

FARIBAULT COUNTY  
BOARD OF COMMISSIONERS  
OFFICIAL PROCEEDINGS  
DECEMBER 9, 2021

The Faribault County Board of Commissioners met in regular session at the Courthouse in the City of Blue Earth at 9:00 a.m. on December 9, 2021. The following members were present: Bruce Anderson, Bill Groskreutz, John Roper, Greg Young, and Tom Loveall Commissioners. County Auditor/Treasurer/Coordinator Darren Esser, County Attorney Cameron Davis, Acting Clerk to the Board Sarah Van Moer, Milt Steele and Kevin Mertens were also present. Faribault County employees L. Scholten, J. Blair, M. Lore, and S. Asmus attended virtually.

The meeting was called to order by Chair Roper. The pledge of allegiance was recited.

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Young/Groskreutz motion carried unanimously to approve the synopsis and official proceedings of the November 16, 2021 regular and drainage authority meetings.

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Anderson/Groskreutz motion carried unanimously to approve the agenda of December 9, 2021 with additions.

Groskreutz/Young motion carried unanimously to set a negotiations closed session on December 17th for 1:30 p.m. in the boardroom.

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The calendar was updated.

No members of the public appeared during public comment.

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Committee reports were given, including updates from the annual AMC conference. Loveall reported on the AMC environment committee session; Anderson reported on the AMC general government, solar energy, and housing sessions; Young reported on the AMC transportation committee and pay equity sessions, personnel committee, and buildings & grounds; Groskreutz reported on an EMS joint powers meeting, health and human services pre-conference meeting and AMC session, a greater Minnesota recycling webinar, and AMC sessions on solar energy, workforce development, and vendor fair; and Roper reported on Rural Mn Energy Board, MCIT, AMC conference sessions on public safety committee, pay equity and classification, and workforce economic development.

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Ben Gettis with Midwest IT Systems, Inc. gave a presentation on cyber security. Topics included ransomware, phishing, and password best practices.

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12-09-2021

Anderson/Young motion carried unanimously to adopt Resolution 21-CB-113 authorizing issuance and awarding the sale of \$5.8 million in 2021 General Obligation State Aid Highway bonds at 1.45% interest. Commissioners Groskreutz, Young, Anderson, Loveall, and Roper voted yes.

**R E S O L U T I O N**  
**RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM**  
**AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$5,355,000 GENERAL**  
**OBLIGATION STATE AID HIGHWAY BONDS, SERIES 2021B**

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

**SECTION 1. AUTHORIZATION AND SALE.**

1.01. Authorization. This Board hereby determines it to be in the best interests of the County to issue its General Obligation State Aid Highway Bonds, Series 2021B (the “Bonds”) to finance various state-aid road improvement projects within the County (the “Project”). Pursuant to Minnesota Statutes, Section 162.181, the principal amount of the Bonds (\$5,355,000) will not exceed the total of the County’s state aid allotments in the preceding two years (\$16,004,635). The principal of and interest due in any calendar year on the Bonds (\$471,544.23) and any similar obligations of the County which are outstanding (\$0), does not exceed 90 percent (\$3,061,901 of the amount of the 2020 annual allotment (\$3,402,112), received by the County from the county construction account in the county state aid highway fund.

1.02. Sale. The County has retained PFM Financial Advisors LLC (“PFM”) as independent municipal advisor in connection with the sale of the Bonds. Pursuant to Minnesota Statutes, Section 475.60, subdivision 2, paragraph 9, the requirements as to a 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 or electronic proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened and 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 Piper Sandler & Co., in Minneapolis, Minnesota (the “Purchaser”), to purchase the Bonds at a price of \$5,802,155.68 plus accrued interest, if any, on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, 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 Terms of Proposal. 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.

**SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.**

2.01. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of December 28, 2021, shall be in the denomination of \$5,000 each, 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 date of 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>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2023	\$300,000	4.00%	2028	\$335,000	4.00%	2033	\$390,000	2.00%
2024	300,000	4.00	2029	345,000	4.00	2034	400,000	2.00
2025	295,000	4.00	2030	360,000	4.00	2035	405,000	2.00
2026	310,000	4.00	2031	375,000	2.00	2036	415,000	2.00
2027	320,000	4.00	2032	385,000	2.00	2037	420,000	1.70

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 each February 1 and August 1, commencing August 1, 2022, to the owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, 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. Bonds maturing in 2031 and later years shall be subject to redemption at the option of the County, in whole or in part, in such order of maturity dates as the County may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures), in integral multiples of \$5,000, on February 1, 2030, and on any date thereafter, at a price equal to 100% of the principal amount thereof and accrued interest to the date of redemption. At least 30 days before the date specified for redemption of any Bond, the County Auditor shall cause notice of redemption to be published if and as required by law, and mailed by first class mail, postage prepaid, to the Registrar and to the Holders, as hereinafter defined, of all Bonds to be redeemed at their addresses as they appear on the Bond Register, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure.

2.04. Appointment of Initial Registrar. The County hereby appoints U.S. Bank National Association, in St. Paul, Minnesota as the initial bond registrar, transfer agent and paying agent (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 the Registrar upon thirty 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 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 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 after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney 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 the 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 the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to any registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon 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 a 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 destroyed, stolen or lost, 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 Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, 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, destroyed, stolen or lost 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. The following provisions shall apply, unless otherwise designated by the Purchaser:

(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 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 found at EXHIBIT A hereto.

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the County a General Obligation State Aid Highway Bonds, Series 2021B Construction Fund (the "Construction Fund"), which shall continue to be maintained until payment of all costs and expenses incurred in construction of the Project to be financed by the Bonds. To the Construction Fund there shall be credited \$5,802,155.68 of the proceeds of the Bonds, representing the estimated costs of the Project (\$5,749,155.68) and costs of issuance of the Bonds (\$53,000.00), and from the Construction Fund there shall be paid capital costs incurred by the County in the construction of the Project and costs of issuance of the Bonds. Any Bond proceeds not needed for the foregoing purpose shall be transferred to the General Obligation State Aid Highway Bonds, Series 2021B Debt Service Fund established in Section 4 hereof.

SECTION 4. GENERAL OBLIGATION STATE AID HIGHWAY BONDS, SERIES 2021B DEBT SERVICE FUND. There is hereby created and shall be maintained on the official books and records

of the County a General Obligation State Aid Highway Bonds, Series 2021B Debt Service Fund (the “Debt Service Fund”), the moneys in which shall be used solely for the payment of the principal of and interest on the Bonds. From the proceeds of the Bonds, the amounts specified in Section 3 hereof, if any, shall be deposited in the Debt Service Fund. There is hereby irrevocably appropriated to the Debt Service Fund, out of moneys allotted and to be allotted to the County from its construction account in the county state aid highway fund of the State of Minnesota, such amount as shall be sufficient to pay the principal of and interest on the Bonds when due, on the dates and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest payable on</u>	
		<u>February 1</u>	<u>August 1</u>
2022	--	--	\$92,974.23
2023	\$300,000	\$78,570.00	72,570.00
2024	300,000	72,570.00	66,570.00
2025	295,000	66,570.00	60,670.00
2026	310,000	60,670.00	54,470.00
2027	320,000	54,470.00	48,070.00
2028	335,000	48,070.00	41,370.00
2029	345,000	41,370.00	34,470.00
2030	360,000	34,470.00	27,270.00
2031	375,000	27,270.00	23,520.00
2032	385,000	23,520.00	19,670.00
2033	390,000	19,670.00	15,770.00
2034	400,000	15,770.00	11,770.00
2035	405,000	11,770.00	7,720.00
2036	415,000	7,720.00	3,570.00
2037	420,000	3,570.00	--

The County Auditor shall follow the procedure set forth in Minnesota Statutes, Section 162.181, Subdivision 4, for obtaining such funds. If at any time the moneys in the Debt Service Fund should be insufficient to pay all principal and interest due on the Bonds, the County Auditor shall nevertheless pay the same from any moneys on hand in the general fund of the County, and the moneys so used shall be restored to the general fund from the moneys next received by the County from the construction or maintenance account in the county state aid highway fund of the State of Minnesota, which are not required for the payment of additional principal and interest, or from the proceeds of taxes levied pursuant to Section 5 hereof.

**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. However, it is estimated that the state aid highway allotments appropriated for the payment of such principal and interest in Section 4 hereof will be sufficient to pay the principal and interest when due, and accordingly no tax is levied at this time. However, if an actual or anticipated deficiency should arise in the receipt of such allotments, the County shall levy an ad valorem tax upon all taxable property in the County in accordance with Minnesota Statutes, Section 475.61, in an amount sufficient to eliminate the actual or anticipated deficiency.

**SECTION 6. DEFEASANCE.** When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the registered owners of the Bonds shall cease. The County may discharge its obligations with respect to any Bonds which are due on any date by 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, it may nevertheless be discharged by depositing with the

Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The County may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due, provided that notice of such redemption has been duly given as provided herein. 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 authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal, interest and redemption premiums to become due thereon to maturity or earlier designated redemption date.

SECTION 7. TAX COVENANTS; ARBITRAGE MATTERS; REIMBURSEMENT AND CONTINUING DISCLOSURE.

7.01. Covenant. The County covenants and agrees with the 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 action which would cause the interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986 (the "Code") and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all affirmative 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 has not entered and will not enter into any lease, management contract, operating agreement, use agreement or other contract relating to the use or operation of the Project, or any portion thereof, which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code. The County hereby approves the procedures for post-issuance compliance presented to the Board prior to this meeting.

7.02. Arbitrage 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 that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected 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 the applicable Regulations.

7.03. 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.

7.04. Reimbursement. The County certifies that the proceeds of the Bonds will not be used by the County to reimburse itself for any expenditure with respect to the Project which the County paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the County shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided that a declaration of official intent shall not be required (i) with respect to certain de minimis expenditures, if any, with respect to the Project meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Project



as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

7.05. Qualified Tax-Exempt Obligations. The Board hereby designates the Bonds 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 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) and are not excluded from this calculation by Section 265(b)(3)(C)(ii) of the Code which have been and will be issued by the County and all subordinate entities during calendar year 2021 does not exceed \$10,000,000.

7.06. 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, 2021, 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," "FINANCIAL SUMMARY," and "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.

SECTION 8. CERTIFICATION OF PROCEEDINGS.

8.01. Registration. The County Auditor is hereby authorized and directed to file a certified copy of this resolution in the records of the County, 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.

8.02. Certification of Records. The officers of the County are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the County relating to the Bonds and to the financial condition and affairs of the County, 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 they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the County to the facts recited herein.

8.03. Official Statement. The Preliminary Official Statement relating to the Bonds, prepared and distributed by PFM is hereby approved. PFM is hereby authorized on behalf of the County to prepare and deliver 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.

\* \* \* \* \*

Public Works Director Mark Daly and Accountant/Office Manager Jennifer Luhmann met regarding office business. The above bonds and budget were discussed.

Groskreutz/Anderson motion carried unanimously to approve the purchase of a tire balancing machine for \$14,035.39.

Anderson/Young motion carried unanimously to approve years 2022 and 2023 of the new 2022-2026 five-year construction plan.

\* \* \* \* \*

Discussion was held regarding the recent issues with the courthouse heating system and possible solutions to get the system functioning properly.

Young/Loveall motion carried unanimously to approve the emergency purchase of a new IBC EX500 high efficiency boiler that would meet the specifications for the upcoming HVAC project for just under \$20,000 utilizing buildings & grounds funds.

\* \* \* \* \*

Community and Business Development Specialist Annie Nichols met regarding EDA business.

Groskreutz/Anderson motion carried unanimously to approve the new annual contract with CEDA for economic development services in 2022 reflecting a 3% increase over 2021.

12-09-2021

Young/Anderson motion carried unanimously to adopt Resolution 21-CB-114 adopting several policies as part of the pre-grant agreement items for the broadband grant under the Community Development Block Grant Coronavirus Program. Commissioners Groskreutz, Young, Anderson, Loveall, and Roper voted yes.

## **R E S O L U T I O N**

### **A RESOLUTION ADOPTING POLICIES FOR THE IMPLEMENTATION OF MN DEPARTMENT OF EMPLOYEMENT & ECONOMIC DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS PROGRAM**

**WHEREAS,** Faribault County has entered into an agreement with the State of Minnesota, Department of Employment and Economic Development for the allocation of grant funding by the United States Department of Housing and Urban Development under the Community Development Block Grant Program;

**WHEREAS,** certain guidelines, policies and procedures are required to enable Faribault County to achieve the goals of the Community Development Block Grant Coronavirus Program,

**NOW, THEREFORE, BE IT RESOLVED** , the County of Faribault adopts the attached policies as listed herein, for the Community Development Block Grant Program:

1. Residential Anti-Displacement and Relocation Assistance Plan
2. Prohibition of Excessive Force Policy
3. Certification of a Drug Free Workplace
4. Section 3 Plan
5. Fair Housing Plan
6. Affirmative Action and Equal Employment Opportunity Statement
7. Data Practices Statement
8. Program Income Letter
9. Duplication of Benefits Policy

\* \* \* \* \*

Young/Groskreutz motion carried unanimously to adopt Resolution 21-CB-115 approving the repurchase of tax forfeited parcel no. 25.032.0740 in Elmore by the prior owner. Commissioners Groskreutz, Young, Anderson, Loveall, and Roper voted yes. The property owner, Kristin Travis, attended while the matter was being discussed.

## **R E S O L U T I O N**

12-09-2021

**WHEREAS,** Parcel 25.032.0740 was forfeited to the State of Minnesota in favor of the Taxing Districts, and

**WHEREAS,** the prior owner, Kristin Travis, has applied to repurchase the parcel pursuant to Minn. Stat. 282.241 to 282.324, and

**WHEREAS,** the Faribault County Board of Commissioners has considered the application to repurchase the parcel and finds that it would be a hardship for the owner to lose their home and that the repurchase would be in the public's best interest,

**WHEREAS,** the repurchase price was paid in full on November 29, 2021.

**BE IT RESOLVED** that Kristin Travis, the former owner of parcel #25.032.0740 described as: A Tract commencing at a point 64 rods South of the Northeast corner of the West half of the Southeast quarter of Section 32, Township 101 North, Range 27 West of the 5th Principal Meridian and running thence west 12 rods; thence south 6 rods; thence east 12 rods; and thence north 6 rods to place of beginning, except for 2 rods off of east end for street purposes, together with all hereditaments and appurtenances belonging thereto; be allowed to repurchase said parcel with the payment in full of the reinstated taxes, assessments, fees, and costs as follows:

Basic Sales Price	6,258.91
State Deed Tax	20.65
State Deed Fee	25.00
County Service Fee	100.00
County Forfeiture Fee	120.00
County Recording Fee	46.00
Electric Bills	1,846.58
2021 Tax	752.44
Total Repurchase Price	<u>9,169.58</u>

\* \* \* \* \*

Central Services Director Lexi Scholten met regarding office business. Discussion was held regarding the vacant support position for extension.

Anderson/Young motion carried unanimously to continue with the extension support position as a 30 hour per week benefit-eligible position.

\* \* \* \* \*

Groskreutz/Anderson motion carried unanimously to set the date in which to accept bids to become the official County newspaper for 2022 as through 9:00 a.m. on January 4, 2022.

\* \* \* \* \*

12-09-2021

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Groskreutz/Young motion carried unanimously to table the resolutions selling tax forfeited properties to the City of Blue Earth and the City of Wells until the cities can provide their plans on how they will correct the blight on the properties per Department of Revenue regulations.

\* \* \* \* \*

Anderson/Groskreutz motion carried unanimously to adopt Resolution 21-CB-118 approving the opioid settlement. Commissioners Groskreutz, Young, Anderson, Loveall, and Roper voted yes.

## **R E S O L U T I O N**

**Authorizing county staff to execute all necessary documents to ensure County participation in the multistate settlements relating to opioid distributors and manufacturers, and in the Minnesota Opioids State-Subdivision Memorandum of Agreement, and declaring support for an amendment to Minn. Stat. § 256.043, subd. 3(d).**

- WHEREAS,** the State of Minnesota and numerous Minnesota cities and counties are engaged in nationwide civil litigation against manufacturers and distributors of prescription opioids related to the opioid crisis; and
- WHEREAS,** the Minnesota Attorney General has signed on to multistate settlement agreements with several pharmaceutical distributors, McKesson, Cardinal Health, and AmerisourceBergen, as well as opioid manufacturer Johnson & Johnson, but those settlement agreements are still subject to sign-on by local governments and final agreement by the companies and approval by the courts; and
- WHEREAS,** there is a deadline of January 2, 2022, for a sufficient threshold of Minnesota cities and counties to sign on to the above-referenced multistate settlement agreements, and failure to timely sign on may diminish the amount of funds received by not only that city or county but by all Minnesota cities and counties from the settlement funds; and
- WHEREAS,** representatives of Minnesota's local governments, the Office of the Attorney General, and the State of Minnesota have reached agreement on the intrastate allocation of these settlement funds between the State, and the counties and cities, as well as the permissible uses of these funds, which will be memorialized in the Minnesota Opioids State-Subdivision Memorandum of Agreement (the "State-Subdivision Agreement"); and
- WHEREAS,** during negotiations of the State-Subdivision Agreement, representatives of Minnesota's counties prioritized flexibility in how local governments may use settlement funds for opioids abatement and remediation and advocated for counties to receive settlement allocations directly rather than using the distribution mechanism detailed in Minn. Stat. § 256.043, subd. 3(d); and
- WHEREAS,** in order to achieve the goals of flexibility and direct allocation, Minn. Stat. § 256.043, subd. 3(d), must be amended to remove a provision which would otherwise appropriate approximately 50 percent of the state's settlement allocation to county social service agencies for statutorily-prescribed use(s); and
- WHEREAS,** the State-Subdivision Agreement creates an opportunity for local governments and the State to work collaboratively on a unified vision to deliver a robust abatement and remediation plan to address the opioid crisis in Minnesota; now, therefore,



**BE IT RESOLVED,** Faribault County supports and agrees to the State-Subdivision Agreement; and

**BE IT FURTHER RESOLVED,** Faribault County supports and opts in to the multistate settlements with McKesson, Cardinal Health, and AmerisourceBergen, and with Johnson & Johnson; and

**BE IT FURTHER RESOLVED,** Faribault County authorizes county staff to execute all necessary documents to ensure County participation in the multistate settlements, including the Participation Agreement and accompanying Release, and in the State-Subdivision Agreement; and

**BE IT FURTHER RESOLVED,** Faribault County, supports the amending of Minn. Stat. § 256.043, subd. 3(d), to remove a provision which would appropriate approximately 50 percent of the state's settlement allocation to county social service agencies via the existing Opiate Epidemic Response Fund distribution mechanism for statutorily-prescribed use(s).

\* \* \* \* \*

Loveall/Young motion carried unanimously to direct the County Engineer and County Auditor to pay the remaining \$225,035.24 public works ditch bill utilizing budgeted 2020 and 2021 general fund dollars.

\* \* \* \* \*

Young/Groskreutz motion carried unanimously to adopt Resolution 21-CB-119 authorizing the County Auditor/Treasurer and Chief Deputy Treasurer to make electronic funds transfers in 2022. Commissioners Groskreutz, Young, Anderson, Loveall, and Roper voted yes.

## **R E S O L U T I O N**

**WHEREAS,** Minnesota Statute 471.38, allows for the use of electronic fund transfer as a means of making various payments,

**WHEREAS,** a local government may make an electronic funds transfer for the following:

- a. For a claim for payment of payroll or investment of excess money;
- b. For a payment of tax or aid anticipation certificates;
- c. For a payment of contributions to pension or retirement fund;
- d. For vendor payments; and
- e. For payment of bond principal, bond interest and a fiscal agent service charge from the debt redemption fund.

**WHEREAS,** the County board shall annually delegate the authority to make electronic funds transfers to the County Auditor/Treasurer and the County Chief Deputy Treasurer.

**THEREFORE, BE IT RESOLVED,** that the Faribault County Board delegates the authority to make electronic funds transfers in 2022 to Darren Esser, Faribault County Auditor/Treasurer and Kathryn Anderson, Faribault County Chief Deputy Treasurer.

12-09-2021

**BE IT FURTHER RESOLVED**, that the County Auditor/Treasurer or Chief Deputy Treasurer will:

- a. provide a certified copy of this resolution to the disbursing bank;
- b. provide a list of all transactions made by electronic fund transfer to the County Board at its next regularly scheduled meeting.

\* \* \* \* \*

Anderson/Groskreutz motion carried unanimously to approve a septic grant in the amount of \$3,000 to Richard and Betty Hollund for parcel 19.028.0200 in Walnut Lake Township.

Groskreutz/Loveall motion carried unanimously to approve a septic grant in the amount of \$3,000 and loan in the amount of \$13,140.82 to Andrew and Christine Kleinow for parcel 06.022.0601 in Dunbar Township.

Anderson/Groskreutz motion carried unanimously to approve a septic grant in the amount of \$3,000 and loan in the amount of \$12,398.41 to Jessica Huston for parcel 09.024.0101 in Foster Township.

\* \* \* \* \*

Anderson/Young motion carried unanimously to approve training requests from P. Campbell to attend a 2-day MSCIC winter conference in Mankato; and E. Beske to attend an Intro to Records online class, and a Managing Police Records online class.

\* \* \* \* \*

Anderson/Young motion carried unanimously to recess the meeting until after drainage authority.

Anderson/Groskreutz motion carried unanimously to reconvene.

\* \* \* \* \*

Groskreutz/Young motion carried unanimously to pay audit list and auxiliary totaling \$ 447,557.68 as follows:

GENERAL REVENUE FUND	\$ 145,243.17
PUBLIC WORKS FUND	53,500.57
HUMAN SERVICES FUND	222,520.93
DITCH FUND	20,264.03
HUNTLEY SEWER DISTRICT	160.00
FORFEITED TAX SALE FUND	313.50
NON REV/ DISB A	5,555.48
	<hr/>
	\$ 447,557.68

\* \* \* \* \*

Anderson/Young motion carried unanimously to recess the meeting to 3:00 p.m. December 21, 2021.

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John Roper, Chair

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Sarah Van Moer, Acting Clerk to the Board

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