

HENNEPIN COUNTY

MINNESOTA

FINAL COMMITTEE AGENDA

BOARD OF HENNEPIN COUNTY COMMISSIONERS County Administration Committee

Tuesday, June 5, 2018
1:30 PM

Chair: Peter McLaughlin, District 4

Vice-Chair: Linda Higgins, District 2

Members: Mike Opat, District 1

Marion Greene, District 3

Debbie Goettel, District 5

Jan Callison, District 6

Jeff Johnson, District 7

1. Open Forum

When invited to the podium, please identify yourself, keep your remarks to no more than three minutes, direct comments solely to county board members, and speak respectfully. Your remarks should be limited to topics that are relevant to Hennepin County.

2. Open Appointment Interviews

A. 18-0208

Citizen Advisory Board Applicants and Appointments - Workforce Innovation Opportunity Act Board

3. Minutes From Previous Meeting

A. 05/15/2018 County Administration Meeting Minutes

4. New Business

Routine Items

A. 18-0209

Appointment of Chris Mavis as County Surveyor for a four-year term effective July 1, 2018

Items for Discussion and Action

B. 18-0198

System analysis of jail population drivers and trends

C. 18-0210

Authorize supplemental appropriations and a contingency transfer to amend the 2017 budget

Addendum

D. 18-0226

Sale of approximately \$100,000,000 of general obligation bonds for capital improvements; fixing the form and specifications thereof; and providing for execution, delivery and payment

Items for Discussion and Action – Revised

18-0198R1 Revised

System analysis of jail population drivers and trends

HENNEPIN COUNTY

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Board Action Request 18-0208

Item Description:

Citizen Advisory Board Applicants and Appointments - Workforce Innovation Opportunity Act Board

Resolution:

BE IT RESOLVED, that in accordance with the Hennepin County Open Appointments Policy, the following individual(s) be appointed to the Workforce Innovation Opportunity Act Board (WIOA):

Background:

Consistent with County Board policy, Hennepin County has conducted an open appointment application process to fill positions on the various citizen advisory boards. The Hennepin County Board will conduct interviews for these positions on June 5, 2017. Qualified applicants have been notified and invited to attend. At a board meeting following interviews, the County Board will take action to select from the pool of applicants to fill the available advisory board positions.

This request communicates the names of applicants for the open citizen advisory board positions and helps build the agenda for the interviews and appointments.

HENNEPIN COUNTY

MINNESOTA

COMMITTEE MINUTES

BOARD OF HENNEPIN COUNTY COMMISSIONERS COUNTY ADMINISTRATION COMMITTEE

TUESDAY, MAY 15, 2018
1:30 PM

Chair: Peter McLaughlin, District 4
Vice-Chair: Linda Higgins, District 2

Members: Mike Opat, District 1
Marion Greene, District 3
Debbie Goettel, District 5
Jan Callison, District 6
Jeff Johnson, District 7

Commissioner Peter McLaughlin, Chair, called the meeting of the County Administration Committee for Tuesday, May 15, 2018 to order at 1:35 PM. All Commissioners were present except Commissioners Linda Higgins and Marion Greene, who joined the meeting later.

1. Open Forum

Commissioner Peter McLaughlin opened the Open Forum portion of the meeting at 1:36 PM. No persons came forth to give public comments. Commissioner Peter McLaughlin moved to close Open Forum at 1:36 PM and approved - 6 Yeas 1 Absent: Greene

2. Minutes From Previous Meeting

A. 05/01/2018 County Administration Meeting Minutes

APPROVED

Commissioner Jan Callison moved to approve the Minutes from the Previous Meeting, seconded by Commissioner Mike Opat and approved - 6 Yeas 1 Absent: Greene

3. New Business

Items for Discussion and Action

A. 18-0174

Agmt PR00000393 with Vaske Computer, Inc., for Oracle software, hardware, and services, 5/22/18-5/21/25, NTE \$9,775,000

CONSENT

Commissioner Debbie Goettel moved to approve, seconded by Commissioner Linda Higgins and approved - 7 Yeas

B. 18-0175

Authorize Chief Investment Officer to use additional long-term equity investment authority to purchase stock index mutual funds within the limits and procedures in statute

PROGRESSED

Commissioner Marion Greened moved to approve, seconded by Commissioner Debbie Goettel. After discussion Commissioner Peter McLaughlin moved to progress, seconded by Commissioner Jan Callison and approved - 7 Yeas

C. 18-0176

Appoint Carla Stueve as Hennepin County Highway Engineer to a one-year term, effective May 22, 2018

CONSENT

Commissioner Linda Higgins moved to approve, seconded by Commissioner Mike Opat and approved - 7 Yeas

4. Old Business

18-0155

Master Agmt ADH0000299 with Masterson Personnel, Inc., for provision of temporary staffing services, 6/1/18-5/31/20, total NTE \$450,000

CONSENT

Commissioner Jan Callison moved to approve, seconded by Commissioner Mike Opat and approved - 7 Years

5. Addendum

D. 18-0197

Request subsequent designation of the Hennepin Carver Workforce Development Board and submission of letter of intent

CONSENT

Commissioner Jan Callison moved to approve, seconded by Commissioner Jeff Johnson and approved - 7 Years

6. Adjourn

There being no further business, the meeting of the County Administration Committee for Tuesday, May 15, 2018 was declared adjourned at 1:56 PM.

Yolanda C Clark
Deputy Clerk to the Board

HENNEPIN COUNTY

MINNESOTA

Board Action Request 18-0209

Item Description:

Appointment of Chris Mavis as County Surveyor for a four-year term effective July 1, 2018

Resolution:

BE IT RESOLVED, that Chris Mavis, a licensed land surveyor, be appointed as the Hennepin County Surveyor for a four-year term effective July 1, 2018.

Background:

Minnesota Statute § 389.011 requires the County Board to appoint a County Surveyor.

The County Administrator recommends that Chris Mavis be re-appointed to a four-year term as the Hennepin County Surveyor effective July 1, 2018.

Mr. Mavis holds a license as a Minnesota Land Surveyor. He has a Bachelor's degree from St. Cloud State University and a Master of Geographic Information Science degree from the University of Minnesota.

Mr. Mavis has served as the County Surveyor since July 1, 2014. Prior to Hennepin County, Mr. Mavis held a variety of Land Surveying and GIS positions in both public and private organizations.

Mr. Mavis is currently the President of the Minnesota Society of Professional Surveyors. He is a member of the Minnesota Society of Professional Surveyors Chapter 6, a member and past president of the Capitol Area Land Surveyor's Association, a member of the Minnesota Association of County Surveyors, and a member of the Minnesota Geospatial Advisory Council. Mr. Mavis successfully completed Hennepin County's Leadership Academy in 2016.

HENNEPIN COUNTY

MINNESOTA

Board Action Request 18-0198

Item Description:

System analysis of jail population drivers and trends

WHEREAS, the Adult Detention Center's average daily population has increased over the past five years with a substantial increase in 2017 and 2018; and

WHEREAS, the Adult Detention has operated since May 2017 to the present at or above functional and operational capacity; and

WHEREAS, the Hennepin County Sheriff has pointed out a capacity problem at the Adult Detention Center in weekly correspondence to the Hennepin County Board of Commissioners; and

WHEREAS, the last comprehensive review of jail population and system analysis was performed in 1998 by Institute of Law and & Policy Planning; and

WHEREAS, the County Administrator has worked with the Public Safety line of business to inform the Hennepin County Board of Commissioners pursuant to a board briefing in April 2018 as it relates to current system's analysis, identifying opportunities for efficiencies and making recommendations; and

WHEREAS, the project scope and analysis will establish a baseline framework for future system efficiencies and initiatives as adopted by the Criminal Justice Coordinating Committee; and

WHEREAS, Hennepin County Attorney's Office, Hennepin County Sheriff's Office, Hennepin County Public Defender, Hennepin County Community Corrections and Rehabilitation and the Fourth Judicial District Court operate as agents to provide a range of services and data related to the project scope; and

WHEREAS, the review shall include the examination of data and all options to seek reduction in length of stay at the Hennepin County Adult Detention Center; and

WHEREAS, the System Analysis Study Committee shall conduct work over a six month period of time and report back to the Criminal Justice Coordinating Committee, Board Bench Committee and Hennepin County Board of Commissioners through briefing by December 31, 2018.

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to appoint two expert consultants, retired judges; Honorable John M. Stanoch and Honorable Lucy A. Wieland as Co-Chairs of the System Analysis Study Committee; and

BE IT FURTHER RESOLVED, the Hennepin County Public Safety Partners provide related data to complete a comprehensive study to identify drivers and trends of the jail population for final analysis and recommendations to be presented to the Hennepin County Commissioners by the end of fourth quarter 2018.

Background:

Due to an increase in the average daily population at the Adult Detention Center in both 2017, and now 2018, Hennepin County Administration Public Safety & Integration has decided to seek two external consultants, John Stanoch and Lucy Wieland to work alongside the Criminal Justice Coordinating Committee (CJCC) Director to provide a comprehensive analysis of the jail population with the primary goal of determining whether and how the demand for jail resources can be reduced. Both retired judges were involved in the 1998 study commissioned by the Hennepin County Board of Commissioners which addressed the same issue. As was the case in 1998, there are specific variables that drive jail population: the number and type of arrests booked into the jail, the speed with which cases are processed, the criteria for pretrial release, and the availability of alternatives to incarceration.

This study will rely on data produced by various criminal justice agencies and the Court to do analysis related to drivers and trends of the jail population. This data analysis will include identification of the primary factors impacting the current jail population, as well as budgets, staffing, and unmet needs of service delivery.

Key findings will explore immediate and long term recommendations related to whether and how the inmate population at the Adult Detention Center can be reduced, including case processing, agency operations, cost and public safety. Recommendations will be finalized in a report reviewed by the Assistant County Administrator of Public Safety, and then presented to the County Board in a Power Point presentation at a scheduled briefing to be determined at a later date.

The external consultants shall direct the study, review related documents, data, analysis and projections to determine appropriate recommendations, give both written and verbal presentation of recommendations to the Hennepin County Board and other related key stakeholders and meet with elected officials and key leadership over the duration of the study. Anticipated deliverables from the study will include a transparent work plan guiding the project to include; timelines, chart of deliverables, communication, data strategies and analysis as well as comprehensive report and Power Point Presentation to be presented to the County Board and Administration during the fourth quarter of 2018.

HENNEPIN COUNTY

MINNESOTA

Board Action Request 18-0210

Item Description:

Authorize supplemental appropriations and a contingency transfer to amend the 2017 budget

Resolution:

BE IT RESOLVED, that the 2017 budget be amended by the supplemental appropriations and a contingency transfer as identified in Schedule 1 as on file with the Clerk of the Board; and that the Controller be authorized to transfer funds as directed.

Background:

The Office of Budget and Finance has reviewed the status of 2017 departmental expenditures relative to approved appropriations. Schedule 1 shows the detail of departments that exceeded their authorized expenditure level and require budget adjustments.

ATTACHMENTS:

Description	Upload Date	Type
2017 YE schedule	5/21/2018	Backup Material

Schedule 1
2017 Budget - Supplemental Appropriations and Contingency Transfer

		<u>Fund</u>	<u>Dept id</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>	
<u>SUPPLEMENTAL APPROPRIATIONS</u>							
1.	Solid Waste	REVENUE	34	184611	49970	Use of Undesignated Fund Balance	\$3,100,000
		EXPENSE	34	184611	52587	Solid Waste Operation & Maintenance	\$3,100,000
Unanticipated costs associated with closing out the contract with the former operator of the Hennepin Energy Recovery Center.							
2.	Transportation Sales Tax	REVENUE	26	160010	41900	County Sales Tax - Transportation Improvement	\$13,912,000
		EXPENSE	26	160010	58900	Miscellaneous - General	\$13,912,000
In June 2017, Hennepin County imposed a new 0.5% sales and use tax and \$20 motor vehicle excise tax for transportation and transit purposes, effective October 1, 2017.							
3.	Human Services and Public Health	REVENUE	20	505000	49970	Use of Fund Balance	\$ 15,000,000
		REVENUE	20	522099	42067	Federal Grants - State Contracts	\$ 2,790,000
		EXPENSE	20	519001	55318	Public Aid	\$ 13,000,000
		EXPENSE	20	505000	50020	Salaries and Wages	\$ 2,000,000
		EXPENSE	20	522099	55466	Public Aid	\$ 2,790,000
		Total expenditures for the Human Services and Public Health department exceed budget by approximately \$17,790,000. Significant drivers are Foster Care, Supervised Visitation, Transportation and Personal Services. Also, MFIP Work Employment Services of approximately \$2.8 million which was offset by an increase in revenue.					
4.	Debt Service Fund	REVENUE	70	795000	42960	Intergovernmental Revenue	\$93,563,000
		EXPENSE	70	795000	58650	Redemption of Bonds	\$93,563,000
In May 2017, Counties Transit Improvement Board (CTIB) agreed to dissolve. One of the requirements of dissolutions was to extinguish all of CTIB debts. In 2010, the County issued bonds on behalf of CTIB. July 31, 2017 CTIB provided cash to legally and economically defease the outstanding county bonds.							
<u>CONTINGENCY TRANSFER</u>							
1.	Transfer from: Contingency	Expense	10	785000	58900	Miscellaneous-General	\$156,000
	Transfer to: Sexual Assault Resources Services	Expense	10	360000	52880	Purchase Health and Social Service	\$156,000
Higher than expected claims due to increased invoices stemming from higher awareness and education in the media, greater collaboration with law enforcement, and a nationwide "Me Too" movement.							

HENNEPIN COUNTY

MINNESOTA

Board Action Request 18-0226

Item Description:

Sale of approximately \$100,000,000 of general obligation bonds for capital improvements; fixing the form and specifications thereof; and providing for execution, delivery and payment

Resolution:

BE IT RESOLVED, by the Board of Commissioners of Hennepin County, Minnesota, as follows:

1. Pursuant to authority granted by Minnesota Statutes, Section 373.40 and Chapter 475, the Board of Commissioners deems it necessary and expedient to issue and sell approximately \$100,000,000 in principal amount of General Obligation Bonds to provide financing of a portion of the estimated costs of acquisition and betterment, including necessary and incidental costs described in Minnesota Statutes, Section 475.65, for the capital improvements included in the County's 2018-2022 Capital Improvement Plan (the "Improvement Projects") contingent upon favorable market conditions as determined by the Hennepin County Director of Budget and Finance (the "Director of Budget and Finance") or the Hennepin County Administrator (the "County Administrator"), as further described below.

The Bonds shall be designated General Obligation Bonds, Series 2018A (the "Bonds"). In the event the County, through the Director of Budget and Finance or the County Administrator, pursuant to Section 2 of this Resolution, determines that it is in the best interests of the County to issue and sell the Bonds at another time, or determines pursuant to authority of any other County resolution not to issue another series of bonds authorized, or to issue the Bonds in more than one series, the Director of Budget and Finance or the County Administrator may re-designate the Bonds authorized hereby as "General Obligation Bonds, Series 2018__" completing the blank with an uppercase letter as appropriate for the order of such issuance and to eliminate any gaps in the designation of such series caused by the determination not to issue and sell any series of bonds.

2. The Board of Commissioners has made all necessary investigation and hereby finds and determines as follows:

(a) The Bonds shall be dated the date of issuance and shall bear interest at the rates determined by the successful proposer, payable semiannually on June 1 and December 1 in each year, commencing December 1, 2018.

(b) The Bonds shall mature on the dates and in the amounts set forth in the Official Terms and Conditions of Bond Sale attached as Exhibit A hereto, and as described in a Certificate as to Terms of Bond Sale and Levy of Taxes to be executed at closing by the Chair and County Administrator; provided, however, the total principal amount of the Bonds shall not exceed \$100,000,000, subject to adjustment for a premium sale price as permitted pursuant to Minnesota Statutes, Section 475.60, and the final maturity of the Bonds shall be not later than December 1, 2038.

(c) The maximum principal and interest to become due in any year on the Bonds and all other outstanding capital improvement bonds shall not exceed an amount equal to 0.12 percent of market value of all taxable property in the County.

(d) The Director of Budget and Finance may permit prospective proposers to designate any portion of the principal of a series of Bonds to be combined within one or more term bonds subject to mandatory sinking fund redemption. The Bonds shall be subject to redemption and prior payment at the option of the County as provided in Exhibit A hereto. Thirty days' mailed notice of any such redemption shall be given to the registered owners of the Bonds pursuant to Minnesota Statutes, Chapter 475. The Bonds shall be

numbered from R-1 upwards in order of issuance or in such other order as the Bond Registrar may determine and shall be in denominations of \$5,000 each or any integral multiple thereof. The proposed form of the Bonds is attached hereto as Exhibit B and is hereby incorporated herein by reference.

3. Electronic proposals for the Bonds will be received on a date and time determined by the Director of Budget and Finance. As authorized by Minnesota Statutes, Section 475.60, this Board hereby delegates to the Chair, the County Administrator and/or the Director of Budget and Finance authority to consider the proposals and award the Bonds to the best proposal, provided that the true interest cost of the Bonds does not exceed 4.50% per annum. The par amounts of the Bonds may be adjusted pursuant to Exhibit A hereto. The additional terms of the Bonds and the sale thereof shall be substantially as set forth in the Official Terms and Conditions of Bond Sale attached as Exhibit A, which is hereby approved. The Board hereby determines to sell the Bonds in accordance with the procedures set forth in Exhibit A. The County has retained PFM Financial Advisors LLC, Minneapolis, Minnesota ("PFM"), as independent registered municipal advisor, and pursuant to Minnesota Statutes, Section 475.60, subdivision 2, paragraph (9), PFM is hereby authorized to solicit proposals for the Bonds on behalf of the County. The specifications set forth in Exhibit A may be revised by the Director of Budget and Finance or the County Administrator in consultation with PFM.

4. The Director of Budget and Finance is hereby designated to act on behalf of the County as Bond Registrar, Transfer Agent and Paying Agent for the Bonds.

5. The County staff, in cooperation with PFM, is hereby authorized and directed to prepare on behalf of the County an official statement to be distributed to potential purchasers of the Bonds. Such official statement shall contain the Official Terms and Conditions of Bond Sale for the Bonds, as set forth above, and such other information as shall be deemed advisable and necessary to describe adequately the County and the security for, and terms and conditions of, the Bonds. The final Official Statement shall be in the form approved by the County Administrator or Director of Budget and Finance.

6. The Official Statement will contain an undertaking by the County to execute and deliver the Continuing Disclosure Certificate, substantially in the form of Exhibit C hereto. The Director of Budget and Finance shall have overall responsibility for compliance with the Continuing Disclosure Certificate and other similar undertakings hereafter made by the County under Rule 15c2-12(b)(5) of the Securities and Exchange Commission, and the Director of Budget and Finance shall implement the dissemination of reports and notices thereunder. Amendments permitted by the undertakings necessitated by a change in circumstances that arises from a change in legal requirements, or change in law may be made by the Director of Budget and Finance. The Continuing Disclosure Certificate may be executed by the Director of Budget and Finance or the County Administrator.

7. The County staff is authorized and directed to obtain ratings of the Bonds from up to three nationally recognized credit rating services, to pay the reasonable and customary charges of such rating services, and to take such other actions as may be required so that the Bonds may be issued and sold as contemplated hereby.

8. The proceeds of the sale of the Bonds herein authorized shall be used by the County as follows:

(a) On the date of delivery of the Bonds, any accrued interest received from the purchaser of such Bonds shall be deposited in the Debt Service Fund of that series, to be used to pay interest on the Bonds coming due.

(b) The proceeds of the Bonds shall be used to pay or reimburse the County for payment of the costs of the Improvement Projects and to pay costs of issuance of the Bonds.

9. The taxes required to be levied hereby and other funds appropriated to the Debt Service Fund for payment of the Bonds shall be held and used for no other purpose than to pay principal of and interest on the Bonds; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Fund to pay the same, the County shall pay such principal or interest from the General Fund of the County and the General Fund may be reimbursed for such advances out of the proceeds of taxes herein required to be levied.

To pay the principal of and interest on the Bonds there is hereby levied upon all of the taxable property in the County a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general taxes of the County and shall be paid into the Debt Service Fund (in any subaccount

deemed desirable), which tax is collectible in the years and amounts equal to 105% of the principal and interest on such bonds due in each year.

It is hereby estimated that all such taxes described above, if collected in full, will produce amounts sufficient to pay 105% of principal of and interest on each series of Bonds when due. However, the Bonds are general obligations of the County, to the payment of which the full faith and credit and taxing power of the County are pledged, and the County will levy a general ad valorem tax on all taxable property in the County, if required for the purpose, without limitation as to rate or amount.

10. The County shall not take or permit any action that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code. The County shall comply with the rebate requirements imposed under the Code and regulations thereunder, including (if applicable) the requirement to make periodic calculations of the amount subject to rebate thereunder and the requirement to make all required rebates to the United States with respect to the Bonds. In addition, the County shall make no investment of funds that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The Director of Budget and Finance or County Administrator is authorized to make any elections or allocations relating to the Bonds and proceeds thereof which are permitted or required under the Code. All terms used in this paragraph 10 shall have the meanings provided in the Code and applicable Treasury Regulations thereunder.

11. The provisions of this Resolution shall be deemed covenants for the benefit of the registered owners, from time to time, of the Bonds.

12. The Continuing Disclosure Certificate proposed to be executed and delivered in connection with the Bonds is hereby approved and the undertakings set forth therein shall be deemed covenants for the benefit of the holders of the Bonds.

13. The County Administrator is authorized and directed to take all necessary actions to cause the Bonds to be issued, executed and delivered as in this Resolution provided, and to prepare and furnish to the purchaser, and to the attorneys approving the Bonds, certified copies of all proceedings and records relating to the issuance of the Bonds and to the right, power and authority of the County and its officers to issue the same, and said certified copies and certificates shall be deemed to be representations of the County as to all matters stated therein. The Chair, County Administrator and Director of Budget and Finance are each further authorized to take such other actions as may be required to effectuate the terms and intent of this Resolution.

The County Administrator shall furnish a certified copy of this Resolution, together with additional details of the terms of the sale and related tax levies, to the County Auditor or Deputy County Auditor, and obtain the certificate required by Minnesota Statutes, Section 475.62.

14. The Controller is hereby authorized to transfer and disburse funds as necessary to carry out the intent of this Resolution, and to adjust the debt service budget to reflect the refunding of bonds.

Background:

This resolution authorizes the competitive sale of approximately \$100,000,000 of tax-exempt new money bonds to provide financing for capital improvements included in the County’s adopted 2018-2022 Capital Improvement Plan (under authority granted in Minnesota Statutes, Section 373.40). The bonds will be general obligations of the County, with the principal and interest payable from property taxes. These bonds will be structured as fixed rate obligations and mature over 20 years.

Staff recommends that ratings for these bonds be requested from two rating agencies: Standard & Poor’s and Fitch. This has been the County’s practice for the past several years.

This will be the first series of bonds issued by the County since the elimination of tax-exempt advance refunding bonds in the federal tax reform legislation effective January 1, 2018. Such advance refundings were an important tool for the County to refinance outstanding debt in order to produce interest cost savings. As a result of the prohibition of advance refundings on a tax-exempt basis, some issuers have been looking at the economics of shortening the time period until the bonds can be called for optional redemption. In the case of this issue, PFM Financial Advisors LLC, the County’s independent registered

municipal advisor, has recommended that the most economically beneficial approach is to have the bonds be callable in 9.5 years at a price of par, which is largely consistent with the County’s past practice. Current refundings (which occur within 90 days of the first optional redemption date) are still permitted under federal law and the call provision will allow the County to refinance the bonds at that time if the interest rate environment is favorable.

This resolution grants discretion to the Director of Budget and Finance to modify the size of the bond issue and to establish the sale date, currently expected to occur in June. The County utilizes the services of PFM Financial Advisors LLC, its municipal advisor, and Dorsey & Whitney LLP, as bond counsel, to assist in making these determinations.

ATTACHMENTS:

Description	Upload Date	Type
Exhibit A	5/21/2018	Backup Material
Exhibit B	5/21/2018	Backup Material
Exhibit C	5/21/2018	Backup Material

EXHIBIT A
OFFICIAL TERMS AND CONDITIONS OF BOND SALE
\$100,000,000⁽¹⁾ GENERAL OBLIGATION BONDS, SERIES 2018A
HENNEPIN COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN that the \$100,000,000⁽¹⁾ General Obligation Bonds, Series 2018A (the “Bonds”) will be offered for sale according to the following terms:

TIME AND PLACE: Electronic proposals will be received by Hennepin County, Minnesota (the “County”), on [_____], 2018, until 10:45 A.M. o’clock A.M., Central Daylight Time. All proposals must be submitted electronically through PARITY® as further described below. The proposals will be considered and an award will be made no later than 2:00 o’clock P.M., Central Daylight Time, on the date of receipt of proposals.

TYPE OF BOND: Fully registered general obligation bonds in the denomination of \$5,000 or any integral multiple thereof.

AUTHORITY FOR ISSUANCE AND PURPOSE: The Bonds will be issued pursuant to Minnesota Statutes, Sections 373.40 and Chapter 475, for the purpose of (i) providing financing of a portion of the costs of acquisition and betterment, including necessary and incidental costs described in Minnesota Statutes, Section 475.65, for the capital improvements included in the County’s 2018-2022 Capital Improvement Plan, and (ii) paying the costs associated with the issuance of the Bonds.

DATE OF BONDS: Date of issuance.

INTEREST PAYMENTS: Semiannually on June 1 and December 1, commencing December 1, 2018.

MATURITY: The Bonds will mature on December 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount⁽¹⁾</u>	<u>Year</u>	<u>Amount⁽¹⁾</u>
2020	\$ 1,680,000	2030	\$ 5,525,000
2021	1,680,000	2031	5,800,000
2022	3,770,000	2032	6,090,000
2023	3,925,000	2033	6,395,000
2024	4,120,000	2034	6,715,000
2025	4,330,000	2035	7,050,000
2026	4,545,000	2036	7,400,000
2027	4,770,000	2037	7,775,000
2028	5,010,000	2038	8,160,000
2029	5,260,000		

⁽¹⁾ Estimated, subject to change.

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest to the date of redemption.

The County reserves the right after proposals are opened and prior to award to adjust the par amount and the maturity amounts of the Bonds in multiples of \$5,000. In the event the par amount or the maturity amounts of the Bonds are adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the County (excluding accrued interest) by (ii) the principal amount of the Bonds) remains constant.

REDEMPTION: The Bonds maturing on December 1, 2028 and thereafter are subject to redemption, at the option of the County, on December 1, 2027 and any date thereafter, in whole or in part, at a price of par plus accrued interest to the redemption date.

BOOK-ENTRY-ONLY SYSTEM: The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants, for subsequent disbursement to the beneficial owners of the Bonds.

CUSIP NUMBERS: The County will assume no obligation for the assignment of CUSIP numbers to the Bonds or for the correctness of any such numbers printed thereon, but the County will permit such printing to be done at the expense of the Purchaser, provided that such printing does not result in any delay of the date of delivery of the Bonds.

DELIVERY: On or about [_____], 2018 the County will deliver to DTC the printed and executed Bonds in final form, subject to the approving legal opinion of Dorsey & Whitney LLP, Bond Counsel, and customary closing certificates, including a certificate that the Official Statement did not, at the date of sale, and does not, at the date of delivery of the Bonds, contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements contained therein not misleading, a certificate as to absence of material litigation, and an arbitrage certificate. Bond printing and legal opinion will be paid by the County and delivery will be against payment in immediately available funds at the County’s designated depository on the date of delivery.

TERMS OF PROPOSALS: Proposals for not less than \$99,500,000 (99.5% of par) plus accrued interest from the date of the Bonds to the date of delivery must be submitted through PARITY® and received prior to the time specified above. All proposals shall be deemed to incorporate the provisions of this Official Terms and Conditions of Bond Sale. All rates must be in integral multiples of 1/20th or 1/8th of one percent. In addition, the Bonds maturing on or after December 1, 2028 may not bear an interest rate less than 5.00%. All Bonds of the same maturity shall bear a single uniform rate from date of issue to maturity. Each proposal must be for the entire principal amount of the Bonds.

ESTABLISHMENT OF ISSUE PRICE AT TIME OF AWARD: In order to establish the issue price of the Bonds for federal income tax purposes, the County requires proposers to agree to the following, and by submitting a proposal, each proposer agrees to the following.

If a proposal is submitted by a potential underwriter, the proposer confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the “initial offering price”) for each maturity as set forth in the proposal and (ii) the proposer, if it is the winning proposer (the “Purchaser”), shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate “maturity,” and the public does not include underwriters (including members of a selling group or retail distribution group) or persons related to underwriters.

If, however, a proposal is submitted for the proposer’s own account in a capacity other than as an underwriter of the Bonds, and the proposer has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the proposer shall notify the County to that effect at the time it submits its proposal and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the Purchaser intends to act as an underwriter, the County shall advise the Purchaser at or prior to the time of award whether (i) the competitive sale rule or (ii) the “hold-the-offering price” rule applies.

If the County advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the County at or prior to closing a

certification, substantially in the form attached hereto as Exhibit A-1, as to the reasonably expected initial offering price as of the award date.

If the County advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the “hold-the-offering price” rule applies, the Purchaser shall (1) upon the request of the County confirm that the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the County a certification substantially in the form attached hereto as Exhibit A-2, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the County pursuant hereto may be taken or received on behalf of the County by PFM Financial Advisors LLC, the County’s municipal advisor.

Proposers should prepare their proposals on the assumption that the Bonds will be subject to the “hold-the-offering-price” rule. Any proposal submitted pursuant to the Official Terms and Conditions of Bond Sale shall be considered a firm offer for the purchase of the Bonds, and proposals submitted will not be subject to cancellation or withdrawal.

ELECTRONIC BIDDING ONLY: All proposals must be submitted electronically through PARITY® and no other proposals will be considered. The County is using electronic bidding as a communications medium and PARITY® is not an agent of the County. The County assumes no responsibility or liability for proposals submitted electronically. If any provisions in this Official Terms and Conditions of Bond Sale conflict with information provided by an electronic bidding service, this Official Terms and Conditions of Bond Sale shall control. Proposers must be contracted customers of PARITY®. Prospective proposers should contact PARITY® directly at (212) 849-5021 for information about PARITY®, including its rates and fees, and becoming a contracted customer.

GOOD FAITH DEPOSIT: The successful proposer (the “Purchaser”) is required to submit a good faith deposit in an amount equal to \$1,000,000 (the “Deposit”) to the County in the form of a wire transfer, as instructed by the County or its municipal advisor, no later than 3:30 P.M. Central Time on the day on which the proposals are received. If the Deposit is not received by such time, the County may revoke its acceptance of the proposal. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted proposal, the Deposit will be retained by the County.

AWARD: The proposal offering the lowest true interest cost will be deemed most favorable. The true interest cost is computed as a discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Bonds, produces an amount equal to the purchase price. If two or more proposals provide the same lowest true interest cost, the County shall determine by lot which proposal shall be accepted, and such determination shall be final.

The County Administrator and/or the Director of Budget and Finance each reserve the right to reject any and all proposals, to waive any informality in any proposals and to adjourn or postpone the sale.

OFFICIAL STATEMENTS: The County has prepared an Official Statement dated [_____, 2018, which the County deems “final” as of its date within the meaning of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the “Rule”). The Official Statement is available to prospective proposers and to others who request copies from the County by contacting PFM Financial Advisors LLC, the County’s municipal advisor.

Not later than seven business days following the award of the Bonds, the County shall provide copies of the final Official Statement to the Purchaser of the Bonds. The final Official Statement will include the maturity dates and amounts, interest rates and reoffering yields or prices, credit ratings and any other information required by law.

CONTINUING DISCLOSURE: In accordance with the Rule, the County will undertake, pursuant to the resolution awarding sale of the Bonds and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser’s

obligation to purchase the Bonds will be conditioned upon its receiving the Continuing Disclosure Certificate at or prior to delivery of the Bonds.

BY ORDER OF THE BOARD OF COUNTY COMMISSIONERS

By: /s/ David Lawless
Director of Budget and Finance
Hennepin County Government Center
Minneapolis, Minnesota 55487

Further information may be obtained from:

PFM Financial Advisors LLC
50 South Sixth Street, Suite 2250
Minneapolis, MN 55402
Tel: 612-338-3535
Attn: Arcelia Detert or Anne Wuollet
Email: deterta@pfm.com or wuolletta@pfm.com

EXHIBIT A-1

ISSUE PRICE CERTIFICATE FOR COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS

[\$[PRINCIPAL AMOUNT]
[BOND CAPTION]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. Persons generally are “related parties” for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity of the Bonds. The Sale Date of each Maturity of the Bonds is [DATE].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including

specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer [and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER]

By:_____

Name:_____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

EXHIBIT A-2

ISSUE PRICE CERTIFICATE –COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS – HOLD OFFERING PRICE

\$[PRINCIPAL AMOUNT]
[BOND CAPTION]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”][the “Representative”]), on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the specified initial offering prices listed in Schedule B (the “Initial Offering Prices”) on or before the Sale Date. If there is a Hold-the-Offering-Price Maturity, a copy of the pricing wire for the Bonds is attached to this certificate as Schedule C.

(b) As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule. Based on its own knowledge and, in the case of sales by other Underwriters, representations obtained from the other Underwriters, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds, if any, listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds, if any, listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at one or more prices, each of which is no higher than the Initial Offering Price for such Maturity.

(d) *Issuer* means [DESCRIBE ISSUER].

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. Persons generally are “related parties” for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity of the Bonds. The Sale Date of each Maturity of the Bonds is [DATE].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer [and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:_____

Name:_____

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES
(Attached)

SCHEDULE B

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE C
PRICING WIRE
(Attached)

EXHIBIT B

FORM OF SERIES 2018A BOND

**UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN**

No. R-__

\$_____

**GENERAL OBLIGATION BOND
SERIES 2018A**

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	December 1, 20__	_____, 2018	425507 ____

Registered Owner: CEDE & CO.

Principal Amount: THOUSAND DOLLARS

Hennepin County, a duly organized County and political subdivision of the State of Minnesota, with its principal office in the City of Minneapolis, Minnesota, for value received, hereby promises to pay to the Registered Owner or registered assigns the Principal Amount on the Maturity date specified above, upon the presentation and surrender hereof, and to pay to the Registered Owner hereof interest on such Principal Amount at the Interest Rate specified above from _____, 2018, or the most recent interest payment date to which interest has been paid or duly provided for as specified below, on June 1 and December 1 of each year, commencing December 1, 2018 until said Principal Amount is paid. Principal is payable in lawful money of the United States of America at the office of the Hennepin County Director of Budget and Finance, Minneapolis, Minnesota, as Registrar, or of a successor Registrar designated by the County, which designation shall be made upon 30 days' notice to the Registered Owners at their registered addresses. Interest shall be paid on each June 1 and December 1 interest payment date by check or draft mailed (or, pursuant to a written agreement between the Registrar and the Registered Owner, by wire transfer) to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month preceding each such interest payment date (whether or not a business day) at said person's address set forth on the registration books maintained by the Registrar. Any such interest not punctually paid or provided for will cease to be payable to the owner of record as of such regular record dates and such defaulted interest may be paid to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest established by the Registrar. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of an issue of Bonds in the aggregate principal amount of \$100,000,000, all of like date and tenor except as to maturity date, redemption privilege, denomination and interest rate, issued pursuant to and in full conformity with the Constitution and Laws of the State of Minnesota, including Minnesota Statutes, Sections 373.40 and Chapter 475, for the purpose of financing various projects included in the County's capital improvement program. This Bond is payable primarily from taxes levied and to be levied pursuant to the Resolution described below, but this Bond constitutes a general obligation of the County, and, to provide moneys for the prompt and full payment of principal and interest on the Bonds when due, the full faith and credit of the County is hereby irrevocably pledged, and the County will levy ad valorem taxes on all taxable property in the County, if required for such purpose, without limitation as to rate or amount.

The Bonds of this series maturing on or after December 1, 20__ are subject to redemption and prior payment at the option of the County on December 1, 20__ and any date thereafter, in whole or in part in such order of maturity as the County may determine, at par plus accrued interest. Thirty days' mailed notice of any such redemption shall be given to the registered owners of the Bonds in the manner provided by Minnesota Statutes, Chapter 475.

This Bond is transferable, as provided by the Resolution of the Board of County Commissioners authorizing the issuance of the Bonds adopted June 12, 2018 (the "Resolution"), only upon books of the County kept at the office of the Registrar by the Registered Owner hereof in person or by the Registered Owner's duly authorized attorney, upon surrender of this Bond for transfer at the office of the Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by the Registered Owner hereof or the Registered Owner's duly authorized attorney, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Bonds of the series of the same aggregate principal amount, maturity date and interest rate will be issued to the designated transferee or transferees. The Registered Owner of this Bond may be treated as the absolute owner hereof for all purposes.

The Bonds of this series are issuable only as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. As provided in the Resolution and subject to certain limitations therein set forth, the Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series of a different authorized denomination, as requested by the Registered Owner or the Registered Owner's duly authorized attorney, upon surrender thereof to the Registrar.

IT IS HEREBY CERTIFIED AND RECITED That all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Bond have been done, have happened and have been performed in regular and due form, and that this Bond, together with all other indebtedness of the County outstanding on the date of its issuance, does not exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, Hennepin County, Minnesota, by its Board of Commissioners, has caused this Bond to be executed in its behalf by the facsimile signature of the Chair of the Board of County Commissioners and by the facsimile signature of the County Administrator, all as of the Date of Original Issue specified above.

HENNEPIN COUNTY, MINNESOTA

County Administrator

Chairperson

**REGISTRAR'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION**

This is one of the Bonds described in the within mentioned Resolution, and this Bond has been registered as to principal and interest in the name of the Registered Owner identified above on the registration books of the Director of Budget and Finance of Hennepin County, Minnesota.

Date of Authentication: _____, 2018.

Director of Budget and Finance, as Registrar

[illegible]

ASSIGNMENT

Dated: _____

Signature Guaranteed:

Page 30 of 34

EXHIBIT C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Hennepin County, Minnesota (the “County”), in connection with the issuance of its \$100,000,000 General Obligation, Series 2018A (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of Commissioners of the County on June 12, 2018 (the “Resolution”). The County covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the registered owner or owners in respect of a Bond and appearing in the bond register maintained by the Registrar, or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar (collectively, the “Bondholders”), and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

“Dissemination Agent” shall mean the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities and Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Exchange Act.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds, including

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Exchange Act, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than 365 days after the end of each fiscal year, commencing with the fiscal year ended December 31, 2018, provide to the MSRB, in an electronic format and accompanied by identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a

package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and shall be submitted if and when available. In the event the audited financial statements of the County are not available when the Annual Report is due, the County may submit its audited financial statements at a later date, provided that unaudited financial statements are submitted by the above-specified deadline and that the audited financial statements are submitted as soon as practicable after they become available.

(b) If the County is unable or otherwise fails to provide the Annual Report to the MSRB by the date required in subsection (a), the County shall provide a notice of such to the MSRB in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 4. Content of Annual Reports. The County's Annual Report shall contain or incorporate by reference the following:

1. An annual audited financial statement prepared in accordance with generally accepted accounting principles or as otherwise required by Minnesota law for the preceding fiscal year, including a balance sheet and statement of revenues, expenditures and changes in fund balances.

2. Updates of the operating and financial data included in Appendix A to the Official Statement under the headings "FINANCIAL SUMMARY", "COUNTY ORGANIZATION AND SERVICES-County Employees", "INDEBTEDNESS OF THE COUNTY", "OTHER LONG-TERM OBLIGATIONS", "FINANCIAL INFORMATION" and "PROPERTY VALUATIONS AND TAXES."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the County or related public entities, which have been filed with the Securities and Exchange Commission or made available to the public on the MSRB's Internet web site.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following Listed Events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the County;
13. The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such

an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

For the purposes of the event identified in subparagraph 12 hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall disseminate or cause to be disseminated, in a timely manner not in excess of ten (10) business days of the occurrence of the Listed Event, notice of the occurrence of the Listed Event to the MSRB in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 6. Termination of Reporting Obligation. The County’s obligations under this Disclosure Certificate shall terminate upon payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate if:

- (a) the amendment is made in connection with a change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the County with respect to the Bonds;
- (b) this Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the amendment does not materially impair the interests of Bondholders, as determined by bond counsel for the County.

Any amendments to the operating data or financial information required by the Annual Report shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of ~~Page 33 of 34~~ ~~Page 32 of 34~~, in addition to that which is required by this

Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. No Prior Default. The County has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports under 15c2-12(b)(5)(i)(A) and (B) or to provide notice of material events under 15c2-12(b)(5)(i)(C).

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters and Bondholders from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2018.

HENNEPIN COUNTY, MINNESOTA

By _____
Director of Budget and Finance