

FARIBAULT COUNTY  
BOARD OF COMMISSIONERS  
OFFICIAL PROCEEDINGS  
AUGUST 7, 2018

The Faribault County Board of Commissioners met in regular session at the Courthouse in the City of Blue Earth at 9:00 a.m. on August 7, 2018. The following members were present: Bill Groskreutz, Tom Loveall, John Roper, and Greg Young Commissioners. Commissioner Warmka was absent. Auditor/Treasurer/Coordinator John Thompson was also present.

The meeting was called to order by Chair Young. The pledge of allegiance was recited.

\* \* \* \* \*

Groskreutz/Warmka motion carried unanimously to approve the synopsis and official proceedings of the July 17, 2018 regular meeting.

\* \* \* \* \*

Groskreutz/Warmka motion carried unanimously to approve the agenda of August 7, 2018.

\* \* \* \* \*

The calendar was updated. No member of the public appeared to make comment.

Committee reports were given. Groskreutz reported on daycare meeting and MRCI; Roper reported on SHIP; Warmka reported on possible ditch petition with Faribault, Blue Earth, and Waseca counties and Rural Energy board tour, EMS, and FEMA; and Young reported on FEMA tour.

\* \* \* \* \*

Central Services Director Dawn Fellows met regarding office business.

Loveall/Warmka motion carried unanimously to approve hiring Tanya Nagel-Hince as part-time jailer/dispatcher in the Sheriff Department.

\* \* \* \* \*

Roper/Groskreutz motion carried unanimously to adopt Resolution 18-CB-39 approving the issuance of revenue obligations by the City of Frost to finance a project by United Hospital District, Inc. Commissioners Groskreutz, Loveall, Roper, Warmka, and Young voted yes.

**RESOLUTION**  
APPROVING THE ISSUANCE OF REVENUE OBLIGATIONS BY THE CITY OF FROST  
TO FINANCE A PROJECT BY UNITED HOSPITAL DISTRICT, INC.

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

Section 1. General Recitals. The County makes the following recitals of fact:

- 1.01 United Hospital District, Inc. (the “UHDI”), a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), located at 515 South Moore Street, Blue Earth, Minnesota, has proposed issuance of revenue obligations, in one or more series, in an amount not to exceed \$10,000,000 (the “Obligations”) by the City of Frost, Minnesota (the “Issuer”). UHDI currently leases its health care services facilities from the United Hospital District of Faribault County, Minnesota (the “District”), including facilities in Blue Earth, Winnebago, Wells and Fairmont. The project consists of (i) the acquisition of real property and improvements from the District located: (a) in Blue Earth, Minnesota, at 515 South Moore Street and 520 South Gailbraith Street (the “Blue Earth Facilities”), (b) in Winnebago, Minnesota, at One North Main Street and 550 Cleveland Avenue West and (c) in Wells, Minnesota, at 55 First Street Southeast; (ii) remodeling of certain portions of the Blue Earth Facilities, including the emergency department, lobby and other common spaces; and (iii) paying costs associated with financing the foregoing (the “Project”). In conjunction with the financing, the District’s related long-term debt will be refinanced, including: (a) its \$4,000,000 Health Care Facilities Gross Revenue Bond, Series 2003 dated April 2, 2003, which financed a portion of the cost of an expansion and remodeling of the Blue Earth Facilities, and (b) its \$11,002,500 Health Care Facilities Gross Revenue Bond, Series 2009 dated September 20, 2009, which financed the expansion and remodeling of the Blue Earth Facilities and construction of a new 24-bed treatment facility in Winnebago.
- 1.02 UHDI desires to finance the Project through the issuance of revenue obligations in an amount not to exceed \$10,000,000 (the “Obligations”) of the Issuer, and the Issuer has agreed to issue the Obligations.
- 1.03 Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel (“Bond Counsel”) has advised the County as follows:
- (a) The legal authority for the issuance of the Obligations is Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the “Act”).
  - (b) In order for interest on the Obligations to be exempt from federal income taxation, the tax-exempt bond rules of the Internal Revenue Code of 1986, as amended, require that each jurisdiction in which a portion of the Project is located or the next higher jurisdiction, such as the County, must hold a public hearing on the Project and approve the issuance of the Obligations.
  - (c) In order for the Obligations to be legally issued by the Issuer, Minnesota State law (Minnesota Statutes, Section 471.656) requires that the County consent to the issuance of the Obligations by the Issuer.

Section 2. Public Hearing Held.

- 2.01 A Notice of Public Hearing was published in the *Faribault County Register*, the County’s official newspaper and a newspaper of general circulation, calling a public hearing on the proposed issuance of the Obligations and the proposal to undertake and finance the Project. Publication of the Notice of Public Hearing is ratified and approved.
- 2.03 The Board of Commissioners has, on August 7, 2018, held a public hearing on the proposed issuance of the Obligations and the proposal to undertake and finance the Project, at which all those appearing who desired to speak were heard and written comments were accepted.

Section 3. Recital of Representations Made by UHDI.

- 3.01 The County has been advised by representatives of UHDI that: (i) conventional financing is available only on a limited basis and at such high costs of borrowing that the economic feasibility of operating the Project would be significantly reduced; (ii) on the basis of information submitted to the Board of Commissioners by UHDI and their discussions with representatives of area financial institutions and potential buyers of tax-exempt bonds, the Obligations could be issued and sold upon favorable rates and terms to finance the Project; and (iii) the Project would not be undertaken in its present form but for the availability of financing under the Act.
- 3.02 UHDI has agreed to pay any and all costs incurred by the County and the Issuer in connection with the issuance of the Obligations, whether or not such issuance is carried to completion.
- 3.03 UHDI has represented to the County that no public official of the County has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project.

Section 4. Findings. It is found, determined and declared as follows:

- 4.01 The welfare of the State and the County requires the provision of necessary health care facilities so that adequate health care services are available to residents of the State and the County at reasonable cost.
- 4.02 The County desires to facilitate the selective development of the community and help to provide the range of services and employment opportunities required by the population. The Project will assist the County in achieving those objectives; help to stabilize market valuation of the County; help maintain a positive relationship between assessed valuation and debt; and enhance the image and reputation of the community.
- 4.03 On the basis of information made available to the Board of Commissioners by UHDI it appears that: (1) the Project constitutes properties, real and personal, used or useful in connection with a revenue producing enterprise engaged in providing health care services within the meaning of Subdivision 2(d) of Section 469.153 of the Act; (2) the Project furthers the purposes stated in Section 469.152 of the Act; (3) the Project would not be undertaken but for the availability of financing under the Act and the willingness of the Issuer to furnish such financing; and (4) the effect of the Project, if undertaken, will be to: (i) encourage the development of economically sound industry and commerce, (ii) assist in the prevention of the emergence of blighted and marginal land, (iii) help prevent chronic unemployment, (iv) provide the range of service and employment opportunities required by the population, (v) help prevent the movement of talented and educated persons out of the State and to areas within the State where their services may not be as effectively used, (vi) promote more intensive development and appropriate use of land within the Issuer, eventually to increase the tax base of the community, and (vii) provide adequate health care services to residents of the County at a reasonable cost.

Section 5. Approval.

- 5.01 The County consents to the financing of the Project, and approves the issuance of the Obligations by the Issuer subject to the approval of the Project by the Department of Employment and Economic Development of the State.
- 5.02 The Authorized Officers are authorized and directed to execute and deliver such other documents or certificates needed from the County for the sale of the Obligations.

Section 6. Nature of the Obligations. The Obligations, when and if issued for the Project, shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County. (There will, however, be a charge, lien or encumbrance on the Project, which is not an asset of the County.) The Obligations, when and if issued, shall recite in substance that the Obligations and the interest thereon, are payable solely from revenues received from the Project and property pledged for payment thereof, and shall not constitute a debt of the County.

Section 7. Payment of County's Costs. The approvals given in this Resolution, are subject to the agreement by UHDI that it will pay or reimburse the County for payment of any and all costs incurred by the County in connection with the Project and the issuance of the Obligations by the Issuer, whether or not the Project is carried to completion, or the Obligations are issued.

\* \* \* \* \*

Public Works Director Mark Daly met regarding office business.

\* \* \* \* \*

Warmka/Loveall motion carried unanimously to appoint Commissioners Roper and Groskreutz to the Board of Canvass for the August 14, 2018 State Primary Election and for the Board to convene at 8:00 a.m. on Friday, August 17, 2018 and to set November 19, 2018 for County Post Election Equipment Review in the board room.

\* \* \* \* \*

Roper/Loveall motion carried unanimously to authorize the Request for Proposal for the demolition of forfeited tax structures on Parcel Nos. 25.681.0150 and 25.681.0151 in Elmore.

\* \* \* \* \*

Groskreutz/Loveall motion carried unanimously to approve Resolution 18-CB-40 setting the 2019 lease rate of \$10.10 per square foot for the County Annex building to the Faribault-Martin Human Services Board. Commissioners Groskreutz, Loveall, Roper, Warmka, and Young voted yes.

**RESOLUTION**

**WHEREAS,** the Faribault County Board of Commissioners leases 10,200 square feet of office area in the Faribault County Office Annex to the Faribault-Martin Human Services Board,

**BE IT RESOLVED**, that the Faribault County Board of Commissioners hereby sets the rental rate for the year 2019 to be \$10.10 per square foot for a total of \$103,020.00 payable in 12 monthly installments of \$8,585.00 for the year beginning January 1, 2019.

**BE IT FURTHER RESOLVED**, that the rent includes office space on the 1<sup>st</sup> and 2<sup>nd</sup> floors of the County Annex Building and the County shall provide utilities, janitorial services, and repairs at its own expense.

**BE IT FURTHER RESOLVED**, that the Chair and Auditor-Treasurer are hereby authorized to sign a lease on behalf of Faribault County to the Faribault-Martin Human Services Board.

\* \* \* \* \*

Groskreutz/Loveall motion carried unanimously to approve requests of D. Killion and B. Schaefer to attend a 1-day American Heart Assoc. CPR instructor recertification in North Mankato; and L. Olson to attend a 2-day Mn Assoc. of Assessment Personnel workshop in Duluth.

\* \* \* \* \*

Roper/Warmka motion carried unanimously to approve requests of B. Meyer, T. Sturtz, and D. Wick to attend a 3-day Caterpillar Government training and safety days in Peoria, IL.

\* \* \* \* \*

Loveall/Roper motion carried unanimously to authorize the Auditor/Treasurer to pay half of the 2018 Out of Home Placement Reimbursement Aid (\$5,401.50) to Faribault-Martin Human Services.

\* \* \* \* \*

Groskreutz/Roper motion carried unanimously to pay bills totaling \$ 641,629.13 as follows:

COUNTY REVENUE FUND	\$ 123,786.69
PUBLIC WORKS FUND	262,806.19
HUMAN SERVICES FUND	223,176.25
DITCH FUND	<u>31,860.00</u>
	\$ 641,629.13

\* \* \* \* \*

The meeting was recessed to 9:00 a.m. August 21, 2018.

---

Greg Young, Chair

---

John Thompson, Auditor/Treasurer/Coordinator