

Notice & Agenda

Swift County Board of Commissioners

Tuesday, March 17, 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 March 2, 2020 Special Meeting
	3-4	(2) Minutes from March 3, 2020 Regular Meeting
	5-10	(3) Consider approval for a Joint Powers Agreement Resolution 20-03-19, National Incident-Based Reporting System (NIBRS) State of MN
	11-19	(4) Consider approval for an Independent Contract Agreement for the Environmental Educator with Environmental Services
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.		Catie Lee, Human Services Director
	20-21	Human Services Update
9:55 a.m.		Update on the Prairie 5 Move
10:05 a.m.		Discussion on SCBHS Re-structure and Refinancing Options
	22-31	Consider reviewing hospital restructure and deb restructure options for the Swift County – Benson Hospital and ROI, Inc. Consider approving a Joint meeting between Swift County Benson Hospital, City of Benson and Swift County on Monday, March 30, 2020, at 5:30 p.m.
11:30 a.m.		Other Business
		Set Road tour
		Health Insurance Committee Request
		Policy Committee Discussion
11:40 a.m.		Adjournment

SWIFT COUNTY BOARD SPECIAL MEETING MINUTES
March 2, 2020

Date convened: Monday, March 2, 2020

Time Convened: 5:30 PM.

Time adjourned: 7:07 PM.

The purpose of this special meeting was to hold a joint meeting of the SCBHS Board of Directors, Swift County Commissioners and the Benson City Council to discuss the Swift County Benson Hospital Financing Options.

Swift County - Commissioners Hendrickx, Fox, E. Pederson, P. Peterson, Rudningen, County Administrator Kelsey Baker, County Attorney Danielle Olson and Auditor Kim Saterbak.

Swift County Benson Hospital – Patty Schreck, Pat Langan, Tom Anderson by phone; Joe Fox, Jon Buyck, by phone; Jill Martin, Grant Herfindahl, Dan Enderson, Ex Officio and Melissa McGinty-Thompson, Ex Officio.

City of Benson – City Manager Rob Wolfington, Benson Mayor Terri Collins, City Council Members: Jack Evenson, Lucas Olson, and Mark Schreck.

Swift County Monitor News – Reed Anfinson.

Others Present – SCBHS Legal Counsel Don Wilcox, SCBHS HR Director Ashlie Bradley, Clinic Manager Sarah Young, SCBHS Executive Assistant Michele Samuelson, Joe Hellie, CentraCare by phone; Ryan Bjerke, CentraCare, Tami Koosmann, CentraCare by phone; George Eilertson, Northland Securities, and Mark Hughes.

Swift County Commissioner Hendrickx, called the special joint meeting to order at 5:30 PM. with all Swift County Commissioners present.

Chair Schreck asked for additions to the agenda. Herfindahl moved and Langan seconded to accept the agenda as presented. Motion carried unanimously.

Introductions of all meeting attendees were made.

Bjerke, Enderson and McGinty -Thompson presented on the SCBHS existing debt restructure options and on SCBHS capital commitments. The historical background was presented related to the affiliation not taking place and the challenges this decision has led to related to debt restructure. The roles and responsibilities of the various stakeholders were reviewed. Debt restructure options and assessment of each was provided. The option to refinance all debt with only tax-exempt bonds was presented as the preferred option and rationale for this recommendation were explained. Impact to the County was assessed by George Eilertson, Northland Securities and presented to the attendees. Ongoing capital commitments were reviewed, and existing sources of funding were identified. A recommendation summary was presented, and the next steps outlined. The floor was opened for discussion.

Discussion was held on the options presented and any other options that could be potentially researched. The timeline for the next steps was reviewed including the SCBHS Board passing a resolution to be presented to both the City of Benson and the Swift County Commissioners at their respective meetings on March 16 and March 17, 2020. Approval will be sought from both entities based on the resolution the SCBHS Board approves. A copy of the presentation was shared with all present and is available upon request to Michele Samuelson, SCBHS Administrative Assistant.

The Swift County Board of Commissioners adjourned and the Hospital continued their meeting.

Commissioner P. Peterson moved and Commissioner Fox seconded to adjourn. Motion carried unanimously.

Special Meeting adjourned at 7:01 PM.

WITNESSED:

Gary Hendrickx, Chair

ATTEST:

Kelsey Baker, County Administrator

SWIFT COUNTY BOARD MINUTES

March 3, 2020

Chairman Hendrickx called the meeting to order at 9:00 AM with all members present. Also present: County Administrator Kelsey Baker, County Attorney Danielle Olson, Assistant County Attorney Shawn Reinke, Terri Orr and members of the public.

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

03-03-20-01 Commissioner E. Pederson moved and Commissioner Rudningen seconded to approve the agenda. Motion carried unanimously.

03-03-20-02 Commissioner Fox moved and Commissioner Rudningen seconded to approve the Consent Agenda items: (1) Approval of Minutes from February 18, 2020 Regular Meeting, (2) Approval of a letter of intent to move forward with the County Geologic Atlas Program, (3) Approval of 509 Tax Abatement Policy, 510 Economic Tax Abatement Policy and 216 Drug and Alcohol testing for operators of commercial vehicles Policy. A brief discussion was held. Motion carried unanimously.

03-03-20-03 Commissioner P. Peterson moved and Commissioner E. Pederson seconded to approve the Commissioner warrants as follows: Revenue: \$75,061.66; Solid Waste: \$14,216.23; County Road & Bridge: \$18,886.79; Human Services: \$298.38; County Ditches Fund: \$200.00; County Health Insurance: \$436.00; which includes the following bills over \$2,000: Fire Safety USA Inc., \$8,950.00; Geyer Recycling, \$6,221.33; HP Inc., \$4,586.37; Midstates Hydraulics & Machine Inc., \$2,051.26; Northern Lights Trail Snowmobile Club, \$11,359.88; Soil Conservation Office, \$21,125.00; Attorney Neil Tangen, \$5,226.00; Treasurer, City of Appleton, \$7,289.17; Waste Management Of WI-MN, \$6,866.45. Motion carried unanimously.

Board and Committee Reports were given as follows: Commissioner E. Pederson reported on DAC, Computer Professional Technology, Censes Committee, Historical Society and Hospital meeting. Chairman Hendrickx reported on Hospital meeting, AMC Board, and AMC Legislative Conference. Commissioner Fox reported on Hospital Finance, Chippewa River Watershed, Hospital meeting, AMC Legislative Conference and Human Services. Commissioner Rudningen reported on Prairie Lakes Youth Programs and Hospital meeting.

Administrator Baker reported on Hospital Refinancing, AMC Legislative Conference, HRA's Swift Housing Improvement Program, Technology Committee, vacant position in Assessors Department and meeting on the Grow building.

Chairman Hendrickx asked for citizen's comments. Mark Hughes had questions regarding the Hospital project and the USDA.

Assistant Director of Community Health Programs Kristin Boike requested approval for an Amended Supporting Hands Nurse Family Partnership Joint Powers Agreement.

03-03-20-04 Commissioner P. Peterson moved and Commissioner Fox seconded to approve and Amended Supporting Hands Nurse Family Partnership Joint Powers Agreement. Motion carried unanimously.

Kristin Boike further updated the Board on COVID-19.

Assistant County Attorney Shawn Reinke held a discussion on the status of the Tobacco Ordinance. The Commissioners discussed to continue discussing the matters throughout Legislative Session continues.

Assistant County Attorney Shawn Reinke presented the County Attorney's Quarterly report.

County Engineer Andy Sander requested approval to sign Gravel Crushing Contract with Commerford Gravel.

03-03-20-05 Commissioner Rudningen moved and Commissioner P. Peterson seconded to approve the Gravel Crushing Contract with Commerford Gravel. A brief discussion was held. Motion carried unanimously.

County Engineer Andy Sander requested approval to purchase one new truck and equipment off of the State Contract.

Commissioner P. Peterson moved and Commissioner E. Pederson second to approve the Istate Truck

Center 2021 Freightliner 1145SD and TBEI Inc. Truck Box and Plow Equipment. After a brief discussion Commissioner P. Peterson withdrew his motion and Commissioner E. Pederson seconded the motion.

03-03-20-06 Commissioner E. Pederson moved and Commissioner P. Peterson seconded to approve the purchase from Istate Truck Center for the 2021 Freightliner 114SD and Towmaster Truck Equipment for the Truck Box and Plow equipment. Motion carried unanimously.

County Treasurer Ron Vadnais updated the board on 4th Quarter 2019 cash & investments.

Ron Vadnais further requested approval for a Park Reservations Deposit Account.

03-03-20-07 Commissioner Rudningen moved and Commissioner Fox seconded to approve the Park Reservation Deposit Account. Motion carried unanimously.

County Auditor Kim Saterbak updated the board on 4th Quarter 2019 Executive Department Budget Report.

The board recessed at 10:35 AM.

The board reconvened at 10:41 AM.

The 2020 Wheelage Tax was discussed and the board had a short discussion. No action was taken and to continue looking at yearly.

Hospital Refinancing follow-up discussion. A lengthy discussion was held no action was taken at this time.

A request for approval to begin the process to move Prairie 5 to the Grow building.

03-03-20-08 Commissioner P. Peterson moved and Commissioner Fox seconded to approve the process to move Prairie 5 to the Grow building. A brief discussion was held. Motion carried unanimously.

RDA Director Jennifer Frost and HRA Director Vicki Syverson updated the board on Housing Initiatives provided on the three active programs. Preserving Swift County Rural Development (RD) 515 Properties, Establishing a Swift County Local Housing Trust Fund and Owner-occupied Rehab.

03-03-20-09 Commissioner P. Peterson moved and Commissioner Rudningen seconded to adjourn. Motion carried unanimously.

The meeting adjourned at 11:40 AM.

WITNESSED:

Gary Hendrickx, Chair

ATTEST:

Kelsey Baker, County Administrator



Joint Powers Agreement

National Incident-Based Reporting System (NIBRS)

State of Minnesota

This Agreement is between the State of Minnesota, acting through its Commissioner of Public Safety on behalf of the Bureau of Criminal Apprehension [BCA] ("State"), and the County of Swift, acting on behalf of its Sheriff's Office ("Governmental Unit").

Recitals

1. Under Minnesota Statutes § 471.59, subdivision 10, the State is empowered to engage such assistance as deemed necessary. The BCA is the state agency that collects incident data and through which Minnesota crime statistics are reported to the Federal Bureau of Investigation (FBI). The FBI has established January 1, 2021, as the deadline by which all states must submit crime statistics in the National Incident-Based Reporting System (NIBRS) format. The State is in need of assistance from the Governmental Unit to implement and certify the integration of incident reporting and the submission of crime statistics in the NIBRS format as well as crime statistics unique to Minnesota (MN-NIBRS).
2. Law enforcement agencies in the State of Minnesota are required to report crime statistics to the State. Subsequently the State reports those statistics to the FBI pursuant to Minnesota Statutes § 299C.05. Current crime statistics reporting has less detail than is required to be MN-NIBRS compliant. The State has funding available to assist the Governmental Unit to implement and certify crime statistics reporting to meet MN-NIBRS requirements as well as submit incident data for use during investigations pursuant to Minnesota Statutes § 299C.40.

Agreement

1 Term of Agreement

- 1.1 **Effective Date.** The Agreement is effective on the date the State obtains all required signatures under Minnesota Statutes § 16C.05, subdivision 2.
- 1.2 **Expiration Date.** The Agreement ends April 30, 2021, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Deadlines for Compliance.** All terms of this Agreement between parties must be satisfactorily fulfilled by December 31, 2020, with the exception of Governmental Unit Duty 12, which has a deadline of April 30, 2021.

2 Agreement Between the Parties

The Governmental Unit Duties:

1. Continue to submit its crime statistics until its submissions have been certified by State as MN-NIBRS compliant.
2. Coordinate and communicate with any other government agencies using Governmental Unit's records management system ("RMS") to do crime reporting to ensure that all understand the benefits of transitioning to NIBRS.
3. Draft and execute an agreement with its RMS vendor to implement an electronic submission format that will report its incident data in a format that meets BCA and MN-NIBRS reporting requirements. The Governmental Unit's agreement with its RMS vendor must provide that the vendor:
 - (a) guarantees the Governmental Unit is compliant with State's requirements as listed below in Items 10 and 11 below;
 - (b) is notified by the Governmental Unit of changes to the requirements listed below in Items 9 and 10;
 - (c) is provided by the Governmental Unit with documentation of the Crime Reporting System ("CRS");
 - (d) is required to assist in the resolution of any errors during the testing period and the corrective fixes be available to existing and future MN-NIBRS installations at no additional cost;
 - (e) provides the Governmental Unit with any documentation necessary for the successful operation of the input submissions.
4. Submit the agreement draft with its RMS vendor to the State for approval prior to execution.
5. Create a project plan with its RMS vendor identifying how the vendor will ensure that all the work required for the Governmental Unit to submit incident data and MN-NIBRS complaint crime statistics are within the scope of this Agreement.
6. Submit the project plan with its RMS vendor to the State for approval.
7. Refrain from authorizing work on the implementation of the MN-NIBRS compliant submissions until the State

approves the RMS vendor agreement draft, the agreement is executed, and the State approves the RMS vendor project plan.

8. Require the Governmental Unit's staff and the staff of the RMS vendor attend periodic status meetings and demonstrations organized by the State.
9. Assure the RMS vendor installs a version of software that is compliant with the State requirements.
10. Ensure that the implementation meets the requirements of the Minnesota Department of Public Safety's Security Architecture, State of Minnesota Non-Visual Access Standards (https://mn.gov/mnit/assets/Stnd_State_Accessibility_tcm38-61585.pdf), and the CRS Vendor Adapter Specifications, and the CRS Data Mapping Requirements, which are posted on the CJIS Launch Pad (<https://bcanextest.x.state.mn.us/launchpad/>). These documents and any revisions posted to the website are incorporated into this Agreement by reference. The Governmental Unit is responsible for checking the website periodically for updates to these documents and providing any changes to its RMS vendor.
11. Test its electronic submissions in the State's test environment according to the "CRS Agency Vendor Test Plan" posted on the CJIS Launch Pad at <https://bcanextest.x.state.mn.us/launchpad/> located under MNJIS Training/ NIBRS. This document and any revisions posted to the website are incorporated into this Agreement by reference. The Governmental Unit is responsible for checking the website periodically for updates to these documents and providing any changes to its RMS vendor.
12. Achieve certification for its electronic submissions by sending three (3) consecutive months of MN-NIBRS compliant statistics with an error rate below 4% each month, a requirement of all government agencies reporting crime utilizing the RMS.
13. Transition reporting MN-NIBRS compliant crime statistics in coordination with the State at a date and time specified by the State.

The State's Duties:

1. Accept Governmental Unit's crime statistics in the existing format in use on the effective date of this Agreement.
2. Provide the Governmental Unit with documents listed in Items 10 and 11 above and maintain their accuracy including any changes made by the State or FBI.
3. Review Governmental Unit's agreement draft with its RMS vendor for the required content and either approve or disapprove the agreement. If the draft is disapproved, the State will notify Governmental Unit of the required changes to receive approval. State will review and act within ten (10) business days of receiving the agreement draft from the Governmental Unit.
4. Review Governmental Unit's project plan with its RMS vendor and either approve or disapprove the plan. If the plan is disapproved, the State will notify the Governmental Unit of the required changes to receive approval. State will review and act within ten (10) business days of receiving the plan from the Governmental Unit.
5. Schedule periodic status meetings and demonstrations as needed to ensure the project is completed.
6. Provide electronic schema and sample submission files that Governmental Unit can share with its RMS vendor.
7. Provide access to its test environment so that Governmental Unit can test its submissions.
8. Verify and validate Governmental Unit's submissions during the test period.
9. Provide training to Governmental Unit on the submission requirements and best practices for MN-NIBRS compliance.
10. Verify and validate Governmental Unit's submissions during the certification period including those made by government agencies using the RMS.
11. Issue written certification of MN-NIBRS compliance to Governmental Unit when the standards for submission have been met.
12. Provide access to its production environment and authorize Governmental Unit to switch to MN-NIBRS reporting following the written certification.

3 Payment

The State will make payments to the Governmental Unit in accordance with the following deliverables list.

Deliverable	Payment
Receipt of an executed Agreement between Governmental Unit and its RMS vendor	\$1,000
Approval of project plan	\$1,000
Receipt of mapping document of RMS data elements to CRS data elements	\$1,000
Submission of first successful test	\$1,000
Completion of training provided by vendor	\$1,000
Submission of RMS documentation to support successful operation (training and/or	\$1,000

administrative documentation)	
Successful completion of the CRS agency vendor NIBRS test plan by Governmental Unit staff	\$1,000
Certification of submissions of all appropriate investigative and crime data by the Governmental Unit	\$1,000

The total obligation of the State under this Agreement will not exceed **Eight Thousand and 00/100 Dollars (\$8,000.00)**.

4 Authorized Representatives

The State's Authorized Representative is the person below or her successor:

Name: Dana Gotz, Deputy Superintendent
 Address: Department of Public Safety; Bureau of Criminal Apprehension
 1430 Maryland Street East
 Saint Paul, MN 55106
 Telephone: 651.793.1007
 Email Address: dana.gotz@state.mn.us

The Governmental Unit's Authorized Representative is the person below or his/her successor:

Name: John Holtz, Sheriff
 Address: 301 14th St N, Suite 4
 Benson, MN 56215
 Telephone: 320.843.3133
 Email Address: john.holtz@co.swift.mn.us

5 Assignment, Amendments, Waiver, and Agreement Complete

- 5.1 Assignment.** The Governmental Unit may neither assign nor transfer any rights or obligations under this Agreement.
- 5.2 Amendments.** Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.
- 5.3 Waiver.** If the State fails to enforce any provision of this Agreement, that failure does not waive the provision or its right to enforce it.
- 5.4 Agreement Complete.** This Agreement contains all negotiations and agreements between the State and the Governmental Unit. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

6 Liability

The State and Governmental Unit agree each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. The State's liability shall be governed by provisions of the Minnesota Tort Claims Act, Minnesota Statutes § 3.736, and other applicable law. The Governmental Unit's liability shall be governed by provisions of the Municipal Tort Claims Act, Minnesota Statutes §§ 466.01-466.15, and other applicable law.

7 State Audits

Under Minnesota Statutes § 16C.05, subdivision 5, the Governmental Unit's books, records, documents, and accounting procedures and practices relevant to this agreement are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six (6) years from the end of this Agreement.

8 Government Data Practices

The Governmental Unit and State must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by the State under this agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Governmental Unit under this agreement. The civil remedies of Minnesota Statutes § 13.08 apply to the release of the data referred to in this clause by either the Governmental Unit or the State.

If the Governmental Unit receives a request to release the data referred to in this Clause, the Governmental Unit must immediately notify the State. The State will give the Governmental Unit instructions concerning the release of the data to the requesting party before the data is released.

9 Venue

Venue for all legal proceedings out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

10 Termination

10.1 Termination. The State or the Governmental Unit may terminate this agreement at any time, with or without cause, upon 30 days' written notice to the other party.

10.2 Termination for Insufficient Funding. The State may immediately terminate this agreement if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Governmental Unit. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Governmental Unit will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Governmental Unit notice of the lack of funding within a reasonable time of the State's receiving that notice.

11 E-Verify Certification (In accordance with Minnesota Statutes § 16C.075)

For services valued in excess of \$50,000, Contractor certifies that as of the date of services performed on behalf of the State, Contractor and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. Contractor is responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available at <http://www.mmd.admin.state.mn.us/doc/EVerifySubCertForm.doc>. All subcontractor certifications must be kept on file with Contractor and made available to the State upon request.

12 Continuing Obligations

The following clauses survive the expiration or cancellation of this Agreement: 6, Liability; 7, State Audits; 8, Government Data Practices; and 9, Venue.

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1. STATE ENCUMBRANCE VERIFICATION
Individual certifies that funds have been encumbered as required by Minnesota Statutes §§ 16A.15 and 16C.05.

Signed: _____

Date: _____

SWIFT PO Number: 3-65868

2. GOVERNMENTAL UNIT

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

**3. DEPARTMENT OF PUBLIC SAFETY;
BUREAU OF CRIMINAL APPREHENSION**

By: _____
(with delegated authority)

Title: _____

Date: _____

4. COMMISSIONER OF ADMINISTRATION
As delegated to Office of State Procurement

By: _____

Date: _____

RESOLUTION NO. _____

RESOLUTION APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENTS WITH THE _____ OF
ON BEHALF OF ITS _____

WHEREAS, the _____ of _____ on behalf of its _____ desires to enter into a Joint Powers Agreement with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension to receive funding to use to implement an adapter to make its records management system compatible with Minnesota National Incident-Based Reporting System requirements for which the _____ is eligible.

NOW, THEREFORE, BE IT RESOLVED by the _____ of _____, Minnesota as follows:

1. That the State of Minnesota Joint Powers Agreement by and between the State of Minnesota acting through its Department of Public Safety, Bureau of Criminal Apprehension and the _____ of _____ on behalf of its _____, is hereby approved. A copy of the Joint Powers Agreement is attached to this Resolution and made a part of it.

2. That the [title] _____, [name] _____, or his or her successor, is designated the Authorized Representative for the _____. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the agreement with the State.

To assist the Authorized Representative with the administration of the agreement, [name or position name] is appointed as the Authorized Representative's designee.

3. That _____, the _____ for the _____ of _____, and _____, the _____, are authorized to sign the State of Minnesota Joint Powers Agreement.

Passed and Adopted by the _____ on this _____ day of _____, _____.

_____ OF _____

By: [name]
Its [title]

ATTEST: _____

By: [name]
Its [title]



Request for Board Action

BOARD MEETING DATE:
March 17, 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 approving the Independent Contract for the Environmental Educator for Environmental Services	
AGENDA YOU ARE REQUESTING TIME ON: Other Business	ARE YOU SEEKING APPROVAL OF A CONTRACT? Yes
IS THIS MANDATED? No	EXPLANATION OF MANDATE: N/A
BACKGROUND/JUSTIFICATION: I am requesting to approve this contract for the Environmental Educator contracted position. This is part of the MPCA Grant we received for the Recycling/Composting Facility. This contracted position is paid for through the grant dollars. Our Labor Attorney, Pemberton Law has reviewed.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	None

Budget Information

FUNDING:

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS: n/a	RECOMMENDATIONS: Approve
COMMENTS: n/a	COMMENTS: None

INDEPENDENT CONTRACTOR AGREEMENT

INDEPENDENT CONTRACTOR:

Alex C. Larson
3819 25th Street SW
Waverly, MN 55390

Alex C. Larson (hereinafter referred to as "INDEPENDENT CONTRACTOR") agrees to provide to Swift County Environmental Services, Minnesota (hereinafter referred to as "COUNTY"), independent contractor services as specified in Exhibit A in accordance with the terms and conditions contained in this Agreement.

1. Term. INDEPENDENT CONTRACTOR shall coordinate his work efforts and maintain a liaison with the Swift County Environmental Services Director, or with a duly appointed representative. Unless terminated in accordance with provisions of Paragraph 9 hereof, these services shall be performed during the period stated in Exhibit A. During such term, INDEPENDENT CONTRACTOR shall make himself available and will use his best efforts to perform those services.

2. Payment For Services Rendered. For providing services as defined herein, COUNTY shall pay INDEPENDENT CONTRACTOR in accordance with the terms stated in Exhibit A. Under no circumstances shall INDEPENDENT CONTRACTOR be deemed to have earned or be entitled to any fee, expenses, commission, bonus, or other compensation for services hereunder, except as expressly provided in Exhibit A.

3. INDEPENDENT CONTRACTOR's Warranties.

3.1 INDEPENDENT CONTRACTOR hereby warrants that no other party has exclusive rights to his services in the specific areas described herein and as described in Exhibit A and that INDEPENDENT CONTRACTOR is in no way compromising any rights or trust relationships between any other party and INDEPENDENT CONTRACTOR, or creating a conflict of interest, or any possibility thereof, for INDEPENDENT CONTRACTOR or for COUNTY. INDEPENDENT CONTRACTOR further warrants that all services provided hereunder will be performed in accordance with all applicable Federal, State, or local laws, rules, regulations, ordinances, and executive orders. INDEPENDENT CONTRACTOR agrees to defend, indemnify and hold COUNTY harmless from any and all claims of other parties for breach of these warranties.

3.2 INDEPENDENT CONTRACTOR represents and warrants to COUNTY with respect to all works of authorship, if any, created by him in the performance of services under this Agreement ("Work Product") that: (a) INDEPENDENT CONTRACTOR'S retention by COUNTY and the creation, use, or distribution of the Work Product does not and will not violate any non-compete, confidentiality, or other contract binding on INDEPENDENT CONTRACTOR or infringe on any

patent, copyright, trade secret, or other proprietary right of any third party; (b) the Work Product is and will be original; and (c) the Work Product shall conform strictly and in all respects to specifications and prevailing standards of quality and workmanship.

4. Indemnification. Each party shall be liable for its own acts to the extent provided by law and hereby agrees to indemnify, hold harmless and defend the other, its officers and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney's fees which the other, its officers, employees and volunteers may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of the party, its agents, servants or employees, in the execution, performance or failure to adequately perform its obligations pursuant to this Agreement.

5. Nature of Relationship. INDEPENDENT CONTRACTOR herein is an independent contractor and will not act as COUNTY's agent, nor shall INDEPENDENT CONTRACTOR be deemed an employee of COUNTY for the purposes of any employee benefit programs, or be deemed an employee of COUNTY for purposes of income tax withholding, FICA taxes, unemployment benefits, workers compensation benefits, or otherwise, and no funds to pay the same will be provided by COUNTY. INDEPENDENT CONTRACTOR shall not enter into any agreement or incur any obligations on COUNTY's behalf, or commit COUNTY in any manner without COUNTY's prior written consent. As an independent contractor, INDEPENDENT CONTRACTOR understands and agrees that he is solely responsible for the control and supervision of the means by which the services defined in Exhibit A are completed. Such means are subject to INDEPENDENT CONTRACTOR's discretion, which discretion must be exercised consistent with the goal of completing the services on schedule and in accordance with the terms of this Agreement. Any personal supplies and equipment, which in the opinion of INDEPENDENT CONTRACTOR may be necessary to perform the services required, shall be the responsibility of INDEPENDENT CONTRACTOR.

6. Work for Hire. All Work Product, if any, created as a result of INDEPENDENT CONTRACTOR's performance hereunder, including but not limited to designs, programs, videos, presentations, pamphlets, etc., is "work made for hire" under United States copyright law and shall be owned exclusively by COUNTY. If and to the extent INDEPENDENT CONTRACTOR may, under copyright or other applicable law, be entitled to claim any ownership interest in the Work Product, INDEPENDENT CONTRACTOR hereby transfers, grants, conveys, assigns, and relinquishes exclusively to COUNTY all of INDEPENDENT CONTRACTOR'S right, title, and interest, including the copyright, in and to the Work Product. INDEPENDENT CONTRACTOR will promptly upon the request of COUNTY execute such assignments and other documents and take such other action as COUNTY may reasonably request to convey to COUNTY full ownership of any and all Work Product.

7. Nondisclosure Covenant. Except as permitted or directed by COUNTY, INDEPENDENT CONTRACTOR shall not during the term of retention or thereafter, divulge, furnish, or make accessible to anyone or use in any way any confidential, health, trade secret, or proprietary information of COUNTY, which he has acquired or become acquainted with during the retention of INDEPENDENT CONTRACTOR by COUNTY, whether developed by INDEPENDENT CONTRACTOR or by others. INDEPENDENT CONTRACTOR

acknowledges that the above-described knowledge or information constitutes a unique and valuable asset of COUNTY and represents a substantial investment by COUNTY, and that any disclosure or other use of such knowledge or information, other than for the sole benefit of COUNTY, would be wrongful and would cause irreparable harm to COUNTY. INDEPENDENT CONTRACTOR will refrain from any acts or omissions that would reduce the value of such knowledge or information to COUNTY. The foregoing obligations of confidentiality shall not apply to any knowledge or information the entirety of which is now published or subsequently becomes generally publicly known, other than as a direct or indirect result of the breach of this Agreement by INDEPENDENT CONTRACTOR or a breach of a confidentiality obligation owed to COUNTY by any third party.

8. Injunctive Relief. INDEPENDENT CONTRACTOR agrees that it would be difficult to compensate COUNTY fully for damages for any violation of the provisions of Paragraphs 7 of this Agreement. Accordingly, INDEPENDENT CONTRACTOR specifically agrees that COUNTY shall be entitled to temporary and permanent injunctive relief to enforce Paragraph 7 of this Agreement and that such relief may be granted without the necessity of proving actual damages. This provision with respect to injunctive relief shall not, however, diminish the right of COUNTY to claim and recover damages in addition to injunctive relief.

INDEPENDENT CONTRACTOR shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and is made solely for the purpose of reporting or investigating a suspected violation of law. The same immunity will be provided for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceedings if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

9. Termination. Without limiting any rights which COUNTY may have for reason of any default by INDEPENDENT CONTRACTOR, COUNTY reserves the right to immediately terminate this Agreement in whole or in part by written notice to INDEPENDENT CONTRACTOR upon any breach of any provision hereof by INDEPENDENT CONTRACTOR. Aside from any continuing work, COUNTY's sole obligation in the event of such termination shall be to reimburse INDEPENDENT CONTRACTOR for services actually performed by INDEPENDENT CONTRACTOR up to the effective date of such termination. COUNTY also reserves the right to terminate this Agreement without cause at any time following the Agreement's effective date upon ten (10) days' notice. Such termination shall result in payment to INDEPENDENT CONTRACTOR as set forth in Exhibit A. INDEPENDENT CONTRACTOR has the right to terminate this Agreement without cause at any time following the Agreement's effective date upon ten (10) days' notice. Such termination shall result in payment to INDEPENDENT CONTRACTOR as set forth in Exhibit A. Any termination shall be effective in the manner and upon the date specified in said notice and shall be without prejudice to any claims which COUNTY may have against INDEPENDENT CONTRACTOR. Termination shall not relieve INDEPENDENT CONTRACTOR of his continuing obligations under this Agreement, particularly the requirements of Paragraphs 6, 7 and 8 above.

10. Invoicing and Payment. INDEPENDENT CONTRACTOR shall submit monthly invoices activity to the COUNTY based on the payment schedule in Exhibit A. Invoices shall reference the time period of authorized performance involved. Invoices submitted by INDEPENDENT CONTRACTOR must be approved by the Swift County Board of Commissioners or their appointed representative.

11. Dispute Resolution. Before bringing any action or legal proceeding of any kind with respect to this Agreement, INDEPENDENT CONTRACTOR will promptly notify COUNTY (at its address for written communications shown in Exhibit A to this Agreement) of any dispute he has with COUNTY under this Agreement. No action or legal proceeding of any kind will be brought by INDEPENDENT CONTRACTOR against COUNTY until: (1) both parties conduct a study of the dispute or disagreement; (2) a meeting between the parties is held to try to resolve the dispute; and (3) if, after such meeting takes place, one of the parties sends a letter to the other stating it is unable to resolve the matter in dispute.

12. Conflict Of Interest. INDEPENDENT CONTRACTOR agrees that he will not, while performing under this Agreement, create a conflict of interest which may prove to be detrimental to the interests of COUNTY. The responsibility to notify COUNTY of any potential conflict of interest rests with INDEPENDENT CONTRACTOR. COUNTY agrees to promptly evaluate and notify INDEPENDENT CONTRACTOR of its decision regarding any conflicts of interest.

13. Subcontracting and Assignments. It is understood and agreed that this Agreement is for the rendering of consulting services by INDEPENDENT CONTRACTOR who is acting as an independent contractor. INDEPENDENT CONTRACTOR may not subcontract or assign any part or all of the services to be provided without the prior written consent of COUNTY. All covenants, stipulations, and promises in this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and legal representatives.

14. Disclosure. INDEPENDENT CONTRACTOR acknowledges and agrees that it may be necessary for COUNTY to disclose the fact of INDEPENDENT CONTRACTOR's retention, the duties performed, and the compensation paid should there be proper inquiry from such a source as an authorized U.S. government agency or should COUNTY believe it has a legal obligation to disclose such information, and INDEPENDENT CONTRACTOR hereby authorizes any such disclosures.

15. General Provisions.

15.1 Waiver. No failure on the part of either party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by any related document or by law.

- 15.2 Governing Law. This Agreement shall be deemed to be a contract made under the law of the State of Minnesota, and for all purposes it, plus any related or supplemental documents and notices, shall be construed in accordance with and governed by the law of such state.
- 15.3 Amendments. This Agreement may not be and shall not be deemed or construed to have been modified, amended, rescinded, canceled, or waived in whole or in part, except by written instruments signed by the parties hereto.
- 15.4 Entire Agreement. This Agreement, including Exhibit A attached hereto and made a part hereof, constitutes and expresses the entire agreement and understanding between the parties. All previous discussions, promises, representations and understandings between the parties relative to the subject matter of this Agreement, if any, have been merged into this document. Notwithstanding the foregoing, nothing in this Agreement shall be deemed to supersede any prior confidentiality or similar agreement between the parties, which the parties acknowledge shall remain in full force and effect.
- 15.5 Severability. To the extent that any provision of this Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the remainder of such provision and of this Agreement shall be unaffected. If any particular provision of this Agreement shall be adjudicated to be invalid or unenforceable, the parties specifically authorize the tribunal making such determination to edit the invalid or unenforceable provision to allow this Agreement, and the provisions thereof, to be valid and enforceable to the fullest extent allowed by law and/or public policy.
- 15.6 Notices. All notices and payments shall be deemed given on the date of personal delivery, the date of transmission by telecopy or other electronic transmission, provided a confirmation copy is also sent no later than the same business day by postage-paid, return receipt requested, first class mail; or three (3) business days after the date of deposit in the United States mail, by postage-paid, return receipt requested, first class mail, addressed as follows:

If to the County:
 Swift County
 Attn:
ADDRESS
CITY, STATE ZIP
PHONE
EMAIL

If to Independent Contractor

 Alex Larson

ADDRESS
CITY, STATE, ZIP

PHONE

IN WITNESS WHEREOF, the parties have caused this grant agreement to be duly executed intending to be bound thereby. APPROVED:

INDEPENDENT CONTRACTOR:

By: _____

Name: _____

Title: _____

Date: _____

SWIFT COUNTY, MINNESOTA:

By: _____

Name: Scott Collins

Title: Environmental Services Director

Date: _____

By: _____

Name: Kelsey Baker

Title: Clerk of the Board

Date: _____

By: _____

Name: Gary Hendrickx

Title: Board Chair

Date: _____

EXHIBIT A

AGREEMENT FOR INDEPENDENT CONTRACTOR SERVICES

INDEPENDENT CONTRACTOR NAME: Alex C. Larson

TERMS OF AGREEMENT

- I. **TERM:** Unless terminated earlier pursuant to this Agreement, this Agreement is effective from April 6, 2020 and will continue until funding used to pay for the services under this Agreement cannot be made in full, this Agreement shall automatically terminate, unless both parties agree otherwise in writing.

- II. **SERVICES TO BE RENDERED:** INDEPENDENT CONTRACTOR will provide consultation services to Swift County Environmental Services with Alex C. Larson being appointed the Environmental Services Educator effective April 6, 2020 and continuing as provided in this Agreement.

The responsibilities of the Independent Contractor may be adjusted by the Swift County Environmental Services Director. Necessary and appropriate interventions and timelines will be discussed and determined in consultation with INDEPENDENT CONTRACTOR and the Swift County Board of Commissioners.

INDEPENDENT CONTRACTOR is responsible for the following:

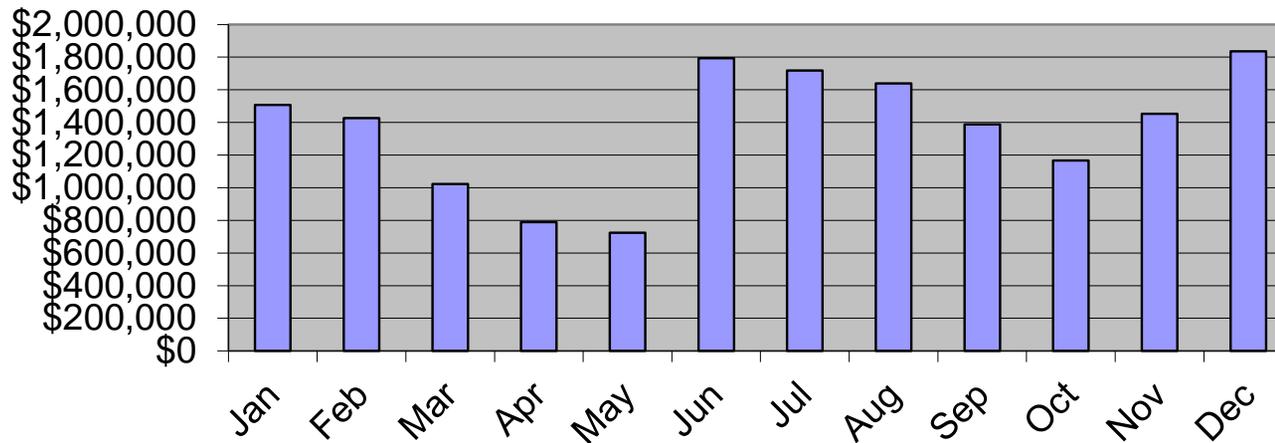
- Implement new strategies to increase recycling county wide
- Boost our recycling rate and organic recycling
- Educate public entities, schools, churches and all communities
- Coordinate face-to-face education and develop curriculum for students.
- Manage direct reports from the MPCA to the county and implement new goals
- Create and implement a county wide social media campaign to increase awareness

III. **COMPENSATION**

TOTAL COMPENSATION FOR INDEPENDENT CONTRACTOR SERVICES: shall be \$22.00 per hour, over the term of this Agreement. The COUNTY will not reimburse the INDEPENDENT CONTRACTOR for any expenses, including mileage.

Swift County Human Services											
Ending Monthly Cash & Investment Balances											
2011 - 2020											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Average
Jan	\$ 1,027,808	\$ 977,091	\$ 909,780	\$ 846,281	\$ 983,278	\$ 933,563	\$ 1,668,733	\$ 2,045,847	\$ 2,559,803	\$ 3,119,041	\$1,507,123
Feb	\$ 1,004,522	\$ 829,326	\$ 788,543	\$ 739,793	\$ 882,373	\$ 886,577	\$ 1,562,756	\$ 1,967,692	\$ 2,603,360	\$ 3,009,633	\$1,427,458
Mar	\$ 848,432	\$ 551,477	\$ 576,608	\$ 601,437	\$ 593,206	\$ 636,635	\$ 1,278,985	\$ 1,706,416	\$ 2,416,328		\$1,023,280
Apr	\$ 820,387	\$ 328,272	\$ 451,920	\$ 446,379	\$ 168,803	\$ 352,306	\$ 1,085,797	\$ 1,415,224	\$ 2,030,159		\$788,805
May	\$ 669,878	\$ 329,407	\$ 300,099	\$ 269,118	\$ 187,841	\$ 289,965	\$ 804,645	\$ 1,279,329	\$ 2,385,140		\$723,936
Jun	\$ 1,460,435	\$ 1,218,863	\$ 1,145,907	\$ 1,361,018	\$ 1,187,485	\$ 1,476,200	\$ 2,165,333	\$ 2,745,303	\$ 3,377,509		\$1,793,117
Jul	\$ 1,142,375	\$ 1,113,725	\$ 1,094,712	\$ 1,165,952	\$ 1,217,022	\$ 1,483,669	\$ 2,160,790	\$ 2,842,236	\$ 3,246,109		\$1,718,510
Aug	\$ 1,228,978	\$ 894,462	\$ 982,736	\$ 1,199,826	\$ 1,126,524	\$ 1,532,984	\$ 1,995,009	\$ 2,661,662	\$ 3,137,129		\$1,639,923
Sep	\$ 1,079,263	\$ 804,086	\$ 714,174	\$ 921,407	\$ 877,167	\$ 1,220,833	\$ 1,650,293	\$ 2,409,864	\$ 2,814,711		\$1,387,978
Oct	\$ 773,615	\$ 538,645	\$ 627,339	\$ 667,331	\$ 646,265	\$ 1,028,981	\$ 1,459,114	\$ 2,139,152	\$ 2,621,771		\$1,166,913
Nov	\$ 741,489	\$ 483,013	\$ 377,803	\$ 477,198	\$ 513,740	\$ 2,056,684	\$ 2,511,571	\$ 3,278,552	\$ 2,633,850		\$1,452,656
Dec	\$ 1,242,733	\$ 1,094,736	\$ 1,057,825	\$ 1,180,113	\$ 1,187,268	\$ 1,888,413	\$ 2,296,240	\$ 3,077,192	\$ 3,506,591		\$1,836,790
Average	\$ 1,003,326	\$ 763,592	\$ 752,287	\$ 822,988	\$ 797,581	\$ 1,148,901	\$ 1,719,939	\$ 2,297,372	\$ 2,777,705	\$ 3,064,337	

**Average Monthly Cash & Investment Balance
2011-2020**



RESOLUTION NO. 2020 - 2

WHEREAS, the Swift County – Benson Hospital Board has reviewed the options available to restructure the existing debt of the hospital district and of Residential Options, Inc. and has received the report of the finance committee relative thereto; and,

WHEREAS, it is the opinion of the board that restructuring all or part of the existing debt is in the best interests of Swift County - Benson Hospital and that the option best suited to complete the process is consists of the following components:

1. The 2007 bonds refinanced in 2014 with a current balance of \$4,820,000.00 and the outstanding debts to the Robert Sonsteng Foundation in the amount of \$750,000.00, REED in the amount of \$972,678.00 and Swift County in the amount of \$1,373,222.00 will remain in place and repaid according to their respective terms.
2. The 2013 bonds with a current balance of \$260,000.00 (tax-exempt) and \$1,625,000.00 (taxable) the Bremer Bank loan with a current balance of \$648,000.00 and the Bremer Bank/USDA guaranteed loan with a current balance of \$6,704,000.00 will be refinanced through the issuance of tax-exempt bonds with the G.O. backing of Swift County.
3. The City of Benson will pledge approximately \$1,300,000.00 toward the cost of capital improvements to the hospital facility including, roof repairs and upgrades, air handlers, control system upgrades and boiler replacement, over a period of two (2) years.
4. The Scandi Haven facilities presently owned by Residential Options, Inc. will be transferred to Swift County - Benson Hospital.

and,

WHEREAS, the Swift County - Benson Hospital has the power to restructure its existing debt only with the approval of the Benson City Council and of the Swift County Board; and,

WHEREAS, a necessary component of the debt restructuring plan is the willingness of the Swift County Board to provide the county's GO backing for the bonds to be sold and the willingness of the City of Benson to fund certain capital improvements to the facility to be made by the hospital over a period of two years in the approximate amount of \$1,300,000.00.

NOW THEREFORE IT IS HEREBY RESOLVED

1. That the debt restructuring plan presented to the board and described above is hereby approved.

2. That the debt restructuring plan as approved be sent to the Benson City Council and the Swift County Board with a request that the plan be considered and approved by the Benson City Council at its next regular meeting on March 16, 2020 and by the Swift County Board at its next regular meeting on March 17, 2020.

3. That, upon approval by the Benson City Council and the Swift County Board of the debt restructuring plan, the staff take all necessary action to transfer the Scandi Haven facilities presently owned by Residential Options, Inc. Swift County – Benson Hospital and to put the proposed debt restructuring plan into effect.



Patty Schreck, SCBH Board Chair

3-2-20

Date



Request for Board Action

BOARD MEETING DATE:
March 17, 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: Consider discussing and reviewing the Hospital and ROI Restructure and Bond Restructure	
AGENDA YOU ARE REQUESTING TIME ON: Other Business	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? No	EXPLANATION OF MANDATE: N/A
BACKGROUND/JUSTIFICATION: I have included supporting documents for Tuesday's meeting, all related to the Hospital District and ROI Restructure and Bond Restructure. This meeting will only be for discussion purposes and to answer questions regarding these issues. I am proposing a Joint meeting on March 30, 2020, that would require the boards to take action. Included in the packet: <ul style="list-style-type: none"> • The Hospital District Board Resolution that was approved at the meeting on March 2, 2020 • A Memorandum from Wilcox Law Office explain the USDA guaranty of ROI debt • Hospital District and ROI structure • Bond Restructure Options • Approval for Joint Meeting 	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED?	None

Budget Information

FUNDING:

COUNTY ATTORNEY: Danielle Olson	COUNTY ADMINISTRATOR: Kelsey Baker
RECOMMENDATIONS: n/a	RECOMMENDATIONS: N/a
COMMENTS: n/a	COMMENTS: None

WILCOX LAW OFFICE

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www.bensonmnlaw.com

Donald A. Wilcox
dwilcox@bensonmnlaw.com
Benjamin R. Wilcox
benjamin.wilcox@me.com

Telephone (320) 842-5391
Facsimile (320) 843-4285

March 9, 2020

MEMORANDUM

TO: Dan Enderson and Melissa McGinty-Thompson, Co-CEOs, SCBH

SUBJECT: USDA guaranty of ROI debt

During the course of discussion of the proposed restructuring of the current debt of the hospital and of ROI questions were raised concerning the meaning of a USDA guarantee and what the finalization of that guarantee with respect to the ROI debt would mean to the ultimate responsibility of ROI, the hospital, the City of Benson and Swift County for the debt.

It is a condition of the loan agreement signed at the time the loan to Bremer Bank was closed that ROI provide to Bremer Bank an unconditional USDA guarantee of the note signed by ROI. (para.1.4(b)). Furthermore, it is an event of default if the guarantee is not provided (para. 6.1) which would result in calling the loan and, in the worst case, liquidating the collateral. So, the only way to avoid having to pay the USDA guarantee fee is to pay off the loan.

The guarantee, if executed, does, in itself, nothing to improve the financial situation for ROI or the hospital. It is of benefit to ROI and the hospital only because it was required to get Bremer Bank to agree to the loan. By its terms, the guarantee would potentially pay to Bremer Bank a significant portion of any loss it sustained if ROI defaulted on its loan. The amount of the guarantee would be up to approximately 90% of the total amount of principal that was advanced to ROI. However, the actual amount that would ultimately be paid to Bremer Bank would not be determined until the collateral, meaning all of the real property of ROI that was mortgaged as security for the loan, was liquidated through a mortgage foreclosure sale. Any amount of the debt left unrecovered from the sale of the real estate would be covered by the guarantee up to the maximum amount stated above.

Important facts to keep in mind about this include the following:

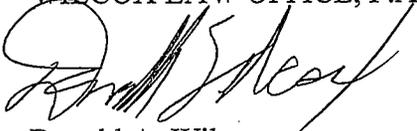
First, it is only Bremer Bank that can benefit from the guarantee.

Second, before the guarantee can be enforced by the bank the entire ROI loan would have to be in default and the collateral liquidated and applied to the outstanding debt. There is nothing in the terms of the guarantee that would result in USDA making payments on the loan on behalf of ROI if it were to fall into arrears. It is not a tool to allow ROI to weather a bad financial period by counting on USDA to step in and assist with servicing the loan. On the contrary, USDA will not assist ROI at all. It will only get involved in the process of cleaning up the mess after ROI fails and is out of business. It will not be ROI asking USDA to step in, it will be Bremer Bank.

Third, if USDA does perform on its guarantee and pays anything to Bremer Bank it will then be looking to see what, if anything, ROI has or what, if anything, the hospital, as a guarantor of ROI's debt, has with which USDA could recover any of the money it has paid out. So, if ROI fails its problems would not necessarily end with a foreclosure of the mortgage and performance by USDA of its guarantee. Even if the bank is made whole and is out of the picture collection efforts by USDA will continue until there is nothing left to recover.

The liability of ROI for its debt to Bremer Bank is the same whether or not there is a USDA guarantee. If it does not pay the debt the hospital, as a guarantor, will be asked to pay. If that does not happen the collateral pledged by ROI for the loan will be taken and liquidated. If the collateral is not enough to pay off the entire debt the only questions then remaining are how will the deficiency be collected and by whom. If there is no USDA guarantee then Bremer Bank would try to collect it. If there is a USDA guarantee the bank will be paid and USDA will try to collect it. Either way, payment will come out of ROI and hospital assets. The city and county may not be direct signors of the loan but in the end, if ROI and the hospital fail as a result of defaulting on the debt, the burden will eventually wind up in the laps of the city and county. As a result, the way to protect their respective citizens is not by having a USDA guarantee of the loan but rather by structuring the loan in a manner that increases the likelihood of successful repayment.

WILCOX LAW OFFICE, P.A.



Donald A. Wilcox

County – Hospital Refinancing Options

- Discussion Points:
 - Hospital Restructure – What does this look like?
 - Transferring ROI Assets - would be needed if certain options are acted upon
 - Understanding the liability for the County
 - Reviewing and discuss the finance options below
 - Northland Securities provides Bond Market update
 - Joint Meeting with City and Hospital on Monday, March 30th at 5:30 p.m.

Hospital District and ROI Restructuring Discussion

- If ROI is dissolved into the Hospital District, the ROI assets would then fall under the Hospital District
- As of today, the District is not a 501C3 organization that could acquire ROI assets, per the current ROI's bylaws
- The current ROI bylaws, upon dissolution the assets must transfer to another 501C3, this is one change that will need to be addressed to allow City/County funding
- Hospital District is a sole member of ROI – the Hospital District only controls the operations, not the buildings
- If the intent is to include ROI assets in the Hospital District, before this is done, Bremer Bank needs to provide their approval

Assessment: Debt Restructure Options

	Option 1	Option 2*	Option 3*
2013 Bonds	Do nothing	Issue Tax Exempt Bonds supported with GO Pledge	Issue Tax Exempt Bonds supported with GO Pledge
Bremer/USDA Loan	Do nothing	Issue Tax Exempt Bonds supported with GO Pledge	Issue Taxable Bonds supported with GO Pledge
Capital Contribution	\$1,000,000 (City)	\$1,000,000 (City)	\$1,000,000 (City)
ROI Status	Unchanged	Incorporated into Hospital District	Incorporated into Hospital District
Hospital Savings <i>(depending on market)</i>	\$0	\$5.0M	\$4.4M
County Debt			
Direct Loan	\$1.3M	\$1.3M	\$1.3M
GO Pledge Outstanding	\$4.8M	\$14.4M	\$14.4M
USDA Fee	\$140,000	\$0	\$0
Prepayment Penalty	\$0	\$220,000	\$220,000

*These two options were discussed at the March 2 Joint Meeting

Assessment: Debt Restructure Options

	Option 4	Option 5
2013 Bonds	City issues a loan to the Hospital District which is used to pay off bonds	City issues a loan to the Hospital District which is used to pay off bonds
Bremer/USDA Loan	Issue Tax Exempt Bonds supported with GO Pledge	Issue Tax Exempt Bonds supported with GO Pledge for \$5M. Bremer refinances the remaining balance at a reduce rate
Capital Contribution	\$1,000,000 (City)	\$1,000,000 (City)
ROI Status	Incorporated into Hospital District	Incorporated into Hospital District
Hospital Savings <i>(depending on market)</i>	\$5.0M	\$4.6M
County Debt		
Direct Loan	\$1.3M	\$1.3M
GO Pledge Outstanding	\$12.5M	\$9.8M
USDA Fee	\$0	\$0
Prepayment Penalty	\$220,000	\$150,000

Questions?