treasury and Minnesota Management and Budget and authorize the Auditor to disperse an additional \$5,000 if needed. Commissioners Groskreutz, Loveall, Roper, Warmka, and Young voted yes.

RESOLUTION

WHEREAS, the Coronavirus Disease (COVID-19) is a respiratory disease that was declared a global pandemic by the World Health Organization on March 11, 2020 and;

WHEREAS, the Federal CARES Act was signed into law on March 27, 2020, and was in part available to qualifying local, state, and federal agencies to cover expenses unaccounted for in the current budget incurred between March 1, 2020 and December 1, 2020, due to the public health emergency caused by the Coronavirus Disease 2019 (COVID-19) and;

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, and that local governments have discretion regarding expenditures for economic support of businesses, governmental entities, and non-profit organizations and;

WHEREAS, Faribault County was awarded \$1,655,319 and formally accepted CARES Act funding on August 4, 2020 and;

WHEREAS, Faribault County allocated remaining said funds on September 15, 2020 and;

WHEREAS, as of October 15, 2020 \$107,768 in CARES Act funds meant for Faribault County's small cities and townships and senior care facilities remained unspent and;

WHEREAS, unspent CARES Act funds as of November 15, 2020 may be reallocated by the County Board and;

WHEREAS, Faribault County is developing a final plan to utilize the CARES Act funding in accordance with Federal and State guidelines to address community needs resulting from the pandemic;

NOW, THEREFORE, BE IT RESOLVED that the Faribault County Board of Commissioners approves the allocation of unspent small cities and townships CARES Act funds of up to \$25,000.00 to Saint Casimir's School for qualified uses per the U.S. Treasury and Minnesota Management and Budget and authorize the Auditor to disperse an additional \$5,000 if needed.

BE IT FURTHER RESOLVED that if the unspent small cities and townships CARES Act fund balance is not adequate for said allocation, other unspent CARES Act funds may be utilized.

BE IT FURTHER RESOLVED that any unused funds be returned by Saint Casimir's School to the Faribault County Auditor at 415 N Main St, PO Box 130, Blue Earth, MN 56013 on or before November 15, 2020.

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Arcelia Detert and Chuck Upcraft of PFM Financial Advisors, LLC met regarding the sale of refunded jail bond.

Roper/Young motion carried unanimously to approve Resolution 20-CB-71 relating to general obligation jail refunding bonds, Series 2020B; authorizing the issuance, awarding the sale, prescribing the form and details and providing for the payment thereof to Northland Securities. Commissioner Groskreutz, Loveall, Roper, Warmka, and Young voted yes.

**RESOLUTION RELATING TO \$4,200,000 GENERAL OBLIGATION
JAIL REFUNDING BONDS, SERIES 2020B; AUTHORIZING THE
ISSUANCE, AWARDING THE SALE, PRESCRIBING THE FORM AND
DETAILS AND PROVIDING FOR THE PAYMENT THEREOF**

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

SECTION 1. AUTHORIZATION, SALE AND RECITALS.

1.01. Authorization of Bonds. The Board hereby determines that it is in the best interest of the County to issue its General Obligation Jail Refunding Bonds, Series 2020B (the “Bonds”), pursuant to Minnesota Statutes, Sections 641.23 and 475.67, and Chapter 475. The proceeds of the Bonds will be used, together with funds on hand as may be required, to refund, in a current refunding, the 2022 through 2028 maturities (the “Refunded Bonds”), aggregating \$4,390,000 in outstanding principal amount, of the County’s \$7,480,000 General Obligation Jail Bonds, Series 2014A, dated, as originally issued, as of April 23, 2014 (the “Series 2014A Bonds”).

The Series 2014A Bonds were originally issued to refund the County’s \$10,000,000 General Obligation Jail Bonds, Series 2007, dated August 29, 2007, the proceeds of which financed the County’s jail facility (the “Facility”).

The Refunded Bonds will be called for redemption and paid on February 1, 2021 (the “Redemption Date”).

1.02. Sale of Bonds. The County has retained PFM Financial Advisors LLC as independent municipal advisor (“PFM”) in connection with the sale of the Bonds. Pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Preliminary Official Statement prepared on behalf of the County by PFM, sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals.

The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Northland Securities, Inc., in Minneapolis, Minnesota, and associates (the “Purchaser”), to purchase the Bonds at a price of \$4,437,741.46 plus accrued interest on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.03. Award. The proposal of the Purchaser is hereby accepted, and the Chairperson and County Auditor are hereby authorized and directed to execute a contract on the part of the County with the Purchaser for the sale of the Bonds in accordance with the Preliminary Official Statement. The good faith deposit of the Purchaser shall be retained and deposited by the County until the Bonds have been delivered and shall be deducted from the purchase price paid at settlement.

1.04. Recitals. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, existing, having happened and having been performed, it is now necessary for this Board to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

1.05. Savings. It is hereby determined that by the issuance of the Bonds the County will realize a substantial interest rate reduction, a gross savings of approximately \$308,296.67 and a present value savings of approximately \$301,033.89.

SECTION 2. TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Maturities; Interest Rates; Denominations; Payment and Dates. The Bonds shall be dated, as originally issued, as of November 12, 2020, shall be in denominations of \$5,000 or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from the date of original issue until paid or duly called for redemption at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2022	\$540,000	2.000%
2023	575,000	2.000
2024	585,000	2.000
2025	600,000	2.000
2026	615,000	2.000
2027	635,000	2.000
2028	650,000	2.000

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.06 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.02. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.05, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2021, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the bond register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the month immediately preceding the Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.03. Redemption. The Bonds are not subject to optional redemption prior to maturity.

2.04. Appointment of Initial Registrar. The County hereby appoints U.S. Bank National Association in St. Paul, Minnesota, as the initial Registrar (the "Registrar"). The Chairperson and County Auditor are authorized to execute and deliver, on behalf of the County, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The County agrees to pay the reasonable and customary charges of the Registrar for

the services performed. The County reserves the right to remove any Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar. The County agrees to pay the reasonable and customary charges of the Registrar for the services performed. The County reserves the right to remove the Registrar effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.05. Registration. The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender to the Registrar for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Bond or portion thereof selected or called for redemption.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner's attorney duly authorized in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the County.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The County and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon the partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

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

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the County, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.06. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the County shall be affected by any notice to the contrary. Neither the Registrar nor the County shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment

by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the County determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the County may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the County and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Chairperson or County Auditor is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the County Auditor and shall be executed on behalf of the County by the signatures of the Chairperson and the County Auditor, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the County Auditor shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Form of Bonds. The Bonds shall be prepared in substantially the form attached hereto as Exhibit A.

SECTION 3. USE OF PROCEEDS; NOTICES OF REDEMPTION. Upon payment for the Bonds by the Purchaser, the County Auditor shall deposit and apply the proceeds of the Bonds as follows:

\$4,390,000 shall be deposited in the sinking fund established for the Series 2014A Bonds to be applied to the payment of the Refunded Bonds on the Redemption Date; \$47,500 shall be used to pay costs of issuance of the Bonds; and \$241.46 shall be deposited in the Bond Fund created pursuant to Section 4 hereof.

The County Auditor is hereby directed to advise U.S. Bank National Association, St. Paul, Minnesota, as paying agent for the Series 2014A Bonds, to call the Refunded Bonds for redemption and prepayment on the Redemption Date, substantially in the forms attached hereto as Exhibit B, all in accordance with the provisions of the resolution authorizing the issuance of the Series 2014A Bonds.

SECTION 4. GENERAL OBLIGATION JAIL REFUNDING BONDS, SERIES 2020B BOND FUND.

The Bonds shall be payable from a separate General Obligation Jail Refunding Bonds, Series 2020B Bond Fund (the "Bond Fund") of the County, which the County agrees to maintain until the Bonds have been paid in full. If the money in the Bond Fund should at any time be insufficient to pay principal and interest due on the Bonds, such amounts shall be paid from other money on hand in other funds of the County, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. Into the Bond Fund shall be paid: (a) the amount specified in Section 3 above, if any; (b) all taxes levied and collected in accordance with this resolution; and (c) any other funds appropriated by the Board for the payment of the Bonds.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." All money appropriated or to be deposited in the Bond Fund shall be deposited as received into the Debt Service Account. On each February 1, the County Auditor shall determine the amount on hand in the Debt Service Account after payment of the principal of and interest on the Bonds due on that date. If such amount is in excess of one-twelfth of the debt service payable from the Bond Fund in the immediately preceding 12 months, the County Auditor shall promptly transfer the amount in excess to the Surplus Account. Amounts on hand in the Surplus Account shall (unless an opinion is otherwise received from bond counsel) be invested at a yield which does not exceed the yield on the Bonds calculated in accordance with Section 148 of the Code. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the County Auditor shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

If the aggregate balance in the Bond Fund is at any time insufficient to pay all interest and principal then due on all Bonds payable therefrom, the payment shall be made from any fund of the County which is available for that purpose, subject to reimbursement from the Surplus Account in the Bond Fund when the balance therein is sufficient, and the County Board covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to take care of any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

SECTION 5. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the County shall be and are hereby irrevocably pledged. In order to produce aggregate amounts which, together with the collections of other amounts as set forth in Section 4, will produce amounts not

less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the County, the taxes to be levied and collected in the following years and amounts:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
	See attached levy calculation	

The taxes shall be irrevocable as long as any of the Bonds are outstanding and unpaid, provided that the County reserves the right and power to reduce the tax levies from other legally available funds, in accordance with the provisions of Minnesota Statutes, Section 475.61.

SECTION 6. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section 6, all pledges, covenants and other rights granted by this resolution to the owners of the Bonds shall cease. The County may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, the County may nevertheless discharge its liability with respect thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The County may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal and interest to become due thereon to maturity.

SECTION 7. CERTIFICATION OF PROCEEDINGS

7.01. Registration of Bonds. The County Auditor is hereby authorized and directed to file a certified copy of this resolution in the County records, together with such additional information as required, and to issue a certificate that the Bonds have been duly entered upon the County Auditor's bond register.

7.02. Authentication of Transcript. The officers of the County are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, the attorneys rendering an opinion as to the validity thereof, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the County as to the correctness of all statements contained therein.

7.03. Official Statement. The Preliminary Official Statement relating to the Bonds, prepared and distributed by PFM, the municipal advisor for the County, is hereby approved. PFM is hereby authorized on behalf of the County to prepare and distribute to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934. The officers of the County are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

SECTION 8. TAX COVENANTS AND ARBITRAGE MATTERS

8.01. General Tax Covenant. The County covenants and agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any actions that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the “Code”) and applicable Treasury Regulations (the “Regulations”), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The County represents that the Facility has been and will continue to be owned and operated by the County. The County will not enter into any lease, management agreement, use agreement, capacity agreement or other contract relating to the use of the Facility by any non-governmental person which would cause the Bonds to be considered “private activity bonds” or “private loan bonds” under the provisions of Section 141 of the Code.

8.02. Certification. The Chairperson and County Auditor being the officers of the County charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The County acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The County covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no “gross proceeds” of the Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

8.04. Qualified Tax-Exempt Obligations. The Bonds are designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and this Board hereby finds that the reasonably anticipated amount of tax-exempt obligations which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of the Code as private activity bonds for the purpose of this representation) which will be issued by the County and all subordinate entities during calendar year 2020 does not exceed \$10,000,000.

SECTION 9. CONTINUING DISCLOSURE. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the County hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The County is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the County fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or

Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The County will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the County, the following information at the following times:

(1) on or before twelve (12) months after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2019, the following financial information and operating data in respect of the County (the "Disclosure Information"):

- (A) the audited financial statements of the County for such fiscal year, prepared in accordance with generally accepted accounting principles in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the County, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the County; and
- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: "PROPERTY VALUATIONS AND TAXES" and "FINANCIAL SUMMARY – Indebtedness," which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the County shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the County shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System ("EMMA") or to the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the County have materially changed or been discontinued, such Disclosure Information need no longer be provided if the County includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other County operations in respect of which data is not included in the Disclosure Information and the County determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the County shall include in the next Disclosure Information

to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a “Material Fact”):
- (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults, if material;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
 - (G) Modifications to rights of security holders, if material;
 - (H) Bond calls, if material, and tender offers;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities, if material;
 - (K) Rating changes;
 - (L) Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (O) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
 - (P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (O) and (P) above, the term “financial obligation” means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

As used herein, for those events that must be reported if material, an event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
 - (A) the failure of the County to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
 - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the County under subsection (d)(2);
 - (C) the termination of the obligations of the County under this section pursuant to subsection (d);
 - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (E) any change in the fiscal year of the County.

(c) Manner of Disclosure.

- (1) The County agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the County in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this section shall terminate and be without further effect as of any date on which the County delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the County from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the County accompanied by an opinion of Bond Counsel, who may rely on certificates of the County and others and the opinion may be subject to customary qualifications, to the effect that:
 - (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity,

nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the County agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

* * * * *

Faribault County Fair board member Milt Steele met regarding budget.

* * * * *

Groskreutz/Roper motion carried unanimously to set 2020 Truth in Taxation meeting for 6:00 p.m. on Tuesday, December 1, 2020 at the courthouse and via telephone/video conference.

Loveall/Young motion carried unanimously to change the time of the regular December 1, 2020 board meeting from 9:00 am to 1:00 pm to coincide with the Truth in Taxation meeting.

* * * * *

Loveall/Groskreutz motion carried to approve the following financial institutions as depositories of funds for Faribault County for a period of one year, October 20, 2020 to October 20, 2021: First Bank, Blue Earth, Wells Fargo, Frost State Bank, and State Bank of Easton. Young recused himself from the vote.

* * * * *

Public Works Director Mark Daly met regarding office business.

Groskreutz/Roper motion carried unanimously to approve Resolution 20-RB09-72 for final payment on CP 20-600-10 striping project to AAA Striping Service Company. Commissioners Groskreutz, Loveall, Roper, Warmka, and Young voted yes.

RESOLUTION

WHEREAS, CP 20-600-10, 2020 striping project has in all things been completed, and

WHEREAS, the final contract amount is \$86,468.40 which is \$2,636.40 (3.1%) more than the original contract bid of \$83,832.00, and

WHEREAS, to date \$82,144.98 has been paid to the contractor leaving the balance of \$4,323.42, and

WHEREAS, the work has been performed satisfactorily and all necessary forms have been completed and received by the Highway Department,

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners in and for the County of Faribault, Minnesota, that we do hereby accept said completed project and authorize final payment to AAA Striping Service Company.

* * * * *

Recessed to Drainage Authority. Reconvened at 11:00 a.m.

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Randy Anderson and Ross Pollard met regarding a donation of a World War II memorial plaque made by Ross Pollard and historic building grants.

* * * * *

Planning and Zoning Administrator Loria Rebuffoni met regarding office business.

* * * * *

Roper/Young motion carried unanimously to pay the following bills:

Auditor warrants for September 1 to September 31, 2020 totaling \$ 1,643,395.50 as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
09/03/2020	1,091,316.38	Auditor warrants
09/10/2020	162,812.49	Auditor warrants
09/17/2020	269,043.74	Auditor warrants
09/24/2020	120,222.89	Auditor warrants

ACH-EFT warrants for September 1 to September 31, 2020 totaling \$ 1,196,855.51 as follows:

<u>Date</u>	<u>Amount</u>	<u>Description</u>
09/01/2020	71,263.15	Commissioner warrants
09/03/2020	844,834.95	Auditor warrants
09/10/2020	2,528.76	Auditor warrants
09/15/2020	108,073.87	Commissioner warrants
09/17/2020	166,674.83	Auditor warrants
09/24/2020	3,479.95	Auditor warrants

Audit list and auxiliary totaling \$ 480,483.27 as follows:

GENERAL REVENUE FUND	\$ 225,439.26
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PUBLIC WORKS FUND	220,604.02
COUNTY LIBRARY FUND	353.02
DITCH FUND	<u>34,466.97</u>
	\$ 480,863.27

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The meeting was adjourned for October 2020.

Tom Warmka, Chair

Clara Vereide, Acting Clerk to the Board