

PROCEEDINGS OF THE MURRAY COUNTY BOARD OF COMMISSIONERS
MURRAY COUNTY GOVERNMENT CENTER – SLAYTON, MINNESOTA
January 26, 2016 8:30 a.m.

Pursuant to notice, the Murray County Board of Commissioners convened with the following members present: Commissioners Gerald Magnus, Robert Moline, James Jens, David Thiner, and Glenn Kluis. Also present Ronda Radke, Assistant Human Resources Director, Heidi Winter, Auditor-Treasurer, and Travis Smith, County Attorney.

The meeting opened by reciting the Pledge of Allegiance to the Flag.

The Chairman asked if there were any additions to the agenda. Several items were added.

It was moved by Jens, seconded by Magnus and passed to approve the agenda as modified.

No conflict of interest identified.

It was moved by Jens, seconded by Kluis and passed to approve consent agenda item 1.

Consent Agenda

1. Approval of the Minutes from January 19, 2016

The following quotes were opened for carpet in the Auditor/Treasurer's Office:

Randy's Floor Covering - \$1801.00
Jim's Carpet Outlet - \$2026.44
Hample's – 1743.97

It was moved by Moline, seconded by Magnus and passed to award the low bid for carpet in the Auditor-Treasurer's Office to Hample's in the amount \$1,743.97.

Approval of Pay Application 6 for the County Ditch 35 Improvement/Lateral No. 1 Project

It was moved by Magnus, seconded by Jens and passed to approve Pay Application No. 6 to Loo Con, Inc. for the County Ditch 35 Improvement/Lateral No. 1 Project in the amount \$5,040.

It was moved by Magnus, second by Jens and passed to approve setting the bid opening for the County Ditch 61 Improvement Project for Thursday February 25, 2016 at 10:00 a.m. in Commissioner Room of the Murray County Government Center, further moving to consider awarding the bid on Tuesday March 1, 2016 at 10:15 a.m.

Consensus for the leather chairs that were previously located in the Commissioners room to be utilized by other departments.

The Board discussed the Budget Report

Ditch Inspector Report – There were no ditch inspection reports for the January 26, 2016 meeting.

Ditch Bills

A motion was made by Moline, seconded by Jens, with all members of the Board voting their approval to accept the report of the Ditch Committee of the County and Judicial Ditches lying within the County of Murray on those petitions for repair that have been inspected for determining what repairs, if any, are necessary, the extent and nature of such repairs, an estimated costs of such repairs or a list of bills presented for payment that will enable said ditches to answer their purposes and to pay all bills contained within the report.

<u>Contractor</u>	<u>Ditch #</u>	<u>Amount</u>	<u>Petition #</u>	<u>Commissioner</u>
<u>Bolton & Menk, Inc</u>				
	CD 4	637.50	Outlet Elevations at Dovray Slough	
	CD 35	525.00	2013-006	CD 35 Improvement
	CD 73	697.50	2013-042	CD 73 Improvement
	CD 61	197.50	2014-070	CD 61 Improvement
	JD 8	2,207.50	2014-085	JD 8 Improvement
	Subtotal	4,265.00		
Total for All Ditch Bills		4,265.00		

Ditch Inspector Computer

It was moved by Magnus, seconded by Kluis and passed to authorize an expenditure of \$1,632.66 to the Computer Man to purchase a laptop computer, docking station, and monitor to be paid from account code: 21-867-6480.

Randy Groves gave an update on the 2016 MCEA Annual Conference he attended

The Board reviewed transportation ridership information

Purchase Copier, Scanner, Printer

It was moved by Moline, seconded by Jens and passed to approve the expenditure to Marco \$4,381.00 with maintenance contract for a Copier, Scanner, Printer for Assessor’s Office, to be paid from account code: 01-062-6480.

Museum Laptop

It was moved by Jens, seconded by Thiner and passed to approve purchasing a laptop computer for the Museums from Marco in the amount of \$1,337.55 to be paid from account code: 01-503-503-6480.

Security Camera System Project

It was moved by Magnus, seconded by Thiner and passed to approve the purchase of the security cameras and electrical hook up for the Law Enforcement, Courts, and Government Center not to exceed the amount of \$40,000.00 from The Computer Man Inc. and Slayton Electric.

4H Building Use

It was moved by Moline, seconded by Kluis and passed to approve Minnwest Bank use the 4H building for a community picnic on June 21, 2016.

10:05 a.m. Open Forum/Public Comment – No members of the public were present.

Courts Building, Steve Johnson – Vetter Johnson Architects

It was moved by Jens, seconded by Kluis and passed to approve Vetter Jonson Architects proceed with estimates for the model of the restructure of the Courts building with an estimate of adding the Commissioners Board Room to the Courts building.

Commissioner Moline introduced the following resolution and moved its adoption:

RESOLUTION NO. 2016-01-26-01

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF \$1,695,000 GENERAL OBLIGATION DITCH BONDS, SERIES 2016A

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

Section 1. Bond Purpose, Authorization, and Award.

1.01 Recitals. A. As authorized by Minnesota Statutes, Chapters 475 and 103E, as amended (the “Act”), contracts have previously been let for construction of improvements to County Ditch No. 35, County Ditch No. 73 and County Ditch No. 82, all located within the County (collectively, the “Project”).

B. In undertaking the Project, the Board, after considering compliance with certain environmental and land use criteria, determined that the Project would be of public utility, benefit or welfare.

C. All proceedings required by the Act in conjunction with undertaking and constructing the Project have been completed; all determinations required by the Act in conjunction with undertaking and constructing the Project have been made; the benefits and damages to each tract of property affected by the Project have been determined; the final costs of the Project have been determined; and all liens and assessments necessary to pay the cost of the Project (including payment of debt service on any bonds issued for the Project) have been or will be filed or levied as the case may be in accordance with the Act.

D. No appeals have been taken from any order of the County respecting the Project.

E. In order to provide preliminary financing for a portion of the Project, the Board, by unanimous resolution borrowed money from certain funds and accounts of the County as permitted by

Section 103E.655 of the Act, which funds and accounts must be repaid with interest as required by Section 103E.655 of the Act.

1.02 Authority. Pursuant to authority contained in the Act and Minnesota Statutes, Chapter 475, the Board does hereby authorize the issuance, sale and delivery of its \$1,695,000 General Obligation Ditch Bonds, Series 2016A of the County dated February 1, 2016 (the “Bonds”), for the purpose of financing a portion of the costs of the Project and for payment of the issuance costs of the Bonds. The principal of and interest on the Bonds shall be paid primarily from special assessments levied upon property benefitted by the Project (the “Special Assessments”). (The Special Assessments are referred to herein as the “Pledged Revenues”.)

1.03 Municipal Advisor. The Issuer has retained the services of Northland Securities, Inc. as its municipal advisor.

1.04 Award. The Issuer has received an offer from Stifel, Nicolaus Co., Inc. (the “Purchaser”), to purchase the Bonds at a cash price of \$1,695,000, upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. All actions of the Chair and County Auditor-Treasurer taken with regard to the sale of the Bonds are ratified and approved.

Section 2. Terms of the Bonds.

2.01 Dates, Maturities and Interest Rates. A. The Bonds shall be dated February 1, 2016 as the date of original issue, shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall bear interest at the annual rates of indicated below and shall mature on February 1 in the follow respective years and amounts:

<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>
2018	\$100,000	2.000%
2019	\$105,000	2.000%
2020	\$105,000	2.000%
2021	\$105,000	2.000%
2022	\$105,000	2.000%
2023	\$110,000	2.000%
2024	\$110,000	2.000%
2025	\$110,000	2.000%
2026	\$115,000	2.000%
2027	\$115,000	2.000%
2028	\$115,000	2.000%
2029	\$120,000	2.125%
2030	\$125,000	2.250%
2031	\$125,000	2.350%
2032	\$130,000	2.450%

B. The maturities of the Bonds, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

2.02 Redemption. A. The Bonds maturing on and prior to February 1, 2023 shall not be subject to redemption and prepayment before maturity, but those maturing, or subject to mandatory redemption, after such date and in subsequent years shall each be subject to redemption and prepayment at the option of the Issuer on such date and on any day thereafter, in whole or in part, at a price equal to the principal amount thereof plus accrued interest to the redemption date.

B. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Bond Registrar and by publishing the notice of redemption, if required by law, in the manner required by Minnesota Statutes, Section 475.54, Subdivision 4; provided, however, that so long as the Bonds are registered in the name of Cede & Co., notice of redemption shall be given in accordance with the terms of the Representation Letter. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

C. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

2.03 Interest Payment Dates. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each herein referred to as an "Interest Payment Date") commencing on February 1, 2017. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The Bond Registrar appointed below shall make all interest payments with respect to the Bonds by check or draft mailed to the registered owners of the Bonds shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners' addresses shown on such bond registration records.

2.04 Preparation and Execution. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Chair and attested by the manual or facsimile signature of the County Auditor-Treasurer. The legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. shall be appended to each Bond. The corporate seal of the Issuer may be omitted from the Bonds as permitted by law. In case any officer whose signature or

a facsimile or whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

2.05 Appointment and Duties of Bond Registrar; Record Date. The Board hereby appoints Northland Trust Services, Inc., of Minneapolis, Minnesota, as registrar, authenticating agent, paying agent and transfer agent for the Bonds (such bank or its successor is herein referred to as the “Bond Registrar”). No Bond shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar’s authentication certificate on such Bond, substantially set forth in Section 2.08 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Bonds have been manually executed by at least one officer of the Issuer. Authentication certificates on different Bonds need not be signed by the same representative. The executed Authentication Certificate or the manual signature of at least one officer of the Issuer on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

2.06 Global Book Entry. A. There has been submitted to this County Board a form of Blanket Issuer Letter of Representations (the “Representation Letter”) between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. The Representation Letter is approved. The Chair and the County Auditor-Treasurer are authorized and directed to execute the Representation Letter in substantially the form presented to the County Board, if such a Representation Letter has not already been executed, with only such variations therein as may be required to complete the Representation Letter, or which are not, in the opinion of Bond Counsel, materially adverse to the interests of the Issuer.

B. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar’s receipt of funds from the Issuer on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

C. So long as DTC is the Depository or it or its nominee is the Holder of any Bonds, the Issuer shall comply with the provisions of the Representation Letter, as it may be amended or supplemented from time to time.

D. Additional matters with respect to, among other things, notices, consents and approvals by Holders and payments on the Bonds are set forth in the Representation Letter.

E. The provisions in the Representation Letter are incorporated herein by reference and made a part of this resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Representation Letter shall control.

2.07 Registration, Transfer and Exchange. A. The Issuer shall cause to be kept at the principal corporate office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting

as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the County Board.

B. Upon surrender for transfer of any Bond at the principal corporate office of the Bond Registrar, the Issuer shall execute and the Bond Registrar shall authenticate if required by this Resolution and deliver, in the names(s) of the designated transferee(s), one or more new bonds of a like aggregate principal amount, as requested by the transferor.

C. At the option of the registered owners, the Bonds may be exchanged for other Bonds of any authorized denomination, of a like aggregate principal amount, maturing upon the same date, upon surrender of the Bonds to be exchanged at the principal corporate office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Bond Registrar shall authenticate if required by this Resolution and deliver the Bonds which the registered owner making the exchange is entitled to receive.

D. All Bonds surrendered upon the exchange provided for in this Resolution shall be promptly cancelled by the Bond Registrar and thereafter disposed of as directed by the County Board.

E. All Bonds issued in exchange for or upon transfer of the Bonds shall be valid obligations of the Issuer evidencing the same debt and entitled to the same benefits under this Resolution as the Bonds surrendered for such exchange or transfer.

F. Every Bond presented for a transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Issuer and the Bond Registrar, duly executed by the registered owner thereof or the owner's attorney duly authorized in writing.

G. The Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of the Bonds, other than exchange expressly provided in this Resolution to be made, without expense or without charge to the registered owner.

H. If a Bond becomes mutilated or is destroyed, stolen or lost, the Bond Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the Issuer in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Bond Registrar and the Issuer of evidence satisfactory to them that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar and the Issuer of an appropriate bond or indemnity in form, substance and amount satisfactory to them and as provided by law, in which both the Issuer and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the Issuer. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

2.08 Authentication. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. Each Bond shall be dated by the Bond Registrar as of the date of its authentication or manual execution, as the case may be. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

2.09 Payment. A. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and interest on such Bond and for all other purposes whatsoever, whether or not such Bond be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

2.10 Delivery. Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. Printed or typewritten and executed Bonds shall be furnished by the Issuer without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the County Auditor-Treasurer to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bond.

3.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

R-1 \$_____

MURRAY COUNTY
GENERAL OBLIGATION DITCH BONDS, SERIES 2016A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	_____, 20__	_____, 2016	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

Murray County, Minnesota (the "County"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount

specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”) commencing on February 1, 2017, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

Payment. The principal of this Bond is payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the office of Northland Trust Services, Inc., as registrar, paying agent, authenticating agent and transfer agent (the “Bond Registrar”), or at the office of such successor bond registrar as may be designated by the Issuer. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the “Holder” or “Bondholder”) on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the “Regular Record Date”). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of the defaulted interest, and notice of the special record date shall be given by the Bond Registrar to the Holders not less than 10 days prior thereto. The Bond Registrar shall make all payments with respect to this Bond without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the Issuer are irrevocably pledged..

Authority; Purpose. This Bond is one of a series issued by the Issuer in the aggregate amount of \$1,695,000, all of like date and tenor, except as to number, maturity date, denomination, redemption privilege and interest rate, pursuant to the authority contained in Minnesota Statutes, Chapters 475 and 103E, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the County on January 26, 2016 (the “Resolution”), for the purpose of financing a portion of the costs of construction of improvements to drainage systems in the County. The principal of and interest on the Bonds is payable primarily from special assessments levied upon property benefitted by improvements to drainage systems pledged to a special fund of the County, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

Optional Redemption. The Bonds maturing on and prior to February 1, 2023 shall not be subject to redemption before maturity, but those maturing, or subject to mandatory redemption, after such date are each subject to redemption and prepayment at the option of the Issuer on such date, and on any day thereafter, in whole or in part, and if in part at the option of the Issuer and in such manner as the Issuer shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the date of redemption.

Notice of Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Bond Registrar and by publishing the notice of redemption, if required by law, in the manner required by Minnesota Statutes, Section 475.54, Subdivision 4; provided, however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), notice of redemption shall be given in accordance with the terms of the Blanket Letter of Representations between the issuer and DTC. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

If less than all of the bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

Transfer and Exchange. The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount. This Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at the principal corporate office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner’s attorney duly authorized in writing. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate, if required by the Resolution, and deliver, in

exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Qualified Tax Exempt Obligations. The Bonds of this issue have been designated by the Issuer as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Bond Registrar’s Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or this Bond has been manually executed by at least one officer of the Issuer.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bonds, in order to make it a valid and binding general obligation of the County in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the County is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Bonds does not cause the indebtedness of the County to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County of Murray, Minnesota, by its governing body, has caused these Bonds to be executed in its name by the manual signature of the Chair and attested by the facsimile or manual signature of the County Auditor-Treasurer.

ATTEST:

(form – no signature required)
County Auditor-Treasurer

(form – no signature required)
Chair

Date of Authentication: _____

BOND REGISTRAR’S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

NORTHLAND TRUST SERVICES, INC.
Minneapolis, Minnesota

By _____
Authorized Representative

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Northland Trust Services, Inc. of Minneapolis, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of the Bond Registrar, in the name of the registered owner last noted below.

Date	Registered Owner	Signature of Bond Registrar
2/____/2016	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No.: 13- 2555119	_____

ASSIGNMENT

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

(Name and Address of Assignee)

_____ Social Security or Other
_____ Identifying Number of Assignee

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

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner

as it appears upon the face of the within Bonds in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Section 4. Covenants, Accounts and Tax Levies.

4.01 Covenants. It is hereby determined that the Project will directly and indirectly benefit abutting property, and the County hereby covenants with the holders from time to time of the Bonds as follows:

A. The County has either caused the Special Assessments to be promptly filed or levied or has knowledge that the Special Assessments will be promptly filed or levied as the case may be, so that the first installment will be collected in 2017 and will take all steps necessary to assure prompt collection, and the levy of the Special Assessments are hereby ratified and confirmed. The Board will cause all further actions and proceedings to be taken with due diligence that are required for the appropriation of any other funds needed to pay the principal of and interest on the Bonds when due.

B. It is recognized that the County's liability on the Bonds is not limited to the Pledged Revenues, and the Board covenants and agrees that in the event of any current or anticipated deficiency in the receipts of Pledged Revenues, it will levy upon all taxable property within the County and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

C. The County will keep complete and accurate books and records showing: receipts and disbursements in connection with the Project and Special Assessments levied therefor and other funds appropriated for their payment, collections and disbursements thereof, moneys on hand and the balance of unpaid Special Assessments.

D. The County will cause its books and records to be audited and will furnish copies of such audit reports to any interested person upon request.

E. The total amount of the Bonds does not exceed the total cost, including expenses, to be assessed to pay for the Project. The total cost to be assessed for the Project is in excess of the stated principal amount of the Bonds and interest to be paid thereon.

4.02 Drainage System Accounts. The separate drainage system accounts for each of County Ditch No. 35 (the "Ditch No. 35 Drainage System Account"), County Ditch No. 73 (the "Ditch No. 73 Drainage System Account"), County Ditch No. 82 (the "Ditch No. 82 Drainage System Account"), are hereby affirmed and continued. To the aforementioned accounts must be credited with all money from the sale of the Bonds and all money received from interest, liens, assessments, and other sources for the drainage systems, as set forth below. (The Ditch No. 35 Drainage System Account, the Ditch No. 73 Drainage System Account, and the Ditch No. 82 Drainage System Account are collectively referred to herein as the "Drainage System Accounts".)

4.03 Construction Accounts. On receipt of the purchase price of the Bonds, the County shall credit proceeds from the sale of the Bonds as follows:

A. *Ditch No. 35 Construction Account.* \$1,155,000 of the original principal amount of the Bonds, less the allocable pro rata portion of (i) amounts retained by the Purchaser as a discount (the "Discount"); (ii) capitalized interest funded from Bond proceeds (the "Capitalized Interest"); (iii) amounts used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest"); and (iv) amounts allocated to accrued interest paid by the Purchaser upon closing and delivery of the Bonds (the "Accrued Interest"), to a separate account which has been created in the Ditch No. 35 Drainage System Account and designated as the "2016 Ditch No. 35 Construction Account." The monies in the 2016 Ditch No. 35 Construction Account, along with other monies of the County available therefor, shall be used to pay the construction costs of the improvement of County Ditch No. 35. Other costs for which payment from the 2016 Ditch No. 35 Construction Account is authorized shall include the allocable pro rata costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Bonds.

B. *Ditch No. 73 Construction Account.* \$225,000 of the original principal amount of the Bonds, less the allocable pro rata portion of (i) amounts retained by the Purchaser as a discount (the "Discount"); (ii) capitalized interest funded from Bond proceeds (the "Capitalized Interest"); (iii) amounts used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest"); and (iv) amounts allocated to accrued interest paid by the Purchaser upon closing and delivery of the Bonds (the "Accrued Interest"), to a separate account which has been created in the Ditch No. 73 Drainage System Account and designated as the "2016 Ditch No. 73 Construction Account." The monies in the 2016 Ditch No. 73 Construction Account, along with other monies of the County available therefor, shall be used to pay the construction costs of the improvement of County Ditch No. 73. Other costs for which payment from the 2016 Ditch No. 73 Construction Account is authorized shall include the allocable pro rata costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Bonds.

C. *Ditch No. 82 Construction Account.* \$315,000 of the original principal amount of the Bonds, less the allocable pro rata portion of (i) amounts retained by the Purchaser as a discount (the "Discount"); (ii) capitalized interest funded from Bond proceeds (the "Capitalized

Interest"); (iii) amounts used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest"); and (iv) amounts allocated to accrued interest paid by the Purchaser upon closing and delivery of the Bonds (the "Accrued Interest"), to a separate account which has been created in the Ditch No. 82 Drainage System Account and designated as the "2016 Ditch No. 82 Construction Account." The monies in the 2016 Ditch No. 82 Construction Account, along with other monies of the County available therefor, shall be used to pay the construction costs of the improvement of County Ditch No. 82. Other costs for which payment from the 2016 Ditch No. 82 Construction Account is authorized shall include the allocable pro rata costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Bonds.

4.04 Debt Service Accounts.

A. *Ditch No. 35 Debt Service Account.* A separate debt service fund is hereby created in the Ditch No. 35 Drainage System Account and is designated as the "2016 Ditch No. 35 Debt Service Account." Special Assessments allocable to County Ditch No. 35 are pledged to the 2016 Ditch No. 35 Debt Service Account. There is appropriated to the 2016 Ditch No. 35 Debt Service Account the allocable portion of the Discount, the Capitalized Interest, the Additional Interest and the Accrued Interest. The money in the Ditch No. 35 Debt Service Account shall be used for no purpose other than the payment of principal and interest on the portion of the Bonds allocable to the improvement of County Ditch No. 35.

B. *Ditch No. 73 Debt Service Account.* A separate debt service fund is hereby created in the Ditch No. 73 Drainage System Account and is designated as the "2016 Ditch No. 73 Debt Service Account." Special Assessments allocable to County Ditch No. 73 are pledged to the 2016 Ditch No. 73 Debt Service Account. There is appropriated to the 2016 Ditch No. 73 Debt Service Account the allocable portion of the Discount, the Capitalized Interest, the Additional Interest and the Accrued Interest. The money in the Ditch No. 73 Debt Service Account shall be used for no purpose other than the payment of principal and interest on the portion of the Bonds allocable to the improvement of County Ditch No. 73.

C. *Ditch No. 82 Debt Service Account.* A separate debt service fund is hereby created in the Ditch No. 82 Drainage System Account and is designated as the "2016 Ditch No. 82 Debt Service Account." Special Assessments allocable to County Ditch No. 82 are pledged to the 2016 Ditch No. 82 Debt Service Account. There is appropriated to the 2016 Ditch No. 82 Debt Service Account the allocable portion of the Discount, the Capitalized Interest, the Additional Interest and the Accrued Interest. The money in the Ditch No. 82 Debt Service Account shall be used for no purpose other than the payment of principal and interest on the portion of the Bonds allocable to the improvement of County Ditch No. 82.

D. *Pro Rata Allocation.* The following amounts shall be allocated between the Debt Service Accounts on a pro rata basis: (i) the Discount; (ii) the Capitalized Interest; (iii) the Additional Interest; and (iv) the Accrued Interest.

E. *Insufficient Funds.* If any payment of principal or interest shall become due when there is not sufficient money in the Drainage System Account, the County Auditor-Treasurer shall pay the same from any other fund of the County, which fund shall be

reimbursed with interest at a rate of seven percent per year for the time the money is actually needed, from Pledged Revenues when the balance in the Debt Service Account are sufficient.

4.05 Investments. If the Drainage System Account has a surplus over the amount required for payment of obligations presently due and payable from the Ditch System Account, the Board may invest any part of the surplus in bonds or certificates of indebtedness of the United States or of the State of Minnesota.

4.06 No Tax Levy. It is hereby determined that the estimated collections of Pledged Revenues and interest thereon for payment of principal and interest on the Bonds will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Bonds and that no tax levy is needed at this time.

Section 5. Tax Covenants.

5.01 General. A. The County covenants and agrees with the holder of the Bonds that the County will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

5.02 Arbitrage Rebate Exception. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the County hereby finds, determines and declares that the aggregate face amount of the tax exempt obligations (other than private activity bonds) issued by the County (and all subordinate entities of the County) during the calendar year in which the Bonds are issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended (the "Code").

5.03 Bank Qualification. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

- (i) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (ii) the Issuer designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (iii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bonds is being issued will not exceed \$10,000,000; and

(iv) not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bonds is being issued have been designated for purposes of Section 265(b)(3) of the Code.

Section 6. Certificate of Proceedings; Miscellaneous.

6.01 The County Auditor-Treasurer is directed to file a certified copy of this Resolution and such other information as required in her records, and to provide to Bond Counsel a certificate stating that the Bonds herein authorized have been duly entered on her register.

6.02 The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser of the Bonds and to bond counsel for the Bonds certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bonds and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.03 In the event of the absence or disability of the Chair or the County Auditor-Treasurer, such officers or members of the Issuer as in the opinion of the Issuer's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

6.04 The Chair and Auditor-Treasurer are authorized and directed to certify that they have examined the offering materials prepared and circulated in connection with the reoffering of the Bonds by the Purchaser and that to the best of their knowledge and belief the offering materials are a complete and accurate representation of the facts and representations made therein as of the date of the offering materials.

Adopted January 26, 2015.

Chair

ATTEST:

County Auditor-Treasurer

The foregoing resolution was duly seconded by Commissioner Jens and thereupon being put to a vote all members voted in favor.

Resignation of the Soil and Water Administrator

It was moved by Magnus, seconded by Kluis and passed to approve the resignation of Howard Konkol as Soil and Water Administrator effective February 28, 2016.

Dispatcher Change in Employment Status

It was moved by Moline, seconded by Jens and passed to approve the change in status for Daniel Brockberg, Dispatcher/Jailer from regular part time to regular full time effective January 4, 2016.

Personnel Policy Updates

It was moved by Jens, seconded by Thiner and passed to approve the updates to policies 102, 301, 310, 318, 706, 712, and 400.

Ag Society structure discussion

Southern Prairie Community Care Award – Southern Prairie received this award on December 4, 2015 at the Excellence Awards Ceremony for being one of the top seven organizations health care. This award will be hung at the Human Services Building.

Chandler City Council Meeting

It was moved by Moline, seconded by Magnus and passed to approve any Commissioner attend the Chandler City Council Meeting that will be held on February 22, 2016.

11:41 a.m. The meeting was adjourned.

ATTEST:

Ronda Radke, Assistant Human Resources Director

David Thiner, Chairman of the Board