



AGENDA
PINE COUNTY BOARD MEETING

District 1	Commissioner Hallan
District 2	Commissioner Mohr
District 3	Commissioner Chaffee
District 4	Commissioner Rossow
District 5	Commissioner Ludwig

Tuesday, January 5, 2016 10:00 a.m.
Public Health Building, Sandstone, Minnesota

- A) Call meeting to order
- B) Pledge of Allegiance
- C) Election of County Board Chair and Vice-Chair for 2016
- D) 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.
- E) Adopt Agenda
- F) 2016 Committee Assignments & other appointments
- G) 2016 County Board Schedule
- H) Approve Minutes of December 15, 2015 County Board Meeting and Committee of the Whole and Summary for publication.
- I) Minutes of Boards, Committees and Correspondence
 - Methamphetamine Task Force Minutes – October 12, 2015
 - East Central Regional Library Minutes – November 9, 2015
 - Pine County Historical Society Minutes – November 17, 2015
 - Pine County HRA Senior Housing, Regular Minutes – November 17, 2015
 - Pine County Land Surveyor Monthly Report – December 2015
 - Initiative Foundation correspondence – December 15, 2015
- J) 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. December, 2015 Disbursements

Disbursements Journal Report, December 1, 2015 – December 31, 2015

2. Applications for Abatement

Consider Applications for Abatement for the following:

- A. Theresa Dobosenski, 84024 Dobosenski Road, Sturgeon Lake, PID 33.0806.000, pay 2015
- B. Craig and Sheila Blegen, 4478 540th Street, Rush City, PID 43.0559.001, pay 2015
- C. Viaene Rental Properties, 120 Lark Street, Sandstone, PID 45.5225.000, pay 2015
- D. Merlin and Patricia Ladd, 31960 Eddy Road, Hinckley, PID 10.0137.001, pay 2015
- E. Morlin and Carol Kinnaman, 34016 Lake Town Road, Sturgeon Lake, PID 33.0558.000, pay 2015
- F. Richard Johnson, 207 1st Street NW, Hinckley, PID 40.5076.000, pay 2015

3. Prosecution Agreement – City of Rock Creek

Consider approval of Agreement for Prosecution Services between the County of Pine and the City of Rock Creek in the amount of \$3,500 for 2016.

4. Child Support Cooperative Agreement

Consider approval of Minnesota State/County Child Support Program Cooperative Agreement for years 2016 and 2017 and authorize Board Chair and County Administrator to sign.

5. Health Partners Provider Agreement

Consider approval of Health Partners Participating Provider Agreement and authorize Board Chair and County Administrator to sign.

6. Income Contract – 2016 GED Innovation

Consider approval of contract for the GED Innovation Fund between Pine County and the State of Minnesota on behalf of Pine Technical and Community College Employment and Training Center. The allocation is \$2,618 for 2016. Authorize Board Chair, County Administrator and Health & Human Services Director to sign.

7. Lead County Agreement with Therapeutic Services Agency (TSA, Inc.)

Consider approval of Lead County Agreement Between Pine County Health & Human Services and Therapeutic Services Agency (TSA, Inc.) for 2016 and authorize Board Chair and County Administrator to sign.

8. Sheriff's Office Space Rental

Consider approval of the Hinckley Fire Hall Lease Agreement between the City of Hinckley and the County in the amount of \$6,000 per year. Funds are available in the 2016 Sheriff's Office budget.

9. 2015 Clerical Assessment Clerical Corrections

Pine County Assessor's Office 2015 Assessment Clerical Corrections. Information only.

10. K-9 Unit

Pine County Sheriff's Office K-9 Unit update.

11. Donation

Consider acceptance of \$1,000 donation for the Pine County Sheriff's Office K-9 program from Carolyn L. Schaefer on behalf of the Carolyn L. Schaefer Revocable Trust.

12. Police officer Declaration - PERA

Consider Public Employees Retirement Association Police Officer Declaration Resolution 2016-02 for Deputy Sheriff Joseph Workman. This Resolution/Declaration indicates that Deputy Workman has met all of the requirements of the Police and Fire Plan membership from his date of hire. Authorize Board Chair to sign Resolution.

13. Personnel

- A. Acknowledge termination of Payroll Clerk Erika Fornengo, effective December 16, 2015 and authorize immediate backfill.
- B. Consider the promotion of Deputy Brad Carlson to Investigator (C43, step 5), effective January 24, 2016, with a starting wage of \$28.31 per hour.
- C. Consider the promotion of Deputy Zach Libra to Investigator (C43, step 5), effective January 25, 2016, with a starting wage of \$28.31 per hour.

14. Training

Consider Child Support Supervisor Jodi Blesener to attend Leadership Core Training through the Minnesota Department of Human Services for the following dates in 2016: February 22, March 21, April 18, May 16, June 20, and December 5, Red Wing. Registration - \$0; lodging – approximately \$515 (\$85.41/night); mileage – preferably county car, if none are available the approximate cost for mileage is \$900 for the series of trainings. Total cost: \$515 w/county car usage or \$1,415 w/o county car usage. Funds are available in the Health & Human Services 2016 budget.

REGULAR AGENDA

1. Technology Committee

The Technology Committee Meet December 15, 2015. Minutes attached. Information only, no board action necessary.

2. Request for Bids for Official Publication for 2016

Award bid.

3. Pine County Regional Railroad Authority Annual Meeting

Recess Regular Board Meeting and Convene Rail Authority Meeting.

Appoint Chair, Vice Chair, Secretary and Treasurer

(2015 appoints were Chair-Steve Hallan; Vice Chair-Steve Chaffee; Secretary-David Minke/non-voting ; and Treasurer-Cathy Clemmer/non-voting)

Discussion of Regional Rail Authority Business

Adjourn Rail Meeting and Reconvene County Board Meeting

4. Soil & Water Conservation District Request for Additional Appropriation

Consider an additional appropriation for the Soil & Water Conservation District.

5. Children's Mental Health Respite Care Grant

Consider acceptance of \$15,412 from the Minnesota Department of Human Services for a Children's Mental Health Respite Care Grant to be used in calendar year 2016.

6. Extension Committee Reappointment

Consider reappointment of the following to the Pine County Extension Committee:

Mary Lange (representing District 3), three-year term, January 1, 2016-December 31, 2018

David Durham (representing District 5), three-year term, January 1, 2016-December 31, 2018

7. AMC County Program Aid Proposal

Consider approval of Resolution 2016-01 in support of the Association of Minnesota Counties' County Program Aid proposal for 2016 and authorize Board Chair and County Administrator to sign.

8. Health & Human Services Supervisor Collective Bargaining Agreement

Consider approval of the Health & Human Services Supervisor (IBEW) Collective Bargaining Agreement proposal for years 2015-2017.

9. Commissioner Updates

NLX

Kanabec-Pine Community Health Board

Arrowhead Counties Association Annual Dinner and Recognition

Northeast Regional Radio Board

East Central Regional Development Commission

Other

10. Other

11. Upcoming Meetings (Subject to Change)

- a. **Pine County Board Meeting, Tuesday, January 5, 2016, 10:00 a.m.**, Public Health Building, Sandstone, Minnesota.
- b. **Facility Committee, Wednesday, January 6, 2016, 9:00 a.m.**, Commissioners' Conference Room, Courthouse, Pine City, Minnesota.
- c. **Soil & Water Conservation District, Thursday, January 7, 2016, 3:00 p.m.**, Public Health Building, Sandstone, Minnesota.
- d. **East Central Solid Waste Commission (ECSWC), Monday, January 11, 2016, 9:00 a.m.**, 1756 180th St., Mora, Minnesota.
- e. **East Central Regional Library, Monday, January 11, 2016, 9:30 a.m.**, 244 South Birch Street, Cambridge, Minnesota.
- f. **Pine County Methamphetamine Task Force, Monday, January 11, 2016, 3:00 p.m.**, Pine Government Center, Pine City, Minnesota.
- g. **Personnel Committee, Tuesday, January 12, 2016, 9:00 a.m.**, Commissioners' Conference Room, Courthouse, Pine City, Minnesota.
- h. **Pine County Board Meeting, Tuesday, January 19, 2016, 10:00 a.m.**, Board Room, Courthouse, Pine City, Minnesota.
- i. **Special Meeting - City-County Relations, Tuesday, January 19, 2016, 7:00 p.m.**, Jury Assembly Room, Courthouse, Pine City, Minnesota.

12. Adjourn

2016 Boards and Committees

Outside Boards and Committees	2015 Representative	2015 Alternate	2016 Representative	2016 Alternate
AMC Committee – Environment & Natural Resources	Mohr			
AMC Committee – General Government	Rossow			
AMC Committee – Health & Human Services	Chaffee			
AMC Committee – Public Safety Policy Committee	Hallan			
AMC Committee – Transportation & Infrastructure	Ludwig			
AMC Committee – Indian Affairs Advisory Council	Rossow		Hallan	
Arrowhead Counties Association (ACA)	All			
Association of Minnesota Counties (AMC)	All			
Central MN Jobs and Training Service	Hallan	Ludwig		
Central Regional EMS Committee	Ludwig	Rossow		
East Central Regional Development Commission (ECRDC)	Hallan	Rossow		
East Central Regional Juvenile Center (ECRJC) Advisory Committee	Ludwig	Rossow		
East Central Regional Library	Chaffee	Mohr		
East Central Solid Waste Commission (ECSWC)	Hallan	Ludwig		
Extension Committee	Chaffee/Mohr			
Fiber-Optic Joint Power Board	Hallan	Mohr		
GPS 45:93 Joint Powers Board	Hallan	Mohr		
Kanabec/Pine Board of Health (CHB) *3 members in even years; *2 members in odd years	Hallan/Chaffee	Ludwig		
Lakes and Pines Community Action Council (CAC)	Rossow	Hallan		
Law Library	Mohr	Chaffee		
NE MN Regional Radio Board	Hallan	Sheriff Nelson		Chief Deputy Widenstrom
NLX	Ludwig	Chaffee		
Rushline Corridor Task Force	Mohr	Chaffee		
Snake River Watershed Joint Powers Board	Mohr	Hallan		
Soil & Water Conservation District	Ludwig	Mohr		

County Established Committees	2015 Appointment	2015 Alternate	2016 Representative	2016 Alternate
Budget Committee	All			
Facilities Committee	Ludwig/Mohr			
GIS Committee	Hallan/Mohr			
Government Operations	Ludwig/Rossow			
Investment Committee	Ludwig/Hallan			
Land/Zoning Advisory Committee	Chaffee/Rossow			
Legislative Committee	All			
Methamphetamine Task Force	Ludwig/Rossow			
Negotiations (Labor Relations) Committee	Chaffee/Rossow			
Personnel Committee	Chaffee/Rossow	Ludwig		
Public Safety Committee	Hallan/Ludwig			
Technology Committee	Hallan/Mohr			
Transportation Committee	Hallan/Rossow			

Other Appointments	2015 Appointment		2016 Appointment	
Equal Employment Opportunity Coordinator required by section 3.2 of the County Policy and Procedure Manual	Matt Christenson		Connie Mikrot	
AMC Delegate Appointments (county is authorized 1 delegate for each commissioner and three additional delegates)	Steve Hallan Josh Mohr Steve Chaffee Curt Rossow	Matt Ludwig Mark LeBrun Becky Foss David Minke	Steve Hallan Josh Mohr Steve Chaffee Curt Rossow	Matt Ludwig Mark LeBrun Becky Foss David Minke

WORKING DRAFT

2016 Pine County Board of Commissioner Meeting Schedule

{TO BE ADOPTED AT ITS JANUARY 5, 2016 MEETING}

- The meetings on the _____ of the month begin at _____ .m. and are held at the Public Health Building, Conference Room, in **Sandstone**.
- The meetings on the _____ of the month begin at _____ .m. and are held at the Pine County Courthouse, Boardroom, **Pine City**, unless otherwise noted below:

Projected dates if 1st & 3rd Tuesdays:

January 5th and 19th

February 2nd and 16th

March 1st and 15th

April 5th and 19th

May 3rd and 17th

June 7th and 21st

July 5th and 19th

August 2nd and 16th

September 6th and 20th

October 4th and 18th

November 1st and 15th

December 6th and 20th

Board of Equalization, June 20, 2016 at 6:00 p.m., Pine County Courthouse, Boardroom, Pine City.

Truth in Taxation, December 8, 2016, at _____:00 p.m., Pine County Courthouse, Boardroom, Pine City. This meeting is required by MS 275.065 and may not be held before 6:00 PM.

Facilities 1st Wednesday -- 9:00 a.m.
Personnel 2nd Tuesday -- 9:00 a.m.
Technology 3rd Tuesday -- 8:30 a.m.

**MINUTES OF THE
PINE COUNTY BOARD MEETING
Regular Meeting and Committee of the Whole (Kanabec-Pine Community Health Board)
Tuesday, December 15, 2015, 10:00 a.m.
Board Room, Pine County Courthouse, Pine City, Minnesota**

Chair Steve Hallan called the meeting to order at 10:00 a.m. Present were Commissioners Josh Mohr, Steve Chaffee, Curt Rossow, and Matt Ludwig. Also present were County Attorney Reese Frederickson and County Administrator David Minke.

The Pledge of Allegiance was said.

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

Chair Hallan welcomed the members of the Kanabec County Board of Commissioner.

Chair Hallan requested the following revisions to the Agenda:

Add Consent Agenda, Item #10:

Consider approval of Agreement to Provide Professional Services Between Pine County and TriMin Systems, Inc.

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

Commissioner Chaffee moved to approve the Minutes of the December 1, 2015 board meeting and Summary for publication. Second by Commissioner Mohr. Motion carried 5-0.

Commissioner Ludwig moved to approve the Minutes of the December 3, 2015 Truth in Taxation meeting for publication. Second by Commissioner Chaffee. Motion carried 5-0.

Minutes of Boards, Committees and Correspondence

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

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

CONSENT AGENDA

1. Approve November, 2015 Cash Balance

Fund	November 30, 2014	November 30, 2015	Increase(Decrease)
General Fund	3,420,715	4,598,365	1,177,650
Health and Human Services Fund	526,038	1,213,752	687,714
Road and Bridge Fund	2,091,342	1,751,761	(339,581)
Land Management Fund	2,083,038	2,718,203	635,165
TOTAL (inc non-major funds)	9,661,450	12,081,494	2,420,043

2. Application for Abatement

Approve Application for Abatement for:

- a. Dennis Frandsen & Co., Inc., Pine City Twp., PID 26.0388.000, pay 2013, 2014 and 2015.
- b. Greg Waldhalm, 3263 Laketown Road, Sturgeon Lake, PID 46.0034.000, pay 2014 and 2015.

3. Approval of Tobacco Licenses for 2016

Approve 2016 tobacco licenses for the following vendors: Banning Junction, Beroun Crossing Market, Casey's, Chengwatana Country Club, Chris' Food Center (2), Crossroads Convenience Store, 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, Kwik Trip, Minit Mart (2), Main Street Grocery, Mainstreet Milkhouse, Murphy's, Nickerson Bar & Motel, Inc., Petry's Bait Company, Pine City Tobacco, Pump N Munch, Quarry Store, Rich's Bar, Sandstone Petro Plus, Side Tracked, Slim's Service, Inc., Smoking Lamp, Squirrel Cage, Stogies Discount Tobacco, Super America #4500, Super Smokes, Tank's Tavern, Thriftee Troll, Tobies Station, Inc., Wal-Mart Supercenter #2367, West Beroun Liquors.

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

Approve reappointment of Sheriff Jeff Nelson to the Northeast Minnesota Regional Advisory Committee for 2016.

5. Contract Between State of Minnesota and Health & Human Services – MFIP & Work Diversionary Work Program

Approve contract between the State of Minnesota (MN State Colleges and Universities) on behalf of Pine Technical and Community College Employment and Training Center and Pine County Health & Human Services for services required to be offered through some of the Income Maintenance Programs in HHS. Contract effective January 1, 2016 through December 31, 2017. The amount to MnSCU shall not exceed a grand total of \$343,742 per contract year for all Consolidated Fund Employment Services. Authorize Board Chair and County Administrator to sign.

6. Sale of U.S. Bancorp Stock

Approve Resolution 2015-45 allowing for the sale of 934 shares of US Bancorp stock owned by Pine County Health & Human Services and authorize Board Chair and County Administrator to sign.

7. Unpaid Health & Human Services Internship

Approve Jennifer Morrison to complete a 480-hour unpaid social work internship at Pine County Health & Human Services, commencing January 5, 2016.

8. Prosecution Agreement – City of Hinckley

Approve Agreement for Prosecution Services between the County of Pine and the City of Hinckley for the term January 1, 2016 through December 31, 2016. Consideration to be paid by the City of Hinckley is \$20,000. Authorize Board Chair and County Auditor to sign.

9. Training

Approve County Engineer Mark LeBrun to attend the 71st Annual MN County engineers Conference at Cragun's Resort in Brainerd, January 19-22, 2016. Total cost: \$833.

10. TriMin Systems, Inc. Contract with Health & Human Services

Approve Agreement to Provide Professional Services Between Pine County and TriMin Systems, Inc.. The term of the contract is for one year expiring December 31, 2016. The 2016 Annual Support contract calls for \$400 per quarter per system (\$3,200) with an hourly rate for services of \$150 per hour. Authorize Board Chair and County Administrator to sign.

REGULAR AGENDA

1. Public Hearing – Proposed Property Tax Abatement

Economic Development Coordinator Robert Musgrove explained the purpose of the public hearing was to consider approval of a proposal to allow the County to abate all or a portion of property taxes levied by the County to provide assistance to help construct a new medical center and campus within the North Pine Area Hospital District.

The Board asked for additional information from Sandstone City Administrator Sam Griffith and Gateway Family Health Clinic Administrator Eric Nielsen. Discussion held regarding the ‘but for’ clause and if Gateway met the statutory requirement for this, discussion of the status and use of the “old clinic”, opt out clause of the lease agreement, services provided, and school district and city abatement status.

Chair Hallan opened the public hearing at 10:26 a.m.

Chair Hallan called for public comment. There being no public comments, Chair Hallan closed the public hearing at 10:27 a.m.

Motion by Commissioner Ludwig to adopt Resolution 2015-46 approving Property Tax Abatement Related to Medical Clinic and Public Infrastructure Improvements in the City of Sandstone and Taking Other Actions Related Thereto. The amount of the abatement shall not exceed \$35,000 (not to exceed \$7,000 per year), the term shall not exceed five (5) years. Second by Commissioner Mohr. Motion carried 5-0.

2. Facilities Committee

Commissioner Mohr provided an overview of the December 2, 2015 Facilities Committee meeting. Six conference room tables were ordered for the board room. An update was provided on the proposed courthouse storage garage. Commissioner Ludwig stated discussion was had regarding the use of the John Wright building and long-term space options for Health & Human Services employees in Sandstone.

3. Personnel Committee

Pine County Personnel Committee met December 9, 2015 and made the following recommendations:

HHS

- a. Acknowledge resignation of FT Office Support Specialist Jennifer Knoll, effective December 3, 2015 and authorize backfill as Case Aide position.
- b. Acknowledge resignation of FT Registered Nurse Erin Mans, effective December 11, 2015 and authorize backfill.

Sheriff

- a. Acknowledge resignation of PT Dispatcher Casey Sandberg, effective November 13, 2015 and authorize backfill.
- b. Authorize increase for additional two (2) Investigators for a total of six (6) Investigators in which any Investigator may be assigned SRO duties and decreasing road deputies by two (2), for a total of 21 road deputies. The total number of POST licensed positions remains at 32.

Administrator

- a. Approve a 1.5% Cost-of-Living increase and a 1.5% market adjustment to non-union employees and 2016 non-union pay scale effective January 1, 2016.
- b. Approve of performance pay increases of up to 6 percent for non-union employees not at the top of their pay range. Performance increases above 6% or above the maximum of the pay range for the position require approval of the Personnel Committee.

- c. Approve Resolution 2015-47 Setting 2016 Salaries for Elected Officials as follows: County Auditor/Treasurer, \$87,000; County Sheriff, \$92,000; and County Attorney, \$95,500. Authorize Board Chair and County Administrator to sign Resolution.
- d. Consider approval of Resolution 2015-48 Establishing 2016 County Commissioner Compensation, Per Diem, and Commissioner and Employee Mileage Reimbursement as follows: Salary \$21,844; Per Diem \$100, and Mileage Reimbursement rate for 2016 to follow Federal IRS rate. Authorize Board Chair and County Administrator to sign.
- e. Consider setting the 2016 health insurance monthly contributions as follows:

<u>Premium</u>			
CMM Plans:	Single: \$684.00		
	Family: \$1328.15		
		<u>VEBA Savings</u>	
VEBA:	Single: \$577.75	Single: \$106.25	
	Family: \$1,115.65	Family: \$212.50	

Other items are for informational purposes only.

Motion by Commissioner Rossow to approve the recommendations of the Personnel Committee. Second by Commissioner Chaffee. Motion carried 5-0.

4. 2015 Budget Amendment

County Administrator David Minke and Auditor-Treasurer Cathy Clemmer provided an overview of amendments necessary for 2015 to account for items not budgeted for in the initial 2015 budget. The last four digits of the account numbers that are 5xxx are revenues and the 6xxx are expenditures.

Motion by Commissioner Ludwig to approve the following 2015 budget adjustments:

Aquatic Invasive Species -- Dept 074			
01.074.6803	10,000	Program Expense	From \$25,000 to \$35,000
01.041.6268	(10,000)	Independent Audit	From \$60,000 to \$50,000
Sheriff -- Dept 201			
01.201-5230	30,000	Police State Aid	From \$185,000 to \$215,000
01.201.6107	30,000	Overtime	From \$120,000 to \$150,000
Recorder--Dept 101			
01.101.5506	10,000	Tech Fees	From \$80,000 to \$90,000
01.101.5522	10,000	Compliance Fees	From \$65,000 to \$75,000
01.101.6666	20,000	Tech Equip Fund	From \$32,000 to \$52,000
			(Board approved use of recorder technology reserves approx \$60,000)
Planning/Zoning – Dept 107			
01.107.5101	14,000	Zoning Permits	From \$26,000 to \$50,000
01.107.6103	14,000	Salaries/Wages	From \$25,345 to \$49,345
01.107.5306	33,501	State Shoreland Grant	From \$24,499 to \$58,000
01.107.6803	33,501	Program Expense	From zero to \$33,501
Boat & Water – Dept 205			
01.205.5452	1,850	Federal Grant	From zero to \$1,850
01.205.6113	1,850	Salaries/Wages	From zero to \$1,850

ATV Grant – Dept 208			
01.208.5302	8,400	State Grant	From zero to \$8,400
01.208.6379	8,400	ATV Expense	From zero to \$8,400
Economic Dev – Dept 605			
01.605.5281	2,500	Local Grants	From zero to \$2,500
01.605.6105	2,500	Salaries/Wages	From zero to \$2,500
HHS Fund 12 – Public Health			
12.481.451.0002.5860	746,565	Refunds/Reimb	From \$353,435 to \$1,100,000
12.481.451.0002.6103	746,565	Salaries/Wages	From \$353,435 to \$1,100,000
Highway Funds 13			
13.801.5203	1,425,000	State Aid	From \$2,665,000 to \$4,090,000
13.320.6283	1,425,000	Construction	From \$4,075,000 to \$5,500,000
Land Funds 22			
22.703.5860	32,925	Refunds/Reimb	From zero to \$329,025 (Sandstone Creamery Wells)
22.703.6802	32,925	Public Lands Exp	From \$5,000 to \$37,925

Second by Commissioner Mohr. Motion carried 5-0.

5. 2016 Pine County Property Tax Levy and Budget

County Administrator Minke presented the 2016 Pine County property tax levy at \$15,942,799 and 2016 operating budget.

BUDGET SUMMARY 2016			
DEPT	REVENUE		
#	DEPARTMENT	REVENUES	EXPENDITURES
5	COUNTY BOARD	0	252,512
13	COURT ADMINISTRATION	2,500	64,000
20	LAW LIBRARY	26,500	22,500
41	COUNTY AUDITOR-TREASURER	100,000	630,868
61	MIS	15,000	550,690
62	CENTRAL SERVICES	34,000	34,000
63	TRUTH IN TAXATION	9,200	14,700
71	ELECTIONS ADMINISTRATION	7,900	81,150
72	COUNTY ADMINISTRATOR	1,000	352,249
74	AQUATIC INVASIVE SPECIES PROG	130,635	96,919
91	COUNTY ATTORNEY	120,050	881,972
92	CONTRACTED ATTNYS/CONSULTANTS	0	40,000
101	COUNTY RECORDER	295,000	440,569
105	COUNTY ASSESSOR	178,500	539,049
107	PLANNING AND ZONING	60,100	109,207

111	GOVT BUILDING OPERATIONS	242,200	705,062
121	VETERANS SERVICES	10,000	109,114
201	COUNTY SHERIFF	952,000	3,620,820
204	SHERIFF DISPATCH	0	601,422
205	BOAT & WATER	7,951	7,951
208	ATV GRANT	6,956	6,956
210	GUN PERMITS	20,000	7,800
227	ENHANCE 911	100,000	100,000
249	MEDICAL EXAMINER	0	55,000
251	COUNTY JAIL	775,250	3,938,552
255	PROBATION	285,772	774,962
256	SENTENCE TO SERVE	0	71,387
281	CIVIL DEFENSE	21,026	21,026
391	SOLID WASTE	2,800	41,664
392	SCORE RECYCLING	188,285	216,558
501	ECR LIBRARY	0	302,225
502	HISTORICAL SOCIETY	0	15,000
601	SOIL /WATER CONSERVATION	48,481	145,702
602	EXTENTION COMMITTEE	0	1,800
603	COUNTY EXTENTION	0	95,621
604	AGRICULTURE SOCIETY	0	10,000
605	ECONOMIC DEVELOPMENT	0	36,073
613	WATERSHED BOARD	0	11,168
702	PINE COUNTY HOUSING AUTHORITY	0	3,000
801	NON-DEPARTMENTAL	11,705,390	228,078
813	MEED-CENTRAL MN INITIATIVE	0	7,300
	TOTAL	15,346,496	15,244,626
DEPT	HEALTH AND HUMAN SERVICES	REVENUES	EXPENDITURES
#			
12-420	INCOME MAINTENANCE	2,752,791	2,752,021
12-430	SOCIAL SERVICES	5,055,260	5,055,260
12-440	CHILDREN'S COLLABORATIVE	0	0
12-481	NURSING	360,504	360,504
	TOTAL	8,168,555	8,167,785
DEPT	HIGHWAY	REVENUES	EXPENDITURES
#	DEPARTMENT		
13-310	ADMINISTRATION	0	332,234
13-320	ENGR/CONSTRUCTION	0	4,909,224
13-330	EQUIPMENT	0	2,060,297
13-340	REPAIR AND SHOP	0	1,830,068
13-801	NON-DEPARTMENTAL	9,401,855	270,032
	TOTAL	9,401,855	9,401,855

DEPT	RESOURCE DEVELOPMENT	REVENUES	EXPENDITURES
#	DEPARTMENT		
22-703	LAND USE	857,600	831,631
22-704	RESOURCE DEVELOPMENT	0	7,500
22-705	ROAD FUND GAS TAX	5,500	5,500
22-707	TIMBER DEVELOPMENT		5,000
	TOTAL	863,100	849,631
DEPT	BUILDING FUND	REVENUES	EXPENDITURES
#	DEPARTMENT		
38-801	BUILDING FUND	75,000	
DEPT	2015 JAIL BONDS	REVENUES	EXPENDITURES
#	DEPARTMENT		
39-810	2015A JAIL BONDS	1,165,752	1,147,256
DEPT	2012A COURTHOUSE BONDS	REVENUES	EXPENDITURES
#	DEPARTMENT		
40-810	2012A COURTHOUSE BONDS	996,870	944,175
DEPT	EQUIPMENT	REVENUES	EXPENDITURES
#	DEPARTMENT		
43-801	EQUIPMENT	125,000	125,000
TOTAL ALL FUNDS		36,142,628	35,880,328

Motion by Commissioner Rossow to approve Resolution 2015-49 Establishing the 2016 Pine County Property Tax Levy at \$15,942,799 and authorize Board Chair and County Administrator to sign. Second by Commissioner Mohr. Motion carried 5-0.

Motion by Commission Ludwig to approve Resolution 2015-50 Adopting the 2016 Pine County Operating Budget and authorize Board Chair and County Administrator to sign. Second by Commissioner Mohr. Motion carried 5-0.

6. **Final Payment on Contract #1405**

County Engineer Mark LeBrun reported to the board regarding the completion of Contract #1405:

- CP 058-014-005 Located on Angle Avenue, City of Sandstone
- CP 058-014-006 Located on Commercial Avenue and 8th Street, City of Sandstone
- SAP 058-609-015 Located on CSAH 9; between CSAH 10 and CSAH 14
- SAP 058-623-008 Located on CSAH 23; between S Co. Line and TH 70
- SAP 058-629-002 Located on CSAH 29; between CSAH 20 and TH 123
- SAP 058-630-013 Located on CSAH 30; between TH 123 and CSAH 21
- SAP 058-641-017 Located on CSAH 41; between W. Co. Line and 2.5 mi W of CSAH 40
- SAP 058-641-018 Located on CSAH 41; between 2.5 mi W of CSAH 40 and CSAH 61
- SAP 058-660-002 Located on CSAH 60; between TH 18 and CSAH 18

Motion by Commissioner Chaffee to approve final payment to Tri-City Paving, Inc., in the amount of \$118,818.13. Second by Commissioner Ludwig. Motion carried 5-0.

7. 2015 Ditch Report

County Engineer Mark LeBrun presented the 2015 Ditch Report. LeBrun indicated that a comprehensive report will be completed every 5 years, with a summary provided in the intervening years. Judicial Ditch #1 and County Ditch #2 were inspected in 2015. In addition to inspections, questions and information requests were made to the County on County Ditch #7 and County Ditch #12. All ditch funds are sufficient for 2016 and no assessments were recommended.

Motion by Commissioner Rossow to accept the 2015 Ditch Report. Second by Commissioner Ludwig. Motion carried 5-0.

8. East Central Violent Offender Drug Task Force Grant Amendment

Motion by Commissioner Ludwig to approve the East Central Violent Offender Drug Task Force Grant Amendment, amended language reads as follows:

\$102,217.57 available from January 1, 2015 through June 30, 2016, \$157,782.43 is available from July 1, 2015 through December 31, 2016. \$20,000 is available from July 1, 2016 through December 31, 2016. Exhibit A of the Original Grant is replaced by Revised Exhibit A.

Second by Commissioner Chaffee. Motion carried 5-0.

9. Planning Commission/Board of Adjustment Appointments

Chair Hallan made the following appointments to the Planning Commission and Board of Adjustment:

A. Planning Commission:

Patrick Schifferdecker (District 1) January 1, 2016 to December 31, 2019

Pat McCarthy (District 3) January 1, 2016 to December 31, 2019

B. Board of Adjustment:

Gary Valvoda (District 2) January 1, 2016 to December 31, 2019

Richard Stepan (District 4) January 1, 2016 to December 31, 2019

David Koland (District 5) January 1, 2016 to December 31, 2019

10. Reappointment to HRA Board of Directors

Motion by Commissioner Chaffee to reappointment Cheri Drilling to the Pine County Housing and Redevelopment Authority Board of Directors, term October 5, 2015 to October 4, 2020. Second by Commissioner Ludwig. Motion carried 5-0.

Chair Hallan requested Administrator Minke to contact the Pine County Housing and Redevelopment Authority to schedule a joint meeting.

11. Collective Bargaining Agreements

County Administrator Minke stated the county has reached tentative agreements with the deputies, highway supervisors and highway technicians. Administrator Minke provided a summary of the agreements. The only unsettled bargaining unit remaining is IBEW-HHS Supervisors.

Motion by Commissioner Ludwig to approve the Collective Bargaining Agreements with AFSCME Road and Bridge Techs, January 1, 2016-December 31, 2017, Road and Bridge Supervisors, January 1, 2016-December 31, 2017, and Teamsters-Deputies, January 1, 2016-December 31, 2018. Second by Commissioner Rossow. Motion carried 5-0.

12. Special Meetings

The following Special Meetings have been scheduled for January 26, 2016:

Soil Survey – 9:00 a.m.; Strategic Planning – 10:00 a.m.

13. Commissioner Updates

Soil & Water Conservation District: Commissioner Ludwig stated SWCD will no longer be selling plat books. Aitkin County utilizes Extension for their plat books--inquiry has been made with the Pine County Extension Office to see if they have interest.

Association of Minnesota Counties Annual Conference: Commissioners stated it was an excellent conference. Commissioner Ludwig attended a Transportation meeting – increase of the truck weight on roads was discussed.

Central MN Jobs and Training: No report given.

East Central Solid Waste Commission: Chair Hallan stated discussion on recycling was held.

East Central Regional Library: Commissioner Chaffee stated an election of officers took place. A request was made by the Chisago County Administrator to meet with the ECRL Administrator for informational meetings. All Commissioners in attendance will talk with their respective county administrator to see if they will meet with Barb Misselt.

Other:

Vice Chair Chaffee presented Chair Hallan with a Certificate of Appreciation in recognition and appreciation of Commissioner Hallan's service as Chair of the Pine County Board of Commissioners for the year 2015.

14. Upcoming meetings were reviewed.

Chair Hallan called for a recess at 11:40 a.m. and the Board will reconvene as a Committee of the Whole.

Committee of the Whole

The Board reconvened at 11:50 a.m. as a Committee of the Whole.

Present were Chair Hallan, Commissioners Josh Mohr, Steve Chaffee, Curt Rossow, and Matt Ludwig, County Administrator David Minke, County Attorney Reese Frederickson, and Health & Human Services Director Becky Foss. Also present were representatives Deb Burns, Dee Finley and Janelle Schroeder from the Minnesota Department of Health, Health Partnership Division.

Also present were Kanabec County Health & Human Services Director Wendy Thompson, Kanabec County Commissioner Kathi Ellis, Kanabec County Coordinator Patrick Christopherson and Henry Fischer, Pine City Pioneer.

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

Discussion regarding continued participation in the Kanabec-Pine County Health Board took place. **Motion** by Commissioner Rossow to approve Resolution 2015-51 for Withdrawal from the Kanabec-Pine Community Health Board. Second by Commissioner Chaffee. Commissioners Mohr, Chaffee, Rossow and Ludwig voted in favor, Chair Hallan opposed. Motion carried 4-1.

The commissioners discussed the 2016 committee appointments.

15. Adjourn

With no further business, Chair Hallan adjourned the county board meeting at 1:12 p.m. The next regular and organizational meeting of the county board is scheduled for January 5, 2016 at 10:00 a.m. at the Public Health Building, Sandstone, Minnesota.

Stephen M. Hallan, Chair
Board of Commissioners

David J. Minke, Administrator
Clerk to County Board

**SUMMARY
OF
MINUTES OF THE
PINE COUNTY BOARD MEETING
Regular Meeting and Committee of the Whole (Kanabec-Pine Community Health Board)
Tuesday, December 15, 2015, 10:00 a.m.
Board Room, Pine County Courthouse, Pine City, Minnesota**

Chair Steve Hallan called the meeting to order at 10:00 a.m. Present were Commissioners Josh Mohr, Steve Chaffee, Curt Rossow, and Matt Ludwig. Also present were County Attorney Reese Frederickson and County Administrator David Minke.

The Pledge of Allegiance was said.

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

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

Commissioner Chaffee moved to approve the Minutes of the December 1, 2015 board meeting and Summary for publication. Second by Commissioner Mohr. Motion carried 5-0.

Commissioner Ludwig moved to approve the Minutes of the December 3, 2015 Truth in Taxation meeting for publication. Second by Commissioner Chaffee. Motion carried 5-0.

Minutes of Boards, Committees and Correspondence

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

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

Fund	November 30, 2014	November 30, 2015	Increase(Decrease)
General Fund	3,420,715	4,598,365	1,177,650
Health and Human Services Fund	526,038	1,213,752	687,714
Road and Bridge Fund	2,091,342	1,751,761	(339,581)
Land Management Fund	2,083,038	2,718,203	635,165
TOTAL (inc non-major funds)	9,661,450	12,081,494	2,420,043

Approve Application for Abatement for Dennis Frandsen & Co., Inc., Pine City Twp. and Greg Waldhalm, 3263 Laketown Road, Sturgeon Lake.

Approve 2016 tobacco licenses for the following vendors: Banning Junction, Beroun Crossing Market, Casey's, Chengwatana Country Club, Chris' Food Center (2), Crossroads Convenience Store, 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, Kwik Trip, Minit Mart (2), Main Street Grocery, Mainstreet Milkhouse, Murphy's, Nickerson Bar & Motel, Inc., Petry's Bait

Company, Pine City Tobacco, Pump N Munch, Quarry Store, Rich's Bar, Sandstone Petro Plus, Side Tracked, Slim's Service, Inc., Smoking Lamp, Squirrel Cage, Stogies Discount Tobacco, Super America #4500, Super Smokes, Tank's Tavern, Thriftee Troll, Tobies Station, Inc., Wal-Mart Supercenter #2367, West Beroun Liquors.

Approve reappointment of Sheriff Jeff Nelson to the Northeast Minnesota Regional Advisory Committee for 2016.

Approve contract between the State of Minnesota (MN State Colleges and Universities) on behalf of Pine Technical and Community College Employment and Training Center and Pine County Health & Human Services for services required to be offered through some of the Income Maintenance Programs in HHS. Contract effective January 1, 2016 through December 31, 2017. The amount to MnSCU shall not exceed a grand total of \$343,742 per contract year for all Consolidated Fund Employment Services.

Approve Resolution 2015-45 allowing for the sale of 934 shares of US Bancorp stock owned by Pine County Health & Human Services.

Approve Jennifer Morrison to complete a 480-hour unpaid social work internship at Pine County Health & Human Services, commencing January 5, 2016.

Approve Agreement for Prosecution Services between the County of Pine and the City of Hinckley for the term January 1, 2016 through December 31, 2016. Consideration to be paid by the City of Hinckley is \$20,000.

Approve County Engineer Mark LeBrun to attend the 71st Annual MN County Engineers Conference. Total cost: \$833.

Approve Agreement to Provide Professional Services Between Pine County and TriMin Systems, Inc.. The term of the contract is for one year expiring December 31, 2016. The 2016 Annual Support contract calls for \$400 per quarter per system (\$3,200) with an hourly rate for services of \$150 per hour.

Public Hearing – Proposed Property Tax Abatement

Economic Development Coordinator Robert Musgrove explained the purpose of the public hearing was to consider approval of a proposal to allow the County to abate all or a portion of property taxes levied by the County to provide assistance to help construct a new medical center and campus within the North Pine Area Hospital District.

Chair Hallan opened the public hearing at 10:26 a.m. and called for public comment. There being no public comments, Chair Hallan closed the public hearing at 10:27 a.m.

Motion by Commissioner Ludwig to adopt Resolution 2015-46 approving Property Tax Abatement Related to Medical Clinic and Public Infrastructure Improvements in the City of Sandstone and Taking Other Actions Related Thereto. The amount of the abatement shall not exceed \$35,000 (not to exceed \$7,000 per year), the term shall not exceed five (5) years. Second by Commissioner Mohr. Motion carried 5-0.

Pine County Personnel Committee met December 9, 2015 and made the following recommendations:

HHS

- a. Acknowledge resignation of FT Office Support Specialist Jennifer Knoll, effective December 3, 2015 and authorize backfill as Case Aide position.
- b. Acknowledge resignation of FT Registered Nurse Erin Mans, effective December 11, 2015 and authorize backfill.

Sheriff

- a. Acknowledge resignation of PT Dispatcher Casey Sandberg, effective November 13, 2015 and authorize backfill.
- b. Authorize increase for additional two (2) Investigators for a total of six (6) Investigators in which any Investigator may be assigned SRO duties and decreasing road deputies by two (2), for a total of 21 road deputies. The total number of POST licensed positions remains at 32.

Administrator

- a. Approve a 1.5% Cost-of-Living increase and a 1.5% market adjustment to non-union employees and 2016 non-union pay scale effective January 1, 2016.
- b. Approve of performance pay increases of up to 6 percent for non-union employees not at the top of their pay range. Performance increases above 6% or above the maximum of the pay range for the position require approval of the Personnel Committee.
- c. Approve Resolution 2015-47 Setting 2016 Salaries for Elected Officials as follows: County Auditor/Treasurer, \$87,000; County Sheriff, \$92,000; and County Attorney, \$95,500.
- d. Consider approval of Resolution 2015-48 Establishing 2016 County Commissioner Compensation, Per Diem, and Commissioner and Employee Mileage Reimbursement as follows: Salary \$21,844; Per Diem \$100, and Mileage Reimbursement rate for 2016 to follow Federal IRS rate.
- e. Consider setting the 2016 health insurance monthly contributions as follows:

	<u>Premium</u>	
CMM Plans:	Single: \$684.00	
	Family: \$1328.15	
	<u>VEBA Savings</u>	
VEBA:	Single: \$577.75	Single: \$106.25
	Family: \$1,115.65	Family: \$212.50

Motion by Commissioner Rossow to approve the recommendations of the Personnel Committee. Second by Commissioner Chaffee. Motion carried 5-0.

County Administrator David Minke and Auditor-Treasurer Cathy Clemmer provided an overview of amendments necessary for 2015 to account for items not budgeted for in the initial 2015 budget. The last four digits of the account numbers that are 5xxx are revenues and the 6xxx are expenditures.

Motion by Commissioner Ludwig to approve the following 2015 budget adjustments:

Aquatic Invasive Species -- Dept 074			
01.074.6803	10,000	Program Expense	From \$25,000 to \$35,000
01.041.6268	(10,000)	Independent Audit	From \$60,000 to \$50,000
Sheriff -- Dept 201			
01.201-5230	30,000	Police State Aid	From \$185,000 to \$215,000
01.201.6107	30,000	Overtime	From \$120,000 to \$150,000
Recorder--Dept 101			
01.101.5506	10,000	Tech Fees	From \$80,000 to \$90,000
01.101.5522	10,000	Compliance Fees	From \$65,000 to \$75,000
01.101.6666	20,000	Tech Equip Fund	From \$32,000 to \$52,000
			(Board approved use of recorder technology reserves approx \$60,000)
Planning/Zoning – Dept 107			
01.107.5101	14,000	Zoning Permits	From \$26,000 to \$50,000

01.107.6103	14,000	Salaries/Wages	From \$25,345 to \$49,345
01.107.5306	33,501	State Shoreland Grant	From \$24,499 to \$58,000
01.107.6803	33,501	Program Expense	From zero to \$33,501
Boat & Water – Dept 205			
01.205.5452	1,850	Federal Grant	From zero to \$1,850
01.205.6113	1,850	Salaries/Wages	From zero to \$1,850
ATV Grant – Dept 208			
01.208.5302	8,400	State Grant	From zero to \$8,400
01.208.6379	8,400	ATV Expense	From zero to \$8,400
Economic Dev – Dept 605			
01.605.5281	2,500	Local Grants	From zero to \$2,500
01.605.6105	2,500	Salaries/Wages	From zero to \$2,500
HHS Fund 12 – Public Health			
12.481.451.0002.5860	746,565	Refunds/Reimb	From \$353,435 to \$1,100,000
12.481.451.002.6103	746,565	Salaries/Wages	From \$353,435 to \$1,100,000
Highway Funds 13			
13.801.5203	1,425,000	State Aid	From \$2,665,000 to \$4,090,000
13.320.6283	1,425,000	Construction	From \$4,075,000 to \$5,500,000
Land Funds 22			
22.703.5860	32,925	Refunds/Reimb	From zero to \$329,025 (Sandstone Creamery Wells)
22.703.6802	32,925	Public Lands Exp	From \$5,000 to \$37,925

Second by Commissioner Mohr. Motion carried 5-0.

2016 Pine County Property Tax Levy and Budget

County Administrator Minke presented the 2016 Pine County property tax levy at \$15,942,799 and 2016 operating budget.

BUDGET SUMMARY 2016			
DEPT #	REVENUE DEPARTMENT	REVENUES	EXPENDITURES
5	COUNTY BOARD	0	252,512
13	COURT ADMINISTRATION	2,500	64,000
20	LAW LIBRARY	26,500	22,500
41	COUNTY AUDITOR-TREASURER	100,000	630,868
61	MIS	15,000	550,690
62	CENTRAL SERVICES	34,000	34,000
63	TRUTH IN TAXATION	9,200	14,700
71	ELECTIONS ADMINISTRATION	7,900	81,150
72	COUNTY ADMINISTRATOR	1,000	352,249

74	AQUATIC INVASIVE SPECIES PROG	130,635	96,919
91	COUNTY ATTORNEY	120,050	881,972
92	CONTRACTED ATTNYS/CONSULTANTS	0	40,000
101	COUNTY RECORDER	295,000	440,569
105	COUNTY ASSESSOR	178,500	539,049
107	PLANNING AND ZONING	60,100	109,207
111	GOVT BUILDING OPERATIONS	242,200	705,062
121	VETERANS SERVICES	10,000	109,114
201	COUNTY SHERIFF	952,000	3,620,820
204	SHERIFF DISPATCH	0	601,422
205	BOAT & WATER	7,951	7,951
208	ATV GRANT	6,956	6,956
210	GUN PERMITS	20,000	7,800
227	ENHANCE 911	100,000	100,000
249	MEDICAL EXAMINER	0	55,000
251	COUNTY JAIL	775,250	3,938,552
255	PROBATION	285,772	774,962
256	SENTENCE TO SERVE	0	71,387
281	CIVIL DEFENSE	21,026	21,026
391	SOLID WASTE	2,800	41,664
392	SCORE RECYCLING	188,285	216,558
501	ECR LIBRARY	0	302,225
502	HISTORICAL SOCIETY	0	15,000
601	SOIL /WATER CONSERVATION	48,481	145,702
602	EXTENTION COMMITTEE	0	1,800
603	COUNTY EXTENTION	0	95,621
604	AGRICULTURE SOCIETY	0	10,000
605	ECONOMIC DEVELOPMENT	0	36,073
613	WATERSHED BOARD	0	11,168
702	PINE COUNTY HOUSING AUTHORITY	0	3,000
801	NON-DEPARTMENTAL	11,705,390	228,078
813	MEED-CENTRAL MN INITIATIVE	0	7,300
	TOTAL	15,346,496	15,244,626
DEPT	HEALTH AND HUMAN SERVICES	REVENUES	EXPENDITURES
#			
12-420	INCOME MAINTENANCE	2,752,791	2,752,021
12-430	SOCIAL SERVICES	5,055,260	5,055,260
12-440	CHILDREN'S COLLABORATIVE	0	0
12-481	NURSING	360,504	360,504
	TOTAL	8,168,555	8,167,785
DEPT	HIGHWAY	REVENUES	EXPENDITURES
#	DEPARTMENT		

13-310	ADMINISTRATION	0	332,234
13-320	ENGR/CONSTRUCTION	0	4,909,224
13-330	EQUIPMENT	0	2,060,297
13-340	REPAIR AND SHOP	0	1,830,068
13-801	NON-DEPARTMENTAL	9,401,855	270,032
	TOTAL	9,401,855	9,401,855
DEPT	RESOURCE DEVELOPMENT	REVENUES	EXPENDITURES
#	DEPARTMENT		
22-703	LAND USE	857,600	831,631
22-704	RESOURCE DEVELOPMENT	0	7,500
22-705	ROAD FUND GAS TAX	5,500	5,500
22-707	TIMBER DEVELOPMENT		5,000
	TOTAL	863,100	849,631
DEPT	BUILDING FUND	REVENUES	EXPENDITURES
#	DEPARTMENT		
38-801	BUILDING FUND	75,000	
DEPT	2015 JAIL BONDS	REVENUES	EXPENDITURES
#	DEPARTMENT		
39-810	2015A JAIL BONDS	1,165,752	1,147,256
DEPT	2012A COURTHOUSE BONDS	REVENUES	EXPENDITURES
#	DEPARTMENT		
40-810	2012A COURTHOUSE BONDS	996,870	944,175
DEPT	EQUIPMENT	REVENUES	EXPENDITURES
#	DEPARTMENT		
43-801	EQUIPMENT	125,000	125,000
TOTAL ALL FUNDS		36,142,628	35,880,328

Motion by Commissioner Rossow to approve Resolution 2015-49 Establishing the 2016 Pine County Property Tax Levy at \$15,942,799. Second by Commissioner Mohr. Motion carried 5-0.

Motion by Commission Ludwig to approve Resolution 2015-50 Adopting the 2016 Pine County Operating Budget. Second by Commissioner Mohr. Motion carried 5-0.

County Engineer Mark LeBrun reported to the board regarding the completion of Contract #1405:

- CP 058-014-005 Located on Angle Avenue, City of Sandstone
- CP 058-014-006 Located on Commercial Avenue and 8th Street, City of Sandstone
- SAP 058-609-015 Located on CSAH 9; between CSAH 10 and CSAH 14
- SAP 058-623-008 Located on CSAH 23; between S Co. Line and TH 70
- SAP 058-629-002 Located on CSAH 29; between CSAH 20 and TH 123
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SAP 058-641-018 Located on CSAH 41; between 2.5 mi W of CSAH 40 and CSAH 61

SAP 058-660-002 Located on CSAH 60; between TH 18 and CSAH 18

Motion by Commissioner Chaffee to approve final payment to Tri-City Paving, Inc., in the amount of \$118,818.13. Second by Commissioner Ludwig. Motion carried 5-0.

Motion by Commissioner Rossow to accept the 2015 Ditch Report. Second by Commissioner Ludwig. Motion carried 5-0.

Motion by Commissioner Ludwig to approve the East Central Violent Offender Drug Task Force Grant Amendment, amended language reads as follows:

\$102,217.57 available from January 1, 2015 through June 30, 2016, \$157,782.43 is available from July 1, 2015 through December 31, 2016. \$20,000 is available from July 1, 2016 through December 31, 2016. Exhibit A of the Original Grant is replaced by Revised Exhibit A.

Second by Commissioner Chaffee. Motion carried 5-0.

Chair Hallan made the following appointments to the Planning Commission and Board of Adjustment:

A. Planning Commission:

Patrick Schifferdecker (District 1) January 1, 2016 to December 31, 2019

Pat McCarthy (District 3) January 1, 2016 to December 31, 2019

B. Board of Adjustment:

Gary Valvoda (District 2) January 1, 2016 to December 31, 2019

Richard Stepan (District 4) January 1, 2016 to December 31, 2019

David Koland (District 5) January 1, 2016 to December 31, 2019

Motion by Commissioner Chaffee to reappointment Cheri Drilling to the Pine County Housing and Redevelopment Authority Board of Directors, term October 5, 2015 to October 4, 2020. Second by Commissioner Ludwig. Motion carried 5-0.

Chair Hallan requested Administrator Minke to contact the Pine County Housing and Redevelopment Authority to schedule a joint meeting.

Motion by Commissioner Ludwig to approve the Collective Bargaining Agreements with AFSCME Road and Bridge Techs, January 1, 2016-December 31, 2017, Road and Bridge Supervisors, January 1, 2016-December 31, 2017, and Teamsters-Deputies, January 1, 2016-December 31, 2018. Second by Commissioner Rossow. Motion carried 5-0.

The following Special Meetings have been scheduled for January 26, 2016:

Soil Survey – 9:00 a.m.; Strategic Planning – 10:00 a.m.

Chair Hallan called for a recess at 11:40 a.m. and the Board will reconvene as a Committee of the Whole.

Committee of the Whole

The Board reconvened at 11:50 a.m. as a Committee of the Whole.

Present were Chair Hallan, Commissioners Josh Mohr, Steve Chaffee, Curt Rossow, and Matt Ludwig, County Administrator David Minke, County Attorney Reese Frederickson, and Health & Human Services Director Becky Foss. Also present were representatives Deb Burns, Dee Finley and Janelle Schroeder from the Minnesota Department of Health, Health Partnership Division.

Also present were Kanabec County Health & Human Services Director Wendy Thompson, Kanabec County Commissioner Kathi Ellis, Kanabec County Coordinator Patrick Christopherson and Henry Fischer, Pine City Pioneer.

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

The Board discussed continued participation in the Kanabec-Pine County Health Board.

Motion by Commissioner Rossow to approve Resolution 2015-51 for Withdrawal from the Kanabec-Pine Community Health Board. Second by Commissioner Chaffee. Commissioners Mohr, Chaffee, Rossow and Ludwig voted in favor, Chair Hallan opposed. Motion carried 4-1.

The commissioners discussed the 2016 committee appointments.

With no further business, Chair Hallan adjourned the county board meeting at 1:12 p.m. The next regular and organizational meeting of the county board is scheduled for January 5, 2016 at 10:00 a.m. at the Public Health Building, Sandstone, Minnesota.

Stephen M. Hallan, 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.

**Pine County Methamphetamine Task Force
Minutes
October 12, 2015
Public Health Building, Sandstone**

Task Force Mission – To reduce methamphetamine and other illegal drug use and manufacture in Pine County.

Attendance: Amber Chase, Don Faulkner, Sandy Korf, Lynette Kuzel, Commissioner Matt Ludwig, Jerry Olson, Jen Telander, Deb Wright, Becky Foss and Janet Schumacher

Meeting commenced at 3:00 pm by Becky Foss in the Conference Room at the Public Health Building in Sandstone.

1. **Introductions and Welcome** – introductions were made and Becky Foss, Director of HHS welcomed all members.
2. **Additions/Changes to the Agenda** – None
3. **Review Minutes of 7/13/15** - *Motion was made by Commissioner Ludwig and seconded by Jerry Olson to approve the minutes. Motion carried.*
4. **Updates from last meeting**
 - **Becky Foss**
 - Fund Balance Report**
 - \$ **650.37** – Revenue
 - \$ **85.65** – Expenses
 - \$**5,798.73** - Fund Balance

Motion was made by Commissioner Ludwig and seconded by Don Faulkner to approve the financial report. Motion carried.

- **2015-2016 Grant Awards**

East Central, Hinckley/Finlayson, Pine City and Willow River Schools applied for grants with a total of \$2,965.00 to be awarded out.

Motion was made by Don Faulkner and seconded by Jerry Olson to approve grant requests of up to \$750.00 for each school. Motion carried.

Award letters will be sent out.

5. **Nathan Sindt, Regional Prevention Coordinator (RPC)**

Nathan serves as the Regional ATOD Prevention Coordinator for East-Central Minnesota in Region 4 representing ten counties and his office is at Lakes & Pines in Mora. His position is funded through a grant from the MN Dept of Human Services – Alcohol & Drug Abuse Division and he is one of seven across the state. He shared information about his role in the community and schools with prevention of underage alcohol and tobacco as well as other drugs. He is able to provide resources, consultation and technical assistance to local coalitions, agencies and other community members to support local communities in the prevention of ATOD. He could help groups build capacity in membership, etc. There are many grantees within the region and he and Jen Telander, Grant Coordinator in Kanabec Co talked of the Substance Abuse Coalition of Kanabec County (SACK): Drug Free Communities Grant. The DFC grant, is working on strategies to reduce prescription drug abuse, particularly opioids. These grants can prove

to be successful in positive ways along with Federal grants also. These grants are normally in five year cycles with ten years of funding @ \$125,000/yr with in-kind community match.

Nathan shared information about the MN Prevention Resource Center in North Branch of which he encouraged us to utilize their resources.

Becky and Nathan talked about the "41st Annual MN's Prevention Program Sharing Conference" to be held the end of October in St Cloud with scholarships available. Bonnie Rediske and Sandy will be attending. Kanabec-Pine Community Health will be having health forums in Pine City, Mora and Askov in October.

RFP's for an opportunity of a five year grant through the State of MN Alcohol & Drug Division will be coming out the end of October – school and youth groups are a big component with it being very prescribed; they will be looking at MN Student Survey data from year 2013 as well as trend data. Will also accept comparable data and sector will be important i.e. Health, schools, faith, law enforcement, etc. If grant is awarded, a coordinator will be hired and should be housed in school setting. Grant would be for alcohol as primary substance with a second substance of choice. We would most likely be a grant candidate due to our percentages being so high. They want most positive impact and the target population would be the schools.

Nathan would be there to help – he has seen amazing progress and successes and the generation norms are being changed. He sees sustainability through grants and building communities – grants could be used for compliance checks and social host ordinances. We will want to meet monthly with grants – need to for six consecutive months minimum.

Becky very much enjoys the conversations she has had with Nathan and is excited to go after the opportunity of applying for grants and Sandy shared that the schools would play a key role – prevention is a big thing as more kids are using and she also expressed the good job that Teen Focus plays. Prevention and sustainability is such a big part and should not be overseen – discussion/education should regularly occur at Children's Cabinet meetings. Sandy indicated that Hinckley/Finlayson could find a spot to house the Coordinator at their school. This all needs to be brought to the attention of upper level staff. Hinckley/Finlayson has relationships with East Central for other grants and collaborations and Pine City and Willow River have joined in through New Directions Program. Sandy suggested another member from the schools should attend if the named rep cannot make the meeting. We should look to Superintendents to get commitment and to school boards for resolution or letter of support.

Jen talked of a name change for this committee – another avenue to start broadening out there for grant application. We should have conversations now about this. Our second choice of drug should be marijuana – it seems that marijuana is seen in kids, prescription drugs in adolescents and meth in adults. Prevention & Implementation grants should be a focus on youth - SHIP works on tobacco use.

Jerry suggested appointing a committee of three to meet and work on a name change with a vision and statement. Nathan suggested a conference call or meeting to answer additional questions from the schools - Becky suggested two people from the committee and Administrator from each school to join in phone conference to move forward. Sandy will inform Hinckley/Finlayson Superintendent/Principal. Becky and Nathan will connect with schools and let them decide about a buy-in. Sandy will be on the committee per Rob Prater.

6. **Reports from Members**

- **Commissioner Ludwig**

Talked about the synthetic drug deaths in the metro area

- **Sandy Korf**

Now in mid quarter and working hard on getting kids to school – finding kids and looking at grades. Did Rachael's Challenge training for all 10th graders.

- **Lynette Kuzel**

Mushrooms brought in from three kids in Pine City School. Probation does not test for this.

- **Jen Telander**

Brent Thompson, Pharmacy Director from Firstlight Health System will present November 3rd at the Kanabec Co Jail on prescription drug use and misuse.

Amber Chase

Amber talked about the two heroin cases based on admission – one high risk adult and one pre-trial case. Seeing meth and pills in adult caseload. Probation Dept has recently seen staff changes.

The next meeting is scheduled for Monday, January 11, 2016 from 3:00 pm – 4:30 at Pine County Health & Human Services/Pine Government Center in Pine City.

Meeting adjourned at 4:20 pm. Minutes prepared by Janet Schumacher

Directions to the Pine Government Center in Pine City:

FROM NORTH – Take Interstate 35 South to the first Pine City Exit. At top of exit, take a left (Co Rd 11) and continue to Hwy 61 - turn right and continue to the first set of stop lights – the PGC is on the right – across from Frandsen Bank. Come up the north stairway/elevator to the HHS receptionist area.

FROM SOUTH – Take Interstate 35 North to the first Pine City exit. At top of exit, take a right (Hillside Ave) and continue to Hwy 61 - turn left and continue through the four way stop to the next set of stop lights – the PGC is on the left – across from Frandsen Bank. Come up the north stairway/elevator to the HHS receptionist area.

Directions to the Pine County Health & Human Services/Public Health Building in Sandstone:

FROM NORTH – Take Interstate 35 South to Askov/Finlayson exit. At top of exit, take a right and go to the stop sign, take a left (61/23) to Sandstone. As you approach the 61 Motel on the right, the HHS/Public Health Bldg is on the left.

FROM SOUTH – Take Interstate 35 North to Sandstone exit. At top of exit, take a right. Follow this road, staying to the left of the Y and continue all the way to the stop sign; take a left (61/23) and go about 3 blocks – 61 Motel on the left, the HHS/Public Health Bldg is on the right.

\\Methamphetamine Task Force\Minutes\2015\October 12 min.doc

Time: 9:30 Monday, November 9, 2015

Place: ECRL Headquarters

Present: Board Members – Raisanen, James (Aitkin); Hommes, Linda (Aitkin); McMahon, George (Chisago); Schlumbohm, William (Chisago); Byrne, Richard (Chisago); Kruschel, Barbara (Isanti); Lee, Karen (Isanti); Warring, Mike (Isanti); Anderson, Gene (Kanabec); Arseneau Lee, Lise (Kanabec); Jensen, Robert (Kanabec); Kramersmeier, Charlotte (Mille Lacs); Reynolds, Genny (Mille Lacs); Sauer, Tom (Mille Lacs); Goddard, Carol (Pine); Chaffee, Steve (Pine); Scholin, Judy (Pine);

Staff: Misselt, Barbara (Director, ECRL); Lydon, Carla (Assistant Director, ECRL); Anderson, Shelly (Finance & Administrative Mgr, ECRL); Carlson, Marlys (Office Clerk/Recorder, ECRL)

Absent Board Members: Niemi, Don (Aitkin)

Call to Order:

Raisanen called the November 9, 2015 meeting of the East Central Regional Library to order at 9:30 a.m.

Pledge of Allegiance & Introductions

Adopt/Amend Agenda

M/S/P: unanimous

McMahon/Kruschel

Period for Public Comment

Three members of the North Chisago County Historical Society in Rush City attend to request the microfilm reader/printer and microfilm in the Rush City Library be given to the Historical Society. It contains the township records from 1873 to 1944. The Historical Society said they paid for part of the cost and a grant was also obtained. They said that the library is not using it, so they would like it returned.

Misselt: The reader/printer does not work, and because of its age, repair is not cost effective to the region. Resource Librarian Sarah Hawkins is working with the Minnesota Historical Society to determine if copies of the microfilm currently held in Rush City are the only existing copies. Because they they may be rare copies, we are keeping the microfilm in the Headquarters safe.

They will be made available to library users, if they make a request. We are not ready to make a recommendation concerning disposition at this time, since we're researching terms of the funding grant and the library's responsibility to preserve unique microfilm.

Raisanen: We will go through appropriate channels. Barbara Misselt will continue to work on it and update the board.

Approve Minutes – 10/12/15

M/S/P: unanimous

McMahon/Hommes

Bills: October 2015

M/S/P: unanimous

Karen Lee/McMahon- move to accept October 2015 bills as presented.

Discussion

Financial Report

M/S/P: unanimous

Karen Lee/ Kramersmeier- move to accept the October 2015 financial report as presented.

ECRL Administrative Reports

A. Director's Organizational Report

Misselt: The Aitkin County branches were closed for the funeral of Aitkin County Deputy Sandberg on Friday October 23 .

B: Branch Highlights

Lydon: Search for Mille Lacs Lake Community Library Branch Librarian has been extended. Other positions filled: Steve Karlson is the Princeton Branch Librarian. Kirsten Vaughn has started as Branch Librarian in Hinckley and RaeLynn Satterlee filled the Cambridge Library vacancy (internal applicant). More interviews are scheduled for open positions.

Other Reports

Personnel Committee

Board will go to closed session, pursuant to MN Statute 13D.05 Subd. 1 to discuss administrative staff evaluation and compensation

The Board went to closed session about 10:00 a.m.

The Board returned to open session about 10:20 a.m.

Goddard: We approved Director Barbara Misselt's new goals and thank her for all her hard work. Also in evaluating Assistant Director Carla Lydon, the Personnel Committee makes a motion to change her pay step to class 9 step 7 effective next pay period.

M/S/P: unanimous

Goddard/Hommes

Central Minnesota Libraries Exchange – Informational

Attending guest is Patricia Post, the Director of CMLE, Central Minnesota Library Exchange. Post distributed a list of services provided by CMLE and reviews the list.

Question and answer session/discussion

Vickie Sorn also attended this portion of the meeting and explained ECRL's service to schools.

Old Business:

2016 Budget status –informational

Discussion

New Business:

None

Trustee Issues:

Nominating Committee Appointment – Action, Chair

Appointed Nominating Committee motion

M/S/P unanimous

McMahon/Kramersmeier

Bad weather procedure for Board Meetings - Misselt

In the event of bad weather and the need to cancel a Board meeting, Misselt will be posting meeting cancelations on the Face book page and web site first. Also will Email board members; persons requesting a phone call are Raisanen, Hommes, Chaffee and Niemi.

Legislative Matters

Misselt: We are finalizing the language for the platform. December 1st the Senate Capital Investment (bonding) Committee is coming to Cambridge Library. Staff are also planning a display of Legacy programs.

Future Agenda

Next Meeting – Annual lunch for Board will follow the December 14 meeting.

Motion to Adjourn:

Time: 11:30

M/S/P: unanimous

Kruschel/ Jensen

Marlys Carlson, Recorder

Robert Jensen, Secretary



**Pine County Historical Society
Meeting, Tuesday, December 15, 2015
10 a.m., Banquet Room, H. C. Andersen Building**

- I. Call to Order**
- II. Secretary's, Treasurer's and ED's Reports**
- III. Old Business**
 - A. Heating Unit Completed**
 - B. Rural School –
meeting with executive committee to be arranged**
 - C. Other**
- IV. New Business**
 - A. Orientation Booklets**
 - B. Executive Committee**
 - 1. Inventories ... Properties, Equipment, Furnishings**
 - 2. Will meet with individual committees for reports from
Committees for Budget – due 12-31**
 - 3. Other topics and concerns**
 - C. January and February Activities**
 - D. Parliamentarian**
 - E. Other**
- V. Committee Reports - As needed, unless attached**
 - A. Festival of Trees**
 - B. Other**
- VI. Adjournment**

PCHS Board of Directors Meeting Tuesday, November 17, 2015

Meeting was called to order at the Pine Co. History Museum on November 17, 2015, at 10 a.m. by V.P. Lourey-Bowen. Present: Cheri Holm, Gary Koland, Joann Bernard, Michas Ohnstad, Helen Clarke, Loretta Swanson, Barb Christensen, Cheryl Godding, Harvey Klar, Margaret Keillor; Excused absence: Mike Swiridow. Also present: Wanda Clark, Alma Ohnstad, Arla Budd, Jeanice Moffatt. **Special Visitors:** Jeanice reported on an Askov oral history project. They have nine histories with permission slips to put onto CDs. These presentations are also available through the Minnesota Digital Library. This will be an ongoing project to record local histories, and this information will be put in local newspapers.

Reports: Secretary's Report for August was presented. Motion by Klar, second by Christensen to accept Secretary's report. Motion carried. **Treasurer's Report** was given and reviewed. Motion by Godding, second by Koland to accept treasurer's report. Motion carried. New board member introductions were formally made, and a welcome given to them. **Executive Director's Report:** A production company will be visiting PCHS, doing a story on family connections and an old artifact. This is a great PR opportunity for us. There is still the possibility of the Sandstone History Center collection needing space with us. There has been no update on the Native American project. **Visitors and Pre-Business Items:** New Horizons representative Helen Clark presented the museum with a \$1250 check for heating expenses. \$300 was received from Northern Pine Riders, \$1500 from the Bruno Thrift Store (\$1000 designated for mannequins, \$500 for heating). We received \$500 from Sandstone Lions for heating equipment. There is an estimated bill of \$5000 for outdoor landscaping.

Old Business: *Large Gym: Margaret Keillor gave a recap of the money for furnace installation in the large gym. The large event center needs to be cleaned for the Craft Fair. *Rural School: The Executive Committee is reviewing the paperwork related to the Rural School. The Rural School Committee doesn't meet again until next spring. *City/Township Meetings: Loretta Swanson reported a positive response at Ogema Township meeting. Some ideas she asked about: putting our space rental fees on the website, and the possibility of bulk membership mailings. There are several good ideas on the presentation information for townships, i.e. what benefits the museum provides: storage, genealogy research, etc. *Logo: There were minor logo changes to the letterhead stationery; 1000 sheets were ordered for \$146.00.

New Business: *Update Phone and WiFi Services: The Executive Committee will meet with a Frontier representative on Thursday 11-17-15 to review all our needs. A motion was made to switch carriers from SCI to Frontier for phone service and spend up to \$1500 in equipment costs to get started. One goal is to have WiFi service in the large event center and elsewhere as much as possible and have a DSL line in the café for the credit card machine. Overall, WiFi coverage in the entire building as needed, library needs internet access, updated phone equipment and more efficient communications. *Committee Budget Sheets: A major goal for 2016 is to better estimate our expenses and income. The officers are assembling some strategies to implements for 2016. Loretta Swanson, Event Chairperson, has devised a budget sheet to help all areas of fundraising and estimate project costs. This is a great start. Thank you, Loretta. Motion by Michas Ohnstad to accept, second by Helen Clarke, motion passed.

Committee Reports: Membership: Question from ?? Do we include Memoriams? (Unclear). Miscellaneous: To be done: Remove left-over lockers; Review Hinckley property; Find an elevator grant.

Motion to adjourn by Klar, second by Clarke. Meeting adjourned. Next meeting: December 15th.

Respectfully submitted, Cheryl Godding, Secretary

Executive Director's Report

No time for anything more today. Just thank you so much to all who made the Festival of Trees a wonderful success!!

Arla Budd

PCHS General Fund
Profit & Loss YTD Comparison
November 2015

	Nov 15	Jan - Nov 15
Ordinary Income/Expense		
Income		
Appropriation	0.00	15,000.00
Commissions & Sales	581.18	13,144.96
Desk Receipts	1,173.00	17,029.50
Donations	4,911.09	48,960.22
Events	1,065.20	22,682.63
Income from Cafe	0.00	341.79
Insurance Settlement	661.73	3,400.00
Refunds and Reimbursements	0.00	4,581.90
Rental	138.00	2,552.50
Sales Tax Collected	147.20	1,502.17
Total Income	8,677.40	129,195.67
Gross Profit	8,677.40	129,195.67
Expense		
Accounting	0.00	1,120.00
Advertising	552.55	5,637.56
Bank Service Charges	0.00	125.68
Book Sales Expense	0.00	104.74
Dues and Subscriptions	115.00	140.00
Equipment	0.00	20,495.21
Event Expense	225.91	9,008.00
Grant Expenses	0.00	2,268.47
Inspections and Permits	495.00	525.00
Insurance	258.32	3,017.33
Item Sales Expense	0.00	125.04
Loan Expenses	0.00	822.76
Maintenance and Repairs	591.62	20,383.53
Miscellaneous	0.00	20.00
Postage and Delivery	0.00	514.00
Printing and Reproduction	42.00	1,204.16
Property	5,000.00	5,000.00
Refunds	0.00	8.00
Rural School	0.00	2,738.27
Supplies	172.81	5,018.92
Taxes	0.00	1,313.00
Thrift Store Vendors	0.00	354.55
Transfer	1,500.00	13,056.54
Travel and Tuition	200.00	330.00
Utilities	288.17	42,878.99
Total Expense	9,441.38	136,209.75
Net Ordinary Income	-763.98	-7,014.08

	Nov 15	Jan - Nov 15
Other Income/Expense		
Other Income		
Other Income	0.00	1,218.49
Transfer Income	0.00	1,375.00
Total Other Income	0.00	2,593.49
Net Other Income	0.00	2,593.49
Net Income	<u>-763.98</u>	<u>-4,420.59</u>

5:15 PM

12/04/15

Accrual Basis

**PCHS General Fund
Balance Sheet
As of December 4, 2015**

	Dec 4, 15
ASSETS	
Current Assets	
Checking/Savings	
Pine County Historical Society	7,505.39
Total Checking/Savings	7,505.39
Other Current Assets	
General Petty Cash	50.00
Shop Petty Cash	100.00
Total Other Current Assets	150.00
Total Current Assets	7,655.39
Fixed Assets	
Bus Garage	18,000.00
Depot Building	5,000.00
Hinckley Real Estate	30,000.00
Old History Center	20,000.00
School, Property, Contents	250,000.00
Total Fixed Assets	323,000.00
TOTAL ASSETS	<u>330,655.39</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	17,061.67
Total Accounts Payable	17,061.67
Total Current Liabilities	17,061.67
Long Term Liabilities	
Bank Loan	10,000.00
Personal Loans	2,000.00
Total Long Term Liabilities	12,000.00
Total Liabilities	29,061.67
Equity	
Opening Bal Equity	400,411.03
Retained Earnings	-95,316.72
Net Income	-3,500.59
Total Equity	301,593.72
TOTAL LIABILITIES & EQUITY	<u>330,655.39</u>

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Little Mermaid Cafe
Profit & Loss YTD Comparison
November 2015

	Nov 15	Jan - Nov 15
Ordinary Income/Expense		
Income		
<i>rebate</i>	10.00	16.00
Reimbursed Expenses	250.00	696.00
Sales	8,810.87	118,359.95
Sales tax Collected	0.00	1,086.45
Services	0.00	10.99
Total Income	9,070.87	120,169.39
Expense		
Advertising	0.00	165.00
Annual Fees	0.00	55.00
Automobile Expense	0.00	26.69
Bank Fees	0.00	48.68
Cash for Events	0.00	100.00
Cleaning Supplies	0.00	223.49
Cost of sales		
Beverage	342.05	1,727.15
Food	2,707.52	43,354.87
Cost of sales - Other	108.36	1,149.63
Total Cost of sales	3,157.93	46,231.65
Employee training	0.00	175.00
Employee travel	0.00	29.22
Insurance		
Work Comp	100.00	1,145.00
Total Insurance	100.00	1,145.00
Landscaping & Mowing	0.00	125.00
Miscellaneous	0.00	399.63
Monthly Fees	284.02	1,848.71
Refund	0.00	175.31
<i>reimbursements</i>	0.00	1,000.00
Salaries and wages	5,004.55	54,333.76
sponership	0.00	50.00
Taxes		
Federal FICA Med WH	1,031.92	11,580.69
State Sales Tax	956.00	9,097.00
State WH	50.00	932.00
Unemployment Taxes	0.00	929.00
Total Taxes	2,037.92	22,538.69
Total Expense	10,584.42	128,670.83
Net Ordinary Income	-1,513.55	-8,501.44
Other Income/Expense		
Other Income		
Transfer from Gen Fd	1,250.00	10,412.96
Total Other Income	1,250.00	10,412.96
Net Other Income	1,250.00	10,412.96
Net Income	-263.55	1,911.52

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Little Mermaid Cafe
Balance Sheet
As of December 8, 2015

	Dec 8, 15
ASSETS	
Current Assets	
Checking/Savings	
Little Mermaid Cafe	1,546.14
Total Checking/Savings	1,546.14
Other Current Assets	
Inventory	
Food	3,216.88
Petty Cash	718.00
Total Inventory	3,934.88
Total Other Current Assets	3,934.88
Total Current Assets	5,481.02
Fixed Assets	
Furniture	26.00
Total Fixed Assets	26.00
TOTAL ASSETS	5,507.02
LIABILITIES & EQUITY	
Equity	
Retained Earnings	3,595.50
Net Income	1,911.52
Total Equity	5,507.02
TOTAL LIABILITIES & EQUITY	5,507.02

6

4:19 PM

12/04/15

**PCHS General Fund
Reconciliation Summary
Pine County Historical Society, Period Ending 11/30/2015**

	Nov 30, 15
Beginning Balance	6,606.51
Cleared Transactions	
Checks and Payments - 16 items	-8,678.52
Deposits and Credits - 21 items	8,677.40
Total Cleared Transactions	-1.12
Cleared Balance	6,605.39
Uncleared Transactions	
Checks and Payments - 1 item	-20.00
Total Uncleared Transactions	-20.00
Register Balance as of 11/30/2015	6,585.39
New Transactions	
Deposits and Credits - 1 item	920.00
Total New Transactions	920.00
Ending Balance	7,505.39

4:37 PM

12/08/15

**Little Mermaid Cafe
Reconciliation Summary
Little Mermaid Cafe, Period Ending 11/30/2015**

	Nov 30, 15
Beginning Balance	1,904.71
Cleared Transactions	
Checks and Payments - 29 items	-10,061.40
Deposits and Credits - 56 items	10,788.05
Total Cleared Transactions	726.65
Cleared Balance	2,631.36
Uncleared Transactions	
Checks and Payments - 2 Items	-1,085.22
Total Uncleared Transactions	-1,085.22
Register Balance as of 11/30/2015	1,546.14
Ending Balance	1,546.14

4:45 PM

12/08/15

**PCHS Grant Account
Reconciliation Summary
Cash in bank - operating, Period Ending 11/30/2015**

	Nov 30, 15
Beginning Balance	6,925.84
Cleared Transactions	
Checks and Payments - 2 items	-1,273.00
Total Cleared Transactions	-1,273.00
Cleared Balance	5,652.84
Register Balance as of 11/30/2015	5,652.84
Ending Balance	5,652.84

⑦

PCHM Group Leader Meeting Minutes

December 1, 2015

Loretta Swanson called the meeting to order with no additions to the agenda. Loretta reviewed the minutes and they were accepted as read.

The Festival of trees event was discussed. Loretta to buy 5oz cups and 3 gallons of orange juice. Betty will get more clear plastic plates. Myrna gave a summary of the food that has been purchased.

Marion and Lorraine are in charge of the bake sale. Nancy Klar will prepare the coffee and hot water for tea. The Event luncheon will take place in the banquet room from 11:30 to 1pm. Karen Helwig has 5 volunteers to help with that. Margaret & Arla will be our cashiers.

The Tea silent auction will be set up on Friday by Loretta, Alyce & Jean. Alyce's family will distribute the items to the tables. Margaret, Cookie, & Joanne will tally results for the Festival of Trees auction. Loretta will donate 5 door prizes for the tea.

The Tea program was read and discussed by the group. Alyce asked that the centerpieces be offered for sale at \$5 each. Volunteers confirmed for each area on December 5.

Nancy has booked Florian & Patty for the January 30 1-4pm Old Time Dance. She is waiting to hear from the Granda's for February.

The 2016 Events Calendar was reviewed. No large events are scheduled for the month of January. The gun show is scheduled for February 13 & 14.

Helen Clarke will have her Doll Show & Tea on April 16 at 2pm.

Dates for upcoming meetings held at 10am each month:

January 5 February 2 March 1 in 2016

Meeting adjourned at 11:15am.

Respectfully submitted,



Loretta Swanson, Event Coordinator

.PINE COUNTY HRA SENIOR HOUSING

**510 Fifth Street Office
Sandstone, MN 55072
(320) 245-5140
pinehra@ecenet.com**

DEC 23 2015

**Sandstone Manor
510 Fifth Street
Sandstone, MN 55072**

**Finlayson Manor
6524 Broadway Street
Finlayson, MN 55735**

The regular meeting of the Pine County HRA Senior Housing Board of Directors was held on November 17, 2015, at the Finlayson Manor. Commissioners of the HRA present were Board Chair Dorothy Stockamp, Carl Steffen, Cherie Drilling and Jan Oak. Staff members present were Executive Director Janice Gustafson and Resident Managers Shirley Kroschel and Richard Soens. Commissioner Greg Kvasnicka was absent. There were no residents present.

1. The meeting was called to order at 2:00 p.m. by Board Chair D. Stockamp and the Pledge of Allegiance was said.
2. The HRA Board minutes from October 28, 2015, were reviewed by the Board members. A motion was made by C. Steffen and was seconded by C. Drilling to accept the minutes. Motion carried: Yeas 4, Nays 0.
3. The HRA Annual Meeting minutes from October 28, 2015, were reviewed by the Board members. A motion was made by J. Oak and was seconded by Board Chair D. Stockamp to accept the minutes. Motion carried: Yeas 4, Nays 0.
4. The monthly financial statements and the investment report were presented by J. Gustafson. A motion was made by Board Chair D. Stockamp and was seconded by C. Steffen to approve the financial statements and the investment report. Motion carried: Yeas 4, Nays 0.
5. Executive Director's Report. The written Executive Director's report was reviewed by Board members.
6. Old Business.
 - a) Vacancies. There are no vacancies at either Manor at this point in time.
 - b) The HRA has five people on the waiting list for the next available apartment.

7. New Business.

- a) A motion was made by C. Steffen and was seconded by C. Drilling to approve the hiring of Sandstone Manor resident Richard Soens to be the Sandstone Manor Resident Manager. Motion carried: Yeas 4, Nays 0.
- b) Eric Bratvold from Stillwater Investments will be at the December Board meeting to present an update on the status of the HRA investments.

8. Resident Manager's Report.

- a) The Board welcomed Richard Soens as the new Resident Manager for the Sandstone Manor. Richard reported and he was looking forward to serving the HRA in his new position.
- b) S. Kroschel reported everything was going well at the Finlayson Manor except for one issue. One of the residents was having a problem with the U.S. Postal Service. A package she was expecting two weeks earlier from the American Cancer Society was lost and the post office was unable to help her locate it. The package had an estimated value of \$1,000 and the resident was unable to get a replacement.

9. A motion was made by Board Chair D. Stockamp and was seconded by C. Drilling to adjourn the meeting at 2:40 p.m. Motion carried: Yeas 4, Nays 0.


Dorothy Stockamp
HRA Board Chair


Janice S. Gustafson
Executive Director



PINE COUNTY PUBLIC WORKS

HIGHWAY DEPARTMENT

405 Airport Road NE
Pine City, MN 55063

Telephone 320-216-4200
Fax: 320-629-6736
1-800-450-7463 Ext. 4200

Mark A. LeBrun, P.E.
County Engineer

Pine County Land Surveyor Monthly Report

December 2015

CSAH 41, T44N R20W and R21W, set, GPS and tie out PLSS corners and private corners, update files.

Provide HARN coordinate data for GIS to County Recorder as needed.

Review legal descriptions for County ROW Dept. and County Land Dept. as needed.

Review Plats and Minor Subdivisions for County Zoning Dept. as needed.

Review and file PLSS corner certificates provided by private surveyors as needed.

Review, edit and file Certificates of Survey created by County Surveyor as needed.

A handwritten signature in black ink, appearing to read "R. T. Mathews", with a long horizontal flourish extending to the right.

Robin T. Mathews, Pine County Surveyor

(320) 632-9255
405 First Street SE
Little Falls, MN 56345



ifound.org

December 17, 2015

DEC 21 2015

David Minke
Pine County Administrator
635 Northridge Drive NW
Pine City, MN 55063

Dear Mr. Minke and Pine County Board of Commissioners,

Thank you for including the Initiative Foundation in your 2016 budget in the amount of \$7,300. Your continued support means so much to us.

Your financial partnership assures our continued economic development activity locally. We have been, and continue to be, an active force for economic development, community planning, leadership development and donor services in Central Minnesota.

Thanks from all of us at the Initiative Foundation.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Kathy'.

Thanks so much!

Kathy Gaalswyk
President



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: December, 2015 Disbursements

Department: Auditor-Treasurer

Andy Clemons
Department Head signature

Background information on Item:

December, 2015 Disbursements

Action Requested:

Financial Impact:

CATHYJ
12/30/15 11:08AM

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



DISBURSEMENTS JOURNAL REPORT G/L Months: 12/2015 - 12/2015

RECAP BY FUND	FUND	AMOUNT	NAME
	1	488,606.57	GENERAL REVENUE FUND
	12	347,674.48	HEALTH & HUMAN SERVICES
	13	597,758.36	ROAD & BRIDGE FUND
	22	11,063.11	LAND MANAGEMENT FUND
	29	52,199.01	CHILDREN'S COLLAB (H&HS) AGENCY FUND
	39	1,650.00	2005A G.O. JAIL BONDS
	40	1,650.00	2012 G.O. COURTHOUSE BONDS
	76	292,150.90	GROUP HEALTH INS FUND 5/1/95 (GEN)
	80	8,199.60	COUNTY COLLECTIONS AGENCY FUND
	82	10,665.84	TAXES AND PENALTIES AGENCY FUND
	89	7,510.78	H & HS COLLECTIONS AGENCY FUND
		1,819,128.65	Total Disbursements

RECAP BY TYPE	TYPE	AMOUNT	NAME
	1	1,447,100.80	AUD
	2	375,539.73	COM
	3	3,511.88-	MVC
		1,819,128.65	Total Disbursements



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Applications for Abatement

Department: Auditor-Treasurer

Cathy Clement
Department Head signature

Background information on Item:

Theresa Dobosenski, 84024 Dobosenski Rd, Sturgeon Lake, PID 33.0806.000, pay 2015
Craig & Sheila Blegen, 4478 540th St, Rush City, PID 43.0559.001, pay 2015
Viaene Rental Properties, 120 Lark St, Sandstone, PID 45.5225.000, pay 2015
Merlin & Patricia Ladd, 31960 Eddy Rd, Hinckley, PID 10.0137.001, pay 2015
Morlin & Carol Kinnaman, 34016 Lake Town Rd, Sturgeon Lake, PID 33.0558.000, pay 2015
Richard Johnson, 207 1st St NW, Hinckley, PID 40.5076.000, pay 2015

Action Requested:

Financial Impact:

Application for Local-Option Disaster Abatements and Credits

IMPORTANT: Application for property that is **NOT** located in a declared disaster or emergency area. If your property has been damaged or destroyed by a natural disaster, arson, or other type of accident, you may be eligible to receive some property tax relief on this year's and next year's property taxes. The type of tax relief you receive will depend on whether your property is homesteaded, the amount of damage sustained, the number of months the structure is unusable or uninhabitable, and a number of other factors. If an assessor has not already reassessed your property, you should contact your county assessor's office and request that an assessor view the damage for the purpose of receiving disaster relief.

County of: Pine

Abatement # AB1528

For Taxes Levied In: 2014

And Payable In: 2015

Applicant Information. Please type or print.

Name <u>Theresa Dobosenski</u>		Social Security number <u>on file</u>	
Mailing address (street address) <u>84024 Dobosenski Rd</u>		City <u>Sturgeon Lake</u>	State <u>MN</u>
Telephone (work) <u>()</u>		Telephone (home) <u>()</u>	
Property I.D. or Parcel number (found on your property tax statement) <u>33.0806.000</u>		School District number <u>577</u>	
Address of damaged property (if different than mailing address) <u>same</u>			
Legal description of property (found on your property tax statement) <u>part NW1/4 SE1/4 sec 32, Twp 45, Range 19</u>			
Is the property homesteaded? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		How many months was the property unable to be occupied or used? Date you left property: <u>10/2015</u> Date you returned to property: <u>2016?</u>	
Is the property located in a county designated as a disaster or emergency area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

Applicant's statement of facts. (Please list type of disaster, type of damage, and any other information you deem relevant.)

House Fire 10/2015.

DEC 23 2015

Signature of property owner: By signing below, I certify, to the best of my knowledge, the above statements are true and correct.

Signature: Theresa Dobosenski Date: 12-12-15

Note: Making a statement, Section 60A.01, Statutes, is making any statement, oral or written, which is required or authorized by law to be made as a basis of imposing, collecting, or receiving any tax or assessment. Intentionally making any statement as to any material matter which the maker of the statement knows is false may be sentenced, unless otherwise provided by law, to imprisonment for not more than one year or to payment of a fine of not more than \$2,000.00 or both.

APPLICATION FOR ABATEMENT - HOMESTEAD FORM

(M.S. 375.192)

DATE: 12/28/15
Abatement # AB15-

For Taxes Levied In: 2014
And Payable In: 2015

Please Print Or Type

Applicants Name: <u>Craig & Sheila Bitgen</u>	Applicants Mailing Address: <u>4478 540th St</u>
Applicant's SSN: <u>on file</u>	<u>Rush City, Minnesota</u>
Telephone (Home): _____	
Telephone (Work): _____	

Description Of Property: _____ Property ID or Parcel Number: 43.0559.001
 Street Address: 4478 540th St - Rush City
 Township/City: Rock Creek City
 School District: 139

Legal Description: South 896' of the east 587' of SW/4 SW/4 Sec 31 - Twp 38 - Rng 21

OWNERSHIP DATA

I/We declare that I/We owned and occupied the property described above for the purpose of homestead on January 2, 2014 (or Dec 1, _____ mid-year homesteads) and that such occupancy began on 10/1, 2011 and that my/our ownership is evidenced by a trustee's deed dated Sept 8, 2010 which provides for a sole/shared ownership interest by a total of 2 persons.

Minn. Stat., Sec. 375.192, Subd. 1 requires the names and social security numbers of all property owners claiming homestead to verify that they are not receiving more than one homestead. Your social security number is private information. If you fail to provide the social security numbers, this property will not be eligible for the homestead classification. State law provides for county government to make social security numbers available only to the Minnesota Department of Revenue.

Owner's Name: Craig M Bitgen Social Security Number: on file
 Owner's Name: Sheila M Bitgen Social Security Number: on file
 Owner's Name: _____ Social Security Number: _____
 Owner's Name: _____ Social Security Number: _____

Applicants Request:

Applicant Requests that the real estate described above be classified for the above year as real estate used for the purposes of a homestead and that the taxable value and the taxes for the above year be reduced accordingly. This statement is a true and full statement of all facts known to the applicant relative to this matter.

Applicant's Signature: [Signature]
Admin. Abatement

NOTE: Minnesota Statutes 1988, Section 609.41, "Whoever, in making any statement, oral or written, which is required or authorized by law to be made as a basis of imposing, reducing, or abating any tax or assessment, intentionally makes any statement as to any material matter which the maker of the statement knows is false may be sentenced, unless otherwise provided by law, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both."

REPORT OF INVESTIGATION:

I hereby report that I have investigated the statements made in the foregoing application and find the facts to be as follows:
Filed for homestead in 2010 before living here - moved here a few months later and didn't realize application was denied.
The applicant(s) has/have provided the following documentation as proof of occupancy:

field visit.

[Signature] 12/28/15
Signature of Investigator Date

Application for Local-Option Disaster Abatements and Credits

IMPORTANT: Application for property that is **NOT** located in a declared disaster or emergency area. If your property has been damaged or destroyed by a natural disaster, arson, or other type of accident, you may be eligible to receive some property tax relief on this year's and next year's property taxes. The type of tax relief you receive will depend on whether your property is homesteaded, the amount of damage sustained, the number of months the structure is unusable or uninhabitable, and a number of other factors. If an assessor has not already reassessed your property, you should contact your county assessor's office and request that an assessor view the damage for the purpose of receiving disaster relief.

County of: Pink

Abatement # AB15-03

For Taxes Levied In: 2014

And Payable In: 2015

Applicant information. Please type or print.

Name <u>Viacne Rental Properties</u>		Social Security number <u>n/a</u>	
Mailing address (street address) <u>PO Box 621</u>		City <u>Sandstone</u>	State <u>MN</u>
Telephone (work) <u>()</u>		Telephone (home) <u>()</u>	
Property I.D. or Parcel number (found on your property tax statement) <u>45 5225.000</u>		School District number <u>2530</u>	
Address of damaged property (if different than mailing address) <u>120 Lark St Sandstone MN</u>			
Legal description of property (found on your property tax statement) <u>Lot 6 Block 1, Gunns 1st/ Addition</u>			
Is the property homesteaded? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		How many months was the property unable to be occupied or used? Date you left property: <u>11-20-14</u> Date you returned to property: <u>*property transferred 2/25/15</u>	
Is the property located in a county designated as a disaster or emergency area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

Applicant's statement of facts. (Please list type of disaster, type of damage, and any other information you deem relevant.)

Structure fire where dwelling was a total loss.

DEC. 23 2014

Signature of property owner: By signing below, I certify, to the best of my knowledge, the above statements are true and correct.

Signature: [Signature] Date: 12-14-14

Notes: All information provided herein is for informational purposes only. It is not intended to constitute an offer of insurance or any other financial product. The information provided herein is not intended to be used as a basis for any insurance policy. The information provided herein is not intended to be used as a basis for any insurance policy. The information provided herein is not intended to be used as a basis for any insurance policy.

Application for Local-Option Disaster Abatements and Credits

IMPORTANT: Application for property that is NOT located in a declared disaster or emergency area. If your property has been damaged or destroyed by a natural disaster, arson, or other type of accident, you may be eligible to receive some property tax relief on this year's and next year's property taxes. The type of tax relief you receive will depend on whether your property is homesteaded, the amount of damage sustained, the number of months the structure is unusable or uninhabitable, and a number of other factors. If an assessor has not already reassessed your property, you should contact your county assessor's office and request that an assessor view the damage for the purpose of receiving disaster relief.

County of: Five

Abatement # AB15-001
 For Taxes Levied In: 2014
 And Payable In: 2015

Applicant and Property Information

Applicant Information. Please type or print.

Name <u>Merlin & Patricia Ladd</u>		Social Security number <u>on file</u>	
Mailing address (street address) <u>30890 Crosby Rd</u>		City <u>Hinckley</u>	State <u>MN</u>
Telephone (work) ()		Telephone (home) <u>(300) 384-6249</u>	
Property I.D. or Parcel number (found on your property tax statement) <u>10.0137.001</u>		School District number	
Address of damaged property (if different than mailing address) <u>31960 Eddy Rd - Hinckley, MN</u>			
Legal description of property (found on your property tax statement) <u>18-40-19</u>			
Is the property homesteaded? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		How many months was the property unable to be occupied or used? Date you left property: <u>3/1/14</u>	
Is the property located in a county designated as a disaster or emergency area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Date you returned to property: <u>not returning</u>	

Statement of Facts and Signature

Applicant's statement of facts. (Please list type of disaster, type of damage, and any other information you deem relevant.)

house fire.

MAR 27 2014

Signature of property owner: By signing below, I certify, to the best of my knowledge, the above statements are true and correct.

Signature: Patricia A. Ladd Date: 3-27-14

Your Minnesota Assessor has been notified. Whether in making any statement, whether written, which is required to be submitted by law to the assessor as a basis of reporting, including, or abating any tax or assessment, intended by statute or law to be any material matter which the maker of the statement knows is false, may be sentenced, unless otherwise provided by law, to imprisonment for not more than one year or to a fine of not more than \$1,000.00, or both.

Application for Local-Option Disaster Abatements and Credits

IMPORTANT: Application for property that is NOT located in a declared disaster or emergency area. If your property has been damaged or destroyed by a natural disaster, arson, or other type of accident, you may be eligible to receive some property tax relief on this year's and next year's property taxes. The type of tax relief you receive will depend on whether your property is homesteaded, the amount of damage sustained, the number of months the structure is unusable or uninhabitable, and a number of other factors. If an assessor has not already reassessed your property, you should contact your county assessor's office and request that an assessor view the damage for the purpose of receiving disaster relief.

County of: Pine

Abatement # AB15-04
 For Taxes Levied In: 2014
 And Payable In: 2015

Applicant Information. Please type or print.

Name <u>Morlin & Carol Kinnaman</u>		Social Security number <u>0</u>	
Mailing address (street address) <u>P.O. Box 34016 Lake Town Rd</u>		City <u>Lake Sturgeon</u>	State <u>MN</u>
Telephone (work) <u>(218) 343-1169</u>		Telephone (home) <u>()</u>	
Property I.D. or Parcel number (found on your property tax statement) <u>33.0558.000</u>		School District number	
Address of damaged property (if different than mailing address) <u>34016 Lake Town Rd</u>			
Legal description of property (found on your property tax statement) <u>S19 T45 R19 Part of W 1/2 of NE 1/4</u>			
Is the property homesteaded? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		How many months was the property unable to be occupied or used? Date you left property: <u>5/29/14</u> Date you returned to property: <u>will not</u> *	
Is the property located in a county designated as a disaster or emergency area? <input type="checkbox"/> Yes <input type="checkbox"/> No			

Applicant's statement of facts. (Please list type of disaster, type of damage, and any other information you deem relevant.)

House fire Abatement thru 10/26/15 only - property transferred.

Signature of property owner: By signing below, I certify, to the best of my knowledge, the above statements are true and correct.

Signature: Morlin Kinnaman Date: 10-13-14

Applicant and Property Information

Statement of Facts and Signature

Application for Local-Option Disaster Abatements and Credits

IMPORTANT: Application for property that is NOT located in a declared disaster or emergency area. If your property has been damaged or destroyed by a natural disaster, arson, or other type of accident, you may be eligible to receive some property tax relief on this year's and next year's property taxes. The type of tax relief you receive will depend on whether your property is homesteaded, the amount of damage sustained, the number of months the structure is unusable or uninhabitable, and a number of other factors. If an assessor has not already reassessed your property, you should contact your county assessor's office and request that an assessor view the damage for the purpose of receiving disaster relief.

County of: Pine

Abatement # AB-15-10

For Taxes Levied In: 2014

And Payable In: 2015

Applicant and Property Information

Applicant Information. Please type or print.

Name: <u>Richard Johnson</u>	Social Security number: <u>on file</u>
Mailing address (street address): <u>39606 marvick drive</u>	City: <u>Sturgeon Lake</u> State: <u>mn</u> Zip: <u>55783</u>
Telephone (work): <u>(218) 251-2393</u>	Telephone (home): <u>(218) 372-4315</u>
Property I.D. or Parcel number (found on your property tax statement): <u>40.5076.000</u>	School District number: <u>Hackley</u>
Address of damaged property (if different than mailing address): <u>207 1st street NW Hackley mn 55787</u>	
Legal description of property (found on your property tax statement): <u>40-5076-000</u>	
Is the property homesteaded? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How many months was the property unable to be occupied or used? Date you left property: <u>12/27/14</u> Date you returned to property: <u>6/1/15</u>
Is the property located in a county designated as a disaster or emergency area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Statement of Facts and Signature

Applicant's statement of facts. (Please list type of disaster, type of damage, and any other information you deem relevant.)

fire damage to home caused by tenant 12/27/14
major rehab needed
estimate 3 months construction for rent time

FEB 11 2015

Signature of property owner: By signing below, I certify, to the best of my knowledge, the above statements are true and correct.

Signature: [Signature] Date: 1/7/15

Warning: This form is for informational purposes only. It does not constitute an offer of insurance or any other financial product. The information provided on this form is for informational purposes only and should not be relied upon for any financial decision. For more information, please contact your insurance agent or financial advisor.



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Agreement for Prosecution Services - City of Rock Creek

Department: County Attorney

RS/ Reese Fredrickson
Department Head signature

Background information on Item:

The County Attorney's Office has entered into an Agreement with the City of Rock Creek for prosecutorial services for the year 2016. This Agreement is mutually beneficial to the County and the City of Rock Creek.

Action Requested:

Review and approval by County Board

Financial Impact:

The Agreement is for the City of Rock Creek to pay to the County Attorney's Office the amount of \$3500.00 for the year 2016, payable in two increments, one on May 15th and the second on October 15 of the calendar year.

AGREEMENT FOR PROSECUTION SERVICES

THIS AGREEMENT is made and entered into by and between the COUNTY OF PINE and the PINE COUNTY ATTORNEY, hereinafter referred to as the “County,” and the CITY OF ROCK CREEK, MINNESOTA, hereinafter referred to as the “City;”

WHEREAS, Minnesota Statutes § 484.87 subdivision 3, allows for the City to enter into an Agreement with the County Board and the County Attorney for the County to provide such prosecution services for criminal offenses that occur within the City. These “prosecution services” include the following: (1) prosecuting petty misdemeanor, misdemeanor and gross misdemeanor criminal and traffic offenses arising under state law, and criminal and traffic probation violations that occur within the jurisdiction of the City; (2) prosecuting misdemeanor violations of municipal ordinances and regulations of the City; (3) providing victim assistance and/or services as mandated by Minnesota Statutes § 611A; (4) completing criminal appeals before the Minnesota Court of Appeals and the Minnesota Supreme Court on matters arising under state law which occur within the jurisdiction of the City; and (5) providing administrative advice and assistance and legal services in district court and Minnesota’s courts of appeal related to civil administrative and judicial forfeitures originated within the jurisdiction of the City;

WHEREAS, logistically, functionally and financially such an Agreement is mutually beneficial to both the County and City.

NOW, THEREFORE, in consideration of the mutual covenants and understandings contained herein, the County and City enter into the following Agreement:

1. TERM AND COST OF THE AGREEMENT

- a. The County will provide the City with the prosecution services above-referenced for cases that occur within the jurisdiction of the City beginning January 1, 2016. This Agreement will continue for the calendar year 2016. Any Agreement for prosecution services for future years will be finalized by January 1 of the year before such service is to commence. If such an Agreement is not reached, this Agreement will expire on January 1 of the following year.
- b. Beginning January 1, 2016, the City will pay \$3,500.00 to the County, said money to be used to fulfill this Agreement, including the payment of the salary, benefits, and other costs incurred by the County in performance of its obligations for calendar year 2016. The City will pay the County one-half on May 15 of each contract year, and one-half on October 15 of each contract year.
- c. The County will provide all prosecution services, administrative services, overhead, secretary and paralegal support in fulfilling its obligations under and for

the term of this Agreement. The City will forward all law enforcement files to the County at no charge to the County.

2. **MODIFICATION**

Any alteration, modification, amendment or waiver of provisions of the Agreement shall be valid only when it has been reduced to writing and signed by representatives of all parties.

3. **TERMINATION OF AGREEMENT**

Either party may terminate this Agreement at any time, with or without cause, upon 90 days notice, in writing, delivered by certified mail or in person to the City Administrator for the City or the County Attorney for the County. During the term of this Agreement, the County will not increase the fees stipulated in this Agreement. Unless a separate written agreement is reached, on expiration or termination of this contract, the City's new attorney(s) will undertake representation of the City in all matters then filed, pending, or otherwise before the Court as a result of the County's representation of the City. On expiration or termination of this contract, at the City's request, the County will electronically duplicate and deliver files that were the subject of representation pursuant to this agreement to the City in the electronic format that suits the business needs and practices of the County.

4. **INTEGRATION**

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.

5. **SERVICES SPECIFICALLY EXCLUDED**

The Parties acknowledge and agree that as a term or condition of this contract, the County will not provide representation to the City of criminal prosecution related matters, if any, venued in any federal district or federal appellate court. Further, the Agreement does not include any services for the City by the County which are civil in nature (with the exception of administrative and judicial forfeitures), or otherwise not related to the prosecutorial function.

6. **PROSECUTORIAL DISCRETION**

The County agrees that the County Attorney and Assistant County Attorneys shall provide the prosecution services in the same manner as other criminal prosecutions delegated to the County Attorney by law. The County Attorney shall have full discretion to assign cases for prosecution by Assistant County Attorneys, and utilize the services of non-attorney personnel of the County Attorney's office in preparation, processing and management of cases. The County Attorney shall exercise complete prosecutorial discretion on all matters pertaining to the prosecutions, including charging of violations, plea negotiations, trial, or dismissal of cases. The prosecutorial discretion of the County Attorney shall be coextensive with that provided by the Constitution and the Statutes of the State of Minnesota in all other prosecutions within the jurisdiction of the County Attorney's Office.

7. **RELEASE AND INDEMNIFICATION**

The Parties further acknowledge and agree that the County will not indemnify in any way or defend civil claims for damages or any other causes(s) of action alleging wrongdoing by the County on behalf of the City, whether in federal or state court, if any, arising in relation to the any criminal prosecution or administrative or judicial forfeiture action undertaken by the County on behalf of City. **The City remains solely responsible for defense of such claims, including but not limited to civil litigation expenses, settlement costs, and court ordered awards.**

8. **DATA PRACTICES**

The provisions of the Minnesota Government Data Practices Act, Minnesota Statutes § 13.01 et. seq. and other applicable provisions of state and federal law pertaining to disclosure and retention of data, and confidentiality shall apply to their full extent in all matters delegated to the Pine County Attorney under this Agreement.

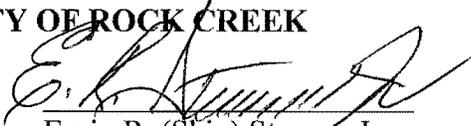
9. **PROSECUTING AUTHORITY**

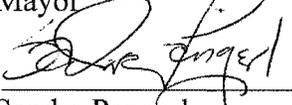
For purposes of property forfeitures, including but not limited to Minnesota Statutes §§ 169A.63, and 609.531 through 609.5318, the term "prosecuting authority" refers to the Pine County Attorney's Office. Forfeiture proceeds will be distributed per statutory authority.

IN WITNESS WHEREOF, the City, by motion duly adopted by its governing body, caused this Agreement to be signed by its Mayor and attested by its Administrator; and the County of Pine, by resolution of the Pine County Board of Commissioners, has caused this Agreement to be signed by the Chair Person and Coordinator of said Board, and by the Pine County Attorney, effective on the date and for the duration as above-referenced.

Dated: 12-3-15

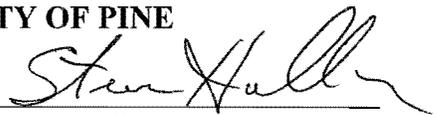
CITY OF ROCK CREEK

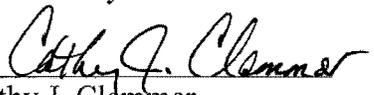
By: 
Ervin R. (Skip) Stevens Jr.
Mayor

Attest: 
Sandra Pangerl
City Clerk Administrator

Dated: 12-23-15

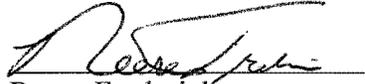
COUNTY OF PINE

By: 
Steve Hallan, Chair
Pine County Board

By: 
Cathy J. Clemmer
County Auditor

Dated: 12-23-15

PINE COUNTY ATTORNEY

By: 
Reese Frederickson
County Attorney



AGENDA REQUEST FORM

Date of Meeting: 1/5/2016

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

5 mins. 10 mins. 15 mins. Other

Agenda Item: Approve and sign the Child Support Cooperative Agreement

Department: HHS

Rebecca Foss
Department Head signature

Background information on Item:

Pine County Health and Human Services historically enters into a child support cooperative agreement with the State. By entering into this agreement and agreeing to follow the rules and laws established regarding child support, the department is able to maintain its IV-D funding (child support funding). The agreement lasts for two years (calendar years 2016-2017). The department is requesting that the Board Chairperson sign and date the agreement. There are also attachments with the agreement, containing the child support cooperative arrangement for the same amount of time between the county offices of HHS, the County Attorney, and the Sheriff. This document has historically been signed by the necessary parties in order to conduct daily child support activities. That attachment has already been signed by the appropriate parties. Attachment C requires the authorized county official to sign a certification regarding lobbying. HHS is requesting that the Board Chairperson sign and date this document.

Action Requested:

Authorize the Board Chairperson to sign the MN State/County Child Support Cooperative Agreement and the necessary attachment.

Financial Impact:

If the department fails to have the document signed and to DHS for official approval before March 31, the department could lose its child support funding. If the document is signed and approved, the agency will retain child support funding.

Minnesota State/County Child Support Program Cooperative Agreement

**CY 2016-2017 STATE/COUNTY COOPERATIVE AGREEMENT
COVERING THE ADMINISTRATION OF CHILD SUPPORT AND
ESTABLISHMENT OF PATERNITY AND MEDICAL SUPPORT LIABILITY PROGRAMS
BY AND BETWEEN**

**The
State of Minnesota
Department of Human Services
and
PINE County**

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**CY 2016-2017 STATE/COUNTY COOPERATIVE AGREEMENT
COVERING THE ADMINISTRATION OF CHILD SUPPORT AND
ESTABLISHMENT OF PATERNITY AND MEDICAL SUPPORT LIABILITY PROGRAMS
BY AND BETWEEN**

**The
State of Minnesota
Department of Human Services
and**

PINE County

THIS COOPERATIVE AGREEMENT is made and entered into for the period of January 1, 2016, through December 31, 2017, by and between the State of Minnesota Department of Human Services, hereinafter referred to as "STATE," and the Governing Board of PINE County and its designated Child Support Office, hereinafter referred to as "COUNTY".

WHEREAS, the Department of Human Services (STATE), through its Child Support Division is empowered to enter into interagency agreements pursuant to Minnesota Statutes, section 471.59; and

WHEREAS, the County IV-D Agency (COUNTY) is responsible for local operation of child support services under Minnesota Statutes, section 393.07, subdivision 3; and

WHEREAS, the above-referenced entities wish to enter into this Cooperative Agreement to set forth their respective responsibilities in providing services necessary to the operation of the child support enforcement program under Title IV-D of the Social Security Act, 42 United States Code, sections 651 through 699b; and enter this agreement to meet the requirements of Title 45, Code of Federal Regulations, sections 303.107 and 302.34; and

NOW, THEREFORE, in consideration of the mutual responsibilities and agreements hereinafter set forth, the STATE and the COUNTY agree as follows:

- 1. Definitions.** The following definitions apply to the terms used in this Cooperative Agreement unless the context clearly requires otherwise:
 - 1.1 Administrative Instructions.** Administrative instructions are from the STATE to the COUNTY on administrative or financial matters.
 - 1.2 Business Day.** Business day means a day on which STATE offices are open for regular business.
 - 1.3 Calendar Day.** Calendar day means each day shown on the calendar, including weekends and holidays.
 - 1.4 Central Registry.** The Central Registry is the unit of government responsible for receiving, disseminating, and overseeing the processing of all incoming interstate IV-D cases.

- 1.5 Cooperating Agency.** A Cooperating Agency is the Sheriff or County Attorney, who provides child support services for the COUNTY, pursuant to a Cooperative Arrangement. "Cooperating Agencies" refers to both the Sheriff and the County Attorney.
- 1.6 Cooperative Arrangement.** A Cooperative Arrangement is a standard template that is attached to the Cooperative Agreement as Attachment A. This standard template must be used by the COUNTY when securing services from the County Attorney and Sheriff for the operation of the IV-D Program.
- 1.7 Cooperative Agreement Manager.** The Cooperative Agreement Manager is the contact person for each of the parties. The STATE's Cooperative Agreement Manager is the official contact with the COUNTY and is responsible for enforcing provisions of the Cooperative Agreement and assuring the provisions are carried out by the COUNTY.
- 1.8 Cooperative Agreement Review Committee (CARC).** The CARC shall be responsible for representing the County and County Attorney offices in seeking policy dispute resolution under this Cooperative Agreement and Arrangement. The CARC shall be appointed by the CSD director, in consultation with Counties and County Attorneys, and shall be comprised of three County Directors and three County Attorneys.
- 1.9 County Attorney.** County Attorney means the attorney under Minnesota Statutes, chapter 388 and section 393.11, subdivision 2, who is employed by or contracted under a Cooperative Arrangement by the governing board of the COUNTY to provide support enforcement services specified under this Cooperative Agreement.
- 1.10 Governing Board of a County.** The Governing Board of a County means the governing body of the local unit of government responsible for the administration of public welfare, including child support, in the county or multi-county area. This can include County Boards, organized under Minnesota Statutes, Chapter 375 local social service agencies, organized under Minnesota Statutes, Chapter 393, Hospital Commissions, as empowered by Minnesota Statutes, Chapter 393, Human Services Boards, organized under Minnesota Statutes, Chapter 402, Service Delivery Authorities, organized under Chapter 402A, or any other local unit of government which is responsible for the administration of child support enforcement services for the local area.
- 1.11 IV-D Program.** The Minnesota programs provided for by Title IV-D of the federal Social Security Act, in accordance with the language of Minnesota Statutes, sections 256.741 and 518A and other state and federal statutes, federal regulations, and controlling court cases in effect during the term of this Cooperative Agreement..
- 1.12 Participant.** A participant is an IV-D case participant, including an individual that is listed as a case member in an open IV-D support case.
- 1.13 Parties.** The Parties STATE and COUNTY collectively.
- 1.14 PRISM.** "PRISM" means the state-wide child support database and associated programming which is owned and maintained by the STATE.

- 1.15 Program Instructions.** Program Instructions are directives from the STATE to the COUNTY on how to follow federal and state law and regulations.
 - 1.16 IV-D Program Requirements.** Program Requirements are the state and federal law requirements of the IV-D program.
 - 1.17 State Disbursement Unit (SDU).** The SDU is the unit responsible for centralized receipt and distribution of child support and other support-related payments. The SDU includes the activities and staff at the Minnesota Child Support Payment Center (CSPC), located in St. Paul, Minnesota.
 - 1.18 User Documentation.** User documentation is material contained in DHS eMilo and SIR MILO and is available at: www.dhssir.cty.dhs.state.mn.us/PRISM.
- 2. Appointment of Cooperative Agreement Manager.** Each of the parties shall have a Cooperative Agreement Manager. The STATE's Cooperative Agreement Manager is the Child Support Division (CSD) Division Director or designee. The COUNTY's Cooperative Agreement Manager is the individual responsible for administration of the Cooperative Agreement as designated by the Governing Board of the COUNTY.
- 3. COUNTY's Duties and Responsibilities. The COUNTY shall:**
- 3.1 General Requirements.** Implement and administer the responsibilities specified in this Cooperative Agreement pursuant to the requirements of the IV-D Program. The COUNTY agrees that the functions performed and services provided or purchased by the COUNTY, as specified in this Cooperative Agreement, shall be in accordance with applicable state and federal law, the Minnesota Child Support Procedures Manual (eMILO and SIR MILO), DHS and the federal Office of Child Support Enforcement (OCSE) published material and correspondence, county messages, state and federally approved corrective action plans, and fiscal audits as applicable. Unless otherwise stated, on-line manuals take precedence over paper manuals.
 - 3.1.1 Policy Conflict.** When the STATE either issues new or changed policy or procedures or newly published Court decisions or newly published state or federal law brings existing policy into question, the COUNTY has 90 calendar days from the date issuance of the issuance of the policy or court decision or the date a bill becomes law to make a written objection to the legal risk associated with the policy or direction. Once the written objection is received by the STATE, the STATE shall meet with the COUNTY and any other relevant stakeholders. The stakeholders shall make an attempt to informally resolve the objection. The STATE may agree to reimburse the COUNTY for costs arising from adhering to the state's policy or direction as described in section 11.2.3 without resorting to the procedural requirements of section 11. Within 30 days of meeting with COUNTY, the STATE will issue a determination.

Notwithstanding the procedural requirements of section 11, if an informal resolution is not agreed upon, the COUNTY may utilize the formal dispute resolution procedure identified in Section 11.2.

3.2 Provide Services. Provide all appropriate IV-D Program services. These services include, but are not limited to, case intake and assessment, establishment of paternity, location of absent parents, establishment of enforceable basic support obligations, enforcement of payment of child and spousal support obligations, and establishment and enforcement of medical and child care support obligations.

3.2.1 Provide Customer Service. Provide direct customer service by responding to all inquiries from IV-D participants and the general public, including those inquiries related to centralized child support services. The COUNTY shall respond to participant inquiries and complaints referred from the STATE according to the policies and procedure outlined in section 3.1.

3.3 Hold Harmless. Except as provided in section 3.1.1, each Party is responsible for their own acts or omissions while performing the services described in this Cooperative Agreement.

3.4 Cooperative Arrangements. Establish and maintain written Cooperative Arrangements between the COUNTY and other county officials who have a statutory obligation pursuant to 45 Code of Federal Regulations, section 302.34 to cooperate with the STATE and COUNTY as necessary to provide services required under the IV-D Program in compliance with this Cooperative Agreement.

Counties, County Attorneys, and Sheriffs must use the standard Cooperative Arrangement, attached as Attachment A to ensure statewide uniformity and meet minimum federal requirements in accordance with 45 Code of Federal Regulations, section 303.107. Administrative reimbursement is available for services provided under a cooperative arrangement for the calendar quarter during which the arrangement is signed and for subsequent calendar quarters covered by the arrangement. If no signed Cooperative Arrangement is in place for a calendar quarter, no federal reimbursement is available for that calendar quarter.

Submit copies of the signed Cooperative Arrangements and the three required attachments to the CSD Division Director. COUNTY shall provide a signed Copy of each Cooperative Arrangement to the CSD Division Director no later than March 31, 2016, in order to claim IV-D FFP reimbursement for cooperative agency expenses incurred during the first quarter of the calendar year.

The CSD Division Director must review the Cooperative Arrangements and notify the COUNTY within 20 business days if the Cooperative Arrangement, on its face, fails to meet the minimum specifications required under CSD policy.

If at any time during the Cooperative Agreement year, the COUNTY enters into Cooperative Arrangements with additional cooperating agencies, the COUNTY must immediately send a copy of the new Cooperative Arrangement and the required attachments to the CSD Division Director.

The COUNTY may not claim IV-D FFP reimbursement for cooperative agency expenses incurred for any calendar quarter when copies of appropriately signed Cooperative Arrangements and required attachments have not been provided to the CSD Division Director by the end of that calendar quarter.

- 3.5 Purchase of Services Agreements.** As necessary, enter into agreements to purchase services to the extent that payment for such services does not exceed the amount reasonable and necessary to assure the quality of such services. The COUNTY must fully document its determination that the amounts are reasonable and necessary in the COUNTY records. The COUNTY must require debarment certification from contractors who do or may receive federal funds, pursuant to the requirements of section 12.3. STATE supervision of purchase of service agreements is limited to those for which federal financial participation (FFP) is available under the IV-D regulations.
- 3.6 Notification of Appeals.** With the County Attorney, notify the CSD Division Director within 7 business days of any IV-D case that is appealed to the Minnesota Court of Appeals, the Minnesota Supreme Court, or federal court by either one of the parties or the COUNTY. The STATE will review the appeal and consult with the County Attorney and the Office of the Attorney General as necessary.
- 3.6.1 Notice of Substantive Adverse Decisions.** The COUNTY shall also report to the CSD Division Director any child support orders or judgments that call into question the constitutionality or enforceability of child support statutes or program instructions.
- 3.7 Internet Access.** Have and maintain access to the Internet for all of the COUNTY caseworkers.
- 3.8 Provide Information.** Provide any information requested for state and federal program reviews and audits.
- 3.9 Information Technology Security.** Provide for information technology security in accordance with the STATE's policies and procedures.
- 3.9.1 COUNTY Security Officer.** Designate an employee as COUNTY Security Officer or Backup COUNTY Officer to be responsible for ensuring compliance with security precautions for state-owned computer equipment, data confidentiality, and user access.
- 3.9.2 Security Manual.** Adhere to the STATE's policies and procedures as provided in, the DHS Data Practices Manual, DHS Information Policy Standards, CSD program instructions, and instructions from the DHS office of Information Security.
- 3.10 Cooperation with Other Agencies.** Agree that the COUNTY, in administering the requirements of the IV-D Program, will cooperate with other Minnesota county, tribal, and state-operated economic support agencies, and other Minnesota state agencies to the extent authorized by state and federal law.
- 3.11 Providing Resources to Improve Support in Minnesota System (PRISM).** Agree to cooperate with the operation of and to use the Providing Resources to Improve Support in Minnesota System or its successor system (both hereinafter referred to as "PRISM") as agreed upon by the STATE and the COUNTY. The COUNTY and STATE shall work together to ensure the efficient and effective operation of automated systems in support of the programs covered by this Cooperative Agreement. Both parties acknowledge a joint responsibility to work cooperatively to identify system deficiencies and operational problems. The STATE acknowledges its responsibility to maintain PRISM in maximum functional status for the benefit of all COUNTY and state

users. The STATE agrees to take all necessary actions to assure the uninterrupted availability of PRISM during normal business hours.

3.11.1 Maintain Automation Equipment. Maintain and not alter or add to any child support automation equipment in the physical location installed by the STATE unless prior approval is given. Any costs incurred by the COUNTY as a result of STATE approved equipment moves shall be reimbursed per the applicable federal financial participation (FFP) rate.

3.11.2 No Alteration of Software. Agree that neither COUNTY nor other COUNTY staff persons working under the Cooperative Arrangement for the COUNTY will alter state provided software or add software programs that will adversely affect child support automation in the COUNTY without the permission of the STATE.

3.11.3 Authorized Access to Automation Equipment. Ensure that all automation equipment connected to the state computer reporting network is not accessible to persons other than those authorized by the COUNTY Security Officer for purposes of program administration and shall specifically limit such access in each Cooperative Arrangement.

3.12 Cost-Sharing Allocation Plan. Reimburse the STATE under an approved cost-sharing allocation plan if automation equipment, software, or services are used for any purpose or program other than child support or program administration.

3.13 COUNTY Budget. Submit the annual budget, in the format prescribed by the STATE in Attachment B, to the CSD Division Director by March 31 of each year. The budget will include the projected expenditures for the COUNTY and the projected child support expenditures for each Cooperating Agency. For Cooperative Agreements signed after the first quarter, the COUNTY will submit the signed Cooperative Agreement and the projected expenditures by the end of the quarter that the Cooperative Agreement is signed.

3.14 Maintain PRISM Financial Records. Be responsible to maintain and update PRISM financial information including the following:

3.14.1 Enter Court Order and Balance Information. Enter court order and account balance information in a timely manner and make appropriate adjusting entries as necessary, to ensure distribution and allocation of payments pursuant to the state statute and federal distribution hierarchy.

3.14.2 Receipt and Disbursement (R&D) Adjustments. Perform adjustments to receipt and disbursement amounts in accordance with the STATE's policies and procedures.

3.15 Failure to Maintain PRISM Financial Records. Be responsible for court-ordered reimbursement to case participants when the reimbursement is caused by the failure of the COUNTY to maintain proper PRISM financial records.

3.16 Reimbursement for Failure to Follow Policy and Instructions. Be responsible for reimbursement to case participants when the reimbursement is caused by the failure of the COUNTY to follow state and federal laws, Department of Human Services written

policy directives, program instructions, or published IV-D directives that are appropriately and timely communicated to the COUNTY by the STATE or in the case of worker error. In the event of a dispute, the COUNTY may follow the procedures under Section 11.

3.17 Collections, Receipts, and Disbursements. Pursuant to program instructions, (1) redirect all child support payments to the CSPC; and (2) forward any child support or other support related payments received by the COUNTY to the CSPC for receipting into PRISM within 24 hours.

3.18 Records Maintenance. Maintain such records, case files, reports, evaluations, or other documents that the STATE specifies as needed by the STATE for monitoring and auditing. Maintenance of such records, irrespective of the reporting requirements, is subject to DHS records retention schedules or directives allowing destruction of records. The COUNTY shall furnish such reports and documents to the STATE in the format and according to the schedules, as the STATE requires. The COUNTY must ensure that these reports comply with STATE reporting instructions. The STATE shall evaluate and monitor compliance with reporting instructions.

3.19 Confidentiality of Records. Comply with the terms of the Information Privacy and Security Agreement that has been separately executed by the parties, and with any successor agreements thereto, and with all applicable federal and state laws governing the privacy and security of personally identifiable information about a participants and others (PII). PII includes but is not limited to an individual's name, address, federal tax information, social security number, and other private data, whether maintained on PRISM or elsewhere by the COUNTY. The COUNTY shall maintain appropriate administrative safeguards to ensure all such information is adequately protected against improper access, use, and disclosure by its employees and subcontractors, and shall ensure that its employees and subcontractors receive training regarding the requirements of applicable laws, including but not limited to the Minnesota Government Data Practices Act (MGDPA).

3.19.1 Cooperating Agencies and Compliance with Regulations. Ensure that Cooperating Agencies have available all information necessary to perform under the Cooperative Arrangement. The COUNTY will include in the Cooperative Arrangement language that addresses compliance with state and federal privacy and confidentiality laws and regulations. This language shall specify that the cooperating COUNTY will be responsible for safeguarding the confidentiality of said information and using said information exclusively for the purposes allowed by the federal and state law and regulations governing the operation of the IV-D Program. The COUNTY and/or COUNTY security staff have the responsibility to ensure that requested access to PRISM meets the requirement of the access being for the purposes of administration of the IV-D Program. Any request that does not meet that requirement must be denied at the local level. All requests for PRISM access must be approved by the appropriate County Security Officer before state security staff will process the request.

3.19.2 Others Requesting PRISM Information or Access for the Purpose of the Administration of the Child Support Program. In the event that other individuals or other county programs request information from or access to the PRISM system through the COUNTY, the COUNTY shall recommend and grant access only for the purposes allowed by the federal and state law and regulations governing the operation

of the IV-D Program. The COUNTY will submit appropriate signed data sharing agreements or individual confidentiality agreements as defined by the STATE prior to the STATE granting such access. The agreements will address compliance with relevant state and federal privacy and confidentiality laws and regulations specifying that any individual granted access will be responsible for safeguarding the confidentiality of said information and using said information exclusively for the purpose of the IV-D Program. COUNTY and/or COUNTY security staff will have the responsibility to ensure that requested information from or access to PRISM meets the requirement of the access being for the purposes of administration of the Child Support Program. Any request that does not meet that requirement must be denied at the local level. The appropriate COUNTY Security Officer or backup security officer must approve all requests for PRISM access or PRISM information before STATE security staff will process the request. The COUNTY is responsible for ensuring that the third party complies with all data privacy laws and regulations. This provision does not prevent COUNTY from sharing information with case participants, courts, and authorized third parties pursuant to Minnesota Statutes Chapters 256; 257; 518A; 518C; 571; and section 13.46.

3.19.3 Other Parties Requesting Access to PRISM or PRISM Information. Access by third parties to information maintained by the PRISM system for reasons other than the purposes allowed by the federal and state law and regulations governing the operation of the IV-D program shall be referred to the STATE. If the STATE releases county-specific data, the STATE will notify the COUNTY that is the subject of the request.

3.19.4 Not a “Business Associate Agreement.” This Agreement does not create a “business associate” relationship or constitute a “business associate agreement” as defined in the Health Insurance Portability and Accountability Act (HIPAA).

3.20 Federal Parent Locator Service Agree to comply with Federal and State privacy laws and regulations and the applicable provisions of the HHS-OCIO Policy for Information Systems Security and Privacy (IS2P) and the Automated Systems for Child Support Enforcement: A Guide for States (Federal Certification Guide). Agree to the required Federal Parent Locator Service (FPLS) cooperative agreement language for ensuring the confidentiality of FPLS, stated below.

The STATE is responsible for the issuance of User Documentation to COUNTY, which communicates the detailed requirements for the confidentiality of FPLS information.

The COUNTY agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) The COUNTY agrees to submit requests to the FPLS solely to locate a parent for the purpose of establishing paternity, securing child support, or when applicable, to locate a parent in a paternal kidnapping case, establish or enforce a child custody or visitation order, and for other purposes specified in federal law and regulations.
- (2) The COUNTY shall educate all authorized personnel that access FPLS information on the confidentiality and security requirements of FPLS information, the safeguards required to protect FPLS information and child support program information, and the penalties for non-compliance.

- (3) The COUNTY shall restrict access to FPLS to authorized personnel who need the FPLS information to perform their official duties. The COUNTY must maintain a list of employees and subcontractors with authorized access.
- (4) The COUNTY agrees to label all reports containing FPLS and to store all material containing FPLS in a locked container when the material is not in use.
- (5) The COUNTY agrees to immediately report any incident involving unauthorized access to or disclosure of FPLS information to the STATE.

3.21 IRS Language for General Service. Agree to comply with all Internal Revenue Service (IRS) procedures and safeguards (26 United States Code, sections 6103 and 7213). Agree to the required IRS cooperative agreement language for ensuring the confidentiality of IRS information in sections 3.19.1 through 3.19.3, stated below.

The STATE is responsible for the issuance of User Documentation to the COUNTY, which communicates the detailed requirements for the confidentiality of IRS information.

3.21.1 Performance. In performance of this Cooperative Agreement, the COUNTY agrees to comply with and assume responsibility for compliance by its employees with the following requirements:

- (1) All work is under the supervision of the COUNTY or the COUNTY's employees.
- (2) Any return or return information provided or made available by the IRS must be used only for carrying out the provisions of this Cooperative Agreement. The COUNTY must treat information contained in material provided by the IRS as confidential and not divulge or make it known in any manner to any person except as may be necessary in the performance of this Cooperative Agreement. Disclosure to anyone other than an officer or employee of the COUNTY is prohibited.
- (3) All returns and return information provided by the IRS must be accounted for upon receipt, and properly stored before, during, and after processing. In addition, all related output are given the same level of protection as required for the source material.
- (4) The COUNTY certifies that the IRS data processed during the performance of this Cooperative Agreement will be completely purged from all data storage components of its computer facility, and that the COUNTY retains no output is retained at the time the work is completed. If immediate purging of all data storage components is not possible, the COUNTY certifies that it safeguards any IRS data remaining in any storage component to prevent unauthorized disclosures.
- (5) The COUNTY must give the STATE or its designee any spoilage or any intermediate hard copy printout that may result during the processing of IRS data. When this is not possible, the COUNTY is responsible for the destruction of the spoilage or any intermediate hard copy printouts, and must provide the STATE or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.

- (6) All computer systems processing, storing, or transmitting Federal tax information provided by the IRS must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- (7) The COUNTY shall not subcontract work involving Federal tax information furnished under this Cooperative Agreement without prior written notice to the IRS, pursuant to IRS Publication 1075, Section 11.3. Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information and Exhibit 5, IRC Sec. 7213 Unauthorized Disclosure of Information). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.
- (8) The COUNTY must maintain a list of employees and subcontractors with authorized access. The COUNTY must provide such list to the STATE and, upon request, to the IRS reviewing office.
- (9) The STATE has the right to void the Cooperative Agreement if the COUNTY fails to provide the safeguards described above.

3.21.2 Criminal/Civil Sanctions:

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Cooperative Agreement. Information contained

in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Cooperative Agreement. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by Internal Revenue Code sections 7213A and 7431.

- (3) Additionally, it is incumbent upon the COUNTY to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 United States Code section 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to COUNTY by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a COUNTY, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established hereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A (see Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

3.21.3 Inspection. The IRS and the STATE shall have the right to send its officers and employees into the offices and plants of the COUNTY for inspection of the facilities and operations provided for the performance of any work under this Cooperative Agreement. On the basis of such inspection, specific measures may be required in cases where the COUNTY is found to be noncompliant with Cooperative Agreement safeguards.

3.22 Bonding. In accordance with 45 Code of Federal Regulations, section 302.19, the STATE is required to ensure that every person who has *access to or control over funds* collected under the program, be covered by a bond against loss resulting from employee dishonesty. The COUNTY must bond any employee, who, as a regular part of his or her job, receives, disburses, handles, or has access to support collections. Even though the COUNTY no longer receipts and disburses funds, bonding is required due to the ability to access funds in PRISM through financial adjustments.

The COUNTY must have a minimum bonding amount of \$30,000 per employee. DHS has determined this amount sufficient to cover employee dishonesty. If the COUNTY does not have a bonding policy in place, it may establish a self-bonding system to satisfy the bonding requirements.

The minimum bonding amount does not reduce or limit the ultimate liability of the COUNTY for losses of support collections from the STATE's IV-D program.

DHS will not collect bonding information for individual counties. The COUNTY must maintain all bonding information and is subject to the State Audit.

4. STATE's Duties and Responsibilities. The STATE shall:

4.1 General Requirements. Perform the duties and responsibilities specified in this Cooperative Agreement in accordance with the state and federal statutes, federal regulations, and controlling court cases, in effect during the term of this Cooperative Agreement.

4.2 CSD Memos/Child Support Bulletins. Maintain an index, accessible to county child support staff and county attorneys, listing all the current child support county directives and child support bulletins released during the Cooperative Agreement year that apply to the IV-D Program.

4.3 Program Instructions. Provide notification of new pending program instructions, administrative instructions and IV-D requirements within 30 calendar days of first becoming aware of them.

Develop and maintain programs and administrative instructions for administrative and child support activities relating to the IV-D Program conforming to state and federal statutes, state administrative rules, federal regulations and controlling court cases. Cite applicable state and federal statutes and federal regulations in new program and administrative instructions. The STATE will incorporate such citation in the Child Support User Documentation.

4.3.1 Program Instruction Change. If, after notification of new pending program instructions, the COUNTY reasonably believes that the proposed change will have a significant financial impact on the COUNTY, the COUNTY may request a 30 calendar day comment period. The request for a comment period shall be made in writing within 10 calendar days of the notification of pending program instructions and shall be accompanied by a brief written explanation of the anticipated financial impact on the COUNTY and why the COUNTY believes the impact is significant. The comment period shall be granted if written request is timely made and if the change is not the

result of implementation of state and federal statutes, rules and regulations, court orders or settlement agreements arising from litigation.

The STATE shall consider the fiscal impact on the COUNTY before implementing the change in requirements. It is not the STATE's intent to unilaterally impose any new, unbudgeted programs on the COUNTY.

4.3.2 Reasonable Time Period to Implement. Allow the COUNTY a reasonable time period in which to implement fully program instructions. Program instructions, which are the result of changes in federal or state laws, rules and regulations or court actions, may be implemented by the STATE in accordance with the implementation timeframes of the federal or state laws, rules and regulations or court action.

4.3.3 Extension of Time Period to Implement. Allow the COUNTY to request an extension of the time period for implementing program instructions or requirements, which have a significant impact on the COUNTY and are not mandated by state or federal law or court order. The COUNTY may submit documentation of the hardship imposed, and the STATE may grant a reasonable exception to the implementation requirements.

- 4.4 Monitoring.** Have the discretion to monitor the COUNTY's responsibilities as defined in this Cooperative Agreement, conduct performance reviews, make recommendations concerning the overall administrative efficiency of the program, and require corrective action as applicable.
- 4.5 Comprehensive Training.** Provide comprehensive statewide training for COUNTY personnel including, but not limited to, new worker training, training related to new initiatives and PRISM enhancement, and other continuing training related to the IV-D Program. Training programs and curriculum shall be determined in consultation with the Training County Workgroup. Child Support training materials shall be made available to the COUNTY. Provision of classroom training and onsite training is subject to CSD budget limitations.
- 4.6 Information to the Public.** Provide the public with information on the Child Support Program per the requirements of 45 Code of Federal Regulations, section 302.30.
- 4.7 Standard Cooperative Agreements.** Use the standard Cooperative Agreements that conform to state and federal laws when contracting with counties.
- 4.8 Central Registry.** Provide Central Registry services to counties.
- 4.9 PRISM Maintenance.** Ensure ongoing maintenance of PRISM.
- 4.10 PRISM Enhancement.** Responsible for the modification and enhancement of the PRISM system in order to meet federal program requirements and ensure that the system operates efficiently and in a manner that supports COUNTY program operations and performance improvements. The STATE agrees to continue to take all necessary actions to modify the IV-A to IV-D (MAXIS/PRISM) computer interfaces, implement purging and archiving and fully utilize all funds authorized by the legislature for the modification and enhancement of PRISM.

- 4.11 Ownership of Software.** Retain all ownership rights in any STATE owned software or modifications thereof and associated documentation designed, developed, or installed as a result of this Cooperative Agreement.
- 4.12 Tax Intercept.** Certify arrears for tax intercept and other certifiable debts using PRISM account balances as well as receive, distribute, and disburse tax intercept funds centrally through PRISM, and make information available in PRISM and other reports.
- 4.13 New Hire Reporting.** Ensure employer compliance with the reporting requirements under the Work Reporting System, Minnesota Statutes, section 256.998.
- 4.14 Provide Direct Program Assistance to COUNTY.** Maintain a Help Desk/Call Center or otherwise maintain a system to provide direct program assistance to the COUNTY, including assistance related to child support policy, PRISM processing, tax refund intercept processing, central receipt and disbursement and other centralized child support processes.
- 4.15 Delegation of Authority.** Delegate to the County Attorney, as set forth in Minnesota Statutes, section 393.11, subdivision 2, its authority to provide IV-D Program legal services by appearing on behalf of COUNTY in the expedited process, district court, and in appellate court. The STATE agrees to assist the County Attorney in preparation of appeals as appropriate.
- 4.16 Confidentiality of Records.** Agree to comply with the applicable federal and state laws and STATE regulations concerning confidentiality of participant and PRISM records.

5. Procurement.

- 5.1 Equipment.** The COUNTY may purchase and install equipment in accordance with the STATE's manuals and procedures and industry best practices. The COUNTY shall be responsible for inventory, maintenance, replacement, and security of all this equipment.

The COUNTY shall keep all STATE owned equipment that is located in the COUNTY in a secure place and compensate the STATE for any theft, damage, or other loss of equipment if the STATE's prescribed security precautions have not been met.

6. Allocations.

- 6.1 Standards of Performance and Performance Based Allocation.** The STATE shall specify standards of performance and budget an allocation to the COUNTY as its proportionate share of dollars for performance based funding. The STATE shall distribute the available incentive funding under Minnesota Statutes, sections 518A.51 and 256.979, subdivision 11, to counties.
- 6.2 COUNTY Contribution.** The COUNTY agrees that performance incentives allocated to the COUNTY must be used to supplement and not supplant other funds used to carry out the child support program. The COUNTY agrees to maintain a minimum county contribution from local budget resources. The minimum COUNTY contribution

level for CY 2016-2017 is computed with federal fiscal year 1998 as the base year. Under 45 Code of Federal Regulations, section 305.35, a base amount of spending is determined by subtracting the amount of federal and state incentive funds earned by the COUNTY program for Federal Fiscal Year 1998 from the total amount expended by the county in the program during the same year. The COUNTY must maintain this base amount of county spending in future years. The COUNTY must use incentive payments in addition to, and not in lieu of, the base amount.

If the STATE fails to meet reinvestment minimums, individual counties that fail to maintain the minimum county contribution level will be subject to disallowance of incentive funds in an amount up to the full amount of local funds supplanted, plus the loss of federal matching funds if applicable.

If the STATE's failure to meet minimum reinvestment levels results in a loss of future incentive funds, counties that maintained their minimum county contribution level will not be penalized.

7. **Funding.** The COUNTY agrees that the obligations of the STATE under this Cooperative Agreement are limited by and contingent upon state and federal legislative authorization and budget appropriations. If, during the term of this Cooperative Agreement, the budget appropriations which fund the STATE, the COUNTY, and services under this Cooperative Agreement are not made or are repealed or reduced by actions of the Legislature, Congress, or otherwise, the STATE's and the COUNTY's obligations under this Cooperative Agreement will be reduced or suspended accordingly.
8. **Federal Reimbursement.** The STATE shall reimburse the COUNTY for the functions it performs and services it provides or purchases as set forth in Section 3. Payments by the STATE under this Cooperative Agreement are contingent upon:

(a) substantial compliance by the COUNTY of all responsibilities identified in this Cooperative Agreement, and in accordance with state and federal laws; (b) authorization of Minnesota and federal laws and availability of state and federal funds; and (c) approval of cost allocation plans and of expenditures for non-expendable personal property by state and federal cost allocation units.

The COUNTY must certify that any claim for reimbursement through federal financial participation (FFP) complies with the limits on FFP for IV-D expenditures listed in 45 Code of Federal Regulations, part 304. If the COUNTY has questions about whether or not an expense is eligible for reimbursement, the COUNTY may contact the STATE for guidance.

- 8.1 **County Income Maintenance Claims.** Claims for reimbursement must be submitted electronically pursuant to the requirements of the STATE's cost reporting system. Child Support costs must be reported quarterly on the DHS-2550 Income Maintenance Expense Report and must be submitted via web-based application to the STATE on or before the 20th day of the month following the quarter for which reimbursement is being claimed. If the 20th day of the month falls on a Saturday, the due date for the expenditure report is Friday the 19th; if the 20th is a Sunday, it is due on Monday the 21st.

For all claims submitted timely, the STATE will issue the reimbursement payment by Electronic Fund Transfer. Said reimbursements are subject to reduction and/or

recovery as provided in this Cooperative Agreement. Late expenditure reports will be processed in the following quarterly payment cycle.

Reimbursement payments will be made quarterly. The reimbursement payment for each quarter consists of the current quarter's federal financial participation (FFP) amount plus/minus any adjustments for prior quarters.

8.1.1 County-wide Indirect Claim. The COUNTY must submit cost allocation plans containing methodology and resulting amounts for eligible county-wide indirect expenses incurred in the delivery of the IV-D Program. These plans must be certified by an independent auditing firm and be received by the STATE Financial Operations Division (FOD) by February 15th of each calendar year. Only county-wide indirect costs that comply with the limitations of 45 Code of Regulations, part 304, and other federal and state limitations on indirect cost are eligible expenses.

One-fourth of the annual Child Support amount from the cost allocation plan will be the eligible county-wide indirect expense amount to be reimbursed each quarter. The reimbursement payment for each quarter will consist of the current quarter's federal financial participation (FFP) amount plus/minus any adjustments for prior quarters.

8.2 Adjusted Reimbursement Claims. The COUNTY may submit adjustments to prior quarter DHS-2550 expenditure reports up to one year from the original quarter ending date. Child Support reimbursements resulting from expenditure adjustments for prior quarters will be paid as part of the normal quarterly payment process.

8.3 Non-Compliance. The STATE may withhold or withdraw funds from the COUNTY when it is in non-compliance with this Cooperative Agreement or IV-D Program Requirements subject to the terms of this Cooperative Agreement. The STATE may withhold or withdraw funds if the STATE determines that the activities performed by the COUNTY do not meet state or federal statutes and requirements, following an opportunity for corrective actions as described in Section 8.3.1 (Compliance Review).

If there is a delay or failure to perform when such delay or failure is due to an uncontrollable circumstance that was unforeseen, the County shall be excused from timely performance as a result of the uncontrollable circumstance. Uncontrollable circumstances shall include fire, flood, epidemic, wars, acts of God, unusually severe weather, or actions of public authorities that cause an inability to perform work. The County shall communicate the uncontrollable circumstance to the State as quickly as practical.

The County will begin performance as soon as the consequences of the uncontrollable circumstance are remedied to such an extent that the County is able to begin performance.

8.3.1 Compliance Review. The STATE will notify the COUNTY of items that require corrective action and the need for the COUNTY to develop and submit a Corrective Action Plan. The COUNTY must submit its response within 10 calendar days of the date of the notice under this section, unless the STATE approves an extension. A failure by the COUNTY to implement fully a STATE-approved Corrective Action Plan shall result in a payment reduction to be determined by the STATE.

8.3.2 Advance Notice. The STATE shall provide 30 calendar days advance notice to the COUNTY when it intends to withhold or withdraw a payment pursuant to Section 8.3.1 (Non-Compliance). The STATE will schedule a conference to resolve the issue that gave rise to the notice before the imposition of the withholding or withdrawal. After the conference, if there is an impasse, the COUNTY may appeal the STATE's decision as provided by Section 11 of this Cooperative Agreement.

8.4 Disallowances. The STATE shall recover from the COUNTY any state or federal fiscal disallowances or sanctions attributable to actions of the COUNTY, Cooperating Agencies, or the COUNTY's subcontractors. If federal fiscal disallowances or sanctions are based on either a statewide sample or a categorical disallowance imposed across the State, the STATE shall recover the proportional share of the disallowance or sanction from the COUNTY.

8.5 Conditions of Payment. All services and reporting provided by the COUNTY pursuant to this Cooperative Agreement shall be performed to the satisfaction of the STATE, as determined in the sole discretion of its authorized agent, and in accord with all applicable federal, state and local laws, rules and regulations. The STATE reserves the right to suspend, reduce, or terminate the distribution of child support funds to the COUNTY for services or reporting provided pursuant to Section 8.1 of this Cooperative Agreement found by the STATE to be unsatisfactory or in violation of federal or state laws and regulations.

8.6 Payment recoupment. The COUNTY must reimburse the STATE upon demand or the STATE may deduct from future payments made pursuant to the contract, any amounts paid by the STATE under this Cooperative Agreement, for which required reports have not been received, or for which the COUNTY's books, records or other documents are not sufficient to clearly substantiate that those amounts were used by the COUNTY to perform the services described in this Cooperative Agreement.

9. Program Operation: Records, Reporting, Monitoring, and Security.

9.1 Record Keeping Requirements. At least 45 calendar days prior to the effective date of any STATE reporting or record keeping requirement issued after the beginning of the Cooperative Agreement period, the STATE shall provide the COUNTY with written notice of such a proposed reporting or record keeping requirement and allow the COUNTY an opportunity to review and comment on such a requirement. Reporting and record keeping requirements which are the result of changes in federal or state laws, rules and regulations or any court actions may be implemented by the STATE without strict compliance with the above-stated notice and comment requirements. However, the STATE shall make every reasonable effort to solicit comments from the COUNTY prior to implementing such record keeping and reporting requirements.

9.2 Records Maintenance. The COUNTY shall maintain such case files, fiscal records, financial statements, and necessary evidences of accounting procedures and practices sufficient to document the funding received and disbursements made under this Cooperative Agreement.

The COUNTY shall maintain such records, reports, evaluations, or other documents that the STATE specifies are needed monitoring and auditing. Maintenance of such records, irrespective of the reporting requirements, is subject to manual provisions

allowing destruction of records. The COUNTY shall furnish such reports and documents to the STATE in the format and according to the schedules, as the STATE requires. These reports must comply with STATE reporting instructions. The STATE shall evaluate and monitor compliance with reporting instructions.

9.3 Records Availability. All records maintained by the COUNTY pursuant to this Cooperative Agreement shall be available to the STATE on request and with adequate notice for inspection, examination, or audit. Except when the STATE determines that unusual circumstances exist, the STATE will give the COUNTY at least five business days written notice unless the COUNTY consents to a shorter timeframe. The STATE shall monitor its request for reports and evaluations to eliminate present and prevent future duplicate requests being sent to the COUNTY.

9.4 Federal or State Authority to Review Documents. Notwithstanding the above, nothing in this Cooperative Agreement shall be construed to limit, modify or extinguish any federal or state legal authority to inspect, audit or have access to any records, financial statements or other reports maintained by the COUNTY or to modify or limit the COUNTY's legal obligation to maintain any record or report required by state or federal statutes, rules or regulations.

9.5 Records Security and Access. Access to and confidentiality of all records and reports shall be maintained in compliance with the applicable federal and state laws, including Minnesota Statutes, Chapter 13. Each party is responsible for compliance with state and federal data privacy laws and agreements.

10. Annual Audit.

10.1 Compliance with Single Audit Act. All sub-recipients receiving \$500,000 or more of federal assistance in a fiscal year will obtain a financial and compliance audit made in accordance with the Single Audit Act, Office of Budget and Management (OMB) Circular A-133. The COUNTY certifies it will comply with the Single Audit Act, OMB Circular A-133, if applicable. Failure to comply with these requirements could result in forfeiture of federal funds.

10.2 State Audits. Under Minnesota Statutes, section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices of the COUNTY and its employees, agents, or subcontractors relevant to this contract will be made available and subject to examination by the STATE, including the contracting Agency/Division, Legislative Auditor, and State Auditor for a minimum of six years from the end of this contract.

10.3 Audit Disallowance.

10.3.1 The COUNTY's Liability. The COUNTY shall be liable for the entire amount of the audit adjustment attributed directly to the COUNTY. If the state receives a federal audit adjustment based on a state-wide random sample, the actual amount of a disallowance against the COUNTY shall be determined pursuant to Minnesota Statutes, section 256.01, subdivision 2 (r).

10.3.2 Fiscal Sanction. No fiscal sanction shall be taken against the COUNTY unless it is based upon a specific law, regulation, rule, administrative instruction, or

program instruction that was: (a) effective during the time period which is being audited, and (b) communicated to the COUNTY head or designee in writing by the STATE or the federal government prior to the time period audited. No state audit adjustment for failure to meet the requirements of Section 3.1 and 3.2 shall be imposed for 60 calendar days after the date the COUNTY receives written notice of the requirement. The STATE may extend the 60-day hold-harmless period upon COUNTY's proof of hardship. The 60 day hold-harmless period is not required if the State has been assessed a federal fiscal penalty because federal law and regulations or court order mandated the requirement and held the State to a more restrictive time period, or the requirement is the result of state law and administrative or court order that imposes a more restrictive time period and the imposition of a state fiscal penalty. These conditions in no way negate the COUNTY's responsibility to implement policies and instructions by their effective dates.

10.4 Audit Adjustments

10.4.1 Audit Adjustment Determination. If, pursuant to an audit under Section 10, it is determined that there is an error in the COUNTY's fiscal and service records for this Cooperative Agreement or previous Cooperative Agreements, the STATE will take steps to recover or otherwise adjust the COUNTY's reimbursement under the Cooperative Agreement. The STATE shall limit the increase or decrease to the audited error and shall confer with the COUNTY before increasing or decreasing the monthly payment for this Cooperative Agreement. The parties may negotiate the timing and amount of the adjustment at the COUNTY's request.

10.4.2 Payment Adjustments. The parties shall attempt to negotiate the timing and payment schedule of any adjustments under this Section. The STATE may adjust subsequent claims for reimbursement by any audit exception or non-compliance exception up to the amount of the exception.

11. Administrative Review. The COUNTY shall be entitled to an administrative review if both of the following occur:

1. The STATE and the COUNTY disagree about the interpretation of any provision of this Cooperative Agreement; and
2. The disagreement concerns: (a) reconciliation of claims and reimbursements (review is through STATE conference); or (b) any financial audit of the COUNTY as described in this Cooperative Agreement (review is through the audit resolution policy); or (c) any compliance review of the County as described in section 8.3; or, (d) any federal audit of the COUNTY or the STATE.

11.1 Review Process. The COUNTY's method of resolving any dispute or controversy arising out of or relating to this Cooperative Agreement shall be the complaint process provided in this subsection. The COUNTY may address a written complaint to the CSD Division Director at the Minnesota Department of Human Services at the following address: CSD Division Director, 444 Lafayette Road North, St. Paul, MN 55155. The CSD Division Director shall respond in writing within ten business days. Time periods may be extended by agreement of the STATE and the COUNTY. If the COUNTY is not satisfied with the response, the COUNTY may request a review of the decision using the process in Section 11.2.

11.2 Administrative Appeal. If the STATE and the COUNTY disagree about the interpretation of any provision of this Cooperative Agreement and a substantial interest of the COUNTY is at risk by an action of the STATE, and the dispute is not resolved in the complaint process described above or in the process described in Section 3.1.1, the COUNTY may then submit the dispute to DHS Division of Contracts, Procurement, and Legal Compliance for administrative appeal.

11.2.1 Notice of Demand for Appeal. Notice of a request for an administrative appeal, along with the written appeal and all supporting documentation must be submitted to the Administrative Law Attorney (ALA) at DHS Division of Contracts, Procurement and Legal Compliance, P.O. Box 64941, 444 Lafayette Road, St. Paul, MN. 55164 within 30 calendar days of the response from the CSD Division Director pursuant to Section 11.1.

11.2.2 Process. The Administrative Law Attorney shall within seven (7) business days forward to the CSD Division Director a copy of the request for appeal and all supporting documentation provided by the COUNTY. The CSD Division Director shall submit a written response within fourteen (14) business days, along with all supporting documentation to the ALA. A copy of the response and all supporting materials must be sent to the COUNTY. The ALA shall make a determination on the basis of the written submissions, statutes and case law if applicable. The ALA shall then recommend to the Commissioner a course of action in the appeal. The Commissioner or designee shall issue an order affirming, reversing, or modifying the action or decision of the STATE. This order is binding upon the COUNTY and the STATE unless an appeal is filed with the district court within 30 calendar days of the Commissioner's order.

11.2.3 Policy Disputes; Limited Reimbursement Guarantee. If the Administrative Law Attorney finds the following conditions exist:

- 1) The policy or decision has state-wide impact;
- 2) The COUNTY has identified a significant issue that poses a significant risk to the COUNTY; and
- 3) The COUNTY agrees to implement the policy or decision if the STATE reduces the risk to the COUNTY;

Then the Administrative law Attorney may make a recommendation to the Commissioner of DHS to direct the reimbursement of direct COUNTY costs, as described below, reasonably related to the legal risk assumed by the COUNTY for complying with the policy or direction.

Direct costs include civil damages, within tort liability limits, the costs of defense in civil litigation, the costs of appeal from district court in family, civil, and criminal cases.

12. General Provisions.

12.1 Non-Discrimination. The COUNTY agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the

employee or applicant for employment is qualified pursuant to Minnesota Statutes, section 363A.02. COUNTY agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The COUNTY must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The COUNTY agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship, pursuant to Minnesota Rule 5000.3550.

The COUNTY agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

12.1.1 Notification to employees and other affected parties. The COUNTY agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Commissioner of the Minnesota Department of Human Rights. Such notices will state the rights of applicants and employees, and COUNTY'S obligation under the law to take affirmative action to employ and advance in employment qualified minority persons, women, and persons with disabilities.

The COUNTY will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the COUNTY is bound by the terms of Minnesota Statutes, section 363A.36 of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment minority persons, women, and persons with physical and mental disabilities.

12.1.2 Compliance with Department of Human Rights Statutes. In the event of the COUNTY'S noncompliance with the provisions of this clause, actions for noncompliance may be taken in accordance with Minnesota Statutes, section 363A.36, and the rules and relevant orders issued pursuant to the Minnesota Human Rights Act.

12.2 Lobbying Certification. In conformance with federal law, the authorized COUNTY representative must review, sign and return with this Cooperative Agreement either the Certificate Regarding Lobbying form (Attachment C) or the Disclosure of Lobbying Activities (Attachment D).

12.3 Debarment Certification. Debarment by State or Federal Government, or any State or Federal Departments, Commissions, Agencies or Political Subdivisions.

Pursuant to 45 Code of Federal Regulations, section 92.35 and Minnesota Statutes, section 161.315, COUNTY certifies that that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any State or Federal department or agency.

The COUNTY or any subcontractor must provide immediate written notice to the STATE if at any time the COUNTY or subcontractor learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

12.3.1 Subcontractor Debarment. Pursuant to title 45 Code of Federal Regulations, section 92.35, and Minnesota Statutes, section 161.315, the COUNTY must require certifications from its subcontractors that none of its subcontractors is presently debarred or suspended by the State or Federal Government, or any State or Federal Departments, commissions, agencies, or political subdivisions. The COUNTY'S agreement to certify all appropriate subcontractors is a material representation upon which the STATE relies in entering into this Cooperative Agreement. The COUNTY shall provide immediate written notice to the STATE if at any time it learns that any disbarment certification was erroneous when submitted or becomes erroneous by reason of changed circumstances.

The COUNTY must use the appropriate certification regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion in any subcontract, including the Cooperative Arrangement, in which federal money will be or may potentially be used.

Approved Certifications regarding disbarment are Attachment E.

12.4 Prohibition on Weapons. The COUNTY agrees to comply with all terms of the Department of Human Services' policy prohibiting carrying or possessing weapons wherever and whenever the COUNTY is performing services within the scope of this Cooperative Agreement. This policy, which is located at the business location of the STATE and is available to the COUNTY upon request, is incorporated by reference into this contract. Any violations of this policy by the COUNTY or its employees may be grounds for immediate suspension or termination of the Cooperative Agreement.

Unless otherwise directed by judicial district chief justice order, the DHS weapons provision does not apply to county attorneys and assistant county attorneys who are permitted to carry firearms in accordance with Minnesota Statutes, section 388.051, subdivision 4 which states: *"Firearms exemption. Notwithstanding section 626.84, subdivision 2, a county attorney, or an assistant county attorney appointed under section 388.10, who lawfully possesses a permit to carry a pistol issued in accordance with section 624.714 may possess and carry a firearm while on duty, unless restricted by the county attorney."*

The DHS weapons provision does not apply to peace officers, as defined by Minn. Statutes, section 626.84, carrying or possessing weapons within the scope of their employment.

12.5 Provisions of Services and Programs.

12.5.1 Funding Limitations. Except as provided in state and federal statutes, the COUNTY shall perform the functions and provide the services within the limits of State and COUNTY appropriations used to match State and federal funds.

12.5.2 COUNTY Funding. Nothing in this Cooperative Agreement shall be construed to require the expenditure of COUNTY funds, except as specifically provided herein and authorized by the Governing Board of the COUNTY.

12.5.3 Lawful Power and Duties. Nothing contained in this Cooperative Agreement shall be construed to supersede the lawful power or duties of the COUNTY. The COUNTY shall carry out its responsibilities under the sections of this Cooperative Agreement through its appropriate COUNTY departments.

12.6 Data Disclosure. Under Minnesota Statutes, section 270C.65, subdivision 3, and other applicable law, the COUNTY consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, to the STATE, to federal and state agencies and state personnel involved in the approval and payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring the COUNTY to file state tax returns, pay delinquent state tax liabilities, if any, or pay other state liabilities. The STATE will not approve this Cooperative Agreement unless these numbers are provided.

12.7 Liability. To the extent provided for in Minnesota Statutes, sections 466.01 to 466.15, the COUNTY agrees to be responsible for any and all claims or causes of action arising from the performance of this Cooperative Agreement by the COUNTY or COUNTY agents and/or employees. This clause shall not be construed to bar any legal remedies the COUNTY may have for the STATE'S failure to fulfill its obligations pursuant to this Cooperative Agreement.

12.8 Voter Registration Requirement. The COUNTY certifies that it will comply with Minnesota Statutes, section 201.162 by providing voter registration services for COUNTY employees and for the public served by the COUNTY.

12.9 Conditions on the Parties' Obligations. This Cooperative Agreement is contingent upon authorization of Minnesota and United States laws and any material amendment or repeal of same affecting relevant funding to, or authority of, the STATE shall serve to terminate this agreement except as further agreed by the parties hereto.

12.10 Governing Law, Jurisdiction and Venue. Minnesota law, without regard to its choice of law provisions, governs this Cooperative Agreement, attachments, and amendments and supplements thereto. Venue for all legal proceedings arising out of this contract, or breach thereof, will be in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.

12.11 Severability. If any provision of this Cooperative Agreement is held unenforceable, then such provision will be modified to reflect the parties' intention. All remaining provisions of this Cooperative Agreement shall remain in full force and effect.

12.12 Assignment, Amendments, Waiver, and Cooperative Agreement Complete.

12.12.1 Assignment. The COUNTY may neither assign nor transfer any rights or obligations under this Cooperative Agreement without the prior consent of the STATE and a fully executed Assignment Agreement, approved by the same parties who executed and approved this Cooperative Agreement, or their successors in office.

12.12.2 Amendments. Any amendment to this Cooperative Agreement must be in writing and will not be effective until it has been executed and approved by the same

parties who executed and approved the original Cooperative Agreement, or their successors in office.

12.12.3 Waiver. If the STATE fails to enforce any provision of this Cooperative Agreement, that failure does not waive the provision or STATE'S right to enforce it.

12.12.4 Cooperative Agreement Complete. This Cooperative Agreement contains all negotiations and agreements between the STATE and the COUNTY. No other understanding regarding this Cooperative Agreement, whether written or oral, may be used to bind either party.

12.12.5 Effective Date. The effective date of this Cooperative Agreement for the payment of federal funds is first date of the quarter in which the STATE and the COUNTY obtain all required signatures under Minn. Stat. §16C.05, subd. 2.

IN WITNESS WHEREOF, the STATE and the COUNTY have executed this Agreement as of the day and year first above written.

Signature
COUNTY Executive, Board Chairperson, or Designee
Authorization attached if designee

Date

Signature
Child Support Division
Department of Human Services

Date

NOTE: A COUNTY Board resolution must be attached authorizing and naming a designee if the Executive or Chairperson of the COUNTY does not sign the Cooperative Agreement.

Attest:

David J Minke
County Administrator

ATTACHMENT A

IV-D CHILD SUPPORT COOPERATIVE ARRANGEMENT WITH

PINE COUNTY OFFICES OF HUMAN SERVICES,
COUNTY SHERIFF AND COUNTY ATTORNEY

The PINE County Offices of Human Services (hereinafter "COUNTY"), County Attorney (hereinafter, "County Attorney"), and County Sheriff (hereinafter "County Sheriff") hereby enter into the following Cooperative Arrangement.

RECITALS

Whereas, the County IV-D Agency (COUNTY), through the Cooperative Agreement with the Minnesota Department of Human Services and Minnesota Statutes, section 393.07, subdivision 3 is responsible for local operation of child support services; and

Whereas, the COUNTY is also empowered to enter into Cooperative Arrangements with the County Sheriff and County Attorney pursuant to Minnesota Statutes, Chapter 388 and sections 393.11; and 471.59; and .

Whereas, the County Attorney is willing and able to provide legal services necessary to the operation of the child support enforcement program under Title IV-D of the Social Security Act, 42 United States Code, sections 651 through 699Bb; and

Whereas, the County Sheriff is willing and able to perform activities necessary to the operation of the child support enforcement program under Title IV-D of the Social Security Act; and

Whereas, the above-referenced entities wish to enter into this Cooperative Arrangement to set forth their respective responsibilities in providing services necessary to the local operation of the child support enforcement program under Title IV-D of the Social Security Act; and

Whereas, Title IV-D of the Social Security Act, Public Law 93-647, as amended, and 45 Code of Federal Regulations, section 303.107 require a Cooperative Arrangement between the COUNTY and the other county entities that are a party to this Cooperative Arrangement, namely the County Attorney and the County Sheriff, in order to compensate said county entities with respect to reimbursement for costs incurred in providing services necessary to operate the child support enforcement system under Title IV-D of the Social Security Act;

NOW, THEREFORE, BE IT RESOLVED that the parties hereby agree as follows:

I. GENERAL TERMS

- A. *Duration of Arrangement*: It is agreed that this Cooperative Arrangement will commence on **January 1, 2016**, and will expire on **December 31, 2017**. The Cooperative Arrangement may be terminated earlier upon 60 days written notice to all other parties. This Cooperative Arrangement shall be renewed upon written agreement of all parties.

- B. Effective date for payment of federal funds. The effective date of this Cooperative Arrangement for the payment of federal funds is the first date of the quarter in which the COUNTY, County Attorney, and County Sheriff obtain all required signatures.
- C. Purpose: The purpose of the child support program is to establish paternity and secure financial support for minor children who are living apart from one or both parents as more fully set forth in Title IV-D of the Social Security Act. In order to meet this purpose, this Cooperative Arrangement establishes procedures for the provision of services to the child support program by the County Attorney, and the County Sheriff.
- D. Parties: Parties” means the COUNTY and the Cooperating Agencies.
- E. Duties: The specific duties of each party are set forth more fully below. This Cooperative Arrangement also provides for reimbursing administrative costs in accordance with federal regulations and state policy .
- F. Amendments: Any amendment to this Cooperative Arrangement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Cooperative Arrangement, or their successors in office. Any amendment of this Cooperative Arrangement must be sent to the Director of the Child Support Division at the Minnesota Department of Human Services.
- G. Records: The parties will maintain all records, including financial records, related to all services provided under this Cooperative Arrangement for the longer of five (5) years or as otherwise provided by law. Record maintenance will be in accordance with all federal, state, and local reporting and safeguarding requirements. Records related to services provided under this Cooperative Arrangement will be made available and subject to state and federal review and audit.
- Pursuant to 45 Code of Federal Regulations, section 303.2 (c) staff with PRISM update access shall appropriately document case activity. For staff that do not have PRISM update access, the responsible party shall ensure that IV-D case activity is recorded by the appropriate staff. Said documentation shall include the date of action, a description of services rendered, and the result of the action.
- All IV-D related contacts, actions and other appropriate IV-D case activity must be recorded as case events in PRISM by the COUNTY.
- Case records that are held or maintained by the COUNTY must be maintained pursuant to the requirements under 45 CFR 303.2(c) and referenced by a note in PRISM. The note must identify the nature of the records and the specific location of the records.
- H. Applicable Laws and Policies: All parties will comply with Title IV-D of the Social Security Act and all applicable federal laws, regulations, action transmittals, and other directives, instructions, and requirements of the United States Department of Health and Human Services, Office of Child Support Enforcement, including but

not limited to, applicable federal and state information privacy laws. All parties will comply with other applicable state statutes governing the child support program; state child support procedures; and applicable Minnesota statutes.

1. Policy Dispute

The County Attorney may seek review of STATE policies through this section or through section 3.1.1 of the Cooperative Agreement.

a. CARC Review

The County Attorney shall be entitled to an administrative review of the State's interpretation of the above policies and procedures if the CARC agrees that the difference in interpretation has a state-wide impact to multiple cases and the CARC agrees on a recommended resolution of the dispute.

b. Procedure

The County Attorney shall bring its disagreement with the State's interpretation to the CARC. The CARC shall decide whether to submit the dispute to the CSD director. If a dispute is submitted to the state, it must clearly contain the following information in writing: The disputed policy, exactly what part of the policy is disputed, the legal and/or policy reasons for the difference in interpretation, and a proposed solution to the differences in interpretation. The CSD director and the CARC shall attempt to resolve the disagreement in an informal manner.

If the CARC and the CSD director are unable to reach an informal resolution of the policy dispute, the CARC may request the CSD director to issue a written decision. The CSD director shall issue a written decision as soon as practicable. If the CARC disagrees with the written decision, the CARC may seek mediation of the policy dispute through the Minnesota Office of Administrative Hearings (OAH). The County Attorney's office initiating the policy dispute shall be responsible for the payment of mediation fees.

The decision of OAH is binding upon the COUNTY and the STATE unless an appeal is filed with the district court within 30 calendar days of OAH decision.

I. Monitoring and Corrective Action:

The COUNTY's performance, as set forth in this Cooperative Arrangement, may be monitored by the STATE as needed to ensure effective implementation of its terms and to identify problems that affect the delivery of services covered by the Cooperative Arrangement. The State may direct the COUNTY to develop corrective action plans as necessary to avoid fiscal sanctions which may result if the COUNTY does not meet its obligation under this Cooperative Arrangement. The COUNTY must notify the STATE of conditions that have caused or may hinder its ability to meet its obligations under this Cooperative Arrangement. The COUNTY will develop corrective action plans and comply with them. The Cooperating Agencies agree to comply with any state or federally approved corrective action plans.

- J. FFP Reimbursement for Child Support Activities:
The COUNTY agrees to comply with the provisions of 45 Code of Federal Regulations, section 304.21, federal financial participation, in the costs of Cooperative Arrangements, as a condition for federal financial participation (FFP). The COUNTY may be reimbursed for administrative expenses incurred as a result of the activities performed under this Cooperative Arrangement. Said reimbursement shall not exceed the percentage set by federal regulations or state statutes, and it may change during a given calendar year.

The STATE will send written notification to the COUNTY as soon as the STATE is officially notified of a proposed change in the reimbursement rate for administrative expenses, and the county shall notify Cooperating Agencies as soon as they are aware of any changes.

- K. COUNTY's Duties, Functions, and Responsibilities:
The COUNTY is responsible for administering the program to establish paternity, establish and enforce child support, medical support, and child care support orders, and to enforce spousal support orders pursuant to state and federal law.

The COUNTY will seek reimbursement for the allowable costs incurred under the terms of this Cooperative Arrangement by appropriately reporting those costs to the STATE.

II. Information Privacy

The requirements contained in *Information Privacy and Security Agreement (IPSA)* that has been separately executed by COUNTY and the Minnesota Department of Human Services (DHS), and any successor agreement thereto, are hereby incorporate into this Cooperative Arrangement. The IPSA, together with the provisions below, govern the parties access, use, and disclosure of protected information (as defined in the IPSA) administration of the parties' administration of relating to the Title IV-D of the Social Security Act.

- A. Confidentiality. The information exchanged under this Cooperative Arrangement shall not be disclosed to individuals or agencies other than as provided in 45 Code of Federal Regulations, section 202.50, 45 Code of Federal Regulations, section 303.21, and as provided by the laws of the State of Minnesota. Information exchanged under this Cooperative Arrangement will only be used to promote or support the administration of programs authorized to share information under Title IV-D of the Social Security Act.
- B. Data Privacy. For purposes of executing its responsibilities and to the extent set forth in this Cooperative Arrangement, all of the parties to this Cooperative Arrangement shall be part of the "welfare system," as defined in Minnesota Statutes, section 13.46, subdivision 1. To the extent permissible by law, each party's employees and agents will have access to private or confidential data maintained by the other parties to the extent necessary to carry out COUNTY's responsibilities under this Cooperative Arrangement.
- C. Duty to ensure proper handling of protected information: The COUNTY shall be responsible for training its employees (including employees of the County Human

Services Agency, County Attorney's Office, and Sheriff's Department) who are authorized to access and use protected information collected under the terms and for the purposes specified in this Cooperative Arrangement. This responsibility includes ensuring that staff are properly trained and comply with the following:

1. The Minnesota Government Data Practices Act (MGDPA), Minnesota Statutes Chapter 13, in particular, section 13.46 (welfare data);
2. Security and Confidentiality of Department of Public Safety Driver and Vehicle Service (DVS) data;
3. Internal Revenue Service (IRS) procedures and safeguards for the confidentiality and security of IRS sourced data under 26 United States Code, sections 6103 and 7213, and the penalties for misuse of IRS sourced data, under 26 United States Code, sections 7213 and 7431, and 26 Code of Federal Regulations, section 301.6103(n)-1,
4. Federal Parent Locator Service and Child Support Program information privacy and safeguards, including information derived from the National Directory of New Hires, the Debtor File, and the Federal Case Registry, and the Federal Privacy Act; and
5. Any other applicable state and federal statutes, rules, regulations, and agreements affecting the collection, storage, use and dissemination of private or confidential information.

D. Minimum necessary access to protected information: The parties shall comply with the "minimum necessary" access and disclosure standards set forth in the MGDPA. The accessing, use, and disclosure of protected information is limited to "that necessary for the administration and management of programs specifically authorized by the legislature or local governing body or mandated by the federal government." Minnesota Statutes, §13.05, subd. 3.

E. Each party shall:

1. Maintain appropriate safeguards to prevent inappropriate access, use, or disclosure of protected information by its employees other than as provided for by this Cooperative Arrangement or as otherwise required by law;
2. Immediately report any inappropriate access, use, disclosure, or unauthorized access to protected information not authorized by this Cooperative Arrangement of which it becomes aware;
3. Ensure that any agents (including subcontractors), analysts, and others to whom it provides private or confidential data, agree to be bound by the same restrictions, conditions, and training that apply to it with respect to such information;
4. At termination of this Cooperative Arrangement, extend the protections of this Cooperative Arrangement to protected information collected during the course of this Cooperative Arrangement.

F. Family Violence Indicator

Pursuant to Minnesota Statutes, section 257.70 and federal law, the COUNTY and the parties to this Cooperative Arrangement may not release information about the whereabouts of a person, if it has knowledge that a protective order with respect to the other party has been entered, or if the COUNTY has reason to believe that releasing the information might result in physical or emotional harm to the person about whom the information is sought. Child support workers are required to safeguard the privacy of said individuals by entering a safety concern indicator in PRISM.

Protected information, which includes information stored in or accessed from the PRISM system, includes information about all case participants, including persons with privacy protection. The COUNTY and the parties to this Cooperative Arrangement will explain the sensitive nature of the safety concern indicator to all personnel with access to case information and will comply with safeguards to protect the privacy of all parties, including individuals protected with a privacy protection indicator.

Information about protected individuals may not be published, used, transmitted, or otherwise shared, without first removing all information about location, employment or other information identifying the whereabouts of the protected individual.

G. Maintaining the Security of Protected Information Stored in or Accessed from the PRISM System

Protected information shall be stored in a place physically secure from access by unauthorized persons in conformance with the Department of Human Services (DHS), Child Support Division manuals and instructions regarding computer security. The manual is found in the CSD User Documentation, and County Security Officers and local agencies can access the manual on DHS-SIR at <https://www.dhssir.cty.dhs.state.mn.us/PRISM>.

The COUNTY and the parties to this Cooperative Arrangement shall require that all personnel with access to protected information will adhere to the policies and procedures of CSD and state statutes regarding confidentiality and computer access that are referenced in the CSD User Documentation. The CSD Division Director or designee may review each staff person's access to protected information to ensure that the level of access is consistent with their job duties.

H. Hold Harmless for data practices violations. The Parties are responsible for their own acts or omissions while performing the services described in this Cooperative Agreement.

III. PROVISION OF LEGAL SERVICES

A. Duties of the COUNTY: The COUNTY shall:

1. Refer appropriate cases to the County Attorney as provided for in federal

regulations and state law and policy.

2. Supply the County Attorney with appropriate information as provided for and defined in the federal regulations, the IV-D Program, the State Plan for Support Collection and Establishment of Paternity under Title IV-D of the Social Security Act, and state policy in accordance with the Minnesota Department of Human Services Child Support Division Program Manual (DHS eMILO and SIR MILO) and other program instructions DHS may release from time to time.
3. Assist the County Attorney and the Courts in carrying out programs for establishing paternity and securing support for children from legally liable persons.
4. Notify the County Attorney about failures to comply with court-ordered child support and maintenance whenever legal action appears necessary.
5. Consult with the County Attorney about any issues of law that may arise should the COUNTY need legal advice or counsel.
6. Assist in the service of process when the opportunity occurs to serve process before referral to the County Sheriff or other contracted process server.
7. Reimburse the County Attorney for providing services as specified in this Arrangement to the extent these services are federally required activities and services as provided in federal regulation and the IV-D Program.
8. Take any actions necessary to assist the County Attorney in meeting the federally mandated performance standards as set forth below.

B. Duties of the County Attorney. The County Attorney shall:

1. Take appropriate legal action, including making court appearances, to carry out the IV-D Program. The County Attorney agrees that the functions performed and services provided shall be performed in accordance with Title IV-D of the Social Security Act and all applicable federal laws, regulations, action transmittals, and other directives, instructions, and requirements of the United States Department of Health and Human Services, Office of Child Support Enforcement, including but not limited to, applicable federal and state information privacy laws. All parties will comply with other applicable state statutes governing the child support program; state child support procedures; and applicable Minnesota statutes. The County Attorney agrees that disagreements over policy and procedure shall be handled through the CARC via section I, paragraph H of this arrangement or through the procedures in sections 3.1.1 of the Cooperative Agreement between the STATE and the COUNTY.
2. Review evidence and determine the adequacy of the evidence for court action.

3. Act on behalf of another COUNTY or Tribal IV-D Program or County Human Services Department upon their mutual agreement or as provided by state law or policy.
4. Counsel and advise the COUNTY with regard to issues of law and procedure and act as legal advisor for the COUNTY pursuant to Minnesota Statutes, Chapter 388. The County Attorney will refrain from acting as counsel for or providing legal advice to applicants or recipients of IV-D services.
5. Inform the COUNTY of statutory and case law changes that may affect the COUNTY in any of its child support enforcement functions.
6. With the COUNTY, notify the CSD Division Director within 7 calendar days of any IV-D case that is appealed to the Minnesota Court of Appeals, the Minnesota Supreme Court, or federal court by either one of the parties or the COUNTY. The STATE will review the appeal and consult with the COUNTY Attorney and the Office of the Attorney General as necessary.
7. In coordination with the COUNTY, report to the CSD Division Director within 7 calendar days of becoming aware of any child support judgments that call into question the constitutionality or enforceability of child support statutes or program instructions.
8. Retain records and make reports to the COUNTY, DHS, the court and law enforcement agencies as required by federal regulations and state policies for the effective and efficient administration of the IV-D Program.
9. Fully cooperate with the COUNTY and DHS with respect to the monitoring and evaluating activities pertaining to this Cooperative Arrangement.
10. Dedicate the necessary staff and equipment necessary to meet the performance standards set forth below.
11. Determine whether handling any particular case would constitute a conflict of interest or otherwise be professionally improper. If so, the County Attorney may select another attorney to handle the case at the same compensation rate as provided in this Cooperative Arrangement. The County Attorney shall require and ensure that the other attorney complies with the terms and conditions of this agreement.
12. Sign off, along with the COUNTY, on any corrective action plans developed as a result of deficiencies noted during a county review.
13. Prepare pleadings, including summons, petitions, orders to show cause, motions, and other necessary legal documents. Utilize relevant PRISM documents as consistent with eFiling and eService requirements. Draft interim orders. Prepare court orders, temporary orders, and judgments as necessary.
14. Cooperate with county, tribal, and state-operated economic support

agencies, and all other agencies managing or operating federal or state programs, in administering the requirements of the IV-D Program.

15. Attend, if available, relevant training sessions provided by the COUNTY or the STATE.
16. Meet with the COUNTY Child Support Director as requested regarding policy and procedural issues.

C. County Attorney Performance Standards. The County Attorney shall:

1. In recognition of the Family Support Act of 1988, Public Law 100-485, and the requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, the COUNTY and County Attorney will collaborate to meet the federally determined time limits for services as set forth by federal law and in accordance with Minnesota law, regulations, and policy. The federal time limits (including, but not limited to, those found at 45 Code of Federal Regulations, sections 303.2 through 303.11, 303.30 through 303.31, 303.72, 303.100 through 303.102, 305.20, 42 United States Code, section 453A, and 42 United States Code, section 466(a)(10)) will be the primary standard against which performance under this Cooperative Arrangement will be measured.
2. Promptly notify the COUNTY of any actions that the COUNTY must take in order for the County Attorney to meet these performance standards.
3. Communicate with the COUNTY concerning child support cases prior to hearings;
4. Communicate, to the extent practicable, with opposing counsel prior to hearings;
5. Reserve, to the extent that it is within the County Attorney's control, the necessary time and resources necessary to effectuate the timely resolution of child support legal issues;
6. Meet all timeframes for taking legal actions and establishing and enforcing orders as set forth in the federal regulations and state policies, recognizing exigent circumstance..
7. Cooperate with the COUNTY to meet federal timeframes for IV-D Program services:
 - i. Within 90 calendar days of locating the alleged father or noncustodial parent, establish paternity and establish an order for support or complete service of process necessary to commence proceedings.
 - ii. For cases in which service of process is necessary, establish paternity and establish an order for support:

- Within six months in 75% of the cases, and
 - within twelve months in 90% of the cases.
- iii. From the date of service of process:
- Within 180 calendar days of receiving a request for review or locating the non-requesting parent, review and adjust the order or determine that the order should not be adjusted.
8. Comply with the Civil Rights Compliance standards for agencies that deliver services under Cooperative Arrangement with or sub-contracts/Cooperative Agreements with the Department of Human Services.
- D. Reimbursement. Reimbursement to the County Attorney shall be for the actual cost of providing services to the COUNTY incurred by the County Attorney's office. Payments claimed and paid shall be consistent with the requirements and prohibitions set out in Minnesota Statutes, Chapter 388.

The County Attorney is responsible for assuring that the expenses claimed are in accordance with the federal regulations for claiming Federal Financial Participation (FFP) reimbursement for activities in the child support enforcement program. Reimbursement is limited to reimbursement for activities and services that are required or allowed by law.

1. County Attorney Time: The County Attorney must track and account for attorney time expended on IV-D cases. If the IV-D program dedicates staff at 100% to eligible IV-D activities under Federal Regulations, the County Attorney may seek reimbursement for 100% of eligible staff time. For attorneys and staff that work on eligible IV-D cases less than 100% of the time, the attorney and staff time may be accounted for in one of two ways:
- i. *Hourly Cost Method*. The County Attorney may track County Attorney and support staff time on an hourly basis; OR
- ii. *Time Study/Salary Method*. The County Attorney may use a periodic time study to determine the proportion of time the County Attorney staff spends on IV-D Program activity versus all other activity. The office must regularly complete time studies. The study will be completed as follows:
- a. All County Attorney staff providing IV-D Program services will complete a week-long time study each month. The study will record time spent on IV-D Program activity.
 - b. The results of each study will determine that percentage of time spent per staff person for IV-D Program services in relation to that person's total hours worked per month.
 - c. Reimbursement will be determined by applying the percentage of time determined to have been used for IV-D Program activity for an individual staff member to that individual's direct salary and benefits costs.

2. County Attorney Costs: The County Attorney must track and account for costs expended on IV-D cases. Direct costs must be accounted and claimed. Indirect costs may be claimed in accordance with Federal Regulations, 22 Code of Federal Regulations, section 225, and OMB circular A-87, but the County Attorney, in cooperation with the COUNTY, must ensure that indirect costs are not double counted (i.e. claimed by both the COUNTY and County Attorney).
3. Reimbursement Estimate: The cost of providing eligible IV-D cases services to the COUNTY in the fiscal year proceeding this contract was: \$11,774(7/14-6/15). Attached is documentation of how this cost was calculated.

The estimated cost for the applicable fiscal years of this contract, years 2016 & 2017, is 15,000 and 15,000 respectively. If the estimated costs in the contract years exceeded the actual cost in the preceding fiscal year by more than 3%, a document is attached explaining the reason and method of calculating the prospective increase.

The parties realize that the actual costs incurred and claimed by the County Attorney may exceed or stay below the estimated costs due to exigent circumstances.

E. Reimbursement Terms:

1. The County Attorney will submit monthly statements to the COUNTY for all reimbursements requested for the services provided in this Cooperative Arrangement.
2. Upon receipt, the COUNTY shall make payment in its usual and customary manner.
3. If the COUNTY determines that the County Attorney is not meeting the terms of this Cooperative Arrangement in any way, the payment to the County Attorney will not be made until it is determined by the COUNTY that the deficiency has been corrected. These deficiencies may include failure to perform (without good cause) within the parameters of the performance standards set forth in Section 111.C., delinquent or incorrect submission of required reports, violation of federal or state law, or repeated failure to perform (without good cause) within the parameters of the performance standards and other specified requirements of this Cooperative Arrangement.

IV. **PROVISION OF SERVICES BY THE COUNTY SHERIFF**

A. Duties of the COUNTY. The COUNTY shall:

1. Supply appropriate information as provided for and defined in federal regulations and state law and policy.

2. Reimburse the County Sheriff for the provision of services as specified in this Cooperative Arrangement to the extent that those services are federally required activities and services as provided in the federal regulations and the IV-D Program.

B. Duties of the County Sheriff. The Sheriff shall:

1. Process Service:

- a. Upon request, provide services to the COUNTY by performing service of process in Title IV-D cases, including, but not limited to, the service of summons, complaints, orders to show cause, motions, court orders, subpoenas, warrants, and writs of attachment.
- b. Make diligent attempts to serve legal papers on IV-D participants believed to be residing in the county.
- c. Document all service of process and attempted service of process by providing a proof of (attempted) service in the form of a server's affidavit or certificate of service. The affidavit or certificate must state the date, time and place of service, whether the respondent was personally served. For serving a summons, the server must also endorse the summons and indicate thereon the time and date, the place and manner of service, and upon whom service was made.

2. Execution of Warrants

- a. Check the records for outstanding child support warrants, whenever civil papers are served on any person or an arrest is made for any reason.
- b. With due diligence, execute bench warrants, and orders for arrest or commitment in IV-D cases. If there are questions about the validity of said orders or the identity of the party, contact the COUNTY immediately.
- c. Return all withdrawn IV-D warrants to the COUNTY.

3. Locate Services: Respond to COUNTY requests for location information by accessing available resources such as, Crime Information Bureau and out of county and out of state law enforcement agents.

4. Security Services

- a. To provide a bailiff to be present at IV-D hearings as requested by the COUNTY, the County Attorney, or as ordered or directed by the court.
- b. Upon request, provide special security service to the COUNTY and

to the courts.

- c. Escort respondents who are in custody to hearings scheduled by the COUNTY and arrange for transportation of persons arrested in other counties.

5. Other Services

- a. Provide daily jail and Huber (work release) rosters, and upon request, provide information to COUNTY about inmates' dates of incarceration, employment status, address information and any other relevant information.
- b. Upon request, meet with the COUNTY Child Support Director regarding policy and procedural issues.
- c. Ensure equal opportunity and equal access in service delivery – this includes the use of interpreters or procedures for acquiring translation and interpretation services when needed and the provision of reasonable accommodations or aids for people with disabilities.

C. County Sheriff's Department Standards of Performance

1. Process Service

- a. Execute due diligence by making at least three attempts to serve the respondent at each possible location furnished by the COUNTY. The Sheriff may make fewer than three service attempts at a particular location, if, after attempting service, it is determined that further attempts at that particular location would be futile.
- b. Effectuate service of process to meet due process requirements as set forth under Minnesota statutes.

2. Execution of Warrants

- a. With due diligence, execute bench warrants and arrest/commitment orders in IV-D cases.
- b. If there are questions about the validity of any warrant or the identity of the party, contact the COUNTY within 10 days.
- c. Return all withdrawn IV-D warrants to the COUNTY within 10 days of withdrawal.

3. Locate Services

- a. Respond to COUNTY requests for location information by accessing available resources such as National Crime Information Center (NCIC) and the Bureau of Criminal Apprehension (BCA) and other automated

resources with due diligence.

4. Security Services
 - a. With advanced notice, provide special security service to the COUNTY and to the courts.
5. Other Services
 - a. On a daily basis, provide daily jail and Huber rosters, and upon request, provide information to COUNTY about inmates' dates of incarceration, employment status, address information and any other relevant information.
 - b. Meet with the COUNTY Child Support Director as requested, regarding policy and procedural issues.
 - c. Cooperate with the COUNTY to meet federal timelines for IV-D services:
 - d. Within 75 days of determining that location is necessary, access appropriate locate sources.
 - e. If service of process is necessary, service must be completed or unsuccessful attempts must be documented within 60 calendar days of identifying a delinquency, or of locating the noncustodial parent, if location is necessary.
 - f. Comply with the Civil Rights Compliance standards for agencies that deliver services under Cooperative Agreement with the State of Minnesota Department of Human Services.

D. Reimbursement.

1. The County Sheriff will be reimbursed for the actual cost of providing services to the COUNTY incurred by the County Sheriff's office. Payments claimed shall be consistent with the requirements and prohibitions set out in Minnesota Statutes, Chapter 387.

The County Sheriff is responsible for assuring that the expenses claimed are in accordance with the federal regulations for claiming Federal Financial Participation (FFP) reimbursement for activities in the child support enforcement program.

2. Reimbursement Estimate: The cost of providing eligible IV-D services to the COUNTY in the fiscal year proceeding this contract was: \$592 (7/14-6/15). Attached is documentation of how this cost was calculated.

The estimated cost for the applicable fiscal years of this contract, years 2016 & 2017, is 1,500 and 1,500 respectively. If the estimated costs in the contract years exceeded the actual cost in the preceding

fiscal year by more than 3%, a document is attached explaining the reason and method of calculating the prospective increase.

The parties realize that the actual costs incurred and claimed by the County Sheriff may exceed or stay below the estimated costs due to exigent circumstances.

E. Reimbursement Terms:

1. The County Sheriff will submit monthly statements to the COUNTY for all reimbursements requested for the services provided in this Cooperative Arrangement.
2. Upon receipt, the COUNTY shall make payment in its usual and customary manner.
3. The County Sheriff is responsible for assuring that the expenses claimed are in accordance with the federal regulations for claiming FFP reimbursement for activities in the child support enforcement program. Reimbursement is limited to reimbursement for activities and services that are required or allowed by law.
4. If the COUNTY determines that the County Sheriff is not meeting the terms of this Cooperative Arrangement in any way, the payment to the County Sheriff will not be made until it is determined by the COUNTY that the deficiency has been corrected. These deficiencies may include failure to perform (without good cause) within the parameters of the performance standards set forth in Section IV.C., delinquent or incorrect submission of required reports, violation of federal or state law, or repeated failure to perform (without good cause) within the parameters of the performance standards and other specified requirements of this Cooperative Arrangement.

V. **CERTIFICATION REGARDING DEBARMENT AND SUSPENSION**

Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion. Federal money will be used or may potentially be used to pay for all or part of the work under the contract, therefore the prospective lower tier participants (County Attorney and County Sheriff) must certify the following, as required by the regulations implementing Executive Order 12549:

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

Instructions for Certification:

1. By signing and submitting this Cooperative Arrangement, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective

lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

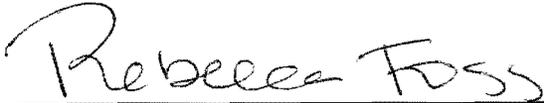
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverages sections of rules implementing Executive Order 12549 (Debarment and Suspension). You may contact the person to which this Cooperative Arrangement is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this response that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 Code of Federal Regulations, part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under title 48 of the Code of Federal Regulations, part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph five of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under Title 48 of the Code of Federal Regulations, part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

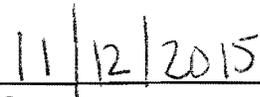
1. The prospective lower tier participant certifies, by submission of this Cooperative Arrangement, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this Cooperative Arrangement.

THE PARTIES HEREIN, HAVING APPROVED AND SIGNED THIS COOPERATIVE ARRANGEMENT, AGREE TO BE BOUND TO THE PROVISIONS SET FORTH IN THIS COOPERATIVE ARRANGEMENT.

Parties:



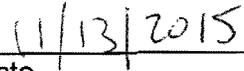
COUNTY



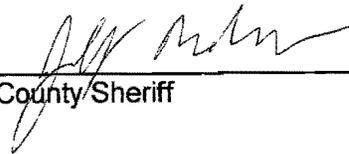
Date



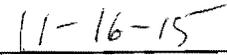
County Attorney



Date



County Sheriff



Date

Approved By:

Director, MN Child Support Division

Date

Budget

ATTACHMENT B
BUDGET WORKSHEET

IV-D PROGRAM BUDGET				
COUNTY:				
CY: 20__ 16				
I. PERSONNEL				
ITEM	DESCRIPTION	ANNUAL BUDGET SALARY & FRINGE	FULL-TIME EQUIVALENT	IV-D ALLOWABLE COSTS
a. SALARY & FRINGE			11	711,066
b.		SALARY & FRINGE TOTAL		711,066
II. SERVICES AND CHARGES				
ITEM	COOPERATING AGENCY / DESCRIPTION	ANNUAL BUDGET	IV-D PERCENTAGE	IV-D ALLOWABLE COSTS
a. COOPERATIVE ARRANGEMENT—COUNTY ATTORNEY	COUNTY ATTORNEY / ATTORNEY		100	15,000
b. COOPERATIVE ARRANGEMENT—COUNTY SHERIFF	COUNTY SHERIFF / SHERIFF		100	1,500
c. PATERNITY EXPENDITURES			100	3,050
d. OTHER ELIGIBLE SERVICES AND CHARGES			100	58,117
e.		SERVICES AND CHARGES TOTAL		77,667
III. DIRECT COSTS				
ITEM	DESCRIPTION	ANNUAL BUDGET	IV-D PERCENTAGE	IV-D ALLOWABLE COSTS
a. SUPPLIES & MATERIALS			100	9,000
b. CAPITAL OUTLAY				
c. OTHER EXPENDITURES				
d.		DIRECT COSTS TOTAL		9,000
IV. INDIRECT COSTS				
ITEM	DESCRIPTION	ANNUAL BUDGET	IV-D PERCENTAGE	IV-D ALLOWABLE COSTS
a. HUMAN SERVICES ALL OCATED ADMINISTRATION				
b. HUMAN SERVICES COUNTYWIDE ADMINISTRATION				
c.		INDIRECT COSTS TOTAL		
V. IV-D PROGRAM BUDGET TOTAL				
a.		IV-D ALLOWABLE COSTS TOTAL		797,733

ATTACHMENT B
BUDGET WORKSHEET

IV-D PROGRAM BUDGET					
COUNTY:					
CY: 20__17					
I. PERSONNEL					
ITEM	DESCRIPTION	ANNUAL BUDGET: SALARY & FRINGE	FULL-TIME EQUIVALENT	IV-D ALLOWABLE COSTS	
a. SALARY & FRINGE			11	732,398	
b.	SALARY & FRINGE TOTAL			732,398	
II. SERVICES AND CHARGES					
ITEM	COOPERATING AGENCY / DESCRIPTION	ANNUAL BUDGET	IV-D PERCENTAGE	IV-D ALLOWABLE COSTS	
a. COOPERATIVE ARRANGEMENT—COUNTY ATTORNEY	COUNTY ATTORNEY / ATTORNEY		100	15,000	
b. COOPERATIVE ARRANGEMENT—COUNTY SHERIFF	COUNTY SHERIFF / SHERIFF		100	1,500	
c. PATERNITY EXPENDITURES			100	3,050	
d. OTHER ELIGIBLE SERVICES AND CHARGES			100	98,117	
e.	SERVICES AND CHARGES TOTAL			77,667	
III. DIRECT COSTS					
ITEM	DESCRIPTION	ANNUAL BUDGET	IV-D PERCENTAGE	IV-D ALLOWABLE COSTS	
a. SUPPLIES & MATERIALS			100	11,000	
b. CAPITAL OUTLAY					
c. OTHER EXPENDITURES					
d.	DIRECT COSTS TOTAL			11,000	
IV. INDIRECT COSTS					
ITEM	DESCRIPTION	ANNUAL BUDGET	IV-D PERCENTAGE	IV-D ALLOWABLE COSTS	
a. HUMAN SERVICES ALLOCATED ADMINISTRATION					
b. HUMAN SERVICES COUNTYWIDE ADMINISTRATION					
c.	INDIRECT COSTS TOTAL				
V. IV-D PROGRAM BUDGET TOTAL					
a.	IV-D ALLOWABLE COSTS TOTAL			821,065	

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By _____
(Signature of Official Authorized to Sign Application)

Date: _____

For: Pine County
Name of Provider

Child Support
Title of Program

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion. Federal money will be used or may potentially be used to pay for all or part of the work under the contract, therefore the prospective lower tier participant (subcontractor) must certify the following, as required by the regulations implementing Executive Order 12549.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverages sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this response that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 Code of Federal Regulations, part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 Code of Federal Regulations, part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.



AGENDA REQUEST FORM

Date of Meeting: 1/5/2016

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

Agenda Item: Approve and sign the Health Partners Provider Agreement

Department: HHS

Rebecca Foss
Department Head signature

Background information on Item:

As part of the reprocurement process, Health Partners and Blue Plus were chosen by DHS to be Pine County's Prepaid Medical Assistance Programs (PMAPs) and Managed Care Organizations for MN Care. Over 4,000 individuals in Pine County will need to change their current health plan to either Blue Plus or Health Partners. In both the children's and adult social services unit, mental health targeted case management is a reimbursable activity. In order to continue to receive reimbursement for mental health targeted case management activities, the participating provider agreement needs to be signed. HHS is requesting that the County Board Chairperson sign and date the agreement with Health Partners and also sign the necessary attachments.

Action Requested:

Authorize the Board Chairperson to sign and date the Health Partners Participating Provider Agreement.

Financial Impact:

If the provider agreement is signed, HHS can continue to bill medical plans for reimbursable case management activities.

HEALTHPARTNERS
PARTICIPATING PROVIDER AGREEMENT

THIS AGREEMENT is made effective January 1, 2016 (“Effective Date”), by and between **HEALTHPARTNERS, INC.** (“HPI”), and **PINE COUNTY HEALTH AND HUMAN SERVICES** (“PROVIDER”).

RECITALS:

- A. HPI is a duly licensed health maintenance organization which arranges for the provision of health care services to Members. HPI desires to engage PROVIDER for the provision of health care services to such Members.
- B. PROVIDER is a duly licensed entity composed of appropriately licensed, registered, certified, accredited or otherwise duly authorized health care professionals. PROVIDER desires to provide certain health care services to Members, pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

ARTICLE I
DEFINITIONS

The following definitions will apply to this Agreement and to all addenda, appendices, attachments and exhibits attached hereto:

Section 1.1. **“Affiliate”** means any entity or organization: (i) that has established one or more Plans (“Plan Sponsor”) and is self-insured for such Plans, and such Plan Sponsor has purchased a Product from HPI or a Related Organization in connection with such Plans; (ii) that has purchased a Product from HPI or a Related Organization in connection with one or more Plans established, underwritten, offered, administered, provided or sponsored by one or more Plan Sponsors; or (iii) that has purchased a Product from HPI or a Related Organization where HPI or the Related Organization provides and/or arranges for health care services and supplies and/or administrative services, and such entity or organization is not otherwise described in (i) or (ii) above. Notwithstanding the foregoing, “Affiliate” does not include an entity or organization that has purchased a commercial Product insured by HPI or a Related Organization, nor does it include the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services, the Department of Human Services of the State of Minnesota, or the U.S. Office of Personnel Management for the Federal Employees Health Benefits Program. If the entity or organization has purchased a commercial Product insured by HPI or a Related Organization and is also a Plan Sponsor who has purchased a Product with HPI or a Related Organization in connection with a self-insured Plan, then such entity or organization is considered an “Affiliate” under this Agreement with respect to such self-insured Plan only.

Section 1.2. **“Affiliate Member”** means a Member enrolled in a Plan that is either administered by an Affiliate, or insured or self-insured by an Affiliate.

Section 1.3. **“Allied Health Professional”** means a non-physician health care professional who is appropriately licensed, registered, certified, accredited or otherwise duly authorized in the state or states in which he or she practices, is an employee, independent contractor or

agent of PROVIDER and has been accepted by HPI in accordance with HPI credentialing standards.

- Section 1.4.** “**Assigned Member**” means an individual eligible and enrolled to receive Covered Services through a Product that (i) requires the individual to be assigned to a primary care clinic, and (ii) for certain services rendered outside of the care system, as defined by the HPI Administrative Program, requires that the individual have a recommendation for services to access health care services from PROVIDER.
- Section 1.5.** “**Certificate of Coverage**” means the document and any amendments thereto that is issued to Members and which describes the benefits and Covered Services to which the member is entitled under the applicable Product. The term "Certificate of Coverage" includes, without limitation, summary plan descriptions.
- Section 1.6.** “**Clean Claim**” means a claim that (i) satisfies all applicable rules and requirements related to claims set forth in the HPI Administrative Program (“Medical Claim Policies”) and (ii) meets all applicable state and federal laws and regulations as amended from time to time, including, without limitation, Minnesota Statutes §62Q.75 (the “Minnesota Prompt Pay Statute”).
- Section 1.7.** “**Covered Services**” means those health care services and supplies available under the applicable Plan, as described in the applicable Certificate of Coverage.
- Section 1.8.** “**Coinsurance**” means the percentage of the total contract rate for a Covered Service, less any applicable Deductible amount that the Member is responsible for under the Member’s Certificate of Coverage.
- Section 1.9.** “**Complaint**” means any grievance expressed by a Member regarding the provision of health care services, including, without limitation, grievances regarding the scope of coverage for health care services, retrospective denials or limitations of payment for services, eligibility issues, denials, cancellations, nonrenewals of coverage, administrative operations, and the quality, timeliness, and appropriateness of health care services rendered.
- Section 1.10.** “**Copayment**” means the flat dollar amount for a Covered Service that the Member is responsible for under the Member’s Certificate of Coverage.
- Section 1.11.** “**Deductible**” means the dollar amount for which a Member is responsible per calendar year before benefits become payable under the Member’s Certificate of Coverage.
- Section 1.12.** “**HPI Administrative Program**” means all administrative protocols, programs, policies and procedures developed, established and administered by HPI or another entity authorized by HPI, incorporated herein by reference, and as amended from time to time by HPI or such other authorized entity, and communicated, in writing or via electronic means, to PROVIDER or as made available to PROVIDER via electronic means. HPI shall communicate the HPI Administrative Program to PROVIDER in writing, via HPI’s website at www.healthpartners.com/hpiadministrative, or via other electronic means. Such administrative protocols, programs, policies and procedures may address or pertain to, without limitation, quality assurance, quality improvement, risk management, credentialing, re-credentialing, utilization management, pre-certification, notification, prior authorization, recommendation for services, secondary recommendation for

services, benefit review, concurrent review, medical care guidelines and protocols, quality review, discharge planning, medical case management and claims processing.

- Section 1.13.** **“Member”** means any person eligible and enrolled to receive Covered Services through a Product.
- Section 1.14.** **“Participating Allied Health Professional”** means any duly licensed Allied Health Professional that has in force an effect an agreement with HPI or a Related Organization, or on whose behalf an agreement with HPI or a Related Organization has been entered into, to provide or arrange for the provision of Covered Services.
- Section 1.15.** **“Participating Hospital”** means any hospital or other health care facility that has in force and effect an agreement with HPI or a Related Organization to provide or arrange for the provision of Covered Services to Members.
- Section 1.16.** **“Participating Physician”** means any duly licensed physician: (a) who is employed by HPI or a Related Organization; (b) who has entered into an agreement with HPI or a Related Organization to provide or arrange for the provision of Covered Services to Members or who otherwise is authorized under a Product sold or administered by HPI, a Related Organization or an Affiliate, to provide Covered Services to Members; or (c) who practices with an entity that has entered into an agreement described in (b) above or which is authorized under a Product as in (b) above.
- Section 1.17.** **“Participating Provider”** means any health care provider or health care facility, including, PROVIDER, Participating Physicians, Participating Allied Health Professional and Participating Hospitals, that have in force and effect an agreement with HPI or a Related Organization to provide or arrange for the provision of Covered Services.
- Section 1.18.** **“Physician”** means a physician who is appropriately licensed in the state or states in which he or she practices, is an employee, independent contractor or agent of PROVIDER and has been accepted by HPI in accordance with HPI credentialing standards.
- Section 1.19.** **“Plan”** means a plan or program to pay and/or arrange for health care services and supplies, as may be amended from time to time. This term will not include any Medicare Advantage Private Fee For Service plan (the "MA PFFS Plan").
- Section 1.20.** **“Product”** means any contract where HPI or a Related Organization agrees to pay and/or arrange for health care services and supplies and/or provide administrative services including, without limitation, contracts involving governmental Plans, with the exception of any product governed by a contract between CMS and HealthPartners or its Related Organization for a Medicare Advantage Private Fee For Service product (the "MA PFFS Product"), as may be amended from time to time.
- Section 1.21.** **“Related Organization”** means:
- (a) any organization now or hereafter formed: 1) which is controlled by HPI; 2) which controls HPI; 3) which is controlled by another organization that also controls HPI; 4) a majority of the board of directors of which consists of persons who are simultaneously directors of HPI; 5) the directors of which constitute a majority of the directors of HPI; or 6) which is controlled by any organization described in this subsection; or

- (b) any association, joint venture or contractual arrangement entered into by any organization described in subsection (a) above, in which said organization can be said to control or have equal right to control the association, joint venture, or contractual arrangement.

For the purpose of this provision, "control" means the authority to elect, appoint, confirm, or remove fifty percent (50%) or more of the board of directors (or other governing body) of the organization, association, joint venture or contractual arrangement.

Section 1.22. **“Self Accessing Member”** means an individual eligible and enrolled to receive Covered Services through a Product that does not require the individual to have a recommendation for services to access health care services from PROVIDER.

ARTICLE II **PROVIDER SERVICES**

Section 2.1 **Authority to Bind Physicians and Allied Health Professionals.** PROVIDER represents and warrants that PROVIDER is legally authorized to negotiate on behalf of and to bind Participating Providers to abide by the terms and conditions of this Agreement, as amended from time to time. Notwithstanding any contrary interpretation of this Agreement or any contracts between PROVIDER and Participating Providers, PROVIDER acknowledges and agrees that all provisions of this Agreement applicable to PROVIDER shall apply with equal force and effect to Participating Providers, unless clearly only applicable to PROVIDER. PROVIDER agrees that it is PROVIDER’S responsibility to ensure that the obligations of Participating Providers under this Agreement are fully satisfied, and PROVIDER shall take all steps necessary to cause Participating Providers to comply with and perform the terms and conditions of this Agreement. In addition, PROVIDER shall be bound, and Participating Providers shall be bound, by all applicable terms and conditions of Products and Certificates of Coverage, which HPI will provide to PROVIDER in writing or otherwise make available to PROVIDER. PROVIDER agrees, and shall require Participating Providers to agree, that in the event of any inconsistency between this Agreement and any contract entered into between PROVIDER and Participating Providers, the terms of this Agreement shall control. Upon request by HPI, PROVIDER shall provide HPI with copies of PROVIDER’S contracts with Participating Providers.

Section 2.2 **Provision of Services.**

- (a) **Provision of Covered Services.** PROVIDER will, and will cause each Participating Provider to, provide Covered Services to Members consistent with the terms and conditions of the applicable Certificate of Coverage, this Agreement and applicable state and federal laws and regulations. PROVIDER will make available to Members all health care services that it makes available to the general public; provided, however, PROVIDER will not be obligated to provide any type or kind of Covered Services to a Member that it does not normally provide to others or which PROVIDER is not authorized by law to provide. All Covered Services provided hereunder will be provided in the same manner, in accordance with the same standards, and with at least the same level of quality, completeness, promptness and courtesy as services and care provided by PROVIDER to patients who are not Members.

- (b) Standard. PROVIDER further will, and will cause each Participating Provider to, provide such Covered Services in accordance with the standard of practice in the community in which PROVIDER renders Covered Services and in a manner so as to assure quality of care and treatment.
- (c) Change to Practice. PROVIDER will not make any changes to its present medical staff, administrative staff, organization or facilities that would render the PROVIDER incapable of carrying out its obligations under the terms of this Agreement. PROVIDER will immediately notify HPI of any anticipated or actual change in its capabilities that would diminish its ability to carry out its obligations under the terms of this Agreement.

Section 2.3 Sites. PROVIDER will notify HPI not less than sixty (60) days prior to adding a new location or prior to any changes to existing locations. HPI will have the right to refuse to include such new location or any change to existing locations subject to this Agreement by providing written notice to PROVIDER within sixty (60) days of receiving such notice.

Section 2.4 Provider Liaison. PROVIDER will designate a qualified Physician, or, in the absence of a Physician, an Allied Health Professional, to serve as PROVIDER's Liaison. PROVIDER will maintain an effective PROVIDER Liaison function, as evidenced by a commitment of the time necessary to perform the duties in a manner mutually satisfactory to PROVIDER and HPI. PROVIDER's Liaison will: (i) serve as the liaison between PROVIDER and HPI on all clinical and care management issues; (ii) ensure participation and cooperation in activities as referenced in Sections 2.6 (Credentialing; Recredentialing), 3.1 (Quality Improvement) and 3.2 (Utilization Management); and (iii) discharge other duties mutually agreed upon by PROVIDER and HPI.

Section 2.5 Provider Qualifications. PROVIDER will be, and will require all Participating Providers to remain during the term of this Agreement, licensed, registered, certified, accredited or otherwise duly authorized to practice and/or provide services in the state or states in which the PROVIDER practices and/or provides services. PROVIDER will notify HPI in writing within ten (10) days of: (i) any termination, restriction, suspension, revocation, stipulation, adverse limitation or other disciplinary action, corrective action plan or investigation regarding any Participating Provider's license, privileges, registration, certification, accreditation or other authorization; (ii) any other circumstance involving a Participating Providers required to be reported by the PROVIDER or its professional liability insurer to the National Practitioner Data Bank or any other reporting agency; or (iii) when a Participating Provider is no longer employed, contracted or otherwise affiliated with PROVIDER.

PROVIDER will ensure that each Participating Provider provides to Members only those Covered Services that are within his or her authorized scope of practice. No individual or entity, either employed by or otherwise associated, directly or indirectly, with the PROVIDER, will be involved or render health care services and/or supplies to Members without first being accepted by HPI in accordance with HPI credentialing standards, as applicable. PROVIDER will notify HPI of any material change to any information submitted by PROVIDER in connection with such credentialing (or re-credentialing) activities. PROVIDER represents and warrants that any such information will be true and correct at the time provided.

Upon request by HPI, PROVIDER will provide to HPI within ten (10) business days sufficient evidence, as determined by HPI, that each Participating Provider is in compliance with the requirements set forth in this Section 2.4. In the event HPI determines, in accordance with its credentialing standards, that an individual or entity employed by or otherwise associated with PROVIDER does not meet HPI credentialing standards including, without limitation, a Participating Provider who has previously been accepted by HPI but who subsequently fails to maintain satisfaction of HPI credentialing standards, HPI will notify PROVIDER, in writing, of such determination, and PROVIDER will ensure that such individual or entity does not render services to any Member. HPI will have the right, pursuant to Section 6.2(d) below, to terminate this Agreement in the event an unauthorized individual or entity renders services and/or supplies to a Member subsequent to such notification.

Notwithstanding anything in this Agreement to the contrary (including, without limitation, Section 4.6 below), PROVIDER will not be entitled to any payment under this Agreement for any services and/or supplies furnished by an individual or entity that does not currently satisfy HPI credentialing standards. Such services and/or supplies will be deemed a non-Covered Service. PROVIDER will be solely responsible for the costs of such non-Covered Services and will not bill HPI, its designee, or the Member; provided, however, that if all of the following requirements are satisfied, PROVIDER may bill the Member if: (i) the Member requests that the PROVIDER provide the non-Covered Service; (ii) PROVIDER notifies the Member immediately prior to providing the requested service or supply that the specific service or supply is a non-Covered Service and it is because the Participating Provider has not satisfied HPI credentialing standards; and (iii) subsequent to such notice, PROVIDER obtains written acknowledgment from the Member that such specifically identified service or supply is a non-Covered Service, that such service or supply will not be paid for under this Agreement, and that the Member will be liable for payment for such non-Covered Service.

Section 2.6 **Privileges.** PROVIDER will cause each Participating Provider to secure and maintain appropriate clinical privileges at one or more Participating Hospitals for the care of Members under this Agreement. If this Agreement or any of the Addenda attached hereto require that Covered Services be rendered in specific facilities, PROVIDER will cause the appropriate Participating Provider to secure appropriate clinical privileges in such facilities. Upon request by HPI, PROVIDER will provide HPI with a summary of each of the Participating Provider's health care facility clinical privileges. PROVIDER will notify HPI within ten (10) business days of any involuntary changes in any health care facility clinical privilege currently maintained or subsequently acquired by a Participating Provider after the Effective Date of this Agreement.

Section 2.7 **Credentialing; Recredentialing.** PROVIDER will participate in and comply with the credentialing and re-credentialing rules and requirements included in the HPI Administrative Program (the "HPI Credentialing Plan"). Pursuant to the HPI Credentialing Plan, PROVIDER will forward to HPI the professional resume of each Participating Provider, together with a completed Minnesota Uniform Credentialing Application and any additional information as HPI may request, including information related to credentialing and insurance. PROVIDER will notify HPI of any material change in such information submitted. PROVIDER represents and warrants such information is true and correct to the best of its knowledge.

Section 2.8 **Recommendation for Services.** PROVIDER will comply with all rules and requirements related to recommendations for services set forth in the HPI Administrative

Program including, without limitation, verifying with HPI the recommendation for services requirements for each Member.

- Section 2.9** **Facilities and Equipment.** PROVIDER will maintain its facilities and equipment in excellent working condition, and at all times will satisfy HPI standards, as defined in the HPI Administrative Program, as well as any applicable governmental standards.
- Section 2.10** **Management Responsibilities.** The operation and maintenance of the offices, facilities and equipment of PROVIDER will be solely and exclusively under the control and supervision of PROVIDER. HPI and its Affiliate will have no right of control over the selection of support staff, the supervision of personnel, or the financial operation of PROVIDER's practice. Nothing contained in this Agreement will be construed as giving HPI or any Affiliate any right to manage or conduct the operations of PROVIDER as manager, proprietor, lessor or otherwise.
- Section 2.11** **Laboratory and Radiological Tests.** PROVIDER will accept the results of qualified and timely laboratory and radiological tests or other procedures provided by HPI in connection with a recommendation for services authorized by HPI, and will not require or render duplicate tests or procedures except as medically necessary and appropriate.
- Section 2.12** **HPI Administrative Program.** PROVIDER shall cooperate and comply, and shall cause each Participating Provider to cooperate and comply with all rules and requirements of the HPI Administrative Program. PROVIDER shall be responsible for accessing the most current HPI Administrative Program rules and requirements via electronic connection at www.healthpartners.com/hpiadministrativeprogram. Upon request, HPI will provide the most current HPI Administrative Program to a PROVIDER without electronic connection capabilities. PROVIDER will also promptly provide to HPI such data as HPI may request in connection with the HPI Administrative Program, including, without limitation, an annual summary of PROVIDER quality assurance, quality improvement, and utilization management activities and credentialing and re-credentialing information.

ARTICLE III **CARE MANAGEMENT COOPERATION**

- Section 3.1** **Quality Improvement.** PROVIDER will participate in, and cooperate and assist with, quality management initiatives and data collection as defined in the HPI Administrative Program and as may be requested by HPI, an entity authorized by HPI or appropriate state or federal agencies. PROVIDER will provide HPI, such other authorized entity or appropriate state or federal agencies with all data that may be requested for said activities. Such data will be provided by PROVIDER at its sole expense and PROVIDER will not charge any Member for the cost of providing such data unless specifically authorized by law.

In addition, PROVIDER will establish and maintain a program of continuous quality improvement of clinical care that applies to Members to whom PROVIDER provides Covered Services pursuant to this Agreement. This program will use clinical practice guidelines that are developed by PROVIDER or obtained by PROVIDER from another source and formally approved by PROVIDER. These guidelines may be used together with methods of continuous quality improvement in cycles of planning, piloting, assessment and action which results in improved care provided for particular diseases or conditions. These improvement cycles may include measurement of health care

processes and their effects. The program will be supported by appropriate staff, including persons engaged in project management, facilitation of improvement processes, and measurement.

PROVIDER will develop and maintain a quality committee structure to implement and monitor its performance of and adherence to the quality assurance and quality improvement rules and requirements included in the HPI Administrative Program.

Upon request by HPI, PROVIDER will provide any related policies and procedures, as well as its peer review results related to care provided to Members and related information. HPI will maintain the confidentiality of any peer review results disclosed by PROVIDER to HPI in accordance with Section 9.2(f) below.

Upon request by HPI, PROVIDER will provide HPI with an annual report of its continuous quality management initiatives and results during the first quarter of the following year. This report will include, at HPI's option, a written or an oral report, or both, from PROVIDER.

The clinical practice guidelines and annual report requirements of this Section 3.1 may be met by participating in the Institute for Clinical Systems Improvement programs and upon request by reporting annually to HPI on PROVIDER's aims, actions, and results as a participant in such programs.

Section 3.2 **Utilization Management.** PROVIDER will participate in and comply with the utilization management rules and requirements included in the HPI Administrative Program ("Utilization Management Rules"). The Utilization Management Rules include, without limitation, prior authorization procedures, pre-certification programs, recommendation for services policies, benefit review procedures, concurrent review programs, medical care guidelines and protocols, discharge planning and medical case management policies and procedures, and the review and audit of PROVIDER's activities by HPI or an entity authorized by HPI to ensure compliance with such Utilization Management Rules. Notwithstanding the foregoing, nothing in this Section is intended nor will be construed as delegating to PROVIDER any of HPI's utilization management obligations required to be carried out by HPI under applicable law.

Section 3.3 **Member Medical Records and Other Records.** PROVIDER will obtain a signed, written consent, in accordance with applicable law, from each Member authorizing the release of patient information including, without limitation, demographic, medical and/or health care information, to HPI, its Related Organizations, Affiliates and their respective designees for purposes of treatment, payment, and health care operations including, without limitation, claims processing, reimbursement, utilization review, case management, disease management and/or quality review.

PROVIDER will maintain medical, financial and administrative records related to services provided to Members or any other PROVIDER obligations under this Agreement as required by applicable state or federal laws or regulations or as may be necessary to document care provided in the event of legal action. Upon request by HPI, PROVIDER will provide to HPI, its Related Organizations and/or its Affiliates and their respective designees, within seven (7) days of such request (or less if necessary to comply with laws pertaining to resolution of Member complaints), copies of such medical, financial and/or administrative records. PROVIDER's obligation to provide copies of records containing medical or other health care information that identifies a

Member will be subject to Member consent as outlined in the previous paragraph, to the extent such Member consent is required by applicable state or federal laws or regulations. Such records will be provided by PROVIDER at its sole expense and PROVIDER will not charge any Member for the cost of providing copies of such records, unless specifically authorized by law.

The provisions set forth in this Section 3.3 will survive any termination of this Agreement.

Section 3.4 **Member Complaints.** HPI directs Members to contact HPI if the Member has any grievance regarding the Member's care or service. Nevertheless, if a Member submits a Complaint to the PROVIDER, whether verbally or in writing, PROVIDER will immediately encourage the Member to contact HPI to resolve such Complaint. If a Member submits a Complaint, whether verbally or in writing, PROVIDER will investigate such Complaint and use its best efforts to resolve it in a fair and equitable manner. PROVIDER will notify HPI on a quarterly basis of all such Complaints, and such notification will be consistent in format and substance with complaint notification requirements set forth in the HPI Administrative Program to ensure compliance with applicable state and federal laws and regulations. PROVIDER will designate a person or persons who will be responsible for handling Complaints. PROVIDER will cooperate with HPI in resolving any Complaint submitted to PROVIDER by a Member, or any other grievance involving or impacting the PROVIDER and which is filed by a Member with HPI or a regulatory entity. The PROVIDER will be bound by resolution of such Complaints, as determined in accordance with the HPI Administrative Program and applicable state and federal laws and regulations.

Nothing in this Section is intended or will be construed as delegating to PROVIDER any of HPI's complaint resolution obligations required to be carried out by HPI under applicable state and federal laws and regulations.

Section 3.5 **Satisfaction Surveys.** From time to time, HPI will conduct and PROVIDER will participate in satisfaction surveys. PROVIDER may be requested to take any reasonable steps necessary to correct any deficiencies revealed by such surveys. HPI will allow PROVIDER an opportunity to review the results of the satisfaction survey specific to PROVIDER. If the level of satisfaction with PROVIDER, as measured by such surveys, deteriorates substantially or is substantially below the level of other providers affiliated with HPI, PROVIDER will, at the request of HPI and to HPI's satisfaction, promptly prepare and implement a corrective action plan. Upon request by HPI, PROVIDER also will conduct its own patient satisfaction surveys and provide HPI the opportunity to promptly review the results of such surveys.

Section 3.6 **Advertising and Promotion.** PROVIDER will cooperate with HPI in its marketing of Products. HPI, its Affiliates and/or Related Organizations may publish information regarding PROVIDER including, without limitation, PROVIDER's name, address and telephone number, specialty(ies), hospital affiliations, board certifications, languages spoken, as well as a description of its facilities, services and PROVIDER's inclusion in any preferred network, relative network data in HPI's, its Affiliates' or Related Organizations' Participating Provider directories and in other HPI, its Affiliates' or Related Organizations' brochures, publications, advertisements, promotions and other marketing materials (including, without limitation, advertising and promotion on the Internet and other paperless medium). PROVIDER and Participating Providers hereby authorize and consent to disclosure of PROVIDER's and Participating Providers'

National Provider Identifiers on HPI's website and in HPI's and Payors' or Related Organizations' Provider directories. PROVIDER may, with HPI's prior written consent, engage in marketing activities designed to promote PROVIDER as being a participating provider of HPI. Any materials PROVIDER uses in connection with its marketing activities related to the services rendered by PROVIDER under this Agreement shall be subject to prior approval by HPI.

All advertising, promotion, and marketing activities related to the services provided under this Agreement shall be done in accordance with all applicable state and federal laws and regulations.

- Section 3.7** **HPI Drug Formulary Compliance.** When clinically appropriate, PROVIDER will encourage its Participating Providers to adhere to HPI's drug formulary when writing prescriptions. If a drug is not included on the HPI drug formulary, PROVIDER may, on behalf of a Member, submit a request to HPI to obtain an exception to the drug formulary, in accordance with applicable policies and procedures included in the HPI Administrative Program.
- Section 3.8** **Member Communication.** Notwithstanding anything in this Agreement that could be interpreted as being to the contrary, HPI encourages and expects PROVIDER and all Participating Providers to communicate freely with Members regarding the treatment options available to them including, without limitation, alternative medications, regardless of benefit coverage.
- Section 3.9** **Designated and/or Preferred Network Initiatives.** HPI may at any time designate and assign preferred and/or designated networks of providers or facilities to which Participating Providers may direct Members for specified procedures and/or services. Such designated and/or preferred networks may or may not include PROVIDER. HPI may at any time and from time to time require prior authorization or prior notification for specified procedures and/or services performed within or outside of such designated and/or preferred networks. HPI will notify PROVIDER, in writing, of such specified procedures and/or services, any prior authorization or prior notification requirements, and the respective designated and/or preferred network. For such specified procedures and/or services, when clinically and geographically appropriate, PROVIDER will utilize the HPI designated and/or preferred networks.
- Section 3.10** **Patient Safety Program.** PROVIDER will develop and implement a patient safety program that establishes and monitors compliance with patient safety and medical error reduction policies and procedures that, at a minimum, are consistent with applicable industry standards. HPI also encourages PROVIDER to participate in local and national patient safety initiatives. Furthermore, PROVIDER will submit to HPI, upon request, documentation and/or performance improvement measurements related to PROVIDER's patient safety program.
- Section 3.11** **Notification to Members When Physician Terminates.** PROVIDER will notify Members when a Physician terminates his or her employment or other affiliation with PROVIDER for any reason whatsoever. Notice will be given to all Members affected by, and prior to the effective date of, such termination.
- Section 3.12** **Audit.** PROVIDER shall cooperate with the review and audit of PROVIDER's obligations under this Agreement by HPI or an entity authorized by HPI to ensure PROVIDER'S satisfaction of and compliance with state, federal, and HPI requirements

regarding such obligations. Within seven (7) business days following a written request by HPI, or sooner if required by state or federal law, PROVIDER shall provide access to HPI, a Related Organization, or Payor to PROVIDER's premises and financial, medical, and administrative records and policies relevant to the services provided under this Agreement, including, without limitation, any report PROVIDER is required to make to HPI under this Article III.

ARTICLE IV
COMPENSATION AND BILLING PROCEDURES

Section 4.1 Compensation for Authorized Covered Services.

- (a) HPI or its designee will pay, and PROVIDER will accept as payment in full for Covered Services rendered pursuant to this Agreement, the amounts set forth in the applicable Payment Addendum attached hereto, in accordance with the terms set forth therein, which Payment Addendum is incorporated into this Agreement by reference, and as may be amended from time to time.
- (b) Notwithstanding any term in this Agreement or in documents referenced in this Agreement to the contrary, the obligation to pay PROVIDER for Covered Services provided to an Affiliate Member is solely that of the Affiliate and neither HPI nor any Related Organization will be liable for such payment for Covered Services, even though HPI or a Related Organization may provide or arrange for administrative services including, without limitation, claims processing. HPI or a Related Organization will notify PROVIDER in writing if HPI or a Related Organization determines that an Affiliate has failed to maintain its responsibility to pay for services rendered. Any services which have been rendered by PROVIDER prior to and after such notification, and which were not paid for by the Affiliate, will be considered ineligible for reimbursement under this Agreement, and PROVIDER may bill the Affiliate Member directly for such services.

Section 4.2 Copayment, Coinsurance and/or Deductible Plans. It is understood and agreed that HPI, any Related Organization and any Affiliate may offer Products which require Member Copayment, Coinsurance and/or Deductibles. If a Member receives Covered Services from PROVIDER which are subject to a Copayment, Coinsurance and/or Deductible, PROVIDER's reimbursement for such services will be as follows:

- (a) The Copayment, Coinsurance or Deductible for said Covered Services, will be the Member's responsibility and will be billed or collected by PROVIDER. PROVIDER shall use commercially reasonable efforts to collect directly from the Members all applicable Copayments, Coinsurance, and Deductibles for Covered Services;
- (b) The total reimbursement amount for Covered Services which require Member Copayments, Coinsurance and/or Deductibles will be calculated pursuant to the terms specified in the applicable Addendum to this Agreement; and
- (c) The amount calculated under subsection (b) minus the Copayment, Coinsurance and/or Deductible will be the amount owed to PROVIDER by HPI or its designee.

Section 4.3 **Notification and Prior Authorization.** PROVIDER will comply with the HPI notification and prior authorization requirements set forth in the HPI Administrative Program. Services and/or supplies provided without the applicable notification and prior authorization requirements will be deemed a non-Covered Service or an unauthorized Covered Service, as applicable. The terms addressing reimbursement and PROVIDER's ability to bill the Member for such unauthorized Covered Services and non-Covered Services are set forth in Section 4.7 below.

Section 4.4 **Billing Procedures.**

- (a) PROVIDER will directly bill HPI or its designee (as specified by HPI) for Covered Services rendered in accordance with this Agreement. PROVIDER and HPI agree cooperatively to pursue technologies relating to the electronic exchange of billing, payment, and payment information, as well as other technologies or administrative procedures that enhance the uniformity and efficiency of information exchange between PROVIDER, HPI, its designees and its Affiliates.
- (b) HPI or its designee will issue payment to PROVIDER for a Clean Claim or provide notification that a Clean Claim has been denied, within the time period required under applicable law.
- (c) HPI or its designee may return claims to PROVIDER if HPI or the designee determines that the procedure and/or billing codes or other billing information is incorrect or missing, and PROVIDER will re-code, change, complete, or combine such codes as directed by HPI or its designee, in accordance with industry coding standards. HPI or its designee also may unilaterally change, combine or re-code procedure codes or other billing codes submitted by PROVIDER in accordance with industry coding standards, and will notify PROVIDER of any such change through HPI's or the designee's standard remittance advice.
- (d) Furthermore, as a condition of receiving payment under this Agreement for a Clean Claim, PROVIDER must submit the Clean Claim, other than claims pending for coordination of benefits, to HPI or its designee within one hundred eighty (180) days of the date of service ("Prompt Billing Period"), unless otherwise provided by MN Stat. Section 16A.124, subdivision 4a or federal law. PROVIDER may request that the Prompt Billing Period be extended to twelve (12) months in cases where PROVIDER has experienced a significant disruption to normal operations that materially affects the ability to conduct business in a normal manner and to submit bills on a timely basis, as determined and substantiated by PROVIDER. HPI will review and act upon any request by PROVIDER for an extension to the Prompt Billing Period within the same time frame as the Prompt Billing Period. Payment will not be made on claims submitted beyond the Prompt Billing Period except for claims requiring coordination of benefits, and, effective January 1, 2011, PROVIDER shall not collect the payment from the Member, HPI or its designee, or any other payer. Claims requiring coordination of benefits will be submitted within sixty (60) days of determination by the PROVIDER that the claim should be submitted for payment under this Agreement.

- (e) Notwithstanding any term in this Agreement or documents referenced in this Agreement to the contrary, if a Clean Claim is subject to Minnesota Statutes, Section 62Q.75, as amended from time to time (the "Prompt Pay Statute") and HPI or its designee fails to make timely payment for a Clean Claim or provide notice that a Clean Claim has been denied, as required under the Prompt Pay Statute, HPI's or the relevant Affiliate's liability for such failure will be limited solely to the interest payments set forth under the Prompt Pay Statute. HPI or its designee will pay such interest to PROVIDER on a quarterly basis.

Section 4.5 Processing of Claims Adjustments.

- (a) Effective January 1, 2011, all adjustment and recoupment requests for Clean Claims which have been previously paid, whether initiated by HPI or by PROVIDER, will be initiated with reasonable specificity, within twelve (12) months of the date of service in question. Such claims adjustments initiated by HPI or PROVIDER may include, without limitation, requests for return of overpayments or payment errors.
- (b) Notwithstanding the foregoing, Effective January 1, 2011, the twelve (12) months claims adjustment timeframe does not apply to: (1) Member related adjustments (including, but not limited to, retroactive terminations, (2) claims adjustments due to subrogation (3) claims adjustments due to claims subject to coordination of benefits (COB); (4) claims adjustments due to duplicate claims, and/or (5) claims adjustments due to fraud and abuse.
- (c) The provisions set forth in this Section 4.5 will survive any termination of this Agreement.

Section 4.6 Exclusive Payment (Non-Recourse).

- (a) PROVIDER agrees not to bill, charge, collect a deposit or upfront payment from, seek remuneration from, or have any recourse against a Member or persons acting on their behalf for services provided under this Agreement. This provision applies to but is not limited to the following events: (1) nonpayment by the health maintenance organization or (2) breach of this Agreement. This provision does not prohibit PROVIDER from collecting Copayments, Coinsurance, Deductibles, or fees for uncovered services.
- (b) This provision survives the termination of this Agreement for authorized services provided before this Agreement terminates, regardless of the reason for termination. This provision is for the benefit of the health maintenance organization Members. This provision does not apply to services provided after this Agreement terminates.
- (c) This provision does not prohibit PROVIDER from collecting Deductibles and Coinsurance from Members at or prior to the time of service. PROVIDER may not withhold a service to a Member based on the Member's failure to pay a Deductible or Coinsurance at or prior to the time of service. Overpayments by Members to PROVIDER must be returned to the Member by PROVIDER by check or electronic payment within thirty (30) days of the date in which the claim adjudication is received by PROVIDER.

- (d) This provision supersedes any contrary oral or written agreement existing now or entered into in the future between the PROVIDER and the Member or persons acting on their behalf regarding liability for payment for services provided under this Agreement.
- (e) If PROVIDER provides uncovered services (i.e., non-Covered Services) and seeks to bill the Member for such non-Covered Services under the terms of this Section 4.6, PROVIDER may do so, but only if the PROVIDER has obtained a written statement from the Member immediately prior to the service or, in case of any routine non-Covered services within the previous twelve (12) months from the date of service that acknowledges that the non-Covered Service will not be paid for under this Agreement, and that the Member will be liable for payment of such non-Covered Service.

Section 4.7 Failure to Obtain Appropriate Authorization/Recommendation for Services. Notwithstanding any term in this Agreement to the contrary (including, without limitation, Section 4.6 above):

- (a) PROVIDER will not be entitled to payment under this Agreement if: (i) PROVIDER's failure to obtain or verify HPI authorization of the service or supply (including, without limitation, failure to obtain prior authorization or notify HPI) results in the service or supply provided being a non-Covered Service; (ii) for any Covered Service provided, PROVIDER failed to notify HPI and/or obtain HPI authorization as required under the terms of this Agreement and/or the HPI Administrative Program (including, without limitation, unauthorized services contemplated under Section 4.3 above); (iii) PROVIDER failed to comply with the recommendation for services and secondary recommendation for services requirements for Assigned Members outlined in the HPI Administrative Program; or (iv) except in the case of an emergency, PROVIDER failed to notify HPI upon admitting a Member to a hospital, outpatient surgery center, skilled nursing facility, or other inpatient facility; and
- (b) in any circumstance set forth in subsections (a)(i), (a)(ii), (a)(iii) or (a)(iv) above, PROVIDER will be solely responsible for the costs of such non-Covered Service or unauthorized Covered Service and will not bill HPI, its designee or the Member; provided, however, that if all of the following requirements are satisfied, PROVIDER may bill the Member: (i) PROVIDER requested authorization from HPI, but HPI denied such authorization; (ii) the Member requested that PROVIDER provide the non-Covered Service or unauthorized Covered Service; (iii) PROVIDER notified the Member immediately prior to providing the requested service or supply that the specific service or supply is either a non-Covered Service or an unauthorized Covered Service and the reason such service or supply is considered to be a non-Covered Service or an unauthorized Covered Service; and (iv) subsequent to such notice, PROVIDER obtained written acknowledgment from the Member that such specifically identified service or supply is either a non-Covered Service or an unauthorized Covered Service, as applicable, that it will not be paid for under this Agreement, and that the Member will be liable for payment of such non-Covered Service or unauthorized Covered Service.

Section 4.8 Insurance Information and Coordination of Benefits. PROVIDER will make a good faith effort to secure information on the sources of third party coverage available to any

Member for whom PROVIDER provides Covered Services, and will forward such information to HPI. PROVIDER will coordinate benefits with other payors in accordance with health plan industry and Medicare procedures, and submit copies of all bills coordinated with other payors, upon request, to HPI or its Affiliate, except for certain Products administered by Affiliates. PROVIDER will cooperate with HPI and provide reasonable assistance requested by HPI in connection with HPI's subrogation efforts.

Section 4.9 **Other Payment Sources.** PROVIDER will accept the rates established hereunder as full payment under this Agreement in any coordination of benefits circumstance in which HPI or its Affiliate is secondary, except for Medicare-eligible services. If another party is primary but the billed charges are not paid in full, HPI's or its Affiliate's liability will be limited to the rate established hereunder, less the payment made by the primary payor(s), not to exceed the Member liability or the Member plan limits. PROVIDER will submit all charges for services for which another payor is primary to said primary payor prior to submitting said charges to HPI or its designee. If Covered Services are eligible for payment by Medicare, HPI's or its Affiliate's liability will not exceed the Medicare approved charge, less any payments made by Medicare.

ARTICLE V **INDEMNIFICATION AND INSURANCE**

Section 5.1 **Indemnification by Provider.** PROVIDER will indemnify and hold harmless HPI, its Related Organizations and its Affiliates and their respective permitted assigns, officers, directors, employees and agents (each a "HPI Indemnified Party"), from and against any and all liabilities, damages, awards, obligations, costs, expenses and losses, or threat thereof, of whatever kind or nature, including, without limitation, reasonable attorneys' fees, expenses and court costs, which may be sustained or suffered by, or recovered or made against, a HPI Indemnified Party by any third party, and which is caused by, attributable to or has arisen in connection with PROVIDER's or any of its directors', officers', employees', independent contractors' or agents' performance, non-performance or delayed performance of the services contemplated by this Agreement or any act or omission of PROVIDER or any of its directors, officers, employees, independent contractors or agents that is attributable to or has arisen in connection with the services contemplated by this Agreement.

For the entire period that this Agreement is in force, PROVIDER will maintain insurance coverage for any liabilities that PROVIDER may incur due to contractual indemnification obligations, such as those set forth in this Section 5.1.

Section 5.2 **Indemnification by HPI.** HPI will indemnify and hold harmless PROVIDER and its permitted assigns, officers, directors, employees and agents (each a "PROVIDER Indemnified Party"), from and against any and all liabilities, damages, awards, obligations, costs, expenses and losses, or threat thereof, of whatever kind or nature, including, without limitation, reasonable attorneys' fees, expenses and court costs, which may be sustained or suffered by, or recovered or made against, a PROVIDER Indemnified Party by any third party, and which is caused by, attributable to or has arisen in connection with HPI's or any of its directors', officers', employees', independent contractors' or agents' performance, non-performance or delayed performance of the services contemplated by this Agreement or any act or omission of HPI or any of its directors, officers, employees, independent contractors or agents that is attributable to or has arisen in connection with the services contemplated by this Agreement.

Notwithstanding the foregoing, nothing in this paragraph will be construed as requiring HPI to indemnify any PROVIDER Indemnified Party for any performance, non-performance, delayed performance, act or omission by the PROVIDER and/or its directors, officers, employees, independent contractors or agents.

For the entire period that this Agreement is in force, HPI will maintain insurance coverage for any liabilities that HPI may incur due to contractual indemnification obligations, such as those set forth in this Section 5.2.

Section 5.3 **Provider's Insurance.** For the entire period that this Agreement is in force, PROVIDER will maintain, at its sole expense, general liability and professional liability insurance coverage in the amount of at least \$2,000,000 per claim and \$4,000,000 in the annual aggregate, as may be necessary to protect PROVIDER and each of its directors, officers, and employees against any and all claims related to the discharge of its or their respective responsibilities and obligations under this Agreement. If the insurance maintained is on a "claims made" as opposed to an "occurrence" basis, PROVIDER will ensure that PROVIDER and each of its directors, officers, and employees will obtain and maintain an extended reporting endorsement or purchase "prior acts" coverage in the amounts required above if the insurance lapses or is discontinued for any reason.

In addition, if not already covered by PROVIDER's insurance referenced above, PROVIDER will ensure that each Participating Provider maintains, at his, her or its expense, general liability and professional liability commercial insurance coverage in the amount of at least \$2,000,000 per claim and \$4,000,000 in the annual aggregate.

Upon request by HPI, PROVIDER will provide evidence of such insurance coverage. PROVIDER will notify HPI within ten (10) business days of any of the following events related to such insurance coverage: (i) changes in carriers, (ii) material changes in coverage or (iii) denials of, restrictions on, termination or cancellation of, or other material changes in such insurance coverage.

Section 5.4 **Notification.** The Parties will notify each other as soon as possible but in no event later than ten (10) days after either Party receives formal or informal notice of any actual or threatened incident, claim, action, suit or proceeding related to activities undertaken pursuant to this Agreement or which may be reasonably expected to affect the other Party (including, without limitation, any actual or threatened malpractice or professional disciplinary incident, claim, action, suit or proceeding), and will cooperate in all respects in the defense of any such incident, claim, action, suit or proceeding. This provision is not intended to influence, however, the content of any testimony that may be given in any such incident, claim, action, suit or proceeding. PROVIDER will comply with the notification requirements in this Section 5.4 notwithstanding the PROVIDER Complaint process outlined in Section 3.4 above.

Section 5.5 **Survival.** The provisions set forth in this Article V will survive any termination of this Agreement.

ARTICLE VI
TERM AND TERMINATION OF AGREEMENT

Section 6.1 **Initial Term; Termination; Renewal.** Unless earlier terminated pursuant to Section 6.2 of this Agreement, this Agreement will commence on the Effective Date and will continue thereafter for an initial term (“Initial Term”) that ends on December 31, 2016 (“Termination Date”), and will automatically renew thereafter for successive terms of one (1) calendar year each (each a “Renewal Term”).

Section 6.2 **Termination.** Subject to the continuing obligation of the Parties specifically set forth in other sections of this Agreement, this Agreement is subject to termination upon the occurrence of any one of the following events:

- (a) by mutual written agreement of HPI and PROVIDER, provided the agreed upon effective termination date is at least one hundred and thirty (130) days later than the date of such mutual written agreement;
- (b) by either HPI or PROVIDER, upon at least one hundred and thirty (130) days’ written notice to the other Party prior to the end of the Initial Term or any Renewal Term, provided that such termination will be effective only on the last day of the Initial Term or such Renewal Term;
- (c) by the non-breaching Party upon the other Party’s failure to satisfy any material term, covenant or condition of this Agreement not otherwise addressed in this Section 6.2 and failure to cure such breach within sixty (60) days after receipt by the breaching Party of written notice specifying the details of the breach; in that event, and upon the breaching Party’s failure to cure such breach to the reasonable satisfaction of the non-breaching Party, the non-breaching Party may terminate this Agreement upon ten (10) days written notice; or
- (d) by HPI, immediately, in its sole discretion and upon PROVIDER’s receipt of HPI’s written notice, following the occurrence of one or more of the following events: (i) if PROVIDER or any Participating Provider is disqualified from practice, or has any license, registration, certification, accreditation or authorization terminated, restricted, suspended, revoked or otherwise adversely limited; (ii) failure to maintain insurance, and/or failure to provide to HPI satisfactory evidence of insurance, as required in Section 5.1 above; (iii) any material impairment of PROVIDER’s ability to carry out its obligations under this Agreement; (iv) a determination by HPI that the health, safety or welfare of one or more Members is in immediate jeopardy if this Agreement is continued; (v) a determination by HPI that a Participating Provider has failed to satisfy applicable HPI credentialing standards; (vi) if the PROVIDER files a voluntary petition in bankruptcy, admits in writing its inability to pay its debts, makes a general assignment for the benefit of creditors, is adjudicated bankrupt or insolvent, or has an involuntary petition in bankruptcy or similar proceeding commenced against it, which continues undismissed and in effect for a period of thirty (30) days or more; (vii) if PROVIDER ceases or suspends providing services subject to this Agreement; or (viii) if HPI reasonably believes PROVIDER is or has been engaged in fraud and abuse with regard to the provision of services under this Agreement. This reasonable belief may be, but is not required to be, based upon the finding of a state or federal government agency, a state fraud control unit, HPI’s fraud investigation unit, a court of law,

or other legal entity that PROVIDER is or has been engaged in fraud or abuse, with regard to services provided under this Agreement or similar services.

Section 6.3 **Effect of Termination.**

- (a) Upon termination of this Agreement for any reason whatsoever, the Parties will continue to be bound by the terms of this Agreement in determining and enforcing their respective rights and in resolving all claims and disputes arising hereunder prior to the effective dates of termination. If this Agreement is terminated for any reason, PROVIDER will continue to provide Covered Services to Members under the terms of this Agreement, and pursuant to applicable rules and requirements set forth in the HPI Administrative Program, for up to 12 months after such effective termination date or such longer period of time as may be required under applicable law (“Run-Out Period”), provided, however, HPI or a Related Organization may, at its sole discretion, elect to transfer a Member’s care to another provider or facility at any time during the Run-Out Period. This provision will apply to all Members for all Products. If PROVIDER provides Covered Services to Members during the Run-Out Period, the prohibition against billing Members as set forth in Sections 4.6 and 4.7 above will continue to apply notwithstanding any contrary language in Section 4.6.
- (b) Upon termination of this Agreement, PROVIDER will turn over to HPI all tangible personal property, if any, belonging to HPI and will further make available to HPI, at HPI's expense, any and all information and copies of records as HPI reasonably may request concerning Members, subject to any Member consent requirements as set forth in Section 3.3 above. The original medical records of Members will remain the property of the PROVIDER. Similarly, HPI will turn over to the PROVIDER all tangible personal property, if any, belonging to PROVIDER.
- (c) During the termination notice period, PROVIDER will not make any false or misleading statement in attempt to persuade, induce, solicit or otherwise suggest that Members terminate membership in HPI.
- (d) In the event of HPI's insolvency, PROVIDER will continue to provide Covered Services to Members enrolled under any and all HPI agreements currently in effect for thirty-one (31) days following the date of insolvency. Furthermore, the services provided under this provision will be provided without any claim for compensation against Members except for permissible co-payments, coinsurance, deductibles or fees for services that are not Covered Services. This provision is for the benefit of Members.
- (e) The provisions set forth in this Section 6.3 will survive any termination of this Agreement.

Section 6.4 **Termination of Participation Status.** In the event: (i) a Participating Provider is disqualified from practice, or has any license, registration, certification, accreditation or authorization terminated, restricted, suspended, revoked or otherwise adversely limited as contemplated in subsection 6.2(d)(i) above, (ii) HPI determines that continued treatment by a Participating Provider will result in immediate jeopardy to the health, safety or welfare of one or more Members, or (iii) HPI determines that a Participating Provider has failed to satisfy applicable HPI credentialing standards, then HPI, in its sole

discretion, may elect to terminate the participating status of such Participating Provider in lieu of terminating this Agreement with the PROVIDER. In such circumstances, PROVIDER will ensure that such Participating Provider does not render services to any Member. Notwithstanding anything in this Agreement to the contrary (including, without limitation, Section 4.6 above), PROVIDER will not be entitled to any payment under this Agreement for any services and/or supplies furnished by any individual or entity whose participating status has been terminated by HPI.

Section 6.5 **Review of Communication.** HPI and PROVIDER have the right to review any written communication proposed to be delivered by the other Party to Members or other Network Providers regarding termination or suspension prior to distribution of such communication.

ARTICLE VII **DISPUTE RESOLUTION**

Section 7.1 **Informal Negotiation.** In the event of any dispute or controversy between the Parties hereto arising under, out of, in connection with, or in relation to this Agreement or the Parties' relationship (except those items set forth in Section 7.7) ("Dispute"), the complaining Party will provide written notice of the Dispute to the other Party. Notice will include reference to this Section 7.1. Within fifteen (15) days after the noncomplaining Party receives written notice of the Dispute, the Parties will, through a member of the senior management authorized to act on behalf of each Party, meet and make good faith efforts to settle the Dispute through negotiation.

Section 7.2 **Mediation.** If the Dispute is not resolved to the satisfaction of either Party through informal negotiation either Party may request nonbinding mediation by written notice given to the other Party no sooner than twenty (20) days but no later than thirty (30) days after the notice of Dispute referenced in Section 7.1 has been provided to the noncomplaining Party. The mediation will be before a neutral third Party mediator acceptable to both Parties. If the Parties are unable to agree upon a mediator, each Party will select one mediator whose sole purpose will be to appoint a third mediator who will act as the mediator. The mediation will occur within sixty (60) days of the notice of mediation unless a later date is mutually agreed to in writing by the Parties. Each Party will pay its own costs and expenses with respect to mediation, except the cost of the third Party mediator will be borne equally by the Parties. If neither Party requests mediation or mediation does not occur within sixty (60) days of the notice of mediation or the agreed upon date if later, the Dispute will automatically be submitted to binding arbitration as described in Section 7.3.

Section 7.3 **Submission to Arbitration.** The Dispute will be submitted to binding arbitration if the Dispute is not resolved to the satisfaction of either Party through the informal negotiation process outlined in Section 7.1 above, and (i) mediation is requested and held and the mediator certifies there is an impasse, (ii) neither Party requests mediation or (iii) mediation is requested but does not occur within the required time period. There will be one arbitrator (the "Arbitrator") who will act under the authority of the Federal Arbitration Act, 9 U.S.C. § 2, and in accordance with the commercial rules of the American Arbitration Association or other nationally recognized alternative dispute resolution association acceptable to both Parties. Any disagreement between the Parties as to whether a dispute is subject to the dispute resolution provisions of this Article will be resolved by the Arbitrator.

- Section 7.4** **Selection of Arbitrator.** The Arbitrator will be selected as follows. If the Parties fail to select a mutually acceptable arbitrator within ten (10) days after submission of the Dispute to arbitration, each Party will select an arbitrator whose sole purpose will be to appoint a third arbitrator who will act as the Arbitrator. The Arbitrator will not be an employee or contractor of either Party or an affiliate of either Party.
- Section 7.5** **Arbitration Procedure.** The arbitration will take place in Minneapolis, Minnesota, or such other place as may be mutually agreeable to the Parties. This Agreement and the commercial rules of the American Arbitration Association or other rules as mutually agreed to by the Parties will guide the arbitration and the Arbitrator will not be free to vary or ignore the express terms of this Agreement. If the express terms of this Agreement conflict with the rules of the American Arbitration Association or other rules as mutually agreed to by the Parties, the terms of this Agreement will control. The Arbitrator will issue its award no later than thirty (30) days from the date of the hearing. The arbitration award will be kept confidential in accordance with Section 9.2 of this Agreement. The award of the Arbitrator will be final and binding upon the Parties and will be a complete bar to any claims or demands of either Party against the other except that either Party may seek judicial enforcement of the award in accordance with Minnesota law.
- Section 7.6** **Arbitration Expenses.** Each Party will pay its own costs and expenses with respect to arbitration, except the cost of the arbitrator will be borne equally by the Parties. Notwithstanding the foregoing, a Party seeking judicial enforcement of any award hereunder will be entitled to its reasonable attorneys' fees and costs incurred in connection therewith. The Arbitrator may not under any circumstances assess punitive or exemplary damages.
- Section 7.7** **Disputes Not Subject to Dispute Resolution.** Notwithstanding any term or terms in this Agreement to the contrary, this Article VII will not apply to any disputes or issues: (1) pertaining to renegotiation of current or new reimbursement terms between the Parties; (2) pertaining to the Parties' respective obligations due to federal or state regulatory requirements or accreditation requirements; or (3) arising under or related to the following Sections or Articles of this Agreement:
- (i) Section 2.4 (Provider Qualifications);
 - (ii) Section 2.6 (Credentialing; Recredentialing);
 - (iii) Section 3.3 (Member Medical Records and Other Records);
 - (iv) Sections 4.6 (Exclusive Payment (Non-Recourse));
 - (v) Article V (Indemnification and Insurance);
 - (vi) Article VIII (Excluded Individuals and Entities);
 - (vii) Section 9.1 (Compliance with Applicable Law);
 - (viii) Section 9.2 (Confidentiality);
 - (ix) Section 9.8 (Regulatory Amendment); or
 - (x) Section 9.14 (Approval by Department of Health)
- Section 7.8** **Effect on Termination.** Nothing in this Article VII will limit the ability of either Party to terminate this Agreement in accordance with the terms and conditions set forth in Article VI above.
- Section 7.9** **Survival.** The provisions set forth in this Article VII will survive any termination of this Agreement.

ARTICLE VIII
EXCLUDED INDIVIDUALS AND ENTITIES

For purposes of this Article VIII, the term “Sanctioned” will mean to be suspended, debarred, or excluded from participation in, convicted of any criminal offense related to the delivery of health care services under, or otherwise sanctioned by, any federally funded health care program (including, without limitation, Medicare or Medicaid). PROVIDER represents and warrants to HPI that neither it nor any Physician and/or Allied Health Professional has ever been Sanctioned. At no time during the term of this Agreement will PROVIDER or a Participating Provider (i) be Sanctioned, (ii) employ or contract with any entity or individual that has been Sanctioned or that has an ownership or controlling interest in any entity that has been Sanctioned, or (iii) contract with any entity that employs or contracts with a Sanctioned individual, for the provision of any of the following services: (a) health care; (b) utilization review; (c) medical social work; or (d) administrative services (collectively, “Designated Services”). PROVIDER will, and will cause each Participating Provider to, notify HPI, in writing, in the event any of the following individuals and/or entities are Sanctioned: (i) PROVIDER and/or a Participating Provider, (ii) an employee or agent of PROVIDER and/or Participating Provider who renders Designated Services, (iii) an entity with which an employee or agent of PROVIDER and/or Participating Provider has ownership or controlling interest, or (iv) an entity, or an employee or agent of an entity, with which PROVIDER and/or Participating Provider contracts to provide Designated Services. Notwithstanding anything in this Agreement to the contrary, PROVIDER will not be entitled to any payment under this Agreement for any services and/or supplies furnished by a Sanctioned individual or entity. PROVIDER will be solely responsible for the costs of such services and/or supplies and will not bill HPI, its designee, or the Member.

ARTICLE IX
MISCELLANEOUS PROVISIONS

Section 9.1 **Compliance with Applicable Laws.** Each Party represents that, to the best of its knowledge and belief, it is in compliance with, and during the term of this Agreement will continue to be in compliance with, all applicable state and federal laws and regulations. Without limiting the generality of the foregoing, PROVIDER will: (i) fully cooperate with HPI in connection with HPI’s obligation regarding the administration of its government-sponsored Products, and (ii) comply with all applicable state and federal laws and regulations regarding government-sponsored Products, including, without limitation, the Anti-Kickback Act of 1986 (41 U.S.C. §§51-58) and the Anti-Kickback Procedures set forth in Federal Acquisition Regulation 52.203.7, which are hereby incorporated by reference into this Agreement. In particular, if there are Medicare Cost Members (as defined in the Medicare Cost Addendum), Medicare Advantage Members (as defined in the Medicare Advantage Addendum) and/or State Public Programs Members (as defined in the State Public Programs Addendum) subject to this Agreement, PROVIDER will comply with all applicable rules and requirements set forth in such Addenda, which are attached hereto and incorporated into this Agreement by reference.

Section 9.2 **Confidentiality.**

- (a) **Member Information.** All information that identifies a Member or from which a Member can be identified that is derived from or obtained during the course of the performance of obligations under this Agreement, will be treated by the Parties as confidential so as to comply with all applicable state and federal laws and regulations, including without limitation the Health Insurance Portability and Accountability Act (“HIPAA”) and the regulations promulgated thereunder, including the Security and Privacy requirements set forth in 45 CFR Parts 160

and 164 and the Administrative Simplification requirements set forth in 45 CFR Part 162 (“Confidential Member Information”). Confidential Member Information will not be used, released, disclosed, or published to any Party other than as required or permitted under applicable state and federal laws and regulations. PROVIDER shall implement appropriate safeguards to ensure confidentiality in the use and dissemination of all Member information so as to comply with generally recognized ethical standards and all state and federal laws, rules, and regulations regarding the confidentiality of patient records.

- (b) **Other Confidential Information.** Neither Party will disclose to any third party: (i) the terms of this Agreement (including, without limitation, the reimbursement rates, fee schedules, and reimbursement methodologies set forth herein and in the Addenda attached hereto); or (ii) the other Party’s nonpublic, confidential information (including, without limitation, the other Party’s trade secrets and intellectual property).

Notwithstanding the foregoing, the disclosure prohibitions described in this Subsection 9.2(b) will not apply to disclosures: (i) permitted in Subsection 9.2(c) below; (ii) by HPI to its Related Organizations; (iii) required by applicable state or federal law including, without limitation, disclosures by HPI to Members and/or regulatory agencies regarding terms of the Agreement including, without limitation, reimbursement terms set forth herein; (iv) required pursuant to a court or other governmental body order; (v) required to perform the obligations set forth in this Agreement; or (vi) by HPI to its Affiliates, Members and/or employer groups, or their respective agents, concerning or related to PROVIDER’s charges or reimbursement rates and methodologies applied hereunder for Covered Services.

- (c) **Certain Permitted Disclosures.** Nothing in this Section 9.2 is intended to prohibit PROVIDER from informing a Member about care and treatment options, whether or not covered by a Product, or the reimbursement methodologies used by HPI to pay PROVIDER hereunder; provided, however, that such disclosure is neither false nor misleading and does not disclose specific reimbursement rates paid by HPI to PROVIDER.

- (d) **Court and Governmental Orders; Return of Confidential Information.** If a court or other governmental body orders disclosure of Member information or the other Party’s nonpublic, confidential information, the Party subject to the order will immediately notify such other Party.

- (e) **Minnesota Review Organization Statute.** The Parties agree and acknowledge that they each have established one or more “review organizations,” as such term is defined and used in Minnesota Statutes, Sections 145.61 through 145.67, as amended from time to time (the “Minnesota Review Organization Statute”), and that all information shared between the review organizations for purposes of resolving Member complaints pursuant to Section 3.4, exchanging quality information pursuant to Section 3.1 or exchanging patient safety information pursuant to Section 3.10 above will remain confidential to the fullest extent permissible under the Minnesota Review Organization Statute and any other applicable law.

- (f) **Disposition of Confidential Information.** Upon termination of this Agreement for any reason, each Party will immediately return to the other Party or destroy all records or tangible documents still in the Party's possession that contain, embody or disclose, in whole or in part, Confidential Member Information or the other Party's nonpublic, confidential information. If return or destruction of confidential information is not feasible, each Party will extend the protections of this Agreement to the protected information and refrain from further use or disclosure of such information, except for those purposes that make return or destruction infeasible, for as long as the Party maintains the information.
- (g) **Injunctive Relief.** Each Party will be entitled to seek injunctive relief to enforce the other Party's compliance with the obligations set forth in this Section 9.2, it being understood and agreed that the Parties will not have an adequate remedy at law if such obligations are not complied with fully.
- (h) **Survival.** The provisions set forth in this Section 9.2 will survive any termination of this Agreement.

Section 9.3 **Discrimination.** PROVIDER will not discriminate in the provision of goods and services under this Agreement on the basis of race, color, age, sex, religion, national origin, marital status, sexual orientation, place of residence, health status, source of payment, the execution or failure to execute an advance directive, or on any other basis forbidden by law.

Section 9.4 **Choice of Law.** The validity, construction and enforcement of this Agreement will be determined in accordance with the laws of the State of Minnesota without reference to its conflicts of laws principles, and any action (whether by mediation, arbitration or in court) arising under this Agreement will be brought exclusively in the State of Minnesota. HPI and PROVIDER consent to the jurisdiction of the state and federal courts located in the State of Minnesota. Except as otherwise provided in this Section, the Parties and their employees hereby irrevocably consent, and submit themselves to the personal jurisdiction of said courts for all such purposes.

Section 9.5 **Relationship of Parties.** In making and performing this Agreement, the Parties hereto act and will act at all times as independent contractors, and nothing contained in this Agreement will be construed or implied to create a partnership or joint venture among the Parties. HPI and PROVIDER each expressly reserve the right to enter into the same or similar arrangements with other individuals or organizations.

Section 9.6 **Assignment.** PROVIDER's rights and obligations hereunder may not be assigned without HPI's prior written consent. HPI will have the right to assign any or all of its rights and/or obligations hereunder to one or more of its Related Organizations without PROVIDER's consent, in which case PROVIDER's rights and obligations hereunder will continue in full force and effect.

Section 9.7 **Passive Amendment.** This Agreement may be amended unilaterally by HPI upon giving ninety (90) days written notice to PROVIDER. It is agreed, however, that in the event PROVIDER makes a written objection postmarked within forty-five (45) calendar days after the date that the proposed amendment was postmarked and sent by HPI to PROVIDER, such amendment will not go into effect until mutually agreed to by PROVIDER and HPI. Notwithstanding the foregoing, nothing in this Section 9.7 will limit HPI's ability to amend this Agreement, any addenda, appendices, attachments or

exhibits attached hereto, or the HPI Administrative Program, pursuant to amendment rights otherwise set forth in such aforementioned documents.

Section 9.8 **Regulatory Amendment.** This Agreement may be amended unilaterally by HPI as required due to changes in state or federal law, regulations, rules and/or agency guidance, due to changes in accreditation standards and/or guidance, or upon demand by a state or federal agency or accrediting body. Any such amendment will be effective as of the date so required or demanded.

Section 9.9 **Entire Agreement.** This Agreement, including any addenda, appendices, attachments or exhibits attached hereto, and the HPI Administrative Program, constitute the entire agreement between the Parties regarding the subject matter contained herein and, except as otherwise set forth in the aforementioned documents, it cannot be amended, altered, supplemented, nor modified, except by a writing duly signed by all Parties. This Agreement supersedes and replaces any agreement previously entered into between HPI and PROVIDER relating to the same subject matter and no prior representations or agreements between the Parties relating to the same subject matter herein, oral or written, have any force or effect.

Section 9.10 **Headings and Captions.** The headings and captions of the articles and sections of this Agreement are inserted for convenience of reference only and will not constitute a part hereof.

Section 9.11 **Severability.** Each provision of this Agreement is intended to be severable. If any provision hereof is illegal, invalid or waived for any reason whatsoever, such illegality, invalidity or waiver will not affect the validity and enforceability of the remainder of this Agreement. The Parties will negotiate to achieve a comparable provision in the event such provision is ruled illegal or invalid.

Section 9.12 **Waiver.** The rights and remedies of the Parties are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement, the addenda, appendices, attachments or exhibits attached hereto, the HPI Administrative Program, or any other document referred to in this Agreement, will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. No right, power or privilege under this Agreement, the addenda, appendices, attachments or exhibits attached hereto, the HPI Administrative Program or any other document referred to in this Agreement may be waived except pursuant to a writing duly executed by the Party agreeing to waive such right, power or privilege.

Section 9.13 **Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed to be an original and all of which will constitute one and the same instrument.

Section 9.14 **Approval by Department of Health.** The Parties acknowledge that the form of this Agreement is subject to review by the Minnesota Department of Health ("MDH") pursuant to Minnesota Statutes, Section 62D.08. If such review by MDH results in any necessary changes to this Agreement, the Parties agree that HPI may unilaterally amend this Agreement to incorporate such changes pursuant to Section 9.8 above.

Section 9.15 Bind and Inure. PROVIDER represents and warrants that this Agreement will be the valid and binding obligation of PROVIDER, enforceable in accordance with its terms; and (ii) PROVIDER has legal authority to act as an agent on behalf of all Physicians.

Section 9.16 Notices. All notices, requests, demands and other communications hereunder will be in writing and will be deemed to have been duly given upon actual delivery or three (3) business days subsequent to the mailing with postage prepaid and addressed:

(a) If to HPI, to:

HealthPartners, Inc.
Attention: Director, Professional Services Network Management
P. O. Box 1309
Minneapolis, Minnesota 55440-1309

with a copy to:

HealthPartners, Inc.
Attention: General Counsel
P.O. Box 1309
Minneapolis, Minnesota 55440-1309

(b) If to PROVIDER, to:

Pine County Health and Human Services
Attention: Administrator
315 Main St S Ste 200
Pine City, MN 55063

(c) To such other person or place as either Party hereto will respectively designate in the foregoing manner to the other Party.

Section 9.17 Governing Documents. In the event of a conflict between this Agreement and any of the Addenda attached hereto, the terms and conditions of such Addendum will control.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed, effective as of the Effective Date.

HEALTHPARTNERS, INC.

PINE COUNTY HEALTH AND HUMAN SERVICES

By: _____

By: _____

Name: Charles Abrahamson

Name: _____

Its: Vice President,
Network Management and Provider
Relations

Its: _____

Date: _____

Date: _____

Fed Tax ID: 41-1278204

Attest:

David J. Minke
Administrator

MEDICARE COST ADDENDUM

A. SCOPE; APPLICATION

This Medicare Cost Addendum (this “Cost Addendum”) governs the provision of Covered Services to Members who are enrolled in any of HPI’s Medicare Cost Products and the PROVIDER’s participation in HPI’s Medicare Cost Network. Any default by either party of its respective obligations under this Cost Addendum will be treated in the same manner and have the same legal effect as any other default under the Agreement.

B. GOVERNING DOCUMENTS; DEFINITIONS

In the event of a conflict between the Agreement and this Cost Addendum, this Cost Addendum will control if such conflict involves a Medicare Cost Member. Unless otherwise specifically defined herein, all capitalized terms in this Cost Addendum will have the meanings ascribed to them in the Agreement. The following additional definitions apply to this Cost Addendum.

1. “*CMS*” will mean the Centers for Medicare and Medicaid Services of HHS.
2. “*GAO*” will mean the General Accounting Office of HHS.
3. “*HHS*” will mean the United States Department of Health and Human Services.
4. “*Medicare Cost*” means the health care program created pursuant to Section 1876 of the Social Security Act (as amended), by CMS through approved and contracted health plan organizations, such as HPI.
5. “*Medicare Cost Network*” means the network of health care providers with which HPI has contracted to provide Covered Services to its Medicare Cost Members.
6. “*Medicare Cost Product*” means a Product entered into by CMS and HPI or a Related Organization pursuant to which HPI or a Related Organization pays for, provides and/or arranges for health care services and supplies to seniors and other individuals eligible to participate in a Medicare Cost plan including, without limitation, HPI’s HealthPartners 65+ Product.
7. “*Medicare Cost Member*” or “*Medicare Cost Members*” means the individual(s) eligible and enrolled in a Medicare Cost Product.
8. “*Rules*” means the Medicare Cost regulations promulgated by CMS, set forth in 42 C.F.R. 417.1 through 417.940, as now in force or as may hereafter be amended, supplemented or substituted.

C. ACCESS: RECORDS AND FACILITIES

During the term of the Agreement and for a period of ten (10) years following the termination of the Agreement, or ten (10) years following the completion of an audit by GAO, HHS or designees, whichever is later, PROVIDER will, and will cause each Subcontractor to, maintain and permit HPI, GAO, HHS, CMS, other relevant federal and state authorities and their respective designees the right to audit, evaluate and inspect the books, contracts, accounting records and procedures, medical records, patient care documentation and other records of the PROVIDER and its Subcontractors related to any aspect of the provision of health care services provided to Medicare Cost Members. For these same time periods, PROVIDER will, and will cause each Subcontractor to, make available its premises, physical facilities and equipment and

all records relating to the provision of health care services provided to Medicare Cost Members, as well as any other additional relevant information that GAO, HHS, CMS, other relevant applicable federal and state authorities and their respective designees may require.

D. ACCESS: BENEFITS AND COVERAGE

1. *No discrimination.* PROVIDER will not, and will cause each Subcontractor to not, discriminate against any Medicare Cost Member on the basis of membership with HPI, source of payment, race, color, sex, age, religion, national origin, any factor that is related to health status (including, without limitation, medical condition (including mental as well as physical illness), claims experience, receipt of health care, medical history, genetic information, evidence of insurability (including conditions arising out of acts of domestic violence), and/or disability) or any other basis forbidden by law.
2. *Access Standards.* PROVIDER will, and will cause each Subcontractor to, ensure that:
 - a. the PROVIDER's and Subcontractor's hours of operation are convenient to, and do not discriminate against, Medicare Cost Members; and
 - b. Covered Services are available 24 hours a day, 7 days per week, when medically necessary.

PROVIDER will, and will cause each Subcontractor to, comply with procedures established by HPI from to time to ensure compliance with the above access standards.

3. *Continuity of Care.* PROVIDER will, and will cause each Subcontractor to, ensure that:
 - a. Medicare Cost Member medical records are maintained in accordance with standards established by HPI;
 - b. There is appropriate and confidential exchange of information among providers in the Medicare Cost Network in accordance with standards established by HPI; and
 - c. Procedures are in place that ensure that Medicare Cost Members are informed of specific health care needs that require follow-up care and receive, as appropriate, training in self-care and other measures that such Medicare Cost Members may take to promote their own health.
4. *Direct Access to Certain Services.* PROVIDER will not, and will cause each Subcontractor to not, prohibit Medicare Cost Members from obtaining direct access (through self-referral) for the following Covered Services: (a) mammography screening; (b) influenza vaccine; and (c) preventive and routine services provided by a women's health specialist included in the Medicare Cost Network.

E. MEMBER PROTECTIONS

1. *Accuracy, Access and Confidentiality of Medical Records.* PROVIDER will, and will cause each Subcontractor to:
 - a. prepare and maintain accurate and timely medical records and other information pertaining to Medicare Cost Members who receive services from PROVIDER and Subcontractor;
 - b. ensure timely access by Medicare Cost Members to the records and information that pertain to them;
 - c. abide by all state and federal laws and regulations regarding confidentiality and disclosure of medical records, or other health and enrollment information;

- d. ensure that medical records, information from such medical records, or other health and enrollment information will be released only in accordance with applicable state or federal law, or pursuant to a court order; and
 - e. safeguard the privacy of any information that identifies a particular Medicare Cost Member and have procedures that specify: (i) for what purposes the information will be used within the PROVIDER's or Subcontractor's organization; and (ii) to whom and for what purposes the PROVIDER or Subcontractor will disclose the information outside of the PROVIDER's and Subcontractor's respective organizations.
2. *Exclusive Payment (Non-Recourse)* In no event, including but not limited to nonpayment by HPI, insolvency of HPI, or breach of the Agreement or this Cost Addendum, will PROVIDER or Subcontractor bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a Medicare Cost Member or persons (other than HPI) acting on a Medicare Cost Member's behalf for Covered Services provided pursuant to this Cost Addendum. This provision does not prohibit the PROVIDER or Subcontractor from collecting deductibles, coinsurance or copayments, as specifically provided in the applicable certificates of coverage, or fees for non-Covered Services delivered on a fee-for-service basis to Medicare Cost Members.

These provisions supersede any oral or written contrary agreement now existing or hereafter entered into between PROVIDER or Subcontractor and a Medicare Cost Member or a person acting on the Medicare Cost Member's behalf insofar as such contrary agreement relates to liability for payment for, or continuation of, Covered Services provided pursuant to this Cost Addendum.

The terms set forth in this Section E.2 will survive the termination of this Cost Addendum, regardless of the cause giving rise to the termination, including insolvency of HPI, and will be construed to be for the benefit of Medicare Cost Members.

No change, modification or alteration of the terms set forth in this Section E.2 will be made by the parties without prior written approval of the appropriate HHS and/or CMS authorities.

3. *Continuation of Medicare Cost Members' Benefits.* Notwithstanding any term in this Cost Addendum to the contrary, PROVIDER and its Subcontractors will provide Covered Services to any Medicare Cost Member for the duration of any contract period for which premiums have been made to HPI for such Medicare Cost Member. Furthermore, in the event of HPI's insolvency, or if HPI's Medicare Cost contract with CMS is terminated, PROVIDER will, and will cause each Subcontractor to agree, that PROVIDER and its Subcontractors will continue to provide Covered Services to any Medicare Cost Member hospitalized on the date of such insolvency or termination until such Medicare Cost Member is discharged. PROVIDER will, and will cause each Subcontractor to agree the provisions in this Section: (a) will survive the any termination of this Cost Addendum, regardless of the cause giving rise to the termination, including, without limitation, insolvency of HPI and will be construed for the benefit of Medicare Members; and (b) supersede any oral or written contrary agreement now existing or hereafter entered into between the PROVIDER and/or Subcontractor and a Medicare Cost Member or a person acting on behalf of a Medicare Cost Member regarding liability for payment for Covered Services provided under the terms of this Cost Addendum. HPI and no change, modification or alteration of the terms set forth in this Section E.3 will be made by the parties without prior written

approval of the appropriate HHS and/or CMS authorities.

F. ACCOUNTABILITY AND DELEGATION

The parties hereby acknowledge that HPI, by offering a Medicare Cost Product, oversees and is accountable to CMS for the applicable functions and responsibilities described in the Rules. In the event that HPI has delegated any of its Medicare Cost Product functions or responsibilities to PROVIDER, such delegated arrangement will be set forth in Exhibits attached hereto and incorporated herein and will be consistent with all applicable requirements set forth in the Rules. In addition, if PROVIDER and/or Subcontractor carries out any of its obligations or duties under this Cost Addendum through a subcontracted arrangement (subject to HPI authorization as may be required under the assignment provision in the Agreement), such arrangement will be in writing, will be consistent with all applicable requirements set forth in the Rules and will contain a provision obligating such Subcontractor to comply with all applicable obligations imposed on PROVIDER and/or Subcontractor, including Medicare laws and regulations. PROVIDER will ensure that all written arrangements between PROVIDER and Subcontractors, either directly or indirectly, pursuant to which Subcontractors provide services to Medicare Cost Members will contain an acknowledgement that HPI, by offering a Medicare Cost Product, oversees and is accountable to CMS for the applicable functions and responsibilities described in the Rules, and that HPI will only delegate its Medicare Cost Product functions and responsibilities in a manner consistent with all applicable requirements set forth in the Rules.

G. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND HPI POLICIES AND PROCEDURES

1. PROVIDER will, and PROVIDER will cause each of its Subcontractors to, comply with all applicable Medicare laws, regulations and CMS instructions.
2. PROVIDER will, and PROVIDER will cause each of its Subcontractors to comply with HPI's contractual obligations with CMS and to furnish services to Medicare Cost Members in a manner consistent with such contractual obligations.
3. PROVIDER will, and PROVIDER will cause each of its Subcontractors to, comply with the following:
 - a. Title VI of the Civil Rights Act of 1964, as implemented by regulations at 45 CFR part 84;
 - b. The Age Discrimination Act of 1975, as implemented by regulations at 45 CFR part 91;
 - c. The Rehabilitation Act of 1973;
 - d. The Americans With Disabilities Act;
 - e. Other laws applicable to recipients of federal funds; and
 - f. All other applicable laws and rules.
4. PROVIDER will, and PROVIDER will cause each of its Subcontractors to, comply with all HPI policies and procedures, as amended from time to time by HPI, which are hereby incorporated herein by reference, including, without limitation HPI Medicare Cost policies and procedures and HPI policies and procedures relating to licensure, accreditation and Medicare certification.

H. PHYSICIAN INCENTIVE PLAN DATA AND SURVEYS

1. PROVIDER will, and will cause each Subcontractor to, submit to HPI all data necessary for HPI to carry out its disclosure obligations to CMS and to Medicare Cost Members with respect to physician incentive plans, as set forth and required under the Rules.

PROVIDER and Subcontractors will certify, in writing, the completeness, truthfulness and accuracy of all such data. PROVIDER will, and will cause each Subcontractor to, cooperate with HPI when it addresses any inquires from CMS regarding the accuracy of data submitted.

2. If the PROVIDER or any Subcontractor is at “substantial financial risk,” as defined in the Rules, then PROVIDER will, and will cause each such Subcontractor to, obtain either aggregate or per-patient stop-loss protection, in the manner and in such amounts, as required under the Rules.
3. PROVIDER will, and will cause each Subcontractor to, cooperate with HPI in connection with HPI’s obligations to conduct periodic surveys of current and former Medicare Cost Members in instances where PROVIDER and or any Subcontractor is at “substantial financial risk,” as defined in the Rules.
4. PROVIDER will, and will cause each Subcontractor to, indemnify HPI for any penalty or fine assessed by CMS against HPI, resulting from the incompleteness, untruthfulness and/or inaccuracy of data required to be submitted to HPI, or resulting from the nonperformance of the stop-loss protection and Medicare Cost Member survey obligations, as required under this Section H.

I. REPORTING AND DISCLOSURE

PROVIDER will, and will cause each Subcontractor to, cooperate with HPI in connection with HPI’s obligations to:

1. Carry out HPI’s reporting obligations under the Rules including, without limitation, statistics and other information about: cost of HPI operations; patterns of utilization of its services; availability, accessibility and acceptability of services; developments in the health status of Medicare Cost Members; information demonstrating that HPI has a fiscally sound operation; and other matters required by CMS;
2. Disclose to Medicare Cost Members all information required under the Rules to be disclosed;
3. Make a good faith effort to notify all affected Medicare Cost Members of termination of this Cost Addendum at least thirty (30) calendar days prior to the termination effective date; and
4. Disclose to CMS Medicare Cost Product quality and performance indicators, including:
 - a. disenrollment rates for Medicare Cost Members electing to receive benefits through the Medicare Cost Plan for the previous two years;
 - b. information on Medicare Cost Member satisfaction; and
 - c. information on health outcomes.

J. MEDICARE PARTICIPATION STATUS

Neither PROVIDER, nor any Subcontractor, will employ or contract with any individual who has opted out of Medicare by filing with a Medicare carrier an affidavit promising to furnish Medicare-covered services to Medicare beneficiaries only through private contracts with such beneficiaries. At all times during the term of this Agreement, PROVIDER will, and will cause each Subcontractor to, be certified for participation in Medicare.

K. QUALITY AND UTILIZATION MANAGEMENT PROGRAMS

PROVIDER will, and will cause each Subcontractor to:

1. participate in and fully cooperate with the activities of any independent quality review and improvement organization appointed by HPI pertaining to the provision of services to Medicare Cost Members; and
2. participate in and fully cooperate with HPI's medical policies, quality assurance programs, practice guidelines and utilization management programs and will consult with HPI, when so requested by HPI, regarding such policies, guidelines and programs.

L. MEDICARE COST MEMBER COMPLAINTS

PROVIDER will, and will cause each Subcontractor to, participate in and fully cooperate with HPI policies and procedures pertaining to Medicare Cost Member complaints, grievances, organization determinations involving benefits and Medicare Cost Member liability, appeals and expedited appeals.

M. SUBCONTRACTORS

PROVIDER represents and warrants that all arrangements with its Subcontractors are: (i) in writing and duly executed (except for those employment arrangements that are not pursuant to a written arrangement); and (ii) compliant with the terms of this Cost Addendum and all applicable Medicare laws and regulations. PROVIDER and each Subcontractor will promptly amend all of their respective subcontracted arrangements, in the manner requested by HPI, to meet any additional Medicare requirements or as may be requested by CMS.

MEDICARE ADVANTAGE ADDENDUM

A. SCOPE; APPLICATION

This Medicare Advantage Addendum (this “Addendum”) governs the provision of Covered Services to Members who are enrolled in any of HPI’s Medicare Advantage Plans and the Provider’s participation in HPI’s Medicare Advantage Network. Any default by either party of its respective obligations under this Addendum shall be treated in the same manner and have the same legal effect as any other default under the Agreement. Provider shall require Subcontractors to comply with this Addendum to the same extent applicable to PROVIDER.

B. GOVERNING DOCUMENTS; DEFINITIONS

In the event of a conflict between the Agreement and this Addendum, this Addendum shall control if such conflict involves a Medicare Advantage Member. In the event of a conflict between this Addendum and any HPI Medicare Advantage Plan policy, manual and/or procedure, this Addendum shall control. Unless otherwise specifically defined herein, all capitalized terms in this Addendum shall have the meanings ascribed to them in the Agreement. The following additional definitions apply to this Addendum.

1. “*Clean Claim*” means a claim that has no defect, impropriety, lack of any required substantiating documentation - including the substantiating documentation needed to meet the requirements for encounter data - or particular circumstance requiring special treatment that prevents timely payment; and a claim that otherwise conforms to the clean claim requirements for equivalent claims under original Medicare
2. “*CMS*” or “Centers for Medicare & Medicaid Services” means the agency within the Department of Health and Human Services (“DHHS”) that administers the Medicare program.
3. “*Completion of Audit*” means the completion of audit by HHS, the Comptroller General, or their designees of a Medicare Advantage organization.
4. “*Comptroller General*” refers to the Comptroller General of the United States Government Accountability Office
5. “*Final Contract Period*” means the final term of the contract between CMS and the Medicare Advantage Organization..
6. “*HHS*” means the United States Department of Health and Human Services.
7. “*Medicare Advantage*” means the health care program established at 42 U.S.C. 1395w-21 through 1395w-28, and administered by CMS, pursuant to which CMS contracts with eligible organizations, such as HPI, to provide or arrange for Medicare covered services to eligible Medicare Beneficiaries.
8. “*Medicare Advantage Network*” means the network of health care providers with which HPI has contracted to provide Covered Services to its Medicare Advantage Members.
9. “*Medicare Advantage Plan*” means a plan approved by CMS through which HPI offers a managed health benefit to eligible Medicare beneficiaries.
10. “*Medicare Advantage Member*” or “*Medicare Advantage Members*” means an eligible individual(s) who has enrolled in a HPI Medicare Advantage Plan.
11. “*Rules*” means any of the following as now in force or as may hereafter be amended, supplemented or substituted (i) the Medicare Advantage regulations promulgated by CMS, set forth in 42 C.F.R. 422.1 through 422.760, (ii) the Medicare Managed Care

Manual located at <http://cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019326.html>; and 9iii) subregulatory guidance or instructions issued by CMS.

12. “*Subcontractor*” means an individual health care provider with whom, or an entity organized to provide health care services through its employees, independent contractors or other agents with which, the Provider has contracted, either directly or indirectly, for the purposes of providing Covered Services to Medicare Advantage Members, and that have been accepted by HPI in accordance with HPI credentialing standards. The term “*Subcontractor*” shall include all “*Downstream Entities*” (as defined in the Rules) below the Provider, as well as the ultimate provider of Covered Services to Medicare Advantage Members in such “*downstream*” arrangements, so long as such entities and providers have been accepted by HPI in accordance with HPI credentialing standards.

C. ACCESS: RECORDS AND FACILITIES

Provider agrees that HPI, the United States Department of Health and Human Services, the Comptroller General, or their designees have the right to audit, evaluate, collect and inspect any books, contracts, computer or other electronic systems, including medical records of Provider, Subcontractors or transferees, related to CMS’ Medicare Advantage contract with HPI. Provider further agrees that HHS, the Comptroller General or their designees have the right to audit, evaluate, collect, and inspect any records described in the preceding sentence directly from Provider. HHS', the Comptroller General's, or their designee's right to inspect, evaluate, and audit any pertinent information for any particular contract period will exist through ten (10) years from the Final Date of the contract period or from the date of Completion of Audit, whichever is later.

D. ACCESS: BENEFITS AND COVERAGE

1. *No discrimination.* Provider shall not, and shall cause each Subcontractor to not, discriminate against any Medicare Advantage Member on the basis of membership with HPI, source of payment, race, color, sex, age, religion, national origin, any factor that is related to health status (including, without limitation, medical condition (including mental as well as physical illness), claims experience, receipt of health care, medical history, genetic information, evidence of insurability (including conditions arising out of acts of domestic violence), and/or disability) or any other basis forbidden by law.
2. *Complex or Serious Medical Conditions.* For those Medicare Advantage Members that have been identified as having a complex or serious medical condition by HPI, Provider and/or Subcontractor, then Provider shall, and shall cause each Subcontractor to, cooperate with HPI to ensure that Provider (or Subcontractor), in collaboration with HPI and the Medicare Advantage Member, establish, implement and monitor a treatment plan for such Member’s complex or serious medical condition that is appropriate for the diagnosed conditions that:
 - a. Includes an adequate number of direct access visits to specialists consistent with the treatment plan;
 - b. Is time-specific and periodically updated; and
 - c. Ensures adequate coordination of care among providers.

3. *Access Standards.* Provider shall, and shall cause each Subcontractor to, ensure that:
 - a. The Provider's and Subcontractor's hours of operation are convenient to, and do not discriminate against, Medicare Advantage Members; and
 - b. Covered Services are available 24 hours a day, 7 days per week, when medically necessary.

Provider shall, and shall cause each Subcontractor to, comply with procedures established by HPI from time to time to ensure compliance with the above access standards.

4. *Continuity of Care.* Provider shall, and shall cause each Subcontractor to, ensure that:
 - a. Medicare Advantage Member medical records are maintained in accordance with standards established by HPI;
 - b. There is appropriate and confidential exchange of information among providers in the Medicare Advantage Network;
 - c. Procedures are in place that ensure that Medicare Advantage Members are informed of specific health care needs that require follow-up care and receive, as appropriate, training in self-care and other measures that such Medicare Advantage Members may take to promote their own health;
 - d. Procedures and systems are in place to address barriers to compliance with prescribed treatments or regimens by the Medicare Advantage Members; and
 - e. Report to HPI any community or social services needs of a Medicare Advantage Member including, without limitation, nursing home and community-based services.

E. **MEMBER PROTECTIONS**

1. *Cultural Competency.* Provider shall, and shall cause each Subcontractor to, provide Covered Services in a culturally competent manner to all Medicare Advantage Members, including those with limited English proficiency or reading skills, and diverse cultural and ethnic backgrounds. Provider shall, and shall cause each Subcontractor to, provide information regarding treatment options in a culturally-competent manner, including the option of no treatment if so elected by the Medicare Advantage Member. Provider shall, and shall cause each Subcontractor to, ensure that Medicare Advantage Members have effective communications with each of the Provider's or Subcontractors employees or agents in making decisions regarding treatment options.
2. *Advanced Directives.* Provider shall, and shall cause each Subcontractor to:
 - a. Document, in a prominent part of the Medicare Advantage Member's current medical record whether or not the Medicare Advantage Member has executed an advanced directive;
 - b. Not condition the provision of Covered Services or otherwise discriminate against a Medicare Advantage Member based on whether the Medicare Advantage Member has executed an advance directive; and
 - c. Comply with Minnesota law regarding advance directives.

3. *Accuracy, Access and Confidentiality of Medical Records.* Provider shall, and shall cause each Subcontractor to:
- a. Prepare and maintain accurate and timely medical records and other information pertaining to Medicare Advantage Members who receive services from Provider and Subcontractor;
 - b. Ensure timely access by Medicare Advantage Members to the records and information that pertain to them;
 - c. Abide by all state and federal laws regarding confidentiality and disclosure of medical records, or other health and enrollment information;
 - d. Ensure that medical records, information from such medical records, or other health and enrollment information will be released only in accordance with applicable state or federal law, or pursuant to a court order or subpoena; and
 - e. Safeguard the privacy of any information that identifies a particular Medicare Advantage Member and have procedures that specify: (i) for what purposes the information will be used within the Provider's or Subcontractor's organization; and (ii) to whom and for what purposes the Provider or Subcontractor will disclose the information outside of the Provider's and Subcontractor's respective organizations.
4. *Exclusive Payment (Non-Recourse)*

Provider agrees, and shall cause each Subcontractor to agree, that in no event, including but not limited to nonpayment by HPI, insolvency of HPI, or breach of the Agreement or this Addendum, shall Provider or Subcontractor bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a Medicare Advantage Member or persons (or than HPI) acting on a Medicare Advantage Member's behalf for Covered Services provided pursuant to this Addendum. Provider agrees, and shall cause each Subcontractor to agree, that Medicare Advantage Members shall not be liable for payment of any fees that are the legal obligation of HPI. This provision does not prohibit the Provider or Subcontractor from collecting deductibles, coinsurance or copayments, as specifically provided in the applicable certificates of coverage, or fees for non-Covered Services delivered on a fee-for-service basis to Medicare Advantage Members.

Provider agrees, and shall cause each Subcontractor to agree, that these provisions supersede any oral or written contrary agreement now existing or hereafter entered into between Provider and/or Subcontractor and a Medicare Advantage Member or a person acting on the Medicare Advantage Member's behalf insofar as such contrary agreement relates to liability for payment for, or continuation of, Covered Services provided pursuant to this Addendum.

Provider agrees, and shall cause each Subcontractor to agree, that the provisions set forth in this Section E.4 shall survive the termination of this Addendum, regardless of the cause giving rise to the termination, including insolvency of HPI, and shall be construed to be for the benefit of Medicare Advantage Members.

HPI and Provider agrees, and Provider shall cause each Subcontractor to agree, that no change, modification or alteration of the terms set forth in this Section E.4 shall be made by the parties without prior written approval of the appropriate HHS and/or CMS authorities.

Medicare Advantage Members that are eligible for both Medicare and Medicaid will not be liable for Medicare Part A and B cost sharing when DHS is responsible for paying

such amounts. Provider will be informed of Medicare and Medicaid benefits and rules for Medicare Advantage Members eligible for Medicare and Medicaid. Neither Provider nor its Subcontractors may impose cost-sharing that exceeds the amount of cost-sharing that would be permitted with respect to the individual under title XIX if the individual were not enrolled in such a plan. Provider will: (1) accept the MA plan payment as payment in full or (2) bill the appropriate DHS source.

5. *Continuation of Medicare Advantage Members' Benefits.* Notwithstanding any term in this Addendum to the contrary, Provider agrees, and shall cause each Subcontractor to agree, that Provider and its Subcontractors shall provide Covered Services to any Medicare Advantage Member for the duration of any contract period for which CMS payments have been made to HPI for such Medicare Advantage Member. Furthermore, in the event of HPI's insolvency, or if HPI's Medicare Advantage contract with CMS is terminated, Provider agrees, and shall cause each Subcontractor to agree, that Provider and its Subcontractors shall continue to provide Covered Services to any Medicare Advantage Member hospitalized on the date of such insolvency or termination until such Medicare Advantage Member is discharged. Provider agrees, and shall cause each Subcontractor to agree, that the provisions in this Section E.5: (a) shall survive the any termination of this Addendum, regardless of the cause giving rise to the termination, including, without limitation, insolvency of HPI and shall be construed for the benefit of Medicare Advantage Members; and (b) supersede any oral or written contrary agreement now existing or hereafter entered into between the Provider and/or Subcontractor and a Medicare Advantage Member or a person acting on behalf of a Medicare Advantage Member regarding liability for payment for Covered Services provided under the terms of this Addendum. HPI and Provider agrees, and Provider shall cause each Subcontractor to agree, that no change, modification or alteration of the terms set forth in this Section E.5 shall be made by the parties without prior written approval of the appropriate HHS and/or CMS authorities.
6. *Additional Protections.*
 - a. Provider shall provide Covered Services in a manner consistent with professionally recognized standards of health care.
 - b. Provider acknowledges that Medicare Advantage Members may obtain covered mammography screening services and influenza vaccinations from a Participating Provider without a referral and that Medicare Advantage Members who are women may obtain women's routine and preventive health services from a participating women's health specialist without a referral.
 - c. Provider acknowledges that covered influenza vaccines and pneumococcal vaccines are not subject to any cost share obligations.
 - d. Provider shall provide Covered Services consistent with HPI's (1) standards for timely access to care and member services; (2) policies and procedures that allow for individual Medical Necessity determinations; and (3) policies and procedures for Provider consideration of Medicare Advantage Member input in the establishment of treatment plans.

F. ACCOUNTABILITY AND DELEGATION

The parties hereby acknowledge that HPI, as a Medicare Advantage Organization, oversees and is accountable to CMS for the applicable functions and responsibilities described in the Rules. If HPI has delegated any of its functions or responsibilities as a Medicare Advantage Organization to Provider (1) the arrangement regarding the delegated activities and reporting responsibilities

shall be set forth in Exhibits attached hereto and incorporated herein and shall be consistent with all applicable requirements set forth in the Rules. HPI may revoke any delegation including, if applicable, the delegated responsibility to meet CMS reporting requirements, and thereby terminate the Agreement and/or this Addendum if CMS or HPI determines that PROVIDER has not performed satisfactorily. In addition, if Provider carries out any of its obligations or duties under this Addendum through a subcontracted arrangement (subject to HPI authorization as may be required under the assignment provision in the Agreement), such arrangement shall be in writing, shall be consistent with all applicable requirements set forth in the Rules and shall contain a provision obligating such subcontractor to comply with all applicable obligations imposed on Provider, including Medicare laws and regulations. Provider shall ensure that all written arrangements between Provider and Subcontractors, either directly or indirectly, pursuant to which Subcontractors provide services to Medicare Advantage Members shall contain an acknowledgement that HPI, as a Medicare Advantage Organization, oversees and is accountable to CMS for the applicable functions and responsibilities described in the Rules, and that HPI will only delegate its functions and responsibilities as a Medicare Advantage Organization in a manner consistent with all applicable requirements set forth in the Rules.

G. CREDENTIALS OF PROVIDER AND ITS SUBCONTRACTORS

The credentials of the Provider and all Subcontractors, as applicable, shall be reviewed by HPI as set forth in the Agreement. If HPI has delegated its credentialing activities to Provider, such delegated arrangement shall be set forth in an Exhibit attached hereto and incorporated herein. Provider acknowledges and agrees that HPI retains the right to approve, suspend or terminate any arrangement with a provider selected by PROVIDER pursuant to such delegated credentialing activities. If HPI makes an adverse determination regarding the participation status of Provider and/or Subcontractor to provide services to Medicare Advantage Members, then HPI shall provide Provider and/or the affected Subcontractor: (i) with written notice of such adverse participation status decision; and (ii) an opportunity to present information and opinions about the decision.

H. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND HPI POLICIES AND PROCEDURES

1. Provider shall comply with all applicable Medicare laws, regulations and CMS instructions.
2. Provider shall comply with HPI's contractual obligations with CMS and agrees to furnish services to Medicare Advantage Members in a manner consistent with such contractual obligations.
3. Provider acknowledges that payments made by HPI to Provider for services rendered to Medicare Advantage Members are, in whole or in part, from federal funds and, as a result, Provider is subject to, and shall comply with, all laws that are applicable to individuals and entities receiving federal funds, including, but not limited to,
 - a. Title VI of the Civil Rights Act of 1964, as implemented by 45 CFR part 80;
 - b. The Age Discrimination Act of 1975, as implemented by 45 CFR part 91;
 - c. Section 504 of the Rehabilitation Act of 1973 as implemented by 45 CFR Part 84;
 - d. The Americans With Disabilities Act;
 - e. Other laws applicable to recipients of federal funds; and

- f. All other applicable laws and regulations applicable to recipients of federal funds.
4. Provider shall comply with federal laws and regulations designed to prevent or ameliorate fraud, waste, and abuse, including, but not limited to, applicable provisions of federal criminal law, the False Claims Act (32 U.S.C. 3729 et. seq.), and the anti-kickback statute (Section 1128B(b)) of the Act).
5. Provider shall comply with all HPI policies and procedures, as amended from time to time by HPI, which are hereby incorporated herein by reference, including, without limitation HPI Medicare Advantage policies and procedures and HPI policies and procedures relating to licensure, accreditation and Medicare certification.

I. ENCOUNTER DATA

Provider shall, and shall cause each Subcontractor to:

1. Submit to HPI all data including, without limitation, medical records, necessary to characterize the context, purpose and medical necessity of each encounter with a Medicare Advantage Member in the manner and to the extent required by CMS;
2. Certify, in writing, the completeness, truthfulness and accuracy of all such data;
3. Cooperate with HPI when it addresses any inquiries from CMS regarding the submission of encounter data and/or the accuracy of encounter data submitted; and
4. Indemnify HPI for any penalty or fine assessed by CMS against HPI, resulting from the incompleteness, untruthfulness and/or inaccuracy of data, or resulting from the nonconformance of applicable submission requirements for data, submitted by Provider for Medicare Advantage Members, as required under this Section.

J. PHYSICIAN INCENTIVE PLAN DATA AND SURVEYS

1. Provider shall, and shall cause each Subcontractor to, submit to HPI all data necessary for HPI to carry out its disclosure obligations to CMS and to Medicare Advantage Members with respect to physician incentive plans, as set forth and required under the Rules. Provider and Subcontractors shall certify, in writing, the completeness, truthfulness and accuracy of all such data. Provider shall cooperate with HPI when it addresses any inquires from CMS regarding the accuracy of data submitted.
2. If the Provider or any Subcontractor is at “substantial financial risk,” as defined in the Rules, then Provider shall, and shall cause each such Subcontractor to, obtain either aggregate or per-patient stop-loss protection, in the manner and in such amounts, as required under the Rules.
3. Provider shall, and shall cause each Subcontractor to, cooperate with HPI in connection with HPI’s obligations to conduct periodic surveys of current and former Medicare Advantage Members in instances where Provider and or any Subcontractor is at “substantial financial risk,” as defined in the Rules.
4. Provider shall, and shall cause each Subcontractor to, indemnify HPI for any penalty or fine assessed by CMS against HPI, resulting from the incompleteness, untruthfulness and/or inaccuracy of data required to be submitted to HPI, or resulting from the nonperformance of the stop-loss protection and Medicare Advantage Member survey obligations, as required under this Section.

K. REPORTING AND DISCLOSURE

Provider shall cooperate with HPI in connection with HPI's obligations to:

1. Carry out HPI's reporting obligations under the Rules (§422.516) including, without limitation, statistics and other information about: cost of HPI operations; patterns of utilization of its services; availability, accessibility and acceptability of services; developments in the health status of Medicare Advantage Members; information demonstrating that HPI has a fiscally sound operation; and other matters required by CMS;
2. Disclose to CMS all information necessary for CMS to administer and evaluate HPI's Medicare Advantage Plan;
3. Disclose to CMS all information necessary for CMS to establish and facilitate a process for current and prospective Medicare Advantage Members to exercise choice and make an informed decision with respect to Medicare services;
4. Disclose to Medicare Advantage Members all information required under the Rules to be disclosed;
5. Make a good faith effort to notify all affected Medicare Advantage Members of termination of this Addendum at least thirty (30) calendar days prior to the termination effective date; and
6. Disclose to CMS Medicare Advantage Plan quality and performance indicators, including:
 - a. Disenrollment rates for Medicare Advantage Members electing to receive benefits through the Medicare Advantage Plan for the previous two years;
 - b. Information on Medicare Advantage Member satisfaction; and
 - c. Information on health outcomes.
7. Disclose to CMS any books, contracts, medical records, patient care documentation, and other records of Provider, and any related entity, Subcontractor, or transferee of Provider that pertain to any aspect of the services performed, reconciliation of benefit liabilities, and determination of amounts payable under this Addendum, for the validation of risk adjustment data, as required by CMS , and any other information that CMS, other relevant federal and state authorities and their respective designees may require. (42 CFR 422.504(e)(2))
8. Provide to CMS a sample of medical records for the validation of risk-adjustment data, as required by CMS. (42 CFR 422.310(e))

L. EXCLUDED INDIVIDUALS AND ENTITIES

For purposes of this Section M, the term "Sanctioned" shall mean to be suspended, debarred or excluded from participation in, convicted of any criminal offense related to the delivery of health care services under, or otherwise sanctioned by, any federal health care program (including, without limitation, Medicare or Medicaid). Provider represents and warrants to HPI that it has never been Sanctioned. Provider hereby agrees that at no time during the term of this Agreement shall Provider (i) be Sanctioned, (ii) employ or contract with an individual that has been Sanctioned or that has an ownership or controlling interest in an entity that has been Sanctioned, or (iii) contract with an entity that employs or contracts with a Sanctioned individual, for the

provision of any of the following services: (a) health care; (b) utilization review; (c) medical social work; or (d) administrative services (collectively, "Designated Services"). Provider shall notify HPI, in writing, in the event any of the following individuals and/or entities are Sanctioned: (i) Provider, (ii) an employee or agent of Provider who renders Designated Services, (iii) an entity with which an employee or agent of Provider has an ownership or controlling interest, or (iv) an entity, or an employee or agent of an entity, with which Provider contracts to provide Designated Services. Provider shall review the Office of Inspector List of Excluded Individuals and Entities and the System for Award Management exclusion list and verify on a monthly basis or as often as required by CMS guidelines, that the persons and entities PROVIDER employs or contracts for the provision of services pursuant to this Addendum are in good standing.

M. MEDICARE PARTICIPATION STATUS

Provider shall not employ or contract with any individual who has opted out of Medicare by filing with a Medicare carrier an affidavit promising to furnish Medicare-covered services to Medicare beneficiaries only through private contracts with such beneficiaries. At all times during the term of this Agreement, Provider shall be approved by CMS as meeting the conditions for Medicare coverage of Provider's services.

N. QUALITY AND UTILIZATION MANAGEMENT PROGRAMS

Provider shall:

1. Participate in and fully cooperate with the activities of any independent quality review and improvement organization appointed by HPI pertaining to the provision of services to Medicare Advantage Members; and
2. Participate in and fully cooperate with HPI's medical policies, quality assurance programs, practice guidelines and utilization management programs and shall consult with HPI, when so requested by HPI, regarding such policies, guidelines and programs.

O. MEDICARE ADVANTAGE MEMBER COMPLAINTS

Provider shall participate in and fully cooperate with HPI policies and procedures pertaining to Medicare Advantage Member complaints, grievances, organization determinations involving benefits and Medicare Advantage Member liability, appeals and expedited appeals.

P. PROMPT PAYMENT OF CLAIMS

1. HPI or its Affiliate shall issue payment to Provider for a Clean Claim (as hereinafter defined), or provide notification that a Clean Claim has been denied, within the required timeframe set forth in Minnesota Statutes, Section 62Q.75, as amended from time to time (the "Prompt Pay Statute"). For purposes of this Section Q, "Clean Claim" shall mean a claim that satisfies all applicable requirements set forth in HPI policies and procedures, as amended by HPI, in its sole discretion, from time to time. As a condition of receiving payment for a Clean Claim, the Provider shall, or if applicable, shall cause each Subcontractor to, submit the Clean Claim within the applicable timeframe set forth in the Agreement. Notwithstanding any term in this Addendum or the Agreement or documents referenced therein to the contrary, Provider agrees that if HPI fails to make timely payment for a Clean Claim or provide notification that a Clean Claim has been denied, as

required under the Prompt Pay Statute, HPI's or Affiliate's liability for such failure shall be limited solely to the interest payments set forth under the Prompt Pay Statute.

2. In the event CMS reduces compensation to HPI as a result of a CMS directive or a change in applicable law, HPI may amend this Addendum and/or the Medicare Advantage Fee Schedule through written notice to PROVIDER to pass through the payment adjustment in the amount specified by CMS or, in the absence of such specification, in the same percentage amount as payment is adjusted by CMS. Such adjustment in payment to PROVIDER shall be effective concurrent with the effective date imposed on HPI by CMS.

Q. LIMITATIONS ON INDEMNIFICATION

Notwithstanding anything in the Agreement to the contrary, Provider shall not be required to indemnify HPI against any civil liability for damage caused to an Medicare Advantage Member as a result of HPI's denial to pay for medically necessary care.

R. COMPLIANCE: TRAINING, EDUCATION AND COMMUNICATIONS.

In accordance with, but not limited to 42 CFR §§ 422.503(b)(4)(vi)(C)&(D) and the CMS Compliance Guidelines, Provider agrees and certifies that it, as well as its Subcontractors shall participate in applicable compliance training, education and/or communications as reasonably requested by HPI annually or as otherwise required by applicable law, and must be made a part of the orientation for a new employee or Subcontractor. Provider acknowledges and agrees that, for purposes of satisfying the training requirement, Provider shall take the training made available by CMS. HPI shall accept the certificate of completion of the CMS training as satisfaction of the training requirement. Provider and any Subcontractor who has met the fraud, waste and abuse certification requirements through enrollment into the Medicare program are deemed to have met the training and education requirements for fraud, waste and abuse. HPI shall establish and make available to Provider and Subcontractors lines of communication that are accessible to all and allow compliance issues to be reported in accordance with 42 CFR § 422.503(b)(4)(vi)(D).

S. SUBCONTRACTORS

Provider represents and warrants that: (a) it has legal authority to act as an agent on behalf of all Subcontractors and to bind all Subcontractors to the duties, obligations and requirements set forth in this Addendum; and (b) all arrangements with its Subcontractors are in writing, duly executed and compliant with the terms of this Addendum and all applicable Medicare laws and regulations. Provider and each Subcontractor shall promptly amend all of their respective subcontracted arrangements, in the manner requested by HPI, to meet any additional Medicare requirements or as may be requested by CMS.

STATE PUBLIC PROGRAMS ADDENDUM

A. SCOPE; APPLICATION.

This State Public Programs Addendum (this “SPP Addendum”) governs the provision of Covered Services to Members who are enrolled in any of the State’s Prepaid Medical Assistance Program; Prepaid General Assistance Medical Care or MinnesotaCare Products; and the PROVIDER’s participation in HPI’s State Public Programs Network. Any default by either party of its respective obligations under this SPP Addendum shall be treated in the same manner and have the same legal effect as any other default under the Agreement.

B. GOVERNING DOCUMENTS; DEFINITIONS.

In the event of a conflict between the Agreement and this SPP Addendum, this SPP Addendum shall control if such conflict involves a State Public Programs Member. PROVIDER shall, and shall cause each Physician and/or Allied Health Professional to, comply with all rules and requirements of the HPI Administrative Program, including, but not limited to, any SPP Product requirements, which may be amended from time to time. Unless otherwise specifically defined herein, all capitalized terms in this SPP Addendum shall have the meanings ascribed to them in the Agreement. The following additional definitions apply to this SPP Addendum:

1. **“Clean Claim”** means one that can be processed without obtaining additional information from the provider of the service or from a third party. It includes a claim with errors originating in the State’s claims system. It does not include a claim from a provider who is under investigation for fraud or abuse, or a claim under review for medical necessity.
2. **“CMS”** shall mean the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services.
3. **“Comptroller General”** shall mean the Comptroller General of the U.S. Government Accountability Office.
4. **“Contract”** means the agreement between the State and HPI for Medical Care Services for Families and Children.
5. **“Contract Year”** means the calendar year for which the term of the Contract is effective.
6. **“Covered Services”** means the Medically Necessary preventive, diagnostic, therapeutic and rehabilitative services and supplies (other than a mental health care service) given to an SPP Member by a provider for a health related purpose, as defined under Minnesota Statutes, Section 256B.0625.
7. **“Emergency Performance Interruption”** or **“EPI”** means any event, including, but not limited to: wars, terrorist activities, natural disasters, pandemic or health

emergency, that the occurrence and effect of which is unavoidable and beyond the reasonable control of HP and/or the State, and which makes normal performance under the Contract impossible or impracticable.

8. **“Managing Employee”** shall mean a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operation of an institution, organization or agency, as defined in 42 CFR § 455.101.
9. **“Medical Emergency”** means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in (i) placing the physical or mental health of the SPP Member (or, with respect to a Pregnant Woman (as defined in 42 CFR § 435.4), the health of the woman and her unborn child) in serious jeopardy; (ii) continuation of severe pain; (iii) serious impairment to bodily functions; (iv) serious dysfunction of any bodily organ or part; or (v) death. Labor and delivery is a Medical Emergency if it meets this definition. The condition of needing a preventive health service is not a Medical Emergency.
10. **“Medical Emergency Services”** means inpatient and outpatient services covered under this Agreement that are furnished by a provider qualified to furnish emergency services and are needed to evaluate or stabilize an SPP Member’s Medical Emergency.
11. **“Medically Necessary”** means, as defined under Minnesota Rules, Part 9505.0175, subpart 25, a health service that is:
 - a. consistent with the SPP Member’s diagnosis or condition;
 - b. recognized as the prevailing standard or current practice by the provider’s peer group;
 - c. rendered (i) in response to a life threatening condition or pain; (ii) to treat an injury, illness or infection; or to treat a condition that could result in physical disability; (iii) to care for the mother and unborn child through the maternity period; (iv) to achieve a level of physical function consistent with prevailing community standards for diagnosis or condition; or
 - d. is a preventive health service defined under Minnesota Rules, Part 9505.0355.

In addition with respect to mental health services, pursuant to Minnesota Statutes Section 62Q.53, subdivision 2 (or any superseding law), Medically Necessary means health care services appropriate in terms of type, frequency, level, setting and duration, to the SPP Member’s diagnosis or condition, and diagnostic testing and preventive services. Medically Necessary care must be consistent with generally accepted practice parameters as determined by health care providers in the same or similar general specialty as typically manages the condition, procedure or treatment at

issue, and must (i) help restore or maintain the SPP Member's health; or (ii) prevent deterioration of the SPP Member's condition.

12. **"MNCare"** or **"MinnesotaCare"** shall mean the MinnesotaCare program authorized under Minnesota Statutes, Chapter 256L.
13. **"MFCU"** shall mean the Minnesota Medicaid Fraud Control Unit of the Minnesota Attorney General's Office.
14. **"National Provider Identifier"** or **"NPI"** means the ten (10) digit number issued by CMS which is the standard unique identifier for health care providers, and which replaces the use of all legacy provider identifiers (e.g., UPIN, Medicaid Provider Number, Medicare Provider Number, Blue Cross and Blue Shield Numbers) in standard transactions.
15. **"Ownership Interest"** shall mean the possession of equity in the capital, the stock, or the profits of the Disclosing Entity, as defined in 42 CFR § 455.101.
16. **"PGAMC"** or **"Prepaid General Assistance Medical Care Program"** shall mean the Prepaid General Assistance Medical Care program authorized under Minnesota Statutes, Section 256D.03.
17. **"PMAP"** or **"Prepaid Medical Assistance Program"** shall mean the Prepaid Medical Assistance Program authorized under Minnesota Statutes, Section 256B.69, and Minnesota Rules, Parts 9500.1450 to 9500.1464.
18. **"SPP Member/s"** means an individual eligible and enrolled to receive Covered Services through an SPP Product.
19. **"SPP Network"** means the network of health care providers with which HPI has contracted to provide Covered Services to its SPP Members.
20. **"SPP Product/s"** shall mean a Product entered into by the Minnesota Department of Human Services ("MDH") or its agents and HPI or a Related Organization pursuant to which HPI or a Related Organization pays and/or arranges for health care services and supplies to individuals eligible to participate in a PMAP, PGAMC and/or MNCare plan including, without limitation, HPI's *HealthPartners Care Prepaid Medical Assistance and Prepaid General Assistance Medical Care* and *HealthPartners Care Prepaid Minnesota Care* products.
21. **"State"** shall mean the Minnesota Department of Human Services or its agents and the Commissioner of Human Services.
22. **"Person with an Ownership or Control Interest"** shall mean (as defined in 42 CFR § 455.101) a person or corporation that:
 - a. has an Ownership Interest, directly or indirectly, totaling five percent (5%) or more in the MCO or a Disclosing Entity;

- b. has a combination of direct and indirect Ownership Interests equal to five percent (5%) or more in the MCO or the Disclosing Entity;
 - c. owns an interest of five percent (5%) or more in any mortgage, deed of trust, note, or other obligation secured by the MCO or the Disclosing Entity, if that interest equals at least five percent (5%) of the value of the property or assets of the MCO or the Disclosing Entity; or
 - d. is an officer or director of the MCO or the Disclosing Entity (if it is organized as a corporation) or is a partner in the MCO or the Disclosing Entity (if it is organized as a partnership).
23. **“Physician Incentive Plan”** or **“PIP”** means any compensation arrangement between an organization and a physician or physician group that may directly or indirectly have the effect of reducing or limiting services provided to SPP Members.
24. **“Post-Stabilization Care Services”** shall mean Medically Necessary Covered Services related to an Emergency medical condition, that are provided after an SPP Member is stabilized, in order to maintain the stabilized condition, and for which HPI is responsible when:
- a. the services are Service Authorized;
 - b. the services are provided to maintain the SPP Member’s stabilized condition within one (1) hour of a request to HPI for Service Authorization of further Post-Stabilization Services;
 - c. HPI could not be contacted;
 - d. HPI did not respond to a Service Authorization within one (1) hour; or
 - e. HPI and PROVIDER are unable to reach an agreement regarding the SPP Member’s care.
25. **“Priority Services”** shall mean:
- a. those services that must remain uninterrupted to ensure the life, health and/or safety of the SPP Member;
 - b. Medical Emergency Services, Post-Stabilization Care Services and Urgent Care;
 - c. other Medically Necessary services that may not be interrupted or delayed for more than fourteen (14) days;
 - d. a process to authorize the services described in paragraphs a through c;
 - e. a process for expedited appeals for the services described in paragraphs a through c; and

- f. a process to pay providers who provide the services described in paragraphs a through c.
- 26. **“Service Authorization** means an SPP Member’s request, or a provider’s request on behalf of an SPP Member, for the provision of medical services, and HPI’s determination of the Medical Necessity for the medical service prior to the delivery or payment of the service. A service that has received such authorization is a **“Service Authorized”** as used herein.
- 27. **“Urgent Care”** shall mean acute, episodic medical services available on a twenty-four (24) hour basis that are required in order to prevent a serious deterioration of the health of an SPP member.

C. MARKETING MATERIALS.

Except as provided by HPI, PROVIDER shall not market or promote to individuals who are not enrolled in an SPP Product for the purpose of encouraging the individual to enroll in an SPP Product. Such prohibited marketing shall include, but is not limited to, telephone, face-to-face, cold-calling or direct mail marketing. PROVIDER is not prohibited from providing information to SPP Members for the purpose of educating such members about provider choices through HPI so long as such information is not false or materially misleading.

D. ACCESS; RECORDS AND FACILITIES.

PROVIDER shall maintain and permit HPI, State, CMS, the Comptroller General, or their designees, the right to inspect, evaluate and audit any pertinent books, financial records, documents, papers, and records of the PROVIDER involving financial transactions related to Contract. The right under this section to information for any Contract period will extend through ten (10) years from the date of the final settlement for any Contract Year unless:

- 1. The State or CMS determines there is a special need to retain a particular record or records for a longer period of time and the State or CMS notify HPI at least 30 days prior to the normal record disposition date;
- 2. There has been a termination, dispute, fraud, or similar default by HPI or PROVIDER, in which case the record(s) retention may be extended to ten (10) years from the date of any resulting final settlement; or
- 3. The State or CMS determined that there is a reasonable possibility of fraud and the record may be reopened at any time.

E. MEMBER PROTECTIONS.

- 1. **Advance Directives.** PROVIDER shall:
 - a. document in the SPP Member’s current medical record whether or not the SPP Member has executed an advance directive;

- b. not condition treatment of Covered Services or otherwise discriminate on the basis of whether the SPP Member has executed an advance directive;
 - c. comply with all applicable state and federal laws, rules and regulations related to advance directives; and
 - d. provide, individually or with others, education for staff on advance directives.
2. **Accuracy, Access and Confidentiality of Medical Records.** PROVIDER shall:
- a. prepare and maintain accurate and timely medical records and other information pertaining to SPP Members who receive services from PROVIDER; and
 - b. ensure timely access by SPP Members to the records and information that pertain to them.
3. **SPP Member Rights.** PROVIDER shall consider, and shall ensure that Physicians and Allied Health Professionals consider, SPP Members' rights, including but not limited to the right to:
- a. receive information pursuant to 42 CFR § 438.10;
 - b. be treated with respect and with due consideration for the SPP Member's privacy;
 - c. receive information on available treatment options and alternatives, including the risks, benefits, and consequences of treatment or non-treatment, presented in a manner appropriate to the SPP Member's condition and ability to understand;
 - d. participate in decisions regarding his or her health care, including the right to refuse treatment;
 - e. be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience or retaliation, as specified in Federal regulations on the use of restraints and seclusion;
 - f. request and receive a copy of his or her medical records pursuant to 45 CFR Part 160 and Part 164, subparts A and E, and request to amend or correct the record(s) as specified in 45 CFR §§164.524 and 164.526;
 - g. be furnished health care services in accordance with 42 CFR §§ 438.206 through 438.210; and
 - h. ensure that each SPP Member is free to exercise his or her rights and that the exercise of these rights will not adversely affect the way the SPP Member is treated.
4. **PROVIDER and SPP Member Communications.** HPI shall not prohibit, or otherwise restrict, a health care professional acting within the lawful scope of practice from advising or advocating on behalf of an SPP Member, with respect to the following:

- a. the SPP Member's health status, medical care, or treatment options, including any alternative treatment that may be self-administered;
 - b. any information the SPP Member needs in order to decide among all relevant treatment options;
 - c. the risks, benefits, and consequences of treatment or non-treatment; or
 - d. the SPP Member's right to participate in decisions regarding his or her health care, including the right to refuse treatment, and to express preferences about future treatment decisions.
5. **Payment of Copays and Provision of Services.** In accordance with 42 CFR §447.53, neither PROVIDER nor any Physician or Allied Health Professional shall deny Covered Services to an SPP Member because of the SPP Member's inability to pay the Copayment.
 6. **Cultural Competency.** PROVIDER shall provide, and shall cause each Physician and Allied Health Professional to provide, Covered Services in a culturally competent manner to all SPP Members, including those with limited English proficiency or reading skills, and diverse cultural and ethnic backgrounds. PROVIDER shall provide, and shall cause each Physician and Allied Health Professional to provide, information regarding treatment options in a culturally-competent manner, including the option of no treatment if so elected by the SPP Member. PROVIDER shall ensure, and shall cause each Physician and Allied Health Professional to ensure, that SPP Members have effective communications with each of PROVIDER's or Subcontractor's employees or agents in making decisions regarding treatment options. Further, PROVIDER shall comply with the recommendations of the revised policy guidelines published on August 4, 2003 by the Office for Civil Rights of the Department of Health and Human Services, titled "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons," and shall apply the four factors described therein to assess the language needs of SPP Members and decide what reasonable steps, if any, PROVIDER should take to ensure meaningful access to Covered Services by SPP Members who have limited English proficiency.

F. FRAUD AND ABUSE REQUIREMENTS.

1. PROVIDER acknowledges that payments made by HPI to PROVIDER for services rendered to SPP Members are, in whole or in part, from state and federal funds and, as a result, PROVIDER shall comply with all laws, rules and regulations applicable to individuals and entities receiving state and federal funds.
2. PROVIDER shall, upon the request of the MFCU, make available to the MFCU all administrative, financial, medical and any other records that relate to the delivery of items or services under the Contract. PROVIDER shall allow the investigating unit or office access to these records during normal business hours, except under special circumstances when after-hours admission shall be allowed. Such special circumstances shall be determined by the MFCU.

3. PROVIDER shall search monthly, and upon contract execution or renewal, and credentialing, the OIG List of Excluded Individuals/Entities (“LEIE”) and the Excluded Parties List System (EPLS, with the HHS System for Awards Management) database (and may search the Medicare Exclusion Database), for any providers, agents, Persons with an Ownership or Control Interest, and Managing Employees to verify that these persons:
 - a. are not excluded from participation in Medicaid under §§ 1128 or 1128A of the Social Security Act; and
 - b. have not been convicted of a criminal offense related to that person’s involvement in any program established under Medicare, Medicaid or programs under Title XX of the Social Security Act.

PROVIDER assures HPI that no agreements exist with an excluded entity or individual for the provision of items or services related to HPI’s obligation under the Contract.

PROVIDER shall report to HPI within five (5) days any information regarding individuals or entities specified in the first paragraph of this Section F, who have been convicted of a criminal offense related to the involvement in any program established under Medicare, Medicaid, the programs under Title XX of the Social Security Act, or that have been excluded from participation in Medicaid under §§ 1128 or 1128A of the Social Security Act.

G. ENCOUNTER DATA.

PROVIDER shall cooperate with HPI when it addresses any inquiries from the State regarding the submission of encounter data and/or the accuracy of encounter data submitted.

H. PROVIDER SUBCONTRACTORS.

PROVIDER represents and warrants that all arrangements with its Physicians and/or Allied Health Professionals are: (i) in writing and duly executed (except for those employment arrangements that are not pursuant to a written arrangement); and (ii) compliant with the terms of this SPP Addendum and all applicable state and federal laws, rules and regulations. PROVIDER and each of its Physicians and/or Allied Health Professionals shall promptly amend all of their respective subcontracted arrangements, in the manner requested by HPI, to meet any additional SPP Products requirements or as may be requested by the State.

I. MINNESOTA DEPARTMENT OF HUMAN SERVICES DISCLOSURE REQUIREMENTS.

Prior to the effective date of this Addendum and renewal of the Agreement to which this Addendum is a part, PROVIDER shall report the following information to HPI, if applicable, in order to assure compliance with 42 CFR § 455.104:

1. The name address, date of birth, Social Security Number (in the case of an individual), and tax identification number (in the case of a corporation) of each Person with an Ownership or Control Interest in PROVIDER (“disclosing entity”) or in any subcontractor (both as defined in 42 CFR § 455.101) in which the disclosing entity has direct or indirect ownership of five percent (5%) or more. The address for corporate entities must include primary business address, every business location and P.O. Box address;
2. A statement as to whether any Person with an Ownership or Control Interest in the disclosing entity as identified in paragraph I.1 above is related (if an individual) to any other Person with an Ownership or Control Interest as spouse, parent, child or sibling;
3. The name or any other organization in which a Person with an Ownership or Control Interest in disclosing entity also has an Ownership or Control Interest;
4. The name, address, date of birth, and Social Security Number of any Managing Employee of the disclosing entity; and
5. For purposes of Section I, “subcontractor” means an individual, agency, or organization to which a disclosing entity has contracted, or is a person with an employment, consulting or other arrangement with HPI for the provision of items and services that are significant and material to HPI’s obligations under the Contract.

J. NATIONAL PROVIDER IDENTIFIER.

PROVIDER shall obtain, and shall require all Physicians and Allied Health Professionals to obtain, National Provider Identifier (“NPI”) numbers. PROVIDER shall use the NPI to identify PROVIDER and Physicians and Allied Health Professionals. A claim shall not be considered a Clean Claim without the required NPI number(s).

K. PROMPT PAYMENT OF CLAIMS.

HPI or its designee shall promptly pay all Clean Claims, and applicable interest on Clean Claims, in accordance with 42 U.S.C. § 1396a(a)(37) and 42 CFR §§ 447.45 and 447.46. Notwithstanding any provision in the Agreement or this Addendum to the contrary, PROVIDER shall submit Clean Claims to HPI or its designee within twelve (12) months from the newborn SPP Member’s date of birth for Covered Services rendered to the newborn SPP Member during the period of retroactive enrollment for newborns.

L. PHYSICIAN INCENTIVE PLAN DATA AND SURVEYS.

To the extent HPI operates a Physician Incentive Plan for the SPP Products, PROVIDER shall comply with the following:

1. PROVIDER shall submit to HPI all data necessary for HPI to carry out its disclosure obligations to the State and SPP Members with respect to PIPs, as set forth and required under 42 CFR § 422.208. PROVIDER shall certify, in writing, the completeness, truthfulness and accuracy of all such data. PROVIDER shall cooperate with HPI when it addresses any inquiries from the State regarding the accuracy of

data submitted. PROVIDER shall also ensure that subcontractors meet the same requirements;

2. If the PROVIDER is at “substantial financial risk,” as defined in 42 CFR § 422.208, then PROVIDER shall obtain either aggregate or per-patient stop-loss protection, in the manner and in such amounts, as required under 42 CFR § 422.208; and
3. PROVIDER shall cooperate with HPI in connection with HPI’s obligations to conduct periodic surveys of current and former SPP Members in instances where PROVIDER is at “substantial financial risk.”

M. BUSINESS CONTINUITY PLAN.

1. If HPI contracts with PROVIDER for Priority Services, PROVIDER shall have in place a written Business Continuity Plan (“BCP”), which, among other things, identifies core people, functions, and skills and ensures the continuation of essential operations of HPI, including the production and delivery of Priority Services. Accordingly, the BCP, at a minimum, shall:
 - a. appoint and identify an Emergency Preparedness Response Coordinator (EPRC) who shall serve as the contact for HPI with regard to emergency preparedness and response issues and shall provide updates to HPI as the EPI unfolds. PROVIDER shall notify HPI immediately whenever there is a change in PROVIDER’s EPRC and must include the contact information of its new appointed EPRC;
 - b. outline the procedures used for the activation of the BCP upon the occurrence of an EPI;
 - c. ensure that PROVIDER operations continue to produce and deliver Priority Services under this Addendum. This includes, but is not limited to:
 - i. outline the roles, command structure, decision making process, and emergency action procedures that will be implemented upon the occurrence of an Emergency Performance Interruption;
 - ii. provide alternative operating plans for Priority Services;
 - iii. provide procedures to move SPP Members to Fee-for-Service if HPI or the State determines such movement is necessary to properly provide service to the SPP Members; and
 - iv. provide procedures to allow SPP Members to go to another clinic if PROVIDER’s primary case clinic is not functioning.
 - d. include procedures to reverse the process once the external environment permits PROVIDER to re-enter normal operations;
 - e. be reviewed and revised as needed, at least annually. The BCP shall also be exercised on a regular basis, typically annually; and

- f. upon written request, be available to HPI or the STATE during normal business hours for review and inspection at PROVIDER's location.
- 2. If PROVIDER uses a subcontractor to furnish Priority Services to SPP Members, PROVIDER shall ensure that all such subcontractors have a BCP in place that meets, at minimum, the requirements of Section M.1 above.

N. PROVIDER PREVENTABLE CONDITIONS.

PROVIDER acknowledges and agrees that PROVIDER shall not be entitled to compensation for provider-preventable conditions as defined in 42 CFR § 447.26; provided that no reduction in payment will be imposed for a provider preventable condition when the condition defined as provider preventable condition for a particular SPP Member existed prior to the initiation of treatment for that SPP Member by PROVIDER. PROVIDER shall identify provider preventable conditions that are associated with claims for payment under this SPP Addendum or courses of treatment furnished to SPP Members for which payment under this SPP Addendum would otherwise be available.

**SERVICES ADDENDUM
INTAKE AND ELIGIBILITY FOR
TARGETED CASE MANAGEMENT**

The Participating Provider Agreement (the “Agreement”) between HealthPartners, Inc. (“HPI”) and Pine County Health and Human Services (“PROVIDER”), dated January 1, 2016, shall be governed by the following reimbursement terms set forth in this Services Addendum, including any Exhibit(s) and Attachment(s) attached hereto (collectively, “Services Addendum”).

A. Scope.

This Services Addendum sets forth the terms for the provision of Intake and Eligibility for Targeted Case Management provided by PROVIDER to State Public Programs Members subject to the Agreement.

B. Term.

This Services Addendum shall be effective as of January 1, 2016. Notwithstanding the foregoing, nothing in this Services Addendum shall alter in any way the term of the Agreement or the parties’ rights to terminate the Agreement as provided therein. The termination of this Services Addendum shall not result in the termination of the Agreement. Any termination of the Agreement shall result in automatic termination of this Services Addendum.

C. Governing Documents; Definitions.

In the event of a conflict between the Agreement and this Services Addendum, this Services Addendum shall control. Unless otherwise specifically defined herein, all capitalized terms in this Services Addendum shall have the meanings ascribed to them in the Agreement. The following additional definitions apply to this Services Addendum.

Section 2. “State Public Programs Member” means an individual eligible and enrolled to receive Covered Services through a State Public Programs Product. “State Public Programs Product” means a Product entered into by the Minnesota Department of Human Services (or its agents) and HPI or a Related Organization pursuant to which HPI or a Related Organization pays for, provides and/or arranges for health care services and supplies to individuals eligible to participate in such governmental plans.

Section 3. “Intake and Eligibility” or “I&E” means the process the Provider goes through in order to determine if a State Public Programs Member meets the criteria to receive Targeted Case Management. This may include, but is not limited to, obtaining medical and mental health records, visiting a State Public Programs Member in the hospital, scheduling appointments with a State Public Program Member or the family, obtaining a functional assessment, and determining the level of care a State Public Program Member may need.

Section 4. “Targeted Case Management” or “TCM” means services for adults who have a Severe and Persistent Mental Illness (“SPMI”) and children/adolescents who are diagnosed with Severe Emotional Disturbance (“SED”). TCM consists of face-to-face contact between the Targeted Case Manager and the State Public Programs Member, at least monthly. Contacts may be supplemented by telephonic contact.

D. Members Eligible to Receive TCM.

To be eligible to receive TCM State Public Programs Members must meet the definitions specified in MN Stat. 245.4871, Subd. 5 and Subd. 6 (for children) or MN Stat. 245.462 subd. 3 (for adults).

E. I&E Coding and Documentation.

Section 1. Intake and Eligibility coding: Appropriate coding includes:

H0002 Behavioral health screening to determine eligibility for admission to Targeted Case Management.

Section 2. Intake and Eligibility documentation:

PROVIDER shall maintain documentation in members’ file that is consistent with state and federal guidelines. Documentation will be subject to the annual review specified in Section F of this Services Addendum.

F. Annual Review Process.

HPI and PROVIDER shall meet on an annual basis to review the Intake and Eligibility services provided by PROVIDER. This review will include but is not limited to:

1. Adequate documentation to support claims;
2. Performance of county referral partners; and
3. Compliance with state and federal regulations.

G. Reimbursement Terms.

HPI will reimburse PROVIDER for rendering Intake and Eligibility to eligible State Public Programs Members pursuant to terms specified in Attachment A, which is attached to this Services Addendum.

H. Previous Terms.

This Services Addendum supersedes any agreement previously entered into between HPI and PROVIDER relating to the terms addressed in the Services Addendum and no prior

representations or agreements between the parties relating to the terms addressed in the Services Addendum, whether oral or written, have any force or effect. All other terms and conditions of the Agreement not expressly modified by this Services Addendum shall remain unchanged and in effect.

I. Counterparts; Binding Addendum

This Services Addendum may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same instrument.

Notwithstanding anything in this Services Addendum to the contrary, upon acceptance of payment by PROVIDER this Services Addendum shall be deemed (a) accepted by and binding on the parties hereto, (b) valid and (c) enforceable even though not fully signed.

HEALTHPARTNERS, INC.	PINE COUNTY HEALTH AND HUMAN SERVICES
By: _____	By: _____
Name: <u>Charles Abrahamson</u>	Name: _____
Its: <u>Vice President, Network Management and Provider Relations</u>	Its: _____
Date: _____	Date: _____
	Fed Tax ID: <u>41-1278204</u>

Attest

David J Minke
Administrator

**ATTACHMENT A TO
SERVICES ADDENDUM
INTAKE AND ELIGIBILITY FOR
TARGETED CASE MANAGEMENT**

A. Reimbursement Rate.

Pursuant to state requirements HPI will reimburse PROVIDER for the following TCM services at the corresponding rate specified below as agreed upon by PROVIDER and host county.

CODE	RATE
H0002	\$450.00

B. MinnesotaCare Tax.

PROVIDER is subject to a tax on gross revenues in accordance with Minnesota Statutes 295.52, subd.1, as may hereafter be amended, substituted or supplemented ("MinnesotaCare"). MinnesotaCare allows PROVIDER to transfer the additional expense generated by MinnesotaCare taxation ("MinnesotaCare Tax") to third-party purchasers, such as HPI. The parties agree as follows:

Section 1. HPI will reimburse PROVIDER for MinnesotaCare Tax as defined in Minnesota Statute 295.52, subdivision 1.

Section 2. In the event PROVIDER is paid billed charges or on a discount from billed charges basis, HPI shall pay such billed charges or the agreed-upon discount percentage of PROVIDER's billed charges, as applicable, and the MinnesotaCare Tax shall be deemed to be included.

Section 3. Notwithstanding any term in this Section F that may be construed to be to the contrary, the PROVIDER shall be ultimately liable for the payment of any MinnesotaCare Taxes owed by the PROVIDER to the State of Minnesota.

**SERVICES ADDENDUM
TARGETED CASE MANAGEMENT**

The Participating Provider Agreement (the “Agreement”) between HealthPartners, Inc. (“HPI”) and Pine County Health and Human Services (“PROVIDER”), dated January 1, 2016, shall be governed by the following reimbursement terms set forth in this Services Addendum, including any Exhibit(s) and Attachment(s) attached hereto (collectively, “Services Addendum”).

A. Scope.

This Services Addendum sets forth the terms for the provision of Targeted Case Management provided by PROVIDER to State Public Programs Members subject to the Agreement.

B. Term.

This Services Addendum shall be effective as of January 1, 2016. Notwithstanding the foregoing, nothing in this Services Addendum shall alter in any way the term of the Agreement or the parties’ rights to terminate the Agreement as provided therein. The termination of this Services Addendum shall not result in the termination of the Agreement. Any termination of the Agreement shall result in automatic termination of this Services Addendum.

C. Governing Documents; Definitions.

In the event of a conflict between the Agreement and this Services Addendum, this Services Addendum shall control. Unless otherwise specifically defined herein, all capitalized terms in this Services Addendum shall have the meanings ascribed to them in the Agreement. The following additional definitions apply to this Services Addendum.

Section 1. “State Public Programs Member” means an individual eligible and enrolled to receive Covered Services through a State Public Programs Product. “State Public Programs Product” means a Product entered into by the Minnesota Department of Human Services (or its agents) and HPI or a Related Organization pursuant to which HPI or a Related Organization pays for, provides and/or arranges for health care services and supplies to individuals eligible to participate in such governmental plans.

Section 2. “Targeted Case Management” or “TCM” means services for adults who have a Severe and Persistent Mental Illness (“SPMI”) and children/adolescents who are diagnosed with Severe Emotional Disturbance (“SED”). TCM consists of face-to-face contact between the Targeted Case Manager and the State Public Programs Member, at least monthly. Contacts may be supplemented by telephonic contact. TCM consists of the following four core services:

1. Assessment of an eligible individual to determine service needs

F. Annual Review Process

HPI and PROVIDER will meet on an annual basis to review the Targeted Case Management services provided by PROVIDER. This review will include but is not limited to:

1. Case load size requirements as defined by state and federal regulations;
2. Adequate documentation to support claims;
3. Performance of county referral partners; and
4. Compliance with state and federal regulations

G. Collaboration with HPI.

PROVIDER shall collaborate with HPI regarding the TMC implementation process. PROVIDER and HPI agree to work together to put processes into place to address the needs of the member and keep administration of the TCM benefit as streamlined as possible. This collaboration includes defining reporting requirements, standardization of forms and documentation requirements.

H. Coding and Documentation.

Section 1. TCM coding: Appropriate coding for TCM includes:

T2023 HA targeted case management per month under 18 years
T2023 HE targeted case management per month 18 years and older
T2023 HE U4, telephonic contact 18 years or older

Section 2. TCM documentation:

PROVIDER agrees to maintain documentation in members' file that is consistent with state and federal guidelines. Documentation will be subject to the annual review specified in Section F of this Services Addendum.

I. Government Audit Process.

If as a result of a government audit, including but not limited to a CMS audit, payment for TCM services are disallowed and HPI is required to return funds, PROVIDER shall reimburse HPI for all such funds paid by HPI to PROVIDER for such disallowed services.

For purposes of this Section funds would only be paid to HPI if HPI's obligation to return the funds is a result of PROVIDER's failure to meet the TCM requirements specified in this Services Addendum.

J. Reimbursement Terms.

HPI will reimburse PROVIDER for rendering TCM to eligible State Public Programs Members pursuant to terms specified in Attachment A, which is attached to this Services Addendum.

K. Previous Terms.

This Services Addendum supersedes any agreement previously entered into between HPI and PROVIDER relating to the terms addressed in the Services Addendum and no prior representations or agreements between the parties relating to the terms addressed in the Services Addendum, whether oral or written, have any force or effect.

HEALTHPARTNERS, INC.	PINE COUNTY HEALTH AND HUMAN SERVICES
By: _____	By: _____
Name: <u>Charles Abrahamson</u>	Name: _____
Its: <u>Vice President,</u>	Its: _____
<u>Network Management and Provider</u>	_____
<u>Relations</u>	_____
Date: _____	Date: _____
	Fed Tax
	ID: <u>41-1278204</u>

Attest:

David J. Minke
Administrator

**ATTACHMENT A TO
SERVICES ADDENDUM
TARGETED CASE MANAGEMENT**

A. Reimbursement Rate.

Pursuant to state requirements HPI will reimburse PROVIDER for the following TCM services at the corresponding rate specified below as agreed upon by PROVIDER and host county.

CODE	RATE
T2023 HA-Child	\$687.00
T2023 HE-Adult	\$475.00
T2023 U4 HE-Adult Telephonic	\$475.00

On an annual basis PROVIDER will notify HPI in writing of the rates agreed upon by PROVIDER and host county for the TCM services corresponding to each of the codes specified above. HPI will implement the new rates within 30 days of receipt of the written notice.

B. MinnesotaCare Tax.

PROVIDER is subject to a tax on gross revenues in accordance with Minnesota Statutes 295.52, subd.1, as may hereafter be amended, substituted or supplemented ("MinnesotaCare"). MinnesotaCare allows PROVIDER to transfer the additional expense generated by MinnesotaCare taxation ("MinnesotaCare Tax") to third-party purchasers, such as HPI. The parties agree as follows:

- Section 1.** HPI will reimburse PROVIDER for MinnesotaCare Tax as defined in Minnesota Statute 295.52, subdivision 1.

- Section 2.** In the event PROVIDER is paid billed charges or on a discount from billed charges basis, HPI shall pay such billed charges or the agreed-upon discount percentage of PROVIDER's billed charges, as applicable, and the MinnesotaCare Tax shall be deemed to be included.

- Section 3.** Notwithstanding any term in this Section F that may be construed to be to the contrary, the PROVIDER shall be ultimately liable for the payment of any MinnesotaCare Taxes owed by the PROVIDER to the State of Minnesota.



AGENDA REQUEST FORM

Date of Meeting: 1-5-16

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

Agenda Item: Approve contract between State of MN and HHS

Department: Health & Human Services



Department Head signature

Background information on Item:

This is a contract for the GED Innovation Fund between Pine County and the State of MN on behalf of Pine Technical and Community College Employment and Training Center. Our allocation is \$2,618 effective 1-1-16 through 12-31-16, Pine Tech Employment & Training Center will administer these funds geared towards MFIP (Minnesota Family Investment Program) and DWP (Diversionary Work Program) clients. The goal is to help this population earn a high school diploma or GED, enroll in post-secondary training and/or earn a post-secondary certificate or degree.

Action Requested:

Approve the contract and authorize the Board Chair to sign.

Financial Impact:

All funds used in this contract are allocated to Pine County Health and Human Services by the State of Minnesota.

F.Y.	Cost Center	Obj. Code	Amount	Vendor #	P.O. #

STATE OF MINNESOTA

Pine Technical and Community College Employment and Training Center

MINNESOTA STATE COLLEGES AND UNIVERSITIES

INCOME CONTRACT – 2016 GED Innovation

This contract is by and between Pine County Health and Human Services, 315 Main Street South, Suite 200, Pine City, MN 55063 (hereinafter "PURCHASER") and the State of Minnesota acting through its Board of Trustees of the Minnesota State Colleges and Universities, on behalf of Pine Technical and Community College Employment and Training Center (hereinafter "MnSCU").

WHEREAS, the PURCHASER has a need for a specific service; and

WHEREAS, MnSCU, is empowered to enter into income contracts pursuant to Minnesota Statutes, Chapter 136F;

NOW, THEREFORE, it is agreed:

1. DUTIES OF MnSCU. The MnSCU agrees to provide the following:

- Identify enrolled MFIP and DWP program participants who have not completed HS/GED
- Collaborate with GED providers and eligible clients to develop an Employment Plan that contains a detailed education component with a timeline for GED completion
- Monitor individual client progress towards GED completion by 12/31/16
- Promote GED completion at 1-1 client meetings and Job Clubs to recruit interested clients
- Facilitate and support GED study, practice testing and actual testing completion
- Issue support services and incentives at identified program benchmarks
- Document support service issuances in WF1 Services and Case Notes
- Complete individual client spreadsheet entries for determination of outcomes

2. DUTIES OF PURCHASER. The PURCHASER agrees to provide the following:

- Refer participants to Employment Services Programs, MFIP and DWP

3. CONSIDERATION AND TERMS OF PAYMENT.

- a. Consideration for all services performed and goods or materials supplied by MnSCU pursuant to this contract shall be paid by the PURCHASER as follows:

The amount to MnSCU shall not exceed \$2,618.00, two thousand six hundred eighteen dollars.

- \$2,435.35 Support Service Expenses
- \$182.65 Administrative Expenses (7.5%)

- b. Terms of Payment. Payment shall be made by the PURCHASER for the previous month no later than the 23rd day following the last day of the month being billed for, if there are no disputes. If the PURCHASER disagrees with the amount of a charge, it shall immediately contact the MnSCU to resolve the issue. The monthly invoice will not be paid until the dispute is resolved. During the term of the contract, the PURCHASER shall not be responsible for charges beyond the scope of what is allowed in this contract.
4. TERM OF CONTRACT. This contract shall be effective on January 1, 2016, **or upon the date that the final required signature is obtained by MnSCU**, whichever occurs later, and shall remain in effect until December 31, 2016 or until all obligations set forth in this contract have been satisfactorily fulfilled, whichever occurs first.
5. CANCELLATION. This contract may be canceled by the PURCHASER or MnSCU at any time, with or without cause, upon thirty (30) days written notice to the other party. In the event of such a cancellation, the MnSCU shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed.
6. TERMINATION FOR INSUFFICIENT FUNDING. PURCHASER may immediately terminate this contract if it does not obtain funding from the Minnesota Legislature or other funding source, or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to MnSCU within a reasonable time of Purchaser receiving notice that sufficient funding is not available. PURCHASER is not obligated to pay for any services that are provided after notice and effective date of termination. However, the MnSCU will be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed to the extent that funds are available. PURCHASER will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature or other funding source not to appropriate funds.
7. AUTHORIZED REPRESENTATIVES.

- a. The PURCHASER'S Authorized Representative for the purposes of administration of this contract is:

Name: Peggy Brackenbury
Title: Financial Assistance Supervisor II
Address: 315 Main Street South, Suite 200, Pine City, MN 55063
Telephone: 320-216-4107
E-Mail: Peggy.Brackenbury@co.pine.mn.us
Fax: 320-591-1601

- b. MnSCU 'S Authorized Representative for the purposes of administration of this contract is:

Name: Dwayne Green
Title: Executive Director
Address: 900 4th Street SE, Pine City, MN 55063
Telephone: 320-629-4543
E-Mail: greend@pine.edu
Fax: 320-629-1276

Each authorized representative shall have final authority for acceptance of services of the other party and shall have responsibility to ensure that all payments due to the other party are paid pursuant to the terms of this contract.

8. ASSIGNMENT. Neither the PURCHASER nor MnSCU shall assign or transfer any rights or obligations under this contract without the prior written approval of the other party.
9. LIABILITY. The PURCHASER shall indemnify, save, and hold MnSCU, its agents and employees harmless from any and all claims or causes of action arising from the performance of this contract by the PURCHASER or PURCHASER'S agents or employees. This clause shall not be construed to bar any legal remedies the PURCHASER may have for MnSCU 'S failure to fulfill its obligations pursuant to this contract.
10. AMERICANS WITH DISABILITIES ACT COMPLIANCE (hereinafter "ADA"). The PURCHASER is responsible for complying with the Americans with Disabilities Act, 42 U. S. C. 12101, et. seq. and regulations promulgated pursuant to it. MnSCU IS NOT responsible for issues or challenges related to compliance with the ADA beyond its own routine use of facilities, services, or other areas covered by the ADA.
11. AMENDMENTS. Any amendments to this contract shall be in writing and shall be executed by the same parties who executed the original contract or their successors in office.
12. COMPLIANCE WITH APPLICABLE LAWS. The parties shall comply with all federal, state and local laws. Specifically, the Parties shall comply with all regulations governing data collected, created, received, or retained including the retention, maintenance and destruction of data, per 45 C.F.R. 155.1210. The absence of an immediate enforcement action or commencement of lack of remedial steps to address non-compliance shall not be construed as a waiver of the requirement, nor shall it prohibit later enforcement or action to terminate the agreement by the non-offending party.
13. GOVERNMENT DATA PRACTICES ACT. The requirements of Minnesota Statutes § 13.05, subd. 11 apply to this contract. The PURCHASER and MnSCU must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by MnSCU in accordance with this contract, and as it applies to all data, created, collected, received, stored, used, maintained, or disseminated by the PURCHASER in accordance with this contract. The civil remedies of Minnesota Statutes §13.08 apply to the release of the data referred to in this clause by either the PURCHASER or MnSCU.

In the event the PURCHASER receives a request to release the data referred to in this clause, the PURCHASER must immediately notify MnSCU. MnSCU will give the PURCHASER instructions concerning the release of the data to the requesting party before the data is released.

By means of this Contract and for purposes of exchange of data to facilitate the program(s), the Parties are deemed to be a part of the welfare system pursuant to Minn. Stat. 13.46, Subd. 1(c). Data collected, maintained, used or disseminated by the County and personnel of the Health and Human Services Department or collected, maintained, used or disseminated by MnSCU may be exchanged as authorized by Minn. Stat. 13.46, Subd. 2 (a)(4) - (7).
14. JURISDICTION AND VENUE. This contract shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this contract, or the breach thereof, shall be located only in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.
15. STATE AUDITS. The books, records, documents, and accounting procedures and practices of the PURCHASER relevant to this contract shall be subject to examination by the contracting department and the Legislative Auditor.
16. OTHER PROVISIONS. (Attach additional page(s) if necessary): None

IN WITNESS WHEREOF, the parties have caused this contract to be duly executed intending to be bound thereby.

APPROVED:

1. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Pine Technical and Community College Employment and Training Center

By (authorized signature)
Title
Date

2. PURCHASER: PINE COUNTY HEALTH AND HUMAN SERVICES

PURCHASER certifies that the appropriate person(s) have executed the contract on behalf of PURCHASER as required by applicable articles, by-laws, resolutions, or ordinances.

By (authorized signature)
Title
Date

By (authorized signature)
Title
Date

AS TO FORM AND EXECUTION:

By (authorized signature)
Title
Date

By (authorized signature)
Title
Date

3. AS TO FORM AND EXECUTION:

By (authorized college/university/system office initiating agreement)
Title
Date



AGENDA REQUEST FORM

Date of Meeting: 1/5/2016

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

Agenda Item: Lead County Agreement with TSA

Department: HHS

Rebecca Foss
Department Head signature

Background information on Item:

Pine County Health and Human Services has historically held a lead county contract with TSA (Therapeutic Services Agency). TSA provides numerous outpatient mental health services as well as therapeutic foster care. The fee schedule is attached to the contract. The contract is good for a period of one year (calendar year 2016). Some of the rates remain the same as 2015. Other rates are increasing by 2%. Most of the increased rates revolve around TSA's foster care programming.

After Riverwood Centers closed unexpectedly in 2014, TSA worked very hard to increase the amount of their programming and services so that they could provide mental health services to individuals whose mental health care had been disrupted. TSA continues to be a strong local resource for those who are seeking services.

Action Requested:

Authorize the Board Chairperson to sign the Lead County Agreement between Pine County HHS and TSA.

Financial Impact:

Many of the costs associated with outpatient mental health services provided by TSA are covered by medical insurance. Foster care rates are not covered by insurance. Pine County HHS pays for foster care as those services are rendered. Historically, TSA has provided foster care services to older children and adolescents whose needs cannot be met by extended family members or county foster care homes.

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, 2016 through December 31, 2016.

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:

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& TSA, INC.
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- 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.

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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.

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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

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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

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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

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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 of 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, (a) (4).

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, Minnesota Statutes Section 13.01 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 604.202 (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

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compliance from the Commissioner of Human Services pursuant to Minnesota Statutes, Section 363A.36.

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 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. Certificate of Insurance shall be issued evidencing such coverage to the County.

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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.
- d. Any alterations, variations, modifications, or waivers of provisions of this agreement,

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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.

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 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.
2016

APPROVED AS TO FORM AND EXECUTION:

Pine County Attorney

Date

Director, Pine County Health & Human
Services

Date

Chair, Pine County Board of Commissioners

Date

County Administrator, Pine County

Date

Director, Therapeutic Services Agency

Date

P\CONTRACT\2016\TSA, Inc..doc
12/30/2015

Therapeutic Services Agency, Inc. Fee Schedule 2016

FAMILY INTERVENTION PROGRAMS		Unit	2016 Rates No Increase
Professional Therapy		P/h	75.50
Family Skills Services		P/h	39.54
Group Therapy and Education		P/h	75.50
Crisis Response Services		P/h	75.50
At - Court Costs:			
Professional		P/h	92.61
Skills		P/h	53.09
Supervised Visitation			
Professional		P/h	75.50
Skills		P/h	39.54
Specialized Assessments		P/h	98.25**
At Court Costs		P/h	150.44**
Parenting Assessments		P/h	98.25**
At Court Costs		P/h	150.44**
Psychological Evaluation DC:0-3		P/h	98.25**
Psychological Evaluation		P/h	132.48**
Family Support Team			
Professional		P/h	77.01**
Skills		P/h	40.33**
COMMUNITY BASED PROGRAMS			2% Increase
Adolescent Treatment Program		P/d	81.65 + MAPCY*
Child Treatment Program		P/d	81.65 + MAPCY*
Full Family Foster Care		P/d	81.65+49.37 (Base Rate)
and Child		P/d	18.01 + MAPCY*
Teen Parent		P/d	81.65 + MAPCY*
and Child		P/d	18.01 + MAPCY*
Support Network of Foster Care		P/d	67.24 + MAPCY*
Standard Foster Care		P/d	36.02 + MAPCY*
Shelter		P/d	97.41
Respite		P/d	81.65
Transportation		P/h	13.50
Summer Program		P/d	81.65

* Foster Care Maintenance and MAPCY to be determined by County

** Increased in 2016 by 2%



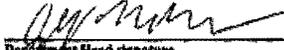
AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Sheriff's Office Space Rental - Hinckley

Department: Sheriff's Office



Department Head signature

Background information on Item:

This is an agreement between the City of Hinckley and the County to rent out the vacated fire hall space to the county for heated storage for sheriff's office equipment.

Action Requested:

Consider approval of Hinckley Fire Hall Lease Agreement and authorize Board Chair to sign.

Financial Impact:

Rental cost is \$6,000 per year. Funds are available in the 2016 Sheriff's Office budget.



HINCKLEY FIRE HALL LEASE AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 2015 between the City of Hinckley, Pine County, Minnesota, hereinafter referred to as the **LESSOR** of the Hinckley Fire Hall, located at 106 1st Street SE and Pine County Sheriff's Office, hereinafter referred to as **LESSEE**.

In consideration of the receipt of the leasing fee of \$500 per month for 2016, the **LESSOR** hereby agrees to lease two eastern most garage stalls of the old fire hall and the office space in an "as is" condition to the **LESSEE**.

Monthly lease payment shall be made by the 10th of each month beginning January of 2016.

Said Lessor expressly agrees:

1. To maintain building and premises, including, but not limited to building repairs and maintenance and snow removal.
2. Provide water and sewer service, electric and gas utilities and garbage removal for the premises.

Said Lessee expressly agrees:

1. To inspect the facility to assure that it is adequate for the proposed use and that it is clean and in good repair prior to use. By signing this lease agreement, Lessee acknowledges and certifies that the condition of the property at the time of possession of the property is acceptable to Lessee;
2. To pay the specified lease fees and abide by the terms and conditions of said Lease Agreement;
3. To not interfere with other users or uses occurring on the premises;
4. To not cause or permit any damage or destruction to said premises or furnishings, waive the return of the damage deposit and promptly remit to the City any additional funds necessary for the City to return the leased premises to the conditions prior to rental including replacement or repair of any and all damage done to the buildings or equipment by the Lessee, guests or others present at the leased premises during the period covered by the lease Agreement;

5. To defend and indemnify the City for any and all occurrences resulting from or relating to the Lessee's use of the leased premises, whether occurring on the premise or off-premise, including but not limited to accidental falls, property damage, etc.;
6. That if prior to or during the term of this lease the premises should be destroyed or rendered unfit for the proposed use by the lessee, by any cause beyond the control of the lessor, this lease shall cancel and any amounts paid by lessee may be refunded;
7. To enforce the "No Smoking" rules of the MN Clean Air Act for public buildings.
8. To be bound by all of the provisions of this contract.

IN WITNESS WHEREOF, the Lessor and Lessee agree to be bound by the terms set forth herein.

Pine County Sheriff's Office

(Signature of LESSEE)

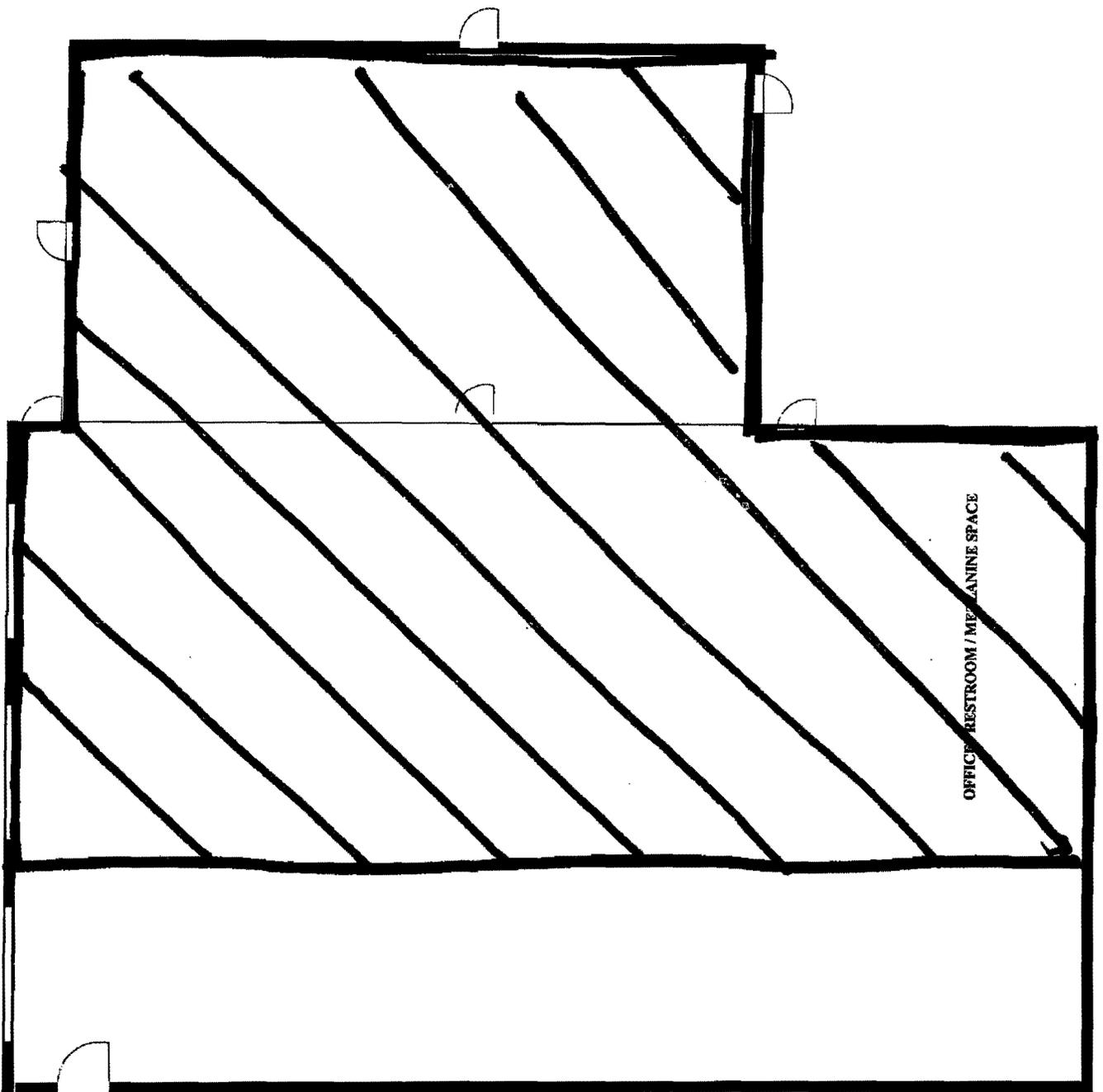
Date

City of Hinckley:

(Signature of City of Hinckley)

Date

SHERIFF'S DEPT. / OLD FIRE HALL SPACE





AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: 2015 Clerical Corrections

Department: Land Services



 Department Head signature

Background information on Item:

Minnesota Statute 273.01 requires the county assessor to notify the County Board of Commissioners of any changes to property valuation or classification after the County Board of Appeal and Equalization shall be sent to the county board. Changes are only made after the County Board of Appeal and Equalization for those items which are clerical errors in nature, not appraiser judgments. A listing with explanation of the clerical corrections is attached.

It is noteworthy these errors were caught before the property taxes were calculated, and has alleviated the need to abate the property taxes which create a deficient in the levy.

Action Requested:

None – Information Only

Financial Impact:

None

PINE COUNTY ASSESSOR'S OFFICE 2015 ASSESSMENT CLERICAL CORRECTIONS

OWNER/CALLER	OLD/ NEW	PARCEL NO.	Rec #	CLASS CODE	DATE	EMV LAND	EMV BLDG.	TOTALS	CHANGE AMOUNT	NOTES
Benson	old	02.0004.000	1	151-0-099	11/24/2015	\$21,700	\$47,800	\$69,500	-\$8,500	SA back to .5 to match others in area
	new	02.0004.000	1	151-0-099	11/24/2015	\$13,200	\$47,800	\$61,000		
Benson	old	02.0005.003	1	111-0-700	11/24/2015	\$45,000	\$0	\$45,000	-\$8,500	SA back to .5 to match others in area
	new	02.0005.003	1	111-0-700	11/24/2015	\$36,500	\$0	\$36,500		
Jansen	old	02.0251.000	2	206-0-099	6/4/2015	\$14,500	\$0	\$14,500	N/A*	Added the Personal Property Mobile Home from 02.8800.302 to the Real Estate Parcel
	new	02.0251.000	2	206-0-099	6/4/2015	\$14,500	\$2,800	\$17,300		
Lynch/Wells Fargo Bank	old	02.0223.000	1	101-0-099	12/8/2015	\$73,600	\$0	\$73,600	\$0	Buildings on wrong parcels- Different Owners
	new	02.0223.000	1	201-0-099	12/8/2015	\$85,600	\$26,900	\$112,500		
	old	02.0223.003	1	201-0-099	12/8/2015	\$13,800	\$26,900	\$40,700		
	new	02.0223.003	1	201-0-099	12/8/2015	\$11,800	\$59,100	\$70,900		
	old	02.0354.005	1	201-0-080	12/8/2015	\$37,900	\$62,600	\$100,500		
	new	02.0354.005	1	201-0-080	12/8/2015	\$27,900	\$3,500	\$31,400		
Wylie	old	04.0119.001	2	106-1-101	12/8/2015	\$45,000	\$27,700	\$72,700	N/A	Portion of Shop Bldg used for agricultural purposes, was on the commerical record
	old	04.0119.001	3	233-0-199	12/8/2015	\$5,000	\$87,100	\$92,100		
	new	04.0119.001	2	106-1-101	12/8/2015	\$45,000	\$92,500	\$137,500		
	new	04.0119.001	3	233-0-199	12/8/2015	\$5,000	\$22,300	\$27,300		
Glader	old	06.0162.000	1	201-1-000	8/31/2015	\$139,200	\$35,300	\$174,500	N/A	New Owner, old owner requested ag class to be removed, but it has always been farmed (tillable)
	new	06.0162.000	1	101-1-000	8/31/2015	\$139,200	\$35,300	\$174,500		
	old	06.0166.000	1	201-1-000	8/31/2015	\$86,700	\$0	\$86,700		
	new	06.0166.000	1	101-1-000	8/31/2015	\$86,700	\$0	\$86,700		
DNR	old	13.0330.000	2	201-0-081	9/2/2015	\$12,000	\$68,200	\$80,200	N/A*	Moved home value to personal property parcel 13.9910.000
	new	13.0330.000	2	201-0-081	9/2/2015	\$12,000	\$0	\$12,000		
Loew	old	13.0427.000	1	101-1-004	6/18/2015	\$55,600	\$13,500	\$69,100	-\$7,600	Should have been a recommendation to CBAE, forgot to bring- more low ground, no septic
	new	13.0427.000	1	101-1-004	6/18/2015	\$48,200	\$13,300	\$61,500		
County of Pine	old	14.0084.000	1	111-0-099	11/23/2015	\$18,500	\$0	\$18,500	N/A	Property was transferred to the county 9/2014, never put as exempt
	new	14.0084.000	1	983-0-099	11/23/2015	\$18,500	\$0	\$18,500		
Horton	old	17.0050.003	1	201-1-002	5/27/2015	\$18,100	\$0	\$18,100	\$0	Buildings assessed to wrong parcel- Same owner
	new	17.0050.003	1	201-1-000	5/27/2015	\$28,100	\$16,500	\$44,600		
	old	17.0051.001	1	201-1-000	5/27/2015	\$24,400	\$16,500	\$40,900		
	new	17.0051.001	1	201-1-001	5/27/2015	\$14,400	\$0	\$14,400		
Proffitt	old	20.0071.000	2	111-0-099	6/18/2015	\$30,000	\$0	\$30,000	-\$11,100	Should have been valued as no access, forgot to bring as an assessor recommendation to CBAE.
	new	20.0071.000	2	111-0-099	6/18/2015	\$18,900	\$0	\$18,900		
Bloom	old	21.0199.000	2	111-0-080	8/25/2015	\$19,500	\$0	\$19,500	-\$400	Acreage correction
	new	21.0199.000	2	111-0-080	8/25/2015	\$19,100	\$0	\$19,100		
Frandsen	old	26.0386.000	1	151-0-099	12/4/2015	\$65,400	\$0	\$65,400	-\$11,400	Corrected acreage to match survey we have had on file.
	new	26.0386.000	1	151-0-099	12/4/2015	\$54,000	\$0	\$54,000		
Sandstone City	old	30.0516.000	2	233-0-080	11/19/2015	\$5,000	\$0	\$5,000	-\$5,000	Billboard removed 10/2014
	new	30.0516.000	-	-	11/19/2015	\$0	\$0	\$0		
Waldhalm	old	46.0034.000	1	233-0-099	11/23/2015	\$87,600	\$428,300	\$515,900	-\$52,200	50x120 Bldg destroyed 2/14/14-never notified so bldg was not removed from assessment
	new	46.0034.000	1	233-0-099	11/23/2015	\$87,600	\$376,100	\$463,700		
TOTAL VALUE CHANGE									-\$104,700	

N/A= Classification change only, no change to value

N/A*= Properties are/were on teh tax rolls already, they are just being taxed on a different parcel now.



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: K-9 Unit

Department: Sheriff

Paul W. Neel *Chief Deputy*
 Department Head signature

Background information on Item:

The Sheriff's Office established a K-9 unit starting in 2004. From 2004 to 2013 the Office had dogs and accepted donations from citizens and other sources to assist in funding. The K-9 unit ended in 2013 under the former Sheriff's administration. In 2015 the current administration has worked to bring the K-9 unit back to the Sheriff's Office. A selection process for the K-9 handler position has taken place. Deputy Ben Neel was selected to fill the vacancy as of December 28, 2015. Deputy Neel is working with the administration to locate funding sources to help offset the cost of the K-9 unit. It is anticipated that the dog would arrive and training would begin in March of 2016.

Action Requested:

No action requested. Board information only at this time.

Financial Impact:

None. The K-9 unit will be established via sources other than the Sheriff's budget.



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Donation acceptance

Department: Sheriff

Paul A. Matuschak CHIEF DEPUTY
 Department Head signature

Background information on Item:

A donation was received for the Sheriff's Office K-9 program.

Action Requested:

Acknowledge the donation of \$1,000.00 for the Sheriff's Office K-9 program from Carolyn L. Schaefer, OBO Carolyn L. Schaefer Rev. Trust.

Financial Impact:

This is revenue for the program.



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Police Officer Declaration for Deputy

Department: Auditor-Treasurer

Cathy Chouinard
 Department Head signature

Background information on Item:

Resolution to include part-time Deputy Joseph Workman in the Police and Fire PERA account at full funding levels effective from date of hire.

Action Requested:

Approve Resolution 2016-2 declaring that the position of deputy sheriff, held by Joseph Workman, meets all of the Police and Fire Plan membership requirements for PERA.

Financial Impact:

Public Employees Retirement Association
Police Officer Declaration 2016 - 2



WHEREAS, the policy of the State of Minnesota as declared in Minnesota Statutes 353.63 is to give special consideration to employees who perform hazardous work and devote their time and skills to protecting the property and personal safety of others; and

WHEREAS, Minnesota Statutes Section 353.64 permits governmental subdivisions to request coverage in the Public Employees Police and Fire plan for eligible employees of police or sheriff departments whose position duties meet the requirements stated therein and listed below.

BE IT RESOLVED that the Sheriff's Department, of Pine County hereby declares that the position of Part-time Deputy Sheriff currently held by Joseph R Workman meets all of the following Police and Fire Plan membership requirements:

1. Said position requires a license by the Minnesota peace officer standards and training board under sections 626.84 to 626.863 and this employee is so licensed;
2. Said position's primary (over 50%) duty is to enforce the general criminal laws of the state;
3. Said position charges this employee with the prevention and detection of crime;
4. Said position gives this employee the full power of arrest, and
5. Said position is assigned to a designated police or sheriff's department.

BE IT FURTHER RESOLVED that this governing body hereby requests that the named employee be accepted as a member of the Public Employees Police and Fire Plan effective the date of this employee's initial Police and Fire Plan salary deduction by the governmental subdivision.

Board Chair: _____ Date January 5, 2016

STATE OF MINNESOTA
COUNTY OF PINE

I, David J. Minke, clerk of Pine County Board of Commissioners, do hereby certify that this is a true and correct transcript of the resolution that was adopted at a meeting held on the 5th day of January, 2016; the original of which is on file in this office. I further certify that ___ members voted in favor of this resolution and that ___ members were present and voting.

Signed: _____ Date: _____



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Termination of Payroll Clerk and Rehire

Department: Auditor-Treasurer

Cathy Charney
Department Head signature

Background information on Item:

Acknowledge termination of Payroll Clerk, Erika Fornengo, effective 12-16-2015 and authorize immediate backfill. Personnel Committee members have been consulted and are in agreement with immediate rehire.

Action Requested:

Financial Impact:



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Investigator Promotion

Department: Sheriff

Paul D. Stueck *Chief Deputy*
Department Head signature

Background information on Item:

At the December 15, 2015 County Board meeting authorization was given to promote two deputies to investigator.

Action Requested:

Acknowledge and approve the promotion of Deputy Brad Carlson to Investigator. Effective date January 24, 2016. C43 step 5 \$28.31/hr.

Financial Impact:

Funds are in the 2016 budget.



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Investigator promotion

Department: Sheriff

[Signature] *Ch. of DEPUTY*
 Department Head signature

Background information on Item:

At the December 15, 2015 County Board meeting, authorization was given to promote two deputies to investigator.

Action Requested:

Acknowledge and approve the promotion of Deputy Zach Libra to Investigator. Effective date January 25, 2016. C43 step 5 \$28.31/hr.

Financial Impact:

Funds are in the 2016 budget.



AGENDA REQUEST FORM

Date of Meeting: 1/5/2016

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

Agenda Item: Authorize leadership core training for Child Support Supervisor

Department: HHS

Rebecca Fos
Department Head signature

Background information on Item:

The MN Department of Human Services facilitates leadership core training throughout the year. The next series of the leadership trainings is being held on February 22, March 21, April 18, May 16, June 20, and December 5 (all in 2016). An informational sheet about the series of trainings is attached. Child Support Supervisor Jodi Blesener has requested to attend the training and the Department fully supports her attendance at the training. Given the distance, overnight expenses would be involved.

(Red Wings)

Action Requested:

Authorize Child Support Supervisor Jodi Blesener to attend Leadership Core Training, offered through the MN Department of Human Services.

Financial Impact:

Registration- \$0
Mileage- preferably county car; if none are available, the approximate cost for mileage is \$900 for the series of trainings
Overnight expenses- \$85.41/night; Approximately \$515 total

Funds are available in 2016 HHS budget.

SUPERVISOR TRAINING – LEADERSHIP CORE TRAINING

COURSE NUMBER, TITLE DESCRIPTION
<p>*Please note these are offered as a series.</p>
<p>510: Introduction to Leadership, Management & Organizational Development The Leadership CORE series provides knowledge and application of leadership and management skills for lead workers, supervisors, managers and directors from all departments. There is priority focus on cultural competency strategies that are designed for supervision in a public organization. 510 will introduce the topics of leadership vs. management skills and how they both are necessary to support the overall organizational development. Participants complete the DISC Personality Assessment and identify areas of growth in their personal leadership/management development journey. Ethics and values in leadership are explored through a system's change model and Covey's Principle Center Leadership work.</p>
<p>511: Multicultural Perspectives in the Workplace Creating Inclusive work teams and organizations begins with understanding the differences between culture, ethnicity and race. This course explores individual, societal and institutional discrimination practices that are often invisible throughout the prevailing white privilege systems. Through self-reflection activities and organizational assessments, participants begin to examine their own bias and the bias that may be present in the workplace.</p>
<p>512: Situational Leadership Supervisors need to be all things to all people. We use Blanchard's One Minute Manager model to assess worker readiness and learn how to adjust our supervision style to match the worker's needs. Understanding the different sources of power and how power is used with inter-personal dynamics is the energy that fuels your ability to adjust your supervisor style to the situation. We go deeper into Coaching and Results-focused leadership styles, which are the most used styles, along with exploring how to lead in the context of community stakeholders.</p>
<p>513: Leading People Every person is a unique individual – personality style, learning style, culture, values. We provide assessment tools and frameworks for supervisors to better understand their staff, co-workers and community stakeholders. Motivation of employees and management of job performance is a fundamental role of supervision. Learn how to develop workers to their full potential through results-focused performance goals that are matched to each individual's style. We will explore the inclusiveness of policies and practices within organizations that can lead to disparities and disproportionalities in your service delivery.</p>
<p>514-15: Foundations of Team Building Creating effective and culturally competent work teams is a true gift for supervisors. We learn about common stages and pitfalls of group development. A new team supervision challenge is bridging the generational differences between Gen Y, Gen X and the Baby boomers. We also learn the logical, sequential skills necessary to manage time and meetings effectively. Mentoring is a powerful teacher for our workers as well as our continued development as a supervisor.</p>
<p>516: EQ: Emotional Intelligence and 6 Month Review Our reaction to others, and theirs to us, is often unconscious yet powerful. We explore an emerging new management practice called EQ. EQ is not about being emotional, rather it is about being aware of our own and other's emotions. Then with clear goal setting and conscious strategies, we can control emotions to reach the desired outcomes. We will also review participant's year-long action plan and share personal experiences of supervision.</p>



MINUTES
PINE COUNTY TECHNOLOGY COMMITTEE

District 1 Commissioner Hallan
District 2 Commissioner Mohr

Tuesday December 15th 2015, 8:30 a.m.
Commissioner Conference Room, Courthouse
Pine City, Minnesota

Present: Commissioner Hallan, Commissioner Mohr, County Administrator David Minke, IT Specialist Darlene Booth, IT Specialist Kent Bombard, IT Supervisor Ryan Findell, Human Resources Manager Connie Mikrot

1. Called meeting to order at 8:40am
2. Adopted Agenda
3. Statewide Monitoring Program Update
 - a. Discussion was held about The State Monitoring Program. Pine County has signed a Memorandum of Understanding with the State and is leveraging the Homeland Security Grant for all hardware.
4. Offsite Backup Solution Update
 - a. The committee was informed of the hardware that is needed for our Disaster Recovery site. Hardware is to be ordered in 2015, and installed in January 2016.
5. End of Year IT Update
 - a. The IT Department gave a quick overview of end of year purchases, including a new Wireless System to replace the failing one, Microsoft licensing for upcoming projects, Zix Email Encryption, and UPS's for the Silver Building in Sandstone.
6. Adjourn at 8:53am



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Legal Publication

Department: Administration

[Handwritten Signature]
Department Head signature

Background information on Item:

On January 4, 2016 sealed bid(s) for the cost of publication of the financial statement (first and second publication), County Board proceedings and other published notices as required by law will be opened. The results will be presented at the board meeting.

Action Requested:

Award the 2016 bid for publication costs to the lowest responsible bidder.

Financial Impact:



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Consideration of Additional Funding for SWCD

Department: Administrator


 Department Head signature

Background information on Item:

The 2015 Legislature included an increase in funding for Soil and Water Conservation Districts. In 2016 each district will receive an additional \$100,000 in capacity-building funds. The state has also made additional funds available through a matching grant program.

The Pine County Soil and Water Conservation District (SWCD) is requesting the county consider an increase of its appropriation for 2016. Attached is a letter from SWCD Board Chair Thompson explaining the new law and an email from District Manager Carlier detailing the request and desiring to dedicate the funds to the creation of forest stewardship plans. The approved 2016 appropriation is \$143,202 of which \$48,481 is state Natural Resources Development Block Grants (NRBG) funds and \$94,721 is local funding.

The SWCD district forester currently works 24 hours per week at a rate of \$16/hour. The wages and FICA cost to make this a full-time position would be \$14,310 (an additional 832 hours/year for a total of 2080). Assuming a 50% match from the state would require a county contribution of \$7,155.

If the commissioners desired a lesser amount—say three-fourths time rather than full time, that would be an additional 312 hours which would cost \$5,366. Assuming a 50% match from the state would require a county contribution of \$2,683.

Action Requested:

Consider an additional appropriation for the SWCD.

Financial Impact:

No funds are budgeted in 2016 for this purpose. Any increase in the appropriation would need to come from the 2016 contingency.



Pine County Soil & Water Conservation District
1602 Hwy 23 North, Sandstone, MN 55072
Telephone: (320) 216-4240

December 9, 2015

DEC 15 2015

Pine County Board of Commissioners
c/o David Minke
635 Northridge Drive NW
Pine City, MN 55063

Dear Pine County Board of Commissioners:

By now, all of you have heard that SWCD's across that State of Minnesota will be receiving additional funding for capacity. We are all very excited about the opportunities these funds will bring us.

The following verbiage comes from the MN Legislature...

(o) \$11,000,000 the first year and \$11,000,000 the second year are for payments to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331. From this appropriation, each soil and water conservation district shall receive an increase in its base funding of \$100,000 per year. Money remaining after the base increase is available for matching grants to soil and water conservation districts based on county allocations to soil and water conservation districts. The board and other agencies may reduce the amount of grants to a county by an amount equal to any reduction in the county's allocation to a soil and water conservation district from the county's previous-year allocation when the board determines that the reduction was disproportionate. The second-year appropriation cancels if new buffer requirements are not enacted in 2015.

To summarize this paragraph: SWCD's will receive \$100,000 in 2016 and \$100,000 in 2017 to use for capacity funding. In addition to that, districts may apply to BWSR for matching funds if a county funds the district above their normal appropriation.

Pine Soil and Water Conservation District is respectfully requesting additional funds, above our allotted allocation for 2016, that we will use as leverage to obtain matching funds from BWSR. We are not requesting a specific amount, we are leaving that up to the County to decide - whatever the County feels it can afford to give. This money will be used for staff hours.

Please let us know your decision at your earliest convenience.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Skip Thomson", with a long horizontal line extending to the right.

Skip Thomson
Board Chair, Pine SWCD

David J. Minke

From: Jill M. Carlier
Sent: Tuesday, December 22, 2015 8:56 AM
To: David J. Minke
Subject: letter

Hi David.

I talked with Skip after our conversation. Matt is aware of what we are doing and planning on.

As the letter states, additional funds will be used for increased hours for staff. Our forester currently has a waiting list of people wanting forest stewardship plans. She will need additional hours to meet the demand that has come (without any advertising). Our technician will be very busy this year implementing our flood relief grant on the Kettle River. This project is estimated to cost about \$500,000. On top of that, our 2016 budget has \$34,000 set aside for projects our technician is getting lined up. She will definitely be working extra hours to make sure we can get these projects installed.

Thank you.

Jill Carlier
District Manager
Pine SWCD
PH: 320-216-4241



AGENDA REQUEST FORM

Date of Meeting: 1/5/2016

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

Agenda Item: Accept grant award

Department: HHS

Rebecca Foss
Department Head signature

Background information on Item:

The Pine County HHS Director applied for a children's mental health respite care grant in October. In a letter dated December 23, 2016, the MN Department of Human Services notified Pine County that it will be awarded \$15,412 to use in calendar year 2016 for children's mental health respite care services.

Action Requested:

Accept the grand award of \$15,412 from the MN Department of Human Services.

Financial Impact:

Historically, the department has budgeted very little for respite care services given the budget constraints. The department will now be able to offer more respite care services to families whose children qualify for children's mental health case management, without using additional county tax levy money.



Minnesota Department of **Human Services**

December 23, 2015

Chair
Pine County Board of Commissioners
c/o Pine County Human Services
Government Center
315 Main Street S., Suite 200
Pine City, MN 55063

Re: Children's Mental Health Respite Care Services Grant Award

Dear Commissioner:

This letter makes grant award for Children's Mental Health Respite Care services for January 1, 2016 to December 31, 2016.

Total Award = \$ 15,412

These grant funds are authorized by the Laws of Minnesota 2007 (*Laws of Minnesota 2007, Chapter 147, Article 8, Section 8, and Article 19, Section 3, Subdivision 4, Paragraph (g) and other applicable State and Federal laws and regulations*). Your County may invoice for Children's Mental Health Respite Care services provided since January 1, 2016.

We commend your efforts to bring additional Children's Mental Health Respite services to your community.

Any questions regarding this grant award should be directed to:

LaRone Greer
P.O. Box 64985
St. Paul, MN 55164-0985
Phone: 651-431-2328
larone.greer@state.mn.us

Sincerely,

Alice Nichols
Director, Mental Health Division

cc: County Director
County Children's Mental Health Supervisor



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Reappointment to Pine County Extension Committee

Department: University of Minnesota Extension, Pine County

Susanne Heinrich 12/22/15
Department Head signature

Background information on Item:

Mary Lange's term with the Pine County Extension Committee expired on December 31, 2015. Ms. Lange has agreed to be reappointed to the Extension Committee representing District 3.

David Durham's term with the Pine County Extension Committee expired on December 31, 2015. Mr. Durham has agreed to be reappointed to the Extension Committee representing District 5.

Action Requested:

Reappointment of Mary Lange, representing District 3, and David Durham, representing District 5, Terms January 1, 2016 to December 31, 2018.

Financial Impact:



AGENDA REQUEST FORM

Date of Meeting: January 5, 2016

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

Agenda Item: Resolution of Support for the Association of Minnesota Counties County Program Aid (CPA) Legislative Proposal

Department: Administrator

D. J. Mink
Department Head signature

Background information on Item:

During the 2015 legislative session counties in southwest Minnesota approached their legislators seeking changes to the County Program Aid (CPA) distribution. This activity made the Association of Minnesota Counties position on CPA unnecessarily confusing as legislators were getting mixed messages from AMC and some counties. AMC quickly convened a workgroup on CPA to address the concerns. The workgroup has met several times and reached a consensus proposal that AMC is requesting formal county support. This formal support by counties (over 40 to date) will strengthen AMC's ability to authoritatively speak on behalf of counties on the importance of CPA.

County Program Aid is distributed using a formula that has two parts—Need Aid and Tax Base Equalization Aid. Pine County receives approximately equal aid from both sides of the formula.

- All counties receive Need Aid based on three factors:
- 40% is based on the county share of the state's population over 65
 - 40% is based on the county's share of the state's population receiving SNAP (food stamps)
 - 20% based on the county's share of part I (serious) crimes.

Most counties receive Tax Base Equalization Aid (TBEA). The TBEA is based on a formula. As a county's tax base grows it receives less TBEA, and over time, many counties are receiving no TBEA aid.

The proposed solution by the CPA workgroup is to adjust the TBEA by adding a minimum amount of funding of \$350,000 so all counties will receive some TBEA. Additionally, the formula is adjusted so that more counties are brought back onto the formula.

Additionally, the AMC proposal limits the annual loss in CPA to any county to 5%. This limit will slow the rate of change and make the formula less volatile. The AMC policy also calls for an increase of \$40 million in total CPA. Even with an additional \$40 million, the total CPA will still be below the 2000-2002 levels.

I was able to participate on the CPA working group and believe the AMC policy position represents a reasonable compromise of the competing interests. Under the proposal all counties are winners and CPA will continue to be an important state-shared revenue for counties to implement state-mandated programs.

Attached are:

1. House Research Report on County Program Aid
2. Minnesota Department of Revenue Summary of 2016 County Program Aid
3. AMC's description of the CPA proposal for the 2016 legislature
4. Estimated impacts of the AMC proposal by county
5. Pine County Historical CPA Allocation
6. Resolution 2016-01 to Support the AMC proposal

Action Requested:

Approve Resolution 2016-01 in support of AMC's County Program Aid proposal for 2016.

Financial Impact:

None.

County Program Aid

County program aid replaced several county aid programs

Prior to calendar year 2004, counties received property tax aid under a number of different programs. Beginning in 2004, the aid programs were consolidated into one general aid program, called county program aid (CPA). The county aid programs that were consolidated include the following:

- attached machinery aid (Minn. Stat. § 273.138)
- homestead and agricultural credit aid (HACA) (Minn. Stat. § 273.1398, subd. 2)
- manufactured home homestead and agricultural credit aid (Minn. Stat. § 273.166)
- county criminal justice aid (CCJA) (Minn. Stat. § 477A.0121)
- family preservation aid (FPA) (Minn. Stat. § 477A.0122)

County program aid consists of “need aid” and “tax-base equalization aid”

From calendar year 2005 on, CPA has been allocated by two formulas, need aid and tax-base equalization aid, with just under half the money being distributed through the need aid formula and just over half being distributed through the tax base equalization aid formula. The table on the next page shows how a county’s aid is calculated under each formula.

Counties receiving less aid under the post-2004 formula receive transition aid

Seven counties whose relative *share* of the total CPA formula allocation in calendar year 2005 was significantly less than their share of 2004 program aid qualify for “transition aid.” Each county’s transition aid amount is permanently fixed at one-third of the amount it received in 2005. The total amount of transition aid for calendar year 2013 is \$464,000.

County program aid amounts were reduced due to state budgetary conditions

For 2008 to 2011, county program aid payments were less than the levels that had been certified due to state budgetary conditions. In 2010, the total appropriation was permanently reduced by approximately \$34 million, and then further reduced by another \$32 million in 2011.

Calculation of County Program Aid

Need Aid	Tax-base Equalization Aid
<p>Share of Appropriation: \$100.5 million (CY 2005-2008) \$111.5 million (CY 2009) \$113.7 million (CY 2010) \$96.4 million (CY 2011-2012) \$80.8 million (CY 2013 and thereafter)</p> <p>Reductions from the appropriation: \$500,000 annually for court-ordered counsel and public defense costs</p> <p>Factors used in the formula:</p> <ul style="list-style-type: none"> • age-adjusted population, which ranges from 80% to 180% of the county's actual population based on the percentage of the county's population over 65 years, compared to the statewide average • average monthly number of households receiving food stamps in the county over the last three years • average number of Part I crimes reported in the county over the last three years (These are the most serious crimes) <p>The formula:</p> <ul style="list-style-type: none"> • 40% of the appropriation is distributed to each county based on its relative share of the total age-adjusted population in the state • 40% of the appropriation is distributed to each county based on its relative share of the total average monthly number of households receiving food stamps in the state • 20% of the appropriation is distributed to each county based on its relative share of the average number of Part I crimes reported in the state 	<p>Share of Appropriation: \$105 million (CY 2005-2008) \$116.1 million (CY 2009) \$118.5 million (CY 2010) \$101.3 million (CY 2011-2012) \$84.9 million (CY 2013 and thereafter)</p> <p>Reduction from the appropriation: up to \$214,000 annually to pay for the preparation of local impact notes</p> <p>Tax-base equalization factor used in the formula:</p> <p>Factor = N times (\$185 x population - 9.45% of the county adjusted net tax capacity)</p> <p>where N equals:</p> <ul style="list-style-type: none"> • 3 if the county population is less than 10,000 • 2 if the county's population is at least 10,000 but less than 12,500 • 1 if the county's population is at least 12,500 but less than 500,000 • 0.25 if the county's population is 500,000 or more <p>The formula:</p> <ul style="list-style-type: none"> • 100% of the appropriation is distributed based on each county's relative share of the sum of the tax-base equalization factors for all the counties in the state

For more information: Contact legislative analyst Steve Hinze at 651-296-8956. Also see the House Research publication *Aid Cuts to Local Governments in CY 2003 and 2004*, February 2004.

The Research Department of the Minnesota House of Representatives is a nonpartisan office providing legislative, legal, and information services to the entire House.

Summary of County Program Aid (CPA) Certified for 2016

County Program Aid for 2016 has three components:

- I. County Need Aid
- II. County Tax Base Equalization Aid
- III. County Transition Aid

Certified CPA Payment Dates

CPA payable in 2016 will be paid to counties on July 20, 2016 and December 26, 2016.

I. County Need Aid

A total of \$103,795,000 is available for county need aid. There is a reduction of \$500,000 retained by the Department of Revenue to reimburse the office of Management and Budget, plus an addition of \$108,280 unused public defender funds, leaving a net amount of \$103,403,280 distributed to counties based on need, as follows:

- \$40,161,312 distributed based on the percent share of total state households in your county that receive food stamps
- \$20,080,656 distributed based on the percent share of total state part I crimes in your county
- \$40,161,312 distributed based on the population weighted by percent over 65 in your county
- For 2015 through 2024, \$3,000,000 distributed to Beltrami County to be used for out-of-home placement costs.

II. County Tax Base Equalization Aid

A total of \$104,909,575 is available for tax base equalization for calendar year 2016. A reduction of \$214,000 is made for state costs. \$104,562,652 is the net amount distributed to counties for tax base equalization aid based on the county's tax base equalization factor. There is also a statutory adjustment to Anoka County and Washington County, increasing the total amount of tax base equalization aid to \$104,695,575.

The tax base equalization factor is equal to the amount by which \$185 times the county's population exceeds 9.45 percent of the county's net tax capacity. The factor is adjusted for population as follows:

- If the county's population is less than 10,000, the factor is multiplied by 3.
- If the county's population is greater than 10,000, but less than 12,500, the factor is multiplied by 2.
- If the county's population is greater than 500,000, the factor is multiplied by .25.

III. County Transition Aid

Transition aid is continued for 2016. If a county's relative share of 2005 program aid was less than its relative share of 2004 program aid (before cuts), then its transition aid for 2005 was equal to the amount of difference which is greater than three percent of its adjusted net tax capacity. If a county received transition aid in 2005, for aid payable in 2007 the transition aid was equal to one-third of the amount received in 2005. For 2011 and after, the transition aid remains at the 2007 level (one-third of 2005 aid). The total transition aid for 2014 is \$463,869.

The "NEW" County Program Aid

Updating the County Program Aid Formula to Support Today's Counties



Minnesota has a tradition of state-mandated, county-administered programming that requires counties to deliver essential services in public safety, human services, transportation, and other vital program areas on the state's behalf. To help pay for these services, the state distributes funding to counties via County Program Aid (CPA) with the additional goal of potentially offsetting county tax levy growth.

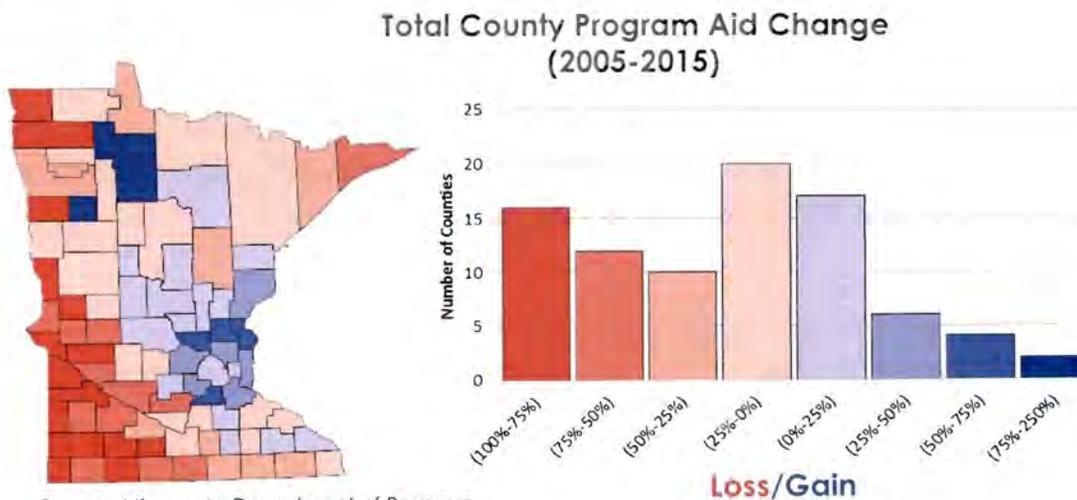
Problems with the Current CPA Formula

The total appropriation counties receive in state aid has fluctuated drastically over the past twenty years, and is significantly depressed in real dollar value. The 2014 CPA allocation appears almost equal to 1996's amount, but after accounting for inflation, the 2014 allocation is actually **\$70.2 million less**.



1/3 of Minnesota's counties have lost more than 50% of their CPA allocation in the past 10 years and 27 counties failed to receive a portion of their CPA entirely.

More recently, counties have seen drastic variations in aid allotments which not only cause uncertainty during the budgeting process, but can force boards to raise levies and cut vital community services.



Current CPA Formula

The CPA formula is broken into three parts: need aid, tax base equalization aid (TBEA), and transition aid. The state appropriates approximately equal amounts into need aid and TBEA where the funds are distributed to counties based on the following county characteristics:

Need Aid	Tax Base Equalization Aid (TBEA)	Transition Aid
<ul style="list-style-type: none"> • 40% distributed to each county based on the county's share of the state's population over 65 years of age. • 40% distributed to each county based on the county's share of the state's population receiving food stamps. • 20% distributed to each county based on the county's share of the number of Part I crimes reported in the state. 	<ul style="list-style-type: none"> • $N \times (\\$185 \times \text{county population} - 9.45\% \text{ of the county's adjusted net tax capacity})$ • $N =$ factor determined by the county's population (smaller population receives a higher number) 	<ul style="list-style-type: none"> • Seven counties receive a fixed amount at one-third of the allocation they received in 2005 to compensate for a reduced CPA distribution after the program's inaugural year.

New CPA Formula

The Association of Minnesota Counties (AMC) convened a work group to study the CPA formula and recommend improvements. The work group included leadership from over twenty counties along with input from the Minnesota Inter-County Association (MICA) and the Minnesota Rural Counties Caucus (MRCC). After more than a year of work, the work group developed recommendations that reduce volatility and protect counties from losing significant funding when there is a sudden shift in their demographics.

The following is a summary of the changes recommended by the work group:

- A funding increase of \$40 million;
- The creation of a funding floor that guarantees each county \$350,000 in TBEA;
- Formula revisions to slow down counties' loss of TBEA funding, including: an increase of the per capita factor to \$190 and a decrease of the county adjusted net tax capacity (ANTC) factor to 9 percent;
- The elimination of special funds and transition aid; and
- The creation of a 5% cap on annual CPA losses; ensuring no county will lose more than 5% of its funding each year.

In an age when counties are forced to do more with less, while still providing quality services and maintaining low property tax burdens, CPA remains an important tool in providing counties with the resources to fund transportation, human services, public safety, and many other programs of statewide importance.

For more information, please contact:

Matt Hilgart, General Government Policy Analyst
651-789-4343 or mhilgart@mncounties.org

Jill Suurmeyer, Research Analyst
651-789-4357 or jsuurmeyer@mncounties.org

October 2015

Work Group CPA Formula Compared to 2015 and 2016 Certified CPA Values

	Need Aid	TBEA	New Formula Total (Need + TBEA)	Difference New Formula & 2016 CPA	% Change New Formula & 2016 CPA	Difference New Formula & 2015 CPA	% Change New Formula & 2015 CPA
State Total	\$111,367,149	\$137,195,575	\$248,562,724	\$40,000,000		\$38,593,280	
AITKIN	\$447,916	\$370,240	\$818,156	\$162,422	24.8%	\$154,415	23.3%
ANOKA	\$5,785,524	\$13,075,119	\$18,860,643	\$2,283,061	13.8%	\$1,934,419	11.4%
BECKER	\$747,943	\$723,912	\$1,471,855	\$233,455	18.9%	\$144,058	10.8%
BELTRAMI	\$4,322,484	\$2,075,351	\$6,397,835	\$360,620	6.0%	\$473,272	8.0%
BENTON	\$706,980	\$1,827,237	\$2,534,217	\$279,989	12.4%	\$426,508	20.2%
BIG STONE	\$113,059	\$370,240	\$483,299	\$378,548	361.4%	\$376,108	350.9%
BLUE EARTH	\$1,233,751	\$1,676,635	\$2,910,386	\$446,817	18.1%	\$464,620	19.0%
BROWN	\$457,822	\$445,590	\$903,412	\$168,446	22.9%	\$118,492	15.1%
CARLTON	\$737,943	\$1,500,667	\$2,238,610	\$257,127	13.0%	\$316,789	16.5%
CARVER	\$1,018,779	\$2,514,174	\$3,532,953	\$602,737	20.6%	\$357,002	11.2%
CASS	\$915,792	\$370,240	\$1,286,032	\$437,542	51.6%	\$471,290	57.8%
CHIPPEWA	\$239,841	\$370,240	\$610,081	\$337,436	123.8%	\$335,880	122.5%
CHISAGO	\$795,592	\$2,278,169	\$3,073,761	\$367,115	13.6%	\$446,491	17.0%
CLAY	\$1,114,092	\$2,212,443	\$3,326,535	\$424,768	14.6%	\$459,988	16.0%
CLEARWATER	\$195,807	\$705,202	\$901,009	\$158,093	21.3%	\$147,127	19.5%
COOK	\$121,127	\$370,240	\$491,367	\$211,557	75.6%	\$208,662	73.8%
COTTONWOOD	\$250,804	\$370,240	\$621,044	\$388,671	167.3%	\$384,348	162.4%
CROW WING	\$1,505,378	\$980,108	\$2,485,486	\$443,980	21.7%	\$388,267	18.5%
DAKOTA	\$6,075,099	\$13,366,974	\$19,442,073	\$2,727,184	16.3%	\$2,647,487	15.8%
DODGE	\$303,208	\$483,272	\$786,480	\$132,134	20.2%	\$149,022	23.4%
DOUGLAS	\$786,953	\$834,350	\$1,621,303	\$255,753	18.7%	\$277,667	20.7%
FARIBAULT	\$315,953	\$370,240	\$686,193	\$393,460	134.4%	\$396,553	136.9%
FILLMORE	\$369,574	\$370,240	\$739,814	\$203,202	37.9%	\$126,467	20.6%
FREEBORN	\$709,307	\$742,249	\$1,451,556	\$218,706	17.7%	\$384,504	36.0%
GOODHUE	\$842,005	\$1,001,747	\$1,843,752	\$311,067	20.3%	\$312,345	20.4%
GRANT	\$129,056	\$370,240	\$499,296	\$379,725	317.6%	\$374,399	299.8%
HENNEPIN	\$27,767,055	\$7,706,448	\$35,473,503	\$3,682,925	11.6%	\$3,433,305	10.7%
HOUSTON	\$305,978	\$685,334	\$991,312	\$127,749	14.8%	\$139,740	16.4%
HUBBARD	\$541,804	\$370,240	\$912,044	\$208,212	29.6%	\$208,089	29.6%
ISANTI	\$679,243	\$1,761,058	\$2,440,301	\$271,246	12.5%	\$321,905	15.2%

Work Group CPA Formula Compared to 2015 and 2016 Certified CPA Values

ITASCA	\$1,162,821	\$1,095,715	\$2,258,536	\$331,993	17.2%	\$317,726	16.4%
JACKSON	\$182,073	\$370,240	\$552,313	\$383,620	227.4%	\$379,064	218.8%
KANABEC	\$375,898	\$776,171	\$1,152,069	\$90,769	8.6%	\$103,526	9.9%
KANDIYOHI	\$933,417	\$1,060,541	\$1,993,958	\$297,633	17.5%	\$259,441	15.0%
KITTSOON	\$79,569	\$370,240	\$449,809	\$346,490	335.4%	\$344,161	325.8%
KOOCHICHING	\$335,516	\$541,666	\$877,182	\$98,777	12.7%	\$125,593	16.7%
LAC QUI PARLE	\$140,709	\$370,240	\$510,949	\$380,580	291.9%	\$373,351	271.3%
LAKE	\$222,308	\$370,240	\$592,548	\$164,092	38.3%	\$150,946	34.2%
LAKE OF THE WOOD	\$76,617	\$370,240	\$446,857	\$197,623	79.3%	\$165,472	58.8%
LE SUEUR	\$427,503	\$781,206	\$1,208,709	\$183,431	17.9%	\$189,224	18.6%
LINCOLN	\$109,571	\$370,240	\$479,811	\$378,292	372.6%	\$376,427	364.1%
LYON	\$457,899	\$370,240	\$828,139	\$196,276	31.1%	\$325,870	64.9%
MCLEOD	\$638,804	\$1,275,577	\$1,914,381	\$247,942	14.9%	\$255,030	15.4%
MAHNOMEN*	\$169,654	\$595,090	\$764,744	\$104,941	15.9%	-\$1,395,051	-64.6%
MARSHALL	\$150,212	\$370,240	\$520,452	\$381,280	274.0%	\$370,796	247.8%
MARTIN	\$479,610	\$370,240	\$849,850	\$405,486	91.3%	\$412,923	94.5%
MEEKER	\$427,671	\$662,272	\$1,089,943	\$158,108	17.0%	\$183,891	20.3%
MILLE LACS	\$614,363	\$1,153,351	\$1,767,714	\$193,679	12.3%	\$241,605	15.8%
MORRISON	\$613,461	\$1,320,042	\$1,933,503	\$231,389	13.6%	\$314,273	19.4%
MOWER	\$925,581	\$1,187,328	\$2,112,909	\$284,637	15.6%	\$503,535	31.3%
MURRAY	\$162,028	\$370,240	\$532,268	\$382,148	254.6%	\$379,992	249.5%
NICOLLET	\$536,914	\$933,445	\$1,470,359	\$221,813	17.8%	\$225,864	18.1%
NOBLES	\$402,768	\$370,240	\$773,008	\$390,579	102.1%	\$396,920	105.5%
NORMAN	\$139,133	\$370,240	\$509,373	\$380,465	295.1%	\$380,782	296.1%
OLMSTEAD	\$2,627,076	\$5,044,717	\$7,671,793	\$1,028,281	15.5%	\$1,164,058	17.9%
OTTER TAIL	\$1,211,662	\$1,080,893	\$2,292,555	\$395,248	20.8%	\$270,088	13.4%
PENNINGTON	\$275,219	\$526,752	\$801,971	\$99,607	14.2%	\$83,280	11.6%
PINE	\$803,549	\$1,207,146	\$2,010,695	\$225,158	12.6%	\$296,165	17.3%
PIPESTONE	\$184,798	\$370,240	\$555,038	\$383,820	224.2%	\$380,807	218.6%
POLK**	\$688,210	\$370,240	\$1,058,450	\$214,863	25.5%	-\$47,813	-4.3%
POPE	\$232,538	\$370,240	\$602,778	\$387,330	179.8%	\$382,332	173.4%
RAMSEY	\$13,767,689	\$5,088,968	\$18,856,657	\$1,758,542	10.3%	\$1,923,372	11.4%
RED LAKE	\$70,045	\$370,240	\$440,285	\$245,922	126.5%	\$160,043	57.1%
REDWOOD	\$294,557	\$370,240	\$664,797	\$391,887	143.6%	\$381,205	134.4%
RENVILLE	\$294,442	\$370,240	\$664,682	\$391,879	143.6%	\$380,852	134.2%
RICE	\$1,052,207	\$2,614,046	\$3,666,253	\$446,815	13.9%	\$521,425	16.6%

Work Group CPA Formula Compared to 2015 and 2016 Certified CPA Values

ROCK	\$177,028	\$370,240	\$547,268	\$383,249	233.7%	\$382,350	231.8%
ROSEAU	\$236,406	\$712,598	\$949,004	\$107,562	12.8%	\$169,462	21.7%
ST. LOUIS	\$5,084,406	\$8,132,353	\$13,216,759	\$1,513,445	12.9%	\$1,960,759	17.4%
SCOTT	\$1,688,743	\$4,081,312	\$5,770,055	\$885,939	18.1%	\$679,405	13.3%
SHERBURNE	\$1,109,148	\$3,523,873	\$4,633,021	\$596,397	14.8%	\$659,482	16.6%
SIBLEY	\$213,094	\$370,240	\$583,334	\$385,900	195.5%	\$333,448	133.4%
STEARNS	\$2,846,485	\$6,138,900	\$8,985,385	\$1,078,180	13.6%	\$1,354,838	17.8%
STEELE	\$732,763	\$1,248,687	\$1,981,450	\$257,354	14.9%	\$278,312	16.3%
STEVENS	\$159,280	\$370,240	\$529,520	\$381,944	258.8%	\$258,038	95.0%
SWIFT	\$203,223	\$370,240	\$573,463	\$385,177	204.6%	\$377,443	192.6%
TODD	\$488,912	\$1,015,194	\$1,504,106	\$174,184	13.1%	\$214,002	16.6%
TRAVERSE	\$81,055	\$370,240	\$451,295	\$331,914	278.0%	\$329,800	271.5%
WABASHA	\$362,215	\$639,043	\$1,001,258	\$144,177	16.8%	\$134,874	15.6%
WADENA	\$342,393	\$653,746	\$996,139	\$104,894	11.8%	\$136,938	15.9%
WASECA	\$364,331	\$440,708	\$805,039	\$129,299	19.1%	\$165,448	25.9%
WASHINGTON	\$3,480,117	\$7,119,079	\$10,599,196	\$1,560,619	17.3%	\$1,238,025	13.2%
WATONWAN	\$211,255	\$370,240	\$581,495	\$385,766	197.1%	\$384,237	194.8%
WILKIN	\$143,763	\$370,240	\$514,003	\$358,841	231.3%	\$359,493	232.7%
WINONA	\$812,370	\$2,104,632	\$2,917,002	\$350,335	13.6%	\$425,031	17.1%
WRIGHT	\$1,650,478	\$4,515,855	\$6,166,333	\$846,391	15.9%	\$715,321	13.1%
YELLOW MEDICINE	\$177,723	\$370,240	\$547,963	\$383,301	232.8%	\$380,190	226.6%

*Mahnomens received a one-time, special allocation of CPA in 2015 equal to \$1.5 million. If the county had not received the \$1.5 million, its CPA allocation would have been \$659,795, resulting in the county gaining \$104,949 with the new formula compared to its 2015 allocation.

**Polk had the largest decrease in TBEA funding in the past six years (lost \$928,520 2010-2016); with a 2016 certified TBEA allocation of just \$205,953. This formula establishes a TBEA funding floor to prevent Polk's TBEA allocation from continuing to decline.

Exhibit A

Year	Total CPA	Pine County CPA	Pine County % Aid of Total	Pine County Levy	Pine County Aid as % of Levy
1996	202,463,384				
1997	215,767,880			5,999,324	
1998	223,988,651			6,257,163	
1999	229,863,500	1,325,877	0.577%	6,436,796	20.6%
2000	262,835,500	1,503,737	0.572%	7,059,931	21.3%
2001	264,310,500	1,535,076	0.581%	7,443,792	20.6%
2002	262,361,837	1,641,483	0.626%	8,684,646	18.9%
2003 certified		1,669,676			
2003 actual	190,706,234	1,335,084	0.700%	9,091,604	14.7%
2004	111,619,821	738,394	0.662%	9,239,177	8.0%
2005	206,184,606	1,354,007	0.657%	10,923,374	12.4%
2006	205,846,660	1,359,433	0.660%	12,638,343	10.8%
2007	205,382,792	1,370,492	0.667%	13,523,027	10.1%
2008 certified		1,294,044			
2008 actual	160,970,252	1,037,202	0.644%	13,993,627	7.4%
2009 certified		1,525,559			
2009 actual	194,382,792	1,337,525	0.688%	14,289,330	9.4%
2010 certified		1,580,849			
2010 actual	164,935,450	1,199,083	0.727%	14,289,330	8.4%
2011 certified		1,392,771			
2011 actual	161,106,337	1,199,083	0.744%	14,289,330	8.4%
2012	161,106,337	1,199,083	0.744%	14,075,000	8.5%
2013	165,569,862	1,297,041	0.783%	14,075,000	9.2%
2014 certified		1,669,513			
2014 actual	206,235,360	1,669,513	0.810%	14,497,250	11.5%
2015	209,969,444	1,714,530	0.817%	15,199,541	11.3%
2016 certified	208,562,724	1,785,537	0.856%	15,942,799	11.2%

Pine County Resolution 2016-01

Affirming Pine County's Endorsement of the Revised County Program Aid Formula Developed by the Association of Minnesota Counties' County Program Aid Work Group

WHEREAS, Minnesota's counties are mandated by the state to provide essential services in many program areas including human services, public safety, and transportation; and

WHEREAS, counties depend on County Program Aid ("CPA") for the financial sustainability of these state-mandated, county-administered services; and

WHEREAS, the current structure of the CPA formula, pursuant MS Chapter 447A.0124, creates considerable volatility in the fund's distribution, interfering with counties' abilities to accurately budget for essential services; and

WHEREAS, the current formula's inadequacies have also resulted in the dramatic reduction of funding for one-third of counties, that have lost at least 50 percent of their funding since 2005; and

WHEREAS, despite fluctuations over the past 10 years, the state appropriation to the 2015 CPA is equal to the 2005 appropriation making it greatly depressed in terms of inflation; and

WHEREAS, a revised CPA formula in conjunction with additional funding will enable counties to continue to provide quality services that may also translate into reductions in county levies, decreasing the tax burden of Minnesota residents; and

WHEREAS, in October 2014, the Association of Minnesota Counties assembled the CPA Work Group including leadership from 20 counties and representatives from the Metropolitan Inter-County Association and the Minnesota Rural Counties Caucus to analyze and develop a CPA formula that reflects the pressing needs of Minnesota's counties; and

WHEREAS, the CPA Work Group unanimously approved a revised CPA formula that benefits all Minnesota counties by reducing volatility and ensuring a fair distribution of CPA; and

WHEREAS, the Board of Directors of the Association of Minnesota Counties that represents the diverse interests of Minnesota's 87 counties voted to support the proposed CPA formula revisions.

NOW, THEREFORE, BE IT RESOLVED, Pine County endorses the following revisions to the Minnesota County Program Aid formula:

- A funding increase of \$40 million;
- The creation of a funding floor that guarantees each county \$350,000 in tax base equalization aid ("TBEA");
- Adjustments to the TBEA formula factors to slow down counties' loss of TBEA funding, including: an increase of the per capita factor to \$190 and a decrease of the county adjusted net tax capacity (ANTC) factor to 9 percent;
- The elimination of special funds and transition aid; and
- The creation of a 5% cap on annual CPA losses; ensuring no county will lose more than 5% of its funding each year.

Approved this 5th day of January, 2016.

Pine County Board of Commissioners, Chair

Attest:

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

Wages and insurance retro to January 1, 2015 for anyone who is employed by Pine County on the date of the contract settlement (date the county board approves the contract) and anyone who left employment in 2015 in good standing who is able eligible to draw (upon separation from the county) a PERA annuity.

4. PTO (Paid Time Off)

Employees will have 30 days from contract settlement to select County PTO program (County's April 3, 2015 proposal) or remain with existing sick/vacation plan. All new employees will be on the PTO program.

5. PTO Cash Out

Employees will be allowed to cash out up to 40 hours (1 week) of PTO one time per year. The cash out may be taken as pay, or placed into the employees Health Care Savings Account (HCSA). If the Cadillac Tax will be triggered by this provision of the Collective Bargaining Agreement, the Employer and the Union will meet and confer to develop a Memorandum Of Understanding to avoid trigger the Cadillac Tax.

This offer has not been formally reviewed by the Negotiation Committee. However, since these provisions are consistent with what the County has settled with other groups, I felt confident making a good faith effort to resolve the contract and present this settlement for your consideration.

Financial Impact: