

Notice & Agenda
Swift County Board of Commissioners
Tuesday, July 7, 2020
9:00 AM

LEC Meeting Room – 301 14th St N, Benson, MN

If you need any type of accommodation to participate in this meeting, please contact the County Administrator at 320-314-8399 at least 48 hours prior to the meeting.

<u>Time</u>	<u>Reference</u>	<u>Item</u>
9:00 a.m.		Call to Order and Roll Call
9:01 a.m.		Approve Agenda
9:02 a.m.		Consent Agenda
	1-2	(1) Minutes from the June 16, 2020 Regular Meeting
	3	(2) Minutes from the June 16, 2020 Board of Equalization Meeting
	4-5	(3) Consider approval of the purchase of a new 2020 CASE SR240B Skidsteer for the Swift County Environmental Services
	6	(4) Consider approval of tobacco licenses for the following businesses: Holloway Hideout & Handi-Stop of Kerkhoven
9:04 a.m.		Consider Approval of Commissioner warrants and review Auditor warrants
9:05 a.m.		Commissioner and Board reports
9:25 a.m.		County Administrator report
9:30 a.m.		Citizens Comments
9:35 a.m.	7-10	Danielle Olson, County Attorney Follow up on request for information re hospital financing
9:55 a.m.	11-35	Swift County Benson Hospital update
10:15 a.m.	36-51	Local Housing Trust Fund discussion
10:30 a.m.	52	Liz Auch, Countryside Public Health COVID-19 and CARES funding update
		Other Business
10:50 a.m.	53-122	Coronavirus Relief Fund update
11:00 a.m.		Adjournment

SWIFT COUNTY BOARD MINUTES
June 16, 2020

Chairman Hendrickx called the meeting to order at 5:00 PM with all members present. Also present: County Administrator Kelsey Baker, County Attorney Danielle Olson, County Engineer Andrew Sander, County Auditor Kim Saterbak, County Assessor Joe Tschida, Human Service Director Catie Lee, Park, Drainage & Wetlands Supervisor Mike Johnson and Terri Orr.

Chairman Hendrickx asked if there were any changes or additions to the agenda. There were no changes.

06-16-20-01 Commissioner E. Pederson moved and Commissioner Fox seconded to approve the agenda. Motion carried unanimously.

06-16-20-02 Commissioner P. Peterson moved and Commissioner Rudningen seconded to approve the Consent Agenda items: (1) Approval of Minutes from June 2, 2020 Regular Meeting, (2) Approval of liquor licenses for the following businesses: Brinks Beer Joint & Brinks 104 Club, (3) Approval of Tobacco Licenses for the following businesses: Dollar General Appleton, Brinks Beer Joint, Brinks 104 Club, Don's Food Pride, (4) Approval of a daycare grant. Motion carried unanimously.

06-16-20-03 Commissioner Fox moved and Commissioner Rudningen seconded to approve the Commissioner warrants as follows: Revenue: \$48,907.94; Solid Waste: \$26,933.71; County Road & Bridge: \$237,444.40; County Ditches Fund: \$15,389.41; State Fund Agency: \$13,294.70; which includes the following bills over \$2,000: Commerford Gravel Inc., \$177,709.76; Counties Providing Technology, \$6,574.00; Kandiyohi County, \$2,000.00; Alex C Larson, \$2,288.00; Pflipsen Trucking LLC, \$20,589.69; RDO Equipment Company, \$52,853.00; St Paul Port Authority, \$13,294.70; Swift County Fair Association, \$19,314.02; Tom's Service, \$3,102.05; K Van Heuveln Inc., \$14,110.85; Zniwski Funeral Home, \$2,740.00. A brief discussion was held. Motion carried unanimously.

Board and Committee Reports were given as follows: Commissioner P. Peterson reported on Countryside Public Health and 6W Corrections. Commissioner E. Pederson reported on DAC, AMC District meeting, Soil & Water Conservation District and Sheriff's Task Force. Chairman Hendrickx reported on 6W Corrections, PrimeWest, AMC District meeting, Local Housing Trust Fund, AMC HHS Committee and the Building Committee. Commissioner Fox reported on the Manure Pipe Line Ditch meeting, PrimeWest, Well-Being Committee, Pomme de Terre and Private Industry Council. Commissioner Rudningen reported on Manure Pipe Line Ditch meeting, Building Committee, Well-Being Committee, Emergency Services Radio Board and Glacial Ridge Scenic Byway meeting.

Administrator Baker reported on Building Committee, Strategic Planning with Kim Madsen, Job openings throughout the County, Reopening phases, Budget process, CARES Act Funding, Hospital Bonding Pricing meeting and Standard & Poor's Rating call.

Chairman Hendrickx asked for citizen's comments. There were none.

Highway Engineer Andrew Sander requested approval of a resolution that the County enter into MnDot Agreement No. 1036652 with the State of Minnesota, Department of Transportation.

06-16-20-04 Commissioner E. Pederson moved and Commissioner P. Peterson seconded to approve a resolution that the County enter into MnDot Agreement No. 1036652 with the State of Minnesota, Department of Transportation. Motion carried unanimously.

Parks, Drainage & Wetlands Supervisor Mike Johnson requested approval to set a public hearing date for VanHeuveln petition for outlet into JD#5. The meeting date is scheduled for July 21st at 10:00 AM. A lengthy discussion was held.

06-16-20-05 Commissioner Rudningen moved and Commissioner E. Pederson seconded to approve a public hearing date for VanHeuveln petition for outlet into JD#5. The meeting date is scheduled for July 21st at 10:00 AM. Motion carried unanimously.

Director Catie Lee updated the board on the Financial Summary and Human Services update.

Recess at 6:16 PM.

Reconvened at 6:24 PM.

Opened the Board of Equalization at 6:24 PM.

Closed the Board of Equalization meeting at 7:12 PM.

Reconvened to regular session at 7:12 PM.

6-16-20-06 Commissioner P. Peterson moved and Commissioner Rudningen seconded to adjourn. Motion carried unanimously.

The meeting adjourned at 7:12 PM.

WITNESSED:

Gary Hendrickx, Chair

ATTEST:

Kelsey Baker, County Administrator

DRAFT

SWIFT COUNTY BOARD OF APPEAL AND EQUALIZATION MINUTES
June 16, 2020

County Auditor Kim Saterbak called the meeting to order at 6:25 PM with all members present as well as County Administrator Kelsey Baker, County Assessor Joe Tschida, Human Service Director Catie Lee, County Attorney Danielle Olson and Terri Orr.

The County Board of Equalization members took an oath to fairly and impartially review market values and equalize as fairly as possible all values in the County.

Commissioner Fox nominated Gary Hendrickx as Chair.

06-16-20-01 Commissioner Rudningen moved nominations cease and cast unanimous ballot to elect Commissioner Hendrickx as Chairman. Commissioner P. Peterson seconded the motion. Motion carried unanimously.

Commissioner Hendrickx took over the meeting as Chair.

Assessor Tschida presented the 2020 assessed values.

06-16-20-02 Commissioner E. Pederson moved and Commissioner Rudningen seconded to accept the 2020 final property values as presented. Motion carried unanimously.

06-16-20-03 Commissioner P. Peterson moved and Commissioner Rudningen seconded to adjourn the Board of Appeal and Equalization Meeting. Motion carried unanimously and the meeting adjourned at 7:12 PM.

WITNESSED:

Gary Hendrickx, Chair

ATTEST:

Kimberly Saterbak, County Auditor



Request for Board Action

BOARD MEETING DATE:
July 7, 2020

Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Environmental Services	REQUESTOR: Scott Collins	REQUESTOR PHONE: 320-843-2356
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Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Consider the purchase of a new 2020 CASE SR240B Skidsteer for Swift County Environmental Services	
AGENDA YOU ARE REQUESTING TIME ON: Click here to enter text.	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? No	EXPLANATION OF MANDATE: Click here to enter text.
BACKGROUND/JUSTIFICATION: Received two bids. Trading our 8 year old CATEPILLAR 246C Skidsteer in on the new one.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	

Budget Information

FUNDING:

Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS: Click here to enter text.	RECOMMENDATIONS: Click here to enter text.
COMMENTS: Click here to enter text.	COMMENTS: Click here to enter text.

Board Action

Motions ___ P. Peterson ___ G. Hendrickx ___ E. Pederson ___ J. Fox ___ E. Rudningen	
Action	Vote

Customer: SWIFT COUNTY ENVIRONMENTAL SERVICES
Address: 1000 INDUSTRY DR
 BENSON, MN 56215-0288
County: SWIFT **PO:**
Phone: 320-843-2356

Seller: TITAN MACHINERY-MARSHALL
Address: 1201 HWY 59 N
 MARSHALL, MN 56258-2710
Phone: 507-532-5783 CHARLES CULVER

2nd Signer:
Address:

Sales Tax Possession / Receiving Location:
 MN, SWIFT, BENSON

NOTICE TO PURCHASER
 1. Read this contract before you sign it.
 2. You are entitled to an exact and completely filled in copy of this contract when you sign it. Keep it to protect your legal rights.
 3. Purchaser acknowledges receipt of a fully completed copy of this contract and Purchaser waives notice of the acceptance or rejection of this order by the seller.
 4. The Acknowledgments and Additional Terms and Conditions are a part of this contract and are incorporated herein by reference.

Purchased Equipment Information

Type	Qty	Product	PDI	Warranty	Tag #	Serial Number	Sales Price
New	1	CASE, SR240B, SKIDSTEER-WHEEL	NO	Factory	2775442	NLM483189	44,414.16
-							
-							
-							
-							
-							
-							
-							
-							
-							

Trade-In Equipment Information
 I (we) offer to sell, transfer and convey the following item(s) at or prior to the time of delivery of the above product, as a "trade-in" to be applied against the cash price. Such items shall be free and clear of all security agreements, liens, and encumbrances at the time of transfer to you. The following is a description and the price allowed for each item.

1. Total Sales Price	44,414.16
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Qty	Description of Trade In	Tag #	Serial Number	Amount
1	CATERPILLAR, 246C, SKIDSTEER-WHEEL	2798132	CAT0246CCJAY08480	12,990.00
-				
-				
-				
-				
-				
-				
-				
-				
-				

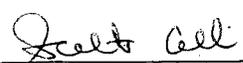
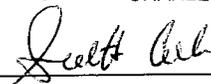
2. Total Trade In Allowance	12,990.00
3. Balance	31,424.16
4. Total Tax (No Sales if Paying Excise Tax)	0.00
5. Other Options, Charges, Fees	0.00
6. Trade Payoff / Pre Barter	0.00
7. Total Due	31,424.16

Tax Breakdown	Amount
Total Taxes	0.00
Other Options, Charges & Fees	Amount
Total Other Options, Charges and Fees	0.00

8. Cash Payment	0.00
9. Cash Due: (Date) 7/3/2020	31,424.16
10. Retail Installment Contract	0.00
11. Total Settlement	31,424.16

It is understood that this is the entire agreement between the parties

Customer _____ Date _____ Salesperson:  CHARLES CULVER
 SWIFT COUNTY ENVIR SERV

Customer  Date 6-17-20 Accepted By: 



Request for Board Action

BOARD MEETING DATE:
July 7 2020

Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Auditor	REQUESTOR: Marlene Molden/Kim Saterbak	REQUESTOR PHONE: 320-843-4069
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Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Approval of tobacco licenses for the following businesses: Holloway Hideout & Handi-Stop of Kerkhoven	
AGENDA YOU ARE REQUESTING TIME ON: Consent Agenda	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: Tobacco licenses are required to be reviewed by the Board of Commissioners
BACKGROUND/JUSTIFICATION: Yearly renewal of tobacco license.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	The license has been reviewed by the County Attorney and County Sherriff. Both have signed off on the license. No violations of their license have been reported.

Budget Information

FUNDING: n/a

Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS: Approval	RECOMMENDATIONS: -
COMMENTS: None	COMMENTS: None



Request for Board Action

BOARD MEETING DATE:
July 7, 2020

Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: County Attorney/Board	REQUESTOR: Danielle Olson/Kelsey Baker	REQUESTOR PHONE: Click here to enter text.
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Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Follow up on request for information re hospital financing	
AGENDA YOU ARE REQUESTING TIME ON: Regular	ARE YOU SEEKING APPROVAL OF A CONTRACT? No.
IS THIS MANDATED? No.	EXPLANATION OF MANDATE: N/A
BACKGROUND/JUSTIFICATION: Administrator Baker requested information from the County Attorney's Office on April 13, 2020 pursuant to a Board of Commissioner directive issued at the April 7, 2020 Board Meeting relating to the SCBH financing. Minutes, audio, and other resources were gathered and reviewed. The attached memorandum was submitted to Commissioner Pederson and Administrator Baker who jointly asked that it be presented to and discussed by the Board as a whole.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	See above procedural history.

Budget Information

FUNDING:

Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS:	RECOMMENDATIONS: Click here to enter text.
COMMENTS: Click here to enter text.	COMMENTS: Click here to enter text.

Swift County Attorney

211-11th Street North, Telephone: (320) 843-2134
Benson MN 56215 Fax: (320) 843-2348

Danielle H. Olson, County Attorney
danielle.olson@co.swift.mn.us

Shawn C. Reinke, Assistant County Attorney
shawn.reinke@co.swift.mn.us

Samantha L. Bertrand, Assistant County Attorney
samantha.bertrand@co.swift.mn.us



June 26, 2020

Edward Pederson
Swift County Commissioner

Kelsey Baker
Swift County Administrator

RE: Memo

Dear Commissioner Pederson and Administrator Baker,

I received the following request from Administrator Baker on April 13, 2020 following Commissioner Pederson's request for information during the April 7, 2020 Commission Board Meeting:

"Our Commissioner Pederson would like the County Attorney's office to look into the memo attached from Don Wilcox regarding the Hospital Administrator being able to sign off on this loan. He would like your legal opinion regarding if this was doable, even though the Hospital Board knew about it, but not the City or County."

The Swift County Attorney's Office requested and reviewed the following documents and information received from Swift County Hospital Board, Swift County Administrator, and City of Benson beginning April 28, 2020 - June 12, 2020.

- 1) Wilcox Memorandum dated 3/9/2020;
- 2) Bylaws- SCBH dated 1/25/2010;
- 3) Swift County Board Minutes dated 9/1/1992;
- 4) Session Law 1992 – Chapter 534- S.F. No. 2514;
- 5) Swift County Benson Hospital Bylaw Ex. 1- Chapter No. 534- S.F. 2514;
- 6) Catherine Courtney Memorandum to Hospital Board – dated 6/2/2016 provided to County Administrator Pogge-Weaver by Hospital;
- 7) Catherine Courtney Memorandum to Hospital Board – dated 1/31/20 and provided to County Administrator Baker by Hospital;

- 8) Certificate of Authority- ROI containing resolutions 1-5; and Resolution of Board of Directors of ROI;
(Granting authority to Dan Enderson to execute documents on behalf of ROI dated 2/22/18 and 2/9/18 respectively)
- 9) Certificate of Authority- SCBH containing resolutions 1-5;
(Granting Authority to Kurt Waldbillig to execute documents on behalf of SCBH for Bremer Bank loan by ROI- and allowing an unconditional guarantee to be dated, made and delivered to the Bank by the Hospital dated 2/22/18)
- 10) ROI Board Meeting Minutes- 1/22/2018;
- 11) ROI Board Meeting Minutes 2/19/2018;
- 12) SCBH Board of Director Meeting Minutes dated 1/29/2018;
- 13) SCBH Board of Trustees Minutes dated 8/28/2017;
- 14) SCBH Board Minutes dated 9/25/2017;
- 15) SCBH Board of Directors Minutes dated 10/30/2017;
- 16) Benson City County Meeting Minutes dated 11/6/2017;
- 17) Swift County Board Minutes dated 10/17/2017;
- 18) Swift County Board Minutes dated 11/7/2017;
- 19) Northland Securities Correspondence to County Board and County Administrator Baker;
- 20) Loan Agreement dated 2/23/2018;
- 21) Review of Audios contained from above referenced meetings:
 - a. 11/7/2017;
 - b. 10/17/2017;
 - c. 2/6/2018; and
 - d. 1/29/2018
- 22) And other relevant information.

I have had a chance to review the above documentation in detail.

Although the ultimate question relates to the analysis of Attorney Wilcox's legal analysis, there are interrelated questions regarding the Swift County Board of Commissioner's knowledge of the loan. The question posed to the office presumes that the Swift County Board had no knowledge of the hospital administrator's ability to sign off on the loan. This statement that neither the City of Benson or Swift County had knowledge of the unconditional guarantee appears unfounded.

Representatives of both the City of Benson and Swift County attending the Swift County Benson Hospital Board meeting on January 29, 2018. Specifically, Commissioner Fox and Administrator Baker were in attendance. At that meeting, the SCBH Board passed a resolution authorizing the hospital administrator to sign off on the guarantee needed for the Bremer Bank Loan. The resolution passed unanimously without abstention. The resolution and relevant minutes are copied below.

**SCBHS Board of Directors Meeting
Minutes
Monday, January 29, 2018**

Attendees: Kory Johnson, Joe Fox, Jill Hedman, Tom Anderson, Pat Langan, Brian Samuelson, Kurt Waldbillig

Absent: Dr. Horecka, Terri Collins, Patty Schreck

Others: Rob Woffington, Kelsey Baker, Don Wilcox, Mike Schramm, Reed Anfinson, Holly Olson, Melissa McGinty-Thompson, Janine Ellingson, Ashlie Bradley, Jayne Thielke, Mike Schramm, Michele Samuelson

Resolution of Board of Directors
Of
Swift County-Benson Hospital

WHEREAS, Residential Options, Inc., (the "corporation") has made application for a loan from Bremer Bank, N.A. (the "lender"); and,

WHEREAS, Swift County-Benson Hospital (the "hospital") intends to guaranty the payment when due of the corporation's debt to lender; and,

NOW THEREFORE, IT IS HEREBY RESOLVED, that following officer of Swift County-Benson Hospital:

Kurt V. Waldbillig, CEO

is authorized and empowered, on behalf of the hospital, to execute such guaranty (including exhibits, amendments, and/or supplements thereto) as may be required by the lender in regard to said loan.

Said resolution language was expanded upon by lender with overall intent remaining the same and is attached to these minutes.

Motion made by B. Samuelson to approve afore mentioned resolution authorizing Kurt Waldbillig to execute such guaranty as may be required by the lender. Motion

3

seconded by T. Anderson. No further discussion. Motion carried unanimously.

As representatives from Swift County were present, my analysis presumes that they were present as representatives of the County and at all times exercised the appropriate diligence on behalf of Swift County constituents.

The hospital, as you know, was created by the Minnesota Legislature through a 1992 Session Law. I have reviewed that law. Based on the 1992 Session Law and SCBH Bylaws, nothing prohibited the board from passing a resolution to provide an unconditional guarantee as approved by both the city and county voting members on the hospital board.

There are some best practices I would recommend, which would include asking both city council and county boards to formally approve said resolution, but since no money or bonds were being issued a formal approval was not required. Additionally, the hospital board would anticipate each city and county voting member to voice any concerns during discussion or voting – none of which are contained in the minutes. Bylaws may be amended as well if the county or city desires to do the same in the future.

Lastly, with respect to Dox Wilcox's memo I did not find any errors in his legal analysis.

Sincerely,



Danielle H. Olson
Swift County Attorney



**Swift County-Benson Hospital District, Minnesota
\$7,360,000 Congregate Senior Housing Revenue Bonds,
Series 2020A (Swift County General Obligation)**

**Bond Sale Summary
June 24, 2020**

PURPOSE: Finance the acquisition of Scandi Haven Village, a congregate senior housing facility, and to pay the costs associated with the issuance of the Bonds.

FINANCE PLAN: The Bonds were structured to result in at least \$100,000 annual debt service savings and shortening the final maturity of the Bonds from 2049 to 2044.

RATINGS: The County received a rating of "AA-" from S&P Global Ratings.

RESULTS:

- Bonds were purchased by Northland Securities, Inc., Minneapolis, MN.

	Final Results on <u>06/23/20</u>
Par Amount	\$ 7,360,000
Savings	\$ 5,017,843
Present Value Savings (%)	31.804%
Average Coupon	2.39%
True Interest Cost (TIC)	2.11%



EXHIBIT A - DEBT SERVICE SAVINGS

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2021	223,232.97	218,384.26	330,492.54	112,108.28
02/01/2022	458,281.26	458,281.26	566,558.64	108,277.38
02/01/2023	457,881.26	457,881.26	566,558.64	108,677.38
02/01/2024	462,081.26	462,081.26	566,558.64	104,477.38
02/01/2025	460,681.26	460,681.26	566,558.64	105,877.38
02/01/2026	458,881.26	458,881.26	566,558.64	107,677.38
02/01/2027	461,681.26	461,681.26	566,558.64	104,877.38
02/01/2028	458,881.26	458,881.26	566,558.64	107,677.38
02/01/2029	460,681.26	460,681.26	566,558.64	105,877.38
02/01/2030	461,881.26	461,881.26	566,558.13	104,676.87
02/01/2031	374,681.26	374,681.26	480,809.04	106,127.78
02/01/2032	374,081.26	374,081.26	480,809.04	106,727.78
02/01/2033	373,381.26	373,381.26	480,809.04	107,427.78
02/01/2034	372,581.26	372,581.26	480,809.04	108,227.78
02/01/2035	371,681.26	371,681.26	480,809.04	109,127.78
02/01/2036	375,681.26	375,681.26	480,809.04	105,127.78
02/01/2037	374,481.26	374,481.26	480,809.04	106,327.78
02/01/2038	373,181.26	373,181.26	480,809.04	107,627.78
02/01/2039	376,781.26	376,781.26	480,809.04	104,027.78
02/01/2040	375,181.26	375,181.26	480,809.04	105,627.78
02/01/2041	373,062.50	373,062.50	480,809.04	107,746.54
02/01/2042	375,412.50	375,412.50	480,809.04	105,396.54
02/01/2043	372,100.00	372,100.00	480,809.04	108,709.04
02/01/2044	373,668.76	373,668.76	480,809.04	107,140.28
02/01/2045	-	-	480,809.04	480,809.04
02/01/2046	-	-	480,809.04	480,809.04
02/01/2047	-	-	480,809.04	480,809.04
02/01/2048	-	-	480,809.04	480,809.04
02/01/2049	-	-	529,032.00	529,032.00
Total	\$9,600,120.67	\$9,595,271.96	\$14,613,114.51	\$5,017,842.55

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	3,589,897.10
Net PV Cashflow Savings @ 1.972%(Bond Yield).....	3,589,897.10
Contingency or Rounding Amount.....	4,848.71
Net Present Value Benefit	\$3,594,745.81
Net PV Benefit / \$11,302,794.58 PV Refunded Debt Service	31.804%
Net PV Benefit / \$7,302,368 Refunded Principal...	49.227%
Net PV Benefit / \$7,360,000 Refunding Principal..	48.842%



EXHIBIT B - SOURCES AND USES

	2018 Note 1	2018 Note 2	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$590,000.00	\$6,770,000.00	\$7,360,000.00
Reoffering Premium	75,015.90	277,472.65	352,488.55
Total Sources	\$665,015.90	\$7,047,472.65	\$7,712,488.55
Uses Of Funds			
Total Underwriter's Discount (1.500%)	8,850.00	101,550.00	110,400.00
Costs of Issuance	3,543.21	40,656.79	44,200.00
Deposit to Current Refunding Fund	649,305.83	6,903,734.01	7,553,039.84
Rounding Amount	3,316.86	1,531.85	4,848.71
Total Uses	\$665,015.90	\$7,047,472.65	\$7,712,488.55



EXHIBIT C -DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/28/2020	-	-	-	-	-
02/01/2021	120,000.00	4.000%	103,232.97	223,232.97	223,232.97
08/01/2021	-	-	99,140.63	99,140.63	-
02/01/2022	260,000.00	4.000%	99,140.63	359,140.63	458,281.26
08/01/2022	-	-	93,940.63	93,940.63	-
02/01/2023	270,000.00	4.000%	93,940.63	363,940.63	457,881.26
08/01/2023	-	-	88,540.63	88,540.63	-
02/01/2024	285,000.00	4.000%	88,540.63	373,540.63	462,081.26
08/01/2024	-	-	82,840.63	82,840.63	-
02/01/2025	295,000.00	4.000%	82,840.63	377,840.63	460,681.26
08/01/2025	-	-	76,940.63	76,940.63	-
02/01/2026	305,000.00	4.000%	76,940.63	381,940.63	458,881.26
08/01/2026	-	-	70,840.63	70,840.63	-
02/01/2027	320,000.00	4.000%	70,840.63	390,840.63	461,681.26
08/01/2027	-	-	64,440.63	64,440.63	-
02/01/2028	330,000.00	4.000%	64,440.63	394,440.63	458,881.26
08/01/2028	-	-	57,840.63	57,840.63	-
02/01/2029	345,000.00	4.000%	57,840.63	402,840.63	460,681.26
08/01/2029	-	-	50,940.63	50,940.63	-
02/01/2030	360,000.00	2.000%	50,940.63	410,940.63	461,881.26
08/01/2030	-	-	47,340.63	47,340.63	-
02/01/2031	280,000.00	2.000%	47,340.63	327,340.63	374,681.26
08/01/2031	-	-	44,540.63	44,540.63	-
02/01/2032	285,000.00	2.000%	44,540.63	329,540.63	374,081.26
08/01/2032	-	-	41,690.63	41,690.63	-
02/01/2033	290,000.00	2.000%	41,690.63	331,690.63	373,381.26
08/01/2033	-	-	38,790.63	38,790.63	-
02/01/2034	295,000.00	2.000%	38,790.63	333,790.63	372,581.26
08/01/2034	-	-	35,840.63	35,840.63	-
02/01/2035	300,000.00	2.000%	35,840.63	335,840.63	371,681.26
08/01/2035	-	-	32,840.63	32,840.63	-
02/01/2036	310,000.00	2.000%	32,840.63	342,840.63	375,681.26
08/01/2036	-	-	29,740.63	29,740.63	-
02/01/2037	315,000.00	2.000%	29,740.63	344,740.63	374,481.26
08/01/2037	-	-	26,590.63	26,590.63	-
02/01/2038	320,000.00	2.000%	26,590.63	346,590.63	373,181.26
08/01/2038	-	-	23,390.63	23,390.63	-
02/01/2039	330,000.00	2.000%	23,390.63	353,390.63	376,781.26
08/01/2039	-	-	20,090.63	20,090.63	-
02/01/2040	335,000.00	2.125%	20,090.63	355,090.63	375,181.26
08/01/2040	-	-	16,531.25	16,531.25	-
02/01/2041	340,000.00	2.250%	16,531.25	356,531.25	373,062.50
08/01/2041	-	-	12,706.25	12,706.25	-
02/01/2042	350,000.00	2.375%	12,706.25	362,706.25	375,412.50
08/01/2042	-	-	8,550.00	8,550.00	-
02/01/2043	355,000.00	2.375%	8,550.00	363,550.00	372,100.00
08/01/2043	-	-	4,334.38	4,334.38	-
02/01/2044	365,000.00	2.375%	4,334.38	369,334.38	373,668.76
Total	\$7,360,000.00	-	\$2,240,120.67	\$9,600,120.67	-

Date And Term Structure

Dated	7/28/2020
Delivery Date	7/28/2020
First available call date	2/01/2029
Call Price	100.000%

Yield Statistics

Bond Year Dollars	\$93,571.33
Average Life	12.713 Years
Average Coupon	2.3940245%
Net Interest Cost (NIC)	2.1353037%
True Interest Cost (TIC)	2.1090266%
All Inclusive Cost (AIC)	2.1644834%



EXHIBIT D - PRICING SUMMARY

Maturity	Type of Bond	Coupon	Yield	Maturity		YTM	Call Date	Call Price	Dollar Price
				Value	Price				
02/01/2021	Serial Coupon	4.000%	0.500%	120,000.00	101.774%	-	-	-	122,128.80
02/01/2022	Serial Coupon	4.000%	0.600%	260,000.00	105.097%	-	-	-	273,252.20
02/01/2023	Serial Coupon	4.000%	0.680%	270,000.00	108.243%	-	-	-	292,256.10
02/01/2024	Serial Coupon	4.000%	0.740%	285,000.00	111.269%	-	-	-	317,116.65
02/01/2025	Serial Coupon	4.000%	0.850%	295,000.00	113.903%	-	-	-	336,013.85
02/01/2026	Serial Coupon	4.000%	1.000%	305,000.00	116.039%	-	-	-	353,918.95
02/01/2027	Serial Coupon	4.000%	1.150%	320,000.00	117.822%	-	-	-	377,030.40
02/01/2028	Serial Coupon	4.000%	1.250%	330,000.00	119.649%	-	-	-	394,841.70
02/01/2029	Serial Coupon	4.000%	1.350%	345,000.00	121.232%	-	-	-	418,250.40
02/01/2030	Serial Coupon	2.000%	1.450%	360,000.00	104.387%	c 1.503%	02/01/2029	100.000%	375,793.20
02/01/2031	Serial Coupon	2.000%	1.550%	280,000.00	103.574%	c 1.629%	02/01/2029	100.000%	290,007.20
02/01/2032	Serial Coupon	2.000%	1.650%	285,000.00	102.767%	c 1.734%	02/01/2029	100.000%	292,885.95
02/01/2033	Serial Coupon	2.000%	1.750%	290,000.00	101.968%	c 1.823%	02/01/2029	100.000%	295,707.20
02/01/2034	Serial Coupon	2.000%	1.850%	295,000.00	101.175%	c 1.901%	02/01/2029	100.000%	298,466.25
02/01/2035	Serial Coupon	2.000%	1.950%	300,000.00	100.390%	c 1.969%	02/01/2029	100.000%	301,170.00
02/01/2036	Serial Coupon	2.000%	2.000%	310,000.00	100.000%	-	-	-	310,000.00
02/01/2037	Serial Coupon	2.000%	2.050%	315,000.00	99.302%	-	-	-	312,801.30
02/01/2038	Serial Coupon	2.000%	2.100%	320,000.00	98.541%	-	-	-	315,331.20
02/01/2039	Serial Coupon	2.000%	2.200%	330,000.00	96.972%	-	-	-	320,007.60
02/01/2040	Serial Coupon	2.125%	2.250%	335,000.00	98.034%	-	-	-	328,413.90
02/01/2041	Serial Coupon	2.250%	2.350%	340,000.00	98.379%	-	-	-	334,488.60
02/01/2042	Serial Coupon	2.375%	2.400%	350,000.00	99.581%	-	-	-	348,533.50
02/01/2044	Term 1 Coupon	2.375%	2.500%	720,000.00	97.788%	-	-	-	704,073.60
Total	-	-	-	\$7,360,000.00	-	-	-	-	\$7,712,488.55

Bid Information

Par Amount of Bonds	\$7,360,000.00
Reoffering Premium or (Discount)	352,488.55
Gross Production	\$7,712,488.55
Total Underwriter's Discount (1.500%)	\$(110,400.00)
Bid (103.289%)	7,602,088.55
Total Purchase Price	\$7,602,088.55

Extract of Minutes of Meeting of the
Board of Directors of Swift County - Benson Hospital District
Swift County, Minnesota

Pursuant to due call and notice thereof, a meeting of the Board of Directors of Swift County
- Benson Hospital District, was duly held at the Health Center in Benson, Minnesota, on Monday,
June 29, 2020, at 5:30 o'clock P.M.

The following members were present: Patty Schreck, Pat Langan, Tom Anderson, Jon
Buyck, Joe Fox, Grant Herfindahl, Dr. Richard Horecka, Jill Martin

and the following were absent: Jill Hedman

* * *

* * *

* * *

The Chair announced that consideration will be given to acceptance of a proposal for the
purchase of \$7,360,000 Congregate Senior Housing Revenue Bonds, Series 2020A (Swift County
General Obligation).

Member Langan introduced the following written resolution #2020-8 and
moved its adoption:

RESOLUTION NO. 2020-8
RESOLUTION AWARDING SALE OF \$7,360,000
CONGREGATE SENIOR HOUSING REVENUE BONDS, SERIES 2020A (SWIFT COUNTY
GENERAL OBLIGATION,
FIXING THE FORM AND SPECIFICATIONS
THEREOF, PROVIDING FOR THEIR EXECUTION AND
DELIVERY, AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED by the Board of Directors of Swift County-Benson Hospital District, as follows:

SECTION 1. DEFINITIONS; RECITALS; DOCUMENT APPROVAL.

1.01 Definitions. For purposes of this resolution the following terms shall have the following meanings unless the context hereof clearly requires otherwise:

“Act” means Minnesota Laws of 1992, Ch. 534, Sections 6 to 20.

“Additional Bonds” means any Additional Bonds payable from amounts deposited in the Bond Fund on a parity with then Outstanding Bonds payable therefrom.

“Board of Directors” means the Board of Directors of the District, and any successor to its functions as the body primarily responsible for control and management of the District Facilities.

“Bond Fund” means the account so designated established in Section 4 hereof.

“Bondholder” means the Registered Holder of any Bond.

“Bonds” means the Series 2020A Bonds, the Series 2014 Bonds, and any Additional Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“District” means Swift County-Benson Hospital District, a hospital district organized under the Act and any successor to its functions.

“District Facilities” means the hospital, the Scandi Haven Project and any other facilities owned or hereafter acquired or constructed by the District which are described in the Act or Minnesota Statutes, Section 447.45, or successor law.

“District Facilities Fund” means the fund so designated established in Section 5 of this Resolution.

“Gross Revenue Account” means the account within the District Facilities Fund established pursuant to Section 4 of this Resolution.

“Gross Revenues” means the entire receipts and revenues of the District Facilities from whatever source, including grants, donations and funds appropriated to the District by the City of

Benson and Swift County and investment earnings properly allocable to the District Facilities Fund.

“Net Revenues” means, for any period of calculation, the excess of the Gross Revenues over Operating Expenses, to which shall be added, to the extent included in Operating Expenses, depreciation, amortization and interest expense.

“Operating Expenses” means, for any period of calculation, the total operating expenses of the District Facilities determined in accordance with generally accepted accounting principles.

“Outstanding” means, when used with reference to Bonds means, as of the date of determination, all Bonds authenticated and delivered under this resolution, except

(A) Bonds theretofore cancelled by the District or delivered to the District cancelled or for cancellation;

(B) Bonds deemed paid in accordance with the provisions of Section 5.04 hereof;

(C) Bonds in lieu of which other Bonds shall have been authenticated and delivered pursuant to this resolution;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver under this Resolution, unless the District owns all Outstanding Bonds, Bonds owned by the District shall be disregarded and deemed not to be Outstanding.

“Purchaser” means Northland Securities, Inc. of Minneapolis, Minnesota, and, with respect to any series of Additional Bonds, the purchaser or underwriter thereof.

“Registered Holder” means the person in whose name a Bond is registered in the Bond Register.

“Resolution” means this Resolution of the Board of Directors, adopted June 29, 2020.

“Scandi Haven Project” means the congregate senior housing facility known as Scandi Haven Village, including 58 independent and assisted living units and 19 memory care units, located adjacent and connected to the District’s hospital.

“Series 2014 Bonds” means the Hospital Revenue Refunding Bonds (Swift County General Obligation), initially dated as of August 15, 2014.

“Series 2020A Bonds” means the Congregate Senior Housing Revenue Bonds (Swift County General Obligation), initially dated as of July 28, 2020.

1.02 Existing Indebtedness and Liens. The District now owns and operates a hospital pursuant to the Act. There are now no bonds or other obligations outstanding which are payable

from revenues of the District prior to or on a parity with the Series 2020A Bonds, except the Series 2014 Bonds.

1.03 Sale of the Series 2020A Bonds. The proposal of Northland Securities, Inc. (the “Purchaser”) to purchase the \$7,360,000 Congregate Senior Housing Revenue Bonds, Series 2020A (Swift County General Obligation) of the District at a price of \$7,602,088.55 (reflecting an underwriter’s discount of \$110,400, a net reoffering premium of \$352,488.55) was previously found and determined by the District’s Pricing Committee to be acceptable, and such determination is hereby confirmed and ratified. The execution and delivery by the Chair and the Chief Executive Officer or Secretary of the bond purchase agreement with the Purchaser on behalf of the District (the “Bond Purchase Agreement”) is hereby confirmed and ratified.

SECTION 2. BOND TERMS

2.01 Terms. The Series 2020A Bonds to be issued hereunder shall each be designated “Congregate Senior Housing Revenue Bonds, Series 2020A, (Swift County General Obligation),” shall be dated as of July 28, 2020, shall be in the aggregate principal amount of \$7,360,000, shall be in denominations of \$5,000 each or any multiple thereof, and shall mature on February 1 in each of the years and in the amounts and shall bear interest at the rates per annum according to year of maturity as follows:

<u>Maturity</u> <u>(February 1)</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>(February 1)</u>	<u>Interest</u> <u>Rate</u>
2021	4.000%	2033	2.000%
2022	4.000	2034	2.000
2023	4.000	2035	2.000
2024	4.000	2036	2.000
2025	4.000	2037	2.000
2026	4.000	2038	2.000
2027	4.000	2039	2.000
2028	4.000	2040	2.125
2029	4.000	2041	2.250
2030	2.000	2042	2.375
2031	2.000	2044	2.375
2032	2.000		

2.02 Recitals. To provide funds to acquire the Scandi Haven Project, the District hereby determines that it is necessary and expedient to issue pursuant to the Act, its Congregate Senior Housing Revenue Bonds, Series 2020A (Swift County General Obligation) (the “Series 2020A Bonds”) in the aggregate principal amount of \$7,360,000, dated June 28, 2020. The Bonds shall bear interest at the rates above set forth, computed on the basis of a 360-day year of twelve 30-day months, payable February 1, 2021, and semiannually thereafter on February 1 and August 1 in each year, and shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$120,000	2033	\$290,000
2022	260,000	2034	295,000
2023	270,000	2035	300,000
2024	285,000	2036	310,000
2025	295,000	2037	315,000
2026	305,000	2038	320,000
2027	320,000	2039	330,000
2028	330,000	2040	335,000
2029	345,000	2041	340,000
2030	360,000	2042	350,000
2031	280,000	2044	720,000
2032	285,000		

The Series 2020A Bonds maturing on February 1, 2044 (the “Term Bond”), are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory redemption dates and in the principal amounts as follows:

February 1, 2044 Term Bond

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
February 1, 2043	\$355,000
February 1, 2044*	\$365,000

*Final Maturity

The principal amount of the Term Bond required to be redeemed on each mandatory redemption date as set forth above, may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of Series 2020A Bonds of such maturities credited against future mandatory redemption requirements for such Series 2020A Bonds in such order as the Board of Directors shall determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar and Paying Agent may, and if directed by the District shall, purchase the Term Bond in an amount not to exceed the amount of the Series 2020A Bonds of such maturity required to be redeemed on such date and at such a price not exceeding the principal amount thereof plus accrued interest. Any Series 2020A Bonds so purchased shall be canceled and the redemption thereof shall be credited against the principal amount of Series 2020A Bonds of such maturity required to be redeemed on the next mandatory redemption date.

All Series 2020A Bonds maturing on or after February 1, 2030, are subject to redemption and prior payment in whole or in part in such order as the District may determine and by lot within a maturity at the option of the District on February 1, 2029, and any date thereafter at par and accrued interest. In the event of redemption by lot of Series 2020A Bonds of like maturity, the Bond Registrar shall assign to each Bond of such maturity then outstanding a distinctive number for each \$5,000 of the principal amount of such Series 2020A Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Series

2020A Bonds of like maturity. The order of selection of Series 2020A Bonds to be redeemed shall be the Series 2020A Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. The Series 2020A Bonds shall be numbered R-1 upwards in order of issuance or in such other order as the Registrar may determine and shall be in the denomination of \$5,000 each or any integral multiple thereof not exceeding the amount maturing in any year.

SECTION 3. FORM OF SERIES 2020A BOND

3.01 Form of Bond. The Series 2020A Bonds, the Registrar’s Authentication Certificate and the form of assignment shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
SWIFT COUNTY-BENSON HOSPITAL DISTRICT

No. R-____ \$ _____

CONGREGATE SENIOR HOUSING REVENUE BOND,
SERIES 2020A
(SWIFT COUNTY GENERAL OBLIGATION)

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
		July 28, 2020	

Registered Owner:

Principal Amount:

The Swift County-Benson Hospital District, a Minnesota hospital district organized under Minnesota Laws of 1992, Ch. 534, Sections 6 to 20 (the “Act”), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the maturity date specified above, upon the presentation and surrender hereof, and to pay to the Registered Owner hereof interest on such Principal Amount at the Interest Rate specified above from July 28, 2020, or the most recent interest payment date to which interest has been paid or duly provided for as specified below, on February 1 and August 1 of each year, commencing February 1, 2021, until said principal amount is paid. Principal is payable in lawful money of the United States of America at the office of Northland Trust Services, Inc., in Minneapolis, Minnesota, as Bond Registrar or of its successor as Bond Registrar designated by the District upon 60 days’ notice to the registered owners at their registered addresses. Interest shall be paid on each February 1 and August 1 interest payment date by check or draft mailed to the person in whose name this Bond is registered at the close of business on the 15th day of the month preceding each interest payment date (whether or not a business day) at said person’s address set forth on the registration books maintained by the Bond Registrar. Any such interest not punctually paid or provided for will cease to be payable to the owner of record as of such regular record dates and such defaulted interest may be paid to the person in whose name this Bond shall be registered

at the close of business on a special record date for the payment of such defaulted interest established by the Bond Registrar.

The Bonds of this series having a February 1, 2044, stated maturity are subject to mandatory sinking fund redemption on February 1, 2044, as described in the Resolution referred to below. The Bonds of this series maturing on or after February 1, 2030, are subject to redemption at the option of the District, in whole or in part in such order as the District may determine and by lot within a maturity, on February 1, 2029, and any date thereafter at par and accrued interest. Thirty days' notice of prior redemption will be given by mail to the bank where the Bonds are payable and to the registered owners in the manner provided by Chapter 475, Minnesota Statutes. Any defect in mailing notice of redemption shall not affect the validity of the proceedings for redemption. Any Bond called for redemption, and for the payment of which moneys are set aside by the District on the redemption date, shall not bear interest after the redemption date, regardless of any delay in its presentation.

During such time as this Bond is registered in the name of Cede & Co., as nominee of Depository Trust Company ("DTC"), the method of payment, notice of redemption and certain other matters are subject to the terms of a Blanket Letter of Representations executed by the District and DTC prior to the date of issuance of the Bonds as such Blanket Letter of Representations may be amended from time to time.

This Bond is one of an issue of Bonds in the aggregate principal amount of \$7,360,000, all of like date and tenor except as to maturity, interest rate and redemption privilege, issued pursuant to and in full conformity with the Constitution and Laws of the State of Minnesota, including the Act, for the purpose of acquiring a congregate senior housing facility known as Scandi Haven Village, including 58 independent and assisted living units, adjacent and connected to the District's hospital. This Bond is payable primarily from net revenues of the District Facilities (as defined in the Resolution referred to below) which the City has pledged to the payment of the principal of and interest on the Bonds of this issue and similar obligations heretofore or hereafter issued pursuant to Minnesota Laws of 1992, Ch. 534, Sections 6 to 20 and Minnesota Statutes, Chapter 475; but this Bond constitutes a general obligation of Swift County, Minnesota, and to provide moneys for the prompt and full payment of said principal and interest as the same become due the full faith and credit of Swift County have been irrevocably pledged, and the District shall cause Swift County to levy ad valorem taxes on all taxable property in Swift County, if required for such purpose, without limitation as to rate or amount.

This Bond is transferable, as provided by the Resolution of the Governing Board authorizing the issuance of the Bonds of this series adopted June 29, 2020 (the "Resolution") only upon books of the District kept at the office of the Bond Registrar by the Registered Owner hereof in person or by the Registered Owner's duly authorized attorney, upon surrender of this Bond for transfer at the office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar duly executed by, the Registered Owner hereof or the Registered Owner's duly authorized attorney, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Bonds of the series of the same principal amount, maturity and interest rate will be issued to the designated transferee or transferees. The Registered Owner of this Bond may be treated as the absolute owner hereof for all purposes.

The Bonds of this series are issuable only as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount maturing in any one year. As provided in the Resolution and subject to certain limitations therein set forth, the Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series of a different authorized denomination, as requested by the Registered Owner or the owner's duly authorized attorney upon surrender thereof to the Bond Registrar.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Bond have been done, have happened and have been performed in regular and due form, time and manner as required by law and that this Bond, together with all other indebtedness of the District outstanding on the date of its issuance, does not exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the Swift County-Benson Hospital District, by its Board of Directors, has caused this Bond to be executed in its behalf by the facsimile signature of the Chair and by the facsimile signature of the Chief Executive Officer, all as of the Date of Original Issue specified above.

(Facsimile Signature) _____
Chair

(Facsimile Signature) _____
Chief Executive Officer

BOND REGISTRAR'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within mentioned Resolution and this Bond has been registered as to principal and interest in the name of the Registered Owner identified above on the registration books of the Swift County-Benson Hospital District, Swift County, Minnesota.

Dated: _____

NORTHLAND TRUST SERVICES, INC.
Bond Registrar

By _____
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(Please Print or Typewrite Name and Address of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____
_____ attorney to transfer the within Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated: _____

Please Insert Social Security Number or Other Identifying
Number of Assignee

Notice: The signature to this assignment must correspond with the
name as it appears on the face of this Bond in every particular, without
alteration or any change whatever.

Signature Guaranteed:.

Signatures must be guaranteed by a national bank or trust company
or by a brokerage firm having membership in one of the major stock
exchanges.

A State of Insurance may also be added to the form.

3.02 Registrar. The Series 2020A Bonds shall be payable upon presentation at the office of Northland Trust Services, Inc., Minneapolis, Minnesota, as Registrar and Paying Agent, or at the offices of such other successor agents as the District may hereafter designate upon 60 days' mailed notice to the registered owners at their registered addresses. Interest shall be paid by check or draft of the Registrar mailed to the registered owners at their addresses shown on the registration books on each interest payment date unless other arrangements satisfactory to the Bond Registrar the District and the registered owners of Series 2020A Bonds are made. The District shall deposit funds with the Bond Registrar at the time and in the manner necessary to provide for the full and prompt payment of such principal and interest.

3.03 Delivery. The Series 2020A Bonds shall be prepared in typewritten or printed form under the direction of the Chief Executive Officer and when so prepared shall be executed on behalf of the District by the facsimile signature of the Chair and by the facsimile signature of the Chief Executive Officer or Secretary. The Series 2020A Bonds shall not be valid for any purpose until authenticated by the Bond Registrar. The Bond Registrar is authorized and directed to register Bonds initially issued hereunder in such names as the purchaser may direct. The Series 2020A Bonds initially issued hereunder shall be registered as of July 28, 2020, and all Series 2020A Bonds issued in exchange therefor shall be registered as of such date, or, if issued after the first payment date, as of the most recent interest payment date on which interest was paid or duly provided for. When the Series 2020A Bonds shall have been so prepared and executed, they shall be delivered by the Chief Executive Officer or Treasurer in exchange for the purchase price and upon receipt

of the signed legal opinion of Taft Stettinius & Hollister LLP, as Bond Counsel, and the purchaser shall not be required to see to the proper application of the proceeds.

3.04 Transfers. As long as any of the Series 2020A Bonds issued hereunder shall remain outstanding, the District shall maintain and keep at the office of the Bond Registrar an office or agency for the payment of the principal of and interest on such Series 2020A Bonds, as in this Resolution provided, and for the registration and transfer of such Series 2020A Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Bond at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the District shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Series 2020A Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity. The Series 2020A Bonds, upon surrender thereof at the office of the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Series 2020A Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Series 2020A Bonds or transferring fully registered Series 2020A Bonds is exercised, the District shall execute and the Bond Registrar shall deliver Series 2020A Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Series 2020A Bonds, whether temporary or definitive, the District or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the District or the Bond Registrar incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the District. The District and the Bond Registrar shall not be obligated to make any such exchange or transfer of Series 2020A Bonds during the fifteen (15) days next preceding the date of redemption of Series 2020A Bonds or preceding any February 1 or August 1 interest payment date.

3.05 Record Date. Interest on any Series 2020A Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Series 2020A Bond (or one or more Series 2020A Bonds for which such Series 2020A Bond was exchanged) is registered at the close of business on the fifteenth day of the month preceding such interest payment date. Any interest on any Series 2020A Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall forthwith cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the District in any lawful manner, if, after notice given by the District to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Series 2020A Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Series 2020A Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other

Series 2020A Bond and each such Series 2020A Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

3.06 Registered Holder. As to any Series 2020A Bond, the District and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name the same for the time being shall be registered as the absolute owner thereof for all purposes and neither the District nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Series 2020A Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2020A Bond to the extent of the sum or sums so paid.

3.07 Book Entry.

(a) For purposes of this Section 3.07, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Series 2020A Bond, the person recorded as the beneficial owner of such Series 2020A Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2020A Bonds.

“DTC” shall mean Depository Trust Company, New York, New York.

“Participants” shall mean those broker-dealers, banks and other financial institutions for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Blank Letter of Representations from the District to DTC, with respect to obligations issued from time to time by the District, substantially in the form on file in the office of the Chief Executive Officer.

(b) The Series 2020A Bonds shall be initially issued as separate authenticated fully registered bonds, and one Series 2020A Bond shall be issued in the principal amount of each stated maturity of the Series 2020A Bonds. Upon initial issuance, the ownership of such Series 2020A Bonds shall be registered in the bond register of the District kept by the Registrar in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2020A Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2020A Bonds, selecting the Series 2020A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of Series 2020A Bonds under this Resolution, registering the transfer of Series 2020A Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership

interest in the Series 2020A Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Registrar as being a registered owner of any Series 2020A Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Series 2020A Bonds, with respect to any notice which is permitted or required to be given to owners of Series 2020A Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2020A Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Series 2020A Bonds. The Registrar shall pay all principal of and interest on the Series 2020A Bonds only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Series 2020A Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series 2020A Bonds will be transferable to such new nominee in accordance with subparagraph (f) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants, of the availability through DTC of Bond certificates. In such event, the Series 2020A Bonds will be transferable in accordance with subparagraph (f) hereof. DTC may determine to discontinue providing its services with respect to the Series 2020A Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Series 2020A Bonds will be transferable in accordance with subparagraph (f) hereof.

(d) Notwithstanding any other provision of this Resolution apparently to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Representation Letter to DTC is hereby confirmed and expressly made applicable to the Series 2020A Bonds. The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Series 2020A Bonds and Beneficial Owners and payments on the Series 2020A Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Resolution.

(f) In the event that any transfer or exchange of Series 2020A Bonds is permitted under subparagraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar from the registered owners thereof of the Series

2020A Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of Section 3.04 hereof.

SECTION 4. GENERAL COVENANTS; COUNTY OBLIGATION

So long as any of the Bonds are outstanding, the District covenants with and for the benefit of each Bondholder that:

(a) The District will establish, maintain and collect such charges of the nature authorized by the Act and Sections 447.45 to 447.50, Minnesota Statutes, at the times and in the amounts necessary so that the Gross Revenues will be sufficient to pay Operating Expenses and make the required payments into the Bond Fund.

(b) The District will continue to own, operate and maintain the District Facilities of the District as revenue-producing enterprises free from all liens on the property thereof and income therefrom other than purchase money security interests with respect to equipment and other personal property and the liens herein described or provided. The District may also lease equipment.

(c) The District will use its best efforts to comply with all applicable laws and regulations of the United States of America and the State of Minnesota and each department and agency thereof, including laws and regulations relating to public health. The District will continue to use and operate the District Facilities to the extent such use and operation is not prohibited by court order or regulation, but the District may contest the validity or applicability of any law or regulation so long as the District Facilities are not thereby subject to unreasonable penalties or risk of damage or forfeiture. The District shall construct the improvements or extensions ultimately determined to be necessary to comply with applicable laws or regulations so that the District Facilities may be used and operated as revenue-producing enterprises, and the District may issue additional obligations secured by a parity lien on and ratably payable from the gross revenues of the District Facilities, to the extent provided in Section 5.01 hereof, for the purpose of providing money for said necessary improvements or extensions.

(d) In order to insure the efficient and economical operation of the District Facilities and the proper maintenance thereof, the District will provide for and insure the employment of experienced personnel to operate and maintain the same. The compensation of such personnel is deemed an operating expense.

(e) The District will not sell, mortgage or in any manner dispose of the District Facilities or any part thereof, including any and all extensions and additions that may be made thereto, until all of the Bonds have been paid in full; provided, however, that the District may sell the same if there is, simultaneously with the sale, deposited with the Registrar for the Bonds the amount necessary to retire all of the outstanding Bonds, including interest to accrue to the date when the Bonds are called for payment. This covenant is not to be construed to prevent the sale by the District at fair market value of real estate, equipment or other non-revenue producing properties which in the judgment of the District have become unnecessary, uneconomical or inexpedient to use in connection

with the District Facilities, provided there is no material reduction in Net Revenue as a result thereof.

(f) The District will provide for and procure and keep in force insurance on the District Facilities of a kind and in an amount which would normally be carried by private companies in a like business, including public liability insurance, with an insurer or insurers in good standing in the State of Minnesota; and it will provide for the keeping in full force and effect fiduciary bonds on employees in charge of the District Facilities. In the event of any loss, the proceeds from such insurance (including liability insurance) or bonds will be used to make good such loss or to repair or restore the District Facilities. Insurance premiums are to be paid as a cost of operation of the District Facilities.

(g) The District will keep proper books, records and accounts, relating to the operation of the District Facilities separate from other accounts of the District and cause such books, records and accounts to be audited at the end of each fiscal year by independent (outside) certified public accountants. The expense of preparing such audit may be paid as a current operating expense of the District Facilities.

(h) To the extent authorized by law, the District will annually prior to September 1 of each year estimate the Net Revenues available for payment of principal and interest on outstanding Bonds due in the next ensuing calendar year. If that estimate shows a deficiency in Net Revenues available for debt service on outstanding Bonds, the District will: (i) adjust the rates and charges for the use of the District Facilities to cover the deficiency, (ii) provide for the receipt of taxes and appropriation or transfer of funds from other sources, within the limitations of applicable law, to cover the estimated deficiency or (iii) any combination of the actions described in the subparagraphs (i) and (ii); provided, however, that the District may, but shall not be required to, fund such deficiency in any year beyond the amount budgeted for such year. If the foregoing actions shall be or become insufficient to pay principal and interest on the Series 2020A Bonds (and any additional obligations authorized hereby to which the full faith and credit of Swift County has been pledged), the District shall request that the Swift County deposit funds in the Series 2020A Account of Bond Fund to the extent of such deficiency and the amount so credited shall thereafter be reimbursed from the Net Revenues of the District Facilities. It is hereby estimated, found and determined that the Net Revenues derived from the District Facilities will be sufficient to pay when due principal of and interest on the Bonds and a sum at least 5% in excess thereof, and no tax levy will be required for such payment; but the Series 2020A Bonds are general obligations of the Swift County, and the District will levy or cause Swift County to levy, a general ad valorem tax for the payment of the principal thereof and interest thereon whenever it may appear necessary in order to provide for the full and timely payment thereof.

SECTION 5. SECURITY PROVISIONS; SERIES 2020A BOND PROCEEDS.

5.01 Deposit and Use of Bond Proceeds. The proceeds of the Series 2020A Bonds shall be applied to the acquisition of the Scandi Haven Project as provided in the Purchase Agreement with Residential Options Inc. the seller thereof (the "Purchase Agreement"). The Purchase

Agreement is hereby approved and shall be executed by the Chair and Chief Executive Officer or Secretary in substantially the form on file.

5.02 Creation of Certain Accounts. The District has created and shall continue to maintain on its books, so long as any of the Bonds are outstanding, a “District Facilities Fund.” As long as any of the Bonds shall be Outstanding and unpaid either as to principal or as to interest, or until all of the Bonds then Outstanding shall have been discharged and satisfied in the manner provided in this Resolution, the Gross Revenues shall be deposited as collected in the District Facilities Fund, and shall be credited and disbursed only as follows:

(a) Gross Revenue Account. All of the Gross Revenues shall be credited as received to the Gross Revenue Account, which shall be established as a separate bookkeeping account within the District Facilities Fund.

(i) Operation and Maintenance Account. Money in the Gross Revenue Account shall first be disbursed to make deposits into a separate and special fund to be maintained by the District to pay current expenses. The fund shall be known as the Operation and Maintenance Account (the “Operation and Maintenance Account”). There shall be deposited in the Operation and Maintenance Account each month an amount sufficient to meet the current expenses of the month plus an amount equal to 1/12th (or other appropriate fraction) of the expenses payable on an annual (or other, non-monthly) basis such as insurance.

(ii) Bond Fund. After the requirements of subsection (i) have been satisfied in each month, the Gross Revenues shall next be deposited into the Bond Fund, which shall be a separate fund to be maintained by the District to pay principal of and interest on the Bonds. The required amount to be deposited in the Bond Fund in any month shall be an amount equal to 1/6th of the interest coming due during the next six months on the then outstanding Bonds plus 1/12th of the principal coming due on such Bonds during the next twelve months (whether by maturity or pursuant to mandatory redemption provisions); provided that payments from the date of closing to the first principal payment date shall be pro rata. If for any reason the amount on deposit in the Bond Fund exceeds the required amount, the excess shall be credited against the next monthly deposit. If for any reason the amount on deposit in the Bond Fund is less than the required amount, the deficit shall forthwith be made up from amounts on deposit in the Surplus Account. Money in the Bond Fund shall be used solely for the purpose of paying principal of and interest on the Bonds as the same shall become due and payable.

(b) Subordinate Obligations. After the requirements of subsection (a) have been satisfied in each month, money in the District Facilities Fund may next be used to pay principal of and interest in (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the revenues of the District Facilities, but subordinate to the Bonds and which have been issued for the purposes of financing expansions or improvements to or equipment for the District Facilities or to retire the Bonds in advance of maturity, or to pay for extraordinary repairs or replacements to the District Facilities.

(c) Surplus Account. After the requirements of subsections (a) and (b) have been satisfied in each month, all money thereafter remaining in the District Facilities Fund at the close of each month shall be deposited in a fund to be maintained by the District known as the District Facilities Surplus Account (the “Surplus Account”). Money in the Surplus Account shall be used solely for the following purposes: (i) paying principal of or interest on the Bonds when there shall be insufficient money in the Bond Fund; (ii) to pay the cost of extraordinary maintenance expenses or repairs, renewals and replacements not included in the annual budget of revenues and current expenses, payment of rentals on any part of the District Facilities or payments due for any property purchased as a part of the District Facilities, and for capital improvements to the District Facilities; (iii) if necessary, may be transferred to any of the other funds created by this Resolution; (iv) may be used to pay or redeem Bonds or any of them; or (v) may be used for any lawful purpose of the District, provided that no moneys shall be transferred from the District Facilities Fund to any other fund or account of the District unless no deficit exists in any of the funds created by this Resolution, and the transfer is made as of the end of a Fiscal Year.

Money in the District Facilities Fund shall be allotted and paid into the various funds and accounts hereinbefore referred to in the order in which said funds and accounts are listed, on a cumulative basis; and if in any month the money in the District Facilities Fund shall be insufficient to deposit or transfer the required amount in any of said funds or accounts, the deficiency shall be made up in the following month or months after payments into all funds and accounts enjoying a prior claim to the revenues shall have been met in full.

5.03 Bond Fund. The District shall create and maintain a Bond Fund on its books so long as any of the Bonds are outstanding. The District shall deposit into the Bond Fund the Net Revenues to the extent provided in Section 5.02(a)(ii) hereof, which Net Revenues shall be apportioned amount the separate accounts to be created for the separate services of outstanding Bonds pro rata in accordance with the amounts then due for principal and interest. There shall also be deposited in the Series 2020A Account in the Bond Fund proceeds of the deposits made by Swift County or taxes levied pursuant to the extent necessary to pay principal and interest on the Series 2020A Bonds when due. Funds deposited in the Bond Fund shall be used solely to pay the principal of and interest on the Bonds and for no other purpose. Amounts on deposit in the Bond Fund may be invested in accordance with Minnesota Statutes, Chapter 118A, and all income therefrom shall be credited to the Bond Fund.

SECTION 6. ADDITIONAL BONDS; DEFEASANCE.

601 In General. The Series 2020A Bonds issued hereunder shall, ratably with the Series 2014 Bonds, be first charge and lien upon the Net Revenue. Except as otherwise provided in Section 6.02 with respect to refunding bonds and in this Section, no Additional Bonds shall be hereafter issued unless the same are expressly made a second and subsequent lien upon the Net Revenues, provided, however, that Additional Bonds may be issued on a parity of lien with the Series 2020A Bonds herein authorized if either (i) the average annual Net Revenues of the District Facilities of the two completed fiscal years immediately preceding the issuance of such additional obligations or future Net Revenues reasonably expected by the District shall have been not less than 100% of the maximum annual principal and interest (after taking into account any mandatory redemption schedule) to become due with respect to (a) all Bonds then outstanding which are

payable from the Bond Fund herein referred to and (b) the proposed Additional Bonds, for the years to and including the last maturity of any of the then outstanding Bonds, or (ii) the then outstanding Bonds and the Additional Bonds are general obligations of Swift County.

602 Refunding Bonds. Additional Bonds may be issued to refund outstanding Bonds without the necessity of complying with the tests set forth in Section 6.01 above, to the extent required to pay Bonds which have matured or are about to mature and which cannot be paid from available funds on deposit in the Bond Fund. Any such refunding Additional Parity Bonds shall mature subsequent to the maturity dates of all Outstanding Bonds not so refunded. Additional Parity Bonds may also be issued to refund outstanding Bonds without the necessity of complying with the tests set forth in Section 6.01 above, if the debt service on Bonds in each of the future years during the remaining term of the Bonds not refunded is less than the debt service would have been payable during said years had the refunding bonds not been issued. In making the calculations referred to in the foregoing sentence, (i) debt service on Bonds defeased by the issuance of the refunding bonds shall be disregarded and (ii) debt service on crossover refunding bonds shall be disregarded prior to the crossover date to the extent said debt service is to be paid from the crossover escrow account and debt service prior to the crossover date shall be calculated on the assumption the escrow will crossover and retire the refunded bonds.

603 Additional Application of Proceeds of Additional Bonds. The District may issue Additional Bonds in amounts which are sufficient, in addition to paying the cost of accomplishing one or more of the purposes specified in Section 6.01 or Section 6.02 hereof, to pay the costs of issuing such Additional Bonds, and, in the case of Additional Bonds issued under Section 6.01 hereof, to fund interest payable on such Additional Bonds for a period of time not to exceed six (6) months beyond the completion of any improvements financed with the proceeds thereof.

604 Defeasance. When any Series 2020A Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of such Series 2020A Bonds shall cease, and such Series 2020A Bonds shall not longer be deemed to be Outstanding under this Resolution. The District may discharge its obligations with respect to any Series 2020A Bond which is due on any date by depositing with the paying agent on or before that date a sum sufficient for the payment thereof in full; or, if any Series 2020A Bond should not be paid when due, it may nevertheless be discharged by depositing with the paying agent a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also discharge its obligations with respect to any prepayable Series 2020A Bond according to its terms, by depositing with the paying agent on or before that date an amount equal to the principal, interest and redemption premium, in any, which are then due, provided that notice of such redemption has been duly given as provided herein. The District may also at any time discharge its obligations with respect to any Series 2020A Bond subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required to pay all principal, interest and redemption premiums to become due thereon to maturity or said redemption date.

SECTION 7. MISCELLANEOUS

7.01 Amendments. The provisions of this Resolution constitute a contract between the District and the Holder or Holders of the Series 2020A Bonds, and after the issuance of the Series 2020A Bonds, no material change, variation or alteration of any kind in the provisions of this Resolution may be made in any manner, until such time as all of the Series 2020A Bonds and interest have been paid in full. However, the Holders of 50% in principal amount of the Series 2020A Bonds outstanding at any time shall have the right to consent to and approve the adoption of resolutions or other proceedings modifying or amending any of the terms or provisions of this Resolution, except that without the consent of 100% of the Holders of outstanding Series 2020A Bonds this Resolution may not be modified or amended in any manner that may adversely affect the rights of Holders of less than all of the Series 2020A Bonds then outstanding, or reduce the percentage of the number of Holders whose consent is required to effect a further modification.

7.02 Defaults. In the event of any default, the Holders from time to time of the Bonds have all the remedies, powers and privileges granted by the laws of the State of Minnesota for the enforcement of their rights and for the collection of the principal and the interest due thereon. The Holders of 50% or more in aggregate principal amount of Bonds at any time outstanding may, in the event of default, declare all outstanding Bonds to immediately due and payable. The Holders of 20% or more in aggregate principal amount of Bonds at any time outstanding may, either at law or in equity, by suit, action or other proceeding, protect and enforce the rights of all holders of Bonds then outstanding, or enforce or compel the performance of any and all of the covenants and duties specified in this Resolution to be performed by the District or its officers and agents, including the fixing and maintaining of rates and charges and the collection and proper segregation of revenues and the application and use thereof.

7.03 Documents. The Chief Executive Officer is authorized and directed to prepare and furnish to the purchaser and to the attorneys approving the Series 2020A Bonds, certified copies of all proceedings and records relating to the issuance of said Series 2020A Bonds and to the right, power and authority of the District and its officers to issue the same, and said certified copies and certificates shall be deemed the representations of the District as to all matters stated therein.

7.04 Official Statement; Continuing Disclosure. The Official Statement relating to the Series 2020A Bonds, on file with the Chief Executive Officer and presented to this meeting, is hereby approved and its designation as a “near final” official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission and the furnishing thereof to prospective purchasers of the Series 2020A Bonds are hereby ratified and confirmed, insofar as the same relates to the Series 2020A Bonds and the sale thereof. The Chief Executive Officer is authorized to execute and deliver to the Purchaser a Continuing Disclosure Certificate whereby the District agrees to provide to the Holders the continuing disclosure information required by the Rule, and such requirements shall be a contractual obligation of the District.

7.05 Information Report. The officers of the District are hereby authorized and directed to prepare and furnish to the Secretary of the Treasury a statement meeting the information reporting requirements of Section 149(e) of the Internal Revenue Code of 1986, as amended (the “Code”), by the 15th day of the second calendar month after the close of the calendar quarter in which the Series 2020A Bonds are issued.

7.06 Tax Covenant. The District shall not take or permit any action that would cause the Series 2020A Bonds to be “private activity bonds” within the meaning of Section 141 of the Code, other than “qualified 501(c)(3) bonds” within the meaning of Section 145 of the Code. The District shall comply with the rebate requirements imposed under Section 148(f) of 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. The Chief Executive Officer is hereby authorized to make on behalf of the District all elections that he may deem necessary and expedient under Section 148(f) of the Code. In addition, the District shall make no investment of funds that would cause the Series 2020A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and regulations thereunder. All terms used in this Section 7.06 shall have the meanings provided in the Code and regulations thereunder.

7.07 Bank Qualification. The Series 2020A Bonds are hereby designated “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986.

7.08 Registration Certificate. The Chief Executive Officer shall furnish a certified copy of this resolution to the County Auditor of Swift County, and obtain the County Auditor’s certificate as required by law.

The motion for the adoption of the foregoing resolution was duly seconded by Member

Buyck upon vote being taken thereon the following voted in favor thereof: Schreck, Langan, Anderson, Buyck, Fox, Herfindahl, Horecka, Martin and the following voted against the same: (None)

whereupon said resolution was declared duly passed and adopted.



Request for Board Action

BOARD MEETING DATE:
7/7/2020

Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: RICC TEAM (HRA, RDA, ADMIN)	REQUESTOR: Jennifer Frost, Vickie Syverson	REQUESTOR PHONE: 320-842-4769
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Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: NACO Rural Impact County Challenge Team members: Gary Hendrickx, Kelsey Baker, Victoria Syverson, Jennifer Frost spent the past nine months participating in a national cohort to address Housing and Healthy Communities. Each team had a project to complete. Using socioeconomic data and local housing and health studies, the Swift County Team decided to pursue a new tool to enhance workforce and affordable housing solutions with the flexibility to focus on local needs. We would like to discuss that tool today: Swift County Housing Trust Fund (HTF).	
AGENDA YOU ARE REQUESTING TIME ON: Board 7/7/2020	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? No	EXPLANATION OF MANDATE: Click here to enter text.
BACKGROUND/JUSTIFICATION: Swift County's Housing Study and RICC Team Evaluation	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	In addition to RICC Team's work over the last nine months, Vicki and Jennifer were introduced to the HTF during their participation in Minnesota Housing Partnership's Housing Institute #6 Cohort of 2017-2019.

Budget Information

FUNDING: HRA levy will fund Housing Trust Fund at \$50,000 for a minimum of 10 years starting in 2021. This will result in a "no change" levy request over the current 2020 tax levy.

Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS: Click here to enter text.	RECOMMENDATIONS: Click here to enter text.
COMMENTS: Click here to enter text.	COMMENTS:

Board Action

Motions ___ J Fox ___ G Hendrickx ___ E Pederson ___ P Peterson ___ E Rudningen	
Action	Vote

NACO Rural Impact County Challenge Team members: Gary Hendrickx, Kelsey Baker, Victoria Syverson, Jennifer Frost spent the past nine months participating in a national cohort to address Housing and Healthy Communities. Each team had a project to complete. Using socioeconomic data and local housing and health studies, the Swift County Team decided to pursue a new tool to address workforce and affordable housing needs and would like to discuss that tool today: The Housing Trust Fund (HTF).

Housing Trust Fund Background:

The Minnesota Legislature created and adopted a Housing Trust Fund (HTF) for Local Housing Development which allows a local unit of government to allocate levy dollars into a Housing Trust Fund that can only be used for:

- 1) administrative fees;
- 2) grants, loans, and loan guarantees for the development, rehab, and financing of housing;
- 3) match other funds from federal, state, or private resources for housing projects; or,
- 4) provide down payment assistance, rental assistance, and homebuyer counseling services.

The statute is relatively vague, but the creation of a HTF is done by ordinance that would need to be approved and adopted by the County Board. The funds allocated to a HTF can only be spent on the four activities listed above.

The funds for the HTF can come from many sources or fees both private and public, and the RICC Team is proposing establishing a modest portion of the current HRA levy in the amount of \$50,000 to be the annual investment. Housing Trust Funds average about a 6:1 ration of outside funding to local investment dollars (Minnesota Housing Partnership), and the RICC Team expects that through partnerships and private and public grant programs, Swift County will average at least \$2-\$3 of outside investment for every local dollar invested in the HTF.

In addition, the Minnesota Housing Partnership has been coordinating efforts with local units of government to secure \$10 million in appropriations from the Legislature to match local investments (up to \$300,000). The most recent bill was sponsored by Andrew Lang in 2019 and although not successful the work continues to pass this bill in future sessions.

Housing Trust Fund Examples: The Red Wing HRA created a HTF in 2015. Within their HTF, they created several programs: homebuyer assistance, owner-occupied rehab, and financial assistance for multi-family housing developments. In addition, they released an RFP to support small site development. The Red Wing HRA is offering a forgivable loan to encourage developers to incorporate two to six rental units on a site, which could be stand-alone residential or mixed-use.

The Crow Wing County HRA just created a HTF in February 2020. They identified four priorities for their HTF: single-family new construction, single-family rehab, rental rehab, and multi-family construction. Since the program was just created, they have not used any of their funds, but because their ordinance and priorities are general in nature and match what the most recent Swift County Housing Study identified as priority areas, we used their ordinance as our guide.

Levy implications:

The RICC Team evaluated several funding options and amounts to seed the HTF. It was determined that utilizing the HRA levy was most appropriate for our county's needs. The HRA Board requested information on the impact to the tax payer at different amounts and over different timelines. Due to the current economic conditions the Board preferred a lower longer-term investment. The recommendation is a "no change" levy amount.

The "no change" option leaves the HRA monies levied the same as 2020, but structures the budget differently. A \$50,000 investment in the HTF will replace a \$50,000 investment in the Demo Fund. The rationale for this change is based on the demo needs survey which found that demo needs are not expected to require funding at last year's level, and that the HTF could be used to assist with demo as part of a housing development project.

The "no change" levy in the 2021 levy request the HRA will be deciding on at their July 2020 meeting. \$126,000 to offset agency administration costs and \$50,000 to go to the Local Housing Trust Fund.

Minnesota Communities with Local Housing Trust Funds (Feb 2020)



Jurisdiction	Year Adopted	Primary Funding Source(s)	Primary Uses	2019 Fund Amount	2020 Fund Amount	Contact	Ordinance or Resolution
Alexandria	2019	<ul style="list-style-type: none"> • TIF pooling • HRA Levy • Revolving loan fund proceeds 	<ul style="list-style-type: none"> • Homebuyer assistance • Single Family Rehab • Small rental rehab. Funds limited to Challenge Fund income limits for single family (115% AMI). 	\$0.00	\$285,000.00	Jeff Hess, Executive Director, Alexandria HRA	2019 Ordinance
Bloomington	2019	<ul style="list-style-type: none"> • One time appropriation • Payment of fees in lieu of opportunity housing units, per the city's inclusionary zoning ordinance • Individual donations • Pooled TIF 	<ul style="list-style-type: none"> • New construction • preservation of Naturally occurring affordable housing (NOAH) • Revolving Loan Fund • Housing Stabilization fund (rental subsidy/operating subsidy) (fund under development). 	\$15.2 million (\$7 million for one large project).	\$2 million (plus carryover from previous year).	Cherie Shoquist, HRA Analyst, City of Bloomington	2019 Ordinance
Crow Wing County	2019	<ul style="list-style-type: none"> • HRA levy (increased from \$98,500 to \$729,500) 	<ul style="list-style-type: none"> • Workforce Housing (program definitions, including income qualifications, to be developed) 	\$0	500,000	Debbie Erickson, Administrative Services Director, Crow Wing County	2020 Ordinance
Edina	2019	<ul style="list-style-type: none"> • Payment in lieu fees, pursuant to inclusionary development policy • TIF pooling 	<ul style="list-style-type: none"> • Workforce Housing (program definitions, including income qualifications, to be developed) 	\$1,200,000	1) One time source, to be determined; 2) Carryover funds from prior year	Stephanie Hawkinson, Affordable Housing Development Manager, City of Edina	2019 Ordinance
Goodhue County	2018	<ul style="list-style-type: none"> • HRA Levy 	<ul style="list-style-type: none"> • Down-payment assistance • Multi-Family housing projects • Emergency Housing • Flexible fund (for as needed issues) • Loans for affordable housing development serving very low-income residents (multi-family, single family; new, rehab, and preservation) 	\$100,000	\$100,000	Buffy Berenak, Executive Director, SEMMCRA	2018 Resolution
Hennepin County	2000	<ul style="list-style-type: none"> • HRA Levy 	<ul style="list-style-type: none"> • Gap financing for multifamily affordable and mixed-income rental housing production and preservation (rehabilitation) 	\$3.5 million	\$5.5 million	Julia Welle Ayres, Housing Dev & Finance Mgr., Hennepin County	2003 Resolution
Minneapolis	2003	<ul style="list-style-type: none"> • CDBG and HOME program dollars • TIF pooling • Annual appropriations (one time) 	<ul style="list-style-type: none"> • Gap financing for multifamily affordable and mixed-income rental housing production and preservation (rehabilitation) 	\$20 million	\$15 million	Carrie Goldberg, Multifamily Finance Specialist, City of Minneapolis	2003 Resolution

Minnesota Communities with Local Housing Trust Funds (Feb 2020)



Jurisdiction	Year Adopted	Primary Funding Source(s)	Primary Uses	2019 Fund Amount	2020 Fund Amount	Contact	Ordinance or Resolution
Red Wing	2015	<ul style="list-style-type: none"> • HRA Levy • 25yr TIF 	<ul style="list-style-type: none"> • Single family home down payment assistance • Financing for multi-family projects • Low to moderate income owner occupied rehab 	\$100,000	\$100,000.00	Randal Hemmerlin, Executive Director, Red Wing HRA	2016 Memorandum
St Louis Park	2018	<ul style="list-style-type: none"> • HRA Levy • TIF pooling 	<ul style="list-style-type: none"> • Preserve naturally occurring affordable housing (NOAH) • Create new affordable units and/or deepen affordability • Enhance the city's inclusionary policy for development by supporting more affordable units and deeper affordability 	\$0	\$1,100,000	Michele Schnitker, Housing Supervisor / Deputy Community Development Manager, City of St Louis Park	2018 Ordinance
St Paul	Researching year of adoption. New resources provided in 2019.	<ul style="list-style-type: none"> • Parking revenues • Appropriations 	<ul style="list-style-type: none"> • 4d program costs • Community land trust financing • Down payment assistance • Rental assistance for families of St Paul public school students ("Families First" program) • Gap funds for subsidized housing or NOAH 	\$6 million	\$5 million	Kate Rodrigues, Housing Policy Coordinator, City of St Paul	2019 Resolution

462C.16 HOUSING TRUST FUNDS FOR LOCAL HOUSING DEVELOPMENT.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given to them.

(b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

(c) "Fund" means a local housing trust fund or a regional housing trust fund.

(d) "Local government" means any statutory or home rule charter city or a county.

(e) "Local housing trust fund" means a fund established by a local government with one or more dedicated sources of public revenue for housing.

(f) "Regional housing trust fund" means a fund established and administered under a joint powers agreement entered into by two or more local governments with one or more dedicated sources of public revenue for housing.

Subd. 2. **Creation and administration.** (a) A local government may establish a local housing trust fund by ordinance or participate in a joint powers agreement to establish a regional housing trust fund.

(b) A local or regional housing trust fund may be, but is not required to be, administered through a nonprofit organization. If administered through a nonprofit organization, that organization shall encourage private charitable donations to the fund.

Subd. 3. **Authorized expenditures.** Money in a local or regional housing trust fund may be used only to:

(1) pay for administrative expenses, but not more than ten percent of the balance of the fund may be spent on administration;

(2) make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;

(3) match other funds from federal, state, or private resources for housing projects; or

(4) provide down payment assistance, rental assistance, and homebuyer counseling services.

Subd. 4. **Funding.** (a) A local government may finance its local or regional housing trust fund with any money available to the local government, unless expressly prohibited by state law. Sources of these funds include, but are not limited to:

(1) donations;

(2) bond proceeds;

(3) grants and loans from a state, federal, or private source;

(4) appropriations by a local government to the fund;

(5) investment earnings of the fund; and

(6) housing and redevelopment authority levies.

(b) The local government may alter a source of funding for the local or regional housing trust fund, but only if, once altered, sufficient funds will exist to cover the projected debts or expenditures authorized by the fund in its budget.

Subd. 5. **Reports.** A local or regional housing trust fund established under this section must report annually to the local government that created the fund. The local government or governments must post this report on its public website.

Subd. 6. **Effect of legislation on existing local or regional housing trust funds.** A local or regional housing trust fund existing on July 1, 2017, is not required to alter the existing terms of its governing documents or take any additional authorizing actions required by subdivision 2.

History: 2017 c 94 art 11 s 8

SWIFT COUNTY ORDINANCE NO. XX

AN ORDINANCE ESTABLISHING A HOUSING TRUST FUND IN SWIFT COUNTY

Section 1: GENERAL PROVISIONS

1.1 Authority. This Ordinance is adopted pursuant to Minnesota Statutes, Section 462C.16.

1.2 Purpose. Pursuant to Minnesota Statutes, Section 462C.16, there is hereby created and established for the County of Swift a fund to be known and denominated as the Swift County Housing Trust Fund. The Trust Fund shall be a permanent source of funding and a continually renewable source of revenue to meet, in part, the housing needs of Moderate, Low Income and Very Low Income households of the County. The Trust Fund shall provide loans and grants to homeowners, for-profit housing developers, and non-profit housing developers for the acquisition, capital and soft costs necessary for the creation of new Affordable and Workforce Housing (both rental and owner-occupied). Projects funded by the Trust Fund shall be dispersed throughout the County.

Section 2: DEFINITIONS

2.1 “Affordable” means a housing unit that has an Affordable Housing Cost

2.2 “Affordable Housing Cost” means an amount satisfied by:

2.2.1 For owner-occupied housing, a housing payment inclusive of loan principal, loan interest, property taxes, property and mortgage insurance, and homeowners association dues which allows a moderate, low income or very low income household to purchase a home while paying no more than thirty percent (30%) of their gross household income.

2.2.2 For rental or cooperative housing, a housing payment, inclusive of a reasonable allowance for heating, which allow a moderate, low income or very low income household to rent a unit while paying no more than thirty percent (30%) of their gross household income

2.3 “Area Median Income” means the income guidelines established and published annually by the U.S. Department of Housing and Urban Development.

2.4 “Assisted Unit” means a housing unit that is Affordable because of assistance from the Trust Fund.

2.5 “HRA” means the Housing and Redevelopment Authority in and for the County of Swift.

2.6 “Workforce Housing” means owner-occupied or rental housing units that are provided to households with at least one member per unit who is gainfully employed at the time of entry into the unit.

2.6.1 Workforce Housing may be designated for households that make 50% to 115% of AMI but shall be inclusive of all income levels households who meet the definition of gainful

employment and can meet the Affordable Housing Cost as defined in Subpart b (1) and (2).

- 2.6.2 Gainful Employment is defined as an employment situation where the employee receives consistent work and payment from an employer at 30 hours per week or more.
- 2.7 “Grants Supervisor” means the Swift County HRA Executive Director, or his or her designee.
- 2.8 “Low Income” means gross household income that is at or below eighty percent (80%) of Area Median Income, but more than fifty percent (50%) of Area Median Income.
- 2.9 “Moderate Income” means gross household income that is at or below 115 percent (115%) of Area Median Income, but more than Eighty percent (80%) of Area Median Income.
- 2.10 “Project” may mean a single family house (attached or detached) or a multifamily apartment complex, either as owner-occupied property or rental property.
- 2.11 “Recipient” means any homeowner, for-profit or non-profit housing developer that receives funds in the form of a loan or a grant from the Trust Fund Account. A Recipient may be an individual, partnership, joint venture, limited liability company or partnership, association or corporation.
- 2.12 “Trust Fund” means the Swift County Housing Trust Fund.
- 2.13 “Very Low Income” means gross household income that is at or below fifty percent (50%) of Area Median Income.
- 2.14 “Permanent Source of Funding” means once funds are allocated to the Trust those funds can only be expended for purposes outlined in section (4) of this document.
- 2.15 “Assisted Unit” means a housing unit that is Affordable because of assistance from the Trust Fund.

Section 3: TRUST FUND ACCOUNT; SOURCE OF TRUST FUNDS

- 3.1 A. There is also hereby established a Swift County Trust Fund Account, to be maintained by the HRA. All funds received by the HRA on behalf of the Trust Fund shall be deposited in the Trust Fund Account. Principal and interest from loan repayments, and all other income from Trust Fund activities, shall be deposited in the Trust Fund Account. All interest earnings from the Trust Fund Account shall be reinvested and dedicated to the Trust Fund Account.
- 3.2 The Trust Fund shall consist of funds derived from the following, but not limited to:
 - 3.2.1 Private cash contributions designated for the Trust Fund;
 - 3.2.2 Payments in lieu of participation in current or future Affordable housing programs;
 - 3.2.3 Matching funds from a federal Affordable housing trust fund;
 - 3.2.4 Principal and interest from Trust Fund loan repayments and all other income from Trust Fund activities.
 - 3.2.5 Budgeted payments made by the HRA’s tax levy fund as approved by County Board.
 - 3.2.6 Matching funds from a state affordable housing trust fund or a state program designated to fund housing trust funds.

- 3.2.7 Employer based funds and matches.
- 3.2.8 Other sources to be considered; local or regional utility companies, specific county departments, specific county program funds (revolving loan fund).
- 3.2.9 Application Fees – Projects applying for funds.
- 3.3 The Trust Fund may consist of funds derived from any other source, including but not limited to the following:
 - 3.3.1 Tax Increment returned to the County after decertification of a TIF district.
 - 3.3.2 Any other appropriations as determined from time to time by action of the HRA or County Board.

Section 4: TRUST FUND DISTRIBUTIONS

- 4.1 The Trust Fund is to function as a resource to fund loans and grants in strict accordance with this Section. The Trust Fund shall be administered by the Executive Director of the HRA. No disbursements may be made from the Trust Fund Account without the prior approval of the HRA’s board of commissioners.
- 4.2 Disbursements from the Trust Fund Account shall be made as loans or grants to assist Recipients in the creation of Assisted Units. Recipients may use the funds to pay for: capital costs, including but not limited to the actual costs of rehabilitating or constructing Assisted Units; preserving Affordable units; demolishing or converting existing non-residential buildings to create new Assisted Units; real property acquisition costs; and professional service costs, including but not limited to, those costs incurred for architectural, engineering, planning and legal services which are attributable to the creation of Assisted Units.
- 4.3 All projects considered for funding will be reviewed by the HRA staff, and the Executive Director shall submit staff comments and recommendations to the HRA’s board of commissioners, prior to HRA action.
- 4.4 The HRA shall within thirty (30) days following the close of each fiscal year prepare and submit an annual report to the County Board on the activities undertaken with funds from the Trust Fund. The report shall specify the number and types of units assisted, the amount loaned per Assisted Unit, the amount of state, federal and private funds leveraged, the geographic distribution of Assisted Units and a summary of statistical data relative to the incomes of assisted households, including their monthly rent or mortgage payments, and the sales prices of owner-occupied Assisted Units.

Section 5: TERM OF AFFORDABILITY

- 5.1 The minimum term of affordability for an Assisted Unit shall be fifteen (15) years. The HRA shall give preference to those projects that ensure that the Assisted Units remain Affordable for the longest period possible.
- 5.2 Assisted Units shall be deed-restricted to ensure long term affordability.
- 5.3 The HRA will enter into loan agreements with the Recipients of the Trust Fund monies. Each loan agreement will clearly state the conditions and requirements for the Recipient’s use of

Trust Fund monies, including the term of compliance, transfer or sale requirements and other requirements as specified.

5.4 In those cases where an Assisted Unit is sold or transferred prior to the expiration of the agreed-upon term, or where an Assisted Unit is no longer Affordable, the initial Recipient of assistance from the Trust Fund shall be obligated to repay to the Trust Fund the original amount of the loan or grant.

5.5 The HRA shall enforce all debt and lien instruments to the fullest extent of the law. The HRA may recommend debt settlement offers, if it is determined to be in the best interest of the Trust Fund.

Section 6: SEVERABILITY

6.1 If any provision of this Ordinance or the application thereof is held invalid, said invalidity does not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application and for this purpose, the provisions of the Ordinance are severable.

Section 7: EFFECTIVE DATE

8.1 This Ordinance shall be in effect from and after the date of its passage by the Swift County Board of Commissioners and publication according to Minnesota Statutes.

Attachment A

Housing Trust Fund Funding Priorities

Adopted by Swift County Board of Commissioners on _____, 2020

1. Single Family New Home Construction

- a. Affordability GAP Financing provided to the homebuyer in the form of a low or no interest, deferred mortgage loan to be repaid upon the satisfaction of the first mortgage.
- b. Value GAP Financing provided to the developer to bring the sale price of the home to the appraised value.

2. Single Family Rehabilitation

- a. A low or no interest deferred loan provided to a homeowner to assist in renovation of their primary residence. Homeowner financial contribution dependent on homeowner income.
- b. A grant given to an income qualified home owner to assist in the renovation of their primary residence. Homeowner financial contribution dependent on homeowner income.

3. Rental Rehabilitation

- a. A low or no interest deferred loan provided to a property owner to assist in the renovation of rental property owned by the applicant.
- b. Assisted unit/s will be monitored annually for tenant income compliance.
- c. Property owner agrees to comply with income restrictions for at least 15 years. If combined with other program dollars (SCDP) income restriction timeline may be reduced to meet other program's terms.
- d. Property owner will be required to contribute a percentage of the project costs.

4. Multifamily Construction

- a. Affordability GAP Financing provided to the developer in the form of a low or no interest, deferred mortgage loan to be repaid upon the satisfaction of the first mortgage.
- b. Preference will be given to projects not located in a Tax Increment District whose project expenditure period has not expired.

Minnesota Housing Trust Fund The following criteria are considered when selecting applicants for funding: ■ A documented need exists for this type of residential housing in the proposed geographic area. ■ The applicant is experienced in developing and managing similar residential housing. ■ The applicant is able to proceed expeditiously with the development. ■ The requested funds are combined with other funds. ■ The quality of the proposed housing is high, and the cost is reasonable. ■ The rent charged is less than 30% of the tenant's income. ■ Community and constituency support exist for this type of housing. ■ The proposed housing is affordable long-term. ■ The geographic area to be served supports reasonable distribution throughout the state. ■ Support services are included for homeowner projects. ■ The proposed project can be replicated and serve as a model of workforce housing.

Swift County may soon have another tool to encourage the expansion of affordable workforce housing options in Swift County. HRA and RDA Executive Directors are proposing an ordinance to the Swift County Board that will establish a county-wide housing trust fund; a permanent and continuously renewable source of funding to help meet the housing needs of moderate, low income and very low income households. The trust fund is expected to provide loans and grants to individual property owners, homeowners, for-profit and nonprofit housing developers and governmental units.

“It’s something we hear all the time – when people are considering a job in the county they need to know there’s an adequate supply of affordable quality housing here. We hear from employers that housing options need to be expanded. Adequate housing can help draw workforce and help grow the local economy in a healthy way” said Jennifer Frost, Executive Director of Swift County RDA discussing the importance of a new tool for workforce housing and its impact on economic development.

As part of its 2021 budget and tax levy, the HRA is proposing setting aside \$50,000 of the HRA’s levy for the trust fund. This would occur for ten years creating a fund of \$500,000. This investment would not require an increase in levy and would be a zero dollar change from the 2020. By establishing the trust fund this year, those dollars from 2021 could be leveraged on housing projects as early as 2022.

In conjunction with efforts to establish the housing trust fund, the HRA and RDA have been working with Minnesota Housing Partnership for technical assistance for the HRA to acquire, rehab and preserve the affordability of a multi-family property in Kerkhoven. The property was originally constructed utilizing a USDA program, but the program is ending soon. Because the HRA is a housing authority and not a private owner, USDA will renew the affordability term if HRA purchases and rehabilitates the property. In February RDA and HRA won a \$500,000 Rural Rental Deferred loan (grant) for rehabbing the property, and the duo development agencies are at it again, applying for a \$230,000 grant from Federal Home Loan Bank to put toward the purchase price. The \$500,000 is contingent on the HRA completing the purchase of the property and the new housing trust fund could be a gap lender on this project; making the entire project possible while leveraging over \$700,000 of grant dollars. In this scenario the trust could leverage \$2 for every \$1 invested.

“This is just one use of the trust fund. We anticipate there will be funds available for homeowners if they need rehab, if they need a new roof to extend the life of their home or new windows, new siding or accessibility renovations,” Syverson said. “We have an aging housing stock and one of our priorities is to maintain healthy homes — decent, safe and sanitary is the goal.

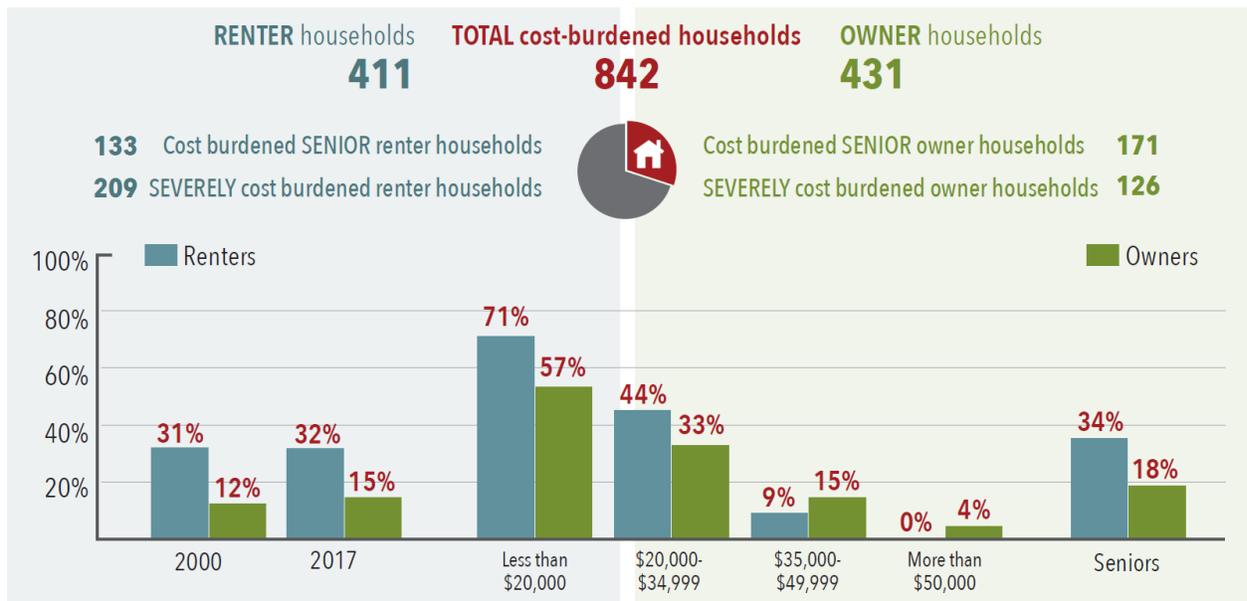


“... On a larger scale, it could be used to assist new single or multifamily home development. A developer may want to build market rate homes but could include some that target people in the moderate-income range, seniors and working people. That could be a piece of the puzzle that helps bring new homes of all kinds to the County. ... There are many ways for the housing trust fund to benefit people.”

Frost and Syverson are recommending that the Swift County Housing Study guide the establishment of programs using dollars from the housing trust fund. The current study was completed in 2015 and the HRA and RDA plan to have an updated workforce housing study completed in 2021. Updates are recommended every 3-6 years and the timing will allow for use of newly gathered 2020 Census data. Housing studies help a community determine where issues or shortages exist and provide recommendations for how to address them.

“As with the 2015 Housing Study, the update will be disseminated countywide to all of our partners, cities, townships and then the opportunity is out there to use this housing trust fund as a tool along with other rehab programs to bridge the gap between affordable housing,” said Vicki Syverson, HRA’s Executive Director

Frost said based on the 2018 American Community Survey (ACS) one-third of renters in Swift County are cost-burdened, meaning they spend more than 30% of their gross income on housing. Half that, or about 15% of all homeowners in the county fall into that same category. An important indicator of economic hardship is whether housing is affordable. An income share devoted to housing that is below 15 percent is a good proxy for highly affordable, while the income share devoted to housing that is above 30 percent is a good proxy for excessive or unaffordable.



Syverson noted that among rural communities, Swift County will be an early adopter of the housing trust fund model if the Board of Commissioners opt for action. The state Legislature passed legislation in 2017 encouraging local jurisdictions to establish the funds. There have even been attempts to incentivize their creation more with proposed bills for the State to match local investment up to \$300,000. The most recent bill was sponsored by our district's Senator Andrew Lang in 2019. There is growing recognition that while outside sources of competitive funding exist to address housing challenges, establishing a permanent local housing trust fund allows a community to leverage those outside funds and prioritize projects based on local needs. According to the Center for Community Change, which advocates for local housing trust funds, the city of Red Wing was one of the first in the state outside a metro area to set up a fund. Syverson and Frost hope that Swift County will soon join them with its own Swift Housing trust fund.

Total Cost to Respond to COVID-19

	Feb	Mar 1-2	Mar 3-31	Apr	May	TOTAL		TOTAL	Mar-May
Expenses									
Salary & Fringe	4,586.33	1,976.74	89,602.95	65,582.35	76,275.39	\$238,023.76	Isolation and Quarantine	\$24,342.86	\$24,342.86
Mileage	0.00	25.52	632.32	222.62	337.62	\$1,218.08	Essential Services Procurement	\$1,516.07	\$1,516.07
Facility Usage	117.13	51.82	3,156.89	3,368.63	3,430.15	\$10,124.62	Essential Service Delivery	\$1,773.51	\$1,773.51
Prog Supplies	0.00	0.00	161.16	2,816.45	2,648.05	\$5,625.66	Contact Investigation	\$5,377.74	\$5,377.74
Indirect	470.35	205.41	9,355.33	7,199.00	8,269.12	\$25,499.21	Intake/Hotline Response	\$1,830.72	\$1,830.72
TOTAL	\$5,173.81	\$2,259.49	\$102,908.65	\$79,189.05	\$90,960.33	\$280,491.33	Verizon	\$1,119.25	\$1,119.25
Funding Sources							Interpreter	\$161.16	\$161.16
PHEP Funds	3,088.25					\$3,088.25	Conference Call	\$3,469.93	\$3,469.93
State Covid Award			93,446.91	51,413.09		\$144,860.00	Supplies	\$1,163.32	\$1,163.32
CARES Medicare Payment				21.21		\$21.21	First half of 2020	\$40,754.55	
State SHIP Funds			9,461.74	7,448.26	4,646.03	\$21,556.03	Isolation and Quarantine Database	\$10,583.85	
TOTAL	3,088.25	0.00	102,908.65	58,882.56	4,646.03	\$169,525.49	Second half of 2020	\$40,754.55	
							Total Unfunded CoVID	\$92,092.95	



Request for Board Action

BOARD MEETING DATE:
July 7, 2020

Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Administration	REQUESTOR: Kelsey Baker	REQUESTOR PHONE: 320-314-8399
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Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Discussion on the Coronavirus Relief Funds	
AGENDA YOU ARE REQUESTING TIME ON: Regular	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? No	EXPLANATION OF MANDATE:
BACKGROUND/JUSTIFICATION: These are federal funds designated for use for the county's COVID-related expenses. The County will have to attest that they are using their share for eligible purposes to get the money and certify they will pay it back if it's found they didn't use it correctly. There is a timeline, use restrictions and verification required that funding has not already been provided for the same expense. The state already has a website with some links to more information:	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? No action	Click here to enter text.

Budget Information

FUNDING: \$1,136,857

Review/Recommendation

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS: Click here to enter text.	RECOMMENDATIONS: Click here to enter text.
COMMENTS: Click here to enter text.	COMMENTS: Click here to enter text.

Coronavirus Relief Fund
Guidance for State, Territorial, Local, and Tribal Governments
Updated June 30, 2020¹

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.²

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

¹ This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

² See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.

- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
 6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund’s eligibility criteria.

Nonexclusive examples of ineligible expenditures³

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.⁴
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

³ In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

⁴ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.



MN COVID-19

**Coronavirus Relief Fund (CRF) Distribution to
Local Governments**

Reference and Guidance

CORONAVIRUS RELIEF FUND (CRF) GUIDANCE

CONTENT AGENDA

01 INTRODUCTIONS &
FUND OVERVIEWS

02 REQUESTING &
ACCESSING FUNDS

03 REPORTING
DEMONSTRATION

CORONAVIRUS RELIEF FUND (CRF) GUIDANCE

CONTENT AGENDA

01

INTRODUCTIONS &
FUND OVERVIEWS

- Local Government Support Team
- CARES ACT / CORONAVIRUS RELIEF FUND (CRF) OVERVIEW
- Eligible uses of CRF
- FEMA Match

02

REQUESTING &
ACCESSING FUNDS

03

REPORTING
DEMONSTRATION

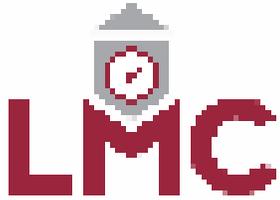
Local Government Support



Association of Minnesota Counties

125 Charles Avenue
St. Paul, MN 55103-2108
Main Line/Switchboard: 651-224-3344
| Office Fax: 651-224-6540

**Central Clearinghouse for
Frequently Asked Questions**



League of Minnesota Cities

145 University Ave. W, Saint Paul, MN
55103-2044
Phone: (651) 281-1200 | Toll-Free:
(800) 925-1122

**Central Clearinghouse for
Frequently Asked Questions**



Minnesota Association of Townships

(800) 228-0296
info@mntownships.org
FAX: (763) 497-3361

**Central Clearinghouse for
Frequently Asked Questions**

**Disbursement and Certification
MN DEPARTMENT OF REVENUE**

**CRF Fund Tracking and Reporting
MMB/MN COVID RESPONSE ACCOUNTABILITY OFFICE**

MN COVID-19 RESPONSE ACCOUNTABILITY OFFICE - OVERVIEW

Consistent with the State of Minnesota COVID-19 response effort, MMB has established a temporary COVID-19 Response Accountability Office (Office) led by Amy Jorgenson.

The role of the Office, specific to local governments, is in relationship to the Coronavirus Relief Fund (CRF). The Office will play a key role in monitoring the state and local government expenditures and establishing reporting requirements. Materials have been compiled for local government reference and are available on the Office's COVID-19 Response Accountability Office website (<https://mn.gov/mmb/covid-19-response-accountability-office/>), and a portal will be created for report submission.

CARES ACT / CORONAVIRUS RELIEF FUND (CRF) OVERVIEW

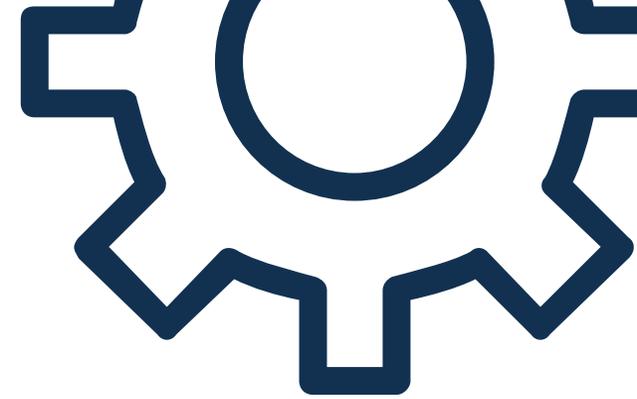
COVID-19 ECONOMIC RELIEF

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27th, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. The CARES Act provides assistance for American workers, families, and small businesses, and preserves jobs for American industries.

CORONAVIRUS RELIEF FUND (CRF)

Section 5001 of the CARES Act established the \$150 billion Coronavirus Relief Fund (CRF), providing payments to State, Local, and Tribal governments navigating the impact of the COVID-19 outbreak. The CARES Act sets criteria that expenses must meet to be eligible for CRF funding.

Qualifying Costs 1 - Necessary Expenditures



To qualify, expenses must satisfy three distinct elements.

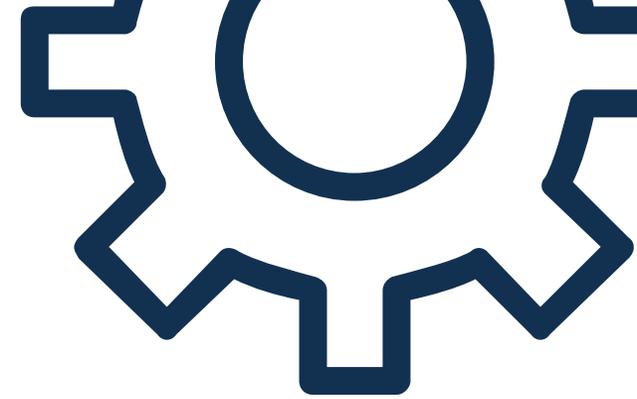
1 NECESSARY EXPENDITURES

Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)

“NECESSARY”: Expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

“DUE TO”: Expenditures must be used for actions taken to respond to the public health emergency; including expenditures incurred to respond directly to the emergency, as well as expenditures incurred to respond to second-order effects, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Qualifying Costs 2 – Unaccounted-for Expenses



To qualify, expenses must satisfy three distinct elements.

Costs not accounted for in the budget most recently approved as of March 27, 2020

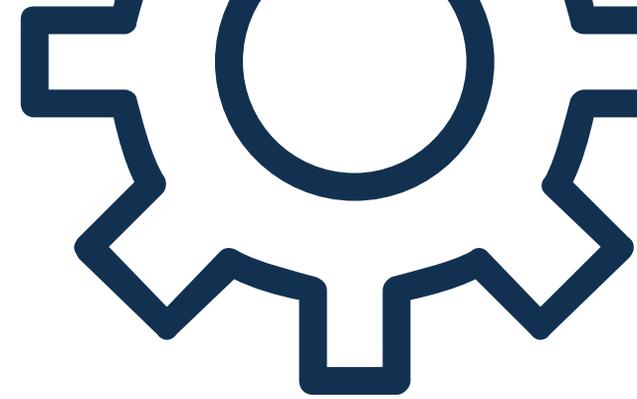
2

UNACCOUNTED-FOR EXPENSES

“**NOT ACCOUNTED FOR**”: (a) the **COST CANNOT LAWFULLY BE FUNDED** using a line item, allotment, or allocation within that budget; or (b) the cost is for a **SUBSTANTIALLY DIFFERENT** use from any expected use of funds in such a line item, allotment, or allocation.

“**MOST RECENTLY APPROVED**” budget: the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency.

Qualifying Costs 3 – Incurred During Covered Period



To qualify, expenses must satisfy three distinct elements.

3 INCURRED DURING COVERED PERIOD

“INCURRED” - performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.)

“COVERED PERIOD” for cities and townships: March 1, 2020 – November 15, 2020.

“COVERED PERIOD” for counties: March 1, 2020 - December 1, 2020.

ELIGIBLE USES – MEDICAL EXPENSES

1

Medical Expenses

- COVID-19-related expenses of public hospitals, clinics, and similar facilities.
- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
- Costs of providing COVID-19 testing, including serological testing.
- Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
- Expenses for establishing and operating public telemedicine capabilities for COVID-19 related treatment.

ELIGIBLE USES PUBLIC HEALTH (1 OF 2)

2

Public Health (1 of 2)

- Expenses for communication and enforcement of public health orders related to COVID-19.
- Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment (PPE), for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers connected to the COVID-19 public health emergency.

ELIGIBLE USES PUBLIC HEALTH (2 OF 2)

2

Public Health (2 of 2)

- Disinfection of public areas and other facilities, *e.g.*, nursing homes.
- Technical assistance to local authorities or other entities on mitigation of COVID-19 related threats to public health and safety.
- Public safety measures undertaken in response to COVID-19.
- Expenses for quarantining individuals.
- Contact tracing.
- Recovery planning projects or operating a recovery coordination office.

ELIGIBLE USES PAYROLL (1 OF 2)

3

Payroll Expenses (1 of 2)

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency, therefore a local government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

- Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

ELIGIBLE USES PAYROLL(2 OF 2)

3

Payroll Expenses (2 of 2)

Examples of types of covered employees, or classes of employees, include:

- Public Safety, Public Health, Health Care, Human Services.
- Similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19 related school closures.
- Increased workers' compensation cost to the government due to the COVID-19 public health emergency.

ELIGIBLE USES PUBLIC HEALTH MEASURES(1 OF 2)

4

Public Health Measures (1 of 2)

The following are eligible expenses **if to enable compliance with COVID-19 public health precautions:**

- Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations.
- Expenses to facilitate distance learning, including technological improvements, in connection with school closings.
- Expenses to improve telework capabilities for public employees.
- Expenses of providing paid sick and paid family and medical leave to public employees.

ELIGIBLE USES PUBLIC HEALTH MEASURES (2 OF 2)

4

Public Health Measures (2 of 2)

The following are eligible expenses **if to enable compliance with COVID-19 public health precautions:**

- Maintaining state prisons and county jails, including sanitation and improvement of social distancing measures.
- Care for homeless populations provided to mitigate COVID-19 effects.
- Ongoing expenses from decommissioned equipment placed back into use or an unplanned lease renewal in order to respond to the public health emergency to the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance.

ELIGIBLE USES ECONOMIC SUPPORT (1 OF 2)

5

Economic Support (1 of 2)

- Provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
- Local government payroll support program.
- Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
- Consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense.
- Employment and training programs for employees who have been furloughed due to the public health emergency, if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

ELIGIBLE USES ECONOMIC SUPPORT (2 OF 2)

5

Economic Support (2 of 2)

- Program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs.
- Grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need. A grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure.

6

Other

Any other COVID-19 related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

TRANSFERRING FUNDS

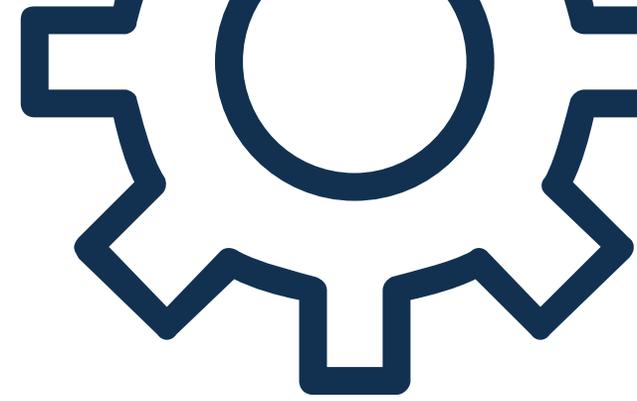
Local governments may transfer CRF funds to other local units of government.

Local governments may also use Fund payments in the form of a grant or a short-term loan to support public or private business entities to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency.

If you transfer any funds to other local units of government, or award grants or loans to business entities, you must ensure they follow the same federal requirements you are subject to, and you are responsible for subrecipient monitoring regulations under [Uniform Grant Guidance](#)

If a local government has transferred funds to another entity, the Treasury Department would seek to recoup any funds used in a manner not consistent with the CARES Act from the government that received the CRF Fund payment directly from the State.

INELIGIBLE COSTS



Expenses that **DO NOT** qualify for CRF:



INELIGIBLE COSTS

- Expenses for the State share of Medicaid.
- Replacement of lost revenues, including property tax relief.
- Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
- Reimbursement to donors for donated items or services.
- Workforce bonuses other than hazard pay or overtime.
- Severance pay or legal settlements
- Damages covered by insurance.
- Per capita payments to residents of a particular jurisdiction without an assessment of individual need

USING CRF FOR FEMA, WORKERS' COMPENSATION AND OTHER COSTS

FEMA Public Assistance (PA) Funding Considerations:

Any local government receiving aid under this distribution is expected to pay the nonfederal share of federal disaster (FEMA) assistance due to the COVID-19 public health peacetime emergency. Treasury guidance states that CRF may be used to pay for the nonfederal share.

Workers' Compensation:

Increased workers' compensation cost to the government due to the COVID-19 public health emergency is an eligible expense. A local government receiving aid under this distribution **shall use** the funds, if necessary, to pay for COVID-19 workers' compensation costs expended between April 7, 2020 and December 1, 2020 for employees in job classifications entitled to the presumption established by Laws 2020, chapter 72, section 1.

Community Health Boards:

As stated in the certification materials, local governments should use the funds to support Community Health Board COVID-19 efforts.

CORONAVIRUS RELIEF FUND (CRF) GUIDANCE

CONTENT AGENDA

01 INTRODUCTIONS &
FUND OVERVIEWS

02 REQUESTING &
ACCESSING FUNDS

- Registering to receive funds
- Fund Distribution Methodology

03 REPORTING
DEMONSTRATION

TIMELY ACTION REQUIRED

- Local Governments that **DO NOT** have a State of Minnesota State Wide Integrated Financial Tool (SWIFT) supplier ID will need to create one to receive a distribution of funds
- Local Governments that **DO NOT** have a DUNS number will need to obtain one and register in the System for Award Management (SAM) within 30 days of receipt of CRF funds from the State. This is a requirement so the Federal Government can track the distribution of federal funds.
- Instructions on how to create a SWIFT account, enroll in SAM, and obtain a DUNS number follow.

DISTRIBUTION METHODOLOGY – CERTIFICATION: SWIFT USER ID (VENDOR #)

CERTIFICATION (AND DISBURSEMENT) REQUIRES SWIFT ID

PROCESS TO REQUEST A SWIFT ID:

[ONLY FOR LOCAL GOVERNMENTS THAT DO NOT HAVE A SWIFT SUPPLIER ID (VENDOR #)]

SWIFT Vendor Portal <https://mn.gov/mmb/accounting/swift/vendor-resources/>

The State's accounting system is called State Wide Integrated Financial Tools (SWIFT). Vendors interact with the State through the [Supplier Portal](#), which is part of SWIFT. The Supplier Portal allows vendors to login and view payment detail as well as maintain address and contact information related to their vendor record.

Every individual and organization doing business with the State is considered a vendor. To view invoices or payments through the Supplier Portal, vendors must be registered with the State. If you are a new or prospective vendor, please navigate to the Supplier Portal [Vendor Registration link](#) to register as a vendor. Existing vendors can request a User ID to login to the Supplier Portal by clicking the [Create a New User ID link](#). When a vendor registration is approved or the new User ID is approved, a confirmation is sent to the email address entered during the registration/creation process. If you have a SWIFT ID and don't know it, you can contact efthelpline.mmb@state.mn.us.

DISTRIBUTION METHODOLOGY – CERTIFICATION: SAM ACCOUNT AND DUNS

CERTIFICATION (AND DISBURSEMENT) REQUIRES A SAM USER ACCOUNT TO ENABLE TRACKING THE FLOW OF FUNDS. THIS NEEDS TO BE COMPLETED WITHIN 30 DAYS OF SUBMITTING THE CERTIFICATION. THE SAM USER ACCOUNT REQUIRES A DUN & BRADSTREET RECORD (DUNS #)

[ONLY FOR LOCAL GOVERNMENTS THAT DO NOT HAVE A SAM USER ACCOUNT]

PROCESS TO REQUEST A DUNS NUMBER

DUN & BRADSTREET [HTTPS://FEDGOV.DNB.COM/WEBFORM/](https://fedgov.dnb.com/webform/)

The System for Award Management (SAM) is an official website of the U.S. government. To register in SAM, at a minimum, you will need the following information:

- Your DUNS Number, Legal Business Name, and Physical Address from your Dun & Bradstreet (D&B) record.
- If you don't already have one, you can request a DUNS Number for FREE from D&B.
- Your Taxpayer Identification Number (TIN) and Taxpayer Name associated with your TIN. Review your tax documents from the IRS (such as a 1099 or W-2 form) to find your Taxpayer Name.
- Your bank's routing number, your bank account number, and your bank account type, i.e. checking or savings, to set up Electronic Funds Transfer (EFT).

dun & bradstreet



Spam-blockers and other security features on your computer or network could block our email responses which may include your DUNS Number. Please ensure that you are able to receive emails from SAMhelp@dnb.com. Adding SAMhelp@dnb.com to your address book may help prevent our emails from being inadvertently blocked.

DISTRIBUTION METHODOLOGY – CERTIFICATION: SAM ACCOUNT

PROCESS TO REQUEST A CREATE A SAM USER ACCOUNT

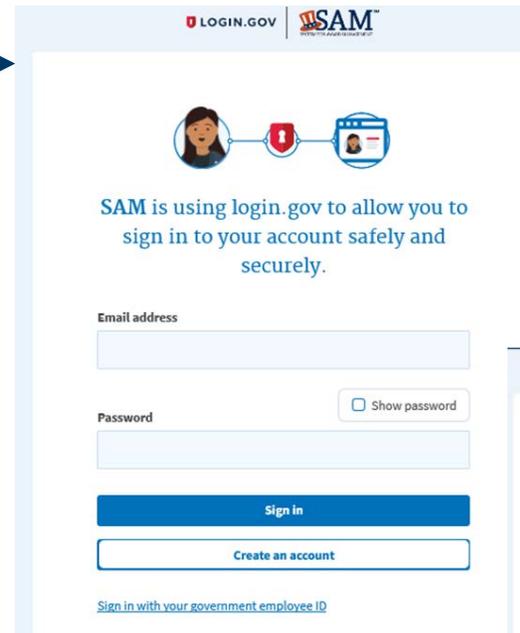
[ONLY FOR LOCAL GOVERNMENTS THAT DO NOT HAVE A SAM USER ACCOUNT]

SYSTEM FOR AWARD MANAGEMENT (SAM)

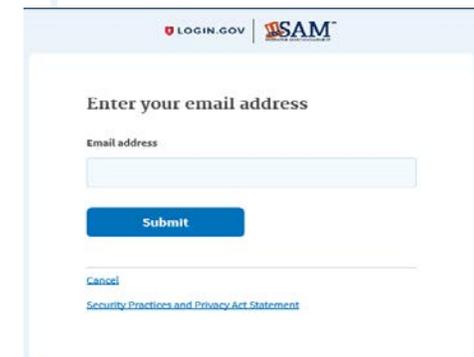
<https://sam.gov/SAM/pages/public/index.jsf>



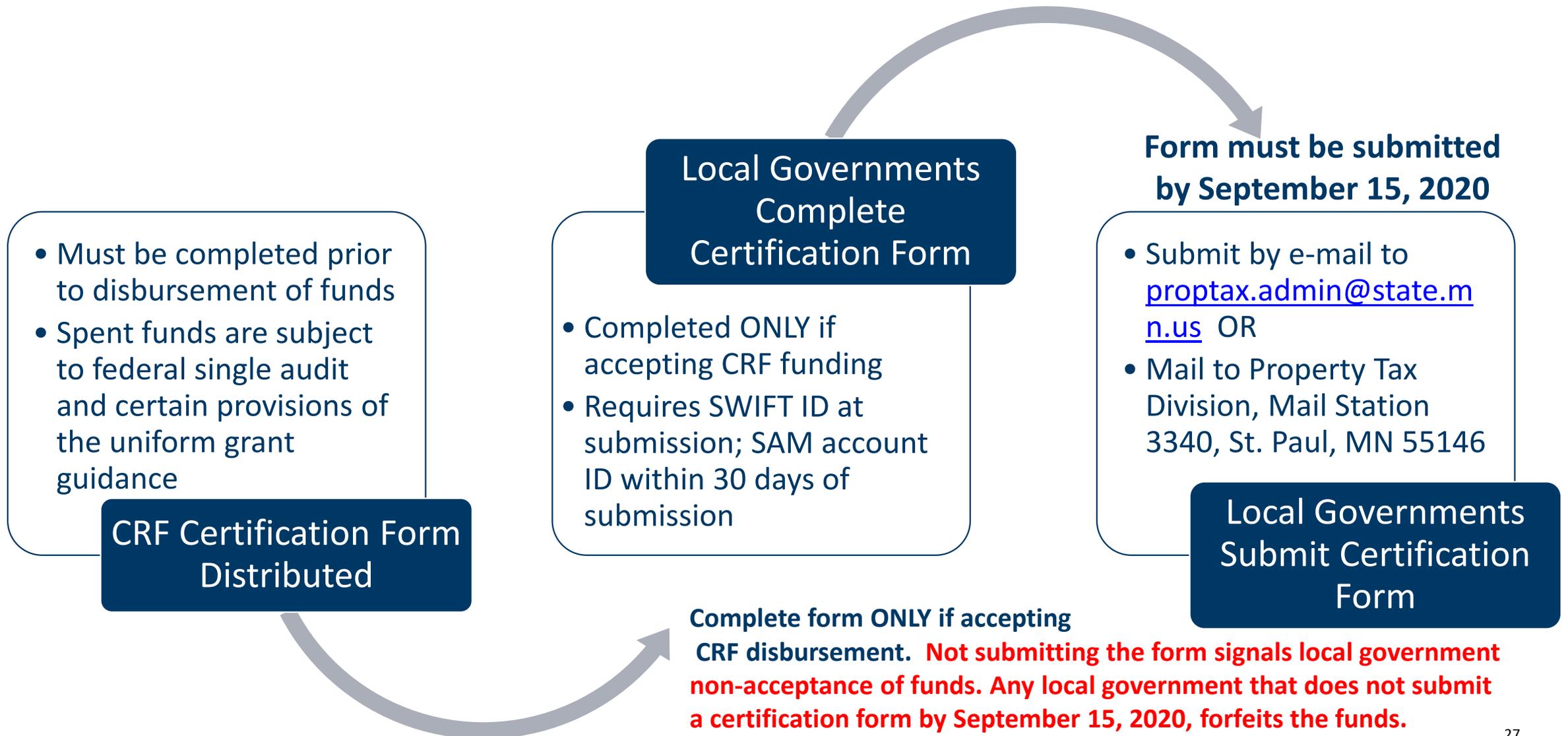
Select “Create A User Account” to view the FAQs



Select [Log In]
Choose [Create an Account]
Enter your email address
then [Submit]



DISTRIBUTION METHODOLOGY – CERTIFICATION FOR DISBURSEMENT OF FUNDS



DISTRIBUTION METHODOLOGY – DISTRIBUTION ALLOCATION

The Department of Revenue is tasked with the monetary distribution to local governments according to the determined formula based on per capita as defined in statute. A completed Revenue CRF Certification form must be received by September 15, 2020. After this time, the Department of Revenue will disburse funds.

Not submitting the form signals local government non-acceptance of funds

- Funds will be distributed by means of electronic funds transfer (EFT)
- Funds will be distributed by check via mail to local governments not equipped to receive EFT

DISTRIBUTION METHODOLOGY – REPORTING (1 OF 4)

These distributions are federal funds (CFDA 20.019) that come with federal requirements. Both guidance and requirements continue to evolve and communications will be provided on any changes. **Key Points:**

- State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance
- Treasury Department would seek to recoup the funds used in a manner not consistent with section 601(d) of the Social Security Act
- Expenditures more than \$750,000 in federal funds in this calendar year require a single audit from the Office of the State Auditor or private CPA firm. The audit period for these funds will be calendar year 2020 and the audit will need to be completed by September 30, 2021 for fiscal year ending December 31, 2020

**Document all your decisions in case you need to explain rationale to the auditors.
There is no such thing as overdocumentation!**

DISTRIBUTION METHODOLOGY – REPORTING (2 OF 4)

The MN COVID-19 Response Accountability Office plays a lead role in developing state agency and sub-recipients' (local governments) documentation and reporting requirements. Local governments (cities, counties, and townships) accepting CRF funds will be required to submit monthly, interim and final reports:

Monthly: Report the spend status of allotted Coronavirus Relief Funds awarded by Minnesota Management and Budget. This requires reporting the total spent to date and the total received by the agency.

IF ALL CRF FUNDS HAVE BEEN SPENT, THEN COMPLETE THE FINAL REPORT

DISTRIBUTION METHODOLOGY – REPORTING (3 OF 4)

Final: Report the spend status of allotted Coronavirus Relief Funds awarded by Minnesota Management and Budget. This requires reporting summary and detail information.

- *Summary:* is the same as that for the monthly reporting on the total spent to date
- *Detail:* Requires selection of the eligible CRF category, the amount spent and the date

IF ALL CRF FUNDS HAVE BEEN SPENT, THEN COMPLETE THE FINAL REPORT

CORONAVIRUS RELIEF FUND (CRF) GUIDANCE

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01

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FUND OVERVIEWS

02

REQUESTING &
ACCESSING FUNDS

03

REPORTING
DEMONSTRATION

- Local Government Reporting Process Workflows

Sample Expenditure Report

Local Government Expenditure Monthly Report

* Required

1. Name of Local Government *

Enter your answer

2. SWIFT Supplier ID # *

Enter your answer

3. Name and Title of Person Filling Out Form *

Enter your answer

4. Phone number of the person filling out the form *

Enter your answer

5. E-mail address of person filling out the form *

Enter your answer

6. What was the dollar amount of your local government's Coronavirus Relief Fund (CFDA# 20.019) allocation from the State of Minnesota? *

The value must be a number

7. Of the amount in question #6, what is the total dollar amount you have spent to date (actual expenditures)? *

The value must be a number

8. What is the date you are submitting this report? *

Please input date in format of M/d/yyyy

Submit

DISTRIBUTION METHODOLOGY – REPORT SUBMISSION

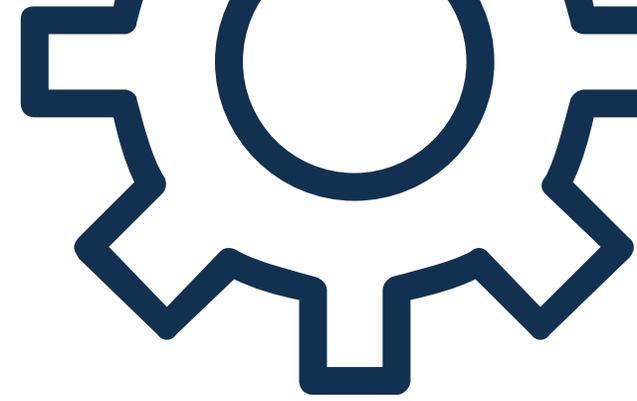
The MN COVID-19 Response Accountability Office will create a portal to support an online, digital reporting process using Microsoft Forms and other methods. All information will be available on our website: <https://mn.gov/mmb/covid-19-response-accountability-office/>

References

1. Coronavirus Relief Fund, Guidance for State, Territorial, Local, and Tribal Governments, April 22, 2020 (updated June 30, 2020) (<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>)
2. Coronavirus Relief Fund Frequently Asked Questions, Updated June 24, 2020 (<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>)

CORONAVIRUS RELIEF FUND (CRF)

New Guidance Language (1 of 5)

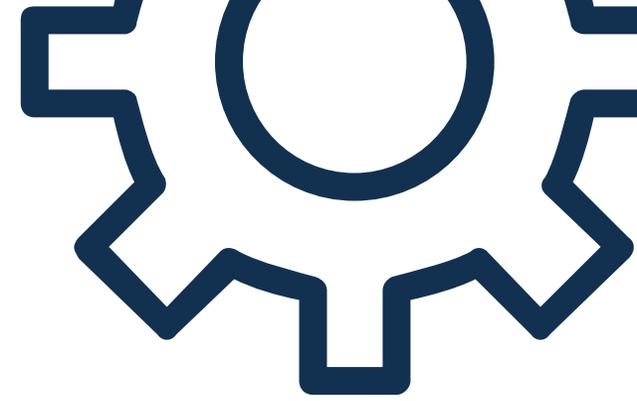


Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID–19 public health emergency during the covered period.

¹ The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

CORONAVIRUS RELIEF FUND (CRF)

New Guidance Language (2 of 5)

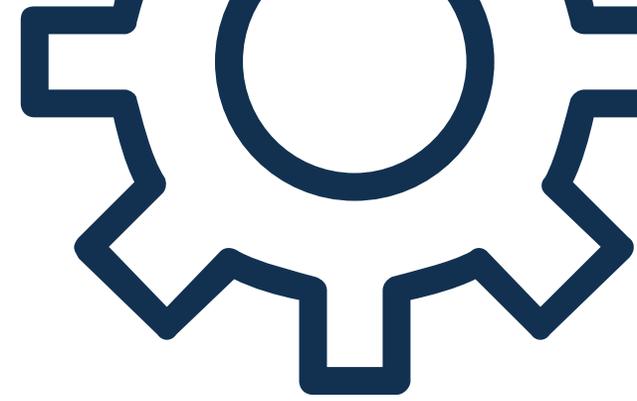


Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

¹ The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

CORONAVIRUS RELIEF FUND (CRF)

New Guidance Language (3 of 5)

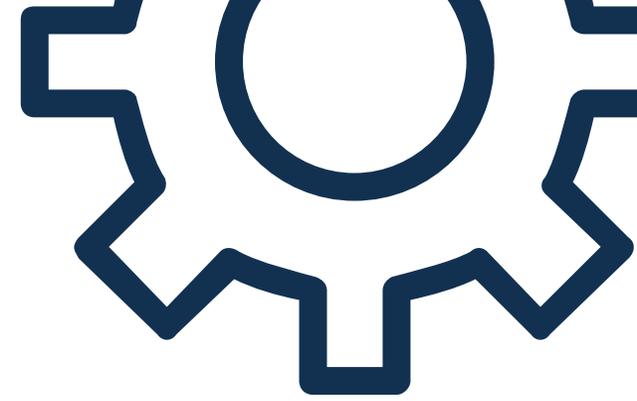


Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient's usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

¹ The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

CORONAVIRUS RELIEF FUND (CRF)

New Guidance Language (4 of 5)

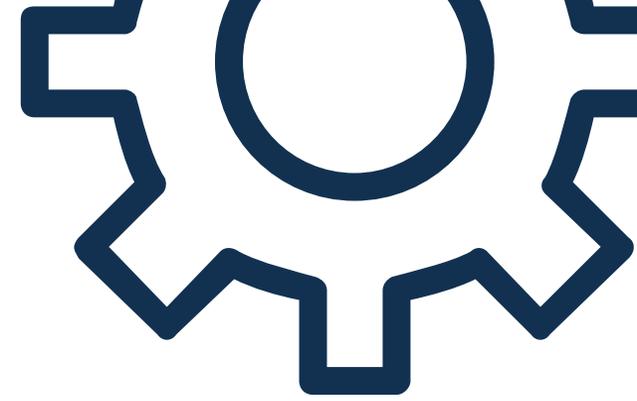


Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

¹ The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

CORONAVIRUS RELIEF FUND (CRF)

New Guidance Language (5 of 5)



This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

¹ The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

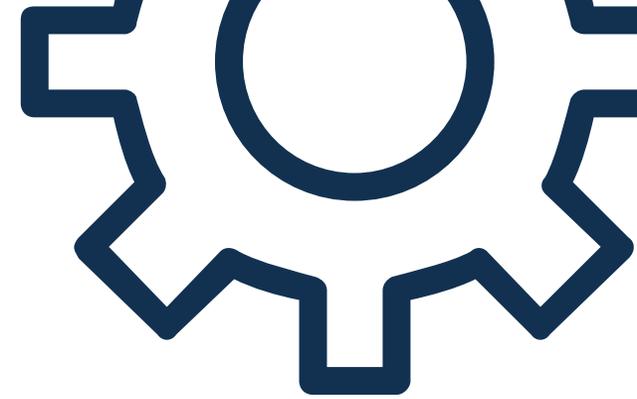
CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions

Updated as of June 24, 2020

The following [PowerPoint slides] answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020. Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

1 The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 1)

Updated as of June 24, 2020

1 ELIGIBLE EXPENDITURES

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 2)

Updated as of June 24, 2020

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 3)

Updated as of June 24, 2020

May a State receiving a payment transfer funds to a local government?

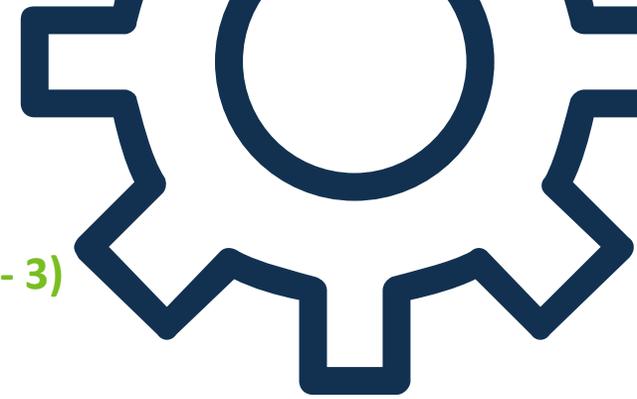
Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 4)

Updated as of June 24, 2020

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 5)

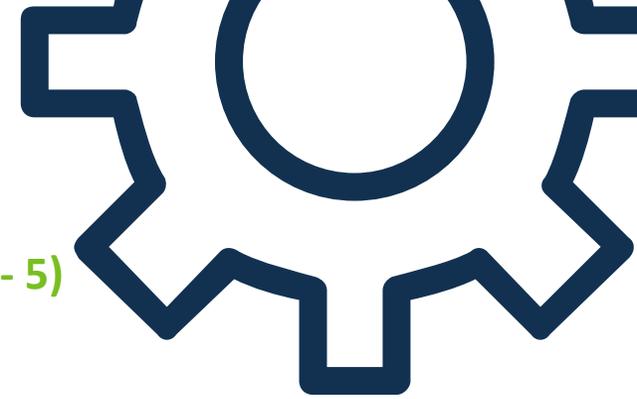
Updated as of June 24, 2020

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 6)

Updated as of June 24, 2020

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 7)

Updated as of June 24, 2020

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contact tracing eligible?

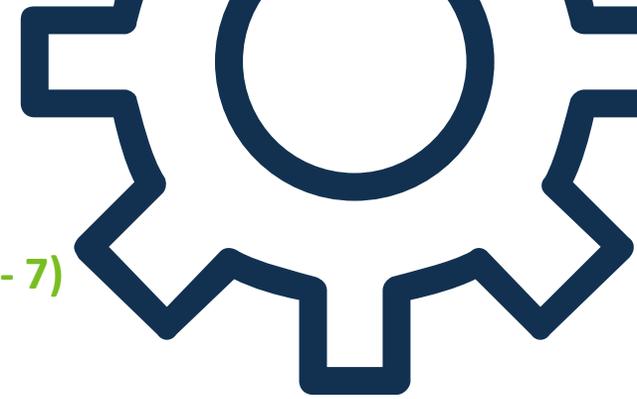
Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 8)

Updated as of June 24, 2020

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

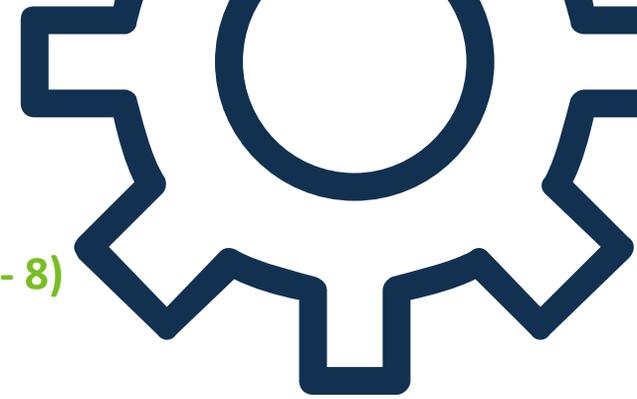
Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency. .

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a “payroll support program” for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 9)

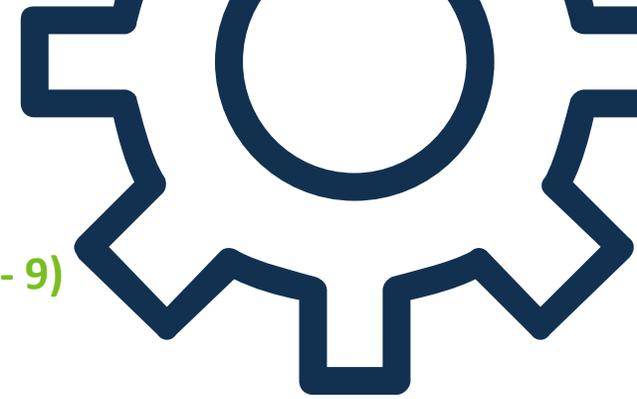
Updated as of June 24, 2020

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 10)

Updated as of June 24, 2020

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 11)

Updated as of June 24, 2020

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 12)

Updated as of June 24, 2020

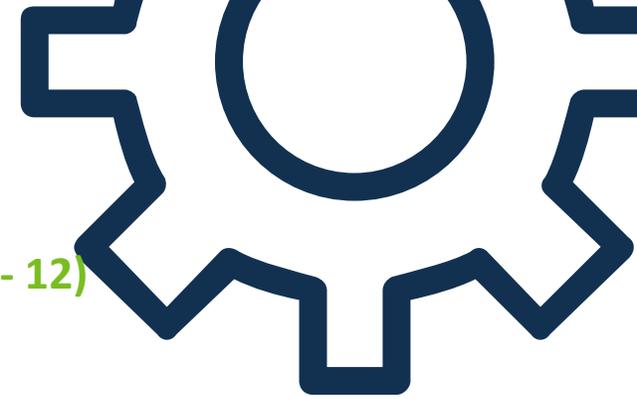
Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 13)

Updated as of June 24, 2020

The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 14)

Updated as of June 24, 2020

Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

May a State impose restrictions on transfers of funds to local governments?

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 15)

Updated as of June 24, 2020

If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the accrued interest expense on TANs and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 16)

Updated as of June 24, 2020

May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 17)

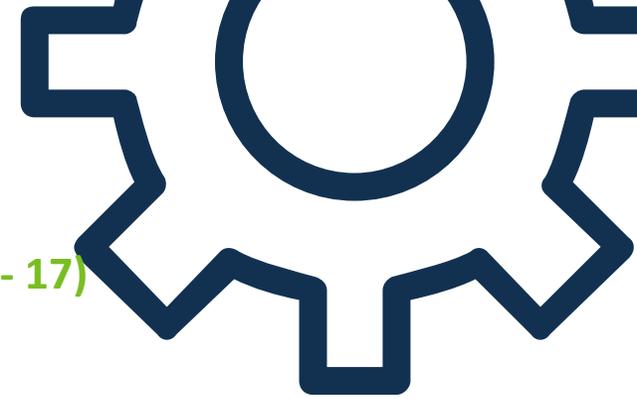
Updated as of June 24, 2020

May recipients use Fund payments to provide loans?

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 18)

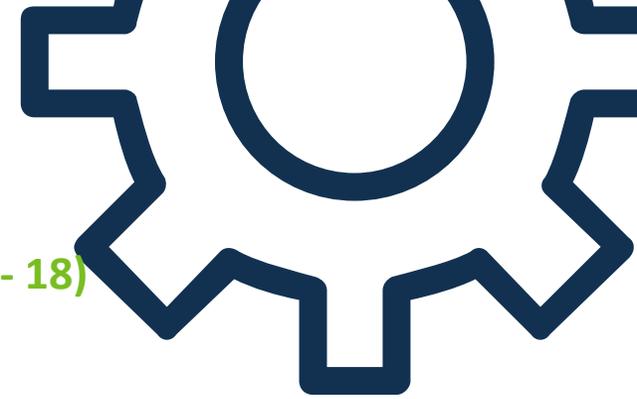
Updated as of June 24, 2020

May funds be used to satisfy non-federal matching requirements under the Stafford Act?

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 19)

Updated as of June 24, 2020

May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Eligible Expenditures - continued - 20)

Updated as of June 24, 2020

May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions

Updated as of June 24, 2020

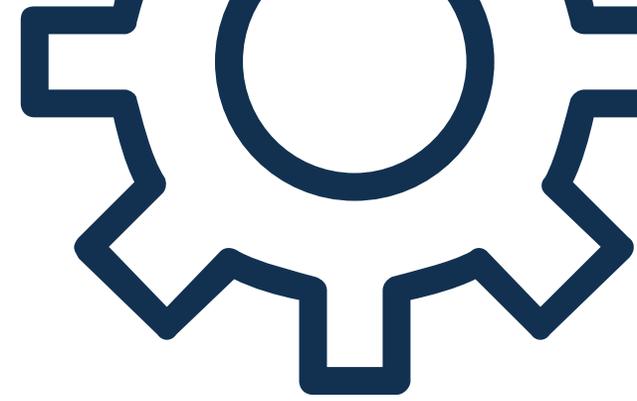
2 QUESTIONS RELATED TO ADMINISTRATION OF FUND PAYMENTS

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Admin of Funds – continued – 2)

Updated as of June 24, 2020

May recipients deposit Fund payments into interest bearing accounts?

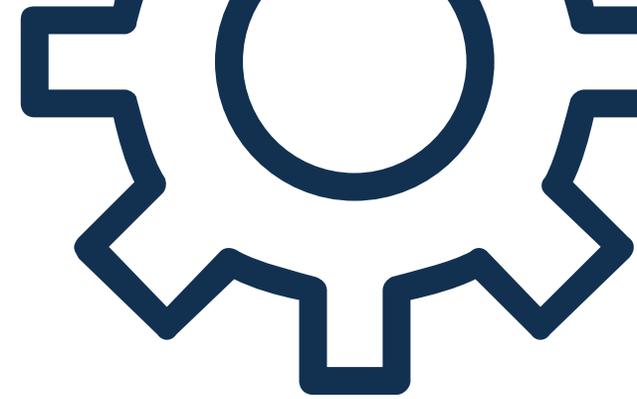
Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Admin of Funds – continued – 3)

Updated as of June 24, 2020

Are Fund payments to State, territorial, local, and tribal governments considered grants?

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are “other financial assistance” under 2 C.F.R. § 200.40.

Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?

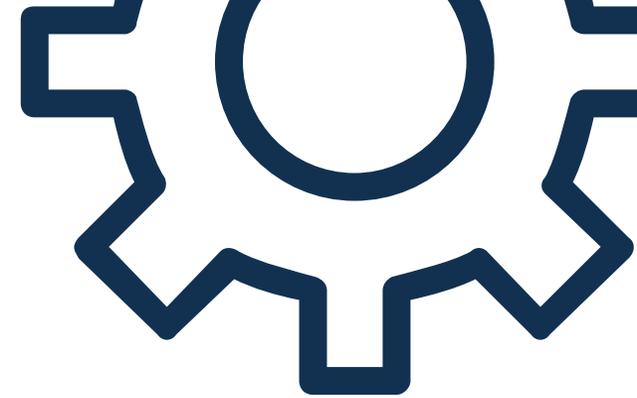
Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Are Fund payments subject to other requirements of the Uniform Guidance?

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?

Yes. The CFDA number assigned to the Fund is 21.019.



CORONAVIRUS RELIEF FUND (CRF)

Frequently Asked Questions (Admin of Funds – continued – 4)

Updated as of June 24, 2020

If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

