

# HENNEPIN COUNTY

## MINNESOTA

### FINAL COMMITTEE AGENDA

#### BOARD OF HENNEPIN COUNTY COMMISSIONERS County Administration Committee

Tuesday, August 28, 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

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#### 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. 18-0325

2018 Citizen Advisory Board Applicants and Appointments–Human Resources Board

#### 3. Minutes From Previous Meeting

##### A. 08/14/2018 County Administration Meeting Minutes

#### 4. New Business

##### Routine Items

##### A. 18-0362

Agmt PR00000507 with the City of Brooklyn Center for the provision of services by BrookLynk for youth employment and training programs; 09/06/18-09/05/19, NTE \$100,000

##### B. 18-0363

Amd 3 to Agmts A120897 with Summit LandMark Orthopedics and A120899 with Group Health Plan for occupational medicine services, no change to contract dates, new total combined NTE \$1,285,000

##### Items for Discussion and Action

##### C. 18-0364

Develop a policy relating to conduct of federal immigration authorities on county property - offered by Commissioner Callison and Commissioner McLaughlin

##### Addendum

##### D. 18-0370

Issuance and sale of General Obligation Bonds not to exceed \$165,000,000 for capital improvement purposes and refunding purposes

# HENNEPIN COUNTY

## MINNESOTA

### Board Action Request 18-0325

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**Item Description:**

2018 Citizen Advisory Board Applicants and Appointments–Human Resources Board

**Resolution:**

BE IT RESOLVED, that in accordance with the Hennepin County Open Appointments Policy, the following individual(s) be appointed to the Human Resources Board:

**Background:**

Consistent with County Board policy, Hennepin County conducted an open appointment application process to fill positions on various citizen advisory boards and the Hennepin County Board conducted interviews for those positions on January 30, 2018 and February 13, 2018.

On July 24, 2018 a member of the Human Resources Board tendered their resignation and the decision was made to invite back the qualified applicants that interviewed earlier in the year to fill the vacancy created by this resignation.

The Board will conduct interviews on August 14, 2018 and August 28, 2018. At a board meeting following interviews, the County Board will take action to select from the pool of recalled applicants to fill the available advisory board position. This request communicates the names of applicants for the open citizen advisory board position and helps build the agenda for the interviews and appointments.

**ATTACHMENTS:**

Description	Upload Date	Type
HR Vacancy and Applicant summary	8/1/2018	Backup Material

# Vacancy and application summary

## At Large

Positions: 7

Vacancies: 1

Applicants: 13

### Outgoing members

Name	Term End	Original appt	Terms served	Resignation
Angelinas Pabon	12/31/2018	01/01/2015	1	07/24/2018

### Applicants

Name	District	Incumbent	Requires super majority
Lolita Davis Carter	4	No	No
Patricia Dominguez-Mejia	1	No	No
Michael Garelick	6	No	No
Gordon Hage	4	No	No
Patricia Hamm	6	No	No
Ali Hashi	3	No	No
Yelena Kurdyumova	1	No	No
Tyler Lupkes	5	No	No
David Mathias	5	No	No
Scott Ramey	3	No	No
James Sarver	6	No	No
Kay Schroven	4	No	No
Roger Swartzendruber	6	No	No

# HENNEPIN COUNTY

## MINNESOTA

### COMMITTEE MINUTES

#### BOARD OF HENNEPIN COUNTY COMMISSIONERS COUNTY ADMINISTRATION COMMITTEE

TUESDAY, AUGUST 14, 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

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Commissioner Peter McLaughlin, Chair, called the meeting of the County Administration Committee for Tuesday, August 14, 2018 to order at 1:34 PM. All Commissioners were present.

#### 1. Open Forum

Commissioner Peter McLaughlin opened the Open Forum portion of the meeting at 1:35 PM, the following individuals provided public comment:

1) Grace Baltich, 2) Ali Furhman, 3) Sheila Matson, 4) Jim Echos, 5) Deb Konechne, and 6) Sam, AFSCME

22 Chief Steward

No other persons came forth, Commissioner Peter McLaughlin moved to close Open Forum at 1:56 PM and approved - 7 Yeas

#### 2. Open Appointment Interviews

##### A. 18-0325

2018 Citizen Advisory Board Applicants and Appointments--Human Resources Board

#### PROCESSED

Commissioner Peter McLaughlin opened the Open Appointment Interviews at 1:56 PM, the following individual interviewed for a position on the Human Resources Citizen Advisory Board:

1) James Sarver

No other individuals came forth, Commissioner Jeff Johnson moved to progress, seconded by Commissioner Linda Higgins and approved - 7 Yeas

#### 3. Minutes From Previous Meeting

##### A. 7/31/2018 County Administration Meeting Minutes

#### APPROVED

Commissioner Linda Higgins moved to approve the Minutes from the Previous Meeting, seconded by Commissioner Jan Callison and approved - 7 Yeas

#### 4. New Business Routine Items

##### A. 18-0326

Establish date and time for required public hearings and meetings for the adoption of the final 2019 budget and levy; establish schedule of the Budget and Capital Investment Committee to consider the proposed 2019 budget.

#### CONSENT

Commissioner Debbie Goettel moved to approve, seconded by Commissioner Marion Greene and approved - 7 Yeas

**Items for Discussion and Action**

**B. 18-0327**

Appointment of Elizabeth David as the Director of Finance Administration for Health and Human Services, effective September 4, 2018

**CONSENT**

Commissioner Jan Callison moved to approve, seconded by Commissioner Marion Greene and approved - 7 Yeas

**4. Adjourn**

There being no further business, the meeting of the County Administration Committee for Tuesday, August 14, 2018 was declared adjourned at 2:03 PM.

Yolanda C Clark  
Deputy Clerk to the Board

# HENNEPIN COUNTY

## MINNESOTA

### Board Action Request 18-0362

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#### Item Description:

Agmt PR00000507 with the City of Brooklyn Center for the provision of services by BrookLynk for youth employment and training programs; 09/06/18-09/05/19, NTE \$100,000

#### Resolution:

BE IT RESOLVED, that Agreement PR00000507 with the City of Brooklyn Center for the provision of services by BrookLynk for youth employment and training programs during the period of September 6, 2018 through September 5, 2019 in the amount not to exceed \$100,000 be approved; that the Chair of the Board be authorized to sign the Agreement on behalf of the County; and that the Controller be authorized to disburse the funds as directed; and

BE IT FURTHER RESOLVED, that the use of grant funding for this program by the Hennepin County Board of Commissioners does not imply a continued funding commitment by Hennepin County for this program when grant funds are no longer available.

#### Background:

Workforce Services, a division of Human Resources, recently conducted a Request for Proposal (RFP) for Youth Employment and Training Programs under the Workforce Innovation and Opportunity Act Youth (WIOA) and Minnesota Youth Program (MYP) for the Hennepin-Carver Workforce Development Area to provide comprehensive employment and training services authorized under Title I of the Federal WIOA (Public Law 113-128)/Federal Youth Program, (MN Statutes 116L.364) and MYP (MN Statutes 116L.561). Initial contract awards reflect the estimated amount of federal and state funds to be received for the period April 1, 2018 to June 30, 2020. Funds for the second year will be allocated to the Work Force Development Area (WDA) by the State of Minnesota for the following Program Year. This subsequent allocation of funds is dependent upon the availability of Federal Youth funds and State Youth funds, provider effectiveness, and demonstrated need for the services being offered.

Proposals for the MYP- North Region were received from 3 vendors, who all met the RFP's basic requirements. Further evaluation was performed and deciding factors in the vendor selection were the organization's history/demonstrated effectiveness; understanding of the target populations, their needs, and how those needs will be addressed; the proposed program design and description of services to fulfill the program specifications; procedures to conduct follow-up of state funded participants and collect the required performance measurement information; and program coordination/leverage of appropriate linkages with other employment and training providers, other types of service providers and the private sector.

As a result of these evaluations, the City of Brooklyn Center is recommended as the vendor to provide youth employment and training services under the MYP for the North Region of the Hennepin-Carver Workforce Development Area.

The City of Brooklyn Park acts as the fiscal agent for BrookLynk which was formed pursuant to a joint powers agreement between the City of Brooklyn Center, the City of Brooklyn Park, Hennepin County and the school districts of Osseo, Brooklyn Center, Robbinsdale and Anoka- Hennepin.

BrookLynk is a youth employment program that serves youth aged 14-21 in Brooklyn Center and Brooklyn Park and was launched in response to the roughly 10,000 young people in Brooklyn Park and Brooklyn Center who face barriers to employment and would benefit from workforce development services.

BrookLynk currently provides a 1-day work readiness training, mock interviews, internship training, employer training, employer and youth coaching, and paid summer internships for 6-8 weeks.

BrookLynk will coordinate and develop subsidized or partially subsidized living wage internships with the primary employer partners and will have a focus on eliminating employment gaps that Brooklyn Park and Brooklyn Center youth face while increasing racial and ethnic diversity in the public sector. These internships will provide opportunities to increase pathways to college and career opportunities for youth completing the internships.

**ATTACHMENTS:**

Description	Upload Date	Type
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# HENNEPIN COUNTY

## MINNESOTA

### Board Action Request 18-0363

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#### Item Description:

Amd 3 to Agmts A120897 with Summit LandMark Orthopedics and A120899 with Group Health Plan for occupational medicine services, no change to contract dates, new total combined NTE \$1,285,000

#### Resolution:

BE IT RESOLVED, that Amendments 3 to Agreements A120897 with Summit Landmark Orthopedics LTD. d/b/a Minnesota Occupational Health increasing the contract amount by \$200,000 for a new not to exceed amount of \$735,000 and A120899 with Group Health Plan, Inc. d/b/a HealthPartners Medical Group increasing the contract amount by \$150,000 for a new not to exceed amount of \$550,000, and a new total not to exceed amount of \$1,285,000 for both contracts to provide occupational medicine services with no change to contract end dates, be approved; that the Chair of the Board be authorized to sign the Amendments on behalf of the County; and that the Controller be authorized to disburse funds as directed.

#### Background:

Federal and state occupational safety laws and regulations require that the county test employees to determine that they are physically qualified to perform their assigned work. This testing must be performed by professionals certified in occupational medicine. Two providers were selected following a competitive Request for Proposal (RFP) process. The two are incumbent providers for the county. Each sought multiple rate increases, but the county was able to negotiate several of these rate categories downward from the provider's proposal. Each agreement is available for use county-wide. The purpose for the occupational health testing program includes preserving employee health, reducing workers' compensation liability, and meeting legal requirements. Drug and alcohol testing is also provided via these contracts.

**Current Request:** Amendment 3 to Agreements A120897 and A120899 increases the not to exceed amount of both contracts and retains the expiration date of June 30, 2019. Each contract may be utilized by various county departments and is funded by the operating budgets of the users departments.

#### ATTACHMENTS:

Description	Upload Date	Type
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# HENNEPIN COUNTY

## MINNESOTA

### Board Action Request 18-0364

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**Item Description:**

Develop a policy relating to conduct of federal immigration authorities on county property - offered by Commissioner Callison and Commissioner McLaughlin

WHEREAS, the Hennepin County Board of Commissioners is aware of concerns that have been raised about the conduct of federal immigration agents on public property; and

WHEREAS, the Hennepin County Board of Commissioners believes that public safety is a fundamental responsibility of local government; and

WHEREAS, the Hennepin County Board of Commissioners believes that ensuring public safety requires that people feel safe interacting with public safety authorities and that people actively participate in the justice system whether as plaintiffs, defendants, victims, advocates or witnesses, including through the provision of testimony, appearance in court and cooperation with public safety and other officials; and

WHEREAS, the Hennepin County Board of Commissioners acknowledges the authority of the federal government to administer federal immigration law but believes that public safety is improved when such enforcement is undertaken respectfully and transparently; and

WHEREAS, the Hennepin County Board of Commissioners understands that certain portions of Hennepin County property are under the control of the Minnesota 4<sup>th</sup> Judicial District; and

WHEREAS, the Hennepin County Board of Commissioners affirms that it expects all people to be treated respectfully and fairly and strives to make that a standard for its employees as they interact with others.

**Resolution:**

BE IT RESOLVED, that the Board of Commissioners hereby directs staff to develop a policy relating to the conduct of federal immigration authorities on Hennepin County property within the County's control; and

BE IT FURTHER RESOLVED, that this policy may include, among other items, provisions relating to providing notice of the presence of federal agents to county staff, to the process and expectations for such agents to identify themselves as they make an arrest or engage in other activities, and to general expectations around interactions with the public and others; and

BE IT FURTHER RESOLVED, that this policy shall be available for the Board's review and consideration no later than November 15, 2018.

# HENNEPIN COUNTY

## MINNESOTA

### Board Action Request 18-0370

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#### Item Description:

Issuance and sale of General Obligation Bonds not to exceed \$165,000,000 for capital improvement purposes and refunding purposes

#### 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 not to exceed \$165,000,000 in principal amount of General Obligation Bonds, Series 2018B (the "Bonds") to (i) 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"), (ii) refund the outstanding General Obligation Bonds, Series 2009B (the "Series 2009B Bonds"), dated December 1, 2009; and (iii) refund the outstanding General Obligation Bonds, Series 2013C (Variable Rate) (the "Series 2013C Bonds"), dated December 3, 2013. Terms defined in Appendix I to Certificate as to Terms of Bond Sale and Levy of Taxes shall have the same meaning when used in the body of this Resolution.

In the event the County, through the Director of Budget and Finance or the County Administrator 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, the Director of Budget and Finance or the County Administrator may re-designate the series of 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 mature on the dates and in the amounts and shall bear an initial rate of interest as set forth in the Certificate as to Terms of Bond Sale and Levy of Taxes (the "Certificate") to be executed at closing by the Chair and County Administrator; provided, however, the total principal amount of the Bonds shall not exceed \$165,000,000 and the final maturity of the Bonds shall be not later than December 1, 2038.
- (b) Provisions describing the manner in which interest rates on the Bonds shall be determined, the provisions for optional and mandatory tender of the Bonds, the proposed form of the Bonds, provisions relating to registration and transfer of the Bonds, and certain other matters will be set out in Appendix I to the Certificate ("Appendix I"). As authorized by Minnesota Statutes, Section 475.60, this Board hereby delegates to the Chair, the County Administrator and the Director of Budget and Finance authority to approve or revise the final terms of the Certificate and Appendix I thereto. Execution of the Certificate upon closing shall be conclusive evidence of the final adoption of the terms contained in Appendix I.
- (c) The Bonds shall be dated the date of issuance and shall bear interest at the rates determined by the Remarketing Agent in the manner set forth in Appendix I, subject to final approval of such Appendix I as described in Section 2(b).
- (d) The maximum principal and interest to become due, including by mandatory redemption, 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.

(e) The Series 2009B Bonds were issued in the original authorized principal amount of \$108,530,000 and are currently outstanding in the principal amount of \$44,325,000.

(i) Approximately \$16,400,000 of the original authorized principal amount of the Series 2009B Bonds were issued to advance refund the General Obligation Bonds, Series 2001A (the "Series 2001A Bonds"), dated February 1, 2001. The Series 2001A Bonds were issued in the original principal amount of \$30,000,000 pursuant to Minnesota Statutes, Section 373.40 and 383B.245 and Chapter 475, to finance capital improvements and library improvements.

(ii) Approximately \$38,400,000 of the original authorized principal amount of the Series 2009B Bonds was issued to advance refund the General Obligation Bonds, Series 2001B (the "Series 2001B Bonds"), dated July 1, 2001. The Series 2001B Bonds were issued in the original principal amount of \$53,500,000 pursuant to Minnesota Statutes, Sections 373.40, 383B.117, subd. 2, and 383B.245 and Chapter 475 to finance capital improvements, library improvements, and the acquisition of capital equipment for the Hennepin County Medical Center.

(iii) Approximately \$21,500,000 of the original authorized principal amount of the Series 2009B Bonds was issued to advance refund the General Obligation Bonds, Series 2002A (the "Series 2002A Bonds"), dated February 1, 2002. The Series 2002A Bonds were issued in the original principal amount of \$30,000,000 pursuant to Minnesota Statutes, Sections 373.40 and Chapter 475 to finance capital improvements.

(iv) Approximately \$28,500,000 of the original authorized principal amount of the Series 2009B Bonds was issued to advance refund the General Obligation Bonds, Series 2002B (the "Series 2002B Bonds"), dated September 1, 2002. The Series 2002B Bonds were issued in the original principal amount \$45,000,000 pursuant to Minnesota Statutes, Sections 373.40 and 383B.245 and Chapter 475 to finance capital improvements and library improvements.

(v) Approximately \$32,000,000 of the original authorized principal amount of the Series 2009B Bonds was issued to advance refund the General Obligation Bonds, Series 2003C (the "Series 2003C Bonds"), dated September 1, 2003. The Series 2003C Bonds were issued in the original principal amount of \$45,000,000 pursuant to Minnesota Statutes, Sections 373.40, 383B.117, subd. 2, and 383B.245 and Chapter 475 to finance capital improvements, library improvements, and the acquisition of capital equipment for the Hennepin County Medical Center.

(f) The Series 2013C Bonds were issued in the original authorized principal amount of \$85,000,000 pursuant to Minnesota Statutes, Section 373.40 and Chapter 475 to finance capital improvements.

(g) The outstanding Series 2009B Bonds (the "Refunded 2009B Bonds") are subject to redemption at the option of the County on December 1, 2018, and any date thereafter, subject to certain notice requirements set forth in the authorizing resolution. The outstanding Series 2013C Bonds (the "Refunded 2013C Bonds") became subject to redemption at the option of the County on February 3, 2014, and any date thereafter, subject to certain notice requirements set forth in the authorizing resolution. The County intends to call the Refunded 2009B Bonds and Refunded 2013C Bonds for redemption subject to the requirements of the respective authorizing resolutions on a date to be selected by the Director of Budget and Finance (the "Redemption Date").

(h) The Director of Budget and Finance may permit the Underwriter (as hereinafter defined) to designate any portion of the principal of the 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 Appendix I, as applicable. Mailed notice of any such redemption shall be given to the registered owners of the Bonds as provided in

Appendix I. The Bonds shall be numbered from R-1 upwards in order of issuance or in such other order as the Registrar may determine and shall be in Authorized Denominations.

(i) The terms of Appendix I, when approved and finalized as evidenced by execution of the Certificate pursuant to Section 2(b) of this Resolution, are incorporated herein by reference.

3. County staff, in consultation with PFM Financial Advisors LLC, Minneapolis, Minnesota ("PFM"), an independent municipal advisor retained by the County, pursuant to Minnesota Statutes, Section 475.60, subdivision 2, paragraph (9), has solicited proposals for underwriter, remarketing agent, and liquidity provider with respect to the Bonds.

4. (a) The proposal of RBC Capital Markets, LLC (the "Underwriter") to purchase the Bonds pursuant to a Bond Purchase Agreement (the "Purchase Agreement") proposed to be entered into with the County is hereby approved; and

(b) The proposal of RBC Capital Markets, LLC (the "Remarketing Agent") to remarket the Bonds pursuant to a Remarketing Agreement (the "Remarketing Agreement") proposed to be entered into with the County is hereby approved; and

(c) The proposal of TD Bank, N.A. (the "Bank") to act as liquidity provider pursuant to a Standby Bond Purchase Agreement (the "Liquidity Facility"), proposed to be entered into with the County is hereby approved.

As authorized by Minnesota Statutes, Section 475.60, this Board hereby delegates to the County Administrator and the Director of Budget and Finance authority to approve the final terms of the Purchase Agreement, the Remarketing Agreement, and the Liquidity Facility, in consultation with PFM and Dorsey & Whitney LLP ("Bond Counsel"), as bond counsel to the County.

County staff is further authorized, in consultation with PFM, to solicit proposals for tender agent with respect to the Bonds. The Director of Budget and Finance is hereby authorized to select a tender agent (the "Tender Agent") to act as tender agent and registrar and paying agent pursuant to a Tender Agent Agreement (the "Tender Agent Agreement"), and this Board hereby delegates to the County Administrator and the Director of Budget and Finance authority to approve the final terms of the Tender Agent Agreement, in consultation with PFM and Bond Counsel.

5. County staff, in cooperation with PFM, is hereby authorized and directed to prepare on behalf of the County an official statement (the "Official Statement") to be distributed to potential purchasers of the Bonds. Such Official Statement shall contain such 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 Official Statement shall be in the form approved by the County Administrator or the Director of Budget and Finance.

6. The Official Statement will contain an undertaking by the County to execute and deliver a Continuing Disclosure Certificate, substantially in the form approved by the County Administrator or the Director of Budget and Finance. 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 to the Continuing Disclosure Certificate permitted by the undertakings 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. 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.

7. 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 the Bonds shall be deposited in the Debt Service Fund, to be used to pay interest on the Bonds.

(b) Proceeds of the Bonds shall be deposited with the Director of Budget and Finance, as paying

agent for the Refunded 2009B Bonds, which amounts will be sufficient to pay interest on the Series 2009B Bonds to and including the Redemption Date, and to redeem the outstanding principal amount of the Series 2009B Bonds on the Redemption Date, at par, as directed by the Director of Budget and Finance in accordance with the provisions of the resolution authorizing the issuance of the Series 2009B Bonds.

(c) Proceeds of the Bonds shall be deposited with U.S. Bank National Association, as paying agent for the Refunded 2013C Bonds, which amounts will be sufficient to pay interest on the Series 2013C Bonds to and including the Redemption Date, and to redeem the outstanding principal amount of the Series 2013C Bonds on the Redemption Date, at par, as directed by the Director of Budget and Finance in accordance with the provisions of the resolution authorizing the issuance of the Series 2013C Bonds.

(d) The remaining 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 Funds 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 a 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 appropriate 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 the Bonds due or subject to sinking fund redemption in each year. As provided in Minnesota Statutes, Section 475.56(c), the tax levy has been calculated based on an estimated interest rate of 4.00% per annum, and will be set forth in a closing certificate or the Purchase Agreement. In the event that the Bonds are converted to Fixed Rate Bonds as provided in Appendix I, the tax levy will be recomputed using the fixed interest rates established at the time of the conversion.

It is hereby estimated that such taxes, 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 that 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 County Administrator and/or Director of Budget and Finance are authorized and directed to take all necessary actions to cause the Bonds to be issued, executed and delivered as provided in this Resolution, 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 further authorized to take such other actions as may be required to

satisfy the ongoing requirements of the Purchase Agreement, the Remarketing Agreement, the Tender Agent Agreement, and the Liquidity Facility and 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 and Section 103B.253.

13. The Controller is hereby authorized to transfer and disburse funds as necessary to carry out the intent of this Resolution.

14. Prior to the Conversion Date, as defined in Appendix I, this Bond Resolution and the Tender Agent Agreement, the Liquidity Facility and the Remarketing Agreement may be amended in such manner as the County may determine provided that (a) the County shall have determined that such amendment is not materially prejudicial to the rights of the Holders of the Bonds, (b) the County shall have received an opinion of nationally recognized bond counsel to the effect that such amendment will not adversely affect the validity or enforceability of the Bonds or the exemption of interest thereon from federal income taxes, and (c) no such amendment shall become effective until 45 days after written notice of such amendment has been mailed to the Holders of the Bonds.

15. Any action or notice permitted or required to be taken or given by the County under this Bond Resolution, including without limitation the redemption of Bonds and conversion of the Bonds from one interest rate mode to another, shall be fully effective if taken or given by the County Administrator and/or the Director of Budget and Finance and such County Administrator and the Director of Budget and Finance are hereby delegated all powers of the County hereunder.

#### **Background:**

This resolution authorizes the sale of tax-exempt new money and refunding bonds (2018B Bonds) in the total approximate principal amount of \$165,000,000. The bonds will be general obligations of the County, with the principal and interest payable from property taxes.

Of the total, \$100,000,000 will be issued as tax-exempt general obligation new money bonds to provide financing for capital improvements included in the County's approved 2018-2022 Capital Improvement Plan (authority under Minnesota Statutes, Section 373.40). The new money portion of the 2018B Bonds will mature in the years 2019 through 2038.

In addition, approximately \$65,000,000 of tax-exempt general obligation refunding bonds will be issued, contingent upon market conditions. The refunding portion of the 2018B Bonds will be used to refund:

- The maturities dated December 1, 2019-2023 totaling \$34,900,000 of the County's Series 2009B Bonds (2009B Bonds) which were issued at higher fixed interest rates. The estimated net present value of the debt service savings associated with the refunding of the 2009B Bonds is \$1.1 million.
- The remaining outstanding principal totaling \$43,440,000 of the County's Series 2013C Bonds (2013C Bonds) which were issued in variable rate form. There is no debt service savings associated with the refunding of 2013C Bonds because the 2018B Bonds are also expected to be issued as a variable rate issue. Refunding the 2013C Bonds will ease the administrative and compliance burden by having a single large issue of general obligation variable rate debt outstanding rather than two (although there is another outstanding general obligation issue that was sold specifically to finance a portion of the cost of the new Hennepin Healthcare outpatient clinic).

Debt service funds on hand will be used to reduce the par amount of refunding bonds that need to be issued.

Staff is recommending that the 2018B Bonds be issued as a variable rate obligation. A variable rate structure provides a lower cost of funds as well as flexibility to pay down principal more rapidly than the scheduled amortization. The County's debt management policy, adopted by the Board in July 2016, does not specifically identify a target amount of general obligation debt that the County should have outstanding

in a variable rate mode compared to how much of the outstanding debt is fixed rate. However, staff have generally adhered to a practice of having no more than 25% of outstanding variable rate general obligation debt at any point in time. Currently, the County is very underweighted with respect to outstanding variable rate general obligation debt at about 10% of the total. With the issuance of the 2018B Bonds, that percentage will increase to 20% which is better aligned with historic practice.

On July 18, 2018 the County issued two Requests for Information – one for a standby bond purchase agreement, direct-funded loan or other financing instrument and the second for underwriting various types of variable rate debt. On August 13, 2018 the County received 22 responses from firms to provide a variety of different financing structures and/or provide liquidity for a variable rate transaction.

Staff has reviewed those responses with its municipal advisor, PFM Financial Advisors LLC (PFM) and bond counsel Dorsey & Whitney LLP (Dorsey) and recommends that the 2018B Bonds be issued as variable rate demand bonds with necessary liquidity provided by a bank in order to provide the lowest cost of funding and maximum flexibility to pay down principal more rapidly than scheduled. Staff recommends that RBC Capital Markets be selected to underwrite and remarket the 2018B Bonds and that TD Bank, N.A. be selected to provide a five-year liquidity facility in the form of a standby bond purchase agreement for the 2018B Bonds.

Staff recommends that ratings for these bonds be requested from two rating agencies: Standard & Poor's and Fitch. This approach is consistent with prior general obligation bond issues over the past five years.

There are a number of financing documents that will need to be prepared prior to the proposed pricing and closing of the 2018B Bonds in late October. These documents include, but are not limited to: Official Statement, Bond Purchase Agreement, Remarketing Agreement, Standby Bond Purchase Agreement, Tender Agent Agreement, Continuing Disclosure Certificate, Certificate as to Terms of Bond Sale and Levy of Taxes, and the Tax Certificate.

The resolution delegates authority to the County Administrator and/or the Director of Budget and Finance to review, approve and execute the final forms of the necessary financing agreements in consultation with PFM and Dorsey. The resolution authorizes the Chair of the Board, the County Administrator and/or the Director of Budget and Finance to execute the final forms of those various agreements.