

# PROCEEDINGS OF THE COUNTY BOARD

State of Minnesota  
County of Kanabec  
Office of County Coordinator

**October 11, 2017**

The Kanabec County Board of Commissioners met at 9:00am on Wednesday, October 11, 2017 pursuant to adjournment with the following Board Members present: Les Nielsen, Kim Smith, Gene Anderson, Dennis McNally, and Kathi Ellis. Others present: Board Clerk Patrick Christopherson, County Attorney Barbara McFadden, and Recording Secretary Kelsey Johnson.

The Chairman led the assembly in the Pledge of Allegiance.

Action #1 – It was moved by Kim Smith, seconded by Dennis McNally and carried unanimously to approve the agenda as presented.

Action #2 – It was moved by Kathi Ellis, seconded by Gene Anderson and carried unanimously to approve the September 27, 2017 minutes as presented.

Action #3 – It was moved by Kim Smith, seconded by Gene Anderson and carried unanimously to approve the following paid claims:

<u>Vendor</u>	<u>Amount</u>
Centerpoint Energy	84.00
Consolidated Communications	992.44
Marco Business Products	245.56
Midcontinent Communications	206.22
Mora Psychological Services	500.00
Office of MN.IT Services	1,300.00
State of Minnesota	100.00
East Central Energy	814.65
Ann Lake Township	11.30
Knife Lake Township	4.56
Mora Public Schools	9.13
Ogilvie Public Schools	22.66
Health Partners	5,509.53
MNPEIP	137,396.36
Sun Life Financial	3,021.30
Kanabec County Auditor-Treas	3,729.53
Midcontinent Communications	637.04
MN Energy Resources Corp	3,373.86
Quality Disposal	190.00

Tessneer Law Office	382.50
Dearborn National Life Insurance	588.08
<b>TOTAL</b>	<b><u>159,118.72</u></b>

Action #4 – It was moved by Kathi Ellis, seconded by Kim Smith and carried unanimously to approve the following claims on the funds indicated:

<b>Revenue Fund</b>	
<u>Vendor</u>	<u>Amount</u>
Ace Hardware	116.14
Ace Hardware	23.94
Advanced Correctional Healthcare	16,012.75
Auto Value Mora	220.90
Bachman, Fran	74.25
Bob Barker	1,135.84
Chapman's Auto Repair	132.03
City of Milaca	27.40
Curtis, Michael	1,606.94
CW Technology	203.00
Electric Motor Service, Inc	1,895.58
Gillette, Cara	54.57
Glen's Tire	528.00
Glen's Tire	113.15
Handyman's Inc	248.52
Hirsch, Autumn	56.28
Hoefert, Robert	627.73
Horizon Towing	125.58
Ideal Service Inc	472.88
Ideal Service Inc	280.00
Innovative Office Solution LLC	82.85
Innovative Office Solution LLC	172.05
IT Savvy LLC	1,299.80
Kanabec County Community Health	1,650.56
Kanabec County Highway Department	3,341.48
Kanabec Publications	198.67
Kanabec County Soil and Water	30,901.00
Kanabec County Soil and Water	5,000.00
KEEPRS	352.25
KEEPRS	25.58
Koch's Hardware	27.97
Landreville, Willard	485.13
Lerrssen, Jennifer	381.00
Manthie, Scott	1,262.07

Manthie, Wendy	592.25
Marco, Inc	486.00
Matthew Bendu & Company Inc	154.43
Mattson, Jean	272.49
Mattson Electric	180.00
Mattson Electric	65.00
M & I Lockbox MCCC	75.00
M & I Lockbox MCCC	13,626.25
M & I Lockbox: MCCC	155.00
Marohn, Brenda	10.70
Medical Disposal Systems	191.39
Mehlhop, Ron	100.13
Midcontinent Communications	770.87
Nelson, Ansel	585.95
Nelson, Ronette	714.41
Office Depot	100.97
Office Depot	37.44
Office Depot	64.92
Quality Disposal Systems	190.00
Quality Disposal Systems	380.01
Quality Disposal Systems	22.50
Regents of the University of MN	17,607.75
Reliance Telephone, Inc	2,500.00
Lynda Ricke	19.82
Rupp, Anderson, Squires & Waldspurger, PA	1,221.00
Sawatsky, Caleb	247.81
Snyder, Denise	21.16
Stellar Services	323.44
Stevens, Joel	17.40
Strelow, David	35.31
Summit Food Service Management	14,993.40
Thomas, Billy	14.45
Vanguard Data Solutions	127.75
Verizon Wireless	350.23
Vertiv Services, Inc	3,228.50
Visser, Maurice	405.07
Wickeham, Teresa	158.59
Zamora, Ray	45.48
	<u><u>129,228.76</u></u>

**R & B Fund**

**Vendor**

**Amount**

Carda, Jeff	4,730.00
Core Professional Services PA	200.00
East Central Energy	100.85
Holiday Credit Office	7,891.88
Midcontinent Communications	600.50
Minnesota Dept. of Finance	5,386.00
Mora Municipal Utilities	20,147.48
Office of MN.IT Services	1,300.00
East Central Energy	280.20
MN Dept of Finance	34.00
MN Dept of Health	1,204.50
The Harford Priority Accounts	1,694.06
CW Technology	786.40
Kanabec County Auditor HRA	34,503.00
Spire Credit Union	4,390.63
Tesneer Law Office	204.00
Totalfunds by Hasler	2,700.00
Kanabec County Auditor HRA	<u>16,377.00</u>
<b>TOTAL</b>	<b><u>102,530.50</u></b>

Action #5 – It was moved by Kim Smith, seconded by Dennis McNally and carried unanimously to recess the board meeting at 9:05am to a time immediately following the Community Health Board.

The Kanabec County **Community Health Board** met at **9:05am** on Wednesday, October 11, 2017 pursuant to adjournment with the following Board Members present: Les Nielsen, Gene Anderson, Kim Smith, Dennis McNally, and Kathi Ellis. Interim Community Health Director Kathy Burski presented the Community Health Board agenda.

Action #CH6 – It was moved by Kathi Ellis, seconded by Dennis McNally and carried unanimously to approve the Community Health Board agenda as presented.

Action #CH7 – It was moved by Kim Smith, seconded by Kathi Ellis and carried unanimously to approve the payment of 107 claims totaling \$50,551.93 on Community Health Funds.

Action #CH8– It was moved by Gene Anderson, seconded by Kim Smith and carried unanimously to adjourn Community Health Board at 9:21am and to meet again in regular session on Wednesday, November 8, 2017 at 9:05am.

The Board of Commissioners meeting reconvened.

Interim Human Services Director Chuck Hurd met with the County Board to discuss matters concerning his department.

Action #9 – It was moved Dennis McNally, seconded by Kim Smith and carried unanimously to approve the following resolution:

## **Resolution #9 – 10/11/17**

### Equipment Purchase resolution

**WHEREAS**, annually the Health & Human Services Director and IS personnel has evaluated the need for replacing computers, printers, monitors, keyboards, etc; and

**WHEREAS**, the evaluation has been performed for 2017 and has resulted in the determination that a copier/printer/fax and (13) thirteen desktop computers are in need of replacement.

**WHEREAS**, the Human Services Director is requesting to purchase a copier/ printer/fax and (13) thirteen desktop computers at this time.

**THEREFORE BE IT RESOLVED**, the Kanabec County Board of Commissioners approves IS personnel to purchase (13) thirteen desktop computers and a copier/printer/fax machine for the Family Services department at the recommended quote price of \$8448.70 for 13 computers and \$7714.00 for the copier/printer/fax/machine (totaling \$16,162.70) .

Leota Lind from South Country Health Alliance met with the County Board to give the SCHA Semi-Annual Report. Information only, no action was taken.

Action #10 – It was moved by Kathi Ellis, seconded by Gene Anderson and carried unanimously to approve the following resolution:

## **Resolution #10 – 10/11/17**

### SCORE CLAIMS

**WHEREAS** the board has been presented with claims for recycling efforts to be paid from SCORE Funds, and

**WHEREAS** these claims have been reviewed, tabulated and approved by the Kanabec County Solid Waste Officer, and

**WHEREAS** SCORE Funds appear adequate for the purpose;

**BE IT RESOLVED** to approve payment of the following claims on SCORE Funds:

Quality Disposal	\$2,995.00
Waste Management	\$1,392.02
Total	\$4,387.02

Action #11 – It was moved by Gene Anderson, seconded by Kim Smith and carried unanimously to approve the following resolution:

### **Resolution #11 - 10/11/17**

#### Victim and Witness Services Coordinator Evaluation

**WHEREAS** the board did by Action #14-09/27/17 refer the position of Victim & Witness Services Coordinator to the pay plan consultant for review, and

**WHEREAS** the board has been presented with the results of that study;

**BE IT RESOLVED** to accept the following ranking for the “Victim & Witness Services Coordinator” position, which results in Pay Range 10:

<b>Category</b>	<b>Rank</b>	<b>Points</b>
Qualifications	q43	75
Decisions	d23	43
Problem Solving	p14	55
Relationships	r18	64
Effort A	ea5	4
Effort B	eb11	12
Hazards	h17	13
Environment	n13	13
<b>TOTAL POINTS</b>		<b>279</b>

Action #12 – It was moved by Gene Anderson, seconded by Kathi Ellis and carried unanimously to approve the following resolution:

### **Resolution #12 - 10/11/17**

**WHEREAS** there is a new position of a Victim & Witness Services Coordinator, and

**WHEREAS** the board desires to fill this position;

**BE IT RESOLVED** that the County Board authorizes the County Attorney and the County Personnel Director to hire a Victim & Witness Services Coordinator to fill the new position at Step A, Range 10 of the pay plan which is \$20.34 per hour or the rate set by rule for internal promotion, and

**BE IT FURTHER RESOLVED** that the hours of work for this position be limited to those budgeted.

Action #13 – It was moved by Kim Smith, seconded by Kathi Ellis and carried unanimously to approve a retainer agreement for criminal prosecution services between the city

of Ogilvie and the County of Kanabec for the period of January 1, 2018 through December 31, 2018.

A discussion was held regarding a possible dog ordinance. Information only, no action was taken.

FirstLight Health Systems CEO Randy Ulseth met with the County Board to discuss bonds.

Action #14 – Kim Smith introduced the following resolution and moved its adoption:

## **Resolution #14 – 10/11/17**

### **RESOLUTION AUTHORIZING ISSUANCE OF HEALTHCARE REVENUE BOND ANTICIPATION NOTES (FIRSTLIGHT HEALTH SYSTEM PROJECT), SERIES 2017**

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

Section 1. Authorization. Pursuant to Minnesota Statutes, Sections 447.45 through 447.50, as amended (the “Act”), the County is authorized to issue bonds for the purpose of financing and refinancing the costs of expansion, improvement and equipping of FirstLight Health System – Mora Hospital and Clinic, formerly known as Kanabec Hospital, located at 301 Highway 65 South in the City of Mora, Minnesota, and related facilities (collectively, the “Hospital”). The Board has previously, by resolution adopted following a public hearing held June 14, 2017, adopted a resolution (the “Preliminary Resolution”) giving preliminary approval for the issuance of gross revenue bonds of the County in an aggregate principal amount not to exceed \$70,000,000.

In anticipation of a direct loan from the United States Department of Agriculture, acting through the United States Department of Agriculture – Rural Development (“USDA-RD”) for the benefit of FirstLight Health System, an enterprise fund of the County and owner of the Hospital (the “System”), the Board has determined it is in the best interest of the County to issue Healthcare Revenue Bond Anticipation Notes (FirstLight Health System Project, Series 2017 (as further described herein, the “Notes”), secured by, among other things, gross revenues of the System and the proceeds of the loan from USDA-RD, in order to (i) finance the construction and renovation of the Hospital, including (a) the construction of a two-story addition to the Hospital containing approximately 7,500 square feet for the emergency department, an employee wellness space, and future expansion space, (b) the construction of a two-story addition to the Hospital containing approximately 50,000 square feet to replace 23 inpatient and birthing rooms, relocation of rehabilitation services, conversion of the current birthing center into infusion rooms for chemotherapy and infusion patients, (c) construction of a new centralized entrance road, (d) the construction of a retail pharmacy, new public dining and common area, (e) the relocation of the eye clinic, (f) relocation and expansion of the existing lab, (g) minor renovations to the existing imaging, materials management and IT areas, and (h) an expansion to the Hospital parking area (collectively, the “Project”); (ii) refund in a current refunding the County’s

\$9,000,000 Gross Revenue Health Care Facilities Bonds, Series 2006A, dated March 28, 2006, and \$4,120,000 Refunding Health Facilities Revenue Bonds, Series 2012, dated December 14, 2012 (collectively, the “Refunding”); (iii) pay capitalized interest on the Notes to maturity; and (iv) pay the costs of issuance of the Notes.

The approval of the Bonds described in the Preliminary Resolution shall be deemed to refer to the Notes described herein and the authority granted by the Preliminary Resolution for any one of the County Coordinator, the County Auditor / Treasurer, the Chairperson or Vice Chairperson of the County to approve the sale of such Bonds, upon approval of an officer of the Hospital, shall apply to the sale of the Notes upon approval of an officer of the System, provided that the true interest cost of the Notes does not exceed 6.00% as authorized in the Preliminary Resolution.

Section 2. Documents Presented. Forms of the following documents (together, the “Documents”) relating to the Project, the Refunding and the issuance of the Notes have been submitted to the Issuer and are now on file in the offices of the City Clerk:

(a) an Indenture of Trust (the “Indenture”) by and between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), as agreed to and approved by the System;

(b) a Combination Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement from the Issuer and the System, as successor to Kanabec Hospital, to the Trustee;

(c) a Disbursing Agreement, between the Issuer, the Trustee, the System, an enterprise fund of the County; and Guaranty Commercial Title, Inc., as disbursing agent;

(d) the Purchase Agreement between the Issuer and Dougherty & Company LLC (the “Underwriter”), as approved and agreed to by the System;

(e) a Continuing Disclosure Agreement between the Issuer, the System and U.S. Bank National Association, as dissemination agent;

(f) a Preliminary Official Statement describing the offering of the Notes, and certain terms and provisions of the foregoing documents; and

(g) one or more collateral assignments of contracts, agreements, licenses and permits from the Issuer and the System to the Trustee.

Section 5. Findings. It is hereby found, determined and declared that:

(a) The Project and the Refunding will further the purposes contemplated by and described in the Act and promotes the public welfare by providing necessary health care facilities, so that adequate health care facilities are available to residents of the County at a reasonable cost.



(b) There is no litigation pending or, to the knowledge of the Issuer, threatened against the Issuer relating to the Project or the Notes, or the Documents or questioning the organization, powers or authority of the Issuer to issue the Notes or to execute or deliver any of the Documents.

(c) The execution and delivery of and the performance of the Issuer's obligations under the Notes and the Documents do not and will not violate any order of any court or any agency of government of which the Issuer is aware or in any proceeding to which the Issuer is a party, or any indenture, agreement or other instrument to which the Issuer is a party or by which it or any of its property is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument.

(d) Under the provisions of the Act, the Notes are not and shall not be payable from or charged upon any funds other than amounts payable pursuant to the Indenture and related documents; no owner of the Notes shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Notes or the interest thereon, nor to enforce payment thereof against any property of the Issuer except as described in the Documents.

Section 6. Approval and Execution of Documents. The forms of the Documents currently on file with the County are hereby approved. The Issuer and the System, as applicable, shall enter into the Documents, substantially in the forms on file, but with all such changes therein as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof, and each of such Documents shall be executed and delivered in the name and on behalf of the Issuer or the System by the officers identified in paragraph 11.

Section 7. Approval, Execution and Delivery of the Notes. One or more officers of the Issuer or the System, as applicable, as provided further herein, are hereby authorized and directed to execute and issue the Notes, and the Notes shall be issued in such series and shall be substantially in such forms, mature, bear interest, and be payable according to such terms, and shall otherwise contain such terms and provisions, as are set forth in the Indenture, which terms are for this purpose incorporated in this resolution and made a part hereof as if fully set forth herein; provided, however, that the aggregate principal amount of the Notes, the interest rates thereon, the amount and dates of the principal payments required to be made with respect thereto, and the rights of optional and mandatory redemption with respect thereto shall all be set forth in the Indenture as executed and shall all be subject to the final approval of the officers of the Issuer and the System who execute and deliver the Indenture in accordance with the provisions of this resolution, such approval to be conclusively evidenced by the execution thereof, and provided further that the true interest cost proposed for the Notes does not exceed 6.00% as set forth in the Preliminary Resolution. Each of the Notes shall recite that it is issued pursuant to the Act and such recital shall, to the fullest extent permitted by law, conclusively establish the legality and validity thereof.

The Notes shall be sold to the Underwriter in accordance with and upon the terms and conditions set forth in the Purchase Agreement.

Section 8. Certificates, etc. The officers and employees of the Issuer and the System are authorized to prepare and furnish to Dorsey & Whitney LLP, Minneapolis, Minnesota, as Bond Counsel, and to the Underwriter, certified copies of all proceedings and records of the Issuer and the System relating to the Notes, and such other affidavits and certificates as may be required to show the facts appearing from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the truth of all statements of fact contained therein.

Section 9. Official Statement. The Issuer hereby consents to the preparation and distribution of the Preliminary Official Statement and the execution and distribution of a final Official Statement for the Notes.

Section 10. Nature of Issuer's Obligations. All covenants, stipulations, obligations, representations, and agreements of the Issuer and the System, as applicable, contained in this resolution or contained in the Documents shall be deemed to be the covenants, stipulations, obligations, representations, and agreements of the Issuer or the System, as applicable, to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations, representations, and agreements shall be binding upon the Issuer and the System, as applicable. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred, and duties and liabilities imposed upon the Issuer or the System, as applicable, by the provisions of this resolution or of the Documents shall be exercised or performed by such officers or agents as may be required or authorized by law to exercise such powers and to perform such duties. No covenant, stipulation, obligation, representation, or agreement herein contained or contained in the Documents shall be deemed to be a covenant, stipulation, obligation, representation, or agreement of any member of the Board or the board of directors of the System, or any officer, agent, or employee of the Issuer or the System in that person's individual capacity, and neither shall any member of the Board or the board of directors of the System nor any officer or employee executing the Notes or such Documents be liable personally on the Notes or be subject to any representation, personal liability or accountability by reason of the issuance thereof. No provision, representation, covenant or agreement contained in the Notes, this resolution or in any other document related to the Notes, and no obligation therein or herein imposed upon the Issuer or the System or the breach thereof, shall constitute or give rise to a general or moral obligation of the Issuer or the System or any charge upon the Issuer's taxing powers. In making the agreements, provisions, covenants and representations set forth in the Notes or in any other document related to the Notes, neither the Issuer nor the System is obligated to pay or remit any funds or revenues, except for revenues that are pledged to the payment of the Notes under the Indenture.

Section 11. Authorized Officers. The Notes, the Documents other than the Purchase Agreement, any other instrument, certificate or document relating thereto, are authorized to be executed on behalf of the Issuer by either or both of the Chairperson and the County Coordinator; provided, however, that in the event that either the Chairperson or the County Coordinator shall be unavailable or for any reason be unable to execute the Notes or any other document to be entered into by the Issuer in connection therewith, any other officer of the Issuer

is hereby authorized to act in that capacity and undertake such execution or acts on behalf of the Issuer. The Chief Executive Officer of the System, or any designee thereof, is authorized to execute any required instruments, certificates and documents relating to the Notes, on behalf of the System. As authorized in the Preliminary Resolution, the County Coordinator, the County Auditor / Treasurer, the Chairperson or Vice Chairperson of the County are authorized to execute the Purchase Agreement for the Notes upon approval of the System. Execution of any instrument, certificate or document by one or more appropriate officers of the Issuer or the System shall constitute and shall be deemed conclusive evidence of the approval and authorization by the County and the Board and the System, as applicable, of the instrument or document so executed.

Section 12. Definitions and Interpretation. Terms not otherwise defined in this resolution but defined in the form of Indenture now on file shall have the same meanings in this resolution and shall be interpreted herein as provided therein. Notices may be given as provided in the Indenture. In case any provision of this resolution is for any reason illegal or invalid or inoperable, such illegality or invalidity or inoperability shall not affect the remaining provisions of this resolution, which shall be construed or enforced as if such illegal or invalid or inoperable provision were not contained herein.

The motion for the adoption of the foregoing Resolution was duly seconded by Gene Anderson and upon a vote being taken thereon, the following voted:

**IN FAVOR THEREOF:** Gene Anderson, Kathi Ellis, Kim Smith, Les Nielsen  
**OPPOSED:** Dennis McNally  
**ABSTAIN:** None

whereupon the resolution was declared duly passed and adopted.

**10:30am** – The Chairperson called for public comment those that responded included:

Rob Schloemer	Comments on memo from KLID.
Archie Peckles	Concerns about private property.

**10:37** – The Chairperson closed public comment.

Action #15 – It was moved by Kathi Ellis, seconded by Kim Smith and carried unanimously to table the final language changes to Ordinance #23.

Public Works Director Chad Gramentz met with the County Board to discuss matters concerning his department.

Action #16 – It was moved by Dennis McNally, seconded by Gene Anderson and carried unanimously to approve the following resolution:

**Resolution #16 – 10/11/17**  
**Snow Removal**

**WHEREAS** the following quotes were received for 2016/2017 snow removal:

	<u>\$/Snow Event</u>
Scott's Lawn & Landscapes	\$880
<b>Premier Outdoor Services</b>	<b>\$825</b>

**WHEREAS** the low quote of \$825/event was submitted by Premier Outdoor Services,  
and

**THEREFORE BE IT RESOLVED** to accept the quote of Premier Outdoor Services as presented and authorize the Coordinator and Chairperson to sign the contract.

*Action #17* – It was moved by Kathi Ellis, seconded by Dennis McNally and carried unanimously to approve the following resolution:

**Resolution #17 – 10/11/17**  
**Right-of-Way Claims**  
**SAP 033-611-023**

**WHEREAS** the County Board has been presented with a request to pay right-of-way claims for SAP 033-611-023 for the reconstruction of CSAH No. 11 from TH No. 65 to TH No. 70, and

**THEREFORE BE IT RESOLVED** to pay the following right-of-way claims:

Jeffrey Haugen	\$3,055.00
Randall Chaffee	\$5,599.00
Curtis Rude & Heidi Hanson	\$2,154.00

*Action #18* – It was moved by Dennis McNally, seconded by Gene Anderson and carried unanimously to approve the following resolution:

**Resolution #18 – 10/11/17**

**WHEREAS** the appointed Veteran Service Officer Lowell Sedlacek retired July 11, 2017, and

**WHEREAS** Erica Bliss currently meets all the qualifications as a Veteran Service Officer as specified in M.S. 197.601;

**BE IT RESOLVED** to appoint Erica Bliss to a four year term commencing September 5, 2017 and expiring September 4, 2021.

The County Board reviewed a memo from Knife Lake Improvement District. Information only, no action was taken.

**11:10am** – County Attorney Barbara McFadden left the meeting.

County Coordinator, Patrick Christopherson gave the Coordinator’s Report. Information only, no action was taken.

The County Commissioners gave reports on the activities of the boards and committees in which they participate.

Action #19 – It was moved by Dennis McNally, seconded by Gene Anderson and carried unanimously to adjourn the meeting at 11:45am and to meet again on Wednesday October 25, 2017 at 9:00am.

*Signed* \_\_\_\_\_  
Chairperson of the Kanabec County Board of Commissioners,  
Kanabec County, Minnesota

*Attest:* \_\_\_\_\_  
Board Clerk