

REGULAR MEETING OF THE KOOCHICHING COUNTY BOARD OF COMMISSIONERS
Held on Tuesday, June 16, 2020 1:00 p.m.
Historic Courtroom – 3rd Floor

MEMBERS PRESENT IN HISTORIC COURTROOM: Commissioners Pavleck, Sjoblom, Skoe, McBride, Adee

MEMBERS ABSENT: None

OTHERS IN ATTENDANCE: Kathy LaFrance, Jaci Nagle, Nathan Heibel, Jon Froemke, KCCTV Reporter Darcy Sullivan.

2020/06-18 Motion by Pavleck, seconded by Skoe to approve the agenda with additions and deletions. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

000 Public Health and Human Services Director provided an update of the COVID-19 statistics from the Minnesota Department of Health noting there has been a leveling off of numbers which is positive news.

2020/06-19 Motion by Sjoblom, seconded by Skoe to approve the minutes from the June 9, 2020 regular meeting. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

000 The Administration Director informed the Board about reopening plans for the Courthouse. Public Health and Human Services located in the Forestland Building will continue to remain closed until they receive authorization to reopen from the Minnesota Department of Human Services. Probation will remain closed until they receive authorization from Arrowhead Regional Corrections. Services continue to be provided by Public Health and Human Services and Probation and the public is encouraged to contact those offices with any questions or need for services at the following phone numbers: Public Health and Human Services: 218-283-7000 and Probation: 218-283-1113. The public must enter the Courthouse via the south door by the Auditor/Treasurer's office. The County is recommending the public continue to request County services via the phone, mail, and email if possible. The public is encouraged to complete a health check list, sanitize their hands, and wear face masks when entering County facilities.

2020/06-20 Motion by McBride, seconded by Skoe to approve reopening of the Courthouse and the Lands and Forestry field offices to the public effective June 16, 2020. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

2020/06-21 Motion by Pavleck, seconded by McBride to approve the On/Off Sale/Sunday Intoxicating Liquor License for Boondocks Bar & Grill LLC for the period of July 1, 2020 – December 31, 2020. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

2020/06-22 Motion by Pavleck, seconded by Sjoblom to adopt the following resolution establishing procedures relating to compliance with reimbursement bond regulations under the internal revenue code:

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

1. Recitals.

- (a) The Internal Revenue Service has issued final Treasury Regulations Section 1.103-18 (the "Regulations") dealing with reimbursement bond proceeds, which would include those proceeds of the County's bonds to be used to reimburse the County for any project expenditure paid by the County prior to the time of the issuance of those bonds.
- (b) The Regulations generally require that the County make a prior declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of subsequent borrowings, that such declaration generally be made on or before the date the expenditure is actually paid, that the bonding occur and the reimbursement allocation be made from the proceeds of such bonds within one year of the payment of the expenditure (or not later than one year after the project is placed in service, if that is a longer period), and that the expenditure be a capital expenditure.
- (c) The County desires to comply with the Regulations and to establish certain procedures relating thereto.
- (d) The County's bond counsel has advised the County that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application, to payments of County project costs first made by the County out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the County to have made an official declaration of its reasonable intention (hereinafter referred to as the "Official Intent Declaration" or the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequent bonds or other borrowings. The Board hereby authorizes the County Administration Director to make the County's Official Intent Declarations or to delegate from time to time that responsibility to other appropriate County employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

- (a) Each Declaration shall be made on or before the date the County pays the applicable project cost and shall state that the County reasonably intends and expects to reimburse itself for the expenditure with proceeds of a borrowing. Each Declaration may be made substantially in the form of the "Declaration of Official Intent" which is attached to and made a part of this Resolution.
- (b) Each Declaration shall specifically contain the following statement: "This Declaration is a declaration of official intent under Treasury Regulations Section 1.103-18.11".
- (c) Each Declaration shall and is hereby declared to be made and filed in the publicly available official books, records, or proceedings of the County, which shall be reasonably available for public inspection at the County Auditor/Treasurer's Office during normal business hours of the County on every business day during the period beginning on the earlier of 10 days after

the making of the Declaration or the date of issuance of the reimbursement bonds and ending on the day after the issuance of such bonds.

- (d) Each Declaration shall, at a minimum, contain a general functional description of the property, project, or program for which the expenditure to be reimbursed is paid or, in the alternative, shall identify the particular fund or account of the County from which the expenditure to be reimbursed is paid, including a description of the general functional purpose of that fund or account.
- (e) Each Declaration shall also contain a statement of the maximum principal amount of debt expected to be issued for the subject project.
- (f) Care shall be taken so that the County, or its authorized representatives under this Resolution, not make Declarations in cases where the County does not reasonably expect that it will ultimately issue reimbursement bonds to provide long-term financing for the subject project costs, and the County officials are hereby authorized to consult with bond counsel to the County concerning the requirements of the Regulations in general and their application in particular circumstances. It is the Board's intention that Declarations not be made (i) when available funds of the County have been or are reasonably expected to be dedicated or otherwise reserved to fund on a long-term basis the particular expenditures involved or (ii) when it is not reasonably expected that reimbursement bonding will occur.
- (g) The Board shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the County has made Official Intent Declarations, including recommendations on the timing of the issuance of such bonds so that the "reimbursement allocation" described in the Regulations and in paragraph 3 below can be made within the 1 year time limits prescribed in the Regulations.
- (h) This Resolution shall supplement and amend all prior determinations and policies adopted by the County in regard to complying with the Regulations, as initially proposed, and in the event of any inconsistency between the terms provided in this Resolution and said prior determinations or policies, the provisions of this Resolution shall govern.

3. Reimbursement Allocations. The designated County officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of reimbursement bond proceeds to reimburse the source of temporary financing used by the County to make payment of the prior expenditure. Each allocation shall be evidenced by an entry on the official books or records of the County maintained for such reimbursement bonds; shall specifically identify the actual prior expenditure being reimbursed or, in the case of the reimbursement of a particular fund or account, the fund or account from which the expenditure was paid; and shall be effective to relieve the bond proceeds involved from any restriction under the bond resolution or other relevant legal documents for those bonds and under any applicable state statute applicable to unspent proceeds of such bond issue. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

2020/06-23 Motion by Pavleck, seconded by Sjoblom to approve the following Declaration of

Official Intent for the 2017 Island View Sewer Project Overruns:

The undersigned, being the duly appointed and acting County Administration Director of the County of Koochiching, Minnesota (the "County"), pursuant to and for purposes of compliance with Treasury Regulations Section 1.103-18 (the "Regulations") under the Internal Revenue Code of 1986, as amended, hereby states and certifies as follows:

1. The undersigned has been and is on the date hereof duly authorized by the governing body of the County, the Board, to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the County. This Declaration is a declaration of official intent under Treasury Regulations Section 1.103-18.

2A. The property, project, or program to which this Declaration relates is generally and functionally described as follows:

2017 Island View Sewer Project Overruns

2B. The specific fund or account of the County from which the expenditure to be reimbursed will be paid, and the general functional purpose of that fund or account, are as follows:

GENERAL REVENUE FUND

3. The maximum principal amount of the debt expected to be issued by the County for the purpose of reimbursing the expenditures to which this Declaration relates (the "Expenditures") is on the date hereof reasonably estimated to be **\$2,000,000**. Each of the Expenditures is (or would be with a proper election) a capital expenditure under federal tax law principles, as described in the Regulations.

4. The County intends and reasonably expects to reimburse itself for the payment of the Expenditures out of the proceeds of a borrowing (the "Bonds") to be made by the County after the date of payment of the Expenditures.

5. As of the date hereof, there are no sources of County funds which have been or are reasonably expected to be allocated or available on a long-term basis, reserved, or otherwise set aside to provide permanent financing for the Expenditures, other than pursuant to the subsequent issuance of the Bonds. On the basis on the foregoing, the statements and certifications contained in this Declaration are believed to be reasonable and accurate, and this Declaration is believed to be consistent with the County's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof, all within the meaning and content of the Regulations.

6. This Declaration is and shall remain a part of the publicly available official books, records, or proceedings of the County and shall be continuously available for inspection by the general public at the County Auditor/Treasurer's Office during regular County hours for a period ending not earlier than the day after the issuance of the Bonds. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

IN WITNESS WHEREOF, the undersigned has executed this Declaration and placed it on file in the official County records this 16th day of June 2020

County Administration Director
County of Koochiching, Minnesota

2020/06-24 Motion by McBride, seconded by Pavleck to approve the CW Care Service Agreement. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

2020/06-25 Motion by Pavleck, seconded by Sjoblom to authorize the cleanup and future demolition of the selected structures on the tax-forfeited property described as Lots 1 and 2, Block 4; Plat of Carson & Lupies First Addition to International Falls as allowed by M.S. 282.04 Subd.2. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

2020/06-26 Motion by Pavleck, seconded by Skoe to approve the previously postponed May 6, 2020 timber auction to Wednesday, July 8, 2020 at 10:00 a.m. to be held in the Big Falls Community Building. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

2020/06-27 Motion by Skoe, seconded by Pavleck to approve the purchase of a digital message center sign for the Birchdale Community Center using Consolidated Conservation (Con-Con) funds subject to receipt of a second quote and not to exceed \$40,000 as recommended by the Con-Con Citizens Committee. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

2020/06-28 Motion by Pavleck, seconded by Skoe to approve the purchase of 10 AED defibrillators from CPR Savers in the amount of \$9,250. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.

000 The Board Chair called for public comment and there was none.

2020/06-29 Motion by Pavleck, seconded by Sjoblom to adjourn the meeting at 1:30 p.m. Voting yes: McBride, Sjoblom, Skoe, Adee, Pavleck. Motion carried.
