

PROCEEDINGS OF THE ROSEAU COUNTY BOARD OF COMMISSIONERS

December 1, 2015

The Board of Commissioners of Roseau County, Minnesota met in regular session in the Courthouse in the City of Roseau, Minnesota on Tuesday, December 1, 2015 at 5:00 p.m.

CALL TO ORDER

The meeting was called to order at 5:00 p.m. by Board Chair Jack Swanson. The Pledge of Allegiance was recited. Commissioners present were Roger Falk, Todd Miller and Jack Swanson. Mark Foldesi and Glenda Phillipe were absent.

APPROVAL OF AGENDA

Discussion on a Jail Bond Disclosure Resolution; a Courthouse Campus Custodial contract; and, consideration of a Kraus Anderson Construction Management Agreement were added to County Board Items. A motion to approve the amended Agenda was made by Commissioner Miller, seconded by Commissioner Falk and carried unanimously.

CONSENT AGENDA

A motion to approve the Consent Agenda was made by Commissioner Miller, seconded by Commissioner Falk and carried unanimously. The Board, by adoption of its Consent Agenda, approved the November 24, 2015 Board Proceedings.

COUNTY BOARD ITEMS

Coordinator Pelowski requested the Board consider approving a Resolution authorizing an amendment and restatement of continuing disclosure provisions to the County's general obligation jail bonds. A motion was made by Commissioner Miller, seconded by Commissioner Falk and carried unanimously to adopt the following Resolution:

2015-12-01

RESOLUTION AUTHORIZING AN AMENDMENT AND RESTATEMENT OF CONTINUING DISCLOSURE PROVISIONS WITH RESPECT TO THE COUNTY'S GENERAL OBLIGATION JAIL REFUNDING BONDS, SERIES 2012A

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

Section 1. RECITALS.

1.01. On May 30, 2012, the County issued its General Obligation Jail Refunding Bonds, Series 2012A (the "Series 2012A Bonds"), pursuant to a resolution adopted May 8, 2012 (the "Bond Resolution") by this Board.

1.02. The Continuing Disclosure Covenants provisions found in Section 8.05 of the Bond Resolution contain inaccuracies which require correction by the adoption of Amended and Restated Continuing Disclosure Covenants with respect to the Series 2012A Bonds.

1.03. As of the date of issuance of the Series 2012A Bonds, the County had less than \$10,000,000 of bonds outstanding within the meaning of the Rule, as defined hereinafter.

Section 2. AMENDED AND RESTATED CONTINUING DISCLOSURE COVENANTS.

Continuing Disclosure. (a) Limited Exemption from Rule. The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (as in effect and interpreted from time to time, the "Rule") which govern the obligations of certain underwriters to require that issuers of municipal obligations enter into contracts for the benefit of the holders of the obligations to provide continuing disclosure with respect to the obligations. This Board hereby finds, determines and declares that the Bonds are exempt from the application of paragraph (b)(5) of the Rule by reason of the exemption granted in paragraph (d)(2) thereof. Specifically, this Board hereby finds that the only "obligated person" (within the meaning of the Rule) with respect to the Bonds is the County and that, giving effect to the issuance of the Bonds and any other securities required to be integrated with the Bonds, there will be no more than \$10 million in principal amount of municipal securities outstanding on the date of issuance of the Bonds as to which the County is an obligated person (excluding municipal securities exempt from the Rule under paragraph (d)(1) thereof because, among other things, they were issued in minimum denominations of \$100,000). In making such finding, the County hereby represents that it has not issued within the six months before the date of issuance of the Bonds and that it reasonably expects that it will not issue within six months after the date of issuance of the Bonds, other securities of the County of substantially the same security and providing financing for the same general purpose or purposes as the Bonds. The exemption from the Rule for the Bonds is conditioned upon the County agreeing to provide certain continuing disclosure as hereinafter provided. The County has complied in all material respects with any undertaking previously entered into by it under the Rule.

(b) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of the Rule, which will enhance the marketability of the Bonds, the County hereby makes the covenants and agreements contained in this section for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. If the County fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for specific performance or a writ of mandamus. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, "Owner" or "Bondowner" means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any "Beneficial Owner" (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, "Beneficial Owner" means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(c) Information To Be Disclosed. The County will provide, in the manner set forth below, either directly or indirectly through an agent designated by the County, the following information at the following times:

(1) on or before twelve (12) months after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2011 to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access System ("EMMA"), in an electronic format as prescribed by the MSRB, the information in the County's audited financial statements, which shall be for the most recent fiscal year of the County, and the other financial information and operating data, if any, that is customarily prepared by the County and publicly available under applicable data privacy or other laws (the "Disclosure Information").

Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the MSRB through EMMA or to the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify in the Disclosure Information each document so incorporated by reference. If the Disclosure Information is changed because it is no longer compiled or publicly available or this paragraph (c)(1) is amended as permitted by subsection (d), then the County shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of information provided.

(2) In a timely manner, not in excess of 10 business days, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a "Material Fact"):

- (A) principal and interest payment delinquencies;
- (B) non-payment related defaults, if material;
- (C) unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) substitution of credit or liquidity providers, or their failure to perform;
- (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security or other material events affecting the tax status of the Bonds;
- (G) modifications to rights of holders of the Bonds, if material;
- (H) bond calls, if material, and tender offers;
- (I) defeasances;
- (J) release, substitution or sale of property securing repayment of the Bonds, if material;
- (K) rating changes;
- (L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
- (M) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (N) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

(3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:

- (A) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement; and
- (B) the termination of the obligations of the County under this section pursuant to subsection (d);
- (C) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
- (D) any change in the fiscal year of the County.

(d) Identifying Information to Accompany Documents. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(e) Term; Amendments; Interpretation. The covenants of the County in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this section shall terminate and be without further effect as of any date on which the County delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof. This section may be amended or supplemented by the County from time to time, without notice to or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the County accompanied by an opinion of Bond Counsel, who may rely on Bonds of the County and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (d)(2) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (d)(2) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances

applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule. This section is entered into to comply with, and should be construed so as to satisfy the requirements of, paragraph (d)(2) of the Rule.

The Board reviewed the 2016 Holiday/Meeting Schedules. A motion to approve the 2016 Holiday/Meeting Schedules (Holiday, County Board, Committee of the Whole/Operations, CJCC, Socials Services and Highway) was made by Commissioner Miller, seconded by Commissioner Falk and carried unanimously.

Discussion on the Courthouse Campus Custodial Contract was deferred to the December 22, 2015 Board meeting.

Building Committee Chair Dave Anderson requested the Board approve an Agreement for Construction Management with Kraus Anderson for managing future Courthouse Complex improvements. A motion to authorize Dave Anderson to sign the Agreement was made by Commissioner Falk, seconded by Commissioner Swanson and carried unanimously.

Upon motion carried, the Board adjourned the Regular Meeting at 5:20 p.m. The next Regular Meeting of the Board is scheduled for December 22, 2015 at 9:00 a.m.

Attest:

Date: _____

Jeff Pelowski, County Coordinator
Roseau County, Minnesota

Jack Swanson, Chair
Board of County Commissioners
Roseau County, Minnesota