



**LE SUEUR COUNTY BOARD OF COMMISSIONERS  
MEETING AGENDA  
December 11, 2018**

1. **9:00 a.m. Agenda and Consent Agenda**  
RE: November 27, 2018 Minutes and Summary Minutes  
RE: November 29, 2018 CD70 Minutes and Summary Minutes  
RE: November 2018 Transfers
2. **9:05 a.m. Claims (5 min)**
3. **9:10 a.m. Tyler Luethje, Parks Director (5 min)**  
RE: Parks Board Members
4. **9:15 a.m. Human Resources (5 min)**
5. **9:20 a.m. Holly Kalbus, Environmental Resources Specialist (5 min)**  
Aquatic Invasive Species Prevention Plan & Resolution
6. **9:25 a.m. Dave Tiegs, Highway Engineer (15 min)**  
RE: Municipal Maintenance Agreements  
RE: Proposed 2019 Budget Item Changes
7. **9:40 a.m. Darrell Pettis, County Administrator**  
RE: Baker Tilly Engagement Letter  
RE: Governor Dayton Letter  
RE: Future Meetings
8. **10:00 a.m. 2019-23 CIP and Issuance of General Obligation Bonds Public Hearing**

9. **Commissioner Committee Reports**

10. **Budget/Levy Work Session**



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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 1**

### **9:00 a.m. Agenda and Consent Agenda**

*RE: November 27, 2018 Minutes and Summary Minutes*

*RE: November 29, 2018 CD70 Minutes and Summary Minutes*

*RE: November 2018 Transfers*

Staff Contact:

## **Minutes of Le Sueur County Board of Commissioners Meeting November 27, 2018**

The Le Sueur County Board of Commissioners met in regular session on Tuesday, November 27, 2018 at 9:00 a.m. at the Courthouse in Le Center, Minnesota. Those members present were: Lance Wetzel, John King, Dave Gliszinski and Steve Rohlffing. Joe Connolly was excused. County Attorney Brent Christian and County Administrator Darrell Pettis were also present.

On motion by King, seconded by Gliszinski and unanimously approved, the Board approved the agenda.

On motion by Rohlffing, seconded by Gliszinski and unanimously approved, the Board approved the consent agenda:

- Approved the November 20, 2018 County Board Minutes and Summary Minutes

Sheriff Brett Mason appeared before the Board with one item for discussion and approval.

On motion by King, seconded by Rohlffing and unanimously approved, the Board approved and authorized the Board Chair to sign a contract renewal for Medical Examiner services between Le Sueur County and M. B. McGee, P.A.

Joshua Mankowski, Planning & Zoning Administrator appeared before the Board with several items for approval.

On motion by Rohlffing, seconded by Gliszinski and unanimously approved via roll call 4-0 with Connolly absent, the Board approved a Conditional Use Permit to Jordan Smith, Madison Lake, MN, (Applicant); Kim Kunkel, Good Thunder, MN, (Owner) to allow the applicant to construct a retaining wall on a steep slope and a retaining wall within the shore impact zone to include grading, excavating, and filling of 11.11 cubic yards of material within the shore impact zone (total of 42.08 cubic yards on the lot) in a Recreational Residential “RR” District on Lake Washington, a Recreational Development “RD” lake. Property is located at Lot 3, Auditor’s Subdivision, Section 18, Kasota Township. Findings are on file at the Planning and Zoning Office.

On motion by King, seconded by Rohlffing and unanimously approved via roll call 4-0 with Connolly absent, the Board approved a Conditional Use Permit to Terry Clodfelter & Patricia Linehan, Mankato, MN, (Applicant); Michael Keinz, Kasota, MN, (Owner) to allow the applicant to establish and operate a dog training facility in an Agriculture “A” District, and an Airport Zoning Overlay District-Zone C. Property is located in the NE 1/4 NE 1/4, Section 14, Kasota Township. The permit was approved with the following conditions and findings are on file at the Planning & Zoning Office:

1. Trees/shrubs need to be trimmed on the East side of the access to allow for appropriate site distance.

2. The profile of the approach needs to be improved to provide a landing area for a vehicle to sit on while accessing the highway.

On motion by Rohlfing, seconded by King and unanimously approved, the Board approved and authorized the Board Chair to sign the 2019 Le Sueur County and City of Le Center Recycling Agreement.

Nik Kadel, Ditch Specialist appeared before the Board with a county ditch update.

Cindy Westerhouse with Human Resources appeared before the Board with several items for approval.

On motion by Rohlfing, seconded by Gliszinski and unanimously approved, the Board approved to set the 2019 salaries, pursuant to Minnesota Statutes 388.18, 387.20, 385.373, 384.151, 386.015, for the following Le Sueur County elected officials:

County Attorney - \$107,864.96

County Sheriff - \$119,613.68

County Auditor-Treasurer - \$106,361.35

County Recorder - \$ 76,481.11

On motion by Gliszinski, seconded by King and unanimously approved, the Board approved to set the 2019 wages for Nick Greenig, Chief Deputy Sheriff in the Sheriff's Office, from \$44.78 per hour to \$46.57 per hour, effective the first pay period of 2019.

On motion by Rohlfing, seconded by King and unanimously approved, the Board approved to post and advertise for a full time Office Manager/Evidence Coordinator in the Sheriff's Office, Grade 9, Step 4 at \$24.25 per hour.

Darrell Pettis, County Administrator appeared before the Board with several items for discussion and approval.

On motion by Rohlfing, seconded by King and unanimously approved, the Board approved and authorized the Board Chair to sign a Conservation Partners Legacy Grant Application for a Lake Washington Regional Park Restoration Project.

### **Commissioner Committee Reports:**

Commissioner Rohlfing attended an Immtrack meeting and a Parks Board meeting.

Commissioner Gliszinski attended a Justice Center progress meeting.

Commissioner King attended a Justice Center progress meeting and a Parks Board meeting.

On motion by Rohlfing, seconded by King and unanimously approved, the Board adjourned until Tuesday, December 11, 2018 at 9:00 a.m.

**ATTEST:** \_\_\_\_\_  
**Le Sueur County Administrator**                      **Le Sueur County Chairman**

**Summary Minutes of Le Sueur County Board of Commissioners Meeting, November 27, 2018**

•This is only a summary publication per MN Statutes 375.12 and 331A.01 sub. 10. The complete minutes are on file in the Le Sueur County Administrator's Office at 88 S Park Ave. Le Center, MN and are available at [www.co.le-sueur.mn.us](http://www.co.le-sueur.mn.us).

•Approved the agenda. (King-Gliszinski)

•Approved the consent agenda. (Rohlfing-Gliszinski)

•Approved a contract renewal for Medical Examiner services between Le Sueur County and M. B. McGee, P.A. (King-Rohlfing)

•Approved a Conditional Use Permit to Jordan Smith, Madison Lake, MN, (Applicant); Kim Kunkel, Good Thunder, MN, (Owner) and findings are on file at the Planning and Zoning Office. (Rohlfing-Gliszinski)

•Approved a Conditional Use Permit to Terry Clodfelter & Patricia Linehan, Mankato, MN, (Applicant); Michael Keinz, Kasota, MN, (Owner) with conditions and findings are on file at the Planning & Zoning Office. (King-Rohlfing)

•Approved the 2019 Le Sueur County and City of Le Center Recycling Agreement. (Rohlfing-King)

•Approved to set the 2019 salaries for the following Le Sueur County elected officials: County Attorney - \$107,864.96, County Sheriff - \$119,613.68, County Auditor-Treasurer - \$106,361.35, County Recorder - \$ 76,481.11 (Rohlfing-Gliszinski)

•Approved to set the 2019 wages for Nick Greenig in the Sheriff's Office to \$46.57 per hour. (Gliszinski-King)

•Approved to post and advertise for a full time Office Manager/Evidence Coordinator in the Sheriff's Office. (Rohlfing-King)

•Approved a Conservation Partners Legacy Grant Application for a Lake Washington Regional Park Restoration Project. (Rohlfing-King)

•Adjourned until Tuesday, December 11, 2018 at 9:00 a.m. (Rohlfing-King)

ATTEST: Le Sueur County Administrator    Le Sueur County Chairman

## **Minutes of Le Sueur County Board of Commissioners Meeting November 29, 2018**

The Le Sueur County Board of Commissioners met as the Le Sueur County Drainage Authority for Le Sueur County Ditch 70 on Thursday, November 29, 2018 at 9:00 a.m. at the Courthouse in Le Center, Minnesota. Those members present were: Lance Wetzel, John King, Dave Gliszinski and Steve Rohlffing. Joe Connolly was excused.

Also present were County Administrator Darrell Pettis, Attorney Kale Van Bruggen with Rinke Noonan and Auditor-Treasurer Pam Simonette.

Board Chair Wetzel opened the meeting regarding the final hearing on a petition to abandon a portion of County Ditch 70.

Attorney Kale Van Bruggen reviewed the purpose of the hearing and a procedural history.

County Administrator Darrell Pettis reviewed the Engineer's Report and had no objections to moving forward with the partial abandonment.

The Board Chair invited public comments and questions. There were 3 public comments. The first was from David Yates, attorney for the petitioner, Adam Loewe. The second was from Commissioner King stating that he was contacted by Tyrone Township officials and they have no objections to the petition. The third was a question from Steven Iten on the location of the proposed abandonment.

On motion by Rohlffing, seconded by Gliszinski and unanimously approved, the Board approved to close public comments.

On motion by King, seconded by Rohlffing and unanimously approved, the Board approved and authorized the Board Chair to sign a Findings & Order in the matter of the abandonment of the North 350 feet of Spur 1 of CD70 along the border of Sections 9 and 10 of Tyrone Township.

On motion by King, seconded by Gliszinski and unanimously approved, the Board adjourned at 9:25 a.m.

**ATTEST:** \_\_\_\_\_  
                    **Le Sueur County Administrator**                    **Le Sueur County Chairman**



**Summary Minutes of Le Sueur County Drainage Authority Board Meeting, November 29, 2018**

- This is only a summary publication per MN Statutes 375.12 and 331A.01 sub. 10. The complete minutes are on file in the Le Sueur County Administrator's Office at 88 S Park Ave. Le Center, MN and are available at [www.co.le-sueur.mn.us](http://www.co.le-sueur.mn.us).
  - Board Chair Wetzel opened the meeting regarding the final hearing on a petition to abandon a portion of County Ditch 70.
  - Approved to close public comments with three comments made. (Rohlfing-Gliszinski)
  - Approved a Findings & Order in the matter of the abandonment of the North 350 feet of Spur 1 of CD70 along the border of Sections 9 and 10 of Tyrone Township. (King-Rohlfing)
  - Adjourned at 9:25 a.m. (King-Gliszinski)
- ATTEST: Le Sueur County Administrator    Le Sueur County Chairman

## November 2018 Transfers

- #1718                      Transfer 3,299.00 from Agency to Revenue  
                                 (November landshark)
- #1719                      Transfer 8,566.00 from Revenue to Env Serv  
                                 (2018 Water Plan levy)
- #1720                      Transfer 500.00 from Revenue to Agency  
                                 (Correct war #51551 & 51376, BenAware claim)



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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 2**

**9:05 a.m. Claims (5 min)**

**Staff Contact:**



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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 3**

**9:10 a.m. Tyler Luethje, Parks Director (5 min)**

***RE: Parks Board Members***

**Staff Contact:**

Le Sueur County Parks Board Member terms align with the terms of their districts Commissioner. All members with expiring terms would like to continue their service for another term. Members serve four year terms and can serve multiple terms.

Le Sueur County Parks Department is requesting that the Commissioners approve the following highlighted Parks Board Members for new terms through January 2023.

## Le Sueur County Parks Board

**Le Sueur County Parks Director**

Tyler Luethje

Office: 507-357-8201

Email: [tluethje@co.le-sueur.mn.us](mailto:tluethje@co.le-sueur.mn.us)

**District One:** City of New Prague, City of Heidelberg, Lanesburgh Township

Term Ends: January 2021

District One Member:

Name: Michael Schultz, Vice Chairman

Phone: 507-317-4370

Email: [mschultz@co.le-sueur.mn.us](mailto:mschultz@co.le-sueur.mn.us)

District One Commissioner:

David Gliszinski

Phone: 952-212-1953

Email: [dgliszinski@co.le-sueur.mn.us](mailto:dgliszinski@co.le-sueur.mn.us)

**District Two:** City of Montgomery, Montgomery Township, Sharon Township, Lexington Township, Ottawa Township

Term Ends: January 2019

District Two Member:

Name: Charles Richter

Phone: 612-756-4524

Email: [richter\\_8533@frontiernet.net](mailto:richter_8533@frontiernet.net)

District Two Commissioner:

Joe Connolly

Phone: 507-665-6150

Email: [jconnolly@co.le-sueur.mn.us](mailto:jconnolly@co.le-sueur.mn.us)

**District Three:** City of Le Sueur, Derrynane Township, Tyrone Township

Term Ends: January 2021

District Three Member:

Name: Brigid Tuck, Secretary

Phone: 952-686-3194

Email: [dohertba@hotmail.com](mailto:dohertba@hotmail.com)

District Three Commissioner:

John King

Phone: 612-756-4590

Email: [jking@co.le-sueur.mn.us](mailto:jking@co.le-sueur.mn.us)

**District Four:** City of Le Center, City of Waterville, City of Kilkenny, Waterville Township, Kilkenny Township, Cordova Township

Term Ends: January 2019

District Four Member:

Name: Mark Volkenant

Phone: 507-317-0447

Email: [Mark\\_Volkenant@hotmail.com](mailto:Mark_Volkenant@hotmail.com)

District Four Commissioner:

Lance Wetzel

Phone: 507-357-6621

Email: [lwetzel@co.le-sueur.mn.us](mailto:lwetzel@co.le-sueur.mn.us)

**District Five:** City of Kasota, City of Cleveland, City of Elysian, City of Mankato, Elysian Township, Washington Township, Kasota Township, Cleveland Township

Term Ends: January 2019

District Five Member:

Name: Larry Maruska, Chairman

Phone: 507-380-6071

Email: [larrymaruska@yahoo.com](mailto:larrymaruska@yahoo.com)

District Five Commissioner:

Steven Rohlfing

Phone: 507-317-5095

Email: [srohlfing@co.le-sueur.mn.us](mailto:srohlfing@co.le-sueur.mn.us)

**Commissioner Representative:**

Name: John King

Phone: 612-756-4590

Email: [jking@co.le-sueur.mn.us](mailto:jking@co.le-sueur.mn.us)

**Commissioner Representative:**

Name: Steven Rohlfing

Phone: 507-317-5095

Email: [srohlfing@co.le-sueur.mn.us](mailto:srohlfing@co.le-sueur.mn.us)



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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 4**

**9:15 a.m. Human Resources (5 min)**

**Staff Contact:**



# Human Resources

88 SOUTH PARK AVENUE • LE CENTER, MINNESOTA 56057

Telephone: 507-357-8517 • Fax: 507-357-8607

Cindy Westerhouse – Human Resources Director

## HUMAN RESOURCES

### AGENDA ITEMS

**December 11, 2018**

Recommendation to approve and sign the Memorandum of Agreement to grant the leave of absence request for Nick Greenig from his position as Patrol Sergeant in the Sheriff's Office, effective January 8, 2019.

Recommendation to grant regular status to David Yates, Assistant County Attorney in the County Attorney's, effective December 4, 2018.

Recommendation to accept the resignation from Michaela Erickson, part time Home Health Aide in Public Health, effective December 11, 2018.

Recommendation to hire Julie Brockway as a full time Public Health Nurse in Public Health as a Grade 11, Step 7 at \$30.27, effective January 2, 2019.

Recommendation to grant a personal leave request from employee 1638, effective December 6, 2018.

Recommendation to promote Laura Quickle, full time Compliance Specialist, Grade 4, Step 6 at \$19.46 per hour, to a full time Drug Court Coordinator in Drug Court, Grade 13, Step 4 at \$30.60 per hour, effective December 10, 2018.

Recommendation to post and advertise for a full time Network Administrator in the Information Technology Department as a Grade 10, Step 8 at \$29.57.

Recommendation to accept the resignation request from Anna Schwichtenberg full time Office Support Specialist, Sr. in Human Services, effective December 20, 2018.

Recommendation to post and request the merit list for a full time Office Support Specialist, Sr. in Human Services, Grade 4, Step 4 at \$18.12 per hour.

Recommendation to promote Emily O'Brien, Sheriff Administrative Assistant in the Sheriff's Office, Grade 6, Step 6 at \$21.86 per hour, to a full time Office Manager/Evidence Coordinator, Grade 9, Step 5 at \$25.13 per hour, effective December 24, 2018.

Request to post and advertise for a full time Sheriff Administrative Assistant in the Sheriff's Office, Grade 6, Step 4 at \$20.35 per hour.

*Equal Opportunity Employer*





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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 5**

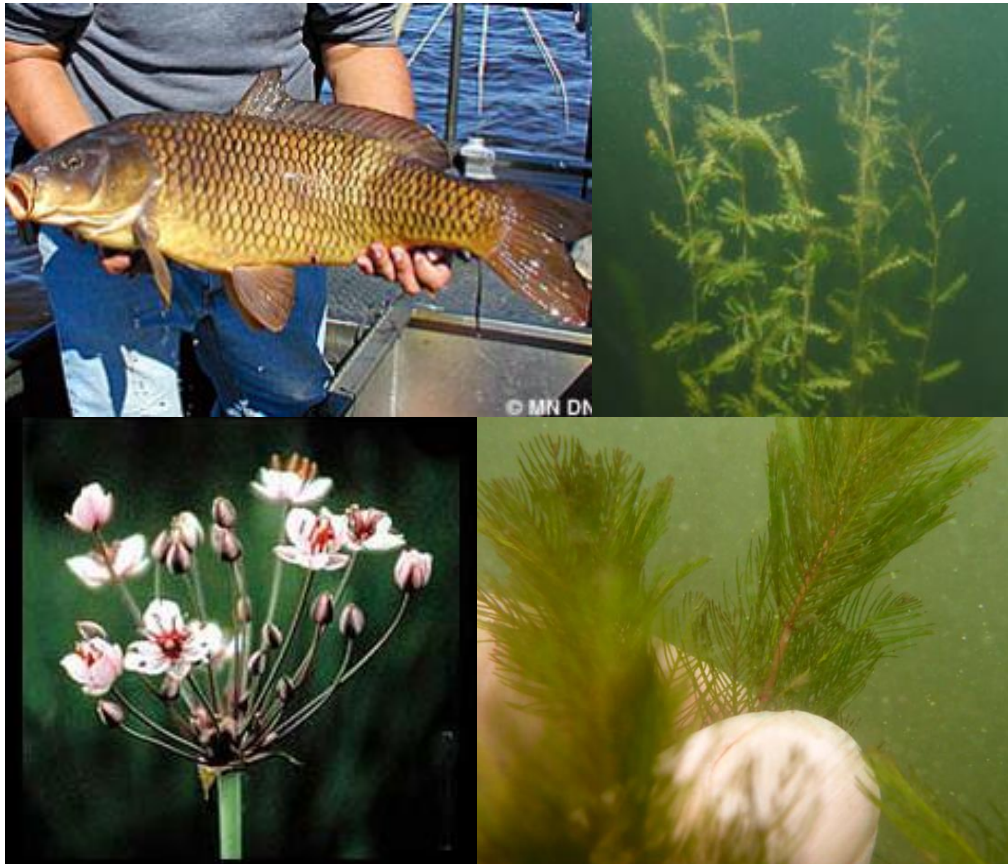
**9:20 a.m. Holly Kalbus, Environmental Resources Specialist (5 min)**

*Aquatic Invasive Species Prevention Plan & Resolution*

Staff Contact:

# Le Sueur County

## Aquatic Invasive Species Prevention Plan



Adopted by Le Sueur County on 12/11/2018

Prepared by Le Sueur Co with assistance from the Le Sueur Count AIS  
Advisory Committee.



**STOP AQUATIC  
HITCHHIKERS!**  
Be A Good Steward. Clean. Drain. Dry.  
[StopAquaticHitchhikers.org](http://StopAquaticHitchhikers.org)



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# **Le Sueur County Aquatic Invasive Species Plan**

## **Executive Summary**

Le Sueur County has 128 lakes, many creeks, streams and rivers within its jurisdictional boundaries. These bodies of water are among Le Sueur County's greatest natural assets. Aquatic invasive species (AIS) now threaten the habitat, ecosystem function and recreational enjoyment of these assets. A number of AIS are already present within the County and surrounding areas. These species are being transferred into the County from infested water from other areas of the State and can travel between your lakes if care is not given to stop their spread. As of 2015, Eurasian Watermilfoil, Purple Loosestrife and Curly Leaf Pondweed are some of the AIS already present within the County.

To reduce the risk of further infestation and address the AIS already in the County, this plan outlines the following key topics:

1. AIS Program Management
2. Education
3. Inspection/Decontamination
4. Assessment and Management
5. Rapid Response Plan
6. Enforcement
7. Risk Reduction

## **Definition of Aquatic Invasive Species**

Aquatic invasive species (AIS) (sometimes called exotic, invasive, nonindigenous or non-native) are aquatic organisms that invade ecosystems beyond their natural, historic range. (US Fish & Wildlife Service)

## **Aquatic Invasive Species in Minnesota**

There are a number of AIS that have infested other waterbodies in Minnesota that have not been introduced to Le Sueur County. The species include zebra mussels, quagga mussels, spiny waterfleas and faucet snails to name a few. Since these AIS are already present in Minnesota waters, an increased risk that they may be introduced to waters in Le Sueur County exists. With continued due diligence, we can keep these AIS from spreading into Le Sueur County lakes.

## Aquatic Invasive Species in Le Sueur County

As of October 26, 2018, ten lakes in Le Sueur County are currently listed on the Minnesota Department of Natural Resources' (DNR) List of Infested Waters. The invasive species documented in Le Sueur County include Eurasian watermilfoil and flowering rush. A number of the lakes within the County also contain Curly-Leaf Pondweed, an invasive species first reported in MN in 1910. Waterbodies containing Curly-Leaf Pondweed are not listed as infested.

**Minnesota  
Department of  
Natural  
Resources  
(DNR) List of  
Infested  
Waters -  
October 26,  
2018**



Water body name	County or counties	Listed for aquatic invasive species	Year listed as infested	Year species was first confirmed, or connected water body	DOW number
East Jefferson (DOW 40-0092-01)	Le Sueur	Eurasian watermilfoil	2004	2002	40-0092
Frances	Le Sueur	Eurasian watermilfoil	2017	2017	40-0057
German	Le Sueur	Eurasian watermilfoil	2004	2002	40-0063
Horseshoe	Le Sueur	flowering rush	2014	2013	40-0001
Jefferson	Le Sueur	Eurasian watermilfoil	2015	part of Jefferson chain	40-0092
Middle Jefferson (DOW 40-0092-04)	Le Sueur	Eurasian watermilfoil	2010	2010	40-0092
Ray's	Le Sueur	Eurasian watermilfoil	2009	2008	40-0056
Swede's Bay (DOW 40-0092-03)	Le Sueur	Eurasian watermilfoil	2015	part of Jefferson chain	40-0092
Tetonka	Le Sueur	flowering rush	2009	2008	40-0031
Tetonka	Le Sueur	Eurasian watermilfoil	2016	2016	40-0031
Upper Sakatah	Le Sueur	flowering rush	2009	2008	40-0002
West Jefferson (DOW 40-0092-02)	Le Sueur	Eurasian watermilfoil	2015	part of Jefferson chain	40-0092

## **Economic Impacts**

Potential impacts caused by AIS within the Cities, Townships and County are not precisely known. AIS have the potential to cause both detrimental economic and environmental impacts. Infrastructure that has been in use for years may become unusable. Depending on the type and severity of an AIS infestation, there may be reduced use for recreation, thus reducing the number of individuals that use our water resources. This would result in loss of potential revenue for local businesses. There could also be an increased cost to reduce or maintain current AIS populations. When AIS infest a lake or other waterbody, it becomes very difficult or impractical to treat the entire waterbody for removal. Treatment would then only be pursued in areas that have higher success of local removal or higher environmental and economic importance. It is less costly to prevent AIS infestations than it is to treat established populations.

## **Environmental Impacts**

The introduction of AIS into an ecosystem has the potential for unknown, widespread impacts. Many of the native flora and fauna have adapted life strategies to reduce pressures from competition in their current environment. Introducing new species can add new, unknown pressures to which native species may not be capable of adapting. Competition for resources such as light, nutrients and space can increase. There can be unknown impacts on local food-webs; shifting the interactions of these organisms within the environment. Competition for space needed for successful spawning may increase. The changes in habitat can also lead to increased stress on different species, increasing the susceptibility of disease; another factor that can decrease population sizes of native species.

## **Plan Goals**

The goals set forth in this plan are listed below (they are not listed in order of priority):

- ◆ Increase the number of inspections at access sites.
- ◆ Have most if not all inspections performed by level 1 authorized watercraft inspectors and licensed peace officers.
- ◆ Promote public awareness and education on AIS and strategies to stop their spread.
- ◆ Support current AIS management efforts
- ◆ Work with Lakeshore property owners, lake associations, campgrounds, marinas, and dock/boat lift installers/sellers on AIS prevention.
- ◆ Stop the spread of AIS in the County.
- ◆ Reduce the economic and environmental impacts caused by current and future AIS infestations.

## **Strategy**

### **1. AIS Program Management**

It will be the responsibility of Environmental Services and the County AIS Advisory Committee to set in place the County AIS Plan. Environmental Services and the AIS Advisory Committee will review the Plan annually to determine its effectiveness and update this plan as deemed necessary. Environmental Services, the AIS Advisory Committee and local Lake Associations will work together to enact different aspects of this plan.

### **2. Education**

The Education aspect of the County AIS Plan will focus on raising public awareness as well as both adult and child education.

- i) Boat launch signage will be used to cover DNR, Township, City, County Park and Resort Launches.
- ii) Awareness will be promoted for all private parties and businesses purchasing, selling and maintaining docks and lifts within the County.
- iii) Plans for large, roadside signage will be pursued.
- iv) Public service announcements will be made on local radio stations and printed in local news sources when applicable.
- v) Adult and child education opportunities will be developed and pursued.
- vi) AIS informational displays will be presented at high traffic events.
- vii) Support for stiffer penalties for AIS transport may be pursued.
- viii) The County will explore opportunities to partner with existing efforts for outreach that have been developed by MN DNR, MN Sea Grant, Wildlife Forever and others as they are developed.
- ix) Work with local businesses to reduce the risk of AIS introduction by providing training and education as needed.
- x) Distribute educational materials at public accesses, functions and events.

### **3. Inspection/Decontamination**

The inspection component of the County Plan will utilize the County Sheriff's Department and DNR authorized Level 1 watercraft inspectors when possible. In order to conduct authorized watercraft inspections, the County will keep a current Delegation Agreement with the DNR. The DNR Watercraft Inspection Program provides the training and authorizes individuals to inspect water-related equipment. With the aid of local Lake Associations, more watercraft inspections are provided at access sites as well as education to individuals on the importance of AIS prevention. Volunteers may be utilized to assist boaters on site, but they do not have authority over boaters. A boater may choose to ignore

the information provided by the volunteer and launch their boat, potentially introducing new AIS to the lake. It is because of this lack of authority that Level 1 authorized watercraft inspectors and peace officers will be the primary avenue for inspections. Additional training may be provided to the County Sheriff's Department to ensure that individuals conducting inspections are educated to the most current means of AIS inspection and prevention.

Another strategy to reduce the spread of AIS is the use of a decontamination unit. A decontamination unit reduces the chances of spreading AIS by utilizing heated pressurized water to kill and remove AIS from boats and trailers. The success of a decontamination unit is dependent on the individual that is using the equipment, usually a DNR authorized Level 2 watercraft inspector. At this time there are no plans for the County to provide and manage a decontamination site. Plans may be pursued in the future if there is sufficient interest and funding.

#### 4. Assessment and Management

The County will work with the MN DNR on listing and managing AIS within the County. The List of Infested Waters will be checked minimally once a year to identify lakes within and in areas surrounding the County that may act as a source for the spread of AIS. Signage will be placed and maintained at public access sites to help inform boaters on the current state of AIS within the lakes.

Work will be done to explore linkages between waterbodies in and around the County as possible avenues for AIS movement. A waterbody that is downstream from infested water may need increased monitoring to quickly identify the movement of AIS. These links between lakes may also be a logical location for management practices that can hinder or stop the movement of AIS between the waterbodies, thus reducing the chance of AIS movement.

Lake studies were conducted in 2015 to determine a risk assessment for lakes located within the County. These studies will be utilized to better direct management efforts as well as allow the County and AIS Committee to track population changes of AIS. The County may also continue to fund seasonal surveys. Surveys will be used to determine the current growth of AIS already known to be infesting a water body or utilized to scout for the introduction of new AIS not already known to be present in a lake. These surveys may be utilized to better direct AIS control efforts and used to determine if a reported introduction of new AIS is creditable.



5. Rapid Response Plan

A Rapid Response Plan will be developed for use within the County. This plan will be developed to address new, localized infestations in an effort to keep AIS from becoming established within the water body. The current statewide plan will be utilized as a template for the development of a local plan. This will ensure that local efforts coordinate with established protocol. This plan will be utilized solely to deal with new, isolated introductions and not with AIS that have already become established. A localized communications action plan may also be created to establish local contact lists to help ensure a speedy response to any new threats.

6. Enforcement

Enforcement of AIS prevention within the County will be handled by licensed peace officers and authorized watercraft inspectors. Environmental Services will be responsible for administration of the grant dollars. With the continued spread of AIS within the State of Minnesota, it is becoming more important to enforce prevention if we hope to reduce or halt the spread of these organisms and protect our waters for future generations.

Enforcement of the County's AIS will be conducted on two main fronts, at access sites and on the road. Boats will be inspected as they enter and leave the access. By inspecting before a boat enters a waterbody, we can prevent new introductions. By inspecting as a boat leaves, we can prevent the unlawful transport of AIS from infested lakes.

7. Risk Reduction

The plan includes a number of strategies and ideas that may be implemented to reduce the risk of AIS infestation within the County. This is not a comprehensive list. There are many other strategies that could be implemented within the County.

Allocation of AIS funding will be managed through a Request for Proposals process (RFP). All RFPs will be reviewed and awarded by County staff. Other groups (Lake Associations, Lake Improvement Districts, community organizations, Schools, etc.) may submit proposals to the County for review. Proposals will be reviewed on a first come, first serve basis and will be awarded funding based on the size, scope and benefits associated with the project.

## **DNR Grants and Programs**

### **DNR Signs at Water Accesses**

The DNR provides a limited number of Help Stop Aquatic Hitchhikers! signs at no cost for lake associations, local governments, and other groups to post at water accesses. You may also print your own signs.

### **AIS Control Projects Grant**

The AIS Control Projects Grant provides funding to help cover the cost of curly-leaf pondweed, Eurasian watermilfoil and flowering rush control projects. The grant assists in covering the cost of herbicide, mechanical control or a combination of both treatment types.

**BOARD OF COUNTY COMMISSIONERS  
LE SUEUR COUNTY, MINNESOTA**

**RESOLUTION FOR AQUATIC INVASIVE SPECIES PREVENTION AID  
RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, 2014 Session Law Chapter 308 enacted by the Legislature provides Minnesota Counties a County Program Aid grant for Aquatic Invasive Species (AIS) prevention. The amount is designated by the number of watercraft trailer launches and the number of watercraft trailer parking spaces within each county. Le Sueur County received \$148,373 for the year 2018 and will receive approximately \$149,119 each following year (unless otherwise revised by the State due to a change in the number of launches and/or parking spaces for each county), and

**WHEREAS**, the legislation requires that Le Sueur County must establish, by resolution or through adoption of a plan, guidelines for the use of the proceeds, which are to prevent the introduction or limit the spread of AIS at all access sites within the county, and

**WHEREAS**, the county may appropriate the proceeds directly or may use any portion of the proceeds to provide funding for a Joint Powers Board or cooperative agreement with another political subdivision, the Soil and Water Conservation District or lake associations located in the county.

**WHEREAS**, the county must submit a copy of its guidelines for use of the proceeds for the upcoming year to the Minnesota Department of Natural Resources by December 31 of the current year, and

**WHEREAS**, AIS is one of the three priority concerns identified in the 2013-2023 State Water plan. A stated goal in the Water Plan is to provide leadership in the fight against AIS by developing proactive solutions aimed at educating and empowering local citizens.

**WHEREAS**, the Le Sueur County Board of Commissioners designates oversight of the Le Sueur County AIS Prevention Program to the Environmental Services Department and delegates to this department the responsibility to prepare, implement and report annually, a plan to allocate the funding in accordance with the above legislation. A comprehensive AIS prevention plan has been completed.

**NOW, THEREFORE, BE IT RESOLVED**, the Le Sueur County Board of Commissioners hereby adopts and begins implementation of its approved Aquatic Invasive Species Prevention Plan drafted by the Environmental Services Department and the Le Sueur County AIS Advisory Committee in conjunction with the County Sheriff's Department.

State of MN)  
Le Sueur County) ss

I, Darrell Pettis, County Administrator, Le Sueur County, Minnesota, hereby certify that I have compared the foregoing copy of the resolution of the county board of said county with the original record thereof on file in the Administration Office, Le Sueur County Minnesota, as stated in the minutes of the proceedings of said board at a meeting duly held on December 11, 2018, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said board at said meeting.

Witness my hand and seat this 11th day of December 2018.

\_\_\_\_\_  
Darrell Pettis, County Administrator

District/Commissioner	Yes	No
1-Gliszinski		
2-Connolly		
3-King		
4-Wetzel		
5-Rohlfing		



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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 6**

**9:25 a.m. Dave Tiegs, Highway Engineer (15 min)**

*RE: Municipal Maintenance Agreements*

*RE: Proposed 2019 Budget Item Changes*

Staff Contact:

## Highway Department Agenda Items

Tuesday, December 11<sup>th</sup>, 2018 County Board Meeting:

- 1.) Municipal Maintenance Agreements
- 2.) Proposed 2018 Budget Item Changes

2018 Municipal Maintenance Agreements

	# of Miles	\$ per Mile	2018 Payment	2017 Payment	Difference
City of Cleveland	2.29	\$6,798.45	\$15,568.45	\$13,123.85	\$2,444.60
City of Elysian	1.35	\$6,798.45	\$9,177.91	\$7,736.77	\$1,441.14
City of Kasota	2.40	\$6,798.45	\$16,316.28	\$13,754.26	\$2,562.02
City of Le Center	2.13	\$6,798.45	\$14,480.70	\$12,206.90	\$2,273.80
City of Le Sueur	4.05	\$6,798.45	\$27,533.72	\$23,210.31	\$4,323.41
City of Montgomery	3.36	\$6,798.45	\$22,842.79	\$19,255.96	\$3,586.83
City of Waterville	3.29	\$6,798.45	\$22,366.90	\$18,854.79	\$3,512.11
Totals:	18.87		\$128,286.75	\$108,142.84	\$20,143.91

**PROPOSED FY 2018 BUDGET ITEM CHANGES**

REVENUES					
Account Number	Description	Approved 2018 Budget Amount	Recommended 2018 Budget Amount	Increase/(Decrease) Amount	Explanation
10-300-5065	GRAVEL TAX	\$140,000.00	\$250,000.00	\$110,000.00	
10-300-5558	MISCELLANEOUS REIMBURSEMENTS	\$17,018,441.00	\$9,550,000.00	-\$7,468,441.00	TH 112 TURNBACK, TAP PROJECT LE SUEUR
10-300-5892	STATE AID REGULAR MAINTENANCE	\$1,514,644.00	\$1,760,000.00	\$245,356.00	
10-300-5893	STATE AID REGULAR CONSTRUCTION	\$1,300,000.00	\$2,640,000.00	\$1,340,000.00	CSAH 5, BOND REPAYMENT, 2017 ADVANCE
10-300-5896	BRIDGE BONDS	\$250,000.00	\$105,514.00	-\$144,486.00	REIMB FOR 7 BRIDGE, NO CONST 33 OR 52
			TOTAL:	-\$5,917,571.00	

EXPENDITURES					
Account Number	Description	Approved 2018 Budget Amount	Recommended 2018 Budget Amount	Increase/(Decrease) Amount	Explanation
10-300-6260	PROFESSIONAL SERVICES	\$145,000.00	\$25,000.00	-\$120,000.00	
10-301-6260	PROFESSIONAL SERVICES	\$1,175,000.00	\$600,000.00	-\$575,000.00	TURNBACK
10-301-6388	RIGHT OF WAY RELATED ITEMS	\$1,000,000.00	\$400,000.00	-\$600,000.00	TURNBACK
10-301-6389	STATE AID CONTRACTS	\$16,400,000.00	\$1,750,000.00	-\$14,650,000.00	TURNBACK
10-301-6390	STATE AID MUNICIPAL CONTRACTS	\$852,370.00	\$0.00	-\$852,370.00	TAP SIDEWALK LE SUEUR (2019), 52 BRIDGE
10-301-6392	COUNTY CONTRACT PAYMENTS	\$425,000.00	\$150,000.00	-\$275,000.00	CR 115 BRIDGE REPAIR, DELAY CR 104
10-302-6496	SUPPLIES-AGGREGATE/ASPHALT	\$550,000.00	\$400,000.00	-\$150,000.00	FOCUSED ON AGGREGATE SHOULDERS
10-302-6605	BUILDING & STRUCTURES	\$15,000.00	\$480,000.00	\$465,000.00	LE SUEUR SHOP, WATEVILLE SHOP PROPERTY
			TOTAL:	-\$16,757,370.00	



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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 7**

**9:40 a.m. Darrell Pettis, County Administrator**

*RE: Baker Tilly Engagement Letter*

*RE: Governor Dayton Letter*

*RE: Future Meetings*

Staff Contact:



December 3, 2018

County Board of Commissioners  
Le Sueur County  
88 South Park Avenue  
Le Center, Minnesota 56057

Thank you for using Baker Tilly Virchow Krause, LLP ("Baker Tilly" or "we" or "our") as your auditors.

The purpose of this letter (the "Engagement Letter") is to confirm our understanding of the terms and objectives of our engagement and the nature of the services we will provide as independent accountants of Le Sueur County ("you" or "your").

### **Services and Related Report**

We will audit the basic financial statements of Le Sueur County as of and for the years ended December 31, 2018, 2019 and 2020, and the related notes to the financial statements. Upon completion of our audit, we will provide Le Sueur County with our audit report on the financial statements and supplemental information referred to below. If, for any reasons caused by or relating to the affairs or management of Le Sueur County, we are unable to complete the audit or are unable to or have not formed an opinion, or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to issue a report as a result of this engagement.

In order to perform the professional services outlined in this Engagement Letter, Baker Tilly requires access to information subject to Title II of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Federal law requires Baker Tilly to execute a Business Associate Agreement ("BA Agreement") prior to being granted this information. For your convenience, we have attached our firm standard BA Agreement for your review and signature as Addendum A. Please execute and return a copy with this Engagement Letter, keeping the original BA Agreement on file with your HIPAA compliance records.

The following supplementary information accompanying the financial statements will also be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

- > Combining and Individual Fund Financial Statements
- > Budgetary Comparison Schedules - Other Governmental Funds
- > Schedule of Intergovernmental Revenues

The following supplementary information will also be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

> Schedule of Expenditures of Federal Awards

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis, to supplement Le Sueur County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Le Sueur County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- > Management's Discussion and Analysis
- > Budget Comparison Schedules - General Fund and Major Special Revenue Funds
- > Pension - Related Schedules

**Our Responsibilities and Limitations**

The objective of a financial statement audit is the expression of an opinion on the financial statements. The objective also includes reporting on:

- > Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards* and Minnesota Legal Compliance.
- > Internal control related to major federal programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (i) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (ii) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will be responsible for performing the audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports.

These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether from (i) errors, (ii) fraudulent financial reporting, (iii) misappropriation of assets, or (iv) violations of laws or governmental regulations that are attributable to Le Sueur County or to acts by management or employees acting on behalf of Le Sueur County. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management and the audit committee or equivalent group charged with governance of their responsibilities.

The audit will include obtaining an understanding of Le Sueur County and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to determine the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and the audit committee or equivalent group charged with governance internal control matters that are required to be communicated under professional standards. We will also inform you of any other matters involving internal control, if any, as required by *Government Auditing Standards* and the Uniform Guidance.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control over compliance issued pursuant to the Uniform Guidance.

We will design our audit to obtain reasonable, but not absolute, assurance of detecting errors or fraud that would have a material effect on the financial statements as well as other illegal acts having a direct and material effect on financial statement amounts. An audit is not designed to detect error or fraud that is immaterial to the financial statements. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not cause a material misstatement of the financial statements. It is important to recognize that there are inherent limitations in the auditing process. Audits are based on the concept of selective testing of the data underlying the financial statements, which involves judgment regarding the areas to be tested and the nature, timing, extent and results of the tests to be performed. Our audit is not a guarantee of the accuracy of the financial statements and, therefore, is subject to the limitation that material errors or fraud or other illegal acts having a direct and material financial statement impact or a direct and material effect on major federal programs, if they exist, may not be detected. Because of the characteristics of fraud, particularly those involving concealment through collusion, falsified documentation and management's ability to override controls, an audit designed and executed in accordance with GAAS and *Government Auditing Standards*, may not detect a material fraud. Further, while effective internal control reduces the likelihood that errors, fraud or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot ensure that errors, fraud or other illegal acts or noncompliance, if present, will be detected. However, we will communicate to you, as appropriate, any such matters that we identify during our audit. Also, if required by *Government Auditing Standards*, we will report known or likely fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse directly to parties outside of Le Sueur County.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Le Sueur County's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether you have complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of Le Sueur County's major programs. The purpose of those procedures will be to express an opinion on your compliance with requirements applicable to each of your major programs in our report on compliance issued pursuant to the Uniform Guidance.

We are also responsible for determining that the audit committee or equivalent group charged with governance is informed about certain other matters related to the conduct of the audit, including (i) our responsibility under GAAS, (ii) an overview of the planned scope and timing of the audit, and (iii) significant findings from the audit, which include (a) our views about the qualitative aspects of your significant accounting practices, accounting estimates, and financial statement disclosures; (b) difficulties encountered in performing the audit; (c) uncorrected misstatements and material corrected misstatements that were brought to the attention of management as a result of auditing procedures; and (d) other significant and relevant findings or issues (e.g., any disagreements with management about matters that could be significant to your financial statements or our report thereon, consultations with other independent accountants, issues discussed prior to our retention as independent auditors, fraud and illegal acts, and all significant deficiencies and material weaknesses identified during the audit). Lastly, we are responsible for ensuring that the audit committee or equivalent group charged with governance receives copies of certain written communications between us and management including written communications on accounting, auditing, internal controls or operational matters and representations that we are requesting from management.

We will make reference to the audit of the Housing and Redevelopment Authority of Le Sueur County in our report on your financial statements.

The audit will not be planned or conducted in contemplation of reliance of any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be addressed differently by a third party, possibly in connection with a specific transaction.

### **Management's Responsibilities**

Le Sueur County's management is responsible for the financial statements referred to above. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance. In this regard, management is responsible for establishing policies and procedures that pertain to the maintenance of adequate accounting records and effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities; to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with applicable requirements; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. You are also responsible for the selection and application of accounting principles, the authorization of receipts and disbursements, the safeguarding of assets, the proper recording of transactions in the accounting records, for reporting financial information in conformity with accounting principles generally accepted in the United States of America ("GAAP"), and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us in the management representation letter (i) about all known or suspected fraud affecting Le Sueur County involving: (a) management, (b) employees who have significant roles in internal control over financial reporting, and (c) others where the fraud or illegal acts could have a material effect on the financial statements; and (ii) of its knowledge of any allegations of fraud or suspected fraud affecting Le Sueur County received in communications from employees, former employees, analysts, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review before we begin fieldwork.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed above. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You are responsible for the preparation of the supplementary information in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are responsible for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (b) that you believe the schedule of expenditures of federal awards including its form and content, is fairly presented in accordance with the Uniform Guidance; (c) that the methods of measurement or presentation have not changed from those used in the prior year (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for (i) adjusting the basic financial statements to correct material misstatements and for affirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period under audit are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole, and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of your internal control over financial reporting that are reasonably likely to adversely affect your ability to record, process, summarize and report external financial data reliably in accordance with GAAP. Management is also responsible for identifying and ensuring that Le Sueur County complies with the laws and regulations applicable to its activities.

As part of management's responsibility for the financial statements and the effectiveness of its system of internal control over financial reporting, management is responsible for making available to us, on a timely basis, all of your original accounting records and related information and for the completeness and accuracy of that information and your personnel to whom we may direct inquiries. As required by GAAS, we will make specific inquiries of management and others about the representations embodied in the financial statements and the effectiveness of internal control over financial reporting. GAAS also requires that we obtain written representations covering audited schedule of expenditures of federal and state awards, federal and state award programs, and compliance with laws, regulations, contracts and grant agreements from certain members of management. The results of our audit tests, the responses to our inquiries, and the written representations, comprise the evidential matter we intend to rely upon in forming our opinion on the financial statements.

Baker Tilly is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 15B of the Securities Exchange Act of 1934 (the "Act"). Baker Tilly is not recommending an action to Le Sueur County; is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Act to you with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors and experts that you deem appropriate before acting on this information or material.

### **Nonattest Services**

Prior to or as part of our audit engagement, it may be necessary for us to perform certain nonattest services. For purposes of this letter, nonattest services include services that *Government Auditing Standards* refers to as nonattest services.

Nonattest services that we will be providing are as follows:

- > Financial statement preparation
- > Schedule of expenditures of federal awards
- > Auditee section of the Data Collection Form
- > Adjusting journal entries

None of these nonattest services constitute an audit under generally accepted auditing standards including *Government Auditing Standards*.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

On a periodic basis, as needed, we will meet with you to discuss your accounting records and the management implications of your financial statements. We will notify you, in writing, of any matters that we believe you should be aware of and will meet with you upon request.

### **Other Documents**

If you intend to reproduce or publish the financial statements in an annual report or other information (excluding official statements), and make reference to our firm name in connection therewith, you agree to publish the financial statements in their entirety. In addition, you agree to provide us, for our approval and consent, proofs before printing and final materials before distribution.

If you intend to reproduce or publish the financial statements in an official statement, unless we establish a separate agreement to be involved in the issuance, any official statements issued by Le Sueur County must contain a statement that Baker Tilly is not associated with the official statement, which shall read "Baker Tilly Virchow Krause, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Baker Tilly Virchow Krause, LLP, has also not performed any procedures relating to this official statement."

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

At the conclusion of our engagement, we will complete the appropriate auditor sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to complete the auditee sections and to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior year audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include within the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty (30) days after receipt of the auditors' reports or nine (9) months after the end of the audit period.

We will provide copies of our reports to Le Sueur County, however, management is responsible for distribution of the reports and the financial statements. Copies of our reports are to be made available for public inspection unless restricted by law or regulation or if they contain privileged and confidential information.

The documentation for this engagement, including the workpapers, is the property of Baker Tilly and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to federal or state agencies for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Baker Tilly personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to regulators, Le Sueur County hereby authorizes us to do so.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our most recent peer review report accompanies this letter.



### Timing and Fees

Completion of our work is subject to, among other things, (i) appropriate cooperation from Le Sueur County's personnel, including timely preparation of necessary schedules, (ii) timely responses to our inquiries, and (iii) timely communication of all significant accounting and financial reporting matters. When and if for any reason Le Sueur County is unable to provide such schedules, information, and assistance, Baker Tilly and you will mutually revise the fee to reflect additional services, if any, required of us to complete the audit. Delays in the issuance of our audit report beyond the date that was originally contemplated may require us to perform additional auditing procedures which will likely result in additional fees.

Revisions to the scope of our work will be communicated to you and may be set forth in the form of an "Amendment to Existing Engagement Letter." In addition, if we discover compliance issues that require us to perform additional procedures and/or provide assistance with these matters, fees at our standard hourly rates apply.

We estimate that our fees will range from \$62,100 to \$64,600 for 2018, \$64,000 to \$66,500 for 2019, and \$66,000 to \$68,500 for 2020. Invoices for these fees will be rendered each month as work progresses and are payable on presentation. A charge of 1.5 percent per month shall be imposed on accounts not paid within thirty (30) days of receipt of our statement for services provided. In accordance with our firm policies, work may be suspended if your account becomes thirty (30) days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notice of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

In addition to our professional fees, out-of-pocket expenses for direct engagement support including travel and subsistence, production of reports, and other direct engagement expenses will be billed separately at our cost and stated separately on our invoices.

We may use temporary contract staff to perform certain tasks on your engagement and will bill for that time at the rate that corresponds to Baker Tilly staff providing a similar level of service. Upon request, we will be happy to provide details on training, supervision, and billing arrangements we use in connection with these professionals.

Additionally, we may from time to time, and depending on the circumstances, use service providers (e.g., to act as a specialist or audit an element of the financial statements) in serving your account. We may share confidential information about you with these service providers, but are committed to maintaining the confidentiality and security of your information.

Any additional services that may be requested, and we agree to provide, may be the subject of a separate engagement letter.

We may be required to disclose confidential information to federal, state and international regulatory bodies or a court in criminal or other civil litigation. In the event that we receive a request from a third party (including a subpoena, summons or discovery demand in litigation) calling for the production of information, we will promptly notify Le Sueur County, unless otherwise prohibited. In the event we are requested by Le Sueur County or required by government regulation, subpoena or other legal process to produce our engagement working papers or our personnel as witnesses with respect to services rendered to Le Sueur County, so long as we are not a party to the proceeding in which the information is sought, we may seek reimbursement for our professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

Our fees are based on known circumstances at the time of this Engagement Letter. Should circumstances change significantly during the course of this engagement, we will discuss with you the need for any revised audit fees. This can result from changes at Le Sueur County, such as the turnover of key accounting staff, the addition of new funds or significant federal or state programs or changes that affect the amount of audit effort from external sources, such as new accounting and auditing standards that become effective that increase the scope of our audit procedures. This Engagement Letter currently includes all auditing and accounting standards and the current single audit guidance in effect as of the date of this letter.

We would expect to continue to perform our services under the arrangements discussed above from year to year, unless for some reason you or we find that some change is necessary. We will, of course, be happy to provide Le Sueur County with any other services you may find necessary or desirable.

### **Resolution of Disagreements**

In the unlikely event that differences concerning services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation.

If mediation does not settle the dispute or claim, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act ("FAA") and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no pre hearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from AAA, Judicial Arbitration & Mediation Services ("JAMS"), the Center for Public Resources or any other internationally or nationally recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within fifteen (15) days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non monetary or equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. In no event shall a demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim would be barred under the applicable statute of limitations.

Our services shall be evaluated solely on our substantial conformance with the terms expressly set forth herein, including all applicable professional standards. Any claim of nonconformance must be clearly and convincingly shown.

### **Limitation on Damages and Indemnification**

The liability (including attorney's fees and all other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Engagement Letter shall not exceed the fees paid to Baker Tilly for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly relating to such services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Engagement Letter even if the other party has been advised of the possibility of such damages.

As Baker Tilly is performing the services solely for your benefit, you will indemnify Baker Tilly, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorney's fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the services, or this Engagement Letter.

Because of the importance of the information that you provide to Baker Tilly with respect to Baker Tilly's ability to perform the services, you hereby release Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the services, that arise from or relate to any information, including representations by management, provided by you, its personnel or agents, that is not complete, accurate or current.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim.

### **Other Matters**

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated, or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

Our dedication to client service is carried out through our employees who are integral in meeting this objective. In recognition of the importance of our employees, it is hereby agreed that Le Sueur County will not solicit our employees for employment or enter into an independent contractor arrangement with any individual who is or was an employee of Baker Tilly for a period of twelve (12) months following the date of the conclusion of this engagement. If Le Sueur County violates this non-solicitation clause, Le Sueur County agrees to pay to Baker Tilly a fee equal to the hired person's annual salary at the time of the violation so as to reimburse Baker Tilly for the costs of hiring and training a replacement.

Baker Tilly Virchow Krause, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Virchow Krause, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Virchow Krause, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

This Engagement Letter constitutes the entire agreement between the Le Sueur County and Baker Tilly regarding the services described in this Engagement Letter and supersedes and incorporates all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto.

The provisions of this Engagement Letter, which expressly or by implication are intended to survive its termination or expiration, will survive and continue to bind both parties. If any provision of this Engagement Letter is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations arising under such provision, but if the remainder of this Engagement Letter shall not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected shall be enforced to the extent permitted by law or applicable professional standards.

If because of a change in the Le Sueur County's status or due to any other reason, any provision in this Engagement Letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, commissions or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

This agreement shall be governed by and construed in accordance with the laws of the state of Illinois, without giving effect to the provisions relating to conflict of laws.

We appreciate the opportunity to be of service to you.

If there are any questions regarding this Engagement Letter, please contact Ryan Engelstad, the engagement partner on this engagement who is responsible for the overall supervision and review of the engagement and determining that the engagement has been completed in accordance with professional standards. Ryan Engelstad is available at 612-876-4613, or at [ryan.engelstad@bakertilly.com](mailto:ryan.engelstad@bakertilly.com).

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

A handwritten signature in black ink that reads "Baker Tilly Virchow Krause, LLP". The signature is written in a cursive, flowing style.

Enclosure

The services and terms as set forth in this Engagement Letter are agreed to by:

\_\_\_\_\_  
Official's Name

\_\_\_\_\_  
Official's Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## **ADDENDUM A**

### **BUSINESS ASSOCIATE AGREEMENT BETWEEN LE SUEUR COUNTY and BAKER TILLY VIRCHOW KRAUSE, LLP**

THIS BUSINESS ASSOCIATE AGREEMENT ("BA Agreement") replaces previous business associate agreements between Baker Tilly Virchow Krause, LLP ("Business Associate") and Le Sueur County ("Covered Entity") (each a "Party" and collectively the "Parties") and is effective on December 3, 2018 ("Effective Date").

#### **1. PREAMBLE**

Covered Entity and Business Associate enter into this BA Agreement to comply with the requirements of: (i) the implementing regulations at 45 C.F.R Parts 160, 162 and 164 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") (i.e., the HIPAA Privacy, Security, Electronic Transaction, Breach Notification and Enforcement Rules the (Implementing Regulations)), (ii) the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 the ("HITECH Act") that are applicable to business associates and (iii) the requirements of the final modifications to the HIPAA Privacy, Security, Enforcement and Breach Notification Rules as issued on January 25, 2013, and effective March 26, 2013, (75 Fed. Reg. 5566 (Jan. 25, 2013)) the (Final Regulations). The Implementing Regulations, the HITECH Act and the Final Regulations are collectively referred to in this BA Agreement as the "HIPAA Requirements."

Covered Entity and Business Associate agree to incorporate into this BA Agreement any regulations issued by the U.S. Department of Health and Human Services ("DHHS") with respect to the HIPAA Requirements that relate to the obligations of business associates and that are required to be (or should be) reflected in a business associate agreement. Business Associate recognizes and agrees that it is obligated by law to meet the applicable provisions of the HIPAA Requirements and that it has direct liability for any violations of the HIPAA Requirements.

#### **2. DEFINITIONS**

- (a) "Breach" shall mean, as defined in 45 C.F.R. § 164.402, the acquisition, access, use or disclosure of Unsecured Protected Health Information in a manner not permitted by the HIPAA Requirements that compromises the security or privacy of that Protected Health Information.
- (b) "Business Associate Subcontractor" shall mean, as defined in 45 C.F.R. § 160.103, any entity (including an agent) that creates, receives, maintains or transmits Protected Health Information on behalf of Business Associate.
- (c) "Electronic PHI" shall mean, as defined in 45 C.F.R. § 160.103, Protected Health Information that is transmitted or maintained in any Electronic Media.
- (d) "Limited Data Set" shall mean, as defined in 45 C.F.R. § 164.514(e), Protected Health Information that excludes the following direct identifiers of the individual or of relatives, employers or household members of the individual:
  - (i) Names;
  - (ii) Postal address information, other than town or city, State and zip code;
  - (iii) Telephone numbers;
  - (iv) Fax numbers;
  - (v) Electronic mail addresses;
  - (vi) Social security numbers;
  - (vii) Medical record numbers;
  - (viii) Health plan beneficiary numbers;
  - (ix) Account numbers;

- (x) Certificate/license numbers;
- (xi) Vehicle identifiers and serial numbers, including license plate numbers;
- (xii) Device identifiers and serial numbers;
- (xiii) Web Universal Resource Locators ("URLs");
- (xiv) Internet Protocol ("IP") address numbers;
- (xv) Biometric identifiers, including finger and voice prints; and
- (xvi) Full face photographic images and any comparable images.

(e) "Protected Health Information" or "PHI" shall mean, as defined in 45 C.F.R. § 160.103, information created or received by a Health Care Provider, Health Plan, employer or Health Care Clearinghouse, that (i) relates to the past, present or future physical or mental health or condition of an individual, provision of health care to the individual or the past, present or future payment for provision of health care to the individual, (ii) identifies the individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the individual and (iii) is transmitted or maintained in an electronic medium, or in any other form or medium. The use of the term "Protected Health Information" or "PHI" in this BA Agreement shall mean both Electronic PHI and non-Electronic PHI, unless another meaning is clearly specified.

(f) "Security Incident" shall mean, as defined in 45 C.F.R. § 164.304, the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system.

(g) "Unsecured Protected Health Information" shall mean, as defined in 45 C.F.R. § 164.402, Protected Health Information that is not rendered unusable, unreadable or indecipherable to unauthorized persons through the use of a technology or methodology specified by DHHS.

(h) All other capitalized terms used in this BA Agreement shall have the meanings set forth in the applicable definitions under the HIPAA Requirements.

### **3. GENERAL TERMS**

(a) In the event of an inconsistency between the provisions of this BA Agreement and a mandatory term of the HIPAA Requirements (as these terms may be expressly amended from time to time by the DHHS or as a result of interpretations by DHHS, a court or another regulatory agency with authority over the Parties), the interpretation of DHHS, such court or regulatory agency shall prevail. In the event of a conflict among the interpretations of these entities, the conflict shall be resolved in accordance with rules of precedence.

(b) Where provisions of this BA Agreement are different from those mandated by the HIPAA Requirements, but are nonetheless permitted by the HIPAA Requirements, the provisions of this BA Agreement shall control.

(c) Except as expressly provided in the HIPAA Requirements or this BA Agreement, this BA Agreement does not create any rights in third parties.

### **4. SPECIFIC REQUIREMENTS**

(a) **Flow-Down of Obligations to Business Associate Subcontractors.** Business Associate agrees that as required by the HIPAA Requirements, Business Associate will enter into a written agreement with all Business Associate Subcontractors that: (i) requires them to comply with the Privacy and Security Rule provisions of this BA Agreement in the same manner as required of Business Associate and (ii) notifies such Business Associate Subcontractors that they will incur liability under the HIPAA Requirements for non-compliance with such provisions. Accordingly, Business Associate shall ensure that all Business Associate Subcontractors agree in writing to the same privacy and security restrictions, conditions and requirements that apply to Business Associate with respect to PHI.

(b) **Privacy of Protected Health Information**

- (i) Permitted Uses and Disclosures of PHI. Business Associate agrees to create, receive, use, disclose, maintain or transmit PHI only in a manner that is consistent with this BA Agreement or the HIPAA Requirements and only in connection with providing the services to Covered Entity identified in the Engagement Letter and this BA Agreement. Accordingly, in providing services to or for the Covered Entity, Business Associate, for example, will be permitted to use and disclose PHI for "Treatment, Payment, and Health Care Operations," as those terms are defined in the HIPAA Requirements. Business Associate further agrees that to the extent it is carrying out one or more of the Covered Entity's obligations under the Privacy Rule (Subpart E of 45 C.F.R. Part 164), it shall comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligations.
  - (1) Business Associate shall report to Covered Entity any use or disclosure of PHI that is not provided for in this BA Agreement, including reporting Breaches of Unsecured Protected Health Information as required by 45 C.F.R. § 164.410 and required by Section 4(d)(ii) below.
  - (2) Business Associate shall establish, implement and maintain appropriate safeguards and comply with the Security Standards (Subpart C of 45 C.F.R. Part 164) with respect to Electronic PHI, as necessary to prevent any use or disclosure of PHI other than as provided for by this BA Agreement.
- (ii) Business Associate Obligations. As permitted by the HIPAA Requirements, Business Associate also may use or disclose PHI received by the Business Associate in its capacity as a Business Associate to the Covered Entity for Business Associate's own operations if:
  - (1) the use relates to: (1) the proper management and administration of the Business Associate or to carry out legal responsibilities of the Business Associate or (2) data aggregation services relating to the health care operations of the Covered Entity or
  - (2) the disclosure of information received in such capacity will be made in connection with a function, responsibility or services to be performed by the Business Associate, and such disclosure is required by law or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidential and the person agrees to notify the Business Associate of any Breaches of confidentiality.
- (iii) Minimum Necessary Standard and Creation of Limited Data Set. Business Associate's use, disclosure or request of PHI shall utilize a Limited Data Set if practicable. Otherwise, in performing the functions and activities as specified in the Engagement Letter and this BA Agreement, Business Associate agrees to use, disclose or request only the minimum necessary PHI to accomplish the intended purpose of the use, disclosure or request.
- (iv) Access. In accordance with 45 C.F.R. § 164.524 of the HIPAA Requirements, Business Associate will make available to the Covered Entity (or as directed by the Covered Entity, to those individuals who are the subject of the PHI (or their designees)), their PHI in the Designated Record Set. Business Associate shall make such information available in an electronic format where directed by the Covered Entity.
- (v) Disclosure Accounting. Business Associate shall make available the information necessary to provide an accounting of disclosures of PHI as provided for in 45 C.F.R. § 164.528 of the HIPAA Requirements by making such information available to the Covered Entity or (at the direction of the Covered Entity) making such information available directly to the individual.
- (vi) Amendment. Business Associate shall make PHI in a Designated Record Set available for amendment and, as directed by the Covered Entity, incorporate any amendment to PHI in accordance with 45 C.F.R. § 164.526 of the HIPAA Requirements.
- (vii) Right to Request Restrictions on the Disclosure of PHI and Confidential Communications. If an individual submits a Request for Restriction or Request for Confidential Communications to the Business Associate, Business Associate and Covered Entity agree that Business Associate, on behalf of Covered Entity, will evaluate and respond to these requests according to Business Associate's own procedures for such requests.



- (viii) Return or Destruction of PHI. Upon the termination or expiration of the Engagement Letter or this BA Agreement, Business Associate agrees to return the PHI to Covered Entity, destroy the PHI (and retain no copies) or if Business Associate determines that return or destruction of the PHI is not feasible, (a) continue to extend the protections of this BA Agreement and of the HIPAA Requirements to the PHI and (b) limit any further uses and disclosures of the PHI to the purpose making return or destruction infeasible.
- (ix) Availability of Books and Records. Business Associate shall make available to DHHS or its agents the Business Associate's internal practices, books and records relating to the use and disclosure of PHI in connection with this BA Agreement.
- (x) Termination for Breach.
  - (1) Business Associate agrees that Covered Entity shall have the right to terminate this BA Agreement or seek other remedies if Business Associate violates a material term of this BA Agreement.
  - (2) Covered Entity agrees that Business Associate shall have the right to terminate this BA Agreement or seek other remedies if Covered Entity violates a material term of this BA Agreement.
- (c) Information and Security Standards
  - (i) Business Associate will develop, document, implement, maintain and use appropriate Administrative, Technical and Physical Safeguards to preserve the Integrity, Confidentiality and Availability of, and to prevent non-permitted use or disclosure of, Electronic PHI created or received for or from the Covered Entity.
  - (ii) Business Associate agrees that with respect to Electronic PHI, these Safeguards, at a minimum, shall meet the requirements of the HIPAA Security Standards applicable to Business Associate.
  - (iii) More specifically, to comply with the HIPAA Security Standards for Electronic PHI, Business Associate agrees that it shall:
    - (1) Implement Administrative, Physical and Technical Safeguards consistent with (and as required by) the HIPAA Security Standards that reasonably protect the Confidentiality, Integrity and Availability of Electronic PHI that Business Associate creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall develop and implement policies and procedures that meet the documentation requirements as required by the HIPAA Requirements;
    - (2) As also provided for in Section 4(a) above, ensure that any Business Associate Subcontractor agrees to implement reasonable and appropriate safeguards to protect the Electronic PHI;
    - (3) Report to Covered Entity any unauthorized access, use, disclosure, modification or destruction of PHI (including Electronic PHI) not permitted by this BA Agreement, applicable law or permitted by Covered Entity in writing ("Successful Security Incidents" or Breaches) of which Business Associate becomes aware. Business Associate shall report such Successful Security Incidents or Breaches to Covered Entity as specified in Section 4(d)(iii)(1);
    - (4) For Security Incidents that do not result in unauthorized access, use, disclosure, modification or destruction of PHI (including, for purposes of example and not for purposes of limitation, pings on Business Associate's firewall, port scans, attempts to log onto a system or enter a database with an invalid password or username, denial-of-service attacks that do not result in the system being taken off-line or malware such as worms or viruses) ("Unsuccessful Security Incidents"), aggregate the data and, upon the Covered Entity's written request, report to the Covered Entity in accordance with the reporting requirements identified in Section 4(d)(iii)(2);
    - (5) Take all commercially reasonable steps to mitigate, to the extent practicable, any harmful effect that is known to Business Associate resulting from any unauthorized access, use, disclosure, modification or destruction of PHI;
    - (6) Permit termination of this BA Agreement if the Covered Entity determines that Business Associate has violated a material term of this BA Agreement with respect to Business Associate's security obligations and Business Associate is unable to cure the violation; and
    - (7) Upon Covered Entity's request, provide Covered Entity with access to and copies of documentation regarding Business Associate's safeguards for PHI and Electronic PHI.

(d) Notice and Reporting Obligations of Business Associate

- (i) Notice of Non-Compliance with the BA Agreement. Business Associate will notify Covered Entity within 30 calendar days after discovery, any unauthorized access, use, disclosure, modification or destruction of PHI (including any successful Security Incident) that is not permitted by this BA Agreement, by applicable law or permitted in writing by Covered Entity, whether such non-compliance is by (or at) Business Associate or by (or at) a Business Associate Subcontractor.
- (ii) Notice of Breach. Business Associate will notify Covered Entity following discovery and without unreasonable delay but in no event later than 30 calendar days following discovery, any Breach of Unsecured Protected Health Information, whether such Breach is by Business Associate or by Business Associate Subcontractor.

- (1) As provided for in 45 C.F.R. § 164.402, Business Associate recognizes and agrees that any acquisition, access, use or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule (Subpart E of 45 C.F.R. Part 164) is presumed to be a Breach. As such, Business Associate shall (i) notify Covered Entity of any non-permitted acquisition, access, use or disclosure of PHI and (ii) assist Covered Entity in performing (or at Covered Entity's direction, perform) a risk assessment to determine if there is a low probability that the PHI has been compromised.
- (2) Business Associate shall cooperate with Covered Entity in meeting the Covered Entity's obligations under the HIPAA Requirements and any other security breach notification laws. Business Associate shall follow its notification to the Covered Entity with a report that meets the requirements outlined immediately below.

(iii) Reporting Obligations.

- (1) For Successful Security Incidents and Breaches, Business Associate – without unreasonable delay and in no event later than 30 calendar days after Business Associate learns of such non-permitted use or disclosure (whether at Business Associate or at Business Associate Subcontractor) – shall provide Covered Entity a report that will:
  - a. Identify (if known) each individual whose Unsecured Protected Health Information has been or is reasonably believed by Business Associate to have been accessed, acquired or disclosed;
  - b. Identify the nature of the non-permitted access, use or disclosure including the date of the incident and the date of discovery;
  - c. Identify the PHI accessed, used or disclosed (e.g., name; social security number; date of birth);
  - d. Identify what corrective action Business Associate (or Business Associate Subcontractor) took or will take to prevent further non-permitted accesses, uses or disclosures;
  - e. Identify what Business Associate (or Business Associate Subcontractor) did or will do to mitigate any deleterious effect of the non-permitted access, use or disclosure; and
  - f. Provide such other information, including a written report, as the Covered Entity may reasonably request.
- (2) For Unsuccessful Security Incidents, Business Associate shall provide Covered Entity, upon its written request, a report that:
  - a. identifies the categories of Unsuccessful Security Incidents as described in Section 4(c)(iii)(4),
  - b. indicates whether Business Associate believes its (or its Business Associate Subcontractor's) current defensive security measures are adequate to address all Unsuccessful Security Incidents, given the scope and nature of such attempts and
  - c. if the security measures are not adequate, the measures Business Associate (or Business Associate Subcontractor) will implement to address the security inadequacies.



## Report on the Firm's System of Quality Control

September 26, 2018

To the Partners of Baker Tilly Virchow Krause, LLP and the  
AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Baker Tilly Virchow Krause, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Baker Tilly Virchow Krause, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Baker Tilly Virchow Krause, LLP has received a peer review rating of *pass*.

*Moss Adams LLP*

(iv) Termination.

(1) Covered Entity and Business Associate each will have the right to terminate this BA Agreement if the other Party has engaged in a pattern of activity or practice that constitutes a material breach or violation of Business Associate's or the Covered Entity's respective obligations regarding PHI under this BA Agreement and, on notice of such material breach or violation from the Covered Entity or Business Associate, fails to take reasonable steps to cure the material breach or end the violation.

(2) If Business Associate or Covered Entity fail to cure the material breach or end the violation after the other Party's notice, Covered Entity or Business Associate (as applicable) may terminate this BA Agreement by providing Business Associate or Covered Entity written notice of termination, stating the uncured material breach or violation that provides the basis for the termination and specifying the effective date of the termination. Such termination shall be effective 60 days from this termination notice.

(v) Continuing Privacy and Security Obligations. Business Associate's and Covered Entity's obligation to protect the privacy and security of the PHI it created, received, maintained or transmitted in connection with services to be provided under the Engagement Letter and this BA Agreement will be continuous and survive termination, cancellation, expiration or other conclusion of this BA Agreement or the Engagement Letter. Business Associate's other obligations and rights, and Covered Entity's obligations and rights upon termination, cancellation, expiration or other conclusion of this BA Agreement, are those set forth in this BA Agreement and/or the Engagement Letter.

IN WITNESS WHEREOF, the Parties have signed this BA Agreement on the dates indicated below.

BAKER TILLY VIRCHOW KRAUSE, LLP

Le Sueur County

By   
Signature

Ryan Engelstad  
Print Name

Title Partner

Date Signed December 3, 2018

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Title \_\_\_\_\_

Date Signed \_\_\_\_\_



# STATE OF MINNESOTA

## Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Blvd ♦ Saint Paul, MN 55155-1611

December 3, 2018

Mr. Joe Kelly  
Division of Homeland Security & Emergency Management  
Minnesota Department of Public Safety  
445 Minnesota Street, Suite #223  
St. Paul, Minnesota 55101

Dear Director Kelly:

Based upon supporting documents provided to me by the Department of Public Safety – Division of Homeland Security and Emergency Management, I have determined that damage in certain areas of Faribault, Goodhue, Le Sueur, Martin, Renville, Rice, Steele, and Waseca counties and the Prairie Island Indian Community resulting from severe thunderstorms with heavy rains, damaging winds, and tornadoes during the period September 18-20, 2018 is of sufficient severity and magnitude to warrant the use of the State Public Disaster Assistance fund, as described under Minn. Stat. §12B.

In order to provide state public disaster assistance, I hereby designate you as my authorized representative so that you may:

- allocate such amounts as you find necessary for state disaster assistance from funds available for these purposes;
- provide public assistance in the designated area; and
- provide additional assistance if requested by a local government; and warranted by the results of further damage assessments, to the extent allowable under Minn. Stat. §12B.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark Dayton".

Mark Dayton  
Governor

Cc: Commissioner Ramona Dohman, Minnesota Department of Public Safety  
Commissioner Myron Frans, Minnesota Department of Management and Budget  
Greg Young, Faribault County Board Chair  
John Thompson, Faribault County Coordinator  
Lisa Frommie, Faribault County Emergency Management Director

Voice: (651) 201-3400 or (800) 657-3717  
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Denise Wright, Waseca County Emergency Management Director  
Shelly Buck, President, Prairie Island Indian Community  
Jody Johnson, Executive Assistant, Prairie Island Indian Community  
Schylar Martin, Emergency Management Director, Prairie Island Indian Community

## Future Meetings

### December 2018 – January 2019

#### December 2018

<b>Tuesday, December 11</b>	<b>Board Meeting, 9:00 a.m.</b> <b>*Bond CIP Hearing, 10:00 a.m.</b> <b>*Budget Work Session</b>
Thursday, December 13	P&Z Meeting, 7:00 p.m. at Environmental Services
<b>Tuesday, December 18</b>	<b>Board Meeting, 4:30 p.m.</b> <b>*User Fees Public Hearing, 5:50 p.m.</b> <b>*Budget/Levy Public Hearing, 6:00 p.m.</b>
Thursday, December 20	Board of Adjustment Meeting, 3:00 p.m. at Environmental Services
Monday, December 24	Offices Close at noon for Christmas
Tuesday, December 25	Offices Closed for Christmas – (No Board Meeting)

#### January 2019

Tuesday, January 1	Offices Closed for New Year's Day – (No Board Meeting)
<b>Tuesday, January 8</b>	<b>Board Meeting, 9:00 a.m. – Board Reorganization</b>
<b>Thursday, January 10</b>	<b>Le Sueur-Rice JD5 Public Hearing</b> reconvenes at 9:00 a.m. at the Le Sueur County Courthouse in the Commissioner's Room  P&Z Meeting, 7:00 p.m. at Environmental Services
<b>Tuesday, January 15</b>	<b>Board Meeting, 9:00 a.m.</b>
Thursday, January 17	Board of Adjustment Meeting, 3:00 p.m. at Environmental Services
Monday, January 21	Offices Closed for Martin Luther King Jr. Day
<b>Tuesday, January 22</b>	<b>Board Meeting, 9:00 a.m.</b>



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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 8**

**10:00 a.m. 2019-23 CIP and Issuance of General Obligation Bonds  
Public Hearing**

**Staff Contact:**



# AFFIDAVIT OF PUBLICATION

## PUBLIC NOTICES

I do solemnly swear that the notice, as per the proof, was published in the regular and entire edition of the

LeSueur County News

with the known office of issue being located in the county of:

LeSueur

with additional circulation in the counties of:

LeSueur

and has full knowledge of the facts stated below:

- (A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. §331A.02.
- (B) This Public Notice was printed and published in said newspaper(s) once each week, for 1 successive week(s); the first insertion being on 11/21/2018.

## MORTGAGE FORECLOSURE NOTICES

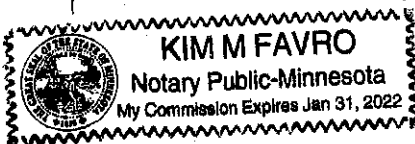
Pursuant to Minnesota Stat. §580.033 relating to the publication of mortgage foreclosure notices: The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

By: Linda Castle  
Authorized Agent

By: Linda Castle  
Print Name

Subscribed and sworn to or affirmed before me on 11-26-18 by:

James M. Gurno  
Notary Public



## Rate Information:

(1) Lowest classified rate paid by commercial users for comparable space:

\$16.00 per column inch

Open Rate

Ad ID 49096

## NOTICE OF PUBLIC HEARING LE SUEUR COUNTY STATE OF MINNESOTA NOTICE IS HEREBY GIVEN

that the Board of Commissioners of Le Sueur County, State of Minnesota (the "County"), will hold a public hearing on Tuesday, December 11, 2018 at approximately 10:00 A.M. in the Board Chambers at the County Government Center, 88 South Park Avenue, Le Center, Minnesota, relating to a proposal concerning: (1) the adoption of a five year capital improvement plan (the "Plan"); and (2) the issuance of general obligation bonds (the "Bonds") to finance various capital improvements within the County pursuant to Minnesota Statutes, Section 373.40. The maximum principal amount of the Bonds to be issued under the Plan is \$13,750,000 for projects identified in the Plan. A draft copy of the Plan is on file with the County Administrator and is available for public inspection at the County Courthouse during regular business hours.

If a petition requesting a vote on the issuance of the Bonds, signed by voters equal to five percent (5%) of the votes cast in the last County general election, is filed with the County Auditor within thirty (30) days after the public hearing, the County may issue the Bonds only after obtaining approval of a majority of voters voting on the question of the issuance of the Bonds at an election.

At the time and place fixed for the public hearing, the Board of Commissioners will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. In addition, interested persons may direct any questions or file written comments respecting the proposal with the County Administrator, at or prior to said public hearing.

BY ORDER OF THE BOARD  
OF COMMISSIONERS OF  
LE SUEUR COUNTY,  
MINNESOTA

County Administrator  
Publish in the Le Sueur County  
News: November 21, 2018  
49096 LCN 11/21

# Le Sueur County

2019 to 2023

## CAPITAL IMPROVEMENT PLAN

Amended Date  
December 11, 2018

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# 2019-2023 CAPITAL IMPROVEMENT PLAN

## Table of Contents

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THE CAPITAL IMPROVEMENT PLANNING PROCESS	2
CIP POLICY SUMMARY	3
FINANCING THE CAPITAL IMPROVEMENT PLAN	4
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Attachment A-CAPITAL IMPROVEMENT FUNDING SUMMARY

Attachment B-COUNTY AUDITORS REPORT OF OUTSTANDING INDEBTEDNESS

Attachment C-2019 Bond Issue Estimated Costs

Approved October 4, 2005  
Amended October 10, 2006  
Amended October 2, 2007  
Amended August 5, 2008  
Amended June 14, 2011  
Amended December 23, 2014  
Amended June 6, 2017  
Amended December 12, 2017

## INTRODUCTION

The Le Sueur County Capital Improvement Plan is a multi-year guide to the construction and / or improvement of county roads and facilities and the acquisition of capital equipment. Through the process of preparing and updating a Capital Improvement Plan, the county meets the needs for orderly maintenance of the physical assets of the county. This CIP is intended to serve as a planning tool and is structured to present meaningful long-range perspective of the county's long-range capital needs.

Minnesota Statutes Chapter 373.40 authorizes counties to adopt a Capital Improvement Plan (CIP.) The law requires that a Capital Improvements Plan be prepared that must cover a five year period beginning with the date of the Plan adoption. The CIP must cover:

- 1) The estimated schedule, timing and details of the specific capital improvements.
- 2) Estimated cost of the capital improvements identified.
- 3) The need for the improvements.
- 4) The sources of revenue needed to pay for the improvements.

Approval of the CIP and annual amendments must be approved by the County Board by a three-fifths vote after a noticed public hearing. MN Laws 2005, Chapter 1, Article 3, Sections 101-102 have eliminated DEED's role in the CIP process. Therefore, the final step in the CIP planning process will be for the County to obtain Board approval of the plan on a three-fifths vote. Upon approval by the Board, CIP bonds may be issued.

A County may issue general obligation bonds for improvements included in an approved Plan if the following conditions are satisfied:

1. The County must publish notice of and conduct a public hearing on the issuance of the bonds. The bonds are subject to referendum voter approval only if a petition requesting a vote signed by five percent of the votes cast in the last general election is received within 30 days of the hearing.
2. The maximum annual debt service payment on all outstanding CIP bonds does not exceed 0.12 percent of the taxable market value of the County, excluding market value included in TIF districts.
3. The issuance of bonds must be approved by at least three-fifths of the members of the County Board.

The Le Sueur County Capital Improvement Plan has been created in accordance with the guidelines of Minnesota Statutes, Section 373.40. The CIP covers public improvements and building projects, with a useful life of five years or greater, currently anticipated to be undertaken by the county during the next five years. While cost estimates and proposed funding sources are identified for each general improvement area, the CIP is not intended to provide a complete financing plan for each project. As the County prepares to undertake individual projects, the County Board will consider a specific finance program. The priority and scheduling of each project may also change over time.

Le Sueur County believes the Capital Improvement process is an important element of responsible fiscal management. Major capital expenses can be anticipated and coordinated so as to minimize potentially adverse financial impacts caused by the timing and magnitude of capital outlays. This coordination of capital projects is important to the county in achieving its goals of an adequate physical plant, equipment and sound fiscal management. In these financially difficult times, good planning is essential for the wise use of limited funding.

## **THE CAPITAL IMPROVEMENT PLANNING PROCESS**

The Capital Improvement Planning process is as follows: The County Board authorizes the preparation of the CIP. The Administrator is instructed to assemble all known capital projects necessary over the next five-year period. The County Board then reviews the projects according to the project priority, fiscal impact and available funding. From this information, a preliminary capital improvement plan is prepared. A public hearing is held to solicit input from citizens and other governmental units. Changes may be made based on that input and a final project list is established.

The County Board then prepares the final plan and works with its financial advisor to prepare a general obligation bond sale and repayment schedule if necessary to the CIP. Once the proceeds from the bond sales become available, the 2019 projects are implemented.

In subsequent years, the process is repeated as projects are completed and new needs arise. Capital Improvement planning always looks five years into the future.

The CIP will be revised and updated on an annual basis during the annual budget cycle. Changes to the priorities established in the plan should be expected. Changes can be caused by reductions in funding levels, grants or other aid, delays in construction, emergency needs or simply a change in community preferences.

## **CIP POLICY SUMMARY**

In adopting the Capital Improvements Plan (CIP), the County finds:

1. The projects contained in the CIP are necessary to maintain the existing infrastructure of the County, to meet the anticipated service demands of the County and to properly provide for the safety and general wellbeing of its residents.
2. The County has considered the costs of the projects and the available financial resources and has determined that these projects are within the financial ability of the County. Further, the County has determined that failure to undertake the CIP will result in a greater financial burden in the future.
3. The County has reviewed the alternatives for shared facilities with other units of governments. Le Sueur County will participate in shared facility options if such options are found to be efficient and cost effective.
4. The CIP is designed to make the most effective use of all financial resources available to the County, including current budgeted revenue, grants, fund reserves and borrowing. The County's goal is to maintain a reasonable balance among all available resources. The debt proposed in the CIP is within the statutory and financial capacity of the County. The County will structure all necessary debt in a manner that makes the best use of its financial resources and minimizes the impact on county residents. For those projects utilizing debt, borrowing is needed to provide the improvement in a timely manner and to spread the financial impacts over a period of years.

## FINANCING THE CAPITAL IMPROVEMENT PLAN

### Tax Levy

The tax levy funds are derived from the County property tax. The County Board determines the annual amount of the tax levy.

### Capital Replacement / Building Fund

The County may establish a capital building fund for future financing.

### General Obligation Bonds.

Minnesota Statutes, Chapter 475 allows general obligation bonds to be issued for building purposes in an amount up to the county's debt limit. This requires a vote of the public and must be approved by one vote more than 50% of those voting. The tax levy for debt service is spread on the basis of market value. First under MS 475, with few exceptions, counties cannot incur debt in excess of 3% of the assessor's estimated market value for the county. In Le Sueur County, the 2018 EMV is \$4,054,677,300. Therefore, the total amount of outstanding debt cannot exceed \$121,640,319.

### G.O. Capital Improvement Bonds

Minnesota Statute Chapter 373.40 allows counties to issue general obligation bonds for purposes defined in the Capital Improvement Plan. The annual obligation of debt cannot exceed 0.0012 times the Estimated Market Value for interest and principle payments without a referendum vote.

The calculation of Le Sueur County's debt limit is as follows:

*The maximum amount that can be levied on all of the County's CIP bonds is limited by the following formula:*

	2016	2017	2018
Estimated Market Value	\$3,958,055,700	\$3,981,422,600	\$4,054,677,300
x 0.12%	<u>.0012</u>	<u>.0012</u>	<u>.0012</u>
CIP legal lending limit (interest and principle payment)	\$ 4,749,667*	\$4,777,707*	\$4,865,613*

\* 2011 G.O. Capital Improvement Bond sale proceeds were used for ARMER 800 megahertz public safety communication system. By State statute, bond proceeds used for the purchase of ARMER 800 megahertz public safety communication equipment is not included in the CIP annual obligation of debt that cannot exceed 0.0012 times the Market Value for interest and principle payments.

#### G.O. State Aid Road Bonds

Counties may issue general obligation bonds pursuant to Minnesota Statutes, section 162.181 and Chapter 475 for the purpose of financing the costs of State-Aid highway construction projects within the County.

#### Bridge Bonding

The Minnesota Department of Transportation administers the Federal Bridge Replacement funds. The state has financed bridge replacements through a State-bonding program for bridges greater than 20-feet in length.

#### Capital Equipment Notes

Counties are given authority to issue general obligation capital notes by resolution of the County Board without a referendum. General obligation capital notes are subject to the County's debt limit.

#### 429 Improvement Bonds

Counties may issue bonds pursuant to Minnesota Statutes, Chapters 375B, 429, 444 and 475 for the purpose of financing the costs of sanitary sewer system projects within the County.

#### G.O. County Jail Bonds

Counties may issue general obligation bonds for the creation of a county jail, sheriff's residence or both, pursuant to the provisions of MN Statutes, Chapters 641 and 475. No election is required if the amount of all bonds issued for this purpose and interest on them which are due and payable in any year does not exceed an amount equal to 0.09671 percent of the Estimated Market Value for interest and principle payments without a referendum vote.

#### County State-Aid Highways Regular Construction

The purpose of the state-aid program is to provide resources, from the Highway Users Tax Distribution Fund, to assist local governments with the construction and maintenance of community-interest highways and streets on the state-aid system.

#### County State-Aid Highway Municipal Construction

The purpose of the state-aid program is to provide resources, from the Highway Users Tax Distribution Fund, to assist local governments with the construction and maintenance of community-interest highways and streets on the state-aid system to be used on state aid roads in cities whose population is under 5000.



## COUNTY DEBT AND OVERLAPPING DEBT

The total amount of requested projects under the 2019-2023 CIP is \$74,145,772. See **Attachment A, Capital Improvement Funding Summary** for a breakdown of funding sources. If these projects are to be funded, that amount of money must be generated through the tax levy, sale of bonds or taken from county reserves. Some of the funding mechanisms have statutory limits including the G.O. CIP Bonds shown below.

Of the total CIP amount, \$20,200,000 would be funded using Capital Improvement Program General Obligation bonds.

2019	\$13,700,000
2020	\$0
2021	\$2,500,000
2022	\$0
2023	\$4,000,000
Total	\$20,200,000

Assuming bonds are paid over 20 years at current market interest rates, the maximum combined annual principal and interest payments are show in Table 1, G.O. Capital Improvement Bonds. This is below the statutory limit of \$4,865,613 to be used for principal and interest payments.

Of the CIP total amount, \$0 would be funded using G.O. County Jail Bonds, according to the plan, which is subject to change.

2019	\$0
2020	\$0
2021	\$0
2022	\$0
2023	\$0
Total	\$0

County Jail bonds can be issued without a referendum if the maximum annual debt service payment of principal and interest to be paid in any year does not exceed 0.09671% of the estimated market value of taxable property within the County as certified for the year in which the bond are issued.

**Projected G.O. Bond Limitation for Bond Year 2019 Based on Jail Bond Limitation**

Estimated Market Value (2018)	\$4,054,677,300
% Limitation (0.09671%)	\$3,921,278
Principal and Interest Payment	\$827,580

The County reserves the right to vary the term of any borrowing identified in this plan with the understanding that the maximum payment of all outstanding CIP Bonds cannot exceed the statutory limit.

In preparing this Capital Improvement Plan, the County must consider for each project, and the plan as a whole, several factors, including the level of overlapping debt of the County. Attachment B, County Auditor's Report of Outstanding Indebtedness provides detailed information about the County's overlapping debt status as of December 31, 2017.

**CONTINUATION OF THE CAPITAL IMPROVEMENT PLAN**

The County Board will use the process outlined on page 2 of this plan and will review the CIP annually. The Board will review proposed projects and may add or delete projects based on priority decisions. While following the CIP process on an annual basis, the Board can continue to provide necessary improvements while keeping debt based spending within reasonable limitations.

# CIP PROJECTS

## 2019 - 2023

The CIP is organized by year beginning with year 2019 projects.  
These schedules are subject to change due to priority and financial conditions.

Year 2019

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Munic General Obligation Bonds	Federal Highway Admin	Grants	Total
<b>HIGHWAY</b>																		
TH 112 Turnback Project Rural	Reconstruction																\$15,500,000	\$15,500,000
TH 112 Turnback Project Urban	Reconstruction																\$650,000	\$650,000
CSAH 15 - TH 112 to CSAH 26	Bit Rehab and Overlay								\$374,000							\$1,326,000		\$1,700,000
CSAH 28 - CIR and Bit Overlay	Bit Rehab and Overlay								\$700,000									\$700,000
County Wide Sealcoats	Sealcoat							\$173,000	\$911,000									\$1,084,000
CSAH 33 Replace Bridge 92723	Box Culvert								\$120,000		\$120,000							\$240,000
CSAH 37 - TAP Sidewalk Project	ADA/Sidewalk Improv.									\$46,510						\$628,662		\$675,172
CSAH 52 - Replace Bridge #4458	Box Culvert									\$150,000	\$150,000							\$300,000
County Road 104 - Grading Base/Bit	New Construction							\$335,000				\$665,000						\$1,000,000
Clear Lake Lane	New Construction							\$136,612	\$348,988									\$485,600
Replace Tandem Trucks / Pick-up	Equipment							\$518,000										\$518,000
<b>ADMINISTRATION</b>																		
Justice Center, Phase 1					\$10,000,000													\$10,000,000
Phase 2 Remodel	Courthouse				\$3,700,000													\$3,700,000
<b>MAINTENANCE</b>																		
<b>HUMAN SERVICES</b>																		
<b>PARKS</b>																		
<b>SHERIFF</b>																		
Jail portion of LEC, Phase 1			\$0															\$0
Replace Three Squad Cars		\$114,000																\$114,000
<b>MIS</b>																		
Justice Center Equipment		\$340,000																\$340,000
<b>TOTALS</b>		\$454,000	\$0	\$0	\$13,700,000	\$0	\$0	\$1,162,612	\$2,453,988	\$196,510	\$270,000	\$665,000	\$0	\$0	\$0	\$1,954,662	\$16,150,000	\$37,006,772

**Year 2020**

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Manic General Obligation Bonds	Federal Highway Admin	Grants	Total
<b>HIGHWAY</b>																		
CSAH 10 - CSAH 30 to TH 13	CIR and Overlay								\$700,000									\$700,000
CSAH 33 - CSAH 3 to County Line	FDR and Overlay								\$2,000,000									\$2,000,000
TH 112 - CR 115 to TH 169	Reconstruct City Portion																\$11,000,000	\$11,000,000
CR 131 - CSAH 6 to Waterville	Bituminous Overlay							\$400,000										\$400,000
CR 131 - TH 13 to County Line	Bituminous Overlay							\$400,000										\$400,000
Replace Equipment	Equipment							\$300,000										\$300,000
<b>ADMINISTRATION</b>																		
West Jefferson Sewer							\$2,000,000											\$2,000,000
<b>HUMAN SERVICES</b>																		
Replace Vehicle		\$28,000																\$28,000
<b>PARKS</b>																		
<b>EMERGENCY MANAG.</b>																		
Vehicle		\$30,000																\$30,000
<b>SHERIFF</b>																		
Replace Three Squad Cars		\$114,000																\$114,000
Montgomery Radio Shed		\$100,000																\$100,000
Computers (MDT's)		\$156,000																\$156,000
<b>MIS</b>																		
Replace Equipment		\$150,000																\$150,000
<b>TOTALS</b>																		
		\$578,000	\$0	\$0	\$0	\$0	\$2,000,000	\$1,100,000	\$2,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,000,000	\$17,378,000

**Year 2021**

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Munic General Obligation Bonds	Federal Highway Admin	Grants	Total
<b>HIGHWAY</b>																		
CSAH 14 - CSAH 11 to CSAH 6	Bit Rehab and Overlay								\$1,680,000									\$1,680,000
CSAH 13 - TH 60 to CSAH 16	Bit Rehab and Overlay								\$555,000									\$555,000
County Wide	Seal Coat							\$250,000	\$500,000									\$750,000
Equipment Replacement	Equipment							\$500,000										\$500,000
<b>MAINTENANCE</b>																		
Phase 3, Sheriff Residence					\$2,500,000													\$2,500,000
<b>HUMAN SERVICES</b>																		
Replace Vehicle		\$28,000																\$28,000
<b>PARKS</b>																		
<b>SHERIFF</b>																		
Replace Three Squad Cars		\$114,000																\$114,000
<b>MIS</b>																		
Replace Equipment		\$150,000																\$150,000
<b>TOTALS</b>		\$292,000	\$0	\$0	\$2,500,000	\$0		\$750,000	\$2,735,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,277,000

Year 2022

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Munic General Obligation Bonds	Federal Highway Admin	Grants	Total
<b>HIGHWAY</b>																		
CSAH 11 - Le Center to CSAH 32	CIR - Road Slide Repair								\$1,200,000									\$1,200,000
CSAH 23 - UP RR to TH 112	Reconstruct and Surface								\$1,500,000									\$1,500,000
CR 103 - CR 105 to CR 104	Bituminous Overlay							\$200,000										\$200,000
CR 104 - CSAH 16 to CR 104	Bituminous Overlay							\$300,000										\$300,000
Equipment Replacement	Equipment							\$500,000										\$500,000
<b>MAINTENANCE</b>																		
Generator and Parking Lot		\$100,000																\$100,000
																		\$0
<b>HUMAN SERVICES</b>																		
Replace Vehicle		\$28,000																\$28,000
<b>PARKS</b>																		
																		\$0
<b>SHERIFF</b>																		
Replace Three Squad Cars		\$114,000																\$114,000
																		\$0
<b>MIS</b>																		
Replace Equipment		\$150,000																\$150,000
																		\$0
<b>TOTALS</b>		\$392,000	\$0	\$0	\$0	\$0		\$1,000,000	\$2,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,092,000

Year 2023

Project	Description	General Fund	G. O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH - Munic General Obligation Bonds	Federal Highway Admin	Grants	Total
<b>HIGHWAY</b>																		
Replace County Shop	Le Center				\$4,000,000									\$4,000,000				\$8,000,000
Equipment Replacement	Equipment							\$500,000										\$500,000
CR 101 from TH 22 - CSAH 19	Bituminous Overlay							\$600,000										\$600,000
<b>MAINTENANCE</b>																		
																		\$0
																		\$0
<b>HUMAN SERVICES</b>																		
Replace Vehicle		\$28,000																\$28,000
<b>PARKS</b>																		
																		\$0
<b>SHERIFF</b>																		
Replace Three Squad Cars		\$114,000																\$114,000
																		\$0
																		\$0
<b>MIS</b>																		
Replace Equipment		\$150,000																\$150,000
																		\$0
																		\$0
<b>TOTALS</b>		\$292,000	\$0	\$0	\$4,000,000	\$0		\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000	\$0	\$0	\$0	\$9,392,000



## Attachment A Capital Improvement Funding Summary 2019-2023

	General Fund	G.O. Jail Bonds	G.O. Bonds	G.O. Capital Improvement Program (CIP) Bonds	Capital Notes	429 Improvement Bonds	Local Road and Bridge Fund	CSAH Regular Construction	CSAH Municipal Construction	Fund 29 State Bridge Bonds	Other Local Funds	Land Records Fund	CSAH General Obligation Bonds	CSAH-Munic General Obligation Bonds	Federal Highway Admin	Grants	Total
2019	\$454,000	\$0	\$0	\$13,700,000	\$0	\$0	\$1,162,612	\$2,433,988	\$196,510	\$270,000	\$665,000	\$0	\$0	\$0	\$1,954,662	\$16,150,000	\$37,066,772
2020	\$578,000	\$0	\$0	\$0	\$0	\$2,000,000	\$1,100,000	\$2,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,000,000	\$17,378,000
2021	\$292,000	\$0	\$0	\$2,500,000	\$0	\$0	\$750,000	\$2,735,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,277,000
2022	\$392,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$2,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,092,000
2023	\$292,000	\$0	\$0	\$4,000,000	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000	\$0	\$0	\$0	\$9,392,000
<b>Total</b>	<b>\$2,008,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,200,000</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$5,112,612</b>	<b>\$10,588,988</b>	<b>\$196,510</b>	<b>\$270,000</b>	<b>\$665,000</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>\$1,954,662</b>	<b>\$27,150,000</b>	<b>\$74,145,772</b>

Table 1

### Estimated G.O. Capital Improvement Plan Bonds

### Estimated Annual Debt Service Payments

Year	Total Bond Amount	Term (years)	Interest Rate	2020	2021	2022	2023	2024	2025
2019	\$13,700,000	20	3.75%		\$985,881	\$985,881	\$985,881	\$985,881	\$985,881
2020	\$0	20	3.50%			\$0	\$0	\$0	\$0
2021	\$2,500,000	20	3.50%				\$175,903	\$175,903	\$175,903
2022	\$0	20	3.50%					\$0	\$0
2023	\$4,000,000	20	3.50%						\$281,444
2024									
2025									
<b>Estimated Total Annual D/S Payments</b>				<b>\$0</b>	<b>\$985,881</b>	<b>\$985,881</b>	<b>\$1,161,783</b>	<b>\$1,161,783</b>	<b>\$1,443,228</b>

Le Sueur County, Minnesota

General Obligation Capital Improvement Bond Max Debt Calculation

Tax Levy Year	Tax Collect Year	Bond Pay Year	CIP Bond Portion 2015A	CIP Bonding authority carries forward 2016A	CIP Bonds 2017A	CIP Bonds 2018A CIP	CIP Bonds Projected 2019? CIP	CIP Bond Total P & I
2016	/	2017	/	2018				
2017	/	2018	/	2019	526,900.00	178,600.00	279,761.67	921,905.00
2018	/	2019	/	2020	522,900.00	180,300.00	281,450.00	1,112,350.00
2019	/	2020	/	2021	523,800.00	176,900.00	285,000.00	1,111,400.00
2020	/	2021	/	2022	524,500.00	178,500.00	288,250.00	1,114,700.00
2021	/	2022	/	2023	525,000.00		286,200.00	1,112,100.00
2022	/	2023	/	2024	525,300.00		284,000.00	893,750.00
2023	/	2024	/	2025	525,400.00		281,650.00	326,100.00
2024	/	2025	/	2026	525,300.00		284,150.00	324,800.00
2025	/	2026	/	2027			286,350.00	323,350.00
2026	/	2027	/	2028			283,250.00	321,750.00
2027	/	2028	/	2029			325,000.00	998,900.00
2028	/	2029	/	2030			322,950.00	998,000.00
2029	/	2030	/	2031			325,750.00	1,002,025.00
2030	/	2031	/	2032			323,250.00	998,625.00
2031	/	2032	/	2033			325,600.00	998,500.00
2032	/	2033	/	2034			322,650.00	997,090.00
2033	/	2034	/	2035			324,550.00	999,010.00
2034	/	2035	/	2036			326,150.00	999,010.00
2035	/	2036	/	2037			322,450.00	997,420.00
2036	/	2037	/	2038			323,600.00	999,210.00
2037	/	2038	/	2039			324,450.00	998,720.00
2038	/	2039	/	2040				1,001,320.00
								1,001,760.00
					4,199,100.00	714,300.00	2,840,061.67	11,128,605.00
								-
								20,471,572.07
								39,353,638.74

Calculation of CIP Debit Limit

2018 Estimated Taxable Market Value

4,054,677,300

Annual CIP Bonding Limit

0.12%

Maximum Annual CIP Debt Service

4,865,613

Less Maximum Annual CIP Debt Service on Existing and Proposed Debt

3,103,585

Remaining Annual CIP Bonding Capacity

1,762,028

Le Sueur County, Minnesota

General Obligation Jail Bonds Max Debt Calculation

Tax Levy Year	Tax Collect Year	Bond Pay Year	Jail Bond 2017B	Jail Bond 2018B	Jail Bond Total P & I
2016	/	2017 / 2018			-
2017	/	2018 / 2019	490,522.51	141,029.17	631,551.68
2018	/	2019 / 2020	490,717.50	333,850.00	824,567.50
2019	/	2020 / 2021	487,317.50	338,450.00	825,767.50
2020	/	2021 / 2022	488,767.50	337,750.00	826,517.50
2021	/	2022 / 2023	489,917.50	336,900.00	826,817.50
2022	/	2023 / 2024	490,767.50	335,900.00	826,667.50
2023	/	2024 / 2025	491,317.50	334,750.00	826,067.50
2024	/	2025 / 2026	489,130.00	338,450.00	827,580.00
2025	/	2026 / 2027	486,567.50	336,850.00	823,417.50
2026	/	2027 / 2028	488,630.00	335,100.00	823,730.00
2027	/	2028 / 2029	488,550.00	338,200.00	826,750.00
2028	/	2029 / 2030	488,190.00	336,000.00	824,190.00
2029	/	2030 / 2031	487,550.00	338,650.00	826,200.00
2030	/	2031 / 2032	486,630.00	336,000.00	822,630.00
2031	/	2032 / 2033	490,430.00	338,200.00	828,630.00
2032	/	2033 / 2034	488,810.00	335,100.00	823,910.00
2033	/	2034 / 2035	486,910.00	336,162.50	823,072.50
2034	/	2035 / 2036	489,730.00	336,900.00	826,630.00
2035	/	2036 / 2037	487,130.00	337,312.50	824,442.50
2036	/	2037 / 2038	489,250.00	337,400.00	826,650.00
2037	/	2038 / 2039		336,375.00	336,375.00
2038	/	2039 / 2040			-
			9,776,835.01	6,875,329.17	16,652,164.18

Calculation of Jail Bond Max Debt

2018 Estimated Taxable Market Value	4,054,677,300
% Limitation	0.09671%
Maximum Annual Jail Bond Debt Service Principal and Interest	3,921,278
Less Maximum Annual Jail Debt Service on Existing and Proposed Debt	827,580
Remaining Annual Jail Bond Principal and Interest	3,093,698

County Auditors Report of Outstanding Indebtedness

COUNTY OF: Le Sueur

Name of Governmental Unit	Bonds										Other Long-term Indebtedness (Identify)	State Aid and Tax Anticipation Certificates	Refunding ( Included in Bonds Outstanding)
	Outstanding Jan. 1, 2016	Issued During the Year	Paid During the Year	Bonds Outstanding December 31 2017									
				Total	General Obligation	G. O. Tax Increment	G. O. Special Assessment	G. O. Revenue	Revenue	Other (Identify)			
County													
Le Sueur	20,220,000	9,610,000	2,335,000	27,495,000	22,515,000					4,980,000		4,980,000	
Cities													
Cleveland	2,242,711	0	160,000	2,082,711				2,082,711			29,400		
Elysian	3,320,760	0	200,140	3,120,620			2,600,000	520,620					655,000
Heidelberg	0	0	0	0									
Kasota	0	0	0	0									
Kilkenny	0	0	0	0									
Le Center	11,711,000	0	753,000	10,958,000	4,983,750		1,681,250	4,313,000					
Le Sueur	26,957,752	2,300,000	2,621,411	26,636,341	4,000,000		1,815,000	11,162,000	9,659,341				4,105,000
Montgomery	17,252,295	2,205,000	4,789,451	14,667,844	4,528,844		1,120,000	9,019,000					7,815,000
New Prague - not home County													
Waterville	13,310,000	0	729,000	12,581,000	434,000			11,987,000		160,000			
Total of Cities	74,794,518	4,505,000	9,253,002	70,046,516	13,946,594	0	7,196,250	39,084,331	9,659,341	160,000	29,400	0	12,575,000
School District													
Cleveland #391	0	496,167	0	496,167	496,167						95,963		
WEM #2143	0	0	0	0									
LSH #2397	12,035,000	0	1,050,000	10,985,000	10,445,000					540,000			
Tri City United #2905	34,270,000	0	2,862,000	31,408,000	31,408,000						1,060,000		24,170,000
Mankato #77 - not home County													
St Peter #508-not home County													
Belle Plaine #716-not home County													
New Prague #721-not home County													
Total of Schools	46,305,000	496,167	3,912,000	42,889,167	42,349,167	0	0	0	0	540,000	1,155,963	0	24,170,000
Townships													
Washington Township	16,968	0	11,728	5,240			5,240						
Total of Townships	16,968	0	11,728	5,240	0	0	5,240	0	0	0	0	0	0
Special District													
Lake Washington San Sewer	8,552,389	0	888,890	7,663,499			7,328,499		335,000		7,198,499		465,000
Total of Spec Dist	8,552,389	0	888,890	7,663,499	0	0	7,328,499	0	335,000	0	7,198,499	0	465,000
GRAND TOTAL	149,888,875	14,611,167	16,400,620	148,099,422	78,810,761	0	14,529,989	39,084,331	9,994,341	5,680,000	8,383,862	4,980,000	37,210,000

## Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

### Sources & Uses

Dated 02/14/2019 | Delivered 02/14/2019

#### Sources Of Funds

Par Amount of Bonds	\$13,700,000.00
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<b>Total Sources</b>	<b>\$13,700,000.00</b>
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#### Uses Of Funds

Total Underwriter's Discount (1.000%)	137,000.00
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Costs of Issuance	80,000.00
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Deposit to Capitalized Interest (CIF) Fund	482,074.57
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Deposit to Project Construction Fund	13,000,000.00
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Rounding	925.43
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<b>Total Uses</b>	<b>\$13,700,000.00</b>
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## Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/14/2019	-	-	-	-	-
08/01/2019	-	-	232,007.07	232,007.07	-
02/01/2020	-	-	250,067.50	250,067.50	482,074.57
08/01/2020	-	-	250,067.50	250,067.50	-
02/01/2021	500,000.00	2.500%	250,067.50	750,067.50	1,000,135.00
08/01/2021	-	-	243,817.50	243,817.50	-
02/01/2022	510,000.00	2.600%	243,817.50	753,817.50	997,635.00
08/01/2022	-	-	237,187.50	237,187.50	-
02/01/2023	525,000.00	2.650%	237,187.50	762,187.50	999,375.00
08/01/2023	-	-	230,231.25	230,231.25	-
02/01/2024	540,000.00	2.800%	230,231.25	770,231.25	1,000,462.50
08/01/2024	-	-	222,671.25	222,671.25	-
02/01/2025	555,000.00	2.900%	222,671.25	777,671.25	1,000,342.50
08/01/2025	-	-	214,623.75	214,623.75	-
02/01/2026	570,000.00	3.000%	214,623.75	784,623.75	999,247.50
08/01/2026	-	-	206,073.75	206,073.75	-
02/01/2027	590,000.00	3.150%	206,073.75	796,073.75	1,002,147.50
08/01/2027	-	-	196,781.25	196,781.25	-
02/01/2028	605,000.00	3.250%	196,781.25	801,781.25	998,562.50
08/01/2028	-	-	186,950.00	186,950.00	-
02/01/2029	625,000.00	3.500%	186,950.00	811,950.00	998,900.00
08/01/2029	-	-	176,012.50	176,012.50	-
02/01/2030	650,000.00	3.600%	176,012.50	826,012.50	1,002,025.00
08/01/2030	-	-	164,312.50	164,312.50	-
02/01/2031	670,000.00	3.750%	164,312.50	834,312.50	998,625.00
08/01/2031	-	-	151,750.00	151,750.00	-
02/01/2032	695,000.00	3.800%	151,750.00	846,750.00	998,500.00
08/01/2032	-	-	138,545.00	138,545.00	-
02/01/2033	720,000.00	3.900%	138,545.00	858,545.00	997,090.00
08/01/2033	-	-	124,505.00	124,505.00	-
02/01/2034	750,000.00	4.000%	124,505.00	874,505.00	999,010.00
08/01/2034	-	-	109,505.00	109,505.00	-
02/01/2035	780,000.00	4.050%	109,505.00	889,505.00	999,010.00
08/01/2035	-	-	93,710.00	93,710.00	-
02/01/2036	810,000.00	4.100%	93,710.00	903,710.00	997,420.00
08/01/2036	-	-	77,105.00	77,105.00	-
02/01/2037	845,000.00	4.200%	77,105.00	922,105.00	999,210.00
08/01/2037	-	-	59,360.00	59,360.00	-
02/01/2038	880,000.00	4.250%	59,360.00	939,360.00	998,720.00
08/01/2038	-	-	40,660.00	40,660.00	-
02/01/2039	920,000.00	4.300%	40,660.00	960,660.00	1,001,320.00
08/01/2039	-	-	20,880.00	20,880.00	-
02/01/2040	960,000.00	4.350%	20,880.00	980,880.00	1,001,760.00
<b>Total</b>	<b>\$13,700,000.00</b>	<b>-</b>	<b>\$6,771,572.07</b>	<b>\$20,471,572.07</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$172,865.28
Average Life	12.618 Years
Average Coupon	3.9172540%
Net Interest Cost (NIC)	3.9965065%
True Interest Cost (TIC)	3.9836115%
Bond Yield for Arbitrage Purposes	3.8786685%
All Inclusive Cost (AIC)	4.0455875%

### IRS Form 8038

Net Interest Cost	3.9172540%
Weighted Average Maturity	12.618 Years

2019A GO CIP Bonds - PreS | SINGLE PURPOSE | 11/20/2018 | 9:58 AM



## Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

### Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
02/14/2019	-	-	-	-	-	-	-
08/01/2019	-	-	232,007.07	232,007.07	(232,007.07)	-	-
02/01/2020	-	-	250,067.50	250,067.50	(250,067.50)	-	-
08/01/2020	-	-	250,067.50	250,067.50	-	250,067.50	-
02/01/2021	500,000.00	2.500%	250,067.50	750,067.50	-	750,067.50	1,000,135.00
08/01/2021	-	-	243,817.50	243,817.50	-	243,817.50	-
02/01/2022	510,000.00	2.600%	243,817.50	753,817.50	-	753,817.50	997,635.00
08/01/2022	-	-	237,187.50	237,187.50	-	237,187.50	-
02/01/2023	525,000.00	2.650%	237,187.50	762,187.50	-	762,187.50	999,375.00
08/01/2023	-	-	230,231.25	230,231.25	-	230,231.25	-
02/01/2024	540,000.00	2.800%	230,231.25	770,231.25	-	770,231.25	1,000,462.50
08/01/2024	-	-	222,671.25	222,671.25	-	222,671.25	-
02/01/2025	555,000.00	2.900%	222,671.25	777,671.25	-	777,671.25	1,000,342.50
08/01/2025	-	-	214,623.75	214,623.75	-	214,623.75	-
02/01/2026	570,000.00	3.000%	214,623.75	784,623.75	-	784,623.75	999,247.50
08/01/2026	-	-	206,073.75	206,073.75	-	206,073.75	-
02/01/2027	590,000.00	3.150%	206,073.75	796,073.75	-	796,073.75	1,002,147.50
08/01/2027	-	-	196,781.25	196,781.25	-	196,781.25	-
02/01/2028	605,000.00	3.250%	196,781.25	801,781.25	-	801,781.25	998,562.50
08/01/2028	-	-	186,950.00	186,950.00	-	186,950.00	-
02/01/2029	625,000.00	3.500%	186,950.00	811,950.00	-	811,950.00	998,900.00
08/01/2029	-	-	176,012.50	176,012.50	-	176,012.50	-
02/01/2030	650,000.00	3.600%	176,012.50	826,012.50	-	826,012.50	1,002,025.00
08/01/2030	-	-	164,312.50	164,312.50	-	164,312.50	-
02/01/2031	670,000.00	3.750%	164,312.50	834,312.50	-	834,312.50	998,625.00
08/01/2031	-	-	151,750.00	151,750.00	-	151,750.00	-
02/01/2032	695,000.00	3.800%	151,750.00	846,750.00	-	846,750.00	998,500.00
08/01/2032	-	-	138,545.00	138,545.00	-	138,545.00	-
02/01/2033	720,000.00	3.900%	138,545.00	858,545.00	-	858,545.00	997,090.00
08/01/2033	-	-	124,505.00	124,505.00	-	124,505.00	-
02/01/2034	750,000.00	4.000%	124,505.00	874,505.00	-	874,505.00	999,010.00
08/01/2034	-	-	109,505.00	109,505.00	-	109,505.00	-
02/01/2035	780,000.00	4.050%	109,505.00	889,505.00	-	889,505.00	999,010.00
08/01/2035	-	-	93,710.00	93,710.00	-	93,710.00	-
02/01/2036	810,000.00	4.100%	93,710.00	903,710.00	-	903,710.00	997,420.00
08/01/2036	-	-	77,105.00	77,105.00	-	77,105.00	-
02/01/2037	845,000.00	4.200%	77,105.00	922,105.00	-	922,105.00	999,210.00
08/01/2037	-	-	59,360.00	59,360.00	-	59,360.00	-
02/01/2038	880,000.00	4.250%	59,360.00	939,360.00	-	939,360.00	998,720.00
08/01/2038	-	-	40,660.00	40,660.00	-	40,660.00	-
02/01/2039	920,000.00	4.300%	40,660.00	960,660.00	-	960,660.00	1,001,320.00
08/01/2039	-	-	20,880.00	20,880.00	-	20,880.00	-
02/01/2040	960,000.00	4.350%	20,880.00	980,880.00	-	980,880.00	1,001,760.00
<b>Total</b>	<b>\$13,700,000.00</b>	<b>-</b>	<b>\$6,771,572.07</b>	<b>\$20,471,572.07</b>	<b>(482,074.57)</b>	<b>\$19,989,497.50</b>	<b>-</b>

2019A GO CIP Bonds - PreS | SINGLE PURPOSE | 11/20/2018 | 9:58 AM



**EHLERS**  
LEADERS IN PUBLIC FINANCE

## Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total
02/01/2020	-	-	482,074.57	482,074.57	(482,074.57)	-	-
02/01/2021	500,000.00	2.500%	500,135.00	1,000,135.00	-	1,000,135.00	1,050,141.75
02/01/2022	510,000.00	2.600%	487,635.00	997,635.00	-	997,635.00	1,047,516.75
02/01/2023	525,000.00	2.650%	474,375.00	999,375.00	-	999,375.00	1,049,343.75
02/01/2024	540,000.00	2.800%	460,462.50	1,000,462.50	-	1,000,462.50	1,050,485.63
02/01/2025	555,000.00	2.900%	445,342.50	1,000,342.50	-	1,000,342.50	1,050,359.63
02/01/2026	570,000.00	3.000%	429,247.50	999,247.50	-	999,247.50	1,049,209.88
02/01/2027	590,000.00	3.150%	412,147.50	1,002,147.50	-	1,002,147.50	1,052,254.88
02/01/2028	605,000.00	3.250%	393,562.50	998,562.50	-	998,562.50	1,048,490.63
02/01/2029	625,000.00	3.500%	373,900.00	998,900.00	-	998,900.00	1,048,845.00
02/01/2030	650,000.00	3.600%	352,025.00	1,002,025.00	-	1,002,025.00	1,052,126.25
02/01/2031	670,000.00	3.750%	328,625.00	998,625.00	-	998,625.00	1,048,556.25
02/01/2032	695,000.00	3.800%	303,500.00	998,500.00	-	998,500.00	1,048,425.00
02/01/2033	720,000.00	3.900%	277,090.00	997,090.00	-	997,090.00	1,046,944.50
02/01/2034	750,000.00	4.000%	249,010.00	999,010.00	-	999,010.00	1,048,960.50
02/01/2035	780,000.00	4.050%	219,010.00	999,010.00	-	999,010.00	1,048,960.50
02/01/2036	810,000.00	4.100%	187,420.00	997,420.00	-	997,420.00	1,047,291.00
02/01/2037	845,000.00	4.200%	154,210.00	999,210.00	-	999,210.00	1,049,170.50
02/01/2038	880,000.00	4.250%	118,720.00	998,720.00	-	998,720.00	1,048,656.00
02/01/2039	920,000.00	4.300%	81,320.00	1,001,320.00	-	1,001,320.00	1,051,386.00
02/01/2040	960,000.00	4.350%	41,760.00	1,001,760.00	-	1,001,760.00	1,051,848.00
<b>Total</b>	<b>\$13,700,000.00</b>	<b>-</b>	<b>\$6,771,572.07</b>	<b>\$20,471,572.07</b>	<b>(482,074.57)</b>	<b>\$19,989,497.50</b>	<b>\$20,988,972.38</b>

### Significant Dates

Dated	2/14/2019
First Coupon Date	8/01/2019

### Yield Statistics

Bond Year Dollars	\$172,865.28
Average Life	12.618 Years
Average Coupon	3.9172540%
Net Interest Cost (NIC)	3.9965065%
True Interest Cost (TIC)	3.9836115%
Bond Yield for Arbitrage Purposes	3.8786685%
All Inclusive Cost (AIC)	4.0455875%

2019A GO CIP Bonds - PreS | SINGLE PURPOSE | 11/20/2018 | 9:58 AM



**EHLERS**  
LEADERS IN PUBLIC FINANCE



December 11, 2018

## Pre-Sale Report for

Le Sueur County, Minnesota

\$13,700,000 General Obligation Capital Improvement  
Bonds, Series 2019A



**Prepared by:**

Bruce Kimmel, CIPMA  
Senior Municipal Advisor

And

Todd Hagen, CIPMA  
Senior Municipal Advisor

And

Chris Mickelson,  
Financial Specialist



## Executive Summary of Proposed Debt

Proposed Issue:	\$13,700,000 General Obligation Capital Improvement Bonds, Series 2019A
Purpose:	<p>The proposed Series 2019A issue includes financing for two purposes:</p> <ol style="list-style-type: none"> <li>1. To fund the remaining portion of the construction of a new justice center, and;</li> <li>2. To fund the second phase of the County Courthouse remodel.</li> </ol> <p>Both purposes will utilize general obligation (G.O.) bonds authorized through a capital improvement plan (CIP) process.</p> <p>Debt service will be paid from ad valorem property taxes, beginning with taxes payable in 2019. State law limits annual debt service on CIP bonds to 0.12% of the issuer's estimated market value. After adding the estimated debt service on this issue to the actual debt service on the County's existing CIP issues, the County has over \$1,760,000 remaining in its annual CIP debt service capacity.</p>
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapter 373.40 and Chapter 475. The Bonds will be general obligations of the County for which its full faith, credit and taxing powers are pledged.</p> <p>The Bonds count against the County's overall debt limit for tax-supported debt, in which outstanding principal is limited to 3% of the County's estimated market value. Including this Bond issue, the County has approximately \$79,000,000 in remaining debt capacity for tax-supported debt.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 21-year term. Principal on the Bonds will be due on February 1 in the years 2021 through 2040. Interest is payable every six months beginning August 1, 2019. Bond proceeds will be used to make the initial August 1, 2019 and February 1, 2020 interest payments.</p> <p>The Bonds maturing on and after February 1, 2029 will be pre-payable at the County's sole discretion on February 1, 2028 or any date thereafter.</p>
Bank Qualification:	Because the County is issuing more than \$10,000,000 in tax-exempt obligations during the calendar year, the County will not be able to designate the Bonds as "bank qualified" obligations.
Rating:	<p>The County's most recent bond issues were rated "AA" by Standard &amp; Poor's. The County will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the County's bond rating in the event that the bond rating of the insurer is higher than that of the County.</p>



Basis for Recommendation:	The proposed Bond issue is the most cost-efficient means of achieving the desired CIP financing, and is expected to yield the lowest possible interest cost while also preserving future prepayment flexibility. Moreover, the competitive sale approach described below is consistent with the County's historical debt issuance method, as well as best practices published by the Governmental Finance Officers Association.
Method of Sale/Placement:	<p>In order to obtain the lowest interest cost to the County, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.00% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction. If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower the County's borrowing amount.</p> <p>Under current market conditions, most investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium." The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this Bond issuance, it is to be determined if any premium received will reduce the size of the issue or increase the net proceeds of the project. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the County and find that no refunding opportunities exist at this time.</p> <p>We will continue to monitor the market and the call dates for the County's outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	Because the County has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the County will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain "material events" to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The County is already obligated to provide such reports for its existing bonds and has contracted with Ehlers to prepare and file the necessary reports.
Arbitrage Monitoring:	Because the Bonds are tax-exempt securities, the County must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds



	(arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Certificate prepared by your Bond Attorney and provided at closing. You have retained Ehlers to assist you with compliance with these rules.
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a firm to provide a service, we have assumed that you will continue that relationship. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p><b>Bond Counsel:</b> Dorsey &amp; Whitney LLP</p> <p><b>Paying Agent:</b> Bond Trust Services Corporation</p> <p><b>Rating Agency:</b> Standard &amp; Poor's Global Ratings (S&amp;P)</p>

This presale report summarizes our understanding of the County's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the County's objectives.



## Proposed Debt Issuance Schedule

Pre-Sale Review by Board of Commissioners:	December 11, 2018
Distribute Official Statement:	Week of December 17, 2018
Conference with Rating Agency:	Week of December 31, 2018
Board of Commissioners Award Sale of the Bonds:	January 15, 2019
Estimated Closing Date:	February 14, 2019

### Attachments

Sources and Uses of Funds

Proposed Debt Service Schedules

### Ehlers Contacts

Municipal Advisors:	Bruce Kimmel	(651) 697-8572
	Todd Hagen	(651) 697-8508
	Chris Mickelson	(651) 697-8556
Disclosure Coordinator:	Rose Xiong	(651) 697-8589
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed or e-mailed to the Board of Commissioners for their review prior to the sale date.



## Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

### Sources & Uses

Dated 02/14/2019 | Delivered 02/14/2019

#### Sources Of Funds

Par Amount of Bonds	\$13,700,000.00
<b>Total Sources</b>	<b>\$13,700,000.00</b>

#### Uses Of Funds

Total Underwriter's Discount (1.000%)	137,000.00
Costs of Issuance	80,000.00
Deposit to Capitalized Interest (CIF) Fund	482,074.57
Deposit to Project Construction Fund	13,000,000.00
Rounding	925.43
<b>Total Uses</b>	<b>\$13,700,000.00</b>

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# Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/14/2019	-	-	-	-	-
08/01/2019	-	-	232,007.07	232,007.07	-
02/01/2020	-	-	250,067.50	250,067.50	482,074.57
08/01/2020	-	-	250,067.50	250,067.50	-
02/01/2021	500,000.00	2.500%	250,067.50	750,067.50	1,000,135.00
08/01/2021	-	-	243,817.50	243,817.50	-
02/01/2022	510,000.00	2.600%	243,817.50	753,817.50	997,635.00
08/01/2022	-	-	237,187.50	237,187.50	-
02/01/2023	525,000.00	2.650%	237,187.50	762,187.50	999,375.00
08/01/2023	-	-	230,231.25	230,231.25	-
02/01/2024	540,000.00	2.800%	230,231.25	770,231.25	1,000,462.50
08/01/2024	-	-	222,671.25	222,671.25	-
02/01/2025	555,000.00	2.900%	222,671.25	777,671.25	1,000,342.50
08/01/2025	-	-	214,623.75	214,623.75	-
02/01/2026	570,000.00	3.000%	214,623.75	784,623.75	999,247.50
08/01/2026	-	-	206,073.75	206,073.75	-
02/01/2027	590,000.00	3.150%	206,073.75	796,073.75	1,002,147.50
08/01/2027	-	-	196,781.25	196,781.25	-
02/01/2028	605,000.00	3.250%	196,781.25	801,781.25	998,562.50
08/01/2028	-	-	186,950.00	186,950.00	-
02/01/2029	625,000.00	3.500%	186,950.00	811,950.00	998,900.00
08/01/2029	-	-	176,012.50	176,012.50	-
02/01/2030	650,000.00	3.600%	176,012.50	826,012.50	1,002,025.00
08/01/2030	-	-	164,312.50	164,312.50	-
02/01/2031	670,000.00	3.750%	164,312.50	834,312.50	998,625.00
08/01/2031	-	-	151,750.00	151,750.00	-
02/01/2032	695,000.00	3.800%	151,750.00	846,750.00	998,500.00
08/01/2032	-	-	138,545.00	138,545.00	-
02/01/2033	720,000.00	3.900%	138,545.00	858,545.00	997,090.00
08/01/2033	-	-	124,505.00	124,505.00	-
02/01/2034	750,000.00	4.000%	124,505.00	874,505.00	999,010.00
08/01/2034	-	-	109,505.00	109,505.00	-
02/01/2035	780,000.00	4.050%	109,505.00	889,505.00	999,010.00
08/01/2035	-	-	93,710.00	93,710.00	-
02/01/2036	810,000.00	4.100%	93,710.00	903,710.00	997,420.00
08/01/2036	-	-	77,105.00	77,105.00	-
02/01/2037	845,000.00	4.200%	77,105.00	922,105.00	999,210.00
08/01/2037	-	-	59,360.00	59,360.00	-
02/01/2038	880,000.00	4.250%	59,360.00	939,360.00	998,720.00
08/01/2038	-	-	40,660.00	40,660.00	-
02/01/2039	920,000.00	4.300%	40,660.00	960,660.00	1,001,320.00
08/01/2039	-	-	20,880.00	20,880.00	-
02/01/2040	960,000.00	4.350%	20,880.00	980,880.00	1,001,760.00
<b>Total</b>	<b>\$13,700,000.00</b>	<b>-</b>	<b>\$6,771,572.07</b>	<b>\$20,471,572.07</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$172,865.28
Average Life	12.618 Years
Average Coupon	3.9172540%
Net Interest Cost (NIC)	3.9965065%
True Interest Cost (TIC)	3.9836115%
Bond Yield for Arbitrage Purposes	3.8786685%
All Inclusive Cost (AIC)	4.0455875%

## IRS Form 8038

Net Interest Cost	3.9172540%
Weighted Average Maturity	12.618 Years

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# Le Sueur County, Minnesota

\$13,700,000 General Obligation CIP Bonds, Series 2019A

Assumes Current Market Non-BQ AA Market Rates +25bps

## Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
02/14/2019	-	-	-	-	-	-	-
08/01/2019	-	-	232,007.07	232,007.07	(232,007.07)	-	-
02/01/2020	-	-	250,067.50	250,067.50	(250,067.50)	-	-
08/01/2020	-	-	250,067.50	250,067.50	-	250,067.50	-
02/01/2021	500,000.00	2.500%	250,067.50	750,067.50	-	750,067.50	1,000,135.00
08/01/2021	-	-	243,817.50	243,817.50	-	243,817.50	-
02/01/2022	510,000.00	2.600%	243,817.50	753,817.50	-	753,817.50	997,635.00
08/01/2022	-	-	237,187.50	237,187.50	-	237,187.50	-
02/01/2023	525,000.00	2.650%	237,187.50	762,187.50	-	762,187.50	999,375.00
08/01/2023	-	-	230,231.25	230,231.25	-	230,231.25	-
02/01/2024	540,000.00	2.800%	230,231.25	770,231.25	-	770,231.25	1,000,462.50
08/01/2024	-	-	222,671.25	222,671.25	-	222,671.25	-
02/01/2025	555,000.00	2.900%	222,671.25	777,671.25	-	777,671.25	1,000,342.50
08/01/2025	-	-	214,623.75	214,623.75	-	214,623.75	-
02/01/2026	570,000.00	3.000%	214,623.75	784,623.75	-	784,623.75	999,247.50
08/01/2026	-	-	206,073.75	206,073.75	-	206,073.75	-
02/01/2027	590,000.00	3.150%	206,073.75	796,073.75	-	796,073.75	1,002,147.50
08/01/2027	-	-	196,781.25	196,781.25	-	196,781.25	-
02/01/2028	605,000.00	3.250%	196,781.25	801,781.25	-	801,781.25	998,562.50
08/01/2028	-	-	186,950.00	186,950.00	-	186,950.00	-
02/01/2029	625,000.00	3.500%	186,950.00	811,950.00	-	811,950.00	998,900.00
08/01/2029	-	-	176,012.50	176,012.50	-	176,012.50	-
02/01/2030	650,000.00	3.600%	176,012.50	826,012.50	-	826,012.50	1,002,025.00
08/01/2030	-	-	164,312.50	164,312.50	-	164,312.50	-
02/01/2031	670,000.00	3.750%	164,312.50	834,312.50	-	834,312.50	998,625.00
08/01/2031	-	-	151,750.00	151,750.00	-	151,750.00	-
02/01/2032	695,000.00	3.800%	151,750.00	846,750.00	-	846,750.00	998,500.00
08/01/2032	-	-	138,545.00	138,545.00	-	138,545.00	-
02/01/2033	720,000.00	3.900%	138,545.00	858,545.00	-	858,545.00	997,090.00
08/01/2033	-	-	124,505.00	124,505.00	-	124,505.00	-
02/01/2034	750,000.00	4.000%	124,505.00	874,505.00	-	874,505.00	999,010.00
08/01/2034	-	-	109,505.00	109,505.00	-	109,505.00	-
02/01/2035	780,000.00	4.050%	109,505.00	889,505.00	-	889,505.00	999,010.00
08/01/2035	-	-	93,710.00	93,710.00	-	93,710.00	-
02/01/2036	810,000.00	4.100%	93,710.00	903,710.00	-	903,710.00	997,420.00
08/01/2036	-	-	77,105.00	77,105.00	-	77,105.00	-
02/01/2037	845,000.00	4.200%	77,105.00	922,105.00	-	922,105.00	999,210.00
08/01/2037	-	-	59,360.00	59,360.00	-	59,360.00	-
02/01/2038	880,000.00	4.250%	59,360.00	939,360.00	-	939,360.00	998,720.00
08/01/2038	-	-	40,660.00	40,660.00	-	40,660.00	-
02/01/2039	920,000.00	4.300%	40,660.00	960,660.00	-	960,660.00	1,001,320.00
08/01/2039	-	-	20,880.00	20,880.00	-	20,880.00	-
02/01/2040	960,000.00	4.350%	20,880.00	980,880.00	-	980,880.00	1,001,760.00
<b>Total</b>	<b>\$13,700,000.00</b>	<b>-</b>	<b>\$6,771,572.07</b>	<b>\$20,471,572.07</b>	<b>(482,074.57)</b>	<b>\$19,989,497.50</b>	<b>-</b>

2019A GO CIP Bonds - PreS | SINGLE PURPOSE | 11/20/2018 | 9:58 AM





At 10:00 a.m. the Chairperson called the Public Hearing for the approval of the 2019 to 2023 Capital Improvement Bonds pursuant to Minnesota Statutes, Section 373.40.

The Chairperson stated that this was the time and place fixed for a public hearing to be held on the County's Capital Improvement Plan (the "Plan") and issuance of bonds (the "Bonds") under Minnesota Statutes, Section 373.40. The County Administrator presented an affidavit showing publication of the notice of public hearing at least fourteen (14) but not more than twenty-eight (28) days prior to the date fixed for the public hearing in the Le Sueur County News, being the official newspaper of the County. The affidavit was examined, found to be satisfactory and ordered it to be placed on file with the County Administrator.

The Chairperson then opened the meeting for the public hearing on the proposal to adopt the Plan and approve the issuance of the Bonds. The purpose of the hearing was explained, the nature of the Plan and the Bonds was discussed, and all persons present who desired to do so were afforded an opportunity to express their views with respect to the proposal to approve the Plan and issue the Bonds.

With \_\_\_\_\_ comments being received from the public on the proposals, at \_\_\_\_\_ a.m. the Chairperson declared the public hearing to be closed.

On motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the Board approved the following resolution:

**RESOLUTION RELATING TO APPROVAL OF A CAPITAL  
IMPROVEMENT PLAN AND ISSUANCE OF GENERAL OBLIGATION CAPITAL  
IMPROVEMENT BONDS, SERIES 2019A**

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

WHEREAS, the Issuer has published notice of its intent to hold a hearing on the issuance of capital improvement bonds under Minnesota Statutes, Section 373.40 (the “Bonds”) and on its proposed Capital Improvement Plan (the “Plan”), at least fourteen (14) but not more than twenty-eight (28) days prior to the date hereof, pursuant to and in accordance with Minnesota Statutes, Section 373.40 (the “Act”); and

WHEREAS, the Board held a public hearing on the date hereof on the Plan and on the issuance of the Bonds to finance the remaining portion of the construction of a new justice center as detailed in the County's 2019 - 2023 Capital Improvement Plan. The County will pay debt service with future ad valorem property taxes, as described in the Act and in the Plan (the “Project”);

WHEREAS, the Board has considered the factors described in subdivision 3 of the Act with respect to the Plan;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby a) approves the Plan, and (b) authorizes the issuance of the Bonds in an amount not to exceed \$13,750,000. Pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), Ehlers & Associates is authorized to prepare and distribute an Official Statement and to solicit proposals for the Bonds on behalf of the County on a competitive sale basis. This Board shall meet on January 15, 2019, for the purpose of considering proposals for the purchase of the Bonds and of taking such action thereon as may be in the best interests of the County.

**STATE OF MINNESOTA**

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**COUNTY OF LE SUEUR**

I, Darrell Pettis, County Administrator of said County of Le Sueur, do hereby certify that I have compared the foregoing copy as adopted by the County Board of said County at their meeting held on the 11<sup>th</sup> day of December, 2018 and recorded in the Commissioner Record Book now remaining on file and on record in my office and that the same is a correct transcript there from, and of the whole of such original.

**Witness by hand and official seal this 11<sup>th</sup> day of December 2018.**

\_\_\_\_\_  
**County Administrator**



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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 9**

### **Commissioner Committee Reports**

**Staff Contact:**



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# **Le Sueur County, MN**

**Tuesday, December 11, 2018**

**Board Meeting**

## **Item 10**

### **Budget/Levy Work Session**

**Staff Contact:**