

CLAY COUNTY BOARD OF COMMISSIONERS

Tuesday, April 5, 2016

8:30 a.m.

County Board Room – 3<sup>rd</sup> Floor – Courthouse

MINUTES

The Clay County Board of Commissioners met in regular session with all Commissioners present: Campbell, Gross, Ingersoll, Mongeau, and Weyland. County Administrator Brian C. Berg, Chief Assistant County Attorney Jenny Samarzja, and Senior Administrative Assistant Vicki Reek were also present.

APPROVAL OF AGENDA

On motion by Weyland, seconded by Campbell, and unanimously carried, the agenda was approved with the following additions: Approval of Geotechnical Proposal from Terracon for final phase of geotechnical services for Jail project; Discussion regarding proposed parking pad construction on flood buyout property in the Crestwood Addition.

CITIZENS TO BE HEARD

There were no citizens present who wished to address the Board.

EMPLOYEE RECOGNITION

Marie Fournier, E-Government Administrator (15 years); Laura Jones, Legal Secretary (15 years); and Julie Savat, Jail Administrator (25 years), were recognized for their years of service to Clay County.

APPROVAL OF MINUTES OF MARCH 15 & 22, 2016

On motion by Weyland, seconded by Campbell, and unanimously carried, the minutes of the March 15 & 22, 2016 meetings were approved as presented.

APPROVE PAYMENT OF BILLS AND VOUCHERS

On motion by Ingersoll, seconded by Mongeau, and unanimously carried, the bills and vouchers were approved for payment.

APPROVAL OF TERRI SMITH & AMY MADSON AS MEMBERS OF COUNTY EXTENSION COMMITTEE

By consent agenda, the Board approved the appointment of Terri Smith and Amy Madson for three year terms on the Clay County Extension Committee.

ACCEPT DONATIONS FROM CONCORDIA COLLEGE FOR SHERIFF'S POSSE AND FROM JOSEPH & CORRINE BENNETT FOR VETERANS GAP FUND

By consent agenda, the Board accepted donations from Concordia College for the Sheriff's Posse (\$450), and from Joseph and Corrine Bennett for the Veterans Gap Fund (\$100).

APPROVAL OF OUT OF STATE TRAVEL FOR HEALTH DEPARTMENT

Out of state travel was approved for Health Department staff to attend the National Tobacco Conference, April 18-20, in Albuquerque, NM, and the 2016 Emergency Preparedness Summit, April 18-22, Dallas, TX. No County funding is required for either event.

APPROVAL OF AGREEMENT WITH ECKMAAH'S AND ASSOCIATES LLC TO PROVIDE SERVICE THROUGH STATEWIDE HEALTH IMPROVEMENT GRANT

By consent agenda, the Board approved an agreement with EckMaahs & Associates, LLC to provide motivational interviewing clinical skills training for staff and community partners through pre-approved funding by the Statewide Health Improvement Project (SHIP) grant.

APPROVAL OF COMMUNITY WELLNESS GRANTS FOR 7-DAY CLINIC AND PERHAM AREA EMS

By consent agenda, the Board approved the following agreements using Community Wellness Grants: with 7-Day Clinic to provide strategy support funding to encourage healthy eating; and with Perham Area EMS to provide strategy support funding for training on the I Can Prevent Diabetes program.

APPROVAL OF CITY OF MOORHEAD ABATEMENT APPLICATIONS

By consent agenda, the Board approved abatement applications submitted by the City of Moorhead for the following parcels: 58.805.0620 and 58.812.1570 (per County Auditor's request to remove expired homestead property tax exclusion and re-calculate correct amount of taxes payable for 2016).

AUTHORIZATION TO ADVERTISE FOR YEARLY HIGHWAY DEPARTMENT SUPPLY BIDS

By consent agenda, the Board authorized advertisement for Yearly Highway Department supplies (gravel, bituminous asphalt, culverts and the rental of construction equipment) to be opened publicly May 5<sup>th</sup> at 10:00 a.m. The bids will be tabulated and brought to the County Board May 10<sup>th</sup> for award.

CORRECTIONAL FACILITY UPDATE: SCOTT FETTIG, KLEIN MCCARTHY ARCHITECTS

Scott Fettig, Klein McCarthy Architects (KMA), provided an update concerning the schematic design of the Correctional Facility, including the site plan, floor plan layouts, and proposed exterior finishes. He noted that Phase 1 of the Jail and the Law Enforcement Center (LEC) are proposed to be built at the same time. This will allow the Phase 2 work to occur once inmates have moved to new Jail, Law Enforcement personnel have moved to new LEC, and existing LEC is demolished. Construction Engineers will begin their pricing of the Jail project this week, with an estimated price available by April 25. KMA will amend the LEC layout to allow for the entry to the building to face the East along 11<sup>th</sup> Street, as do the Courthouse and Family Service Center. County Administrator Brian Berg will contact Probation officials to gauge their interest in leasing the 5000 sq.ft. of space which has currently been assigned to them in the new LEC plan. With respect to Construction Engineers working on both the Jail and LEC projects at the same time, Nick Fiecke, Project Manager with Construction Engineers, indicated that this scenario would be advantageous

for the project budget, contractors, and timing. The LEC project will require a separate management contract with Construction Engineers. Mr. Fettig felt the LEC will have been designed enough by mid-May to turn over to Construction Engineers to develop a pricing estimate.

Mr. Fettig indicated that the pricing estimates are necessary to develop the ballot language in June for the half-cent sales tax proposal for the election in November.

With respect to the buyout properties North of the Courthouse campus, asbestos testing and removal is taking place, and a Request For Proposals will be published for demolition of the properties to take place this summer/fall. Law Enforcement and the Fire Department may use some of the properties for training activities.

CONSIDER PROPOSALS FOR AND AWARDED SALE OF \$9,770,000 GENERAL OBLIGATION JAIL BONDS, SERIES 2016A

County Administrator Brian C. Berg distributed a document entitled 'Jail Funding Revenue Source', which illustrates funds available to make bond payments (See Attachment). These funds are available using maturing bond debt, wind energy tax revenues, and levy dollars.

Shelly Eldridge, Ehlers & Associates, presented the Sale Day Report for Clay County's \$9,770,000 General Obligation Jail Bonds to finance the preliminary costs associated with building the County's new Jail facilities (See Attachment). Eight bids were received, with the low bidder being FTN Financial Capital Markets, Memphis, TN, at 1.9878%. The bid is a premium bid.

On motion by Campbell, seconded by Weyland, and unanimously carried, the Board adopted Resolution #2016-17, authorizing issuance, awarding the sale, prescribing the form and details, and providing for the payment of \$9,770,000 General Obligation Jail Bonds, Series 2016A (See Attachment).

2015 YEAR END UPDATE: FM ECONOMIC DEVELOPMENT CORPORATION

James Gartin, President, Greater FM Economic Development Corporation, and Mark Vaux, Executive Vice President, Greater FM Economic Development Corporation, were present to review the projects and initiatives of the EDC for 2015. The audited financial statements were presented.

Mr. Gartin indicated that the EDC's biggest concern for development in the area is lack of work force.

REQUEST TO UPGRADE MAINTENANCE DEPARTMENT RADIOS

Building Maintenance Supervisor Joe Olson requested an upgrade to the Maintenance Department's radios which are used to communicate between staff. Two quotes were received and he recommended accepting the quote of MidStates Wireless for \$13,532. This quote provides a better quality radio and a trade-in program which the lower quote from Radio Connections did not (\$12,465). Funds are available in the Internal Service Fund for this purchase.

On motion by Ingersoll, seconded by Weyland, and unanimously carried, the Board approved an upgrade to the Maintenance Department's radios, via the quote from MidStates Wireless for \$13,532, based on a higher quality radio and their trade-in program.

REVIEW CAMPUS CAPITAL IMPROVEMENT PLAN

Building Maintenance Supervisor Joe Olson reviewed an updated Building Improvement Plan (See Attachment), which includes projects to be conducted in the next 1-3 years, 3-5 years, and 5-10 years. The majority of projects for 2016 involve the Family Service Center (remove awning, repair concrete, overlay parking lot, fire/smoke detectors, etc.), and have been reviewed with the Building Committee.

UPDATE RE: FAMILY HEALTH CARE DENTAL CLINIC

FSCCC Building Manager Georgia Beaudry informed the Board that a \$100,000 grant has been received by the Family Health Care Dental Clinic, to be used to remodel space for two additional chairs. Additional office space in the FSCCC may be leased as well.

APPROVE FUNDING FOR REGIONAL SINGLE SORT STUDY

On motion by Weyland, seconded by Mongeau, and unanimously carried, the Board approved an expenditure of \$8100 from the Solid Waste budget to join with eight other counties in a study commissioned by the MPCA for a single sort recycling facility.

APPROVE FUNDING FOR PRAIRIE LAKES MUNICIPAL SOLID WASTE AUTHORITY  
DEBT SERVICE PAYMENT

The Board was reminded that two years ago, Clay County joined the Prairie Lakes Municipal Solid Waste Authority at a 15% ownership share. Due to numerous issues at the Perham Resource Recovery Facility (significant mechanical problems with boiler, cost for recyclables is low, inability to process as much garbage as planned), each member County will be billed for their share of the May 1<sup>st</sup> debt service payment. Clay County's share is \$136,776.47, which will be paid from Solid Waste budget reserves. Work continues towards a financial solution.

On motion by Weyland, seconded by Campbell, and unanimously carried, the Board approved payment of Clay County's share of the above mentioned debt service payment, \$136,776.47, to be paid from the Solid Waste budget reserves.

APPROVAL OF SEAL COATING BIDS FOR COUNTY ROADS IN THE CITY OF DILWORTH

County Engineer David Overbo informed the Board that Clay County will partner with the City of Dilworth on a seal coating project impacting County Roads 45 and 78 in the City of Dilworth, as well as County Road 114 north of Hawley. The partnership enables lower bids due to a larger project and provides needed maintenance for roadways which are not on the 5-year plan for major upgrades.

On motion by Ingersoll, seconded by Weyland, and unanimously carried, the Board supported the City of Dilworth's award of a seal coating bid as mentioned above, to Morris Sealcoat, Morris, MN, in the amount of \$47,347.30.

APPROVAL OF AGREEMENT FOR SEAL COATING WITH THE CITY OF DILWORTH

On motion by Mongeau, seconded by Ingersoll, and unanimously carried, the Board authorized execution of an agreement for the seal coating project in the City of Dilworth as described above.

APPROVAL OF 2016 DUST CONTROL QUOTE

On motion by Weyland, seconded by Mongeau, and unanimously carried, the Board awarded the 2016 Dust Control quote to MinnDak Magic, Moorhead, MN, for their low quote for Calcium Chloride (\$1.08/gallon; \$.324 cost/SY). A total of five quotes were received for Magnesium Chloride and/or Calcium Chloride. Previous year's customers will be informed that MinnDak Magic is the supplier for 2016.

APPROVAL OF GEOTECHNICAL PROPOSAL FROM TERRACON FOR FINAL PHASE OF  
GEOTECHNICAL SERVICES FOR CORRECTIONS FACILITY PROJECT

On motion by Ingersoll, seconded by Campbell, and unanimously carried, the Board approved the final phase geotechnical services proposal from Terracon for the Corrections Facility project, in the amount of \$17,500.

DISCUSSION REGARDING PROPOSED PARKING PAD CONSTRUCTION ON FLOOD BUYOUT  
PROPERTY IN THE CRESTWOOD ADDITION

The Board discussed issues which have arisen due to individuals using vacant flood buyout lots in the Crestwood Addition for access to the river for fishing, four-wheeling, etc. The lots and nearby road have become muddy and are a concern for the residents who live farther down the Township Road. Individuals have been using the Township Road for parking and some dumping of materials has occurred. Commissioner Mongeau proposed fencing off the area to create a "pedestrian only" entrance, and developing a small gravel parking pad off the Township road, at an estimated cost of \$3845. County Administrator Brian Berg suggested that such improvements would, in effect, be creating a park, and felt the Department of Natural Resources or River Keepers would be better suited to manage a park and assume the additional liability. Planning Director Tim Magnusson indicated that DNR is interested in acquiring this property. However, ADA compliance may be an issue, requiring the installation of a concrete ramp to the river. He added that the policy for County owned property includes verbiage that it is available for use by the public, however motorized vehicles are not allowed.

On motion by Mongeau, seconded by Ingersoll, and unanimously carried, the Board approved the installation of a fence, a small gravel parking pad, and signage ("no motorized traffic beyond this point", "enter at your own risk", etc.), pending review by the County Attorney's office, with the cost to be paid from the Shoreland grant and/or Unanticipated Expenditures.

COMMITTEE REPORTS/COUNTY ADMINISTRATOR UPDATE/DISCUSSION

Commissioner Ingersoll attended the Family Healthcare meeting.

Commissioner Campbell attended meetings of the Jail Finance Committee, FM Diversion, Prairie Lakes Municipal Solid Waste Authority, Economic Development for Moorhead regarding food licensing issues, Highway Tracking, Kiwanis presentation re: Corrections Facility, Jail Construction, and Solid Waste Advisory.

Commissioner Mongeau attended meetings of the FM Diversion Land Management, Buffalo-Red Watershed District, Legislative update for Lakes & Prairies Community Action Partnership in Washington, DC, Township Officers Association, Planning Commission, Lakes & Prairies Community Action Partnership and Lakeland Mental Health.

Commissioner Weyland attended meetings of FM Diversion, Jail Finance Committee, Minnesota Rural Counties Caucus, and addressed the Legislators regarding Clay County's request for bonding funds for the Jail project.

Commissioner Gross attended meetings of the Personnel Issues Committee, Prairie Lakes Municipal Solid Waste Authority, the Annual Conference of the Red River Water Management Board, Highway Tracking, Open House regarding the 5 Year Highway Construction Plan, a Conference on Drug Use, and Minnesota Rural Counties Caucus.

County Administrator Brian C. Berg attended many of the meetings mentioned above, as well as a meeting regarding Detox beds; Capital projects; a conference call in preparation for the sale of bonds; development of a lease for the new Law Enforcement Center/City of Moorhead; the food contract for the Jail, Juvenile Center, and Detox; and development of a presentation for the Moorhead Business Association regarding the Jail project.

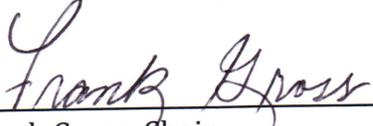
CLOSED SESSION: UPDATE RE: CURRENT LAWSUITS

On motion by Mongeau, seconded by Weyland and unanimously carried, the meeting was closed at 11:32 a.m. to receive an update regarding current lawsuits (attorney/client privilege).

On motion by Weyland, seconded by Campbell, and unanimously carried, the meeting was reopened at 11:50 a.m.

ADJOURN

The meeting adjourned at 11:51 a.m.

  
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Frank Gross, Chair  
Clay County Board of Commissioners

  
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Brian C. Berg, County Administrator

# JAIL FUNDING REVENUE SOURCE BASED ON 2013 BOND PAYMENTS TOTALING \$1,416,713

(As current debt is retired, retain payment and use towards Jail bond.)

	Additional Levy Dollars	Wind Energy Tax	Maturing Bond Debt	Total using 100% of Maturing Bond Debt	Total using 75% of Maturing Bond Debt
2014	\$ 50,000	0	\$ 55,940	\$ 105,940	\$ 91,955
2015	100,000	\$130,000	65,680	295,680	279,260
2016	150,000	150,000	58,420	358,420	343,815
2017	200,000	150,000	49,267	399,267	386,950
2018	250,000	150,000	459,368	859,368	744,526
2019	300,000	150,000	943,650	1,393,650	1,157,738
2020	350,000	150,000	939,775	1,439,775	1,204,831
2021	400,000	150,000	936,650	1,486,650	1,252,488
2022	450,000	150,000	1,105,994	1,705,994	1,429,496
2023	500,000	150,000	1,416,713	2,066,713	1,712,535

Clay County is currently adding \$50,000 to the Levy each year to pay for a new Jail.

Clay County anticipates receiving approximately \$150,000 in wind energy tax revenue annually. 80% of this revenue is being added to Jail fund.

With various bonds maturing in future years, the bond payment amounts will be retained and used for Jail payments.

The column in green represents using only 75% of the maturing bond payments towards new Jail payments.

CERTIFICATION OF MINUTES RELATING TO  
GENERAL OBLIGATION JAIL BONDS, SERIES 2016A

Issuer: Clay County, Minnesota

Governing Body: Board of County Commissioners

Kind, date, time and place of meeting: A regular meeting held April 5, 2016, at 9:00 a.m. at the County offices, Moorhead, Minnesota.

Members present: Campbell, Gross, Ingersoll, Mongeau, Weyland

Members absent: None

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2016-17

RESOLUTION AUTHORIZING ISSUANCE, AWARDED SALE,  
PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE  
PAYMENT OF GENERAL OBLIGATION JAIL BONDS, SERIES 2016A

I, the undersigned, being the duly qualified and acting recording officer of the political subdivision issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said subdivision in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said subdivision, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on April 5, 2016.

  
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County Auditor

It was reported that eight (8) proposals for the purchase of the Bonds were received prior to 12:00 o'clock noon on April 4, 2016, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Ehlers & Associates, Inc., municipal advisors to the Issuer. The proposals have been publicly opened, read and tabulated and were found to be as follows:

(See Attached)

Commissioner Campbell introduced the following resolution and moved its adoption, which motion was seconded by Commissioner Weyland:

RESOLUTION AUTHORIZING ISSUANCE, AWARDING  
SALE, PRESCRIBING THE FORM AND DETAILS AND  
PROVIDING FOR THE PAYMENT OF GENERAL  
OBLIGATION JAIL BONDS, SERIES 2016A

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

SECTION 1. AUTHORIZATION AND SALE.

1.1. Authorization. Pursuant to a resolution adopted on February 16, 2016, the Board has determined it to be in the best interest of the Issuer to issue and sell its \$9,770,000 General Obligation Jail Bonds, Series 2016A (the Bonds) to finance a portion of the cost of constructing and equipping new jail and law enforcement facilities (the Project). The Board hereby determines that the debt service payable in any year on the Bonds (\$637,600) and all other obligations issued by the Issuer pursuant to Minnesota Statutes, Section 641.23 (\$0) is less than 0.09671 percent (\$5,872,418) of the market value of all taxable real property within the Issuer (\$6,072,193,500); therefore, pursuant to Minnesota Statutes, Section 641.23, the Bonds may be issued without an election.

1.2. Sale. Pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the Issuer by Ehlers & Associates, Inc., proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of FTN Financial Capital Markets in Memphis, Tennessee (the Purchaser), to purchase \$9,770,000 principal amount of Bonds at a price of \$9,950,493.22, on the further terms and conditions hereinafter set forth.

1.3. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Chairperson of the Board and the County Auditor are hereby authorized and directed to execute a contract on behalf of the Issuer for the sale of the Bonds in accordance with the terms of the proposal. The good faith deposit of the Purchaser, if any, shall be retained and deposited by the Issuer until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.1. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Board to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.2 Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption at the annual rates set forth opposite such years and amounts, as follows (subject to adjustment in accordance with the terms of proposals):

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2018	\$425,000	3.000%	2028	\$525,000	2.000%
2019	435,000	2.000	2029	535,000	2.000
2020	445,000	2.000	2030	545,000	2.000
2021	455,000	2.000	2031	555,000	2.050
2022	465,000	2.000	2032	565,000	2.100
2023	475,000	2.000	2033	580,000	2.200
2024	485,000	2.000	2034	590,000	2.350
2025	480,000	2.000	2035	605,000	2.450
2026	485,000	2.000	2036	620,000	2.550
2027	500,000	2.000			

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.7 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.3. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.8 and upon any subsequent transfer or exchange pursuant to Section 2.6, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. The interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing February 1, 2017, to the owner of record thereof as of the close of business on the fifteenth day of the preceding month, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.4. Redemption. Bonds maturing in 2027 and later years shall be subject to redemption and prepayment at the option of the Issuer, in whole or in part, in such order of maturity dates as the Issuer may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000 as to Bonds maturing on the same date, on February 1, 2026, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The County Auditor shall cause notice of the call for redemption thereof to be published if and as required by law and, at least thirty days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the registered holders of any Bonds to be redeemed at their addresses as they appear on the bond register described in Section 2.6 hereof, provided that notice shall be given to any securities depository in accordance with its operational

arrangements. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

2.5. Appointment of Initial Registrar. The Issuer hereby appoints Bond Trust Services Corporation in Roseville, Minnesota, as the initial bond registrar, transfer agent and paying agent (the Registrar). The Chair and County Auditor are authorized to execute and deliver, on behalf of the Issuer, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The Issuer agrees to pay the reasonable and customary charges of the Registrar for the services performed. The Issuer reserves the right to remove the Registrar, effective upon not fewer than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.6. Registration. The effect of registration and the rights and duties of the Issuer and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit or other legal entity) in whose name a Bond is registered in the bond register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the Issuer.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The Issuer and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to any registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such 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 Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Issuer and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall 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 shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this resolution as the Bonds surrendered upon such transfer or exchange.

2.7. Securities Depository. The following provisions shall apply, unless otherwise designated by the Purchaser:

(a) For purposes of this section the following terms shall have the following meanings:

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

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

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

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the Issuer may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the Issuer shall be affected by any notice to the contrary. Neither the Registrar nor the Issuer shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the Issuer to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has

determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

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

(d) The execution and delivery of the Representation Letter to DTC by the Chair or County Auditor, if not previously filed with DTC, is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

2.8. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the County Auditor and shall be executed on behalf of the Issuer by the signatures of the Chair and the County Auditor, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the County Auditor shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.9. Form of Bonds. The Bonds shall be prepared in substantially the form found at EXHIBIT A hereto.

SECTION 3. GENERAL OBLIGATION JAIL BONDS, SERIES 2016A CONSTRUCTION FUND; USE OF PROCEEDS. There is hereby established on the official books and records of the Issuer a General Obligation Jail Bonds, Series 2016A Construction Fund (the Construction Fund). The County Auditor shall continue to maintain the Construction Fund until payment of all costs and expenses incurred in connection with the construction of the Project have been paid. To the Construction Fund there shall be credited the proceeds of the Bonds, exclusive of accrued interest and capitalized interest, if any, received from the Purchaser, and from the Construction Fund there shall be paid all construction costs and expenses of the Project and the issuance of the Bonds. After payment of all costs incurred with respect to the Project and the issuance of the Bonds, the Construction Fund shall be discontinued and any proceeds of the Bonds remaining therein shall be credited to the Bond Fund described in Section 4 hereof.

Section 4. GENERAL OBLIGATION JAIL BONDS, SERIES 2016A BOND FUND. The Bonds shall be payable from a separate General Obligation Jail Bonds, Series 2016A Bond Fund (the Bond Fund) of the Issuer, which the Issuer agrees to maintain until the Bonds have been paid in full. If the moneys in the Bond Fund should at any time be insufficient to pay principal and interest due on the Bonds, such amounts shall be paid from other moneys on hand in other funds of the Issuer, which other funds shall be reimbursed therefor when sufficient moneys become available in the Bond Fund. The moneys on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. The Issuer irrevocably appropriates to the Bond Fund (a) any amount received from the Purchaser, other than amounts deposited to the Construction Fund in accordance with Section 3 hereof; (b) all taxes levied and collected in accordance with this resolution; and (c) all other moneys as shall be appropriated by the Board to the Bond Fund from time to time. If the aggregate balance in the Bond Fund is at any time insufficient to pay all interest and principal then due on all Bonds payable therefrom, the payment shall be made from any fund of the Issuer which is available for that purpose, subject to reimbursement from the Bond Fund when the balance therein is sufficient, and the Board covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to take care of any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

The Issuer has previously, pursuant to Minnesota Statutes, Section 446A.086 (the Act), entered into a Minnesota Public Facilities Authority County Credit Enhancement Program Agreement (the Agreement) with the Minnesota Public Facilities Authority (the Authority) and the Commissioner of Finance. The Issuer hereby covenants and obligates itself to notify the Authority of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 446A.086, to guarantee payment of the principal and interest on the Bonds when due. The Issuer further covenants to deposit with the Registrar three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Authority that it will be unable to make all or a portion of that payment. The Registrar is authorized and directed to notify the Authority if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Registrar. The Issuer understands that as a result of its covenant to be bound by the provision of the Act, the provisions of that section shall be binding as long as any Bonds remain outstanding.

SECTION 5. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the Issuer shall be and are hereby irrevocably pledged. In order to produce aggregate amounts which, together with the collections of other amounts as set forth in Section 4, will produce amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the Issuer, the taxes to be levied and collected in the following years and amounts:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
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See attached levy calculation

The taxes shall be irrevocable as long as any of the Bonds are outstanding and unpaid, provided that the Issuer reserves the right and power to reduce the tax levies from other legally available funds, in accordance with the provisions of Minnesota Statutes, Section 475.61.

SECTION 6. DEFEASANCE. When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the registered owners of the Bonds shall cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal and interest which are then due, provided that notice of such redemption has been duly given as provided herein. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal, interest and redemption premiums to become due thereon to maturity or earlier designated redemption date, provided, however, that if such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the Issuer shall have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal of and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 7. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

7.1. Covenant. The Issuer covenants and agrees with the registered owners from time to time of the Bonds, that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986 (the Code) and applicable Treasury Regulations (the Regulations), and covenants to take any and all affirmative actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The Issuer has not and will not enter into any lease, management contract, operating agreement, use agreement or other contract relating to the use or operation of the Project, or any portion thereof, which would cause the Bonds to be considered “private activity bonds” or “private loan bonds” pursuant to Section 141 of the Code.

7.2. Arbitrage Certification. The Chair and County Auditor being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the applicable Regulations.

7.3. Arbitrage Rebate. The Issuer acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The Issuer covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no “gross proceeds” of the Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

7.4. Reimbursement. The Issuer certifies that the proceeds of the Bonds will not be used by the Issuer to reimburse itself for any expenditure with respect to the Project which the Issuer paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the Issuer shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that a declaration of official intent shall not be required (i) with respect to certain de minimis expenditures, if any, with respect to the Project meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the Project as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

7.5. Qualified Tax-Exempt Obligations. This Board hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of governmental tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the Issuer and all subordinate entities during calendar year 2016 does not exceed \$10,000,000.

7.6. County Credit Enhancement Program. Notwithstanding anything else to the contrary contained herein, the terms of the Agreement are hereby incorporated in this resolution.

7.7. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the Issuer hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The Issuer is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The Issuer has complied in all material respects with any undertaking previously entered into by it under the Rule. If the Issuer fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

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

- (1) on or before twelve (12) months after the end of each fiscal year of the Issuer, commencing with the fiscal year ending December 31, 2015, the following financial information and operating data in respect of the Issuer (the Disclosure Information):

- (A) the audited financial statements of the Issuer for such fiscal year, prepared in accordance with generally accepted accounting principles in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the Issuer, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the Issuer; and
- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: “Valuations--Current Property Valuations”, “Debt--Direct Debt,” “Tax Rates, Levies and Collections--Tax Levies and Collections,” “General Information—U.S. Census Data--Population Trend,” and “--Employment/Unemployment Data.”

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the Issuer shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the Issuer shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”) or to the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the Issuer have materially changed or been discontinued, such Disclosure Information need no longer be provided if the Issuer includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other Issuer operations in respect of which data is not included in the Disclosure Information and the Issuer determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the Issuer shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a “Material Fact”):

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

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

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

subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
  - (A) the failure of the Issuer to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
  - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the Issuer under subsection (d)(2);
  - (C) the termination of the obligations of the Issuer under this section pursuant to subsection (d);
  - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
  - (E) any change in the fiscal year of the Issuer.

(c) Manner of Disclosure.

- (1) The Issuer agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the Issuer in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the Issuer under this section shall terminate and be without further effect as of any date on which the Issuer delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the Issuer to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the Issuer from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of

any Bonds, by a resolution of this Board filed in the office of the recording officer of the Issuer accompanied by an opinion of Bond Counsel, who may rely on certificates of the Issuer and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the Issuer or the type of operations conducted by the Issuer, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the Issuer agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

## SECTION 8. CERTIFICATION OF PROCEEDINGS.

8.1. Registration and Levy of Taxes. The County Auditor is hereby authorized and directed to file a certified copy of this resolution in the records of the Issuer, together with such additional information as required, and to issue a certificate that the Bonds have been duly entered upon the County Auditor's bond register and the tax required by law has been levied.

8.2. Certification of Records. The officers of the Issuer are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the Issuer relating to the Bonds and to the financial condition and affairs of the Issuer, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Issuer to the facts recited herein.

8.3. Official Statement. The Preliminary Official Statement dated March 24, 2016, and the Addenda to the Preliminary Official Statement relating to the Bonds prepared and distributed by Ehlers & Associates, Inc., the municipal advisor for the Issuer, are hereby approved. The officers of the Issuer are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

8.4. Authorization of Payment of Certain Costs of Issuance of the Bonds. The Issuer authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Klein Bank, on the closing date for further distribution as directed by the Issuer's municipal advisor, Ehlers & Associates, Inc.

Upon vote being taken on the foregoing resolution, the following voted in favor thereof:

**Campbell, Gross, Ingersoll, Mongeau, Weyland**

and the following voted against the same: **None**

whereupon the resolution was declared duly passed and adopted.

EXHIBIT A

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF CLAY  
GENERAL OBLIGATION JAIL BOND, SERIES 2016A

R-\_\_\_\_ \$\_\_\_\_\_

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
__%	February 1, 20__	April 28, 2016	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CLAY COUNTY, MINNESOTA (the Issuer), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual rate specified above, payable on February 1 and August 1 in each year, commencing February 1, 2017 (each such date, an Interest Payment Date), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the month next preceding such Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on Bond Trust Services Corporation, Roseville, Minnesota, as bond registrar, transfer agent and paying agent (the Registrar), or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of \$9,770,000 issued pursuant to a resolution adopted by the Board of County Commissioners on April 5, 2016 (the Resolution) to finance a portion of the cost of acquisition, construction and equipping of county jail and law enforcement facilities and is issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 641.23. The Bonds are issuable only in fully registered form, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in 2027 and later years are each subject to redemption and prepayment at the option of the Issuer, in whole or in part, and if in part in such order of maturity dates as the Issuer may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000 as to Bonds

maturing on the same date, on February 1, 2026, and on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date of redemption. Prior to the date specified for the redemption of any Bond prior to its stated maturity date, the Issuer will cause notice of the call for redemption to be published as required by law, and, at least thirty days prior to the designated redemption date, will cause notice of the call to be mailed by first class mail (or, if applicable, provided in accordance with the operational arrangements of the bond depository), to the registered owner of any Bond to be redeemed at the owner's address as it appears on the bond register maintained by the Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Issuer at the principal office of the agent of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the Issuer will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The Issuer and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the Issuer nor the Registrar shall be affected by any notice to the contrary.

The Bonds have been designated as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the Issuer.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof the Board of Commissioners has levied ad valorem taxes upon all taxable property in the Issuer, which taxes are estimated to be collectible for the years and in amounts sufficient to produce sums not less than five percent in excess of the principal of and interest on the Bonds when due, and has appropriated such taxes to the payment of such principal and interest; that if necessary for payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the Issuer, without limitation as to rate or amount; that the issuance of this Bond, together with all other indebtedness of the

Issuer outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation of indebtedness and that by the Resolution, the Issuer has agreed to comply with the requirements of Minnesota Statutes, Section 446A.086 relating to the state guarantee or payment of principal of and interest on the Bonds.

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 Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the County of Clay, Minnesota, by its Board of County Commissioners, has caused this Bond to be executed on its behalf by the facsimile signatures of the Chair and County Auditor and has caused this Bond to be dated as of the date set forth below.

CLAY COUNTY, MINNESOTA

(Facsimile Signature County Auditor)

(Facsimile Signature Chair)

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CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: \_\_\_\_\_

BOND TRUST SERVICES CORPORATION, as  
Registrar

By \_\_\_\_\_  
Authorized Representative

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## TAX LEVIES CERTIFIED TO COUNTY AUDITOR

**TAX LEVY CALCULATION**

Issue ID# 328468

Clay County, MN  
\$9,770,000 General Obligation Jail Bonds, Series 2016A

Dated Date: 4/28/2016  
 Call Date: 2/1/2026

Tax Levy Year	Tax Collect Year	Bond Pay Year	Total P & I	P & I @ 105%	Net Levy		
2015	/	2016	/	2017	159,136.25	167,093.06	167,093.06
2016	/	2017	/	2018	634,850.00	666,592.50	666,592.50
2017	/	2018	/	2019	632,100.00	663,705.00	663,705.00
2018	/	2019	/	2020	633,400.00	665,070.00	665,070.00
2019	/	2020	/	2021	634,500.00	666,225.00	666,225.00
2020	/	2021	/	2022	635,400.00	667,170.00	667,170.00
2021	/	2022	/	2023	636,100.00	667,905.00	667,905.00
2022	/	2023	/	2024	636,600.00	668,430.00	668,430.00
2023	/	2024	/	2025	621,900.00	652,995.00	652,995.00
2024	/	2025	/	2026	617,300.00	648,165.00	648,165.00
2025	/	2026	/	2027	622,600.00	653,730.00	653,730.00
2026	/	2027	/	2028	637,600.00	669,480.00	669,480.00
2027	/	2028	/	2029	637,100.00	668,955.00	668,955.00
2028	/	2029	/	2030	636,400.00	668,220.00	668,220.00
2029	/	2030	/	2031	635,500.00	667,275.00	667,275.00
2030	/	2031	/	2032	634,122.50	665,828.63	665,828.63
2031	/	2032	/	2033	637,257.50	669,120.38	669,120.38
2032	/	2033	/	2034	634,497.50	666,222.38	666,222.38
2033	/	2034	/	2035	635,632.50	667,414.13	667,414.13
2034	/	2035	/	2036	635,810.00	667,600.50	667,600.50
<b>Totals</b>					<b>12,187,806.25</b>	<b>12,797,196.56</b>	<b>12,797,196.56</b>

\* The County will make this payment from funds on hand.

CERTIFICATE OF CLAY COUNTY AUDITOR  
AS TO REGISTRATION OF BONDS AND TAX LEVY

The undersigned, being the duly qualified and acting Clay County Auditor, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on April 5, 2016, by the Board of County Commissioners of Clay County, Minnesota, setting forth the form and details of an issue of \$9,770,000 General Obligation Jail Bonds, Series 2016A, dated as of April 28, 2016, and levying taxes for the payment thereof.

I further certify that the issue has been entered on my bond register and the tax levy has been filed as required by Minnesota Statutes, Sections 475.61 through 475.63.

WITNESS my hand and official seal on \_\_\_\_\_, 2016.

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County Auditor

(SEAL)



**EHLERS**  
LEADERS IN PUBLIC FINANCE

April 7, 2016

## REVISED Sale Day Report for

Clay County, Minnesota  
\$9,770,000 General Obligation Jail Bonds,  
Series 2016A



Prepared by:

Shelly Eldridge  
Senior Municipal Advisor

and

Todd Hagen  
Senior Municipal Advisor



# Sale Day Report – April 4, 2016

Clay County, Minnesota

\$9,770,000 General Obligation Jail Bonds, Series 2016A

**Purpose:** To finance the preliminary costs associated with building the County’s new jail facilities.

**Rating:** Credit Enhanced Rating: Standard & Poor's Credit Markets "AA+"  
Underlying Rating: Standard & Poor's Credit Markets "AA"

**Number of Bids:** 8

**Low Bidder:** FTN Financial Capital Markets, Memphis, Tennessee

<b>Comparison from Lowest to Highest Bid: (TIC as bid)</b>	<b>Low Bid</b>	<b>High Bid</b>
	1.9878%	2.3177%

Summary of Results:	Results of Sale
Principal Amount*:	\$9,770,000
Underwriter’s Discount:	\$45,130
Reoffering Premium:	\$225,623
True Interest Cost:	1.9822%
Costs of Issuance:	\$53,769
Yield:	0.70% - 2.55%
Total Net P&I	\$12,187,806

**Notes:** \*The report is being revised due to the additional reduction in the bond to comply with the bank qualification (“BQ”) limit. The size of the bond issue was reduced from the projected amount to meet the BQ limitation of issue price being less than \$10M due to the premium bid, a reduction in underwriter’s discount and less than estimated cost of issuance.

**Closing Date:** April 28, 2016

**Board of Commissioners Action:** Resolution authorizing issuance, awarding the sale, prescribing the form and details and providing for the payment of \$9,770,000 General Obligation Jail Bonds, Series 2016A.

**Attachments:**

- Bid Tabulation
- Sources and Uses of Funds
- Updated Debt Service Schedules



**EHLERS**

LEADERS IN PUBLIC FINANCE

**BID TABULATION****\$10,000,000\* General Obligation Jail Bonds, Series 2016A****Clay County, Minnesota****SALE:** April 4, 2016**AWARD:** FTN FINANCIAL CAPITAL MARKETS**MN Credit Enhancement Rating:** Standard & Poor's Credit Markets "AA+"  
**Underlying Rating:** Standard & Poor's Credit Markets "AA"Bank Qualified  
**BBi:** 3.38%

<b>NAME OF BIDDER</b>	<b>MATURITY (February 1)</b>	<b>RATE</b>	<b>REOFFERING YIELD</b>	<b>PRICE</b>	<b>NET INTEREST COST</b>	<b>TRUE INTEREST RATE</b>
FTN FINANCIAL CAPITAL MARKETS				\$10,183,040.40	\$2,304,376.06	1.9878%
Memphis, Tennessee	2018	3.000%	0.700%			
	2019	2.000%	0.800%			
	2020	2.000%	0.950%			
	2021	2.000%	1.050%			
	2022	2.000%	1.150%			
	2023	2.000%	1.250%			
	2024	2.000%	1.300%			
	2025	2.000%	1.400%			
	2026	2.000%	1.500%			
	2027	2.000%	1.600%			
	2028	2.000%	1.700%			
	2029	2.000%	1.800%			
	2030	2.000%	2.000%			
	2031	2.050%	2.050%			
	2032	2.100%	2.100%			
	2033	2.200%	2.200%			
	2034	2.350%	2.350%			
	2035	2.450%	2.450%			
	2036	2.550%	2.550%			

\* Subsequent to bid opening the issue size was decreased to \$9,770,000.

Adjusted Price - \$9,950,493.22

Adjusted Net Interest Cost - \$2,237,313.03

Adjusted TIC - 1.9822%



NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
STIFEL, NICOLAUS Birmingham, Alabama	2018	3.000%		\$10,357,678.95	\$2,374,710.82	2.0392%
	2019	3.000%				
	2020	3.000%				
	2021	3.000%				
	2022	3.000%				
	2023	3.000%				
	2024	3.000%				
	2025	3.000%				
	2026	3.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.000%				
	2030	2.000%				
	2031	2.000%				
	2032	2.125%				
	2033	2.250%				
	2034	2.375%				
	2035	2.500%				
	2036	2.500%				
WELLS FARGO BANK, NATIONAL ASSOCIATION Charlotte, North Carolina	2018	3.000%		\$10,520,408.75	\$2,476,378.33	2.0963%
	2019	3.000%				
	2020	3.000%				
	2021	3.000%				
	2022	3.000%				
	2023	3.000%				
	2024	3.000%				
	2025	3.000%				
	2026	3.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.000%				
	2030	2.250%				
	2031	2.250%				
	2032	2.500%				
	2033	2.500%				
	2034	2.750%				
	2035	3.000%				
	2036	3.000%				



NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
PIPER JAFFRAY & CO. Minneapolis, Minnesota	2018	3.000%		\$10,420,857.05	\$2,507,339.62	2.1396%
	2019	3.000%				
	2020	3.000%				
	2021	3.000%				
	2022	3.000%				
	2023	3.000%				
	2024	3.000%				
	2025	3.000%				
	2026	3.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.000%				
	2030	2.250%				
	2031	2.500%				
	2032	2.500%				
	2033	2.500%				
	2034	2.500%				
2035	2.750%					
2036	2.750%					
CITIGROUP GLOBAL MARKETS INC. Dallas, Texas	2018	2.000%		\$10,218,989.10	\$2,538,744.13	2.1744%
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.000%				
	2024	2.000%				
	2025	2.000%				
	2026	2.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.000%				
	2030	2.000%				
	2031	2.250%				
	2032	2.500%				
	2033	2.500%				
	2034	3.000%				
2035	3.000%					
2036	3.000%					



NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BAIRD				\$10,234,076.70	\$2,562,015.22	2.1936%
Milwaukee, Wisconsin	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.000%				
	2024	2.000%				
	2025	2.000%				
	2026	2.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.250%				
	2030	2.250%				
	2031	2.500%				
	2032	2.500%				
	2033	2.850%				
	2034	2.850%				
	2035	2.850%				
	2036	2.850%				
NORTHLAND SECURITIES, INC.				\$10,440,737.75	\$2,693,993.50	2.2833%
Minneapolis, Minnesota	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	3.000%				
	2023	3.000%				
	2024	3.000%				
	2025	3.000%				
	2026	3.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.500%				
	2030	2.500%				
	2031	2.500%				
	2032	3.000%				
	2033	3.000%				
	2034	3.000%				
	2035	3.000%				
	2036	3.000%				



NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
RAYMOND JAMES & ASSOCIATES, INC. Memphis, Tennessee	2018	2.000%		\$10,211,888.90	\$2,707,325.77	2.3177%
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.000%				
	2024	2.000%				
	2025	2.000%				
	2026	2.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.100%				
	2030	2.500%				
	2031	2.500%				
	2032	3.000%				
	2033	3.000%				
	2034	3.000%				
	2035	3.000%				
	2036	3.000%				



# Clay County, Minnesota

\$9,770,000 General Obligation Jail Bonds, Series 2016A

## Sources & Uses

Dated 04/28/2016 | Delivered 04/28/2016

### Sources Of Funds

Par Amount of Bonds	\$9,770,000.00
Reoffering Premium	225,623.00
<b>Total Sources</b>	<b>\$9,995,623.00</b>

### Uses Of Funds

Total Underwriter's Discount (0.462%)	45,129.78
Costs of Issuance	53,769.00
Deposit to Project Fund	9,896,724.22
<b>Total Uses</b>	<b>\$9,995,623.00</b>



# Clay County, Minnesota

## \$9,770,000 General Obligation Jail Bonds, Series 2016A

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/28/2016	-	-	-	-	-
02/01/2017	-	-	159,136.25	159,136.25	159,136.25
08/01/2017	-	-	104,925.00	104,925.00	-
02/01/2018	425,000.00	3.000%	104,925.00	529,925.00	634,850.00
08/01/2018	-	-	98,550.00	98,550.00	-
02/01/2019	435,000.00	2.000%	98,550.00	533,550.00	632,100.00
08/01/2019	-	-	94,200.00	94,200.00	-
02/01/2020	445,000.00	2.000%	94,200.00	539,200.00	633,400.00
08/01/2020	-	-	89,750.00	89,750.00	-
02/01/2021	455,000.00	2.000%	89,750.00	544,750.00	634,500.00
08/01/2021	-	-	85,200.00	85,200.00	-
02/01/2022	465,000.00	2.000%	85,200.00	550,200.00	635,400.00
08/01/2022	-	-	80,550.00	80,550.00	-
02/01/2023	475,000.00	2.000%	80,550.00	555,550.00	636,100.00
08/01/2023	-	-	75,800.00	75,800.00	-
02/01/2024	485,000.00	2.000%	75,800.00	560,800.00	636,600.00
08/01/2024	-	-	70,950.00	70,950.00	-
02/01/2025	480,000.00	2.000%	70,950.00	550,950.00	621,900.00
08/01/2025	-	-	66,150.00	66,150.00	-
02/01/2026	485,000.00	2.000%	66,150.00	551,150.00	617,300.00
08/01/2026	-	-	61,300.00	61,300.00	-
02/01/2027	500,000.00	2.000%	61,300.00	561,300.00	622,600.00
08/01/2027	-	-	56,300.00	56,300.00	-
02/01/2028	525,000.00	2.000%	56,300.00	581,300.00	637,600.00
08/01/2028	-	-	51,050.00	51,050.00	-
02/01/2029	535,000.00	2.000%	51,050.00	586,050.00	637,100.00
08/01/2029	-	-	45,700.00	45,700.00	-
02/01/2030	545,000.00	2.000%	45,700.00	590,700.00	636,400.00
08/01/2030	-	-	40,250.00	40,250.00	-
02/01/2031	555,000.00	2.050%	40,250.00	595,250.00	635,500.00
08/01/2031	-	-	34,561.25	34,561.25	-
02/01/2032	565,000.00	2.100%	34,561.25	599,561.25	634,122.50
08/01/2032	-	-	28,628.75	28,628.75	-
02/01/2033	580,000.00	2.200%	28,628.75	608,628.75	637,257.50
08/01/2033	-	-	22,248.75	22,248.75	-
02/01/2034	590,000.00	2.350%	22,248.75	612,248.75	634,497.50
08/01/2034	-	-	15,316.25	15,316.25	-
02/01/2035	605,000.00	2.450%	15,316.25	620,316.25	635,632.50
08/01/2035	-	-	7,905.00	7,905.00	-
02/01/2036	620,000.00	2.550%	7,905.00	627,905.00	635,810.00
<b>Total</b>	<b>\$9,770,000.00</b>	<b>-</b>	<b>\$2,417,806.25</b>	<b>\$12,187,806.25</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$111,138.92
Average Life	11.376 Years
Average Coupon	2.1754812%

# Clay County, Minnesota

## \$9,770,000 General Obligation Jail Bonds, Series 2016A

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2017	-	-	159,136.25	159,136.25	167,093.06
02/01/2018	425,000.00	3.000%	209,850.00	634,850.00	666,592.50
02/01/2019	435,000.00	2.000%	197,100.00	632,100.00	663,705.00
02/01/2020	445,000.00	2.000%	188,400.00	633,400.00	665,070.00
02/01/2021	455,000.00	2.000%	179,500.00	634,500.00	666,225.00
02/01/2022	465,000.00	2.000%	170,400.00	635,400.00	667,170.00
02/01/2023	475,000.00	2.000%	161,100.00	636,100.00	667,905.00
02/01/2024	485,000.00	2.000%	151,600.00	636,600.00	668,430.00
02/01/2025	480,000.00	2.000%	141,900.00	621,900.00	652,995.00
02/01/2026	485,000.00	2.000%	132,300.00	617,300.00	648,165.00
02/01/2027	500,000.00	2.000%	122,600.00	622,600.00	653,730.00
02/01/2028	525,000.00	2.000%	112,600.00	637,600.00	669,480.00
02/01/2029	535,000.00	2.000%	102,100.00	637,100.00	668,955.00
02/01/2030	545,000.00	2.000%	91,400.00	636,400.00	668,220.00
02/01/2031	555,000.00	2.050%	80,500.00	635,500.00	667,275.00
02/01/2032	565,000.00	2.100%	69,122.50	634,122.50	665,828.63
02/01/2033	580,000.00	2.200%	57,257.50	637,257.50	669,120.38
02/01/2034	590,000.00	2.350%	44,497.50	634,497.50	666,222.38
02/01/2035	605,000.00	2.450%	30,632.50	635,632.50	667,414.13
02/01/2036	620,000.00	2.550%	15,810.00	635,810.00	667,600.50
<b>Total</b>	<b>\$9,770,000.00</b>	<b>-</b>	<b>\$2,417,806.25</b>	<b>\$12,187,806.25</b>	<b>\$12,797,196.56</b>

### Significant Dates

Dated	4/28/2016
First Coupon Date	2/01/2017

### Yield Statistics

Bond Year Dollars	\$111,138.92
Average Life	11.376 Years
Average Coupon	2.1754812%
Net Interest Cost (NIC)	2.0130780%
True Interest Cost (TIC)	1.9822461%
Bond Yield for Arbitrage Purposes	1.9356508%
All Inclusive Cost (AIC)	2.0371566%

### IRS Form 8038

Net Interest Cost	1.9443586%
Weighted Average Maturity	11.280 Years



CLAY COUNTY BUILDING IMPROVEMENT PLAN (2016)

	Priority 1 (1-3 years) 2016-2018	Priority 2 (3-5 years) 2018-2020	Priority 3 (5-10 years) 2020-2030
ORIGINAL COURTHOUSE	Heat Pump Plan <b>Tower Pipe Project*</b> Basement Ground Water Problem Replace sidewalks around the campus \$7500 <b>Simplex Software Upgrade* \$30,000</b>	Boiler Replacement Simplex Fire System \$30,000 Resurface East Courthouse Parking Lot \$50,000	Rekey Courthouse
LEC	Cooling Tower Fire Alarm Panel	<b>Ejector Pits</b>	
ANNEX			
JUVENILE CENTER	Fire Panel \$28,600 Elevator Replacement \$80,000 Basement Pump Room Pipe \$58,900 Roof & Vent Replacement \$65,000 Remove Front Awning \$24,000 east side concrete \$26,740 2" asphalt overlay, east parking lot \$ <b>Stairwell Alert System * \$15,000</b> <b>Collapsed Sump Pump Pipe* \$4,000</b>	Window Caulking \$18,000	West Service Elevator
FAMILY SERVICE CTR	Fire Smoke Detectors \$30,000 RM. #4: Fix AC/Heat Problem \$15,000. Carpet, paint, window coverings \$10,000 Install Security Cameras \$10,000 SS #102 Update Carpet \$_____/Paint \$12,485		
POWER PLANT	Chiller Software Upgrade \$23,500	Condensate Return Tank \$ West Boiler Burner \$30,000	
MOTOR VEHICLE			
HIGHWAY DEPARTMENT	New Hawley Maint Shop and Bit Paving at Joint Facility/Shop area	Replace Waste Oil Furnace-Joint Fac, Major Wash Bay upgrades-Joint Fac. Parking Lot-Rear Joint Fac.	New Ulen/Felton Maint Shop Upgrade Cover- All Fabric at Joint Fac.

\* Completed Projects in 2015

Fund 19: Capital Improvement \$265,286 (includes 2016 deposit)

Fund 13: Building Improvement \$257,072