

PROCEEDINGS OF THE COUNTY BOARD

State of Minnesota }
County of Kanabec }
Office of the County Coordinator

February 13, 2008

The Kanabec County Board of Commissioners met at 9:00am on Wednesday, February 13, 2008 pursuant to adjournment with the following Board Members present: Kim Smith, Kathi Ellis, Jerry Nelson, Kevin Troupe and Les Nielsen.

The Chairperson led the assembly in the Pledge of Allegiance.

Action #1 - It was moved by Les Nielsen, seconded by Kim Smith, and carried unanimously to approve the agenda with the following additions:

- a. Rail authority
- b. Transportation resolution
- c. Claim for Construction Manager services

Action #2 - It was moved by Les Nielsen, seconded by Kevin Troupe, and carried unanimously to approve the minutes of the January 30, 2008 meeting as presented.

Action #3 - It was moved by Kim Smith, seconded by Jerry Nelson, and carried unanimously to approve a **Consent Agenda** including all of the following actions:

Resolution #3a – 2/13/08

WHEREAS the board has been presented with claims for recycling efforts to be paid from SCORE Funds, and

WHEREAS these claims have been reviewed, tabulated and approved by the Kanabec County Solid Waste Officer, and

WHEREAS SCORE Funds appear adequate for the purpose;

BE IT RESOLVED to approve payment of the following December, 2007 claims on SCORE Funds:

Quality Disposal	\$3,560.00
Knife Lake Sanitation	\$840.00
Arthur Township	\$400.00
TOTAL	\$4,800.00

Resolution #3b – 2/13/08

WHEREAS the board has been presented with a claim to be drawn on Water Plan Funds, and

WHEREAS the Environmental Services Director has verified that this claim falls within the budget of the Water Plan and is an action item of the Water Plan Committee;

BE IT RESOLVED to approve payment of claims totaling \$35.00 as follows:

East Central Water Testing \$35.00

Resolution #3c – 2/13/08

WHEREAS the County Assessor has a disaster credit for a property in Kanabec County, and

WHEREAS the County Assessor and County Auditor have indicated their approval of the abatement as indicated by their signatures below,

BE IT RESOLVED that the County Board accept the recommendations of the County Assessor and the County Auditor and exercise the County Board's authority under Minnesota Statute 375.192, Subd. 2 to approve the disaster credit correction as follows:

Name	Parcel Number	Reason for Abatement	Payable Year	Original Taxes	New Taxes	Amount of Change
Beatrice Huston Family Trust	04.01325.00	Disaster Credit	credit to 2008	\$1,442.00	\$833.96	\$608.04

Resolution #3d – 2/13/08

WHEREAS the County Assessor has found clerical errors made on the data for a property in Kanabec County, and

WHEREAS the County Assessor and County Auditor have indicated their approval of the correction of the errors as indicated by their signatures below,

BE IT RESOLVED that the County Board accept the recommendations of the County Assessor and the County Auditor and exercise the County Board's authority under Minnesota Statute 375.192, Subd. 2 to approve the correction of the clerical errors as follows:

Name	Parcel Number	Reason for Abatement	Pay-able	Original Taxes	New Taxes	Amount of
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			Year			Change
Adam Cameron	22.05995.00	Homestead	2007	\$1,268.00	\$990.00	\$278.00
Adam Cameron	22.05995.00	Homestead	2008	\$1,446.00	\$1,178.00	\$268.00
James Skarbakka	06.01375.00	Valuation	2008	\$396.00	\$288.00	\$108.00
James Skarbakka	06.01395.00	Valuation	2008	\$284.00	\$156.00	\$128.00
Total Changes				\$3,394.00	\$2,612.00	\$782.00

Resolution #3e – 2/13/08

Right of Way Claims

WHEREAS the County Board has been presented with a request to pay right-of-way claims for SP 33-611-21, the reconstruction of CSAH No. 11 from TH No. 23 to CSAH No. 19;

BE IT RESOLVED to pay the following right-of-way claims:

1. Michael & Linda Holznagel..... \$ 3663.00
2. Thomas Hamilton & Carol Eaton..... \$ 531.00
3. George & Diane Baldwin..... \$11,562.50
4. Ronald & Irene Hines..... \$ 1540.00
5. Zebulon E. Ostman..... \$ 375.00

Action #4 – It was moved by Jerry Nelson, seconded by Kim Smith, and carried unanimously to approve the following resolution:

Resolution #4 – 2/13/08

Public Comment Times

WHEREAS the County Board has set public comment periods for regular board meetings as: Day Meeting at 11:05am – 11:35am
Evening Meeting at 7:45pm to 8:15pm
and,

WHEREAS these times are not always conducive to meeting planning, and

WHEREAS it is helpful to maintain a regular public comment time to make it easier for the public to plan attendance at meetings;

BE IT RESOLVED to set the following public comment periods for regular board meetings effective March 1, 2008 as:

Day Meeting at 10:30am

Evening Meeting at 7:30pm

and,

BE IT RESOLVED that the agenda will generally be set with the next appointment at 20 minutes after Public Comment, though this time may be adjusted by the board clerk to meet the needs of the individual meeting.

Action #5 – It was moved by Jerry Nelson, seconded by Les Nielsen, and carried unanimously to recess the board meeting at 9:05am to a time immediately following the Public Health Board.

The Kanabec County **Public Health Board** met at **9:05am** on Wednesday, February 13, 2008 pursuant to adjournment with the following Board Members present: Kathi Ellis, Les Nielsen, Kim Smith, Jerry Nelson and Kevin Troupe. Health & Human Service Director Wendy Thompson presented the Health Board agenda. Items discussed included agency finances, contracts, staffing and other agency business.

Action #PH6 - It was moved by Jerry Nelson, seconded by Kim Smith, and carried unanimously to approve the Public Health Board Agenda as presented.

Action #PH7 – It was moved by Les Nielsen, seconded by Kim Smith, and carried unanimously to approve the following resolution:

Resolution #PH7 – 2/13/08

BE IT RESOLVED to increase a Clerk-Typist II position in Public Health from 24 hours per week to 40 hours per week with the additional hours funded by Alcohol, Tobacco and Other Drug grant, and

BE IT FURTHER RESOLVED that authorization to fill and continue this position is contingent upon grant funds with no local tax dollars involved; approval for this position will expire concurrent with loss of grant funding.

Action #PH8 - It was moved by Kim Smith, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

Resolution #PH8 – 2/13/08 **ORDER OF THE BOARD**

WHEREAS there is a vacancy in the position of Home Health Aide, and

WHEREAS the board desires to refill this vacant position;

BE IT RESOLVED that the County Board authorizes Health & Human Service Director Wendy Thompson and the County Personnel Director to hire a part-time, intermittent Home Health Aide to refill the vacant position at Step A, Range 5 of the pay plan which is \$12.97 per hour or the rate set by rule for internal promotion, and

BE IT FURTHER RESOLVED that the hours of work for this position be limited to those budgeted.

Action #PH9 – It was moved by Kim Smith, seconded by Jerry Nelson, and carried unanimously to adjourn the Public Health Board at 9:54am to meet in regular session on Wednesday, March 12, 2008 at 9:05am.

The meeting of the Kanabec County Board of Commissioners resumed.

Action #10 – It was moved by Jerry Nelson, seconded by Les Nielsen, and carried unanimously to approve the following paid claims:

Anderson Legal	348.50
Ann Lake Twp	1,085.41
Arthur Twp	3,267.25
Braham Public Schools	4,626.15
Brunswick Twp	4,600.15
City of Grasston	55.55
City of Mora	9,448.49
City of Ogilvie	571.63
City of Quamba	1,795.24
Comfort Twp	2,507.90
East Central Regional Dev Comm	428.96
East Central School District	1,677.04
Ford Twp	1,038.93
GMCU	1,369.53
Grass Lake Twp	1,779.57
Haybrook Twp	588.87
Hillman Twp	1,710.48
Hinckley Finlayson Schools	2,230.17
Holiday Credit Office	6,385.28
Humana Dental	4,064.20
Isle Public Schools	1,778.66
Kanabec Co	17,240.29
Kanabec Co Auditor	120.00
Kanabec Co Hwy	90.35

Kanabec Twp	1,315.47
Knife Lake Twp	2,118.51
Kroschel Twp	643.89
Larson Allen	9,800.00
Marco	11,336.57
MCIT	1,904.00
MFVGA	110.00
Milaca Public Schools	467.26
MN Dept of Finance	700.28
MN Dept of Finance	5,475.00
MN Dept of Finance	1,105.00
MN Energy Resources	10,524.31
MN Mutual Life Ins	369.70
MN Mutual Life Ins	347.70
Mora Municipal Utilities	8,881.81
Mora Public Schools	44,706.64
North Central Drug Task Force	2,520.19
Northstar Access	1,155.96
Ogilvie Public Schools	25,180.38
Parker, Satrom, Donegan	200.00
Parker, Satrom, Donegan	225.00
Peace Twp	2,116.63
Pine City Public Schools	2.58
Pine Co Attorney	59.80
Pomroy Twp	2,347.21
Rural Cellular Corp	1,240.80
Southfork Twp	1,939.86
Straka, Robin	712.25
TDS Metrocom	292.50
Tessneer Law Office	244.50
Treasurer, Kanabec Co	79,975.00
Treasurer, Kanabec Co	79,855.00
US Bank	415,405.00
Whited Twp	1,162.37
Total	<u><u>783,249.77</u></u>

Action #11 – It was moved by Kim Smith, seconded by Kevin Troupe, and carried unanimously to approve payment of the following claims on the funds indicated:

Revenue Fund

A&A Enterprises	476.81
Ace Hardware	139.45
Ace Hardware	9.78

Ace Hardware	192.21
Alcanter, Lori	308.56
Allina Hospitals & Clinics	328.44
AmericInn of Mora	297.76
AmeriPride	92.54
AmeriPride	318.93
Anderson, Jody	19.00
Anderson, Karen	266.14
Andres, Christine	278.26
AP Technology	5,954.00
Armstrong, Becci	74.24
Ashworth Appliance	42.59
Assoc of Training Officers of MN	350.00
Auto Value	765.61
Auto Value	132.28
BCA Training	25.00
Bernhardt, Maria	397.34
Biever, Laurie	275.74
BLI Lighting	367.27
Briggs	21.09
Briggs	678.51
Bryant, Gary	1,331.25
Burski, Kathy	268.66
Carlton Co Treasurer	15.00
Carlton Co Treasurer	15.00
Carlton Co Treasurer	15.00
Cassman, Deb	269.67
CDW	72.42
Central MN Council on Aging	50.00
Champ Software	8,790.77
Circuit Works	100.00
Clear Connect	639.00
Coborns	328.32
Coborns	134.71
Coborns Long Term Care Pharmacy	1,388.74
Coborns Pharmacy	33.19
Cooper, Denise	40.99
CPS Technology	456.57
CPS Technology	3,145.37
Creative Forms & Concepts	81.21
D&T Ventures	500.00
D&T Ventures	551.25
Dahlberg, Loretta	154.53

Dalco	107.57
Dresser Methven Funeral Home	250.00
Dudek, Allison	463.09
East Central Exterminating	101.20
E Central Regional Juvenile Center	6,965.00
East Central Regional Library	79,386.00
EBSC	1,359.00
ECM	153.50
Ecowater Systems	136.19
Elfstrum Brenda	492.38
Engquist, Cheryl	38.50
Erbstoesser, Arnold	364.62
FastServ Medical	143.36
Fifth District Jail Administrator Assn	645.00
Fresonke, Lew	180.00
Friday, Jenny	82.32
Grainger	283.56
Grainger	138.71
Granite Electronics	831.20
Gustafson, Bev	275.75
Hannu, Joann	341.89
Harff, Shirley	148.98
Hebeisen, David	112.50
Hebeisen, Rose	531.80
Horizon Towing	197.98
Howard, Carey	136.35
Image Office Services	67.50
Indianhead Specialty	22.31
Initiative Foundation	45.00
Ivans	83.96
Johnsons Hardware	25.28
Johnsons Hardware	4.09
Kanabec Co Family Services	841.98
Kanabec Co Family Services	717.64
Kanabec Co Hwy Dept	201.97
Kanabec Co Hwy Dept	1,018.05
Kanabec Co IS	20.05
Kanabec Hospital	5,320.00
Kanabec Publications	215.00
Kanabec Publications	545.19
Kanabec Publications	82.20
Kanabec Publications	34.25
Kanabec Publications	125.75

Kanabec Publications	122.48
Kanabec Publications	42.90
Keef Supply Co	332.34
Kehn, Jessie	464.16
Larson Allen	7,200.00
Laska, Millie	1,244.72
Lindah, Ronda	57.57
MACAI	75.00
Marco	102.34
Mariposa Publishing	9.36
Marriott International	211.16
Martel Electronics	192.00
Martin, Bill	14.40
Matthew Bender	380.63
Maul, Barb	92.69
Maul, Barb	109.08
MCCC	1,239.95
MCCC	1,450.00
MCCC	2,821.47
MCCC	1,200.00
MCCC	158.97
MCCC	317.94
McGee, Michael, MD	800.00
MCHRMA	50.00
Metro Sales	2,236.00
Mille Lacs Co Jail	31,100.00
MN CLE	225.00
MN Monitoring	450.00
Moore Medical	165.16
Moore Medical	40.11
Moore Medical	20.45
Mora Police Dept	1,852.00
Mora Schools	9,397.00
Mora Schools	250.00
Morrell, Joy	672.71
NBP	198.09
NHPCO	360.00
Noodle Soup	50.60
Northland Chemical Corp	142.50
Northland Chemical Corp	278.94
Northland Fire Protection	705.90
Novus	252.35
Oak Gallery	58.24

Oak Gallery	9.04
Office Depot	201.74
Office Depot	39.39
Office Depot	11.40
Office Depot	91.35
Office Depot	70.88
Office Depot	11.49
Office Depot	2,285.92
Office Depot	177.29
Office Depot	8.62
Office Depot	305.21
Office of Enterprise Technology	600.00
Ogilvie Schools	9,959.00
Olson, Rhonda	423.50
Orange Tree Employment Screening	6.00
Oriental Trading	191.98
Oslin Lumber	200.53
Osterdyk, Sue	123.22
Ostrom, Donna	19.00
Otte Dairy Delivery	306.00
Pamida	144.50
Pamida	21.29
Pedersen, Jerry	34.34
Pine Ridge Cleaning	111.40
Priority Dispatch	310.00
Progressive Business Publications	237.60
PSS	30.93
Quality Assured Services	309.99
Quality Disposal	419.03
Quill Corp	347.59
Raiche, Nancy	217.66
Ramsey Co	2,400.00
Ramsey Co Sheriff	40.80
Reed Business Information	248.04
Reed, Terrie	465.11
Regions Hospital	373.00
Richards, Lila	298.20
Ringler, Jennie	193.93
Rosburg, Diane	204.03
RS Eden	15.75
Rutzen, JoEllen	95.00
S&T	161.41

S&T	159.64
S&T	250.87
S&T	503.69
Sandberg, Bev	145.44
Sandstone Distributing	13.00
Sandstone Distributing	65.94
Schewe, Bob	74.71
Schmidt, Barb	376.92
Schroeder, Janelle	179.78
Schulz, Steve	165.00
Scofield, Becca	126.25
Sherburne Co A/T	465.00
Sheriff, Kanabec Co	384.00
Skill Path Seminars	149.00
Skramstad, Linda	269.67
ST Cloud Stamp & Sign	97.39
St Cloud State University	375.00
State of MN - BCA	50.00
Stericycle	190.43
Strandberg, Richard	576.28
Sundet, Marvin	742.77
Swanson, Lori	98.98
Swenson, Deb	62.31
Tamarac Medical	10.00
Thompson, Wendy	328.25
Tricola, Joe, Heart Beat of America	96.00
Tvedt, Joell	473.80
Twin City Hardware	32.62
Ultramax	271.00
University of MN-Extension	25.00
USPS-Hasler	54,000.00
Visual Gov Solutions	28.50
Vogel, Darla	384.81
Voight, Jackie	119.69
Watson Co	703.05
Watson Co	1,539.47
West Payment Center	265.41
West Payment Center	106.50
West Payment Center	2,615.10
West Payment Center	305.66
Zamora, Ray	<u>878.59</u>
Total	<u>290,000.76</u>

Road & Bridge Fund

Vendor	2007	2008	Total Vouchers
Ace Hardware		642.12	642.12
Ameripride		724.95	724.95
Auto Value Mora	379.18	10,435.00	10,814.18
Boyer Ford Trucks		49.51	49.51
Central Glass Company, Inc.		588.77	588.77
Central McGowan, Inc.		186.38	186.38
Chamberlain Oil Co., Inc.		581.40	581.40
Cloud Cartographics, Inc.		5,236.88	5,236.88
Commissioner of Transportation	940.56		940.56
Commissioner of Transportation, Oakdale		100.00	100.00
Craguns		546.00	546.00
E.G. Rud & Sons, Inc., Land Surveying		545.00	545.00
Federated Co-Ops Inc.		99.54	99.54
Foam It Insulation, Inc.		3,325.00	3,325.00
Glen's Tire		847.32	847.32
Gopher State One-Call		101.45	101.45
Grainger		119.62	119.62
Interstate Power Systems, Inc.		250.06	250.06
Jim's Machine & Welding		65.82	65.82
John Deere Government & National Sales		2,785.68	2,785.68
Kanabec County Hwy - Petty Cash		49.79	49.79
Kanabec County Treasurer		1,762.12	1,762.12
Northern States Supply, Inc.		218.76	218.76
Office Depot		144.50	144.50
Oslin Lumber		3.96	3.96
Owens Auto Parts (NAPA)		379.72	379.72
Oxygen Service Co., Inc.		267.52	267.52
Pine Lake Communications		171.47	171.47
Postmaster		157.00	157.00
Power Plan		1,471.35	1,471.35
Quality Disposal Systems, Inc.		141.16	141.16
Richards, Lila, The Cleaning Agent		910.58	910.58
Robin Straka, Deputy Registrar		712.25	712.25
S & T Office Products		34.59	34.59
Seasonal Landworks		300.00	300.00
Sherburne County Auditor/Treasurer		56.40	56.40
St. Cloud Technical Collage		75.00	75.00
Stan's Radiator Service		20.00	20.00
State of Minnesota Dept. of Public Safety		25.00	25.00
West Central Industries Joblink		2,562.02	2,562.02
Zep Manufacturing Company		403.50	403.50
Total:	1,319.74	37,097.19	38,416.93
	2007	2008	<u>38,416.93</u>

Action #12 – Kevin Troupe introduced the following resolution and moved its adoption:

Resolution #12 – 2/13/08
A RESOLUTION REQUESTING
COMPREHENSIVE ROAD AND TRANSIT FUNDING

WHEREAS it has become wide-spread knowledge and concern among Minnesota residents that our state has wide-spread, serious and pervasive challenges to the integrity of our roads and bridges; and

WHEREAS, the integrity of Minnesota's transportation infrastructure is dependent upon long-term planning and ongoing maintenance; and

WHEREAS, Minnesota leaders have not increased dedicated funding levels for roads, bridges and transit systems to keep pace with growing costs and changing needs; and

WHEREAS, transportation analysts in consultation with the Minnesota Department of Transportation (MnDOT) estimate Minnesota will have to invest an additional \$1.5 billion per year in transportation infrastructure for the next ten years in order to meet identified needs on Minnesota's state highways and bridges, county roads, city streets, metro and rural transit systems and local bridges; and

WHEREAS, many rural roads are not built to modern safety standards and are not meeting the needs of industries that depend on the ability to transport heavy loads; and

WHEREAS, local cost participation requirements for trunk highways are contributing to strains on county budgets and significantly contribute to rising property taxes; and

WHEREAS, insufficient state funding has delayed regionally significant road construction and reconstruction projects across Minnesota and has led to patchwork fixes which fall apart in a short period of time; and

WHEREAS, current funding for roads, bridges and transit systems across all government levels in Minnesota is inadequate, and this under-investment diminishes quality of life for Minnesota residents and hinders Minnesota's progress as a national business, economic and civic leader.

NOW, THEREFORE, BE IT RESOLVED that Kanabec County Board of Commissioners requests that the Minnesota Legislature pass a comprehensive and balanced transportation funding package that permanently increases dedicated funding for transportation; and

BE IT FURTHER RESOLVED to request that Governor Tim Pawlenty allow a comprehensive and balanced transportation funding package that permanently increases dedicated funding for transportation that is passed by the Legislature to become law; and

BE IT FURTHER RESOLVED that a comprehensive and balanced transportation funding package be based upon multiple revenue sources, which may include but not limited to the following:

- An increase in the gas tax;
- Indexing of the gas tax to the Consumer Price Index
- Trunk highway bonding
- General obligation bonding for local roads and bridges
- ½ percent increase in the state sales tax for the metropolitan area
- ½ percent local option sales tax for transportation in Greater Minnesota

BE IT FURTHER RESOLVED that trunk highway bonding and general obligation bonding for local roads and bridges are not desirable solutions as they are cost shifts and consume future road and bridge funds, but the Kanabec County Board of Commissioners recognize that they may be necessary in the short term to overcome past funding inadequacies and correct existing safety problems.

The motion for the adoption of the foregoing Resolution was duly seconded by Kim Smith and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Kevin Troupe, Jerry Nelson, Kathi Ellis, Kim Smith
OPPOSED: Les Nielsen
ABSTAIN: None

whereupon the resolution was declared duly passed and adopted.

10:01am – Central Minnesota Jobs & Training CEO Barb Chaffee met with the County Board to discuss matters concerning CMJT including a joint powers agreement renewal, services and the 2006 audit.

Action #13 – It was moved by Jerry Nelson, seconded by Kevin Troupe, and carried unanimously to approve the following resolution:

Resolution #13 – 2/13/08

Central Minnesota Jobs & Training

WHEREAS Kanabec County has been a participating county in Central Minnesota Jobs and Training since its inception in January of 1984, and

WHEREAS Central Minnesota Jobs and Training continues to serve the

participating counties in all the capacities enumerated in the joint powers agreement document;

BE IT RESOLVED to approve a Minnesota Workforce Center System Joint Powers Agreement for the time period January 1, 2008 through December 31, 2009 subject to approval by the County Attorney.

10:30am – The board took a 5 minute break.

10:35am – Auditor/Treasurer Denise Cooper met with the County Board to discuss matters concerning her office.

Action #14 – It was moved by Kim Smith, seconded by Kevin Troupe, and carried unanimously to approve the following resolution:

Resolution #14 – 2/13/08

Tail Feathers Liquor License

WHEREAS the Kanabec County Auditor/Treasurer has recommended the following application for liquor license, and

WHEREAS the application is complete, included all necessary documentation, appears in accordance with County Policies and the facility owners are in good standing with the County;

BE IT RESOLVED to approve a set-up license application for the Royal Ventures, Inc. (*Tail Feathers Tavern*) for the time period April 1, 2008 through March 31, 2009.

Action #15 – It was moved by Les Nielsen, seconded by Kim Smith, and carried unanimously to approve the following resolution:

Resolution #15 – 2/13/08

Investment Policy

WHEREAS it is in the public interest to codify the investment objectives and parameters for the management of the public funds of Kanabec County, and

WHEREAS the Auditor/Treasurer of Kanabec County has presented the board with a policy that has been the practice of the county, and

WHEREAS the policy appears consistent with good public practice;

BE IT RESOLVED to approve the following policy and confirm its effective date of January 1, 2007:

Policy: A-111
Approved: 02-13-08
Effective: 01-01-2007
Supersedes (eff): n/a (NEW)

KANABEC COUNTY, MINNESOTA INVESTMENT POLICY

Section 1 PURPOSE

The purpose of this policy is to set forth the investment objectives and parameters for the management of the public funds of Kanabec County. This investment policy is designed to: safeguard funds on behalf of the County, preserve principal, assure the availability of operating and capital funds when needed, maintain liquidity, ensure compliance with applicable Minnesota statutes, and provide a competitive investment return in light of statutory restrictions.

Section 2 SCOPE

In accordance with accounting standards, financial reporting guidelines, and Minnesota statutes, specifically MN Statue Chapter 118A, this investment policy applies to all cash and investments held or controlled by the County Auditor-Treasurer on behalf of the County. This policy does not apply to funds related to the issuance of debt where there are other indentures in effect for such funds. In addition, any future revenues and proceeds, which have statutory investment requirements conflicting with this Investment Policy, are not subject to the provisions of this policy.

Section 3 INVESTMENT OBJECTIVES

The primary objectives of the County, in priority order, of investment activities shall be safety, liquidity and yield.

A. *Safety of Principal*

The foremost objective of this investment policy is to ensure the safety of the principal of public funds. Investment transactions shall be undertaken in a

manner to ensure the preservation of capital in the overall portfolio. This objective also includes minimizing credit and interest rate risk.

1. Custodial Credit Risk

The County will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities listed in Sections 8 and 9 of this Investment Policy; and obtaining necessary documentation (e.g. broker certification forms and documentation of perfected security interests in pledged collateral) from the financial institutions, broker/dealers, intermediaries and advisors, as applicable, with which the County will do business in accordance with Section 7 of this Investment Policy.

2. Concentration Credit Risk

The County will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. An investment of no more than 15% of investments in any one issue is the recommended threshold except for U.S. Government securities and U.S. Government Agencies securities.

3. Interest Rate Risk

The County will minimize Interest Rate Risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by: 1) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and 2) investing **operating funds** primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the duration of the **core** investment portfolio to no greater than 5 years in accordance with the County's cash requirements. Kanabec County will report the interest rate risk in the financial statement using the duration model. Duration model is the method that measures the exposure to fair value changes arising from changing interest rates by using the present value of cash flows, weighted as a percentage of the investment's full price.

4. Foreign Currency Risk

The County is **not** authorized to invest in investments which have this type of risk.

B. Maintenance of Liquidity

County funds shall be managed such that they are available to meet reasonably anticipated cash flow requirements.

C. Yield/Return on Investment

The County investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the applicable investment risk constraints and liquidity needs. It is understood that return on investment is of **secondary importance** when compared to the safety and liquidity objectives described above.

Section 4 MANAGEMENT OF INVESTMENTS

The Kanabec County Auditor-Treasurer is responsible for overseeing the day-to-day management of Kanabec County investments. The County Auditor-Treasurer shall be responsible for the transferring of appropriate funds to affect investment transactions, for the investment of operating funds, and bond proceeds, consistent with this policy and actions of the County Board.

Section 5 MONITORING AND ADJUSTMENT THE PORTFOLIO

The County Auditor-Treasurer will routinely monitor the contents of the portfolio, the available markets, and the relative values of competing instruments and will adjust the investment portfolio accordingly.

Section 6 STANDARDS OF PRUDENCE

The standard of prudence to be used by the County Auditor-Treasurer shall be the "Prudent Person" standard and shall be applied in the context of managing the overall investment program. The Prudent Person standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

Section 7 ETHICS AND CONFLICTS OF INTEREST

The County Auditor-Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair one's ability to make impartial investment decisions. Also, the County Auditor-Treasurer shall disclose to the Board any material financial interests in financial institutions that conduct business with the Board or the County, and they shall further disclose any material

personal financial/investment positions that could be related to the performance of the County's investment program.

Section 8 AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Each depository used by the County must be one of the following:

- A. a savings association;
- B. a commercial bank;
- C. a trust company;
- D. a credit union;
- E. investment broker/dealer

County funds will be invested in instruments which meet at least one of the following criteria:

- A. In governmental bonds, notes, bills, mortgages, and other securities, which were direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.
- B. In a general obligation of a state or local government with taxing powers which was rated "A" or better by a national bond rating service.
- C. In a revenue obligation of a state or local government with taxing powers which was rated "AA" or better by a national bond rating service.
- D. In a general obligation of the Minnesota Housing Finance Agency which was a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating service.
- E. In commercial paper issued by a United States corporation or its Canadian subsidiary and that:
 - was rated in the highest quality category by at least two nationally recognized rating agencies, and
 - matures in 270 days or less.
- F. In time deposits fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Association.
- G. In bankers' acceptances issued by United States banks.
- H. Other investment instruments as allowed by Minnesota statutes Chapter 118A. (See Section 9.)

All brokers, dealers and other financial institutions approved by the County shall be provided with current copies of this investment policy and shall provide in return to the County Auditor-Treasurer, certification of having read, understood and agreement to comply with this investment policy (EXHIBIT A).

Section 9 AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments and Depositories are restricted to those complying with the applicable sections of Minnesota Statutes 118A. Listed below are some specific examples:

- A. United States Government Securities
- B. United States Government Agencies
- C. Federal Instrumentalities (United States Government-Sponsored Enterprises)
- D. Certificates of Deposit
- E. Commercial Paper
- F. Bankers' Acceptances
- G. Registered Investment Companies (Money Market Mutual Funds)
- H. MAGIC Fund
- I. Money Market Funds

Section 10 POLICY CONSIDERATIONS

Any investment held at the time of the implementation of this policy that meets the requirements of Minnesota Statutes but does not meet the guidelines of this policy, shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

This policy shall be reviewed from time to time. The County Board must adopt any changes to this policy.

Section 11 SCOPE

This investment policy applies to activities of the County with regard to investing the financial assets of all funds, including any new fund created by the Kanabec County Board. Funds from all accounts deposited with the County Auditor-Treasurer will be pooled for investment purposes in order to achieve maximum volume benefits that come with larger block investments. The investment will be scheduled to meet liquidity needs of any given fund. Interest earnings will be credited to the General Revenue Fund or to special funds designated by the County Board on an average balance in the investment pool and at the average interest rate received during that period.

Section 12 REPORTS

The County Auditor-Treasurer will generate investment reports as required for the independent auditors and reports as requested by the Kanabec County Board.

Section 13 ELECTRONIC FUNDS TRANSFER

The County Auditor-Treasurer is authorized to use electronic funds transfer for investment purposes. The County Auditor-Treasurer will have procedures in place for electronic funds transfer.

EXHIBIT A

CERTIFICATION OF AUTHORIZED INSTITUTION

_____ acknowledges it has read, understands and agrees to comply with the Investment Policy of Kanabec County.

By: _____

Title: _____

Date: _____

10:45am – County Sheriff Steve Schulz and Jail Administrator Joanne Nelson met with the County Board to discuss matters concerning the Sheriff’s Office.

Action #16 - It was moved by Jerry Nelson, seconded by Les Nielsen, and carried unanimously to approve the following resolution:

Resolution #16 – 2/13/08

WHEREAS it is necessary to contract for 9-1-1 map maintenance, and

WHEREAS the contract with GeoComm for such services expires March 31, 2008, and

WHEREAS GeoComm has performed in a satisfactory manner;

BE IT RESOLVED to approve a “Dispatch Mapping Support Project Agreement” between Kanabec County and GeoComm for the time period April 1, 2008 through March 31, 2009 for a total of \$3,800.00.

Action #17 – It was moved by Kim Smith, seconded by Kevin Troupe, and carried unanimously to approve the following resolution:

Resolution #17 – 2/13/08

Civil Fees

WHEREAS the County Sheriff has researched the cost of civil process fees, and

WHEREAS the fees charged do not cover the cost of the service, and

WHEREAS Kanabec County charges lower fees than other jurisdictions in the region;

BE IT RESOLVED to approve the following fee schedule effective April 1, 2008:

Type	Cost	Unit
Serving a summons, warrant, writ, subpoena, or any process issued by a court of record	\$40.00	Each + mileage
(Serving more than one individual at same residence)	\$30.00	Each add person
Mileage	Current IRS rate	per mile
Collection of execution after levy	4%	Of total amount
Posting three Notices of Sale	\$40.00	Per set + mileage
Certificate of Sale of Real Estate	\$40.00	Each
Selling land on foreclosure of a mortgage for all services required, excluding executing Certificate of Sale	\$60.00	Per parcel
Making diligent search and inquiry and returning a summons, subpoena, etc. when defendants cannot be found or moved.	\$40.00	Each + mileage
Returning an execution unsatisfied when no service is made	\$40.00	Each + mileage

11:00am - Information Systems Director Jessie Kehn met with the County Board to discuss matters concerning county data systems.

Action #18 – It was moved by Kim Smith, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

Resolution #18 – 2/13/08

WHEREAS the county has over 150 computers (not including thin-client applications), and

WHEREAS these computers periodically require replacement, and

WHEREAS there is an advantage to buying in quantity, and

WHEREAS the Information Systems Director wishes to purchase computer components and assemble computers in-house rather than purchasing off the shelf models;

BE IT RESOLVED to authorize the Information Systems Director to purchase components that would assemble 25 computers at a cost of up to \$9,690.00, and

BE IT FURTHER RESOLVED that the purchase would be from the Future Capital Equipment with department reimbursements credited back to that same fund.

11:05am - The Chairperson then called for public comment three times. None responded.

11:07am - The Chairperson closed public comment.

Action #19 – It was moved by Kevin Troupe, seconded by Kim Smith, and carried unanimously to approve the following resolution:

Resolution #19 – 2/13/08

VM Ware

WHEREAS the county computer network requires eleven servers to operate the many different applications and users of the county, and

WHEREAS these servers each have their own capital and maintenance costs, and

WHEREAS the Information Systems Director has proposed using Virtual Machine Ware to reduce four servers to one, and

WHEREAS this combination will reduce hardware, software and maintenance costs;

WHEREAS the IS Department has a “Future Capital Equipment” fund intended for just such purposes;

BE IT RESOLVED to authorize Information Systems Director Jessie Kehn to purchase software and 1 year of support at a cost of \$1,430.00 plus tax from Future Capital Equipment funds.

11:26am – William Culpepper with Flint Hills Resources met with the County Board to present information regarding Flint Hills Resources and its community involvement. No action was taken at this time.

12:00Noon – The board discussed issues related to the jail project.

Action #20 – It was moved by Kim Smith, seconded by Les Nielsen, and carried unanimously to approve the following resolution:

Resolution #20 – 2/13/08

Architect's Claim

WHEREAS the board has received a claim from Klein McCarthy for payment for worked performed on a proposed jail as follows:

Professional Services		\$ 77,781.41
Reimbursables		<u>\$ 1,580.79</u>
TOTAL	=	\$ 79,362.19

WHEREAS the billing appears consistent with work performed and the documentation is in order;

BE IT RESOLVED to authorize payment of \$79,362.19 on Jail Bond Funds to Klein McCarthy Architects.

Action #21 – It was moved by Jerry Nelson, seconded by Les Nielsen, and carried unanimously to approve the following resolution:

Resolution #21 – 2/13/08

Out of State Travel

WHEREAS an opportunity to view the security electronics controls of another potential bidder on the jail project arose, and

WHEREAS the benefits to Kanabec County appear to out weigh the time and cost of the travel;

BE IT RESOLVED to confirm approval for Chief Deputy Sheriff Robert Jensen and Jail Administrator Joanne Nelson to travel to Denver, Colorado to inspect the security electronics controls of Sierra Detention Systems.

Action #22 – It was moved by Kevin Troupe, seconded by Kim Smith, and carried unanimously to

Resolution #22 – 2/13/08

Construction Manager’s Claim

WHEREAS the board has received a claim from the Contegrity Group for payment for worked performed in the pre-construction phase of a proposed jail, and

WHEREAS the billing appears consistent with work performed and the documentation is in order;

BE IT RESOLVED to authorize payment of \$12,100.00 on Jail Bond Funds to the Contegrity Group.

12:14pm – Marilyn Hall with the Pokegama Lake Association met with the County Board to request gambling approval.

Action #23 - It was moved by Kim Smith, seconded by Kevin Troupe, and carried unanimously to approve a Consent Agenda including all of the following actions:

Resolution #23a – 2/13/08

WHEREAS the Kanabec County Board of Commissioners has been presented with a request for lawful gambling within Kanabec County, and

WHEREAS the application was complete, included all necessary documentation, appears in accordance with County Policies and the applicant and facility owners are in good standing with the County;

BE IT RESOLVED to approve the Premises Permit Application for the Pokegama Lake Association for charitable gambling to be held at Crows Nest, 2743 Hwy 65, Mora, MN 55051.

Resolution #23b – 2/13/08

WHEREAS the Kanabec County Board of Commissioners has been presented with a request for lawful gambling within Kanabec County, and

WHEREAS the application was complete, included all necessary documentation, appears in accordance with County Policies and the applicant and facility owners are in good standing with the County;

BE IT RESOLVED to approve the Premises Permit Application for the Pokegama Lake Association for charitable gambling to be held at Bowe's Landing, 2732 Hwy 65, Mora, MN 55051.

12:18pm – Veteran Service Officer/Emergency Management Director Lowell Sedlacek met with the County Board to discuss matters concerning an Incident Command Vehicle. Also present was State Regional EM Program Coordinator, NE Region, Roy Holmes. The board was given a presentation on Emergency Management.

Action #24 – It was moved by Les Nielsen, seconded by Kevin Troupe, and carried unanimously to recess the meeting at 12:51pm and reconvene in Meeting Room #4 in the courthouse.

The Kanabec County Board of Commissioners reconvened at 12:56pm on Wednesday, February 13, 2008 pursuant to recess with the following Board Members present: Kim Smith, Kathi Ellis, Jerry Nelson, Kevin Troupe and Les Nielsen.

The board was given a presentation on videoconferencing from on-site emergency management teams.

The Incident Command Vehicle information was taken under advisement pending further plan development.

Action #25 – Chairperson Ellis adjourned the meeting at 1:40pm to meet in regular session on Wednesday, February 20, 2008 at 9:00am.

Signed _____
Chairperson of the Kanabec County Board of Commissioners,
Kanabec County, Minnesota

Attest: _____
Alan B. Peterson, Kanabec County Coordinator