

REGULAR MEETING OF THE BIG STONE COUNTY BOARD
May 5, 2015

The Big Stone County Board of Commissioners met in the Commissioners' Room at 8:30 AM on Tuesday, May 5, 2015. Chairman Sandberg called the meeting to order with Commissioners Athey, Berning and Olson present. Commissioner Backer was absent. Also present were Elsie Perrine, Mike Swenson of the Ortonville Independent, County Attorney Bill Watson and County Auditor Michelle Knutson. The Pledge of Allegiance followed.

Motion by Olson, seconded by Berning and carried to approve the minutes of the April 21st regular meeting.

Motion by Berning, seconded by Athey and carried to approve the agenda with noted addition.

Commissioners reported on the following committees:

Berning – Supporting Hands

Olson – EDA

Sandberg – MSI

Athey – Fair Board; Prairie 5

Motion by Athey, seconded by Berning and carried to authorize payment of the following claims as presented by Auditor Knutson:

Fridgen Excavating	\$ 8,160.00
J Carlson Services	3,862.00
M-R Sign Co	2,075.42
Pro West & Associates	2,770.00
Office of the State Auditor	16,078.50
William Watson	4,413.00
West Con	18,444.50
Widseth Smith & Nolting	3,378.00
48 Payments Less Than \$2,000	<u>13,366.26</u>
Total	<u>\$72,547.68</u>

Motion by Olson, seconded by Athey and carried to adopt the following resolution:

2015-10

BE IT RESOLVED that Big Stone County act as the legal sponsor for an application for funding to the State of Minnesota Department of Natural Resources for Maintenance of snowmobile trails managed by Big Stone Lake Area Sno Riders.

BE IT FURTHER RESOLVED that upon approval of its application by the state, Big Stone County may enter into an agreement with the State of Minnesota for the above referenced project and that it will comply with all applicable laws and regulations as stated in the agreement.

BE IT FURTHER RESOLVED that the Chair of the Big Stone County Commissioners is authorized to sign such an agreement with the Department of Natural Resources.

BE IT FURTHER RESOLVED that the County Auditor is authorized to serve as the fiscal agent for the above-mentioned project.

BE IT FURTHER RESOLVED that Big Stone County act as legal sponsor for 32 miles of snowmobile trails in Traverse County beginning north of Graceville and extending north through Wheaton to the White Rock Dam.

BE IT FURTHER RESOLVED that Big Stone County act as legal sponsor for 2 miles of snowmobile trails in Traverse County beginning west of Beardsley and extending west to Browns Valley.

Commissioner Backer arrived at the meeting.

Auditor Knutson asked for questions and/or comments on the year-to-date financial information provided for the Board's review.

Commissioner Athey reported that the water heater at Toqua Park had to be replaced so a bill will be forthcoming.

Discussion was held on proposed House legislation to reduce TANF funding. Representative Backer will be contacted with the concerns discussed.

VSO Dan Meyer provided information on his office's activities during the past month for the Board's review.

Mary Gustafson came before the Board to express her appreciation for VSO Meyer's diligent work in assisting her.

Motion by Olson, seconded by Backer and carried to execute the contract with Central Specialties for the paving contract as presented by County Engineer Nick Anderson.

Engineer Anderson reported that the allowable annual repair expense has been spent on Combined Ditch 10/11. He estimates that it will be another \$25,000 to finish the work. It was recommended that a joint ditch meeting be scheduled for June 1st at 10:00 AM at The Inadvertent Café.

Discussion was held on County Ditch 12. A meeting will be scheduled to be held during an upcoming board meeting.

Discussion was held on the need to re-seed buffer strips on several ditches and the cost to do so.

Motion by Olson, seconded by Berning and carried to execute the cooperative agreement with the DNR for the maintenance and operation of the Minnesota River State Trail.

Director Dawn Gregoire and County Assessor Sandy Vold were present to discuss staffing needs in Assessor Vold's office. Following discussion, it was decided to table the request for additional staffing till the next meeting to look at various options.

Vince Robinson and Shelly Eldridge from Ehlers arrived at the meeting.

There was a short break.

Chairman Sandberg opened the public hearing at 10:00 AM to consider utilizing the proceeds of general obligation property tax abatement bonds to make a loan or grant to assist Federated Telephone in financing a portion of the cost of a fiber optic telecommunications network within the County. Commissioner Olson provided an overview of the proposed project. Mr. Robinson stated that this project is a great opportunity and would put the County ahead of the surrounding area. Commissioner Olson stated that bonding for this project is not without risk, but the County has done its due diligence to protect the taxpayers. Attorney Watson reviewed the proposed findings. Ms. Eldridge reviewed the financing piece and Mr. Robinson provided an

update on the proposed collateral. Chairman Sandberg closed the hearing at 10:19 AM.

Motion by Olson, seconded by Athey and carried to adopt the following resolution approving property tax abatement to assist in financing the costs of the proposed broadband communications network:

2015-11

BE IT RESOLVED by the County Board (the "Board") of Big Stone County, Minnesota (the "County") as follows:

Section 1. Recitals.

1.01. Federated Telephone Cooperative, a Minnesota cooperative association organized under the laws of Minnesota (the "Borrower") proposes to acquire, construct and install a "fiber-to-the-user" broadband communications network and related facilities (the "Broadband Facilities") and has requested that the Issuer issue its general obligation abatement bonds under the provisions of the Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Act") to provide a loan to finance a portion of the financing for the Broadband Facilities.

1.02. The abatement will apply to the County's share of the property taxes (as hereinafter further defined the "Abatement") derived from the properties identified on attached Exhibit A (the "Properties") which are among the properties in the County which will benefit from the Broadband Facilities.

1.03. None of the Properties are located in a tax increment financing district.

1.04. On the date hereof, the Board conducted a duly noticed public hearing on the Abatement at which the views of all interested persons were heard.

1.05. Under the Abatement Act, the County is authorized to retain abatements from property in order to accomplish certain public purposes, including situations where the abatement will increase or preserve tax base, provide or help acquire or construct public facilities, help provide employment opportunities in the County, help provide access to services for County residents, or finance or provide public infrastructure.

1.06. The County is also authorized under the Abatement Act to issue bonds to (1) pay for public improvements that benefit the property, (2) to acquire and convey land or other property, (3) to reimburse the property owner for the cost of improvements made to the property, or (4) to pay the costs of issuance of the bonds.

1.07. The County plans to issue its General Obligation Abatement Bonds (the "Bonds") to finance the costs of the Broadband Facilities in the approximate principal amount of \$4,000,000. Pursuant to the Abatement Act, the County will pledge the Abatement revenues from the Properties to the payments due on the Bonds.

1.08. The County is authorized to approve the Abatement for a maximum term of 20 years upon satisfaction of the conditions set forth in Section 469.1813, subdivision 6 of the Abatement Act.

Section 2. Findings.

2.01. Benefits Equal Costs. It is hereby found and determined that the benefits to the County from the Abatement will be at least equal to the costs to the County of the Abatement for the following reasons:

(a) The Abatement will help finance the Broadband Facilities which implements a key development goal for the County.

(b) The Broadband Facilities will provide economic stimulus needed to attract new business to the region and to retain and expand existing businesses; such development and business retention will generate significant County tax revenues (after termination of the Abatement) that, over the long term, will exceed the amount of the Abatement itself.

(c) The Broadband Facilities will help preserve and increase the value of the Properties, thereby helping to generate additional County tax revenues over the long term after expiration of the Abatement.

(d) The Abatement amount finances only a portion of the cost of the Broadband Facilities in the County and leverages the investment of private and state funding sources and therefore, is less than the cost of the Broadband Facilities to be provided.

2.02. Public Purposes. It is further found and determined that the Abatement will serve the following public purposes set forth in Section 469.1813, subdivision 1 of the Abatement Act, because the Abatement will:

(a) Increase or preserve tax base, by stimulating development and helping to maintain values in the County and region, for the reasons described in Section 2.01.

(b) Allow the County and other local governments to provide public services to their residents more efficiently through direct connection to governmental facilities.

(c) Provide access to services for residents of the County, because the Broadband Facilities will offer residents a service (fiber optic broadband telecommunications, cable television and internet) not currently available in the County.

(d) Finance or provide public infrastructure, because broadband communications are an important part of the infrastructure required for vibrant, economically competitive communities.

2.03. Other Public Benefits. It is further specifically found and determined that, in addition to the benefits described in Sections 2.01 and 2.02, the Abatement is expected to result in the following public benefits:

(a) Construction of the Broadband Facilities will implement a long-standing vision of high-speed, state-of-the-art fiber optic telecommunications for the region.

(b) The Broadband Facilities will contribute to the quality of life in the County and region by increasing the ease of access to governmental, educational and healthcare information and services available to County residents.

2.04. Abatement Parcels Benefited. The County finds and determines that the Broadband Facilities will benefit the Properties for the following reasons:

(a) The Properties are all within the Broadband Facilities service area and will be able to connect directly to the Broadband Facilities.

(b) The Broadband Facilities will generally help maintain and increase property values within the County, including the Properties, as described in Section 2.01.

(c) The facts and reasons stated in Section 2.03(a) and (b) also support the conclusion that the Properties enjoy a significant benefit from construction of the Broadband Facilities.

2.05. Maximum Abatement Amount. The maximum amount of Abatement authorized under this resolution is \$4,050,000. The maximum principal amount of Bonds to be secured by Abatement under this resolution does not exceed the estimated sum of Abatement from the Abatement Parcels for the term authorized under this resolution.

Section 3. Actions Ratified; Abatement Approved.

3.01. Ratification. The Board hereby ratifies all actions of the County's staff and consultants in arranging for approval of this resolution in accordance with the Abatement Act.

3.02. Terms of Abatement. Subject to the provisions of the Abatement Act, the Abatement is hereby approved and adopted in the aggregate amount of the principal payments due on the Bonds as determined by the County Auditor (up to a maximum of \$4,050,000 present value), subject to the following terms and conditions:

- (a) The term "Abatement" means the real property taxes generated in any tax-payable year by extending the County's total tax rate for that year against the tax capacity of the Properties, excluding the tax capacity of the land, as of January 2 in the prior year.
- (b) The Abatement will be paid commencing with taxes payable in 2016 and continuing for a period of twenty years (through taxes payable in 2030), whichever occurs first. The Abatement will terminate on the earlier of (i) the date all Bonds have been paid in full, redeemed, or defeased in accordance with their terms; or (ii) after the 20th year of collection of Abatement from the Properties.
- (c) The County will pledge the Abatement to the payment of principal on the Bonds. The pledge of Abatement will be further reflected in the resolution authorizing the issuance of the Bonds (and any refunding bonds).
- (d) In accordance with Section 469.1813, subdivision 8 of the Abatement Act, in no case shall the Abatement, together with all other abatements approved by the County under the Abatement Act and paid in any one year exceed the greater of 10% of the County's net tax capacity for that year or \$200,000 (the "Abatement Cap"). The County may grant any other abatements permitted under the Abatement Act after the date of this resolution, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements is subordinate to the Abatement under this Agreement.
- (e) The Abatement is subject to modification in accordance with the Abatement Act, subject to the terms of the County's resolution authorizing the issuance and sale of the Bonds (the "Bond Resolution").
- (f) In accordance with Section 469.1815 of the Abatement Act, the County will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this resolution. The County Auditor shall determine how much Abatement is necessary for the payment of principal and interest on the Bonds in each year and shall add such amount to the County's levy.

Section 3.03. Further Proceedings. County staff and consultants are authorized and directed to take all actions necessary to implement the Abatement approved under this Resolution, including without limitation the execution of documents and certificates necessary to carry out the Abatement.

Ms. Eldridge reviewed the Pre-Sale report for the \$4,000,000 taxable general obligation abatement bond sale. Motion by Berning, seconded by Backer and carried to adopt the following resolution providing for the sale of the bonds:

2015-12

WHEREAS, the County Board of the County of Big Stone County, Minnesota has heretofore determined that it is necessary and expedient to issue the County's \$4,000,000 Taxable General Obligation Abatement Bonds, Series 2015A (the "Bonds"), to finance a loan to Federated Telephone Cooperative for the expansion of the broadband communication system in the County; and

WHEREAS, the County has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9).

NOW, THEREFORE, BE IT RESOLVED by the County Board of the County of Big Stone County, Minnesota, as follows:

1. Authorization; Findings. The County Board hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The County Board shall meet at 9:00 a.m. on June 2, 2015, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the County are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the County upon its completion.

Chairman Sandberg adjourned the meeting at 10:24 AM.

Roger Sandberg, Chairman

ATTEST: _____
Michelle R. Knutson, Auditor