



AGENDA
PINE COUNTY BOARD MEETING

- | | |
|------------|----------------------|
| District 1 | Commissioner Hallan |
| District 2 | Commissioner Pangerl |
| District 3 | Commissioner Chaffee |
| District 4 | Commissioner Rossow |
| District 5 | Commissioner Ludwig |

Tuesday, December 16, 2014, 10:00 a.m.
Board Room, Pine County Courthouse
Pine City, Minnesota

- A) Call meeting to order
- B) Pledge of Allegiance
- C) Public Forum. Members of the public are invited to speak on items not on the agenda. Each speaker should state his/her name and limit comments to three (3) minutes.
- D) Adopt Agenda
- E) Approve Minutes of December 2, 2014 County Board Meeting and Summary for publication.
- F) Approve Minutes of December 4, 2014 Truth in Taxation meeting for publication.
- G) Minutes of Boards, Committees and Correspondence
 - Pine County Soil & Water Conservation District Board Meeting Minutes – November 6, 2014
 - Pine County Probation Advisory Committee Meeting Unapproved Minutes – November 25, 2014
- H) Approve Consent Items

CONSENT AGENDA

The consent agenda is voted on without any discussion. Any commissioner may request an item be removed and added to the regular agenda.

1. Review November, 2014 Cash Balance (attached)

Fund	November 30, 2013	November 30, 2014	Increase(Decrease)
General Fund	2,867,387.47	3,420,714.55	553,327.08
Health and Human Services Fund	1,289,936.43	526,037.83	(763,898.60)
Road and Bridge Fund	3,772,405.24	2,091,342.27	(1,681,062.97)
Land Management Fund	1,731,329.05	2,083,037.84	351,708.79
TOTAL (inc non-major funds)	10,946,247.11	9,661,450.42	(1,284,796.69)

2. Tobacco Licenses

Consider for approval January 1-December 31, 2015 tobacco licenses (see attached list) that have been completely submitted and approved by the Pine County Sheriff. Authorize Board Chair to sign.

3. Off-Site Gambling

Consider application by Hinckley-Pine City Flames Snowmobile Club to conduct off-site gambling from February 11-14, 2016 at Grand Casino-Hinckley, 777 Lady Luck Dr., Hinckley, MN (Barry Twp).

4. Resolution for Repurchase of Tax Forfeited Land

Consider Resolutions 2014-50 (PID 17.0319.011) and 2014-51 (PID 17.0319.017) for Repurchase of Tax Forfeited Land on a 10-year contract, Kelly Billings, and authorize Board Chair and County Auditor to sign.

5. Hiring

Authorize the contingent hiring of Nicole Ollig, Chief Deputy Auditor-Treasurer (C51), \$25 per hour, effective January 5, 2015, pending successful completion of pre-employment screenings.

6. Transfer of Corrections Officers

A. Consider promotion of part-time Corrections Officer Cody Overton to full-time Corrections Officer, effective December 14, 2014. No change in grade or wage (B23, step 3, \$16.04 per hour).

B. Consider promotion of part-time Corrections Officer Travis Keller to full-time Corrections Officer, effective December 14, 2014. No change in grade or wage (B23, step 3, \$16.04 per hour).

7. Training

A. Consider attendance by Land Services Director Kelly Schroeder to the third of five required courses, Basic Design of Onsite Systems, February 3-6, 2015 in Alexandria. Course cost: \$435, \$178.77 hotel cost, and \$123.20 mileage. Total cost: \$736.97. The funds are available in the 2015 budget.

B. Consider attendance by Land Services Director Kelly Schroeder to the Aquatic Invaders Summit, January 20-21, 2015 at the Rivers Edge Convention Center, St. Cloud. Registration: \$150. Funds are available in the 2015 AIS budget.

C. Consider attendance by County Engineer Mark LeBrun to the 70th Annual Minnesota County Engineers Conference, January 20-23, 2015 at Cragun's Resort, Brainerd. Total cost: \$800.40. Funds are available in the 2015 County Engineer budget.

REGULAR AGENDA

1. Recognition of Commissioner Pangerl

2. Recognition of Retirement – John K. Carlson

3. Facilities Committee

Pine County Facilities Committee met December 3, 2014. Minutes attached. Informational only, no board action necessary.

4. Personnel Committee

Personnel Committee met December 10, 2014 and made the following recommendations (Minutes attached):

A. Consider approval of a 1.5% Cost-of-Living increase to non-union employees and 2015 pay scale effective January 1, 2015.

B. Consider approval of 2015 Pay Matrix as follows:

2015 Non-Union Performance Increase Matrix

All Classifications	Percentage
Outstanding	up to 6%
Exceeds Requirements	up to 5%
Fully Capable	up to 4%
Needs Improvement	up to 1%
Unsatisfactory	0%

- C. Consider approval of Resolution 2014-44 Setting 2015 Salaries for Elected Officials and authorize Board Chair and County Administrator to sign.
- D. Consider approval of Resolution 2014-45 Establishing 2015 County Commissioner Compensation and Per Diem and authorize Board Chair and County Administrator to sign.
- E. Set 2015 health insurance monthly contributions for CMM 1000, CMM 1500 and VEBA, single: \$570.50 and family, \$1,143.55.

5. 2015 Pine County Property Tax Levy and Budget

Consider approval of:

- A. Resolution 2014-48 establishing the 2015 Pine County property tax levy at \$15,199,541 and authorize Board Chair and County Administrator to Sign.
- B. Resolution 2014-49 adopting the 2015 Pine County operating budget and authorize Board Chair and County Administrator to sign.

6. November Budget Update

7. 2014 Budget Adjustment

Consider approval of recommended 2014 budget adjustments

8. Law Enforcement Services Update

9. Pine Government Center Lease

10. Appointment to the Northeast Minnesota Regional Advisory Committee (RAC)

Consider appointment of Sheriff-Elect Jeff Nelson to the Northeast Minnesota Regional Advisory Committee for 2015. This is an annual appointment.

11. Planning Commission/Board of Adjustment Appointments

Consider appointment, by Chair Rossow, and terms as follow:

A. Planning Commission:

- Skip Thomson (District 2) January 1, 2016 to December 31, 2017
- Richard Glatly (District 4) January 1, 2016 to December 31, 2017
- Jeff Shute (District 5) January 1, 2016 to December 31, 2017
- Pat McCarthy (District 4) January 1, 2014 to December 31, 2015
- Scott Jensen (At Large) January 1, 2015 to December 31, 2018

B. Board of Adjustment:

- Tom Mestemacher (District 3) January 1, 2014 to December 31, 2017.
- Carolyn Tuckner (District 1) January 1, 2014 to December 31, 2017

12. Timber Development

Reaffirm zero allocation of tax forfeited receipts for 2014. Recommend, review and discussion in 2015 of setting aside a percentage of tax forfeited receipts to timber development.

13. Medical Transportation Costs

Update by Health & Human Services Director Becky Foss on medical transportation costs to follow up the Truth in Taxation meeting discussion.

14. TSA Host County Contract

Consider approval of the 2015 host county contract with Therapeutic Services Agency (TSA).

15. Minnesota Counties Intergovernmental Trust 2013 Annual Report

16. Commissioner Updates

Soil & Water Conservation District
AMC Conference
East Central Regional Library Board
Community Health Board
Economic Development Meeting
Central Minnesota Jobs and Training Service
East Central Regional Development Commission
Other

17. Other

18. Upcoming Meetings –(Subject to Change)

- a. **Technology Committee, Tuesday, December 16, 2014, 8:30 a.m.**, Commissioners' Conference Room, Courthouse, Pine City, Minnesota.
- b. **Pine County Board Meeting, Tuesday, December 16, 2014, 10:00 a.m.**, Boardroom, Pine County Courthouse, Pine City, Minnesota.
- c. **Arrowhead Counties Association, Wednesday, December 17, 2014, 6:00 p.m.**, Blackwoods Restaurant in Proctor, Minnesota.
- d. **Pine County Board Meeting (organizational and regular), Tuesday, January 6, 2015, 1:00 p.m.**, Public Health Building, Sandstone, Minnesota.
- e. **Facilities Meeting, Wednesday, January 7, 2015, 9:00 a.m.**, Commissioners' Conference Room, Courthouse, Pine City, Minnesota.
- f. **Soil & Water Conservation District, Thursday, January 8, 2015, 3:00 p.m.**, Public Health Building, Sandstone, Minnesota.

19. Sale of \$14,155,000 General Obligation Refunding Bonds, Series 2015A

(Board May Recess Prior to Acting on This Item)

- A. Consider approval of Resolution 2014-52 Authorizing Issuance, Awarding Sale, Prescribing the Form and Details and Providing for the Payment of \$14,155,000 General Obligation Refunding Bonds, Series 2015A.
- B. Approve the Escrow Agreement with US Bank National Association, St. Paul, Minnesota.

20. Closed Meeting (Pursuant to M.S. §13D.05, Subd. 3(b) – Pending Litigation Update

21. Adjourn

MINUTES OF PINE COUNTY BOARD MEETING

Regular Meeting

Tuesday, December 2, 2014, 1:00 p.m.
Public Health Building, Sandstone, Minnesota

Chair Curt Rossow called the meeting to order at 1:00 p.m. Present were Commissioners Steve Hallan, Mitch Pangerl, Steve Chaffee and Matt Ludwig. Also present were County Attorney John Carlson and County Administrator David Minke.

The Pledge of Allegiance was said.

Chair Rossow called for public comment. There was no public comment.

Chair Rossow requested the following revisions to the Agenda:
Assign Resolution #2014-47 to Consent Agenda item #3.
Add 6A to Regular Agenda: County strategic planning discussion.

Commissioner Ludwig moved to approve the amended Agenda. Second by Commissioner Hallan.
Motion carried 5-0.

Commissioner Chaffee moved to approve the Minutes of the November 18, 2014 board meeting and Summary for publication. Second by Commissioner Ludwig. Motion carried 5-0.

Minutes of Boards, Committees and Correspondence

Pine County HRA Senior Housing Board of Directors – regular meeting – October 22, 2014

Pine County HRA Senior Housing Board of Directors – annual meeting – October 22, 2014

Pine County Land Surveyor Monthly Report – November 2014

Commissioner Pangerl moved to acknowledge the Minutes of Boards, Committees and Correspondence.
Second by Commissioner Chaffee. Motion carried 5-0.

Commissioner Hallan moved to approve the amended Consent Agenda. Second by Commissioner Ludwig.
Motion carried 5-0.

CONSENT AGENDA

1. November, 2014 Disbursements

Disbursements Journal Report, November 1, 2014 – November 30, 2014.

2. Application for Abatement

Approve:

A. Mari Ann Olson, 322 1st St. So., Brook Park, PID 35.5073.000, pay 2012, 2013 and 2014

B. Minnesota St. Croix Park, 53927 Yellow Banks Dr., Hinckley, PID 10.0061.000, pay 2014

C. DNR, 53848 Yellow Banks Dr., Hinckley, PID 10.9901.000, pay 2014

3. Application for Cancellation of Forfeiture

Approve Application for Cancellation of Forfeiture Resolution 2014-47 for Lots 4, 5, 6, & 7, Block 1, Maple Shores 2nd Addition (PID 29.5243.000).

4. **Training**

- A. Approve County Attorney John Carlson and County Attorney-Elect Reese Frederickson to attend the 2014 Minnesota County Attorney Association annual meeting, December 3-5, 2014, Bloomington. Registration \$325/Carlson, No registration fee for county attorney-elects; Lodging: \$363.41/ Frederickson; plus travel expenses and parking fees. Total cost: \$688.41 plus travel expenses and parking fees.
- B. Approve Commissioner Matt Ludwig and Commissioner-elect Josh Mohr to attend the County Government 101: An Essential Conference For All Newly-Elected County Officials conference, January 28-29, 2015, St. Paul. Registration \$150 each; lodging: \$109 plus tax each; together with mileage. Total cost: \$518 plus tax and mileage.

REGULAR AGENDA

1. **Technology Committee**

Commissioner Hallan provided an overview of the November 18, 2014 Technology Committee meeting. Discussion was held regarding updating of the county website and sale of Beacon metadata. Informational only--no board action necessary.

2. **Personnel/Hiring**

Motion by Commissioner Ludwig to approve: (1) the lateral transfer of Adult Services Social Worker Shelly Anderson to Children Services effective December 3, 2014, \$21.55 per hour (same salary), grade C42; (2) the backfill of the Adult Services Social Worker position; and (3) the appointment of Investigator Jeff Nelson to Chief Deputy pursuant to MS §387.145 effective November 10, 2014. Second by Commissioner Hallan. Motion carried 5-0.

3. **Tax-Forfeited Seal Bid Land Auction: Adjacent Owners Only**

County Administrator David Minke stated two parcels of land have been forfeited to the State for non-payment of taxes and cannot be improved upon because of minimal size or wetlands, PID 20.0235.004 and PID 33.5752.000. Both parcels have been previously classified and approved for sale by the county board, townships and DNR. The best use of these parcels would be achieved by combining them with an adjoining property.

Motion by Commissioner Chaffee to approve Resolution 2014-16 approving the sale, by sealed bid, of 2014 Pine County Tax-Forfeit Land Auction Limited to Adjoining Property Owners Only and authorize Board Chair and County Auditor-Treasurer to sign. Second by Commissioner Hallan. Motion carried 5-0.

4. **2015 East Central Violent Offender Drug Task Force**

Investigator Andrew Abrahamson presented information regarding the 2015 East Central Violent Offender Drug Task Force Grant from the Minnesota Department of Public Safety in the annual amount of \$140,000. The grant is for operational expenses and must be reapplied for biennially. No county matching funds are necessary.

Motion by Commissioner Ludwig to approve the 2015 East Central Violent Offender Drug Task Force Grant in the amount of \$140,000. Second by Commissioner Hallan. Motion carried 5-0.

5. **Appointment of Members to Extension Committee**

Motion by Commissioner Hallan to reappoint Linda Defenbaugh (District 1 representative) and appoint Mitch Pangerl (District 2 representative) to the Pine County Extension Committee. Commissioner Pangerl stated his abstention to vote. County Attorney Carlson stated that a more appropriate forum for these committee appointments would be the organizational meeting on January 6, 2015.

Motion by Commissioner Ludwig to postpone the appointments to the Extension Committee to the January 6, 2015 meeting. Second by Commissioner Chaffee. Motion carried 5-0.

6. **2015 City Council Member and County Commissioner Meeting**

It was the consensus of the board to schedule a joint city council/county commissioner meeting to discuss intergovernmental relations.

Motion by Commissioner Hallan to schedule a meeting with county commissioners and city council members for January 20, 2015 at 7:00 p.m.. Second by Commissioner Chaffee. Motion carried 5-0.

6A. **Strategic Planning Update**

A special meeting is scheduled for January 27, 2015 at 9:00 a.m. in the Board Room, Courthouse, Pine City, to discuss the 2015 strategic planning. Department heads will be invited to meet with the board during the meeting.

7. **Commissioner Updates**

Arrowhead Counties Association: Chair Rossow stated the legislative agenda and the AMC dues were discussed.

Rush Line Task Force: No report.

GPS 45:93: No report.

Snake River Watershed Joint Powers Board: No report.

NLX: Commissioner Ludwig stated the final report from MnDOT has been pushed back two months. Public meetings will then be scheduled.

Other: NE Regional Radio Board: Commissioner Hallan stated it will be important for the county to become involved as owner-operator. Commissioner Hallan invited Sheriff-Elect Nelson to a meeting.

8. **Other**

9. **Upcoming Meetings**

Upcoming meetings were reviewed. Rescheduling of Personnel Committee meeting from December 9, 2014 to December 10, 2014 at 7:30 a.m.

10. **Adjourn**

With no further business, Chair Rossow adjourned the county board meeting at 1:40 p.m. The next regular meeting of the county board is scheduled for December 16, 2014 at 10:00 a.m. at the Board Room, Pine County Courthouse, Pine City, Minnesota.

Curt H. Rossow, Chair
Board of Commissioners

David J. Minke, Administrator
Clerk to County Board

**SUMMARY
OF
MINUTES OF PINE COUNTY BOARD MEETING
Regular Meeting**

**Tuesday, December 2, 2014, 1:00 p.m.
Public Health Building, Sandstone, Minnesota**

Chair Curt Rossow called the meeting to order at 1:00 p.m. Present were Commissioners Steve Hallan, Mitch Pangerl, Steve Chaffee and Matt Ludwig. Also present were County Attorney John Carlson and County Administrator David Minke.

The Pledge of Allegiance was said.

Chair Rossow called for public comment. There was no public comment.

Commissioner Ludwig moved to approve the amended Agenda. Second by Commissioner Hallan. Motion carried 5-0.

Commissioner Chaffee moved to approve the Minutes of the November 18, 2014 board meeting and Summary for publication. Second by Commissioner Ludwig. Motion carried 5-0.

Minutes of Boards, Committees and Correspondence

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Pine County HRA Senior Housing Board of Directors – annual meeting – October 22, 2014

Pine County Land Surveyor Monthly Report – November 2014

Commissioner Pangerl moved to acknowledge the Minutes of Boards, Committees and Correspondence. Second by Commissioner Chaffee. Motion carried 5-0.

Commissioner Hallan moved to approve the amended Consent Agenda. Second by Commissioner Ludwig. Motion carried 5-0.

Disbursements Journal Report, November 1, 2014 – November 30, 2014.

Approve the following Application for Abatements: Mari Ann Olson, 322 1st St. So., Brook Park; Minnesota St. Croix Park, 53927 Yellow Banks Dr.; and DNR, 53848 Yellow Banks Dr., Hinckley.

Approve Application for Cancellation of Forfeiture Resolution 2014-47 for Lots 4, 5, 6, & 7, Block 1, Maple Shores 2nd Addition.

Approve County Attorney John Carlson and County Attorney-Elect Reese Frederickson to attend the 2014 Minnesota County Attorney Association annual meeting. Total cost: \$688.41 plus travel expenses and parking fees.

Approve Commissioner Matt Ludwig and Commissioner-elect Josh Mohr to attend the County Government 101: An Essential Conference For All Newly-Elected County Officials conference. Total cost: \$518 plus tax and mileage.

Motion by Commissioner Ludwig to approve: (1) the lateral transfer of Adult Services Social Worker Shelly Anderson to Children Services effective December 3, 2014, \$21.55 per hour (same salary), grade

C42; (2) the backfill of the Adult Services Social Worker position; and (3) the appointment of Investigator Jeff Nelson to Chief Deputy pursuant to MS §387.145 effective November 10, 2014. Second by Commissioner Hallan. Motion carried 5-0.

Motion by Commissioner Chaffee to approve Resolution 2014-16 approving the sale, by sealed bid, of 2014 Pine County Tax-Forfeit Land Auction Limited to Adjoining Property Owners Only and authorize Board Chair and County Auditor-Treasurer to sign. Second by Commissioner Hallan. Motion carried 5-0.

Motion by Commissioner Ludwig to approve the 2015 East Central Violent Offender Drug Task Force Grant in the amount of \$140,000. Second by Commissioner Hallan. Motion carried 5-0.

Motion by Commissioner Hallan to reappoint Linda Defenbaugh (District 1 representative) and appoint Mitch Pangerl (District 2 representative) to the Pine County Extension Committee. Commissioner Pangerl stated his abstention to vote. County Attorney Carlson stated that a more appropriate forum for these committee appointments would be the organizational meeting on January 6, 2015.

Motion by Commissioner Ludwig to postpone the appointments to the Extension Committee to the January 6, 2015 meeting. Second by Commissioner Chaffee. Motion carried 5-0.

Motion by Commissioner Hallan to schedule a meeting with county commissioners and city council members for January 20, 2015 at 7:00 p.m.. Second by Commissioner Chaffee. Motion carried 5-0.

A special meeting is scheduled for January 27, 2015 at 9:00 a.m. in the Board Room, Courthouse, Pine City, to discuss the 2015 strategic planning. Department heads will be invited to meet with the board during the meeting.

Personnel Committee meeting rescheduled from December 9, 2014 to December 10, 2014 at 7:30 a.m.

With no further business, Chair Rossow adjourned the county board meeting at 1:40 p.m. The next regular meeting of the county board is scheduled for December 16, 2014 at 10:00 a.m. at the Board Room, Pine County Courthouse, Pine City, Minnesota.

Curt H. Rossow, Chair
Board of Commissioners

David J. Minke, Administrator
Clerk to County Board

The full text of the board's Minutes are available at the County Administrator's Office and the county's website (www.co.pine.mn.us). Copies may also be requested from the administrator's office.

Minutes
of
Truth in Taxation Hearing
Thursday, December 4, 2014, 7:00 p.m.,
Board Room, Pine County Courthouse, Pine City, Minnesota

Vice Chair Chaffee called the meeting to order at 7:00 p.m. Present were Commissioners Steve Hallan, Mitch Pangerl and Matt Ludwig. Also present were County Administrator David Minke and Land Services Director Kelly Schroeder. Chair Rossow was absent (excused).

The Pledge of Allegiance was said.

Commissioner Ludwig moved to approve the Agenda. Second by Commissioner Pangerl. Motion carried 4-0.

Administrator Minke gave a slide presentation discussing the 2015 Pine County budget and property tax levy; the slide presentation will be placed on the Pine County website for the public to view. Administrator Minke stated the total proposed tax levy is \$15,199,541, which is an increase of 4.8% over the 2014 property tax levy.

Commissioner Hallan left the meeting at 7:30 p.m.

Vice Chair Chaffee called for public comment. Pine County resident Larry McGuinn commented on transportation costs paid by Health & Human Services; Pine County resident Jim France commented on the Third Avenue road project and demolition and paving of the parking lot; and Pine County resident Henry Fischer commented on the reserve fund balance and on strategic placement of street lighting for public safety. A brief discussion was held.

It was the consensus of the board that they were satisfied with the levy and budget for 2015. The budget and levy will be presented at the December 16, 2014 county board meeting for approval.

With no further discussion, Vice Chair Chaffee adjourned the meeting at 8:02 p.m.

Curt H. Rossow, Chair
Pine County Board of Commissioners

David J. Minke, County Administrator
Clerk to County Board



BOARD MEETING MINUTES
November 6, 2014

The Pine County Soil and Water Conservation District Board of Supervisors held their monthly meeting on Thursday, November 6, 2014.

Members Present:

Doug Odegard
Skip Thomson
Jerry Telker
Tom Swaim
Joe Luedtke

Others Present:

Jill Carlier, District Manager
Sam Martin, Water Management Specialist

Julie Salmon, NRCS DC

Members Absent:

CALL TO ORDER: Thomson called the meeting to order at 3:00 p.m.

PUBLIC COMMENT: none.

APPROVAL OF AGENDA:

Motion by Telker, seconded by Odegard to approve the agenda.
Motion carried

OCTOBER MINUTES:

Motion by Swaim, seconded by Telker to approve the October minutes.
Motion carried

OCTOBER FINANCIAL STATEMENT AND PAYMENTS OF BILLS:

Motion by Odegard, seconded by Luedtke to approve the October financials and payment of bills including a \$5,000 and a \$7,500 transfer.
Motion carried

STAFF/SUPERVISOR REPORTS:

Wetlands & Grants:

- Tom Bambenek: Application submitted for access road. Wetland impact is type 2/6. Total wetland impact is 1,800 square feet. Eligible for de minimus exemption of 4,668 sq ft. Poppe recommends approval of de minimus exemption be issued for 1,800 sq ft.
Motion by Odegard, seconded by Swaim to approve Tom Bambenek's de minimus exemption of 1,800 sq ft.

Motion carried.

Water Management:

- Martin attended a meeting on the Rock/Rush/Goose TMDL.
- Performed state cost share site inspections
- Water Plan Task Force meeting will be held on Friday, November 14th.
- November 24, the Snake River meeting will be held at the PLA building in Pine City.
- Martin submitted his resignation, effective November 26, 2014.
Motion by Telker, seconded by Odegard to approve Martin's resignation. The board wishes Martin well in his future endeavors.

Motion carried.

Forestry:

- No meeting

ECRL:

- Meeting was cancelled. Rescheduled for November 14.

TSA III

- No meeting

Snake River Citizen Advisory Committee:

- The meeting was held on 10/27 in Aitkin County. Novembers meeting will be held at the PLA building in Pine County.

Exploratory/Personnel/Policy/Budget:

- No meeting.

Trees

- Carlier discussed the tree order form.

Envirothon

- Carlier is finalizing judges and presenters.

Newsletter:

- Nothing this month.

DISTRICT CONSERVATIONIST REPORT:

Salmon stated the EQIP signups are November 14 and December 12. There is a honeybee pollinator signup. Salmon has 2 pit closures in construction now. Salmon showed pictures of cover crops.

Martin and Salmon left the meeting.

FLOOD RELIEF GRANT UPDATE:

Carlier stated the TSA III staff will finish surveying for this project this week.

DISTRICT RETREAT DATES/LOCATIONS:

Carlier stated we need to re-schedule the district retreat. The retreat will be held on Wednesday, December 10th at Docs in Sturgeon Lake at 9:00.

STATE COST SHARE:

Roger Pearson: FY14-1 Repair of shoreline stabilization project. Pearson is selling the property. There is quite a bit of confusion about the file and the project. The stairs that were installed were not permitted by the County Zoning office. If the property sells, the first contract will still be in place with the new owners. If the new owners want to fix the washout, they can do that on a new contract in their name. Upon a file review from BWSR, the board is encouraged to cancel this contract.

Motion by Telker, seconded by Swaim to approve cancelling Roger Pearson's repair project FY14-1.

Motion carried

City of Askov: FY14-2 Well sealing project was completed.

Total project cost: \$1,060.00 x 50% = \$530.00

Amount approved by board: \$530.00

Motion by Swaim, seconded by Luedtke to approve payment to the City of Askov for well sealings in the amount of \$530.00 FY14-2.

Motion carried

Robert Wetheren: FY14-3 Well sealing project was completed.

Total project cost was \$ 275.00 x 50% = \$137.50

Amount approved/encumbered by board: \$137.50

Motion by Telker, seconded by Odegard to approve payment to Robert Wetheren for a well sealing project FY14-3 in the amount of \$137.50.

Motion carried

Laverne Walker: FY14-5 Well sealing project was completed.

Total project cost was $\$1,031.00 \times 50\% = \515.50

Amount approved/encumbered by board: $\$515.50$

Motion by Luedtke, seconded by Swaim to approve payment to Laverne Walker for a well sealing project FY14-5 in the amount of $\$515.50$.

Motion carried.

CLEAN WATER GRANTS:

- City of Sturgeon Lake: 4 wells were sealed.

- CWSL-04 1st Well: 6", 305' well. Sealing completed

Total project cost: $4,785.00 \times 50\% = \$2,392.50$

Total amount approved/encumbered by board: $\$2,392.50$

Motion by Swaim, seconded by Odegard to approve payment of the City of Sturgeon Lake's well #1 at a cost of $\$2,392.50$ CWSL-04.

Motion carried.

- CWSL-07 2nd Well: 6", 150' well. Sealing completed

Total project cost: $\$2,689.00 \times 50\% = \$1,344.50$

Total amount approved/encumbered by board: $\$1,302.50$

Motion by Telker, seconded by Swaim to approve payment of the City of Sturgeon Lake's well #2 at a cost of $\$1,302.50$ CWSL-07.

Motion carried.

- CWSL-06 3rd Well: 5", 90' well. Sealing completed

Total project cost: $\$1,553.00 \times 50\% = \766.50

Total amount approved/encumbered by board: $\$1,445.00 \times 50\% = \722.50

Motion by Odegard, seconded by Luedtke to approve payment of the City of Sturgeon Lake's well #3 at a cost of $\$722.50$ CWSL-06.

Motion carried.

- CWSL-08 4th Well: 1.25", Sandpoint Sealing completed

Total project cost: $\$365.00 \times 50\% = \182.50

Total amount approved/encumbered by board: $\$182.50$

Motion by Swaim, seconded by Telker to approve payment of the City of Sturgeon Lake's well #4 at a cost of $\$182.50$ CWSL-08.

Motion carried.

- Gordy Jacobson: CWSL-09 Well sealing completed

Total project cost: $\$1,297.00 \times 50\% = \648.50

Total amount approved/encumbered by board: $\$1,347.00 \times 50\% = \673.50

Motion by Odegard, seconded by Telker to approve CWSL-09 Gordy Jacobson well sealing at a cost of $\$673.50$ CWSL-09.

Motion carried.

- Cory Klavu: CWSL-05 Well sealing completed

Total project cost: $\$1,124.00 \times 50\% = \562.00

Total amount approved/encumbered by board: $\$1,059.00 \times 50\% = \529.50

Motion by Luedtke, seconded by Telker to approve CWSL-09 Cory Klavu well sealing at a cost of $\$529.50$ CWSL-05.

Motion carried.

CROSS LAKE SITUATION:

Carlier provided the board with an update on the Cross Lake Situation.

LETTER TO MASWCD REGARDING DISTRICT FUNDING:

Thomson stated that he spoke with MASWCD about district funding. MASWCD suggested the board send a letter of support for districts to obtain funding through either taxing authority or a water management fee. After discussion Carlier will draft a letter to be sent to MASWCD.

Motion by Luedtke, seconded by Swaim to approve sending a letter of support to MASWCD for districts to obtain their own funding source.

Motion carried

2015 NACD DUES:

NACD dues was discussed.

Motion by Swaim, seconded by Luedtke to approve not paying the 2015 NACD dues.

Motion carried

SWCD SERVICES:

Carlier stated she was approached by the County about paying for the copier in the building. Discussion followed about obtaining some sort of agreement between the district and the County outlining what services the County will provide for us. Carlier was also approached by the County about giving some work to the Veteran Services secretary. Discussion followed with the conclusion that district staff should be given any extra work before hiring outside the organization.

HOLIDAY SCHEDULE:

Carlier stated we need to start thinking about the holiday schedule for December. The issue will be decided at the December meeting.

MISC ITEMS: *none*

NEXT MEETING DATE & TIME:

The next district board meeting will be held on Thursday, December 4, 2014 at **3:00 p.m.**

ADJOURNMENT:

The meeting adjourned at 4:30 p.m.

Respectfully submitted,

Joe Luedtke, Secretary

Pine County Probation Advisory Committee

UNAPPROVED MINUTES

Tuesday, November 25, 2014

Present: Terryl Arola, Cheryl Bjerke, Amber Chase, Reese Fredrickson, Brent Jahnz, Beth Jarvis, George Horbacz, Sgt. Dan Kunz, Bill Morgan, Sgt. Rob Ouverson, Bill Steele, Suzanne Thompson, Lee Williams

Excused: Bill Morgan, Randy Tenge

Absent: Oliver Gibbs, Mac Guptil, Joe Ryan, Amanda Wimmer

Call to Order 6:00 pm

1) **Committee Business**

- Per Diems
- MOTION/SECOND (Lee Williams/Sgt. Dan Kunz) Approve August Minutes. **APPROVED**

2) **Presentation:** Serving Pine County Truants

• **Cheryl Bjerke - Project Attend**

Cheryl handed out brochures on Project Attend, School attendance matters; 2013-2014 Project Attend Data; 2013 Graph of Neighboring Counties Stats; Stand along Truancy case graph and Counseling /Mental Health/Children's Resources list and Pine County Agencies and Schools Procedural Agreement

Project Attend:

All schools in Pine County work with Cheryl and provide referrals of truancy to Project Attend. Project Attend exist because of the Pine County Agencies and Schools Procedural Agreement which is funded in part by the Pine County Children's Cabinet.

- A new bill approved changed that students may not withdraw from school until 17 years of age.
- Cheryl 15th year doing Project Attend. 9 month school year contract through SCRED but funded by PC Children's Cabinet. Has a regular schedule for each school that she will be located at each day of the week.
- Referral to the Project Attend after 6 days missed w/o Dr note, 8 days absent excused/unexcused w/o Dr note.
- Cheryl works with the kids and family in an attempt to address the barriers and keeping them out of court & off probation
- Criteria: 3 FD Unexcused – get continuing truant letter or 7 FD Unexcused – received habitual truant letter.
- If child is moving forward and working with her at this point it will not be filed with the courts.
- Cheryl works with the true truant kids to attempt to eliminate barriers to keep them off probation.
- Work with new program for Out of School Suspensions – New Direction at the CLC building – instead of being sent home the child will attend New Direction on those days. A critical thinking program is used as part of the curriculum at New Direction. The program is working very well right now.
- Behaviors that affect children attending school – ADHD, Mental Health issues, Homelessness, Chemical issues, Medical issues.
- Cheryl trains the school staff about attendance and school requirements. Also, how to recognize concerns and what to do when they feel there is a problem. She works hard to get the child involved with school and school activities to make a connection. She will help transportation the child or talk to the school or parent. Meets ½ way with parent if

child is a resident of Lake Lena because of the distance.

- Cabinet meet 1x a year in April to approve the next school year.

- **Amber Chase - Probation Agent**

- Once in court for Truancy the child is assigned to Probation and the agent will assist with connecting services that are needed for child.
- Provides Court the reports on child's progress.
- Agents goal is to attend 1x a week to the school though it doesn't happen as often as would like.
- Works with school by phone and emails for progress reports and any issues going on.
- Monitors and connects with the therapist working with the kids and family.
- Consequence programs at Anoka Non-Secure facility can be used as a violation if child continues to be truant.
- Work with Foster families if child is not in family home.

Amber's Current Case numbers

- 15 cases are straight truanancies in which ½ are chemical/mental health issues
- 6 are American Indian children

Online Schools

- Amber follows up with the school if on probation she will get updates from the online school regarding school progress if truant. The online school will give the agent information if needed for court.

Homeschooling

- Virtually Untouchable
- October 1st the family fills out forms and sends in quarterly reports to the State.

GED

- Amber still needs to verify with the program that the child is still working towards a GED until they reach the age of 18 if on Probation.

Truancy Statutes: Programs & Services MS 260A
Procedures MS 260C.143
Court Dispositions MS 260C.201

3) General Updates

- County Probation news
 - Staff/Program updates: Jeremie Reinhart (Absent)
 - Administrative update: Terryl Arola

Staff

- Jaimie Azzone took FT job in Mille Lacs. Her .4 FTE vacancy was approved to be back filled and closes 12-5-14
- Ravi Roelf is currently volunteering within the department and these hours help out during the transition and continuing to broaden his Probation experience.

County

- 2015 Budget – Terryl presented to Budget Committee and advocated for the .4 FTE position which did stay in the original budget proposal.
- The 2015 Budget is tight to balance the HHS budget and also put some more into building reserves. The proposed levy increase is 4.83%.
- County election races – New County Attorney, New Sheriff and New District 2 Commissioner

Statewide

- Probation funding discussions moving ahead
 - On 11-14-14 DOC, CCA, and MACPO reps, including Terryl, testified at Senator Latz committee – Judiciary & Judiciary finance Chair. The purpose was to tell our stories on how funding has

impacted each of our delivery systems. Our local Senator, Tony Lourey, is on Judiciary Committee.

- On 11-18-14 MACPO reps, including Terry, met with Joanna Dornfeld – Senior Policy Advisor to the Governor to explain funding impact on county probation offices.
 - DOC Probation news –Randy Tenge (Absent)
 - CORE sex offender program now has a permanent home in a church located in Mora.
 - Sheriff's Office Update
 - Sheriff-Elect Jeff Nelson moved to Chief Deputy for now until takes over as Sheriff
 - 3 District organization will stay intact with new Sheriff
- 4) **Next Meeting: February 24th 2015 at 6 pm** – Public Health Building, Sandstone
- 6) Adjourn MOTION/SECOND Bill Morgan/Lee Williams

Respectfully submitted: Suzanne Thompson

2015 Meetings

February 24th at 6 pm – Public Health Building, Sandstone

May 26th at 6 pm – Pine County Courthouse, Pine City

August 25th at 6 pm – Public Health Building, Sandstone

November 24th at 6 pm – Pine County Courthouse, Pine City



AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 Consent Agenda
 Regular Agenda 5 mins 10 mins 15 mins Other
- Personnel Committee**
- Other** _____

Agenda Item: November 2014 Cash Balance

Department: Auditor-Treasurer

Cathy Cloward
Department Head signature

Background information on Item:

Action Requested:

Financial Impact:

TREASURER'S CASH TRIAL BALANCE COMPARISON

FUND	November 30, 2013 BALANCE	November 30, 2014 BALANCE	DIFFERENCE
1 - GENERAL	2,867,387.47	3,420,714.55	553,327.08
12 - H&HS	1,289,936.43	526,037.83	(763,898.60)
13 - ROAD & BRIDGE	3,772,405.24	2,091,342.27	(1,681,062.97)
22 - LAND	1,731,329.05	2,083,037.84	351,708.79
 TOTAL (incl non-major funds)	 \$10,946,247.11	 \$9,661,450.42	 (1,284,796.69)

CATHYJ
12/3/14 9:15AM

***** Pine County *****

TREASURER'S CASH TRIAL BALANCE

As of 11/2014



<u>Fund</u>	<u>Beginning Balance</u>	<u>This Month</u>	<u>YTD</u>	<u>Current Balance</u>
1 General Revenue Fund	2,608,669.34			
Receipts		464,180.23	9,707,647.07	
Disbursements		621,529.03-	9,593,750.14-	
Payroll		738,416.91-	8,508,174.18-	
Journal Entries		3,295,799.68	9,206,322.46	
Fund Total		2,400,033.97	812,045.21	3,420,714.55
12 Health & Human Services	420	H&Hs-Income Maintenance		
	2,040,281.15			
Receipts		73,397.83	1,180,989.28	
Disbursements		52,975.88-	678,254.67-	
Payroll		138,438.06-	1,621,030.93-	
Journal Entries		352,448.89	1,062,899.45	
Dept Total		234,432.78	55,396.87-	1,984,884.28
12 Health & Human Services	430	H&Hs-Social Services		
	1,373,656.88-			
Receipts		232,293.59	2,092,833.26	
Disbursements		22,949.37-	304,063.69-	
SSIS		198,059.66-	2,646,953.99-	
Payroll		129,455.17-	1,548,989.88-	
Journal Entries		706,831.21	2,092,301.76	
Dept Total		588,660.60	314,872.54-	1,688,529.22-
12 Health & Human Services	440	Childrens Collaborative (H&Hs)		
	0.00			
Dept Total		0.00	0.00	0.00
12 Health & Human Services	481	Nursing-Community Health (H&Hs)		
	155,705.82			
Receipts		78,264.25	920,360.97	
Disbursements		21,811.08-	300,194.53-	
Payroll		70,081.29-	929,195.85-	
Journal Entries		144,319.75	349,373.53	

526,037.83

CATHYJ
12/3/14 9:15AM

***** Pine County *****



TREASURER'S CASH TRIAL BALANCE

As of 11/2014

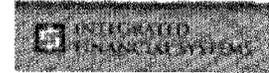
<u>Fund</u>	<u>Beginning Balance</u>	<u>This Month</u>	<u>YTD</u>	<u>Current Balance</u>
Dept Total		130,691.63	40,344.12	196,049.94
Fund Total	822,330.29	953,786.01	329,925.29-	492,405.00
 13 Road & Bridge Fund	 2,078,182.32			
Receipts		117,279.35	13,400,882.42	
Disbursements		3,765,372.13-	13,047,794.29-	
Payroll		157,313.77-	1,823,863.99-	
Journal Entries		625,580.82	1,483,935.81	
Fund Total		3,179,825.73-	13,159.95	2,091,342.27
 14 Ditch Maintenance (Sr) Fund	 11,975.91			
Journal Entries		12.94	55.60	
Fund Total		12.94	55.60	12,031.51
 20 County-Wide Rehab (Sr) Fund	 917.56			
Receipts		0.06	0.15	
Disbursements		0.00	750.00-	
Journal Entries		0.00	21.37	
Fund Total		0.06	728.48-	189.08
 21 800 MHz Project Fund	 0.00			
Fund Total		0.00	0.00	0.00
 22 Land Management Fund	 1,838,948.89			
Receipts		97,529.17	1,425,165.37	
Disbursements		428.39-	46,912.75-	
Payroll		7,226.67-	87,672.31-	

CATHYJ
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***** Pine County *****

TREASURER'S CASH TRIAL BALANCE

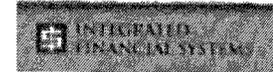
As of 11/2014



<u>Fund</u>	<u>Beginning Balance</u>	<u>This Month</u>	<u>YTD</u>	<u>Current Balance</u>
Journal Entries		0.00	1,046,491.36-	
Fund Total		89,876.11	244,088.95	2,083,037.84
24 Ambulance (Sr) Fund				
	0.00			
Fund Total		0.00	0.00	0.00
29 Children's Collab (H&Hs) Agency Fund	440	Childrens Collaborative (H&Hs)		
	53,378.82			
Receipts		0.00	75,355.00	
Disbursements		0.00	97,465.00-	
Journal Entries		9.97	88.94	
Dept Total		9.97	22,021.06-	31,357.76
Fund Total	53,378.82	9.97	22,021.06-	31,357.76
32 Ecswc Bond Guarantee (Ds)				
	0.00			
Fund Total		0.00	0.00	0.00
33 2002 Cap-Equip Bond (Ds) Fund				
	0.00			
Fund Total		0.00	0.00	0.00
35 2004 Street Reconstruct Bond Fund				
	0.00			
Fund Total		0.00	0.00	0.00
37 County Railroad Authority				
	1,566.63-			
Receipts		71.59	71.59	
Disbursements		54.96-	3,028.96-	

CATHYJ
12/3/14 9:15AM

***** Pine County *****



TREASURER'S CASH TRIAL BALANCE

As of 11/2014

<u>Fund</u>	<u>Beginning Balance</u>	<u>This Month</u>	<u>YTD</u>	<u>Current Balance</u>
Journal Entries		3,831.48	9,496.19	
Fund Total		3,848.11	6,538.82	4,972.19
38 Building Fund	125,949.45			
Disbursements		61,529.70-	176,555.93-	
Journal Entries		4,268.00-	4,268.00-	
Fund Total		65,797.70-	180,823.93-	54,874.48-
39 2005A G.O. Jail Bonds	919,632.32			
Receipts		10,607.14	10,607.14	
Disbursements		0.00	1,220,136.26-	
Journal Entries		526,308.39	1,272,541.90	
Fund Total		536,915.53	63,012.78	982,645.10
40 2012 G.O. Courthouse Bonds	778,170.91			
Receipts		8,149.25	8,149.25	
Disbursements		0.00	935,875.00-	
Journal Entries		404,368.02	977,876.25	
Fund Total		412,517.27	50,150.50	828,321.41
41 2005 Hra Bonds	0.00			
Fund Total		0.00	0.00	0.00
76 Group Health Ins Fund 5/1/95 (Gen)	521,036.87-			
Receipts		236,368.69	2,668,456.55	
Disbursements		228,984.51-	2,815,852.19-	
Journal Entries		6,361.69	71,048.59	

CATHYJ
12/3/14 9:15AM

***** Pine County *****

TREASURER'S CASH TRIAL BALANCE

As of 11/2014



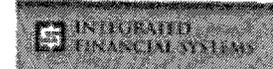
<u>Fund</u>	<u>Beginning Balance</u>	<u>This Month</u>	<u>YTD</u>	<u>Current Balance</u>
Fund Total		13,745.87	76,347.05-	597,383.92-
80 County Collections Agency Fund	38,365.53			
Receipts		13,964.06	540,421.66	
Disbursements		14,999.47-	566,691.23-	
Journal Entries		0.00	3,732.30	
Fund Total		1,035.41-	22,537.27-	15,828.26
82 Taxes And Penalties Agency Fund	779,218.63			
Receipts		1,360,337.85	32,795,391.26	
Disbursements		3,964,213.48-	16,621,167.36-	
Journal Entries		5,991,138.59-	14,708,227.24-	
Fund Total		6,595,014.22-	534,003.34-	245,215.29
84 East Central Drug Task Force Agency Fur	51,288.10			
Receipts		23,345.33	204,854.85	
Disbursements		46,166.71-	151,022.26-	
Journal Entries		0.00	1,747.20-	
Fund Total		22,821.38-	52,085.39	103,373.49
89 H & Hs Collections Agency Fund		801 Non-Departmental		
Receipts	34,062.11-	71,541.14	873,637.15	
Disbursements		544.38-	68,334.62-	
Journal Entries		70,471.25-	768,965.35-	
Dept Total		525.51	36,337.18	2,275.07
Fund Total	34,062.11-	525.51	36,337.18	2,275.07
All Funds	9,550,362.46			
Receipts		2,787,329.53	65,904,822.97	
Disbursements		8,801,557.09-	48,627,848.88-	

CATHYJ
12/3/14 9:15AM

***** Pine County *****

TREASURER'S CASH TRIAL BALANCE

As of 11/2014



<u>Fund</u>	<u>Beginning Balance</u>	<u>This Month</u>	<u>YTD</u>	<u>Current Balance</u>
SSIS		198,059.86-	2,646,953.99-	
Payroll		1,240,931.87-	14,518,927.14-	
Journal Entries		5.00-	5.00-	
Total		7,453,224.09-	111,087.96	9,661,450.42



AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 Consent Agenda
 Regular Agenda 5 mins. 10 mins. 15 mins. Other
- Personnel Committee**
- Other** _____

Agenda Item: Approval of Tobacco Licenses

Department: Auditor

Cathy Clemons
Department Head signature

Background information on Item:

Approval for January 1- December 31, 2015 Tobacco Licenses that have been completely submitted with the necessary paperwork and approved by the Pine County Sheriff.

See the attached list of applicants and the licenses to be signed by the County Board Chairperson.

Action Requested:

Financial Impact:

Beroun Crossing Market
Chengwatana Country Club
Chris' Food Center (2)
Crossroads Convenience Store
Cypress Inn
Daggett's Super Valu
Dave's Oil Corp
Denham Run Bar & Grill
Duquette General Store
Family Dollar Store-Sandstone
Finlayson Municipal Liquor Store
Froggies
Heidelberger's Rock Creek Motor Stop
Hinckley Firehouse Liquor
Holiday Station stores #6, 226, and 258 (3)
Kurt's Station
Little Stores (2)
Main Street Grocery
Nickerson Bar & Motel, Inc
Northland E-Cigs
Petry's Bait Company
Pump N Munch
Pokegama Liquors
Quarry Store
Rich's Bar
Sandstone Petro Plus
Slim's Service, Inc.
Squirrel Cage
Stogies Discount Tobacco
Sturgeon Lake Golf Course
SuperAmerica #4500
Tank's Tavern
Tobies Station, Inc
Wal-Mart Supercenter #2367
Wanna Video
West Beroun Liquors
Banning Junction



AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 Consent Agenda
 Regular Agenda 5 mins 10 mins 15 mins Other
- Personnel Committee**
- Other** _____

Agenda Item: Application to conduct off-site gambling

Department: Auditor-Treasurer

Cathy Clamer
Department Head signature

Background information on Item:

Application by Hinckley-Pine City Flames Snowmobile Club to Conduct Off-Site Gambling from February 11 - 14, 2016 at Grand Casino-Hinckley, 777 Lady Luck Dr, Hinckley, MN (Barry Twp).

Action Requested:

Financial Impact:



Hinckley-Pine City Flames Snowmobile Club

P.O. Box 311
Pine City, MN 55063

To Whom It May Concern,

The Hinckley-Pine City Flames Snowmobile Club is hosting the 2016 MnUSA Winter Rendezvous on February 11th – 14th, 2016 & would like to request an off-site Gambling License to hold a raffle at the Grand Casino – Hinckley Location on February 13th 2016. Yes, it is for 2016 to announce our raffle winners.

We would like to attend several events throughout the year to promote the event so that is the reason for the extended time line. We are able to attend 11 events to promote the Winter Rendezvous & want to make it the largest event possible for the Casino and MnUsa. We hosted the event in 2010 also at the Grand Casino and people are still talking about the event and what we are going to do to top it in 2016.

Please consider allowing us to conduct a raffle at the Grand Casino – Hinckley location during our hosting of the MnUsa Winter Rendezvous.

Thank you

Douglas A. Olson
Gambling Manager
Hinckley-Pine City Flames Snowmobile Club
612-735-7772

LG230 Application to Conduct Off-site Gambling**No Fee****Organization Information**

Organization name Hinckley-Pine City Flames Snowmobile Club License number 04385
 Address PO Box 311 City Pine City **MN** Zip code 55063
 County Pine
 Gambling manager name Douglas A. Olson Daytime phone 612-735-7772

Gambling Activity

1. Twelve off-site events are allowed each calendar year not to exceed a total of 36 days.
 from 02 / 11 / 2016 to 02 / 14 / 2016
2. Check the type of games that will be conducted.
 raffle pull-tabs bingo tipboards paddlewheel

Gambling Premises

3. Name of location where gambling activity will be conducted Grand Casino - Hinckley
4. County [where gambling activity will be conducted] Pine County
5. Street address and city [or township] 777 Lady Luck Dr, Hinckley, MN Zip code 55037
- Do not use a post office box.
 - If no street address, write in road designations. Example: 3 miles east of Hwy 63 on County Road 42.
6. Does your organization own the gambling premises?
 Yes If yes, a lease is not required.
 No If no, the lease agreement below must be completed, and signed by the lessor.

Lease Agreement for Off-site ActivityA lease agreement is not required for raffles.

7. Rent to be paid for the leased area _____ If none, write "0."
8. All obligations and agreements between the organization and the lessor are listed below or attached.
- Any attachments must be dated and signed by both the lessor and lessee.
 - This lease and any attachments is the total and only agreement between the lessor and the organization conducting lawful gambling activities.
 - Other terms, if any _____
9. Lessor's signature _____ Date ____/____/____
 Print lessor's name _____

CONTINUE TO PAGE 2

LG230 Application to Conduct Off-site Gambling

Acknowledgment by Local Unit of Government: Approval by Resolution	
CITY APPROVAL for a gambling premises located within city limits.	COUNTY APPROVAL for a gambling premises located in a township
City name _____	County name _____
Date approved by city council _____	Date approved by county board _____
Resolution number (if none, provide meeting minutes) _____	Resolution number (if none, provide meeting minutes) _____
Signature of city personnel _____	Signature of county personnel _____
Title _____ Date Signed _____	Title _____ Date Signed _____

Chief Executive Officer [CEO] Acknowledgment

10. The person signing this application must be your organization's CEO and have their name on file with the Gambling Control Board. If the CEO has changed and the current CEO has not filed a LG200B Organization Officers Affidavit with the Gambling Control Board, he or she must do so at this time.

11. I have read this application, and all information is true, accurate, and complete, and if applicable, agree to the lease terms as stated in this application.

CEO signature *Norris Hamilton* Date 11/25/14

12. Print CEO name Norris Hamilton Daytime phone (320) 515-0156

Mail or fax to: **No attachments required.**

Gambling Control Board
 1711 West County Road B, Suite 300 South
 Roseville, MN 55113
FAX: 651-639-4032

This publication will be made available in alternative format (i.e. large print, Braille) upon request.

<p>Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application.</p> <p>Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information</p>	<p>provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public.</p> <p>Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.</p>
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AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 Consent Agenda
 Regular Agenda 5 mins 10 mins 15 mins Other
- Personnel Committee**
- Other** _____

Agenda Item: Application for Repurchase

Department: Auditor


Department Head signature

Background information on Item:

Resolution for repurchase of tax forfeited land on a 10 year contract
for Kelly Billings

Action Requested:

Approve resolution

Financial Impact:

none

RESOLUTION 2014-50

WHEREAS, Kelly Billings, the former owner, has made and filed an application with the County Auditor for the repurchase of the hereinafter described parcel of tax forfeited land, in accordance with the provisions of Minnesota Statutes 1945, Section 282.241, as amended, which land is situated in the County of Pine, Minnesota, and described as follows, to-wit:

North ½ of Northeast ¼ (N1/2 of NE1/4) Section Twenty-five (25), Township Forty-four (44), Range Twenty (20) except the West 1980 feet thereof & except the east 330 feet thereof. Subject to County Highway 152 over the North 33 feet.
Parcel 17.0319.011

and WHEREAS, said applicant has submitted the required application for repurchase to the Pine County Auditor:

and

and WHEREAS, this Board is of the opinion that said application should be granted for such reasons,

NOW THEREFORE BE IT RESOLVED, that the application of Kelly Billings, for the repurchase of the above described parcel of tax forfeited land be and the same is hereby granted and the County Auditor is hereby authorized and directed to permit such repurchase according to the provisions of Minnesota Statutes 1945, Section 282.241, as amended.

Dated at Pine City, Minnesota, this 16th day in December, 2014.

Attest:

Chairman, Board of County Commissioners
Pine County, Minnesota

County Auditor

RESOLUTION 2014-51

WHEREAS, Kelly Billings, the former owner, has made and filed an application with the County Auditor for the repurchase of the hereinafter described parcel of tax forfeited land, in accordance with the provisions of Minnesota Statutes 1945, Section 282.241, as amended, which land is situated in the County of Pine, Minnesota, and described as follows, to-wit:

The East 330 feet of the North ½ of Northeast ¼ (N1/2 of NE1/4) Section Twenty-five (25), Township Forty-four (44), Range Twenty (20) Subject to County Highway 152 over the North 33 feet.
Parcel 17.0319.017

and WHEREAS, said applicant has submitted the required application for repurchase to the Pine County Auditor;

and

and WHEREAS, this Board is of the opinion that said application should be granted for such reasons,

NOW THEREFORE BE IT RESOLVED, that the application of Kelly Billings, for the repurchase of the above described parcel of tax forfeited land be and the same is hereby granted and the County Auditor is hereby authorized and directed to permit such repurchase according to the provisions of Minnesota Statutes 1945, Section 282.241, as amended.

Dated at Pine City, Minnesota, this 16th day in December, 2014.

Attest:

Chairman, Board of County Commissioners
Pine County, Minnesota

County Auditor



AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 - Consent Agenda**
 - Regular Agenda** 5 mins. ___ 10 mins. ___ 15 mins. ___ Other ___
- Personnel Committee**
- Other** _____

Agenda Item: Approve hiring of Chief Deputy Auditor/Treasurer

Department: Administrator



Department Head signature

Background information on Item:

On December 5th, 2014, interviews were conducted with two candidates for the Chief Deputy Auditor/Treasurer position. The interview panel consisted of County Auditor/Treasurer Cathy Clemmer, County Administrator David Minke and Human Resources and Payroll Specialist Matt Christenson.

The top candidate was Nicole Ollig. Nicole comes to Pine County from the MN Office of the State Auditor where she worked as a Local Government Auditor. The background check is currently in progress. This position is a full-time, non-union, overtime exempt position graded C51.

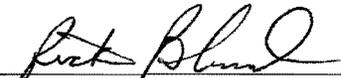
Action Requested:

Approve the hiring of Nicole Ollig, Chief Deputy Auditor/Treasurer (C51), at an hourly rate of \$25.00 per hour with a start date of January 5, 2015. The offer is contingent upon a successful back ground investigation.

Financial Impact:

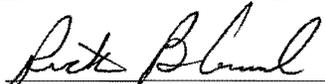
\$25.00/hr or \$52,000 annually (budgeted position)

PINE COUNTY REQUEST FOR BOARD ACTION

Requested Board Date: December 16, 2014	Consent Agenda <i>(Please choose)</i> Regular Agenda Estimated Time: <i>(Please Circle)</i> _____ 10 Min. 15 Min. Time needed 30 Min. 45 Min. 1 hour
Department requesting action: <u>Sheriff / Jail</u>	 <u>12-9-14</u> Department Head Signature Date

<p>Item for Discussion: (one form per item)</p> <p>Acknowledge and approve promotion of Part Time Correction Officer Cody Overton to Full Time Correction Officer effective 12-14-2014. No change in grade or wage. B-23, step 3 \$16.04.</p> <p>Position approved during the August 19, 2014 County Board meeting.</p> <p>Board Action Requested: (Attach additional pages if needed)</p> <p align="right">Supporting Documents: Attached None</p>

PINE COUNTY REQUEST FOR BOARD ACTION

Requested Board Date: December 16, 2014	Consent Agenda (<i>Please choose</i>) Regular Agenda Estimated Time: (<i>Please Circle</i>) _____ 10 Min. 15 Min. Time needed 30 Min. 45 Min. 1 hour
Department requesting action: <u>Sheriff / Jail</u>	 <u>12-9-14</u> Department Head Signature Date

<p>Item for Discussion: (one form per item)</p> <p>Acknowledge and approve promotion of Part Time Correction Officer Travis Keller to Full Time Correction Officer effective 12-14-2014. No change in grade or wage. B-23, step 3 \$16.04.</p> <p>Position approved during the March 18, 2014 County Board meeting.</p> <p>Board Action Requested: (Attach additional pages if needed)</p> <p align="right">Supporting Documents: Attached None</p>



AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 - Consent Agenda**
 - Regular Agenda** 5 mins. ___ 10 mins. ___ 15 mins. ___ Other ___//
- Personnel Committee**
- Other** _____

Agenda Item: Septic Inspector Certification Course

Department: Land Services

Department Head signature

Background information on Item:

With the restructure of the Land Services Department to include Zoning, the department head became responsible for the implementation of the sewer ordinance. This training will provide technical expertise to allow successful implementation/management of the ordinance and the inspection process.

Action Requested:

Consider attendance by Kelly Schroeder, Land Services Director to the third of five required courses, Basic Design of Onsite Systems, February 3-6, 2015 in Alexandria, Minnesota.

Financial Impact:

The course cost is \$435, \$178.77 hotel, and \$123.20 mileage. All costs are in the 2015 budget.



AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 - Consent Agenda
 - Regular Agenda
- Personnel Committee
- Other _____

5 mins. 10 mins. 15 mins. Other

Agenda Item: Aquatic Invaders Summit

Department: Land Services


Department Head signature

Background information on Item:

The initiative Foundation along with the Minnesota DNR, Association of Minnesota Counties, Minnesota Association of Watershed Districts, Minnesota Lakes and Rivers Advocates, and the Clean Water, Land, and Legacy Amendment are hosting a "Aquatic Invaders Summit" to bring together Minnesota local government and their partners to work together to limit and prevent the spread of Aquatic Invasive Species.

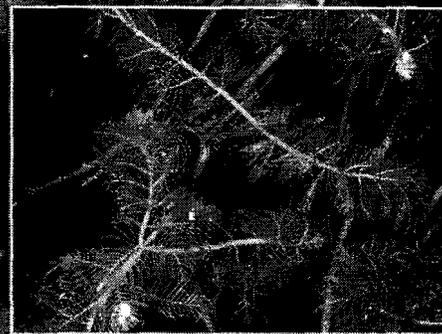
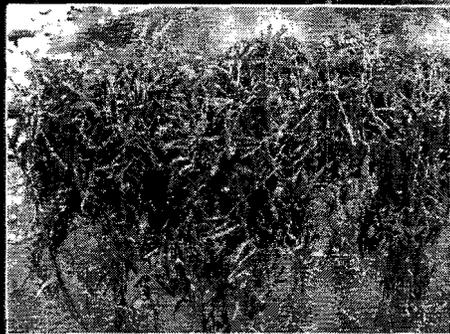
Action Requested:

Consider attendance for Land Services Director Kelly Schroeder to attend the Aquatic Invaders Summit January 20-21, 2015 at the Rivers Edge Convention Center, St. Cloud, MN.

Financial Impact:

Cost for registrations is \$150, which includes lunch. No mileage or lodging expenses will be incurred. Funds are available in the 2015 AIS Budget.

Dec. 3, 2014



AQUATIC INVADERS SUMMIT:

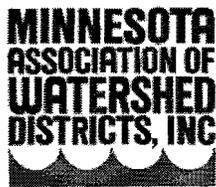
An Exploration of Local Collaboration, Innovation and Opportunity

January 20-21, 2015 | River's Edge Convention Center | 10 4th Ave. S. | St. Cloud, MN

Bringing together Minnesota local governments
and their partners to work together to limit
and prevent the spread of Aquatic Invasive Species.

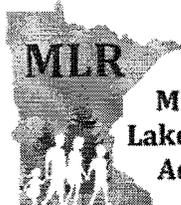
Your Host
Initiative Foundation

Co-Sponsors



Land and Water Shall be Preserved

Minnesota Association of
Watershed Districts



Minnesota
Lakes & Rivers
Advocates

Minnesota Lakes &
Rivers Advocates



Minnesota Department
of Natural Resources



In collaboration with the
Association of Minnesota Counties



The Minnesota Clean Water Land & Legacy Amendment is working to restore, protect and enhance Minnesota's wetlands, prairies, forests and habitat for fish, game and wildlife.

For more information, visit lsohc.leg.mn.

ifound.org | (877) 632-9255 | 405 First Street SE | Little Falls, MN 56345



AQUATIC INVADERS SUMMIT: An Exploration of Local Collaboration, Innovation and Opportunity

Minnesota's lakes and rivers are among the state's greatest natural assets. Yet today, aquatic invasive species (AIS) eminently threaten the quality of these legacy resources for the enjoyment of future generations. Many species are already here, Zebra mussel infestations are increasing and other species are quickly approaching Minnesota to further threaten our lakes and rivers.

Preventing and limiting the spread of these aquatic invaders is critical to the future of Minnesota's water resources, the state's annual \$11 billion-plus tourism industry, and the quality of life for Minnesotans and visitors who enjoy our state's waters.

Why Attend? Who Should Attend?

Minnesota is gearing up to aggressively fight the spread of AIS with two new local funding opportunities passed by the 2014 legislature:

- \$4.05 million from the Outdoor Heritage Fund to the Initiative Foundation for pilot projects throughout the state for innovative approaches for local AIS prevention.
- \$10 million annually in AIS prevention aid to Minnesota counties which, working with their local partners, will plan and implement programs to prevent and limit the spread of aquatic invasive species.

With these new funding resources available, this two-day Aquatic Invaders Summit is a timely opportunity for local and tribal governments and their partners—lake associations, lake improvement districts, service providers, angling and conservation groups, hospitality industry businesses, chambers of commerce, and others—to come together to learn about resources and plan together for effective, local AIS prevention.

Attendees will ...

- Have a unique opportunity to hear from national AIS prevention leaders about successful programs in other states and on-the-ground applied science and actions for preventing the spread of AIS.
- Learn about various Minnesota local government plans and approaches as models for action.
- Develop an understanding of current Minnesota practices/laws related to AIS management and prevention.
- Gain insights into successful communication and education tools to encourage public participation and compliance.
- Network with other regional leaders to develop shared visions, approaches and resources.
- Participate in the development of a first-of-its-kind Local AIS Action Framework (LAF) that will be a guidance tool for local governments and their partners to utilize in planning for and allocating local AIS prevention aid. (More on LAF on Page 5).



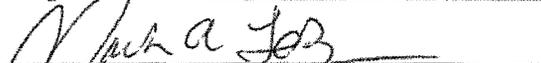
AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 Consent Agenda
 Regular Agenda 5 mins. 10 mins. 15 mins. Other
- Personnel Committee**
- Other** _____

Agenda Item: 70th Annual MN County Engineer's Conference

Department: Pine County Public Works


Department Head signature

Background information on Item:

Authorization for Mark LeBrun, County Engineer to attend 70th Annual MN County Engineers Conference at Cragun's Resort in Brainerd, January 20-23, 2015

Action Requested:

Approve registration and hotel for a total of \$800.40

Financial Impact:

Within 2015 Budget

Pine County Facilities Committee
Wednesday, December 3, 2014 @ 9:00 a.m.
Administrator Conference Room, Courthouse
Pine City, Minnesota

Members:

Commissioner Matt Ludwig
Commissioner Mitch Pangerl

The meeting was called to order at 9:00 a.m. Members present were Commissioner Matt Ludwig and Commissioner Mitch Pangerl. Others present: County Engineer Mark LeBrun and Building Superintendent Kevin Newman.

The Minutes of the November 5, 2014 meeting were approved as presented.

The agenda was approved as presented.

PGC Update

Negotiations continue on the lease with Pine City. It is expected to be approved by the city at the December 3rd Pine City Council meeting.

Mark is working to secure a quote for removal of the tower. Should be removed sometime this winter.

Sunshade

Kevin stated sunshade is a 90% sun block and has additional fabric to install if necessary.

General Building Information

Commissioner Ludwig discussed potential space for Sheriff evidence. Contact will be made with Sheriff Elect Nelson in 2015 to discuss department needs.

Commissioner Ludwig discussed needed information (size, utilities, usage, location) on all buildings. Information will be gathered for all County buildings by end of year.

With no further business the meeting adjourned at 9:36 a.m.

PINE COUNTY PERSONNEL COMMITTEE

Minutes

December 10, 2014

7:30 a.m. – Commissioners Conference Room

Pine County Courthouse

Pine City, MN

Members: Commissioner Chaffee

Commissioner Rossow

Members Present: County Administrator David Minke, HR and Payroll Specialist Matt Christenson

1. The meeting was called to order at 7:30 a.m.
2. The agenda was approved.
3. Approve Minutes from November 13, 2014 Personnel meeting.

Commissioner Chaffee motioned to recommend for approval, Commissioner Rossow seconded. Motion carried 2-0.

4. Administrator

- a. Discuss/approve 2015 1.5% cost-of-living increase to non-union employees and 2015 non-union pay scale effective January 1, 2015. Discussion was held as to current pay system and the upcoming class and comp study.

Commissioner Chaffee motioned to recommend for approval, Commissioner Rossow seconded. Motion carried 2-0.

- b. Discuss/approve 2015 pay matrix. Discussion was held as to 2013-2014 performance increases and updates to the 2015 pay matrix. Discussion was held as to non-union positions currently at the top of scale and their affect on the matrix.

Commissioner Rossow motioned to recommend approving the 2015 Pay Matrix as outlined below,

2015 Non-Union Performance Increase Matrix

<u>All Classifications</u>	<u>Percentage</u>
Outstanding	up to 6%
Exceeds Requirements	up to 5%
Fully Capable	up to 4%
Needs Improvement	up to 1%
Unsatisfactory	0%

Commissioner Chaffee seconded. Motion carried 2-0.

- c. Discuss/approve 2015 elected official salaries. Discussion was held as to 2015 compensation for elected officials.

Commissioner Rossow motioned to recommend setting 2015 elected official salaries as

presented below,

County Auditor/Treasurer: \$83,000

County Sheriff: \$83,500

County Attorney: \$85,000

Commissioner Chaffee seconded. Motion carried 2-0.

- d. Discuss/approve 2015 county commissioner compensation and per diems. Commissioners expressed interest in raising the current per diem from \$75 to \$100 and compensation remaining at \$21,208.

Commissioner Rossow motioned to recommend setting 2015 county commissioner compensation and per diem rate as presented below,

Salary: \$21,208

Per Diem: \$100

Commissioner Chaffee seconded. Motion carried 2-0.

- e. Discuss/approve 2015 monthly health insurance contributions. Committee provided direction for HR and Payroll Specialist Matt Christenson to update the 2015 contribution amounts to reflect language in settled contracts and to apply to non-union employees at the December 16, 2014 county board meeting. Contribution amounts for 2015 should be set as follows:

Single: \$570.50

Family: \$1143.55

5. Other

6. The meeting was adjourned at 8:34 a.m.

DRAFT

2015 Non-Union Pay Scale

Position	Grade	2015	Annual based	2015	Annual based
		Minimum	on 2080 hours	Maximum	on 2080 hours
Seasonal, Jail Matron Officer, Receptionist	A13	\$11.97	\$24,897.60	\$17.30	\$35,984.00
Jail Secretary	B21	\$12.58	\$26,166.40	\$18.34	\$38,147.20
Court Security Officer, Administrative Assistant	B22	\$13.27	\$27,601.60	\$19.23	\$39,998.40
Payroll Clerk, Administrative Assistant	B23	\$13.95	\$29,016.00	\$20.14	\$41,891.20
IT Support Specialist, Office Manager Public Works/Sheriff, STS Crew Leader	B24	\$16.07	\$33,425.60	\$23.17	\$48,193.60
Office Manager/Legal Secretary, Deputy Recorder, HR and Payroll Specialist	B31	\$17.31	\$36,004.80	\$24.34	\$50,627.20
Assistant Jail Administrator, Building Maintenance Supervisor	C41	\$19.04	\$39,603.20	\$27.28	\$56,742.40
Veterans Service Officer, IT Supervisor	C42	\$19.89	\$41,371.20	\$28.42	\$59,113.60
County Recorder, Deputy Assessor	C43	\$20.98	\$43,638.40	\$29.42	\$61,193.60
County Surveyor, Land/Zoning Administrator, Chief Deputy Auditor/Treasurer	C51	\$23.02	\$47,881.60	\$32.85	\$68,328.00
Public Health Supervisor, Jail Administrator	C52	\$23.96	\$49,836.80	\$33.88	\$70,470.40
Assistant County Attorney	D61	\$25.58	\$53,206.40	\$36.10	\$75,088.00
Chief Deputy Sheriff, Chief Deputy County Attorney	D71	\$27.71	\$57,636.80	\$39.08	\$81,286.40
Land Services Director	E81	\$29.82	\$62,025.60	\$42.00	\$87,360.00
HHS Director, Public Works Director/Co Engineer	E82	\$39.22	\$81,577.60	\$46.31	\$96,324.80
County Administrator	E91	\$39.22	\$81,577.60	\$51.26	\$106,620.80

Resolution # 2014-44
Resolution Setting Salaries for Elected Officials

WHEREAS, Minnesota Statutes §384.151, Subd. 1, §385.373, Subd. 1, §387.20, Subd. 2, and §388.18, Subd. 2 set criteria for salaries for the elected offices of County Auditor, Treasurer, Sheriff and Attorney, respectively and,

NOW, THEREFORE BE IT RESOLVED that the salary for the terms beginning January, 2015 be set for the offices of Pine County Auditor-Treasurer, Sheriff and Attorney, set as follows:

County Auditor-Treasurer	\$83,000
County Sheriff	\$83,500
County Attorney	\$85,000

Attest:

Curt H. Rossow, Chair
Pine County Board of Commissioners

David J. Minke, County Administrator
Clerk to the County Board

Resolution #2014-45
RESOLUTION ESTABLISHING COUNTY COMMISSIONER COMPENSATION
AND
PER DIEMS FOR 2015

WHEREAS, M.S. §375.055 and §375.06 set forth the authorization for compensation of Minnesota County Commissioners; and

WHEREAS, Pine County Commissioners are eligible to receive per diem payments in accordance with the above referenced statutes.;

NOW, THEREFORE, BE IT RESOLVED that an annual salary shall be paid to each Pine County Commissioner.;

BE IT FURTHER RESOLVED that Commissioners may receive payment of per diem (only one per diem per day) for meetings for county or committee meetings.;

BE IT FURTHER RESOLVED that Commissioners may be allowed and paid for actual and necessary traveling expenses incurred while attending meetings of the County Board.;

BE IT FURTHER RESOLVED that the following be deemed eligible for per diem reimbursement:

- Regular, Special or Emergency County Board Meetings
- Committee Meetings
- Meetings as directed by the Board or the Board Chair
- Association of Minnesota County Meetings
- All other meetings that meet requirements of MN Statute §375.055.

The Board of Equalization and Canvassing Board meetings are ineligible for per diem reimbursement. A Commissioner shall not be entitled to county per diem, mileage, or other expenses if the committee to which they have been appointed has paid the expense.

The salary for County Commissioners for 2015 is \$21,208 (unchanged from 2014).

The per diem rate per meeting for 2015 is \$100.

The mileage reimbursement rate for 2015 is to follow the federal IRS rate.

Attest:

Curt H. Rossow, Chair
Pine County Board of Commissioners

David J. Minke, County Administrator
Clerk to the County Board

COUNTY - Full-time employee----non-union & settled contracts

2015

Plan	Annual deductible	Premium		County Contribution		Annual \$\$ County Contributes to VEBA Savings	Cost to Employee	
		Per Month	<u>Per Pay Period</u> This <u>will</u> show on your pay stub	Per Month	<u>Per Pay Period</u> This <u>will</u> show on your pay stub		Per Month	<u>Per Pay Period</u> This <u>will not</u> show on your pay stub
CMM 1000								
CMM Single	1000	623.00	311.50	570.50	285.25		52.50	26.25
CMM Family	3000/4000	1,557.00	778.50	1,143.55	571.78		413.45	206.73
CMM 1500								
CMM Single	1500	570.50	285.25	570.50	285.25		0.00	0.00
CMM Family	4000/5000	1,426.00	713.00	1,143.55	571.78		282.45	141.23
VEBA								
VEBA Single	1850	616.00	308.00	464.25	232.13		151.75	75.88
VEBA Family	3700	1,653.50	826.75	931.05	465.53		722.45	361.23
VEBA Single Savings				106.25	53.13	1275.00		
VEBA Family Savings				212.50	106.25	2550.00		



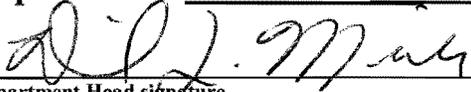
AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 Consent Agenda
 Regular Agenda 5 mins. ___ 10 mins. X 15 mins. ___ Other ___
- Personnel Committee
- Other _____

Agenda Item: Approve 2015 Property Tax Levy and Budget

Department: Administration


Department Head signature

Background information on Item:

The county Commissioners and County Staff have completed work on the 2015 county budget and property tax levy. The budget and tax levy was presented to the public for questions and comments on December 4 at the Truth in Taxation hearing.

Attached is the 2015 property tax levy.

Also attached is the budget as presented at the December 4 meeting.

Action Requested:

Approve the 2015 Property Tax Levy

Approve the 2015 County Budget.

Resolution 2014-48
RESOLUTION ESTABLISHING THE 2015 PROPERTY TAX LEVY

WHEREAS, M.S. §275.07 requires the county levy to be certified to the County Auditor on or before five working days after December 20; and

WHEREAS, the Pine County Board of Commissioners have adopted a preliminary property tax levy of \$15,199,541; and

WHEREAS, the final levy may be equal to or less than the preliminary property tax levy.

NOW, THEREFORE, BE IT RESOLVED that the 2015 property tax levy for Pine County shall be \$15,199,541 distributed to the various funds as shown below:

	Gross Levy	Program Aid	Net Levy
General	\$ 9,624,641	\$1,714,530	\$ 8,037,295
Health & Human Services	3,252,129		3,252,129
Road and Bridge	1,525,000		1,525,000
Building	96,000		\$96,000
2005A Jail Bond	1,290,200		1,290,200
2012 Courthouse GO Bond	998,917		998,917
Total Property Tax Levy	\$16,914,071		\$ 15,199,541

BE IT FURTHER RESOLVED that the County Administrator shall certify this levy to the County Auditor.

Attest:

Curt H. Rossow, Chair
Pine County Board of Commissioners

David J. Minke, County Administrator
Clerk to the County Board

Resolution 2014-49
RESOLUTION ADOPTING THE 2015 BUDGET

WHEREAS, as required by M.S. §375A.06, the County Administrator has submitted a proposed budget to the County Board of Commissioners; and

WHEREAS, the Pine County Board of Commissioners have reviewed the proposed 2015 budget, conducted several public meetings on the proposed budget, and made changes to the proposed budget; and

WHEREAS, On December 4, 2014, the County Board held a public meeting on the proposed budget and property tax levy where the public was allowed to comment on the proposed budget and property tax levy,

NOW, THEREFORE, BE IT RESOLVED that the attached proposed 2015 budget is hereby adopted in the amounts shown.

Attest:

Curt H. Rossow, Chair
Pine County Board of Commissioners

David J. Minke, County Administrator
Clerk to the County Board

BUDGET 2015

DEPT #	REVENUE DEPARTMENT	REVENUES	EXPENDITURES
5	COUNTY BOARD	0	235,027
13	COURT ADMINISTRATION	2,500	64,000
20	LAW LIBRARY	21,500	21,500
41	COUNTY AUDITOR-TREASURER	100,000	607,423
61	MIS	15,000	513,937
62	CENTRAL SERVICES	33,000	33,000
63	TRUTH IN TAXATION	8,000	14,500
71	ELECTIONS ADMINISTRATION	6,000	7,950
72	COUNTY ADMINISTRATOR	1,000	411,945
74	AQUATIC INVASIVE SPECIES PRC	131,156	63,100
91	COUNTY ATTORNEY	78,050	779,674
92	CONTRACTED ATTNYS/CONSULT	0	50,000
101	COUNTY RECORDER	280,150	408,870
105	COUNTY ASSESSOR	173,500	512,785
107	PLANNING AND ZONING	50,499	47,695
111	GOVT BUILDING OPERATIONS	180,000	693,376
121	VETERANS SERVICES	10,000	92,869
201	COUNTY SHERIFF	936,942	3,361,392
204	SHERIFF DISPATCH	0	525,556
210	GUN PERMITS	17,000	17,000
227	ENHANCE 911	100,000	100,000
249	MEDICAL EXAMINER	0	58,000
251	COUNTY JAIL	740,018	3,614,963
255	COURT SERVICES	265,956	720,446
256	SENTENCE TO SERVE	0	69,065
281	CIVIL DEFENSE	20,000	23,200
391	SOLID WASTE	2,800	61,653
392	SCORE RECYCLING	72,000	121,900
501	ECR LIBRARY	0	304,111
502	HISTORICAL SOCIETY	0	15,000
601	SOIL /WATER CONSERVATION	48,481	147,202
602	EXTENTION COMMITTEE	0	1,800
603	COUNTY EXTENTION	0	93,418
604	AGRICULTURE SOCIETY	0	10,000
605	ECONOMIC DEVELOPMENT	0	25,000
613	WATERSHED BOARD	0	11,168
702	PINE COUNTY HOUSING AUTHOR	0	3,000
801	NON-DEPARTMENTAL	11,399,825	462,066
813	MEED-CENTRAL MN INITIATIVE	0	7,250
	TOTAL	14,693,377	14,310,841

DEPT #	HEALTH AND HUMAN SERVICES	REVENUES	EXPENDITURES
12-420	INCOME MAINTENANCE	2,785,939	2,650,551
12-430	SOCIAL SERVICES	4,609,261	4,717,343
12-481	NURSING	353,435	353,435
	TOTAL	<u>7,748,635</u>	<u>7,721,329</u>

DEPT #	HIGHWAY DEPARTMENT	REVENUES	EXPENDITURES
13-310	ADMINISTRATION	0	329,533
13-320	ENGR/CONSTRUCTION	0	5,107,443
13-330	EQUIPMENT	0	2,029,801
13-340	REPAIR AND SHOP	0	1,698,782
13-801	NON-DEPARTMENTAL	9,433,440	27,881
	TOTAL	<u>9,433,440</u>	<u>9,193,440</u>

DEPT #	RESOURCE DEVELOPMENT DEPARTMENT	REVENUES	EXPENDITURES
22-703	LAND USE	809,138	808,589
22-705	ROAD FUND GAS TAX	5,000	5,000
22-707	TIMBER DEVELOPMENT		5,000
	TOTAL	<u>814,138</u>	<u>818,589</u>

DEPT #	BUILDING FUND DEPARTMENT	REVENUES	EXPENDITURES
38-801	BUILDING FUND	96,000	66,000

DEPT #	2005 JAIL BONDS DEPARTMENT	REVENUES	EXPENDITURES
39-810	2005A JAIL BONDS	1,290,200	1,216,661

DEPT #	2005 HRA BONDS DEPARTMENT	REVENUES	EXPENDITURES
40-810	2012A COURTHOUSE BONDS	998,917	935,750

TOTAL ALL FUNDS		<u>35,074,707</u>	<u>34,262,610</u>
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AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board
Consent Agenda
Regular Agenda 5 mins. X 10 mins. 15 mins. Other
Personnel Committee
Other

Agenda Item: Budget Amendment/Supplemental Appropriation

Department: Administrator

Department Head signature

Background information on Item:

The annual budget adopted by the county board is a legal document which estimates revenues and authorizes (appropriates) spending. It is sometimes necessary to consider an amendment or supplemental appropriation to account for items not budgeted for in the initial budget. The attached document "2014 Budget Adjustments - 12-16-2014" shows the recommendations by account code. All adjustments are in the general fund. The last four digits of the numbers that are 5XXX are revenues and the 6XXX are expenditures.

1. Jail Demolition and Parking Lot Construction.

The county board approved these two projects and has budgeted for them in 2015. Circumstances provided the opportunity to complete these projects in 2014. This adjustment is a transfer to keep the building fund from showing a deficit at the end of 2014. In 2015, when the budgeted revenues are recognized in the building fund, a transfer back to the general fund will be recommended. This action will have the impact of temporarily decreasing the reserves in the general fund. However, the net impact on the total county funds is zero as the expenditures have been made and the revenue is budgeted in 2015.

2. FEMA/DNR Flood Buyout

The county has been accounting for these activities in a budget department (073) in the general fund. The 2014 budget did not include an appropriation for these activities. As shown on the attached, all expenses are covered by the grant and the net effect on the budget is zero. Land Services Director Kelly Schroeder is planning a closeout report to the county board for February.

3. Aquatic Invasive Species

The AIS program is fully funded by the State of Minnesota. Fifty-nine thousand dollars was provided in 2014. The expenditures will be less than \$59,000 in 2014. Any funds received but not expended will carry over as assigned reserves and can only be used for program activities in future years.

4. Jail

The 2014 budget was prepared with conservative estimates of jail boarders. Boarding out-of-county prisoners creates revenue, but also creates additional expenses. The attached shows the incremental increases, driven primarily by additional boarders. All of the additional expenditures are offset by increased revenue. The total board revenue will exceed \$600,000, above even the adjusted number.

Action Requested:

Approve the attached adjustments to the 2014 budget.

2014 Budget Adjustments - 12-16-2014

Reimburse Bldg Fund for old jail demo - from Revenue Fund to Building Fund

2015 Building Fund levy to be transferred to General Revenue as taxes are paid in 2015

01.801.6905	-62,178	Transfer Out
38.801.5990	62,178	Transfer In

FEMA/DNR Flood Buyout Grant

01.073.5233	1,368,828	DNR Grant
01.073.5403	<u>4,106,484</u>	FEMA Grant
	5,475,312	
01.073.6245	4,634,912	Property Acquisition
01.073.6247	80,000	Legal/Closing Costs
01.073.6258	<u>760,400</u>	Demo/Restoration Costs
	5,475,312	

Aquatic Invasive Species Grant

01.074.5302	59,020
01.074.6803	-59,020

Jail adjustments due to additional prisoner boarding

01.251.5505	160,000	Prisoner Bd Fees	(from \$303,000 to \$463,000)
01.251.6241	2,000	Conf, Training	(from \$8,000 to \$10,000)
01.251.6275	110,000	Medical Serv	(from \$320,000 to \$430,000)
01.251.6310	18,000	Bldg Sys Mtnce	(from \$10,000 to \$28,000)
01.251.6313	7,000	Prisoner Clothing	(from \$9,000 to \$16,000)
01.251.6420	<u>23,000</u>	Food/Beverage	(from \$219,000 to \$242,000)
	160,000		
01.251.5869	25,000	Canteen Revenue	(from \$120,000 to \$145,000)
01.251.6461	25,000	Canteen Expense	(from \$120,000 to \$145,000)



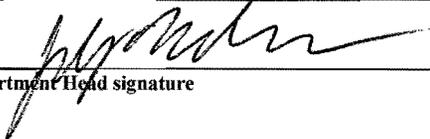
AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 Consent Agenda
 Regular Agenda 5 mins 10 mins 15 mins Other
- Personnel Committee**
- Other** _____

Agenda Item: City Policing Contracts

Department: Pine County Sheriff's Office



Department Head signature

Background information on Item:

City Contracts for policing for Sandstone, Hinckley, and Pine City have all been brought before each city's council. The following is a status update:

Sandstone: The City is in the process of signing contract. City has agreed to terms and conditions of policing contract. They will route to Sheriff's Office when complete.

Hinckley: The City has verbally agreed to said contract. Awaiting signatures.

Pine City: The City has few minor changes to the contract language, and would like to wait on signing contract until new administration is in place for 2015.

Action Requested:

The Pine County Sheriff's Office respectfully asks the County Board to acknowledge status update.

Financial Impact:



AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 - Consent Agenda
 - Regular Agenda 5 mins. X 10 mins. ___ 15 mins. ___ Other ___
- Personnel Committee
- Other _____

Agenda Item: Lease of Space at the Pine Government Center (PGC) to the City of Pine City

Department: Administration


Department Head signature

Background information on Item:

In 2009, the county and Pine City entered into a lease for space at the Pine Government Center. In March 2014, the Facility Committee directed that the county should update the lease with the city. Since that time, several meetings between the city and county have been held on the topic, the most recent was November 18, 2014. At that meeting, the parties finalized the framework for an updated agreement. The most significant changes are:

1. An increase in the rent of \$5,000 per year for each of the next five years
2. The city is responsible for the janitorial on its floor

The lease is for five years, with a 1-year termination notice required. The proposed lease was approved by the City of Pine City on December 3, 2014.

The complete lease is attached for your consideration.

Action Requested:

Approve the lease.

Financial Impact:

Lease revenue increase \$5,000 per year.

PINE GOVERNMENT CENTER LEASE

This Lease Agreement is between the City of Pine City, Pine City, Minnesota, (hereinafter "the City") and Pine County, Pine City, Minnesota, hereinafter ("the County").

The County, for and in consideration of this agreement, leases to the City the property and improvements (hereinafter the premises), located in the County of Pine, State of Minnesota, described as:

The Main Floor and garages located on the south side of the Pine Government Center, (also known as the Old Pine County Courthouse), located at 315 Main Street South, Pine City, Minnesota 55063 located upon Lots Seven (7), eight (8), and nine (9), ten (10), eleven (11), and twelve (12), Block twenty-five (25) original Townsite of the Village of Pine City.

To have and to hold the premises, together with the rights, easements, and appurtenances thereto belonging to the County, its successors and assignees, on the following terms and conditions:

1. PARTIES:

- (a) The County: The County shall be defined as the Pine County Board of Commissioners or its Designee;
- (b) The City: The City shall be defined as the Pine City Council or its Designee.

2. TERM AND USE: The term of this Lease shall commence on January 1, 2015 and shall continue for a period not more than five (5) years until December 31, 2019.

3. RENT:

- (a) FIXED RENT: The City shall pay to the County as and for fixed rent for the premises the amount of \$40,000 for 2015, \$45,000 for 2016, \$50,000 for 2017, \$55,000 for 2018, and \$60,000 for 2019. Payment to be made by July 15 of each year.

(b) MAINTENANCE AND UTILITIES:

County obligations:

The County shall be responsible for the repair of the following: the structural portions of the premises, including load bearing and exterior walls, the subflooring, the roof, and the foundation; the electrical, utility, plumbing, sewage; interior walls; windows; and ceiling light fixtures. The County shall also be responsible for external building maintenance.

The County agrees at its sole cost to furnish to the City all utilities including garbage removal, water, sewer, electricity, and heat to the premises. The cost of telephone, internet, and other communications connections are not included in the rent paid by the city.

City obligations:

The City shall be responsible for the cleaning and custodial care of the main floor. The City may by separate agreement purchase custodial services from the county as agreed by the parties. The City shall be responsible for lawn maintenance and snow removal on the outside premises.

- (c) The County and City will determine through mutual agreement on the baseline to use for the quantification of gas and electrical prices to insure that if an increase over 30% is ever realized, that the parties (County and City) agree to split the amount of increase from baseline in the future.
4. POSSESSION: Except as herein provided, the County shall deliver possession of the premises in the condition required by this Lease on or before the date here above specified for the commencement of the term, subject to unavoidable delays beyond the County's control, but the delivery of possession prior to such commencement date shall not affect the expiration of this Lease. There will be no penalty if building is not available upon commencement of lease.
 5. LESSOR'S ACCESS: The County, its employees, and its agents shall have the right to enter the premises at any reasonable time for the purpose of inspecting, cleaning, repairing, altering, or improving the premises or to exhibit the premises to prospective tenants, purchasers, or others. Nothing in this section shall be interpreted as requiring the County to perform such acts independent of the requirements of the other provisions of this Lease.
 6. IMPROVEMENTS, ALTERATIONS AND REMODELING: The City shall be permitted to perform improvements, alterations, or remodeling on or to the premises if approved in advance in writing by the County which approval shall not be unreasonably withheld; provided, however that they shall be done at the sole expense of the City. The City shall be authorized to decorate or redecorate (paint, wall paper, etc) at their own discretion and cost without written approval. In addition, the City agrees to make absolutely no structural changes to the building on said premises unless given prior approval by the County. The County agrees to repair and maintain the premises and make necessary basic repairs to update the interior of said building including reasonable renovation of its plumbing system, electrical system, heating system, provide general clean-up, painting, floor covering and paint.
 7. ASSIGNMENT AND SUBLEASE BY THE CITY: The City shall not voluntarily or by operation of law sublet the premises or assign or encumber the City's interest in this Lease without the County's prior written consent which the County shall not unreasonably withhold. Any attempted subletting, assignment or encumbrance without the County's prior written consent shall be voidable and, at the County's election, shall constitute a default. Consent by the County to one or more assignments or encumbrances of this Lease or to one or more subleases of the premises shall not be deemed to be a consent to any subsequent

assignment, encumbrance, or sublease. The County's acceptance of rent from any person shall not be deemed to be consent to any assignment or sublease. The City shall notify the County in writing of the City's desire to sublease all or a portion of the premises. The City's notice shall state the name and address of the proposed subtenant. The City shall deliver to the County a true and complete copy of the proposed sublease with the notice. No sublease or assignment shall relieve the City of the City's obligation to pay rent and perform all other obligations to be performed by the City under this Lease. The County's acceptance of rent from any person shall not be deemed to be a waiver of the County of any provision of this Lease.

8. **INSURANCE:** The County will provide liability insurance. It shall be the responsibility of the City to assure that all of its building contents are insured. The County will insure the premises for fire, windstorm and extended coverage. The City shall at the request of the County provide proof of insurance coverage required by this section.
9. **SURRENDER:** On the last day of the term of this Lease, the City shall peacefully surrender the premises in good condition and repair, reasonable wear and tear excepted. On or before the last day of the term of this Lease, the City shall at its expense remove all of its equipment from the premises, and any property not removed shall be deemed abandoned. All alterations, additions, and fixtures, other than the City's equipment, which have been made or installed by either the County or the City on the premises shall remain as the County's property and shall be surrendered with the premises as part hereof. If the premises are not surrendered at the end of the term, the City shall indemnify the County against any loss or liability resulting from the delay by the City in so surrendering the premises, including without limitation claims made by the succeeding Tenant found on such delay. The City shall promptly surrender all keys from the premises to the County at the place then fixed for payment of rent and shall inform the County of combinations of any locks and safes on the premises. In no event shall the City be deemed to have abandoned the premises of this Lease during the terms hereof unless the City first obtains the express permission of the County. The provisions of this section shall survive the termination of this Lease.
10. **HOLDING OVER:** In the event that the City remains in possession of the premises after the expiration of this Lease without the execution of a new Lease, it shall be deemed to be occupying the premises as a Tenant from month to month, subject to all the conditions, provisions, obligations of this Lease insofar as they can be applicable to a month-to-month tenancy.
11. **NONPAYMENT OF RENT; DEFAULTS:** On the occurrence of any of the following:
 - (a) a rent payment from the City to the County that remains unpaid in whole or part for more than thirty (30) days after it is due and payable;
 - (b) The City's violation or default of any of the other covenants, agreements, stipulations, or conditions herein, and such violation or default continues for a period of thirty (30) days after written notice from the County of such violation or default; or
 - (c) if the City shall be adjudged bankrupt or file a petition for Bankruptcy or for any arrangements wider the bankruptcy code or become insolvent or have appointed a receiver of its property; then it shall be optional for the County to declare this Lease forfeited and the terms ended and to re-enter the premises.

12. **DAMAGE TO PREMISES:** The City shall pay for all damage to the premises caused by the negligent act or omission of the City or any of its agents, employees, or contractors or by the City's failure to promptly discharge the City's obligation under this Lease or comply with the terms of this Lease, but only to the extent that such damage is not covered by insurance proceeds actually recovered by the County. Any amount owed by the City shall be paid on demand by the County.
13. **ATTORNEY'S FEES:** If any action at law or in equity shall be brought to court to recover any rent under this Lease or for or on account of any breach of or to enforce or interpret any of the covenants, terms, or conditions of this Lease or for the prevailing party's costs its reasonable attorney's fees, the amount of which shall be fixed by the Court and shall be made a part of any judgment or decree entered.
14. **NOTICES:** All communications, demands, notices or objections permitted or required to be given or served under this Lease shall be in writing and shall be deemed to have been duly given or served if delivered in person to the other party or its duly authorized agent if deposited in the United State's mail, postage prepaid, for mailing by certified or registered mail, return receipt required, and addressed to the other party in this Lease, to the address set forth next to the party's signature at the end of this Lease, or if to a person not a party to this Lease, to the address designated by a party to this Lease in the foregoing manner. Any party may change its address by giving notice in writing, stating its new address, to any other party as, provided in this foregoing manner. Commencing on the tenth (10th) day after giving the notice, the newly designated address shall be the party's address for the purpose of communications, demands, notices, or objections permitted or required to be given or served under this Lease.
15. **SUCCESSORS AND ASSIGNS:** This Lease shall be binding on and shall insure to the benefit of the parties' hereto and their respective assigns, executors, successors.
16. **SEVERABILITY OF PROVISIONS:** If any provision of this Lease is determined to be invalid or illegal, that invalidity or illegality shall in no way affect, impair, or invalidate any other provision of this Lease. The remaining provisions shall remain in full force and effect.
17. **CANCELLATION :** Either party may terminate this agreement by providing a one year (1-year) written notice to the other party.
18. **ENTIRE AGREEMENT:** This Lease constitutes the entire agreement between the parties. There are no binding agreements or representations between the parties except as expressed in this Lease. The City acknowledges that neither the County nor any of the County's agents has made any representations or warranty as to the suitability of the premises for the conduct of the City's business or the condition of any improvements located thereon. The City expressly waives any claim for damages by reason of any statement, representation, warranty, a promise, or other agreement of the County or the County's agents not contained in this Lease.
19. **AMENDMENT OF LEASE:** No amendment of this Lease shall be effective unless in writing and signed by both parties to this Lease.

20. IN WITNESS HEREOF, the parties hereto have executed this Lease the day and year first written above.

LESSOR:

Pine County
635 Northridge Drive NW
Pine City, MN 55063

Dated: _____

Chairman
Pine County Board of Commissioners

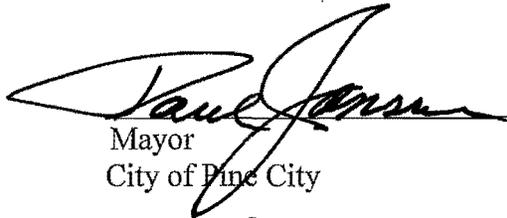
Dated: _____

Pine County Administrator

LESSEE:

City of Pine City
315 Main Street South, Suite 100
Pine City, MN 55063

Dated: 12-9-14 _____



Mayor
City of Pine City

Dated: 12-9-14 _____



City Administrator
Interim Assistant



AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 Consent Agenda
 Regular Agenda 5 mins. 10 mins. 15 mins. Other
- Personnel Committee
- Other _____

Agenda Item: Timber Development

Department: Auditor-Treasurer

Cathy Clonon
Department Head signature

Background information on Item:

Reaffirm zero allocation of tax forfeited receipts for the year 2014 for timber development to continue support of the General Revenue Fund. Recommend review and discussion in 2015 of setting aside a percentage of tax forfeited receipts to timber development.

Action Requested:

None

Financial Impact:



AGENDA REQUEST FORM

Date of Meeting: 12/16/2014

- County Board**
 Consent Agenda
 Regular Agenda 5 mins 10 mins 15 mins Other
- Personnel Committee**
- Other** _____

Agenda Item: Medical Transportation Costs

Department: HHS

Rebecca Foss
Department Head signature

Background information on Item:

A concern citizen remarked that our payments to Attaboys Taxi Service have continually climbed over the years. Information was requested from Michelle Kelasch regarding amounts paid to Attaboys since 2012. In 2012, the department paid \$95,726 to Attaboys. In 2013, the department paid \$75,535. In 2014, we have paid \$0. Maximum reimbursement was about \$1.38 per mile in 2012. At some point in 2013, the rate was decreased to 95.5 cents per mile. Attaboys was not willing to take the lower rate and the department was not willing to reimburse them more than the reimbursement rate. Therefore, we no longer contract with them, which would explain the sharp decrease from 2013 to 2014.

Action Requested:

None. This information is being presented so that the Board can respond to any such type of concerns in the future.

Financial Impact:



AGENDA REQUEST FORM

Date of Meeting: 12/16/2014

- County Board**
 - Consent Agenda
 - Regular Agenda
- 5 mins. 10 mins. 15 mins. Other
- Personnel Committee**
- Other** _____

Agenda Item: TSA Host County Contract

Department: HHS

Rebecca Foss
Department Head signature

Background information on Item:

Pine County annually updates its host county contract with TSA (Therapeutic Services Agency). The current contract expires at the end of the calendar year and an updated one is needed for 2015.

Action Requested:

Please approve the updated contract.

Financial Impact:

TSA had requested a higher increase in payment for their services (3%). We settled on a 1.5% increase. HHS only pays for services as needed. For example, the one service that HHS utilizes most frequently is the therapeutic foster care program offered by TSA. When a child is placed out of the home and needs this higher level of care, the rates are set in the host county contract and then paid out as the service is used. Because many of the outpatient program areas are covered by insurance, rarely does HHS need to purchase any outpatient mental health programming for our clientele.

LEAD COUNTY AGREEMENT BETWEEN
PINE COUNTY HEALTH & HUMAN SERVICES
AND THERAPEUTIC SERVICES AGENCY (TSA, INC.)

The County of Pine, acting through its Health & Human Services Department, 315 Main St S, Suite 200, Pine City, Minnesota, 55063, hereafter referred to as the "Agency", and Therapeutic Services Agency, 220 Railroad Street SE, Pine City, Minnesota, 55063, hereafter referred to as the "Contractor", enter into this Contract effective for the period of January 1, 2015 through December 31, 2019.

WHEREAS, The Contractor is duly qualified to provide social services; and

WHEREAS, The Agency, pursuant to Minnesota Statutes, Section 373.01, and 256M.60 wishes to purchase such program services from the Contractor; and

NOW THEREFORE, in consideration of the mutual understandings, and agreements set forth, the Agency and Contractor agree as follows:

1. Contractors Duties:

- a. As specified in the Minnesota Children and Community Services Act, and the 2004 Pine County Service Plan and the attached exhibits, the Agency agrees to purchase and the Contractor agrees to furnish the following:
 - (1) Professional Intensive In-Home Family Based Therapy
 - (2) Family Skills Services
 - (3) Rehabilitative Mental Health Services including Children's Therapeutic Services and Support (CTSS)
 - (4) Independent Living Skills Training
 - (5) Other Mental Health Services that the Contractor is qualified to provide including Diagnostic Assessments and Group Therapy, Education, Psychological Evaluation Service DC 0-3 Diagnostic Assessment, and identified CADI eligible services
 - (6) Other Social Services that the Contractor is qualified to provide including Crisis Response Services, Family Assessments, Concurrent Planning Services, Family Assessment Response Services, Partial Day Treatment Programming, Specialized Assessments
 - (7) Placement services that the Contractor is qualified to provide including Shelter, Adolescent Transition Program, Adolescent Treatment Program, Teen Parent and Child, Network Support of Foster Care, Respite Care, and Child Treatment Program
- b. Pursuant to Exhibit A, attached hereto and incorporated by reference, the Contractor agrees to provide:
 - (1) An explicit description of the services to be provided; and
 - (2) Billing Policy. The Contractor also agrees to provide upon request:

PINE COUNTY HEALTH & HUMAN SERVICES
& TSA, INC.
2015

- a. An exposition of the staffing including job descriptions and professional qualifications of personnel; and
 - b. An organization chart; and
 - c. Program budget
 - (3) Administrative rate description for the child and adolescent treatment programs.
 - c. The Contractor shall, in writing within ten (10) days, notify the Agency whenever it is unable to, or going to be unable to, provide the required quality or quantity of Purchase Services. Upon such notification, the Agency shall determine whether such inability will require modification or cancellation of said contract.
2. Cost and Delivery of Purchased Services:
- a. Refer to attached Rate Sheet. The County of Financial Responsibility will determine the specific units of service to be delivered for each client based on the county assessment of the need and scope of services.
 - b. Contractor certifies that the services to be provided under this agreement are not available without cost to eligible clients. The Contractor further certifies that payment claims for Purchased Services will be in accordance with rates of payment which do not exceed amounts reasonable and necessary to assure quality of service. The Contractor certifies that rates of payment do not reflect any program costs assignable to private pay or third-party service recipients.
 - c. The Agency and Contractor agree that services for which the County may be billed are as follows:
 - 1. Therapy, Skills Training, Counseling, Specialized Assessment, and Supervised Visitation Services - Inclusive of all direct services to clients including travel to and from the family's home or the place of service delivery. Travel time consists of time traveled within the purchasing county. Phone contact with the family is also billed under this service area. For special (out of county) location sites for service delivery, please refer to "Additional Services" section below.
 - 2. Documentation- Service summary notes are written and sent to county workers with permission from the client to document the service provided the client and to provide progress updates. Additional reports are produced in response to county specific request.
 - 3. Consultation - Case consultation with county social workers, court service staff, school personnel, mental health staff and any other collateral sources. Supervision with a licensed psychologist or other appropriate expert resource for specific case consult is billed to specific family contracts

PINE COUNTY HEALTH & HUMAN SERVICES
& TSA, INC.
2015

4. Coordination - Time the counselor spends scheduling appointments, writing the reports and paperwork associated with the program, necessary correspondence, and information gathering for the family.
5. Additional Services - Additional services are provided upon request from the County of financial responsibility for staff to attend out of county court hearings, staffings, and other out of county site visits. Billing will reflect staff time and travel from TSA office or counselor's home, whichever is less.

When third party payers are purchasing the direct services provided a client and additional services are requested by the county to attend to specific case plan needs, a limited fee for service contract will be necessary to purchase those additional services. Limitations of MA covered services can be referenced on page 101 of Chapter 16 of the MA rules in the non-covered services listing. Clients who are insured will have information about insurance benefits coverage for similar assistance. Additional services may include: reports for county case needs, reports for court case review, service collaboration meetings, court testifying and case plan development and coordination, etcetera.

Specialty consultation, training, and direct services may be requested and specific payment agreed to beyond the above noted services and fees. Specialty consultation is where a staff person has developed a comprehensive knowledge base on particular subjects and may provide expert consultation and or training to assist with staff professional development or case specific case consult at the request of the county.

- d. The Agency and Contractor agree that services for which the County are not charged are as follows:
 1. Therapeutic Services Agency Supervisor time in activity that facilitates the processing of referrals, case assignments, and supervision of staff relative to agency business in attending to job performance of staff, staff development etc.
 2. Expert consultation time not case related, focused on professional development of personnel.
 3. Secretarial and bookkeeping time.
 4. Any activities by officers of the company in dealing with case issues or other matters.
- e. For Family Based Services the majority of the purchased services will be provided in the client family's home. It is understood that portions of the service may be delivered in a variety of other locals in order to facilitate the complete case process, i.e., school, or other mutually agreed upon location.

PINE COUNTY HEALTH & HUMAN SERVICES
& TSA, INC.
2015

3. Eligibility for Services:

The parties understand and agree that the eligibility of the client to receive the Purchased Services is to be determined in accordance with eligibility criteria established by the Agency's Service Plan. The parties agree and understand that the Agency shall determine preliminary and final client eligibility.

- a. It is understood and agreed by the parties that, for fee eligible recipients, fees shall be charged and collected in accordance with fee policy and schedules adopted by the county board of commissioners and approved by the Commissioner of Human Services in accordance with the provisions of Minnesota Statutes, Section 256M.60, subd. 6.
- b. The Contractor shall not charge any program or service fee to social service eligible clients except in accordance with a. above.
- c. When the Agency has determined that the client is no longer eligible to receive purchased services or that services are no longer needed or appropriate, the Agency shall notify the Contractor within five (5) days of the determination.
- d. The Contractor shall notify the Agency and the client in writing whenever the Contractor proposes to discharge or terminate service(s) to a client. The notice must be sent at least five (5) working days prior to the proposed date of discharge or termination, and must include the specific grounds for discharge or termination of service(s). The Contractor shall not discharge or terminate services to a client prior to the proposed date unless delay would seriously endanger the health, safety, or well being of other residents or service recipients.
- e. The Contractor shall establish written procedures for discharging a client or terminating services to a client. The written procedures shall include: (1) Preparation of a summary of findings, processes, and plans to be transmitted with the client.

4. Individual Service Plan:

The parties understand and agree that all services provided to eligible recipients under the terms of this contract shall be in accordance with the Individual Services Plan developed with, for and on behalf of, the individual client. Performance of the Contractor will be monitored in accordance with client outcomes as specified in the Individual Service Plan goals and objectives. The Agency shall not delegate the Development of the Individual Service Plans (ISP's) to the Contractor.

Purchased Services are to benefit each Eligible Recipient in attaining the goals and objectives

PINE COUNTY HEALTH & HUMAN SERVICES
& TSA, INC.
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specified in the Eligible Recipient's ISP

- The Referring County will prepare an ISP that includes stated short-term objectives having measurable behavioral criteria.
- Upon request, Contractor will assist the Referring County in developing the ISP.
- Contractor will receive an ISP within 30 days after an Eligible Recipient begins receiving Purchased Services.

Contractor agrees to provide Purchased Services in the type, amount and frequency authorized in writing by the Referring County and in accordance with an Eligible Recipient's ISP.

Contractor agrees to submit progress reports on each Eligible Recipient to the Referring County and the Eligible Recipient or legal representative at least quarterly.

- Contractor will develop reports with enough specificity to enable the Referring County to determine progress made in relation to the Eligible Recipient's ISP objectives.

5. Payment for Purchased Services:

a. Certification of expenditures:

The Contractor shall, within 90 days following the last day of each calendar month, submit a standard invoice for social services purchased, to the Pine County Social Service Agency. Bills that do not meet internal county deadlines will be paid later. The Invoice shall show: (1) total program and administrative and administrative expenditures for the month, and (2) an itemized account of each social services eligible individual, identifying services to be provided, number of units and cost per unit, including administrative costs allocated to the provision of purchased services to reimbursement eligible clients.

b. Payment:

The Agency shall, within thirty (30) days of the date of receipt of the Invoice, make payment to the Contractor for all reimbursement-eligible clients identified on the invoice.

6. Audit and Record Disclosure:

The Contractor shall:

- a. Maintain records, using generally accepted accounting principles that reflect all revenue received and all direct and indirect costs incurred in performing this Contract. Maintain records about Purchased Services provided. These records must include the name of the Eligible Recipient served, service type (by Brass Codes), service dates, and other information on an Eligible Recipient that is required

PINE COUNTY HEALTH & HUMAN SERVICES
& TSA, INC.
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by the Agency. Maintain any other records requested by the Agency or a Referring County. Participate in the Minnesota Community Mental Health Reporting System

- b. Upon request, Contractor agrees to give the Agency a report containing the following information:
 - 1. All revenue received.
 - 2. All direct and indirect costs incurred in performing Purchased Services.
 - 3. Purchased Services provided, including but not limited to:
 - a. Number of Eligible Recipients, age, race, sex, and target population served,
 - b. Type of service, and
 - c. Days of service.
- c. Upon request, the Contractor agrees to furnish the Agency quarterly reports for financial evaluation, reimbursement, and program management and evaluation purposes.
 - 1. Upon request, Contractor will assist the Agency (or a Referring County) with documentation needed to complete any form or report for a federal, state, or private agency.
 - 2. Upon request, Contractor will give the Agency (or a Referring County) information on Eligible Recipient(s) that is needed for effective evaluation purposes, in a format approved by the Agency (or Referring County).
 - a. Information will include any reporting requirements included in the Eligible Recipients ISP or ITP, if applicable.
 - 3. Upon request, Contractor will give the Agency a list of all Eligible Recipients and their Referring Counties.
 - 4. The Agency (or Referring County) must receive information within 30 days following request.
- d. Allow personnel of the Agency, the Minnesota Department of Human Services, and the Department of Health and Human Services, access to the Contractor's facility and records at reasonable hours to exercise their responsibility to monitor purchased services and copy such materials as necessary.
- e. If the collection of social services fees is delegated to the Contractor, the Contractor shall provide the Agency with information about fees collected and the fee source.
- f. Maintain all records pertaining to the contract at 220 Railroad Street SE, Pine City, Minnesota, 55063 or other designated TSA business site intended for file maintenance and storage for three (3) years for audit purposes.
- g. Comply with policies of the Minnesota Department of Human Services regarding

PINE COUNTY HEALTH & HUMAN SERVICES
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2015

social services recording and monitoring procedures, as defined in the Department of Human Services Social Services Manual, and the administrative rules of the State Agency.

7. Safeguard of Client Information:

The use or disclosure by any party of information regarding an eligible client in violation of any rule of confidentiality provided for in Laws of Minnesota, Chapter 13, or for any purpose not directly connected with the Agency's or Contractor's responsibility with respect to the Purchased Services hereunder is prohibited except on written consent of such eligible client, the client's attorney or the client's responsible parent or guardian. The program director of the contracting agency is the designated person responsible to ensure that the provider is in compliance with the Data Practices Act, Minnesota Statutes, Section 13.46, Subd. 10, Paragraph (d).

All data collected, created, received, maintained, or disseminated for any purposes in the course of the Contractor's performance of this Agreement is governed by the MN Government Data Practices Act, MS13.01 et. seq., or any other applicable State statutes, any State rules adopted to implement the Act, as well as Federal regulations on Data Privacy, including the Health Insurance Portability and Accountability Act (HIPAA). The Contractor agrees to abide strictly by these statutes, rules, and regulations.

8. Compliance with Other Regulations:

The Contractor further agrees to comply with the following:

- a. Section 4, Subdivisions 1, 3 and 6 of the Human Services Licensing Act (Minnesota Statutes 1987, Chapter 245A).
- b. Section 3 of Minnesota Statute 148A.03 (Liability of Employer).
- c. (When applicable) the Contractor agrees to comply with the Civil Rights Act of 1964, Title VII (42 USC 2000e); including Executive Order No. 11246, and Title VI (42 USC 2000d); and the Rehabilitation Act of 1973, as amended by Section 504. Title VI of the Civil Rights Act of 1964 (Title VI) requires service providers who receive federal funds to take reasonable steps to provide meaningful access to services for people with Limited English Proficiency (LEP). Most county and state funded services must meet LEP requirements. The requirements apply to health care and social service agencies, such as physicians, hospitals, nursing homes, home health agencies, managed care organizations, universities, and private non-profit agencies.
- d. (When applicable) the Contractor certifies that he has received a certificate of

PINE COUNTY HEALTH & HUMAN SERVICES
& TSA, INC.
2015

compliance from the Commissioner of Human Services pursuant to Minnesota Statutes, Section 363.073 (1982). This section shall not apply if the grant is for less than \$50,000 and the Contractor has employed twenty or less full-time employees during the previous 12 months.

9. Fair Hearing and Grievance Procedures:

The Agency agrees to provide for a fair hearing and grievance procedure conformance with Minnesota Statutes, Section 256.045, and in conjunction with the Fair Hearing and Grievance Procedures established by administrative rules of the State Department of Human Services.

10. Bonding, Indemnity, Insurance and Audit Clause:

a. Bonding:

The Contractor shall obtain and maintain at all times, during the term of this agreement, a fidelity bond covering the activity of its personnel authorized to receive or distribute monies. Such bond shall be in the amount of \$10,000.

b. Indemnity:

The Contractor agrees that it will at all times indemnify and hold harmless the Agency from any and all liability, loss, damages, costs or expenses which may be claimed against the Agency or Contractor.

- (1) By reason of any service client's suffering personal injury, death or property loss or damages either while participating in or receiving from the Contractor the care and services to be furnished by the Contractor under this agreement, or while on premises owned, leased or operated by the Contractor, or while being transported to or from said premises in any vehicle owned, operated, chartered or otherwise contracted for by the Contractor or his assigns: or (2) By reason of any service client's causing injury to, or damage to, the property of another person during any time when the Contractor or his assigns, or employee thereof has undertaken or is furnishing the care and service called for under this agreement.

c. Insurance:

The Contractor shall purchase and maintain such insurance as will protect the Contractor from claims which may arise out of, or result from the Contractor's operations under the Agreement, whether such operations be by the Contractor, or by any subcontractor, or by anyone directly employed by them, or by anyone for whose acts any one of them may be liable.

Contractor shall secure the following coverage and comply with all provisions noted.

PINE COUNTY HEALTH & HUMAN SERVICES
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Certificate of Insurance shall be issued evidencing such coverage to the County.

1. General Liability Insurance:

Commercial General Liability Insurance (ISO CGL form)

Minimum Limits:

\$1,000,000 – each occurrence limit

\$2,000,000 – general aggregate

\$2,000,000 – products/completed operations total limit

\$1,000,000 – personal injury and advertising liability

The policy is to be written on an occurrence basis. Certificates of Insurance must indicate if the policy is issued on a claims-made or Occurrence basis, and if coverage is provided for X, C, U hazards if Applicable. The policy will cover contractual liability. Pine County, its Officials and employees shall be added as additional insured with a cross liability/cross suits clause for the protection of the County.

Worker's Compensation and Employer's Liability:

Worker's Compensation: Per Minnesota State Statute

d. Audit:

The Contractor agrees that within 120 days of the termination date of this contract, either a financial review or an audit of said contract will be conducted by a Certified Public Accounting Firm. Copy of such audit along with the Management Letter shall be provided to the Agency when completed. The Contractor agrees to provide the Agency information on the compensation ranges provided for each class of employee.

11. Conditions of the Parties' Obligations:

- a. It is understood and agreed that in the event the reimbursement to the Agency from State and Federal sources is not obtained and continued at a level sufficient to allow for the purchase of the indicated quantity of Purchased Services, the obligations of each party hereunder shall thereupon be terminated.
- b. This agreement may be canceled by either party at any time, with or without cause, upon thirty (30) days notice, in writing, delivered by mail or in person.
- c. Before the termination date specified in Section I of this agreement the Agency may evaluate the performance of the Contractor in regard to the terms of this agreement to determine whether such performance merits renewal of this agreement.

PINE COUNTY HEALTH & HUMAN SERVICES
& TSA, INC.
2015

- d. Any alterations, variations, modifications, or waivers of provisions of this agreement, shall be valid only when they have been reduced to writing, duly signed, and attached to the original of this agreement.
- e. No claim for services furnished by the Contractor, not specifically provided in the agreement, will be allowed by the Agency, nor shall the Contractor do any work or furnish any material not covered by the agreement, unless this is approved in writing by the Agency. Such approval shall be considered to be a modification of the agreement.
- f. In the event that there is a revision of Federal regulations, which might make this agreement ineligible for Federal financial participation, all parties will review the agreement and renegotiate those items necessary to bring the agreement into compliance with the new Federal regulations.
- g. If the Contractor determines a rate increase or cost of living adjustment is needed it shall notify the Agency of the amount and reasons for the requested increase by November 1 of each year to begin in the following year. The Agency shall notify the Contractor if the increase is approved or disapproved by December 15. If the increase is disapproved the existing rate shall continue for the following year, unless the Contractor or Agency chooses to exercise the right to terminate the agreement as provided in section 11b.

12. Subcontracting:

The Contractor shall not enter into subcontracts for any of the goods and services contemplated under this agreement without written approval of the Agency. All subcontracts shall be subject to the requirements of this contract. The Contractor shall be responsible for the performance of any subcontractor.

13. Miscellaneous:

a. Entire Agreement:

It is understood and agreed that the entire agreement of the parties is contained herein and that this agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof, as well as any previous agreements presently in effect between the Contractor and any county social services agency relating to the subject matter hereof.

b. Monitoring:

It is understood that the Agency reserves the right to monitor the Contractor's performance under this contract by observation or direct service provision to client and/or survey of agencies or individuals purchasing or

PINE COUNTY HEALTH & HUMAN SERVICES
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receiving services.

14. Third Party Beneficiary:
The Commissioner of the Minnesota Department of Human Services is named as a third party beneficiary to this contract.

PINE COUNTY HEALTH & HUMAN SERVICES
& TSA, INC.
2015

APPROVED AS TO FORM AND EXECUTION:

Pine County Attorney

Date

Director, Pine County Health & Human
Services

Date

Chair, Pine County Board of Commissioners

Date

Director, Therapeutic Services Agency

Date

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12/11/2014

MCIT Mission Statement

Providing Minnesota counties and associated members cost-effective coverage with comprehensive and quality risk management services.

MCIT Values

1. Excellence and quality in the delivery of services
2. Fiscal responsibility
3. Ethics and integrity
4. Open and honest communication
5. Positive relations with members
6. Visionary leadership and planning
7. Professionalism

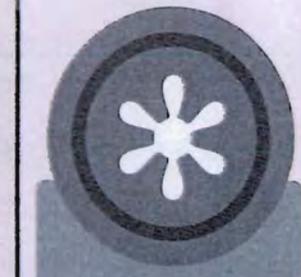
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2013 MCIT Membership by Entity Type

459 TOTAL MEMBERS

Minnesota Counties Intergovernmental Trust is a joint powers entity made up of Minnesota counties and associated public entities that pool resources to provide property, casualty and workers' compensation coverage, as well as risk management and loss control services. MCIT was created by county commissioners in 1979 pursuant to Minnesota Statutes Sections 471.59 and 471.981 to provide members an alternative to insurance.



- Other Joint Powers Entities
- Human Services Collaboratives
- Law Enforcement Task Forces
- Mental Health Collaboratives
- Transit Authorities

BOARD OF DIRECTORS



Dear Members:

This year marks my 10th year as an MCIT Board member and second as board chair. Over the years, I have often heard the remark that no two member counties are alike and "when you've been to one county, you've been to one county." Although each county is charged with delivering similar services within a similar framework, the truth is that the organizational structure and actual delivery of services can vary greatly among members. For that reason, it is rewarding to witness a homogeneous but diverse membership come together and seek MCIT's assistance to further the common interest of managing risk.



A careful look at the cover of this year's annual report reveals a collage of our collective county members in various shapes and sizes scattered across Minnesota. Woven into this tapestry, you can find the words "connection," "integrity," "trust," "quality" and "excellence"—the meanings of which have all become a part of the MCIT fabric and a theme running through this year's report.

Since 1979, MCIT has evolved from an organization whose basic function of paying workers' compensation claims evolved into a full-service, nationally recognized organization with equal emphasis on handling claims and delivering quality educational, risk management and loss control services. Technology has helped our efforts of reaching out to members, but as an organization, we firmly believe there is no substitute for personalized member service and interaction.

2013 was a milestone in this regard. MCIT held more training sessions than ever before on a statewide and regional basis, but more importantly on a member level. Attendance at training sessions also increased significantly. You, our members, have demonstrated that there is a hunger and genuine interest to become more effective in your entity's efforts to protect property, staff and the public from the risk of injury and loss.

Members also realized the benefit of participation in MCIT with a reduction in property/casualty and workers' compensation rates and sharing in the distribution of a \$19 million dividend as declared by the Board of Directors. The board faced challenges throughout the year, including the financial ramifications of Driver's Privacy Protection Act claims, lower interest rates influencing investment income and new legislation affecting workers' compensation claims, but as an organization, we are well-positioned and look to the future with a promise of greater achievements to benefit all members.

Thank you for your loyalty to MCIT and your dedication to managing risks within your organization. It is my pleasure to present the 2013 MCIT Annual Report to Members.

Scott Sanders, MCIT Board Chair



MCIT BOARD OF DIRECTORS

The MCIT board of directors is an eclectic group of individuals whose diverse knowledge and experience influence and fashion the direction of MCIT. Members join the board with little familiarity of those with whom they will serve. Relationships based on collaboration, trust and respect are quickly forged between tenured and new members. Each appreciates that regardless of their geographic, demographic or political differences, they share a common commitment: their dedication to public service.



The strong and decisive leadership of the board sets the pace for those who must implement its vision. Annual work plans, budgets and policies adopted by the board provide the road map for staff to accomplish the mission of MCIT. Decisions regarding rates, dividends, coverage and member needs and expectations are balanced against the fiscal health of the Trust.

2013 MCIT BOARD OF DIRECTORS



SCOTT SANDERS, Chair
Watwan County Commissioner



FELIX SCHMIESHING, Vice Chair
Sherburne County Commissioner



GRAYLEN CARLSON, Secretary/Treasurer
Lac qui Parle County Commissioner



KEVIN CORBID
Washington County Auditor-Treasurer



DON DIEDRICH
Polk County Commissioner



RICHARD DOWNHAM
Cass County Commissioner



CHARLES ENTER
Brown County Administrator



DAN KUHN
Waseca County Commissioner



RANDY SCHREIFELS
Stearns County Auditor-Treasurer

Board members recognize that each vote has a significant impact on the membership. Even when weighty decisions may adversely affect his respective county, each board member understands his decisions must consider the entire membership and not just his local interests.

As time has proven, the varied perspectives and experiences, and the quality of character of those elected to govern MCIT has well-equipped them for the difficult task of leading one of the country's premier public entity risk sharing entities: MCIT.

The 2013 MCIT Board of Directors is a blend of elected and appointed individuals as required by the MCIT bylaws. Specifically, the bylaws require that the nine-member board consist of county commissioners, county auditors, county auditor-treasurers and a county administrator/coordinator. Eight of the seats are elected by the membership during the annual membership meeting and serve four-year, staggered terms. The ninth seat is filled upon recommendation of the Minnesota Association of County Administrators and serves a two-year term.



MCIT STAFF

DEDICATED TO QUALITY SERVICE

The MCIT staff carries out initiatives set by the MCIT Board and assists members in a variety of ways: discussing coverage, providing sound risk management advice, addressing claims concerns, developing loss prevention materials and much more.



Daily, the MCIT staff leverages its breadth of skills and knowledge to provide outstanding service and creative solutions to MCIT's membership.



The multidisciplinary team of risk management and loss control consultants, insurance professionals, accountants, attorneys, workers' compensation claims professionals, and other skilled individuals have built trust with members and third-party partners through their dedication to excellence and service.

Primary in the minds of each employee is helping members prevent losses, mitigate risks and manage claims. Staying connected and being available to members is important to the MCIT staff. In 2013 employees used a number of methods to stay in touch: from phone calls, e-mails and letters to in-person discussions, training sessions and webinars. The staff also meets weekly to discuss specific member concerns and how best to respond, pulling together expertise from across disciplines.

Throughout the year, as the staff identifies emerging issues and trends, the MCIT team actively pursues ways to help members address them, either by reducing exposures or eliminating them entirely. This might include training sessions, one-on-one consultations, newsletter articles or e-mail blasts.



MCIT SERVICE PROVIDERS

MCIT would not be able to fulfill its mission without the relationships it has forged across key industries. These organizations provide MCIT and its members expertise in highly specialized disciplines. The following companies were instrumental in assisting MCIT's efforts in 2013:

- **Actuary:** Actuarial Advisors
- **Audit:** Eide Bailly LLP
- **Banking:** BMO Harris Bank and Wells Fargo Bank
- **Investments:** Galliard Capital Management
- **Litigation:** Various law firms across Minnesota
- **Reinsurance:** Munich Reinsurance America, The Travelers Companies and Workers' Compensation Reinsurance Association

TRUSTED PARTNERS

Meadowbrook Insurance Group is a long-term MCIT partner, providing key program services including:

- underwriting
- rating
- coverage document issuance
- new member applications
- reinsurance renewal
- property/casualty claims administration

Located in the MCIT service center in St. Paul, the dedicated staff of Meadowbrook works alongside MCIT staff, which produces a seamless delivery of services to members. Co-location allows for the efficient collaboration between the MCIT and Meadowbrook teams. This results in quick responses to members that consider all disciplines of the program.

The success of this partnership is evidenced by its longevity. MCIT and Meadowbrook began working together in 1988.



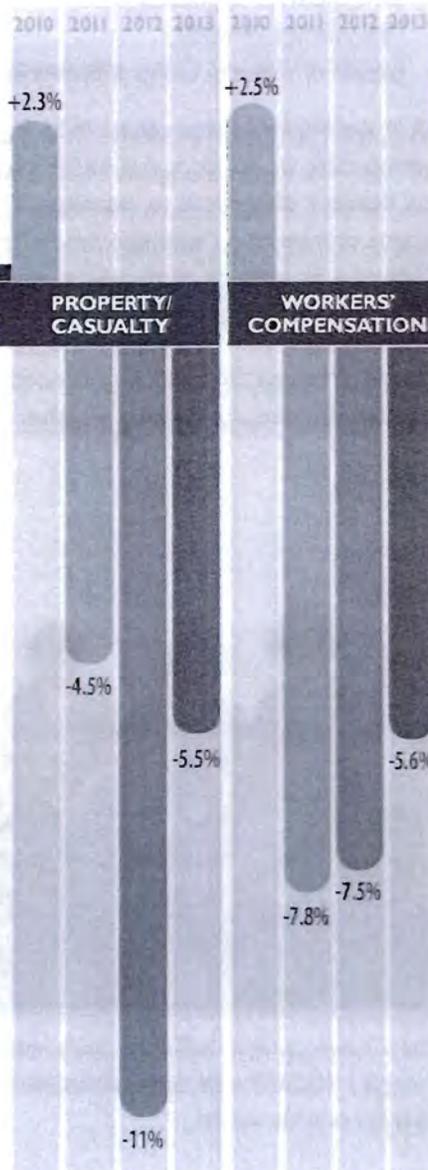
Meadowbrook Insurance Group staff works closely with MCIT to deliver quality property/casualty claims administration, underwriting and customer service.





HIGHLIGHTS

ANNUAL AGGREGATE RATE CHANGES



FUND BALANCE RETURNED TO MEMBERS

The Board of Directors retains funds necessary for the operation of MCIT and to respond to unexpected events that could affect the organization's fiscal health. Based on the report of the actuary, the board announced a \$19 million dividend in 2013. The ability to return program fund balance was the result of favorable claims experience and stable investment income.

MCIT returned:

\$7 MILLION IN THE WORKERS' COMPENSATION DIVISION
\$12 MILLION IN THE PROPERTY/CASUALTY DIVISION

The board is committed to preserving the fiscal health of the organization and will announce a dividend when deemed fiscally prudent and actuarially sound. Even with this distribution of fund balance, MCIT remains fully funded.

RATE REDUCTIONS ANNOUNCED FOR 2013

2013 marked the third consecutive year for rate reductions in the Property/Casualty and Workers' Compensation divisions. Acting on the report of the actuary, the board's decision to lower rates was largely attributed to continued favorable claim development in both claim severity and frequency.

WORKERS' COMPENSATION AGGREGATE RATE: - 5.6%
PROPERTY/CASUALTY AGGREGATE RATE: - 5.5%

Several factors influence claim frequency and severity. Members' efforts of controlling potential risks and effectively dealing with losses when they occur has a significant impact on rates.

LIABILITY COVERAGE ENHANCED

The MCIT Board routinely considers modifications to coverage provided to members. Changes can be influenced by emerging legal issues, claim trends, legislative changes, member input and new exposures. In 2013, liability coverage was expanded to increase the garagekeepers liability coverage limit from \$45,000 to \$100,000. This coverage responds to claims arising from a member's care of an auto owned by others, such as through law enforcement activities or when stored in a member building for a fee.

Coverage was also expanded to include authorized volunteers within the definition of who qualifies for medical payments coverage. The board recognized the increasingly important role volunteers play in furthering members' efforts and their desire to be in a position to support them if injured in the course of their duties.



MCIT COVERAGE

PROPERTY

- buildings, contents, property in the open
- extra expense
- equipment breakdown

INLAND MARINE

- contractor's equipment
- electronic data processing
- miscellaneous personal property
- valuable papers and records
- theft, disappearance and destruction

LIABILITY

Comprehensive general liability including police professional liability:

- bodily injury and property damage
- personal and advertising injury liability
- medical payments
- public employees liability
- employee benefits liability

MCIT's coverage limits equal the statutory maximums for liability found in Minnesota tort liability laws.

WORKERS' COMPENSATION

- workers' compensation
- employer's liability

BOND

- employee dishonesty
- faithful performance of duty

This information is not intended to constitute coverage representations. The MCIT Coverage Document contains complete terms and conditions.



PROGRAM SERVICES

CONNECTIONS

MCIT understands the unique risks faced by counties and associated public entity members and helps meet their risk management needs. Each year MCIT staff, in collaboration with program partners and service providers, work to execute the annual work plan adopted by the board of directors. An array of services, including risk management consultation, loss control assessments, workers' compensation and property/casualty claims handling, reports, articles and a host of training options serve to keep MCIT staff connected with the membership. The highest priority is placed on building relationships and developing cost-effective, easily accessed services and tools to assist members in controlling risks and reducing losses.



EXCELLENCE IN TRAINING

MCIT staff developed and delivered training sessions to more members than in previous years. Statewide training seminars "Managing the Human Resource" and "Advanced Employment Issues for Public Entities" saw 26 percent more members attending as compared to 2012. MCIT's flagship September "Regional Risk Management Workshops" were again presented in seven locations across the state. Attendance increased by 8 percent over 2012, where information on topics such as developing joint powers agreements, BYOD (bring your own electronic device to work), shared employee concerns, alternative energy systems and the Minnesota Government Data Practices Act (MGDPA), among others were discussed. MCIT staff was also in high demand, delivering individualized training sessions to members and statewide associations on a variety of relevant issues, including the Open Meeting Law, performance management, MGDPA, workers' compensation and return to work programs, and general education on the Driver's Privacy Protection Act.



TRUST IN EDUCATION

2013 saw the roll out of Step Wisely, a year-long campaign designed to help members prevent slip, trip and fall accidents on their property. Developed entirely by MCIT staff, this program utilized humor and eye-catching graphics to remind member employees and the public of the importance of practicing smart safety habits. The campaign included posters, table tents, mini fliers, short training scripts and a slip and fall prevention handbook to help save members significant costs, time and grief related to liability claims and workers' compensation injuries. MCIT received national recognition for this campaign when honored with the first place achievement award by the Public Risk Management Association (PRIMA) at its annual conference.

QUALITY IN ACTION



EMPLOYEE ASSISTANCE PROGRAM (EAP)

Introduced in 1996 as a risk management tool, the EAP provides short-term counseling for all member employees and their dependents. The EAP is a voluntary work-site program designed to help employees identify and resolve problems that could impair performance at work. 2013 saw a program utilization rate of 3.93 percent, which translates into more than 1,680 hours of professional face-to-face counseling for families in crisis throughout Minnesota.



MCIT contracts with Sand Creek Group Ltd. of Stillwater, Minn., which has developed a network of more than 550 counselors qualified to assist approximately 25,500 member employees when faced with a crisis situation.

To reach MCIT's target 4 percent utilization rate, MCIT provided members with information materials, including brochures, posters, mini fliers and wallet cards. In addition, Sand Creek personnel attended 10 member health fairs during the year.

MINNESOTA SAFETY COUNCIL

MCIT's partnership with the Minnesota Safety Council (MSC) began in 1998 with membership extending to all MCIT members. The services and resources of MSC supplement and complement the work of MCIT's loss control consultants. Membership entitles MCIT members access to Safety Council products and resources, such as a video library, continuing education and consulting services, training tools, and a reduced registration fee for the annual MSC conference, which is the largest safety conference in the Midwest. Defensive driving training, both online and on site, remains one of the more utilized services. In 2013, 22 members scheduled the course, helping more than 1,000 member employees sharpen their driving skills. Overall in 2013, greater than 1,600 MCIT member employees used at least one of MSC's services. MCIT members saved more than \$59,000 on Safety Council services in 2013.



PATROL (PEACE OFFICER ACCREDITED TRAINING ONLINE)

MCIT continued to partner with the League of Minnesota Cities, the Minnesota Sheriff's Association and the Minnesota Chiefs of Police Association to offer PATROL. During 2013, 710 peace officers from 28 MCIT members accessed this Web-based program specifically designed for Minnesota's peace officers.



Enrollment in PATROL offers convenient, low-cost training courses that address annual recertification, developing issues in law enforcement, case law explanations and law enforcement professionalism. Each month, PATROL releases a new course based on issues currently facing Minnesota public safety. For example in June 2013, PATROL provided "Ethical Use of Computers and Databases" in direct response to claims alleging that public employees unnecessarily accessed private data through the Department of Vehicle Services' database.



CLAIMS

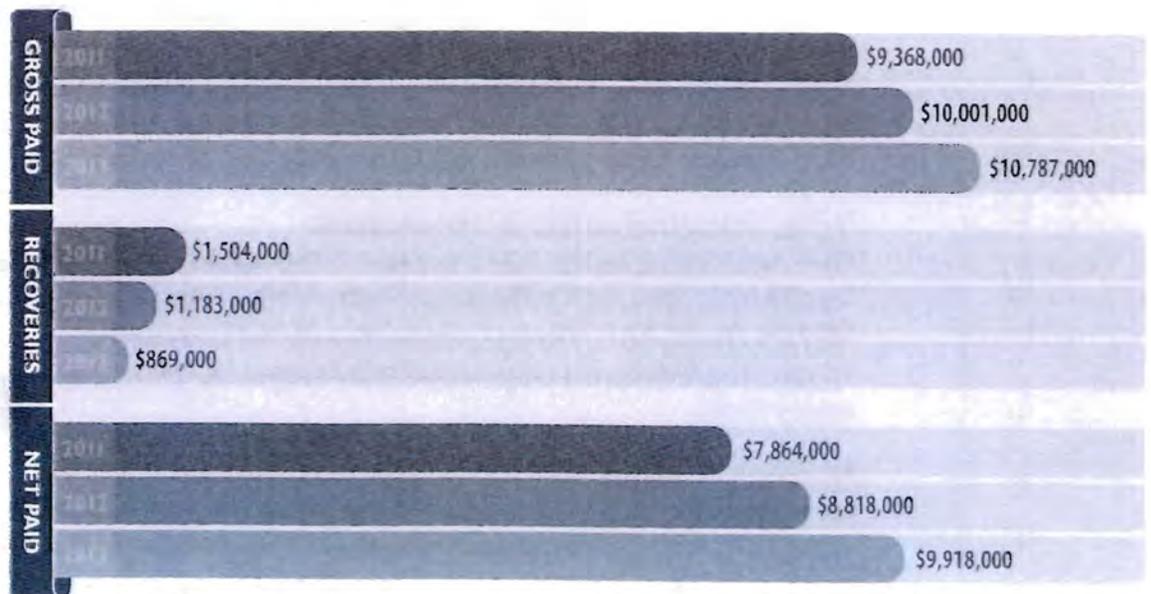
WORKERS' COMPENSATION DIVISION

Members reported 2,383 claims of work-related injuries and illnesses during 2013, which is an increase of 172 claims from 2012. This increase was most noticeable in the number of lower severity medical-only and record-only claims opened in the year, which increased from 1,954 in 2012 to 2,123 in 2013. The number of indemnity claims, those involving medical expenses and wage loss benefits, saw a slight increase from 254 in 2012 to 257 in 2013. The increase in overall claims reported is primarily attributed to slip and fall incidents resulting from an unusually long and snowy winter.



Indemnity payments on closed claims also increased with \$4.2 million paid in 2013 compared to \$3.4 million in 2012. Indemnity claims include benefits for permanent partial disability, permanent total disability, temporary partial disability, temporary total disability and death or dependency claims.

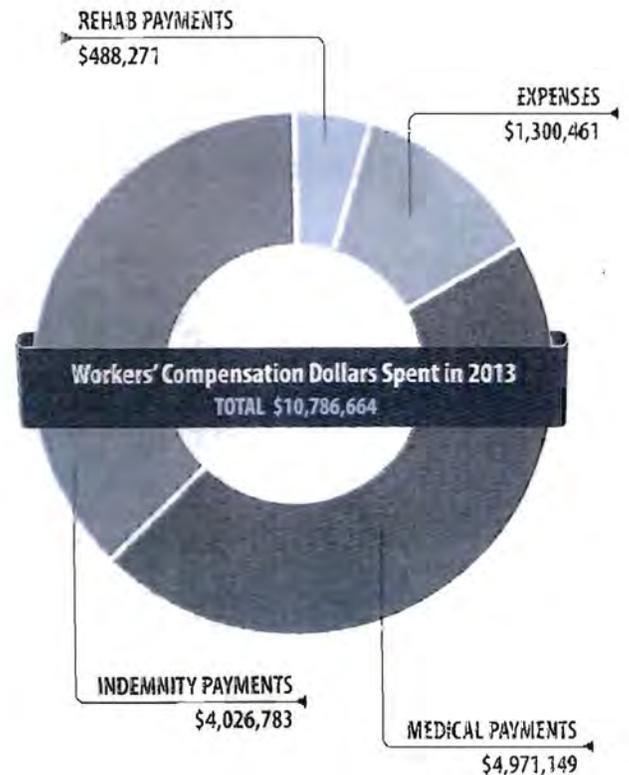
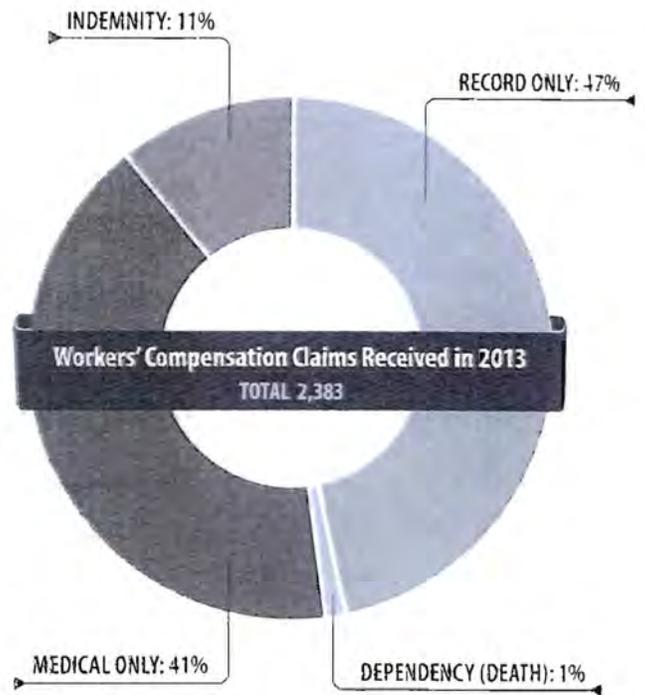
WORKERS' COMPENSATION PAID LOSSES



During the year, the departments most frequently reporting injuries were the sheriff, highway, hospital and social services. Body parts most frequently reported as being injured during 2013 were the low back, knees, fingers, shoulders, wrists and hands, which is consistent with data compiled for the previous five years. Most injuries were the result of slipping, falling or being struck against an object. These incidents typically resulted in strains, sprains and contusions or bruising.

Emphasis on cost-containment initiatives in the Workers' Compensation Division resulted in substantial program savings in 2013. The pharmacy benefits management program administered through Healthcare Solutions yielded a savings of \$272,328 in 2013. Automated bill review and access to network discounts resulted in a savings of \$1.9 million on the 9,118 medical bills reviewed by program administrator ALPHA Bill Review.

Subrogation efforts on the part of MCIT staff pursuing recovery against at-fault parties garnered additional recoveries of \$48,415 in 2013.





CLAIMS

PROPERTY/CASUALTY DIVISION

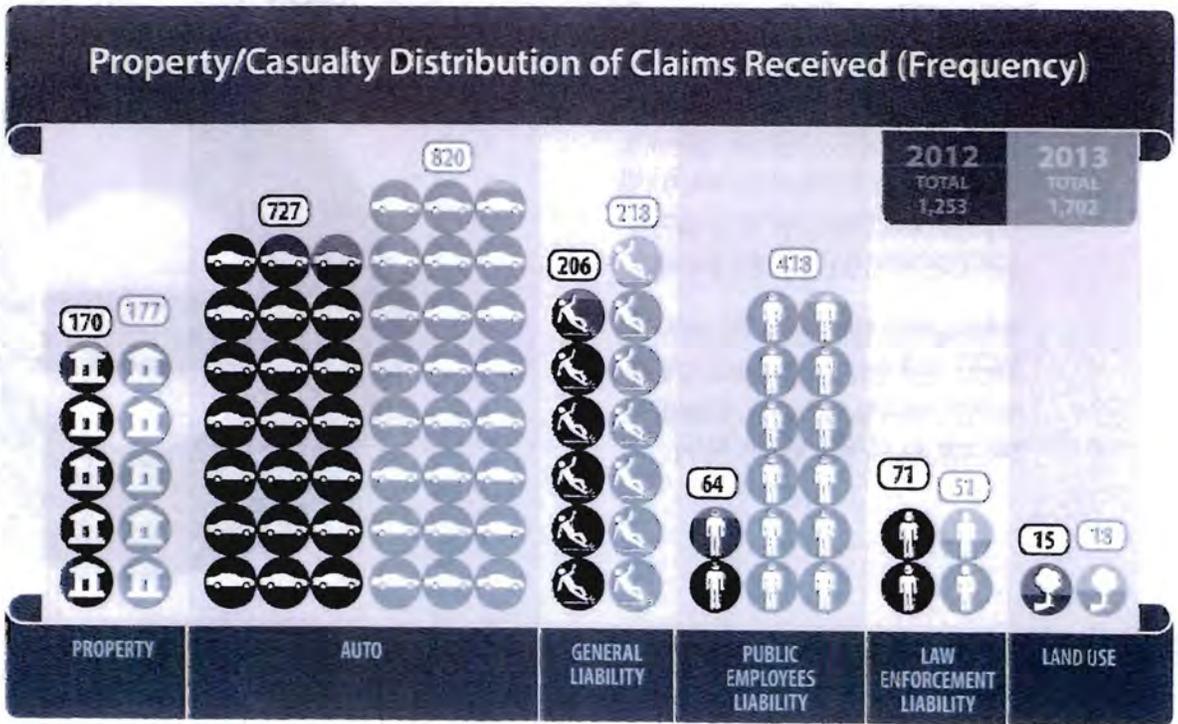
The number of claims reported in the Property/Casualty Division increased 36 percent from 1,253 reported claims in 2012 to 1,702 in 2013. The primary contributing factor for the increase is claims arising from alleged violations of the federal Driver's Privacy Protection Act (DPPA). This previously unknown exposure affected the public employees liability coverage line, which increased from 5 percent of MCIT's total claims in 2012 to 25 percent in 2013.

Consistent with past years, the majority of claims received arose out of the auto line of coverage. Forty-eight percent of the total number of claims received during 2013 involve auto physical damage, auto liability and personal injury protection losses.

The remaining claim types ranked as follows.

- 25% public employees liability
- 13% general liability
- 10% property
- 3% law enforcement liability
- 1% land use

The increase in claims reported had a corresponding effect on the incurred value of claims reported in 2013. The total incurred value of claims increased 97.4 percent from \$6.2 million in 2012 to \$12.2 million in 2013. Like the

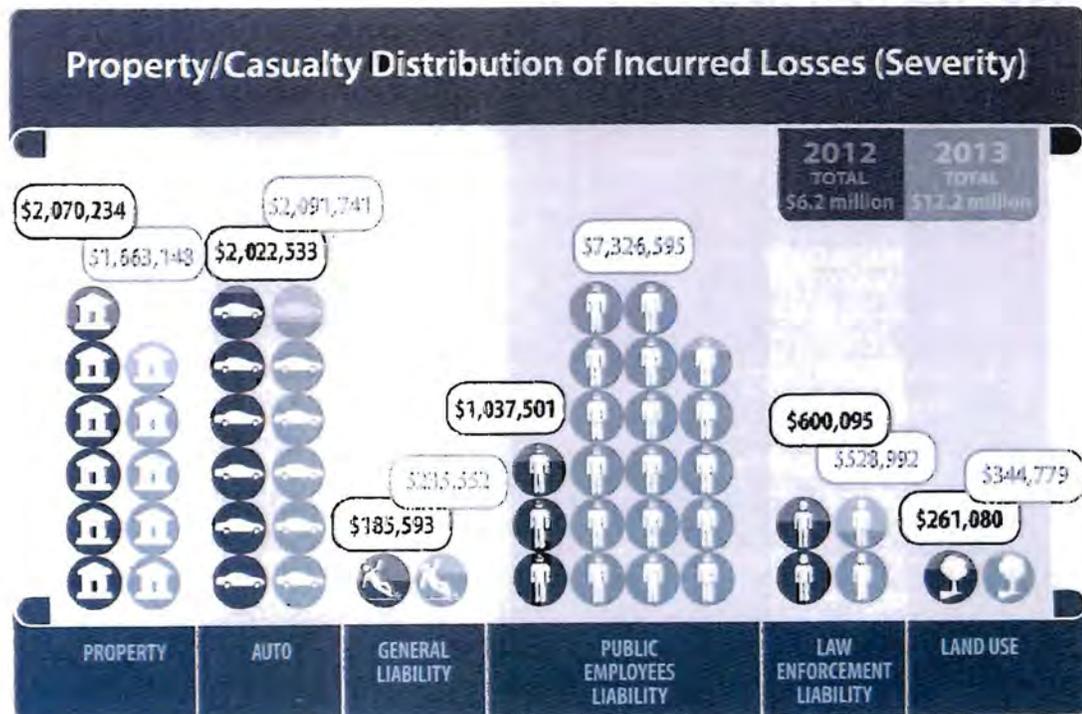


increase in claims reported, the increase in total incurred values is attributed to the influx of claims alleging that employees of MCIT members inappropriately accessed private data in the Minnesota Department of Vehicle Services' database and violated the DPPA. As a result, public employees liability coverage saw an increase in total incurred values from \$1 million in 2012 to \$7.3 million in 2013. This line of coverage carries exposure outside of Minnesota's tort liability caps and continues to include the most expensive claims.

First reported in November 2012, DPPA claims range in scope and potential exposure to MCIT, members and individual employees. Federal laws govern driver's license data privacy and recoverable damages. MCIT continues to defend DPPA claims aggressively for its members, securing several claim dismissals on summary judgment; however, appeals challenging the court decisions are anticipated.

Other lines of coverage including property, auto liability, general liability and land use all saw decreases in 2013 total incurred values as compared to 2012.

Recovery efforts in 2013 yielded \$244,100 from subrogation, salvage, restitution and judgments to pay costs. MCIT also received \$706,499 in reinsurance recoveries.





MEMBER RECOGNITION

Annual MCIT Awards

Preventing and mitigating losses is important to the overall success and stability of MCIT, so every year MCIT recognizes three counties that excel at risk management and loss control. MCIT congratulates all 2013 award winners.

County of the Year
LINCOLN COUNTY

Outstanding Performance in Property/Casualty Division
AITKIN COUNTY

Outstanding Performance in Workers' Compensation Division
PINE COUNTY

Criteria used to identify the recipients include performance in:

- risk management efforts
- loss control efforts
- responsiveness to program initiatives
- property/casualty claims administration
- workers' compensation claims administration

LINCOLN COUNTY TAKES STEADY APPROACH TO RISK MANAGEMENT

Lincoln County distinguished itself among MCIT members in 2013 to earn the County of the Year Award. The county is one of the smallest among MCIT members in terms of number of employees and population it serves, but its dedication to following common best practices for managing risks sets it apart from the membership.

Lincoln County has managed its risks well in part by actively seeking input from MCIT. Practically, this means that when someone is unsure about the risks involved in a situation or how coverage may apply, he or she contacts MCIT to discuss the situation. These conversations lead to a better understanding of how the county can move forward safely and prudently with its initiatives.

An active safety committee is key to reducing workplace injuries and illnesses, and the Lincoln County Board of Commissioners strongly supports its committee. In fact, one of the commissioners is a member of the safety committee. Beyond board support, the committee follows basic tenants of an effective safety program: conducting self-inspections, investigating accidents and following up on near misses.

When workplace injuries and illnesses do arise, Lincoln County again follows best practices to reduce the severity of claims and to encourage the full return to work of its employees. The county excels in timely reporting of claims, which allows MCIT to investigate situations immediately and control the severity of claims. Lincoln County's return to work program includes staying in touch with employees while they are off work and finding transitional duties until they can fully return to their positions. These efforts encourage faster recovery and keep employees engaged in the workplace.

Lincoln County also maintains accurate property and auto schedules. This simple but critical task ensures that when a claim is filed, the county has taken the necessary steps to cover its property and auto fleet at an appropriate level.



*Lincoln County
Commissioners:
Larry Hansen, Curtis
Blumeyer, Joan Jagt,
Donald Evers and
Rick Hamer.*

ABOUT LINCOLN COUNTY

Lincoln County was established in 1873 with the support of voters by carving 531 square miles from western Lyon County that borders South Dakota in the southwest corner of Minnesota. The county is named after President Abraham Lincoln. When the county was established, its population was 2,945 people. Today, it is 5,819.

The county has a number of lakes and parks, including campgrounds, hiking trails, boating and swimming beaches. The area's history is preserved at the Lincoln County Pioneer Museum and a number of structures on the National Registry of Historic Buildings, including St. John Cantius Church, the county courthouse, Lake Benton Opera House and Danebod Historic Complex.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Minnesota Counties Intergovernmental Trust
St. Paul, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Minnesota Counties Intergovernmental Trust (the Trust or MCIT) which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.*

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Counties Intergovernmental Trust as of December 31, 2013 and 2012, and the results of its changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the claims development information on pages 31 and 32 be presented to supplement the basic financial statements.** Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

REPORT ON SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 28 through 30** is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

* Notes can be obtained by contacting MCIT Finance Manager Cheri Donovan.

** Page numbers refer to those in the 2013 Audited Financial Statements December 31, 2013 and 2012 Minnesota Counties Intergovernmental Trust.

Side Bailly LLP

Fargo, North Dakota
June 16, 2014

FINANCIAL STATEMENT NOTES

Due to space limitations, the Notes to and Management's Discussion and Analysis of the 2013 Minnesota Counties Intergovernmental Trust Audited Financial Statements have not been included in this report. They are, however, an integral part of these financial statements, and their content should be considered when making any decisions based on the information presented here. Members can download a copy of the entire MCIT 2013 Audited Financial Statements from MCIT.org (must log in to access the report). Others can request a copy of the 2013 Audited Financial Statements by contacting MCIT Finance Manager Cheri Donovan:

Phone 651.209.6400 or
1.866.547.6516

E-mail cdonovan@mcit.org

Mail Minnesota Counties
Intergovernmental Trust
100 Empire Drive
Suite 100
St. Paul MN 55103-1885



STATEMENTS OF NET POSITION

DEC. 31, 2013 AND 2012

ASSETS	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,406,927	\$ 2,670,250
Investment securities	4,086,839	4,083,088
Member contributions and other receivables	322,993	705,981
Investment income due and accrued	1,237,863	1,350,381
Prepaid expenses	<u>11,381</u>	<u>16,522</u>
Total current assets	<u>12,066,003</u>	<u>8,826,222</u>
NONCURRENT ASSETS		
Investment securities	152,147,745	174,226,179
Capital assets, net	6,123,491	5,835,585
Total noncurrent assets	<u>158,271,236</u>	<u>180,061,764</u>
Total assets	<u>\$ 170,337,239</u>	<u>\$ 188,887,986</u>
LIABILITIES		
CURRENT LIABILITIES		
Current portion of unpaid claim liabilities	\$ 14,733,980	\$ 13,540,163
Current portion of special compensation fund assessment	556,751	599,230
Member contributions received in advance	502,260	412,392
Accounts payable and accrued liabilities	1,510,763	1,527,907
Member deposits	<u>103,915</u>	<u>100,083</u>
Total current liabilities	<u>17,407,669</u>	<u>16,179,775</u>
NONCURRENT LIABILITIES		
Unpaid claim liabilities, net of current portion		
Claim reserves reported	26,250,421	21,042,672
Claim reserves incurred but not reported	42,348,905	40,130,738
Special compensation fund assessment, net of current portion	<u>3,686,378</u>	<u>3,773,998</u>
Total noncurrent liabilities	<u>72,285,704</u>	<u>64,947,408</u>
Total liabilities	<u>89,693,373</u>	<u>81,127,183</u>
NET POSITION		
INVESTED IN CAPITAL ASSETS	6,123,491	5,835,585
UNRESTRICTED		
Designated net position	44,242,504	45,553,126
Undesignated net position	<u>30,277,871</u>	<u>56,372,092</u>
Total net position	<u>80,643,866</u>	<u>107,760,803</u>
Total liabilities and net position	<u>\$ 170,337,239</u>	<u>\$ 188,887,986</u>

STATEMENTS OF REVENUES EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DEC. 31, 2013 AND 2012



OPERATING REVENUES	2013	2012
Member contributions earned	\$ 33,633,995	\$ 34,991,919
Ceded reinsurance premiums	<u>(5,355,058)</u>	<u>(5,509,616)</u>
Total operating revenues	<u>28,278,937</u>	<u>29,482,303</u>
OPERATING EXPENSES		
Incurring claim liability expenses		
Net increase (decrease) in reserves	8,619,733	1,053,699
Paid claims	16,798,264	15,728,420
Special compensation fund		
Net decrease in reserves	(130,099)	35,482
Paid claims	618,294	578,028
Claims administration and service provider fee	2,714,471	2,706,168
General administration	<u>4,125,431</u>	<u>4,121,392</u>
Total operating expenses	<u>32,746,094</u>	<u>24,223,189</u>
Income (Loss) from Operations	(4,467,157)	5,259,114
NONOPERATING REVENUES		
Net investment income	5,384,537	12,711,585
Net unrealized losses on investments	(9,631,474)	(2,559,445)
Other income	<u>597,157</u>	<u>483,829</u>
Net nonoperating revenues	<u>(3,649,780)</u>	<u>10,635,969</u>
INCOME BEFORE DIVIDENDS TO MEMBERS	(8,116,937)	15,895,083
Dividends to members	(19,000,000)	(28,774,614)
CHANGE IN NET POSITION	(27,116,937)	(12,879,531)
TOTAL NET POSITION, BEGINNING OF YEAR	<u>107,760,803</u>	<u>120,640,334</u>
TOTAL NET POSITION, END OF YEAR	\$ 80,643,866	\$ 107,760,803
UNDESIGNATED NET POSITION, BEGINNING OF YEAR	\$ 56,372,092	\$ 63,992,802
Change in invested capital assets	(287,906)	69,103
Change in designated assets	1,310,622	5,189,718
Change in net position	<u>(27,116,937)</u>	<u>(12,879,531)</u>
UNDESIGNATED NET POSITION, END OF YEAR	30,277,871	56,372,092
Designated assets	44,242,504	45,553,126
Invested in capital assets	6,123,491	5,835,585
	<u>\$ 80,643,866</u>	<u>\$ 107,760,803</u>



STATEMENTS OF CASH FLOWS

YEARS ENDED DEC. 31, 2013 AND 2012

	2013	2012
OPERATING ACTIVITIES		
Receipts from members	\$ 33,752,540	\$ 35,159,031
Payments to suppliers	(12,535,784)	(12,674,809)
Claims paid	(16,504,700)	(15,728,895)
Other receipts	583,974	410,356
NET CASH FROM OPERATING ACTIVITIES	<u>5,296,030</u>	<u>7,166,183</u>
CAPITAL AND RELATED FINANCING ACTIVITY		
Dividends Paid	(19,000,000)	(29,871,160)
Purchase of capital assets	(503,448)	(113,443)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(19,503,448)</u>	<u>(29,984,603)</u>
INVESTING ACTIVITY		
Purchases of investments	(62,200,721)	(77,995,654)
Proceeds from sales and maturities of investments	73,403,209	92,075,831
Investment income	6,741,607	8,025,125
NET CASH FROM INVESTING ACTIVITIES	<u>17,944,095</u>	<u>22,105,302</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,736,677	(713,118)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,670,250</u>	<u>3,383,368</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,406,927</u>	<u>\$ 2,670,250</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES		
Income before dividends to members	\$ (8,116,937)	\$ 15,895,083
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation expense	216,481	213,520
Net investment income	4,243,104	(10,155,985)
Change in assets and liabilities		
Receivables, net	382,988	260,796
Prepaid assets	5,141	(4,241)
Unpaid claim liabilities	8,619,733	1,053,698
Special compensation fund assessment	(130,099)	35,482
Accounts payable and accrued liabilities	(18,083)	(202,036)
Other liabilities	93,702	69,866
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 5,296,030</u>	<u>\$ 7,166,183</u>



AGENDA REQUEST FORM

Date of Meeting: December 16, 2014

- County Board**
 - Consent Agenda
 - Regular Agenda
 - Personnel Committee
 - Other _____
- 5 mins. 10 mins. 15 mins. Other

Agenda Item: Sale of \$14,155,000 General Obligation Refunding Bonds, Series 2015A

Department: Auditor-Treasurer

Cathy Clennes
Department Head signature

Background information on Item:

At the November 18, 2014 regular board meeting, the Pine County Board of Commissioners called for the sale of \$14,155,000 General Obligation Refunding Bonds, Series 2015A which proceeds will be used to refund in advance the County's \$16,935,000 General Obligation Jail Bonds, Series 2005A.

Action Requested:

Approve the Resolution Authorizing Issuance, Awarding Sale, Prescribing the Form and Details and Providing for the Payment of \$14,155,000 General Obligation Refunding Bonds, Series 2015A.

Approve the Escrow Agreement with U.S. Bank National Association, St. Paul, Minnesota.

Financial Impact:

CERTIFICATION OF MINUTES RELATING TO
\$14,155,000GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2015A

Issuer: Pine County, Minnesota

Governing Body: Board of Commissioners

Kind, date, time and place of meeting: A regular meeting held December 16, 2014, at 12:00 p.m., at the County Offices.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. _____

RESOLUTION AUTHORIZING ISSUANCE, AWARDED SALE,
PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE
PAYMENT OF \$14,155,000GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2015A

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on December ____, 2014.

County Administrator

It was reported that _____ () proposals for the purchase of the Bonds were received prior to 10:00 a.m. on December 16, 2014, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Ehlers & Associates, Inc., financial advisor to the County. The proposals have been publicly opened, read and tabulated and were found to be as follows:

(See Attached)

Commissioner _____ introduced the following resolution and moved its adoption, which motion was seconded by Commissioner _____:

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$14,155,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A

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

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. The Board hereby determines that it is in the best interest of the County to issue its \$14,155,000 General Obligation Refunding Bonds, Series 2015A (the "Bonds"), pursuant to Minnesota Statutes, Section 641.23 and Chapter 475. The proceeds of the Bonds will be used to refund in advance of maturity the 2017 through 2031 maturities, aggregating \$13,630,000 in principal amount, of the County's \$16,935,000 General Obligation Jail Bonds, Series 2005A, dated, as originally issued, as of August 30, 2005 (the "Refunded Bonds") in a "crossover refunding" as defined in Minnesota Statutes, Section 475.67, subd. 13.

1.02. Sale. The County has retained Ehlers & Associates, Inc. as independent financial advisor in connection with the sale of the Bonds. The Bonds are being sold pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), without meeting the requirements for public sale under Minnesota Statutes, Section 475.60, Subdivision 1. Pursuant to the Official Statement for the Bonds, (_____) 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 true interest cost under the terms of each bid have been determined. The most favorable proposal received is that of _____, of _____, _____ (the "Purchaser"), to purchase the Bonds at a price of \$_____, the Bonds to bear interest at the rates set forth in Section 2.01. The proposal is hereby accepted, and the Chairperson and the County Administrator are hereby authorized and directed to execute a contract on the part of the County for the sale of the Bonds with the Purchaser. 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.

1.03. Savings. It is hereby determined that:

(a) by the issuance of the Bonds the County will realize a substantial interest rate reduction, a gross savings of approximately \$_____ and a present value savings (using the yield on the Bonds, computed in accordance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), as the discount factor) of approximately \$_____; and

(b) as of February 1, 2016 (the "Crossover Date"), the sum of (i) the present value of the debt service on the Bonds, computed to their stated maturity dates, after deducting any premium, using the yield of the Bonds as the discount rate, plus (ii) any expenses of the refunding payable from a source other than the proceeds of the Bonds or investment earnings thereon, is lower by _____% (not less than 3%) than the present value of the debt service on the Refunded Bonds, computed to their stated maturity dates, using the yield of the Bonds as the discount rate.

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

2.01. Issuance of Bonds. 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, now existing, having happened and having been performed, it is now necessary for the Board to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, 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>
2017	\$790,000	%	2025	\$ 910,000	%
2018	800,000		2026	935,000	
2019	805,000		2027	965,000	
2020	815,000		2028	1,000,000	
2021	830,000		2029	1,035,000	
2022	845,000		2030	1,075,000	
2023	860,000		2031	1,605,000	
2024	885,000				

[REVISE MATURITY SCHEDULE FOR ANY TERM BONDS]

The Bonds shall be issuable only in fully registered form. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest on 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 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. 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 2.06, 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, 2015, 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 calendar month next preceding such Interest Payment Date, whether or not such day is a business day.

2.04. Redemption. Bonds maturing in 2025 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, 2024, 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.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS]

[The Bonds shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in the following principal amounts:

Term Bonds Maturing in 20

<u>Sinking Fund</u>	<u>Aggregate</u>
<u>Payment Date</u>	<u>Principal Amount</u>

The remaining \$ _____ stated principal amount shall be paid at maturity on February 1, 20__.

Term Bonds Maturing in 20

<u>Sinking Fund</u>	<u>Aggregate</u>
<u>Payment Date</u>	<u>Principal Amount</u>

The remaining \$ _____ stated principal amount shall be paid at maturity on February 1, 20__.

Notice of redemption shall be given as provided in the preceding paragraph.]

2.05. Appointment of Initial Registrar. The County hereby appoints Bond Trust Services Corporation in Roseville, Minnesota, as the initial bond registrar, transfer agent and paying agent (the "Registrar"). The Chair and County Administrator 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 organized under the laws of the United States or one of the states of the United States and 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, 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.

2.06. 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 register (the "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. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(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 for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of. The Registrar shall furnish the County at least once each year a certificate setting forth the principal amounts and numbers of Bonds canceled and destroyed.

(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.

2.07. 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 Chair and County Administrator, 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 he 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. 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 County 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, 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 Chair 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.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

PINE COUNTY

GENERAL OBLIGATION REFUNDING BOND, SERIES 2015A

R- _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
_____%	February 1, 20__	January 15, 2015	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

PINE COUNTY, MINNESOTA (the "County"), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, all subject to the provisions referred to herein with respect to the redemption of the principal of the Bond before maturity. Interest hereon is payable on February 1 and August 1 in each year, commencing August 1, 2015, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on Bond Trust Services Corporation in Roseville, Minnesota,, as bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar"), or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the County have been and are hereby irrevocably pledged.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of \$14,155,000, issued pursuant to a resolution adopted by the County Board on December 16, 2014 (the "Resolution") to provide funds to refund certain outstanding general obligation bonds of the County, and is issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes Chapter 475. The Bonds are issuable only in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in the years 2025 and thereafter are each 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, 2024, and on any date thereafter, at a price equal to 100% of the principal amount thereof plus interest accrued to the date of redemption. At least 30 days before the date specified for the redemption of any Bond the County will cause notice of redemption to be published if and to the extent required by law,

and to be mailed by first class mail (or, if applicable, provided in accordance with the operational arrangements of the bond depository), to the registered owner of any Bond to be redeemed at the owner's address as it appears on the Bond Register maintained by the Registrar, but 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. Upon surrender to the Registrar of any Bond which has been redeemed in part, a new Bond or Bonds will be delivered to the owner without charge, representing the unredeemed portion of the principal of the Bond so surrendered.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS]

[The Bonds shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in the following principal amounts:

Term Bonds Maturing in 20

<u>Sinking Fund</u>	<u>Aggregate</u>
<u>Payment Date</u>	<u>Principal Amount</u>

The remaining \$_____ stated principal amount shall be paid at maturity on February 1, 20__.

Term Bonds Maturing in 20

<u>Sinking Fund</u>	<u>Aggregate</u>
<u>Payment Date</u>	<u>Principal Amount</u>

The remaining \$_____ stated principal amount shall be paid at maturity on February 1, 20__.

Notice of redemption shall be given as provided in the preceding paragraph.]

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the County at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the County will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The County and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of

receiving payment and for all other purposes, and neither the County nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the County.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the County in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof the Board of Commissioners has levied ad valorem taxes upon all taxable property in the County, which taxes are estimated to be collectible for the years and in amounts sufficient to produce sums not less than five percent in excess of the principal of and interest on the Bonds when due, and has appropriated such taxes to the payment of such principal and interest; that if necessary for payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the County, without limitation as to rate or amount; that the issuance of this Bond, together with all other indebtedness of the County outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the County to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Pine County, Minnesota, by its Board of Commissioners, has caused this Bond to be executed on its behalf by the facsimile signatures of the Chair and County Administrator.

PINE COUNTY, MINNESOTA

(facsimile signature – County Administrator)

(facsimile signature – Chair)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

[end of bond form]

SECTION 3. USE OF PROCEEDS. The County Auditor is hereby authorized and directed, simultaneously with the delivery of the Bonds, to deposit the proceeds thereof in the amount of \$ _____, in escrow with U.S. Bank National Association, in St. Paul, Minnesota, a banking institution whose deposits are insured by the Federal Deposit Insurance Corporation and whose combined capital and surplus is not less than \$500,000, and shall invest the funds so deposited in securities authorized for such purpose, maturing on such dates and bearing interest at such rates as are required to provide funds sufficient, with cash retained in the escrow account, to pay the interest to become due on the Bonds to and including the Crossover Date and to redeem the Refunded Bonds in the principal amount of \$13,630,000 on the Crossover Date. The Chairperson and the County Administrator are hereby authorized to enter into an escrow agreement with said bank establishing the terms and conditions for the escrow account in accordance with Minnesota Statutes, Section 475.67. The remaining proceeds of the Bonds in the amount of \$ _____ shall be applied to pay issuance expenses and contingencies.

SECTION 4. GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A BOND FUND. The Bonds shall be payable from a separate and special General Obligation Refunding Bonds, Series 2015A 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 moneys on hand in other funds of the County, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The moneys on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. Into the Bond Fund shall be paid: (a) the amounts specified in Section 3; (b) ad valorem taxes collected in accordance with the provisions of Section 5 hereof; 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 County hereby irrevocably pledges its full faith, credit and unlimited taxing powers. 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 will be levied and collected in the following years and amounts:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
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(see attached Schedule I)

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 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 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 and prepare a certificate that the Bonds have been duly entered upon the Auditor's bond register and the tax required by law has been levied.

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, Bond Counsel, 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, dated December 5, 2014, prepared and distributed by Ehlers & Associates, Inc., the financial advisor for the County, is hereby approved. Ehlers & Associates, Inc. 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 thereto 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 Securities and Exchange Commission (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; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The County covenants and agrees with the registered owners 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. It is hereby certified that the proceeds of the Refunded Bonds were used for the acquisition and betterment of municipal infrastructure improvements owned and maintained by the County, and the County covenants and agrees that, so long as the Bonds are outstanding, the County shall not enter into any lease, management agreement, use agreement or other contract with any nongovernmental entity relating to the improvements so financed which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Chair and County Administrator 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 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 Exemption. 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. Redemption of Refunded Bonds. The County Auditor is hereby directed to advise Bond Trust Services Corporation, as paying agent for the Refunded Bonds, to call such bonds for redemption and prepayment on the Crossover Date, and to give thirty days mailed Notice of Redemption, all in accordance with the provisions of the resolutions authorizing the issuance of such bonds.

8.05. 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. The County has complied in all material respects with any undertaking previously entered into by it under the Rule. 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, 2014, 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 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 the headings: Current Property Valuations; Direct Debt, Tax Levies and Collections; Population Trend and Employment / Unemployment Data, 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 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 (the MSRB) through its Electronic Municipal Market Access System (EMMA) or the SEC. 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 10 business days after the occurrence of the event, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a "Material Fact," as hereinafter defined):
 - (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 Bonds or other material events affecting the tax status of the Bonds;
- (G) modifications to rights of Bond holders, if material;
- (H) Bond calls, if material and tender offers;
- (I) defeasances;
- (J) release, substitution, or sale of property securing repayment of the Bonds 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; and
- (N) appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, for those events that must be reported if material, an event is material if 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 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, to the MSRB through EMMA, 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)(2) 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.

Upon vote being take thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

PINE COUNTY AUDITOR'S CERTIFICATE AS TO
REGISTRATION AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Pine County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on December 16, 2014, by the Board of Commissioners of Pine County, Minnesota, setting forth the form and details of an issue of \$14,155,000 General Obligation Refunding Bonds, Series 2015A, dated as of the date of issuance thereof.

I further certify that the issue has been entered on my bond register and the tax required by law for their payment has been levied and filed as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand officially this _____ day of December, 2014.

Pine County Auditor

(SEAL)