

PROCEEDINGS OF THE COUNTY BOARD

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

February 9, 2005

The Kanabec County Board of Commissioners met at 9:00am on Wednesday, February 9, 2005 pursuant to adjournment with the following Board Members present: Stan Cooper, Kathi Ellis, Jerry Nelson, Les Nielsen, and Dennis McNally.

The Chairperson led the assembly in the Pledge of Allegiance.

Action #1 - It was moved by Dennis McNally, seconded by Kathi Ellis, and carried unanimously to approve the agenda with the addition of a Bingo/Raffle approval.

Action #2 - It was moved by Jerry Nelson, seconded by Dennis McNally, and carried unanimously to approve the January 26, 2005 minutes of the Kanabec County Board of Commissioners as corrected: on Resolution 8, add the starting wage.

Action #3 - It was moved by Dennis McNally, seconded by Kathi Ellis, and carried unanimously to approve the following paid claims:

Anderson Legal	217.50
Ann Lake Twp	1,625.33
Aquila	11,304.36
Arthur Twp	2,638.29
Braham Public Schools	6,534.98
Brown Law Office	202.50
Brunswick Twp	1,185.46
City of Grasston	54.70
City of Mora	8,742.50
City of Mora	3,319.24
City of Ogilvie-Clerk	1,186.01
City of Quamba	1,126.18
Comfort Twp	2,379.86
East Cent Reg Dev Comm	448.78
East Cent Reg Dev Comm	47.50
East Central School Dist	2,499.50
Elsher, Craig	350.00
Ford Twp	1,267.49
Fortis Benefits	2,280.65

GMCU	1,101.37
Goude, Melissa	100.00
Grass Lake Twp	3,635.26
Haybrook Twp	237.76
Hillman Twp	823.99
Hinckley-Finlayson Schools	936.37
Holiday Credit Office	3,233.05
Isle Public Schools	1,292.91
Joslin, Clark	67.50
Kanabec Co	17,401.92
Kanabec Co	37.43
Kanabec Co Auditor	120.00
Kanabec Co Auditor	10,260.00
Kanabec Co Nursing Service	3,214.81
Kanabec Twp	1,611.82
Knife Lake Twp	1,283.06
Kroschel Twp	1,175.87
Milaca Public Schools	1,201.12
MN Dept of Finance	24,249.68
MN Dept of Health	1,512.50
MN Mutual Life Ins	327.40
Mora Municipal Utilities	6,544.75
Mora Public Schools	36,604.20
Mora Public Schools	17.50
Ogilvie Public Schools	17,882.26
Ogilvie Public Schools	17.50
Peace Twp	1,729.02
Pine City Public Schools	2.30
Pine Co Health & Human Services	6,475.63
Pomroy Twp	2,016.33
Postmaster	141.40
Refuge, The	220.50
Sheriff, Ramsey Co	33.10
Southfork Twp	2,566.69
Supreme Court Finance	25.00
TDS Metrocom	561.36
Treasurer, Kanabec Co	57,521.54
Treasurer, Kanabec Co	46.00
Treasurer, State of MN	877.50
Treasurer, State of MN	3,352.20

Whited Twp	1,103.05
Window	73.50
	<u>259,045.98</u>

Snake River Watershed

ERA Laboratories	162.00
Martin, Sam	87.21
MN Lakes Assn	25.00
Pine Soil & Water Cons Dist	844.26
	<u>1,118.47</u>

9:06am - County Engineer Greg Nikodym met with the County Board to discuss matters concerning the Highway Department.

Action #4 - It was moved by Dennis McNally, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

Resolution 4 - 02/09/05

WHEREAS the county board has been presented with a request to pay a Right-of-Way claim on SAP 33-604-16 the reconstruction of County State Aid Highway 4 from CSAH 12 to CSAH 16:

BE IT RESOLVED to pay the following Right-of-Way claim:

David & Kathy Felde	\$154.50
---------------------	----------

Action #5 - It was moved by Kathi Ellis, seconded by Jerry Nelson, and carried unanimously to authorize the County Engineer to contract with Erickson Engineering for preparing a Project Memorandum on CSAH 2.

Action #6 - Jerry Nelson introduced the following resolution and moved its adoption:

Resolution 6 - 02/09/05

BE IT RESOLVED to authorize the County Engineer to purchase a Chevrolet K-1500, 4 x 4 extended cab pick-up at a cost of \$19,913.15 plus tax and license.

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

IN FAVOR THEREOF: Jerry Nelson, Les Nielsen, Kathi Ellis, Stan Cooper
OPPOSED: Dennis McNally
ABSTAIN: None

whereupon the resolution was declared duly passed and adopted.

Action #7 - It was moved by Dennis McNally, seconded by Les Nielsen, and carried unanimously to approve the following resolution:

Resolution 7 - 02/09/05

WHEREAS the Minnesota Department of Transportation wishes to cooperate closely with local units of government to coordinate the delivery of transportation services and maximize the efficient delivery of such services at all levels of government, and

WHEREAS occasionally opportunities arise for local governments to provide services to MN DOT, and

WHEREAS the parties wish to be able to respond quickly and efficiently to such opportunities for collaboration, and have determined that MN DOT having the ability to write work orders against a master contract would provide the greatest flexibility;

BE IT RESOLVED:

1. That the County of Kanabec enter into the "State of Minnesota Professional and Technical Services Master Contract" with the Minnesota Department of Transportation.
2. That the proper County officers are authorized to execute such contract and any amendments thereto.
3. That the County Engineer is authorized to negotiate work order contracts pursuant to the Master Contract, which work order contracts, will provide for payment to the County by MN DOT, and that the County Engineer may execute such work order contracts on behalf of the County without further approval by the Board.

Action #8 - It was moved by Les Nielsen, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

Resolution 8 - 02/09/05

WHEREAS, the Kanabec County Highway Department proposes to reconstruct and improve a portion of County State Aid Highway No. 4, located between CSAH No. 12 and CSAH No. 16, a distance of 3.91 miles; and

WHEREAS, the improvement consists of reconstruction and resurfacing said roadway as herein determined necessary to provide for the safety of the traveling public, and

WHEREAS, permanent highway easements over certain lands are required to provide for said construction as set forth in the plans for said project, which identify the parcels by number, description, and owners, and

WHEREAS, Kanabec County has authority to acquire the right-of-way for said Highway by eminent domain pursuant to Minnesota Statutes Section 163.02, Subd. 2, and

WHEREAS, Kanabec County has the right to acquire the right-of-way prior to the filing of an award by the court appointed commissioners, pursuant to Minnesota Statutes Section 117.011 and 117.042, and

WHEREAS, Kanabec County has approved appraisals of the properties to be taken, and

NOW THEREFORE BE IT RESOLVED, that the Kanabec County Board of Commissioners hereby authorizes the acquisition of said land by eminent domain and to take title and possession of that land prior to the filing of an award by the court appointed commissioners, pursuant to Minnesota Statutes Section 163.02, Subd. 2, 117.011 and 117.042, and

BE IT FUTHER RESOLVED, that the Kanabec County Attorney is requesting to file the necessary Petition therefore, and to prosecute such action to a successful conclusion or until it is abandoned, dismissed, or terminated by the County of the Court, and

BE IT FURTHER RESOLVED, that if furtherance of the implementation of the Quick Take provision of the Minnesota Statues, The County Auditor is hereby authorized and directed to deposit with the Court Administrator the sum of money equaling the approved appraisal of the properties to be taken, represented by the following table:

Parcel No.	Owner	Award
2	William & Donna Jones	\$4560.80
19	William & Donna Jones	\$3770.15
21	William & Donna Jones	\$3874.90
17	Kenneth & Gudwren Belkholm	\$2030.60
31	Kenneth & Gudwren Belkholm	\$964.20

Action #9 - It was moved by Jerry Nelson, seconded by Dennis McNally, and carried unanimously to authorize the County Engineer to advertise for Equipment Rental Bids.

Action #10 - It was moved by Les Nielsen, seconded by Jerry Nelson, and carried unanimously to approve a **Consent Agenda** including all of the following actions:

Resolution 10a – 02/09/05

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:

E Central Water Testing \$35.00 (Well Baby Testing)

Resolution 10b – 02/09/05

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 November, 2004 claims on SCORE Funds:

Quality Disposal	\$4,038.00
Arthur Township	\$400.00
TOTAL	\$4,438.00

Action #11 - It was moved by Kathi Ellis, seconded by Les Nielsen, and carried unanimously to approve the following resolution:

Resolution 11 – 02/09/05

WHEREAS Kanabec County has been served by the Extension Service Nutrition Education Program, and

WHEREAS the Kanabec County Board of Commissioners does wish to continue its support of this program;

BE IT RESOLVED to approve and authorize the Chairperson to sign a document titled “Memorandum of Intent between Kanabec County and the University of Minnesota Extension Service Nutrition Education Program.”

9:30am - Acting County Assessor Karen McClellan met with the County Board to discuss matters concerning her office.

Action #12 - It was moved by Les Nielsen, seconded by Kathi Ellis, and carried unanimously to approve the following resolution:

Resolution 12 – 02/09/05

WHEREAS the board has been presented with agreements necessary to the continued operation of the property tax computer systems, and

WHEREAS Property Tax Specialist & Acting Assessor Karen McClellan has recommended approval of certain agreements as being in the best interests of the county;

BE IT RESOLVED to ratify the following agreements between the Minnesota Counties Computer Cooperative Tax User Group and ACS:

- a. Minnesota Property Tax License Agreement
- b. Minnesota Property Tax Maintenance & Support Agreement
- c. Minnesota Property Tax Stabilization Plan

and,

BE IT FURTHER RESOLVED to authorize and direct the Chairperson to sign a document titled “Ratification Statement” verifying passage of this resolution

Action #13 - It was moved by Kathi Ellis, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

Resolution 13 – 02/09/05

WHEREAS required by Minnesota Statute 274.14, a majority of the county commissioners along with the county auditor shall annually form a board for the equalization of the assessment of the property of the county, and

WHEREAS as required by Minnesota Statute 273.12,1 the board may meet any time after the second Friday in June as long as 10 consecutive working days remain in the month and must adjourn within 10 days of the date they convene,

BE IT RESOLVED that the 2004 County Board of Appeal and Equalization is scheduled to convene on Wednesday, June 15, 2005 at 1:30pm and adjourn by Wednesday, June 22, 2005.

9:40am - Karen Wirkus with Climb Theatre met with the County Board to discuss matters concerning gambling license in Kanabec County. No action was taken at this time.

10:17am - The board discussed a possible jail proposal. Also present was County Sheriff Steve Schulz, Chief Deputy Sheriff Robert Jensen, Jail Administrator Joanne Nelson and Maintenance Supervisor Bill Martin.

Action #14 - It was moved by Les Nielsen, seconded by Kathi Ellis, and carried unanimously to approve the following resolution:

Resolution 14 – 02/09/05
ORDER OF THE BOARD

WHEREAS there is a vacancy in the position of Deputy Sheriff, and

WHEREAS the board desires to refill this vacant position;

BE IT RESOLVED that the County Board authorizes County Sheriff Steve Schulz and the County Personnel Director to hire a Deputy Sheriff to refill the vacant position at \$15.27 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 #15 - Kathi Ellis introduced the following resolution and moved its adoption:

Resolution 15 – 02/09/05

WHEREAS the county board has studied and discussed the outcomes of the Jail Committee research, and

WHEREAS the board wishes to examine the credentials of architects should the board decide to proceed with a jail project;

BE IT RESOLVED to direct the County Coordinator to release a Request for

Proposal for Architectural services for a jail and jail administration building.

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

IN FAVOR THEREOF: Dennis McNally, Jerry Nelson, Les Nielsen, Kathi Ellis

OPPOSED: Stan Cooper

ABSTAIN: None

whereupon the resolution was declared duly passed and adopted.

10:39am - Information Systems Director Jessie Ruckle met with the County Board to discuss matters concerning network systems.

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

Resolution 16 - 02/09/05

WHEREAS upgrades to the electronic data storage system are long overdue, and

WHEREAS the Information Systems Director has presented the board with options for the upgrade;

BE IT RESOLVED to accept the recommendation of the Information Systems Director and upgrade to a single drive system at a cost of \$4,373.00 plus tax.

Action #17 - It was moved by Les Nielsen, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

Resolution 17 - 02/09/05

WHEREAS the City of Mora's Police Department is linked to the Kanabec County network, and

WHEREAS it is in the best interest of the County to see that the PD system is kept current;

BE IT RESOLVED to approve and authorize the Chairperson to sign a Memorandum of Agreement for Technical Services.

11:02am - Family Service Agency Director Phil Peterson met with the County Board to discuss staffing.

Action #18 - It was moved by Dennis McNally, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

Resolution 18 - 02/09/05
ORDER OF THE BOARD

WHEREAS a Case Aide position is subject to grant funding, and

WHEREAS grant funding for this position will no longer be available;

BE IT RESOLVED to direct the County Coordinator to give notice of layoff to a Family Service Agency Case Aide in accordance with Article VII of the Local 563 Labor Agreement, and

BE IT FURTHER RESOLVED that the last day of work for the position will be March 31, 2005.

11:05am - The Chairperson then called for public comment. Those who responded included:

Jim Evanson	Presented memo from Kanabec-Isanti Farm Bureau regarding proposed meth ordinance. Wants to insure that innocent land owners will be held harmless.
Bob Swetz	Will provide copies of Crow Wing County jail project
Tom Jones	Numerous comments on the proposed meth ordinance
Bob Strom	a. What has become of Adult Ordinance b. Commissioners should meet with state reps when they have public meetings

11:24am - The Chairperson closed public comment. The board the took a break until 11:35am.

11:35am - Karen Wirkus with Climb Theatre met with the County Board to discuss matters concerning charitable gambling. No action was taken at this time.

Action #19 - It was moved by Les Nielsen, seconded by Kathi Ellis, and carried unanimously to approve payment of the following claims on the funds indicated:

Revenue Fund

A&A Enterprises	183.07
Ace Hardware	36.16
Ace Hardware	30.56
Ace Hardware	18.63
Accuvant	4,000.00
Accuvant	2,200.00
Advanced Systems Concepts	250.00
Airgas North Central	97.76
Aitkin Medical	424.99
Aitkin Medical	35.00
Akkerman-Ingebrand Funeral Home	300.00
Allina Medical Center	81.50
Allina Medical Clinic	91.00
AmeriPride	273.29
AmeriPride	56.76
American Solutions for Business	753.73
Ammerman, Kari	223.16
Anderson, Karen	307.40
Arbo, Marvin	240.00
Armstrong, Becci	46.58
Ashworth Audio	10.64
Association of MN Counties	650.00
Barlow, Walt	190.00
Batteries Plus	144.42
Bergstadt, Melanie	212.11
Biever, Laurie	111.38
Binsfield's Office Products	35.00
Binsfield's Office Products	70.00
Binsfield's Office Products	210.00
Binsfield's Office Products	70.00
Binsfield's Office Products	248.34
Binsfield's Office Products	105.00
Bob Barker Co	364.43
Braham Motor Service	442.32
Briggs	304.45
C & G Telephone	36.74
Cassman, Deb	149.85
CDW	74.00
CDW	4,175.00

CDW	206.61
CDW	20.33
CDW	101.17
CDW	52.03
CDW	30,299.25
Circuitworks	100.00
CMI	167.02
Coborns Pharmacy	317.81
Coborns	154.99
Corborns Long Term Pharmacy	1,321.34
Colburn, Judy	388.77
Consolidated Telecommunications	7.92
CPS	151.97
Crawford Supply Co	280.92
Creative Forms & Concepts	207.21
Dalco	3.54
Dallman, Bonnie	42.75
Derby Industries	416.00
Don's Towing	194.36
Dresser Methvan Funeral Home	300.00
East Central Energy	41.39
EBSC	50.00
ECM Publishers	489.60
Ecowater	74.65
Elfstrum, Brenda	215.46
Erbstoesser, Arnold	272.20
Emergency Medical Products	295.00
Fat Daddy's Auto Parts	12.07
Fat Daddy's Auto Parts	108.20
FedEx	24.87
Financial Consultants Co	141.47
Fredrickson, Earl	116.64
Friday, Jennifer	53.06
Gabrielson, Pat	250.29
Glen's Tire	4.50
Glen's Tire	292.59
Granite City Armored Car	297.36
Granite City Mailing Equipment	50.06
Granite Electronics	167.48
Gorham Oien Mechanical	98.71

Grant, Donald	685.15
Greenway Implement	94.73
Gunderson Motors	47.42
Handyman's Inc	295.55
Hannu, JoAnn	202.91
Harff, Shirley	209.95
Hasler Inc	562.32
Hennepin Co Medical Center	250.00
Hillyard	7.01
Holiday	3.18
Home Instead	44.45
Horizon Towing	107.57
Information Systems Corp	74.08
Indianhead Specialty Inc	49.52
INR	79.00
Inventory Trading Co	139.50
Ivans	151.63
Jim's Locksmith	18.00
Johnson-Stassen, Deb	122.72
Johnson, Dawn	117.45
Johnson, Jeanette	151.07
Jones, Clare	18.23
Kanabec Co Hwy Dept	185.77
Kanabec Co Hwy Dept	110.33
Kanabec Co Hwy Dept	504.72
Kanabec Co Hwy Dept	414.71
Kanabec Co Hwy Dept	29.48
Kanabec Co Public Health	9.75
Kanabec Co Public Health	4,088.12
Kanabec Co Recorder	100.00
Kanabec Hospital	6,080.00
Kanabec Hospital	544.47
Kanabec Publications	94.79
Kanabec Publications	1,845.12
Kanabec Publications	48.80
Kanabec Publications	158.69
Kanabec Publications	98.37

Kanabec Publications	31.95
Kanabec SWCD	19,500.00
Keefe Supply Co	404.22
KEEPRS	302.85
Kleven, Bud	16.20
Knutson, James	308.00
Kopp's Towing	65.00
Krueger, Louisa	42.53
Larson Allen	2,900.00
Larson, Mark	270.00
Larson, Mark	87.49
Laska, Millie	802.63
Lee's Pro Shop	80.94
Loren, Joe	40.00
Lorman Education Services	299.00
MAAO	150.00
MAAO	250.00
MACAI	75.00
Magaard, Deb	228.83
Marco	105.32
Martin, Bill	12.15
Mariposa Publishing	161.51
Matthew Bender	121.56
Maul, Barb	89.92
MCCC	1,764.00
McClellan, Tom	55.00
MB McGee, MD	800.00
MCHRMA	50.00
Metro Sales, Inc	204.00
Mille Lacs Co Jail	26,404.88
Mincor Industries	472.86
MN Dept of Admin	600.00
MN BCA	50.00
MN Dept of Public Safety	165.00
MN Home Care Assn	160.00
MN Home Care Assn	400.00
MN Legal Register	75.00
MN Real Estate Journal	85.00
MN Assoc of County Administrators	185.00
MN Dept of Public Safety	270.00

Moore Medical Corp	217.48
Mora Masonic Lodge	45.00
Mora Unclaimed Freight	42.52
MPELRA	30.00
NADA Appraisal Guides	25.00
National Dairy Council	41.16
National Bushing	205.42
National Tactical Officers	40.00
Norby's Cleaning	2,400.00
Northern Door & Hardware	8.00
Northland Chemical	228.00
Northland Chemical	52.92
Northland Fire Protection	500.00
North Memorial EMS	2,170.00
Nyman, Sherri	149.45
O'Reilly, Molly	60.00
O'Reilly, Molly	134.06
Oak Gallery	8.76
Oak Gallery	12.38
Office Depot	930.27
Office Depot	12.58
Office Depot	82.02
Office Depot	904.34
Office Depot	22.80
Office Depot	149.34
Office Depot	137.44
Office Depot	72.13
Ogilvie Collision & Auto Body	251.90
Olson, Rhonda	164.43
Pamida	43.75
Pamida	44.39
Peterson, Walter	269.27
Pfiffner, Betty	685.67
Precision Metals	11.70
Quality Assured Services	97.90
Quality Disposal	427.67
Raiche, Nancy	285.53
Ramsey Co	2,400.00
Ratwik, Roszak & Maloney	354.53
Reed, Terrie	93.97

Regions Hospital	305.00
Reliance Telephone	1,260.60
Ringler, Jennie	265.28
RS Eden	85.05
Rural Cellular Corp	765.58
Rural Cellular Corp	49.05
Rural Cellular Corp	35.02
Rural Cellular Corp	17.60
Rural Cellular Corp	73.53
Rural Cellular Corp	21.68
S&T	80.96
S&T	39.38
S&T	30.42
S&T	25.11
S&T	135.22
SBC Paging	160.32
Schewe, Bob	251.92
Schroeder, Janelle	226.40
Scofield, Becca	162.41
Sears	851.99
Sedlacek, Lowell	38.03
Sedlacek, Lowell	81.42
Sjoberg, Corinne	600.00
Sjodin, Roberta	249.89
Snowflake Distributing	336.00
Spectrum Printing	692.24
Stahlke's	319.90
State of MN	18.21
State of MN	68.03
Steve's Tire Service	15.00
Stericycle	88.89
Storrar, Lynette	100.00
Streichers	3,235.38
Swanson, Lori	48.60
T-Mobile	257.22
Thompson, Wendy	316.31
Timm, Rena	19.85
Sherburne Co Auditor/Treasurer	2,318.52
Troupe Advertising	138.45
True Value	3.60

Uniforms Unlimited	582.65
University of MN	250.00
University of MN	20.00
Viking Office Products	36.74
Viking Office Products	23.36
Vogel, Darla	123.12
Voight, Jackie	151.88
Waschenbecker, Diana	56.25
Watson Co	587.44
Watson Co	1,141.42
Wells Fargo Bank	15,935.89
West Payment Center	501.60
West Payment Center	1,098.56
West Payment Center	3,572.55
Western Union Financial Services	46.50
Zamora, Raymond	296.81
Total	<u>183,197.87</u>

Road & Bridge

<u>Vendor</u>	<u>2004</u>	<u>2005</u>	Total Vouchers
Ace Hardware		617.37	617.37
Alamo Sales Corp.		822.59	822.59
Allina Medical Clinic		15.00	15.00
Ameripride		560.50	560.50
Ammerman Tree Service		140.00	140.00
Boyer Ford Trucks		3,009.35	3,009.35
Braham Motor Service, Inc.		100.00	100.00
C. E. Rogers Company		65.00	65.00
Chamberlain Oil Company, Inc. *		1,098.09	1,098.09
Crysteel Truck Equipment		246.64	246.64
DLT Solutions, Inc.		336.00	336.00
Erickson Engineering Company		70.00	70.00
Fat Daddys NAPA Auto Parts		1,300.18	1,300.18
Glen's Tire		12.50	12.50
Gopher State One-Call	9.20		9.20
Image Tech Services Corporation		772.88	772.88
Johnston Fargo Culvert, Inc.		24,993.84	24,993.84
Kanabec Publications		218.33	218.33
KCR Construction	621.00	270.00	891.00
Mattson Electric	29.10		29.10
MN Dept. of Labor and Industry		20.00	20.00
M-R Sign Co., Inc.		232.37	232.37
National Bushing & Parts Co.		1,031.28	1,031.28

North American Salt		4,814.81	4,814.81
Northern States Supply, Inc.		135.76	135.76
Northwest Lasers, Inc.		729.01	729.01
Office Depot		62.77	62.77
Onamia Deputy Registrar		87.00	87.00
Oslin Lumber		53.25	53.25
Oxygen Service Co., Inc.		71.55	71.55
Pomp's Tire Service, Inc.		4,441.05	4,441.05
Postmaster, The		111.00	111.00
Power Plan		3,331.51	3,331.51
Quality Disposal Systems, Inc.		154.85	154.85
Richards, Lila, The Cleaning Agent		910.58	910.58
Rural Cellular Corporation	46.88		46.88
S & T Office Products		61.32	61.32
Safety-Kleen Systems, Inc.		255.18	255.18
Timmer Implement, Inc.		1,737.93	1,737.93
Vista Safety Program		217.21	217.21
West Central Industries		881.93	881.93
			Grand Total
Total:		706.18	53,988.63
		2004	2005 =
			<u>54,694.81</u>

12:01pm - Carolyn Drude with Ehlers & Associates met with the County Board to discuss matters concerning bonding bid results.

It was reported that nine (9) sealed proposals for the purchase of \$5,060,000 General Obligation Refunding Bonds, Series 2005A were received prior to 10:00 o'clock a.m., pursuant to the Terms of Proposal and Official Statement distributed to potential purchasers of the Bonds by Ehlers & Associates, Inc., independent financial advisor to the Issuer. The proposals have been publicly opened, read and tabulated and were found to be as follows:

NAME OF BIDDER	True Interest Rate
Harris Trust & Savings Bank FTN Financial Capital Markets Isaak Bond Investments Inc Bankers' Bank Axelrod Associates, Inc	3.4759%
Legg Mason Wood Walker, Inc	3.4985%
RBC Dain Rauscher Inc Suntrust Capital Markets, Inc Stephens, Inc First Trust Portfolios, LP	3.5040%
Piper Jaffray & Co	3.5306%

Wells Fargo Brokerage Services	3.5374%
Northland Securities, Inc Robert W. Baird & Company, Inc Bernardi Securities, Inc	3.5590%
Griffin, Kubik, Stephens & Thompson	3.5844%
UBS Financial Services, Inc	3.5845%
J.P. Morgan Securities, Inc Sterne, Agee & Leach, Inc	3.5869%

Action #20 - It was moved by Commissioner Les Nielsen, seconded by Commissioner Jerry Nelson, and carried unanimously to approve the following resolution at 12:17pm:

Resolution 20 - 02/09/05

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE,
PRESCRIBING THE FORM AND DETAILS AND PROVIDING
FOR THE PAYMENT OF GENERAL OBLIGATION REFUNDING
BONDS, SERIES 2005A

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

Section 1. Authorization and Sale.

1.1. Authorization. This Board hereby determines that it is in the best interests of the Issuer to authorize the issuance and sale of its General Obligation Refunding Bonds, Series 2005A (the Bonds) in the approximate principal amount of \$5,060,000, subject to adjustment in accordance with the Terms of Proposal, the proceeds of which would be used, together with any additional funds of the Issuer which might be required, to refund in advance of maturity, the 2008 through 2019 maturities, aggregating \$4,975,000 in principal amount, of the Issuer's \$6,900,000 General Obligation Bonds, Series 1998, dated April 7, 1998 (the Refunded Bonds) in a "crossover refunding" as defined in Minnesota Statutes, Section 475.67, Subdivision 13.

1.2. Sale. The Issuer has retained Ehlers & Associates, Inc., as independent financial advisor in connection with the sale of the Bonds. 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 Official Statement prepared on behalf of the Issuer by Ehlers & Associates, Inc., sealed 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 Harris Trust & Savings Bank, in Chicago, Illinois, and associates (the Purchaser), to purchase the Bonds at a price of \$5,048,399.75 plus accrued interest on all Bonds to the day of delivery and payment, 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 and County Coordinator are hereby authorized and directed on behalf of the Issuer

to execute a contract for the sale of the Bonds in accordance with the terms of the proposal. The good faith deposit of the Purchaser 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. Any good faith deposit of other bidders shall be returned to them forthwith.

1.4. Savings. It is hereby determined that:

(a) by the issuance of the Bonds the Issuer will realize a substantial interest rate reduction, a gross savings of approximately \$422,998.37 and a present value savings (using the yield on the Bonds, computed in accordance with Section 148 of the Internal Revenue Code of 1986, as amended (the Code), as the discount factor) of approximately \$320,773.79; and

(b) as of February 1, 2007 (the Crossover Date), the sum of (i) the present value of the debt service on the Bonds, computed to their stated maturity dates, after deducting any premium, using the yield of the Bonds as the discount rate, plus (ii) any expenses of the refunding payable from a source other than the proceeds of the Bonds or investment earnings thereon, is at least 3% lower than the present value of the debt service on the Refunded Bonds, computed to their stated maturity dates, using the yield of the Bonds as the discount rate.

Section 2. Bond Terms; Registration; Execution and Delivery.

2.1. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of March 9, 2005, 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 original issue until paid at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2008	\$330,000	3.00%	2014	\$425,000	3.25%
2009	345,000	3.10	2015	440,000	3.375
2010	360,000	3.20	2016	465,000	3.50
2011	370,000	3.25	2017	485,000	3.55
2012	385,000	3.25	2018	510,000	3.65
2013	410,000	3.25	2019	535,000	3.75

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.

2.2. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.6 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. Interest on the Bonds shall be payable on February 1 and August 1, commencing February 1, 2006, each such date being referred to herein as an Interest Payment Date, to the person in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date, 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.

2.3. Redemption. Bonds maturing on February 1, 2014 and in later years are each 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 on February 1, 2013, and on any date thereafter, at a price equal to the principal amount thereof plus interest accrued to the date of redemption. 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 thereof to be mailed by first class mail 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.

2.4. Appointment of Initial Registrar. The Issuer hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial bond registrar, transfer agent and paying agent (the Registrar). The Chairperson and County Coordinator 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 upon thirty days' notice and upon the appointment 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.

2.5. 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.

(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 upon any 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.

2.6. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the County Coordinator and shall be executed on behalf of the Issuer by the signatures of the Chairperson and County Coordinator, 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 Coordinator 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.

2.7. Securities Depository. (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 Chairperson or County Coordinator, 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. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
KANABEC COUNTY

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
-------------	----------------------	-------------------------------	------------------

March 9, 2005

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

KANABEC 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 to pay interest thereon from the date of original issue specified above, or from the most recent interest payment date 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, 2006, 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 immediately preceding month, all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond prior to its stated maturity. The interest hereon and, upon presentation and surrender hereof at the principal office 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 U.S. Bank National Association, in St. Paul, Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the Registrar). 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 \$5,060,000 issued pursuant to a resolution adopted by the Board of Commissioners on February 9, 2005 (the Resolution), to provide funds to refund certain outstanding general obligation bonds of the Issuer, and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475. The Bonds are issuable only in fully registered form, in denominations of \$5,000 or any multiple thereof, of a single maturity.

Bonds maturing on or after February 1, 2014 are each subject to redemption and prepayment at the option of the Issuer, in whole or in part, in such order as the Issuer shall determine and, within a maturity, by lot as selected by the Registrar in multiples of \$5,000, on February 1, 2013, and on any date thereafter, at a price equal to the principal amount thereof plus interest accrued to the date of redemption, without premium. The Issuer will cause notice of the

call for redemption to be published as required by law and, at least thirty (30) days prior to the designated redemption date, will cause notice of the call thereof to be mailed by first class mail 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 Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986.

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.

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.

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 precedent 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 in regular and due form, time and manner as so required; that the Bonds are payable from a separate debt redemption fund of the Issuer and from ad valorem taxes and other funds which have been appropriated to such fund; that, if necessary for payment of principal of and interest on the Bonds, additional ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or

amount; and that the issuance of this Bond does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

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, Kanabec County, Minnesota, by its Board of Commissioners, has caused this Bond to be executed on its behalf by the facsimile signatures of the Chairperson and County Coordinator.

KANABEC COUNTY, MINNESOTA

(Facsimile Signature County Coordinator)

(Facsimile Signature Chairperson)

CERTIFICATE OF AUTHENTICATION

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

Dated _____

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

- TEN COM — as tenants in common
- TEN ENT — as tenants by the entireties
- JT TEN — as joint tenants with right of survivorship and not as tenants in common
- UTMA as Custodian for
(Cust) (Minor)
- under Uniform Transfers to Minors Act
(State)

Additional abbreviations may also be used.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: _____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

[end of form of bond]

Section 3. Use of Proceeds. The proceeds of the Bonds in the amount of \$4,996,121.05 are irrevocably appropriated for the payment of interest to become due on the Bonds to and including the Crossover Date and for the payment and redemption of the Refunded Bonds on the Crossover Date. The County Coordinator is hereby authorized and directed, simultaneously with the delivery of the Bonds, to deposit the proceeds thereof, to the extent described above, in escrow with U.S. Bank National Association, in St. Paul, Minnesota, a banking institution whose deposits are insured by the Federal Deposit Insurance Corporation and whose combined capital and surplus is not less than \$500,000, and shall invest the funds so deposited in securities authorized for such purpose by Minnesota Statutes, Section 475.67, subdivision 8, maturing on such dates and bearing interest at such rates as are required to provide funds sufficient, with cash retained in the escrow account, to make the above-described payments. The Chairperson and Auditor are hereby authorized to enter into an escrow agreement with said Bank establishing the terms and conditions for the escrow account in accordance with Minnesota Statutes, Section 475.67. Of the remaining proceeds of the Bonds, \$38,797.83 shall be applied to pay issuance expenses and \$2,180.87 shall be deposited in the Debt Service Fund created pursuant to Section 4.1 hereof.

Section 4. Debt Service Fund.

4.1. General Obligation Refunding Bonds, Series 2005A Debt Service Fund. The Bonds shall be payable from a separate General Obligation Refunding Bonds, Series 2005A Debt Service Fund (the Debt Service Fund) which shall be created and maintained on the books of the Issuer as a separate debt redemption fund until the Bonds, and all interest thereon, are fully paid. All interest earned on the investments held in the escrow account established in Section 3 to and

including the Crossover Date, and all ad valorem taxes levied and collected as hereinafter specified, shall be credited to the Debt Service Fund, as well as any other funds appropriated by the Board for the payment of the Bonds.

4.2. Debt Service Fund Balance Restriction. In order to ensure compliance with the Code, and applicable Treasury Regulations (the Regulations), the Treasurer, upon allocation of any funds to the Debt Service Fund, shall ascertain the balance then on hand therein. If it exceeds the amount of principal and interest on the Bonds to become due and payable through February 1 next following, plus a reasonable carryover equal to 1/12th of the debt service due in the following bond year, the excess shall (unless an opinion is otherwise received from bond counsel) be used to prepay or purchase Bonds, or invested at a yield which does not exceed the yield on the Bonds calculated in accordance with Section 148 of the Code.

Section 5. Pledge of Taxing Powers. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing powers of the Issuer shall be and are hereby irrevocably pledged. To provide moneys for the payment of the principal of and interest on the Bonds, in addition to the funds specified in Section 4.1, there is hereby levied on all taxable property in the Issuer a direct, annual ad valorem tax which shall be spread upon the tax rolls for collection in the years and in the amounts as follows, with and as part of other general taxes of the Issuer, as follows:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
2005-2017	2006-2018	See attached Levy Computation

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 levies in the manner and to the extent permitted by 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 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 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.

Section 7. Tax Covenants; Arbitrage Matters and Continuing Disclosure.

7.1. Covenant. The Issuer covenants and agrees with the 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 Code and applicable 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. It is hereby certified that the proceeds of the Refunded Bonds were used by the Issuer for the acquisition and betterment of municipal facilities and the Issuer covenants and agrees that, so long as the Bonds are outstanding, the Issuer shall not enter into any lease, management agreement, use agreement or other contract with any nongovernmental entity relating to the school facilities so financed 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 Chairperson and County Coordinator 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. Qualified Tax-Exempt Obligations. In order to enhance the marketability of the Bonds and since the Issuer and all subordinate entities do not reasonably expect to issue in excess of \$10,000,000 of governmental and qualified 501(c)(3) bonds during calendar year 2005, the Bonds are hereby designated by the Issuer as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Code.

7.4. Arbitrage Rebate. The County acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The County 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.

7.5. 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 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 County 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 County 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 County has complied in all material respects with any undertaking previously entered into by it under the Rule. If the County 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 (b) is treated as the owner of the Bond for federal income tax purposes.

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

- (1) on or before 365 days after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2004, the following financial information and operating data in respect of the County (the Disclosure Information):
 - (A) the audited financial statements of the County for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the County, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified 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 County, 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 County; 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: Current Property Valuations; Direct Debt; Tax Levies and Collections;

Population Trend and Employment/Unemployment, which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the County 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 County 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 each of the repositories hereinafter referred to under subsection (c) or the SEC. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County 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 County have materially changed or been discontinued, such Disclosure Information need no longer be provided if the County includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other County operations in respect of which data is not included in the Disclosure Information and the County 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 County 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, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):
 - (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults;
 - (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 or events affecting the tax-exempt status of the security;
 - (G) Modifications to rights of security holders;
 - (H) Bond calls;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities;
and
 - (K) Rating changes.

As used herein, a Material Fact is a fact 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, a Material Fact is also 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.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
 - (A) the failure of the County 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 County under subsection (d)(2);
 - (C) the termination of the obligations of the County 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 County.

(c) Manner of Disclosure. The County agrees to make available the information described in subsection (b) to the following entities by telecopy, overnight delivery, mail or other means, as appropriate:

- (1) the information described in paragraph (1) of subsection (b), to each then nationally recognized municipal securities information repository under the Rule and to any state information depository then designated or operated by the State of Minnesota as contemplated by the Rule (the State Depository), if any;
- (2) the information described in paragraphs (2) and (3) of subsection (b), to the Municipal Securities Rulemaking Board and to the State Depository, if any; and
- (3) the information described in subsection (b), to any rating agency then maintaining a rating of the Bonds at the request of the County and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraphs (1) or (2) of this subsection (c), as the case may be, or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the County in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this section shall terminate and be without further effect as of any date on which the County 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 County 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 County 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 County accompanied by an opinion of Bond Counsel, who may rely on certificates of the County 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 County or the type of operations conducted by the County, 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 County 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. Redemption of Refunded Bonds and Certification of Proceedings.

8.1. Refunded Bonds Call. The County Coordinator is directed to call for redemption and prepayment the Refunded Bonds at their earliest permissible redemption date (February 1, 2007) and to give notice of redemption in accordance with the resolution authorizing issuance of the Refunded Bonds.

8.2. Registration and Levy of Taxes. The County Coordinator 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.

8.3. 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.

8.4. Official Statement. The Official Statement, dated as of January 27, 2005, and any Addendum thereto, relating to the Bonds prepared and distributed by Ehlers & Associates, Inc., the financial advisor for the Issuer, is hereby approved. Ehlers & Associates, Inc., is hereby authorized on behalf of the Issuer to prepare and distribute to the Purchaser within seven business days from the date hereof, an addendum to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. 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.

8.5. Authorization of Payment of Certain Costs of Issuance of the Bonds. The County authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to U.S. Trust Company, Minneapolis, Minnesota, on the closing date for further distribution as directed by the Issuer's financial advisor, Ehlers & Associates, Inc.

Action #21 - It was moved by Kathi Ellis, seconded by Dennis McNally, and carried unanimously to approve the following resolution:

Resolution 21 - 02/09/05

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 facility owners are in good standing with the County;

BE IT RESOLVED to approve the Application for Permit for the Ann Lake Sportsman's Club for a Bingo & Raffle event to be held at Pink Diamond Lounge, 1434 Ann Lake Road, Ogilvie, MN 56358 on March 20, 2005.

Action #22 - It was moved by Les Nielsen, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

Resolution 22 - 02/09/05

BE IT RESOLVED to close at the meeting at 12:29pm pursuant to Minnesota Statute §13D.03 to consider strategy for labor negotiations, including negotiation strategies or developments and discussion and review of labor negotiation proposals, conducted pursuant to sections §179A.01 to §179A.25.

Those present during the closed portion of the meeting include Commissioners Dennis McNally, Jerry Nelson, Les Nielsen, Kathi Ellis and Stan Cooper. Also present was County Coordinator Alan B. Peterson.

Action #23 - It was moved by Dennis McNally, seconded by Jerry Nelson, and carried unanimously to reopen the meeting at 1:05pm.

Action #24 - It was moved by Les Nielsen, seconded by Jerry Nelson, and carried unanimously to adjourn at 1:15pm to meet in regular session on Wednesday, February 16, 2005 at 9:00am.

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

Attest: _____
Kanabec County Coordinator