



# Board of Commissioners

## Agenda

15 West Kellogg Blvd.  
Saint Paul, MN 55102  
651-266-9200

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October 20, 2020 - 9 a.m.

Council Chambers - Courthouse Room 300

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### ROLL CALL

### PLEDGE OF ALLEGIANCE

1. **Agenda of October 20, 2020 is Presented for Approval.** [2020-456](#)

Sponsors: County Managers Office

Approve the agenda of October 20, 2020.

2. **Minutes from October 13, 2020 are Presented for Approval** [2020-457](#)

Sponsors: County Managers Office

Approve the October 13, 2020 Minutes.

### PRESENTATION OF AWARD

3. **Presentation of Award: Active Transportation Policy Champion** [2020-485](#)

Sponsors: Public Works

None. Award presentation only.

### COVID UPDATE

### ADMINISTRATIVE ITEMS

4. **Purchase of Services Agreement with Recycling and Energy for Human Resources Services** [2020-431](#)

Sponsors: Public Health

1. Approve the Purchase of Services Agreement with the Ramsey/Washington Recycling & Energy Board for Human Resources Services for a term of January 1, 2021 through December 31, 2025 in a not to exceed amount of \$5,000 per year.
2. Authorize the Chair and Chief Clerk to execute the agreement.

5. **Fiscal Agent Agreement with Recycling & Energy** [2020-430](#)

Sponsors: Public Health

1. Approve the Fiscal Agent Agreement with the Ramsey/Washington Recycling & Energy Board for a term of January 1, 2021 through December 31, 2025 in a not to exceed amount

of \$30,000 per year.

2. Authorize the Chair and Chief Clerk to execute the agreement.

**6. Financing Enhancements at the Recycling & Energy Center**

[2020-428](#)

Sponsors: Public Health

1. Approve the financing structure for the R&E Center enhancements in which the Ramsey County Board shall issue general obligation bonds on behalf of both counties (the "County Bonds") in an amount not to exceed \$43 million to fund the aggregate County Enhancement Loan ("County Enhancement Loans") amount for the R&E Center enhancement and in which Ramsey and Washington counties shall each loan a proportionate share to the R&E Board sufficient to cover its share of total financing, including all financing costs, for the R&E Center enhancements, according to the percentages set forth in the joint powers agreement: Ramsey County - 73%, Washington County - 27%.
2. Agree to enter into an agreement with Washington County in which Ramsey County will issue bonds on behalf of both counties, and that Washington County shall provide its general obligation pledge to Ramsey County for its share of the financing and pay its share of the total financing of the R&E Center Enhancements through its loan agreement with the R&E Board.
3. Agree to enter into a loan agreement with the R&E Board in which Ramsey County shall loan its proportionate amount of the County Loans and the R&E Board shall be obligated to and is hereby authorized to repay the County Enhancements Loans from facility revenues, CEC funds and other available revenues on terms and conditions that match, or are otherwise consistent with, any terms and conditions of any other loans outstanding and owed to the counties, and additional covenants required by the counties and the County Bonds issued to fund R&E Board's County Enhancements Loans.
4. Authorize the Chair and Chief Clerk to execute the two agreements upon approval as to form by the County Attorney's Office.

**7. Cooperative Agreement By and Among the Metropolitan County Consortium for Non-Emergency Medical Transportation**

[2020-424](#)

Sponsors: Financial Assistance Services

1. Approve the agreement with Anoka, Benton, Chisago, Dakota, Hennepin, Isanti, Mille Lacs, Pine, Ramsey, Sherburne, Stearns, Washington, and Wright counties to cooperatively manage non-emergency medical transportation and related services in accordance with the rates as established in the agreement, effective upon the earlier of the date of execution by all counties listed or January 1, 2021 through December 31, 2024.
2. Authorize the Chair and Chief Clerk to execute the agreement.

**8. Joint Powers Agreement with State of Minnesota, Department of Corrections to Provide Supervision Services for Offenders referred to Ramsey County Community Corrections for Supervised Release or Intensive Supervised Release.**

[2020-422](#)

Sponsors: Community Corrections

1. Approve the Joint Powers Agreement with the State of Minnesota, Department of Corrections for supervision of early released offenders from Minnesota Correctional Facilities to Supervised Release due to the Coronavirus Pandemic for the period of July 1, 2020 or the date the State obtains all required signatures, whichever is later through December 30, 2020, or until all obligations have been satisfactorily fulfilled, whichever

occurs first, at the reimbursement rate of \$6.94 per day per offender under Supervised Release and \$18.52 per day per offender under Intensive Supervised Release in the not-to-exceed amount of \$35,624.43.

2. Authorize the Chair and Chief Clerk to execute the agreement.

**9. Agreement with CorVel Healthcare Corporation for Workers' Compensation Managed Medical Care Services**

[2020-294](#)

Sponsors: Human Resources

1. Approve the selection of and the rate setting Agreement with CorVel Healthcare Corporation, 2010 Main Street, Suite 600 Irvine CA 92614, with a local address of 3001 NE Broadway Street, Suite 600, Minneapolis MN 55413 for workers' compensation medical and disability case management services for the period of October 21, 2020 to October 20, 2022 with the option to renew for three additional one-year periods.
2. Authorize the Chair and Chief Clerk to execute the agreement.
3. Authorize the County Manager to execute amendments to the agreement in accordance with the provisions of the agreement and the County's procurement policies and procedures provided the amounts are within the limits of the funding.

**10. Grant Award from Minnesota Department of Human Services for Supplemental Nutrition Assistance Program Employment and Training**

[2020-280](#)

Sponsors: Workforce Solutions

1. Ratify the submittal of the Supplemental Nutrition Assistance Program Employment and Training Local Area Plan/grant application to the Minnesota Department of Human Services for Supplemental Nutrition Assistance Program Employment and Training in the amount of \$236,000.
2. Accept a grant award of \$98,265 from the Minnesota Department of Human Services for Supplemental Nutrition Assistance Program Employment and Training for the period of October 1, 2020 through September 30, 2021.
3. Authorize the County Manager to execute the Grant Allocation Award.
4. Authorize the County Manager to apply for and accept additional Supplemental Nutrition Assistance Program Employment and Training grant funds from the Minnesota Department of Human Services for the period of October 1, 2020 through September 30, 2021.
5. Authorize the County Manager to enter into agreements and amendments to agreements in accordance with the County's procurement policies and procedures, provided the amounts are within the limits of the grant funding.

**11. Third Preliminary Development Agreement with AECOM for Ramsey County Riverfront Properties**

[2020-432](#)

Sponsors: Community & Economic Development

1. Approve the Third Preliminary Development Agreement with AECOM for the development of Ramsey County Riverfront Properties for the period of October 21, 2020 through December 31, 2020.
2. Authorize the County Manager to execute the agreement.

**12. Lease Agreement with HealthEast Care System for the Bethesda Hospital, 559 North Capitol Boulevard, Saint Paul, Minnesota 55103.**

[2020-452](#)

Sponsors: Property Management

1. Approve an 18-month Lease Agreement with HealthEast Care System, 45 West 10th Street, Saint Paul, Minnesota 55102 for approximately 109,969 feet of space at the Bethesda Hospital, 559 North Capitol Boulevard, Saint Paul, Minnesota 55103 for the period of December 1, 2020 to May 31, 2022 in the amount of \$1,154,962.
2. Authorize the Chair and Chief Clerk to execute the lease agreement.
3. Authorize the Chair and Chief Clerk to execute the security services agreement (included as Exhibit C in the lease agreement).
4. Authorize the County Manager to execute amendments that do not have a financial impact.

**13. Authorization of General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A and Taxable General Obligation Refunding Bonds Series, 2020B** [2020-414](#)

Sponsors: Finance

1. Approve the Resolution and Terms of Proposal authorizing issuance of approximately \$19,475,000 General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A and \$28,030,000 Taxable General Obligation Taxable Refunding Bonds, Series 2020B.
2. Set the date of November 17, 2020 as the date for evaluating bond sale bids received on November 16, 2020 and to consider awarding sale of the bonds.

#### **ORDINANCE PROCEDURES**

**14. 2021 Solid Waste Facility Bond Ordinance - Waive First Reading** [2020-418](#)

Sponsors: Finance

Waive the first reading of the proposed 2021 Solid Waste Facility Bond Ordinance.

**15. 2021 Solid Waste Facility Bond Ordinance - Set Public Hearing Date** [2020-419](#)

Sponsors: Finance

Set a Public Hearing date of November 17, 2020 at 9:00 a.m., or as soon thereafter as possible, in the Council Chambers, third floor of the Ramsey County Court House, 15 West Kellogg Boulevard, Saint Paul, MN, on the proposed 2021 Solid Waste Facility Bond Ordinance.

#### **COUNTY CONNECTIONS**

#### **BOARD CHAIR UPDATE**

#### **OUTSIDE BOARD AND COMMITTEE REPORTS**

#### **ADJOURNMENT**

Following County Board Meeting:

10:15 a.m. estimated: County Board Discussion - 2020 General Election - virtual meeting

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(Public access to this virtual workshop live is available in the County Manager's Office - 250 Courthouse, 15 W. Kellogg Blvd., St. Paul.)

1:30 p.m.: County Board Discussion - Homelessness - virtual meeting  
(Public access to this virtual workshop live is available in the County Manager's Office - 250 Courthouse, 15 W. Kellogg Blvd., St. Paul.)

**Advance Notice:**

- October 27, 2020 County board meeting – Council Chambers
- November 3, 2020 County board meeting – Council Chambers
- November 10, 2020 County board meeting – Council Chambers
- November 17, 2020 County board meeting – Council Chambers



# Board of Commissioners

## Request for Board Action

15 West Kellogg Blvd.  
Saint Paul, MN 55102  
651-266-9200

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**Item Number:** 2020-456

**Meeting Date:** 10/20/2020

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**Sponsor:** County Manager's Office

**Title**

Agenda of October 20, 2020 is Presented for Approval.

**Recommendation**

Approve the agenda of October 20, 2020.



# Board of Commissioners

## Request for Board Action

15 West Kellogg Blvd.  
Saint Paul, MN 55102  
651-266-9200

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**Item Number:** 2020-457

**Meeting Date:** 10/20/2020

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**Sponsor:** County Manager's Office

**Title**

Minutes from October 13, 2020 are Presented for Approval

**Recommendation**

Approve the October 13, 2020 Minutes.

**Attachments**

1. October 13, 2020 Minutes



# Board of Commissioners

## Minutes

15 West Kellogg Blvd.  
Saint Paul, MN 55102  
651-266-9200

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October 13, 2020 - 9 a.m.

Council Chambers - Courthouse Room 300

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### ROLL CALL

Present: Carter, Frethem, MatasCastillo, McDonough, McGuire, Ortega, and Reinhardt

### PLEDGE OF ALLEGIANCE

1. Agenda of October 13, 2020 is Presented for Approval. [2020-436](#)

Sponsors: County Managers Office

Motion by McGuire, seconded by MatasCastillo. Motion passed.

Aye: Carter, Frethem, MatasCastillo, McDonough, McGuire, Ortega, and Reinhardt

2. Minutes from October 6, 2020 are Presented for Approval [2020-437](#)

Sponsors: County Managers Office

Motion by McDonough, seconded by Ortega. Motion passed.

Aye: Carter, Frethem, MatasCastillo, McDonough, McGuire, Ortega, and Reinhardt

### INFORMATION

3. COVID Information [2020-460](#)

Sponsors: County Managers Office

### ADMINISTRATIVE ITEMS

4. 2020 Disaster Relief [2020-417](#)

Sponsors: County Assessors Office

Motion by Ortega, seconded by McDonough. Motion passed.

Aye: Carter, Frethem, MatasCastillo, McDonough, McGuire, Ortega, and Reinhardt

Resolution: [2020-048](#)

6. 2020 Appointments to Minnesota Landmarks Board of Directors [2020-439](#)

Sponsors: Board of Commissioners

Motion by Ortega, seconded by McDonough. Motion passed.

Aye: Carter, Frethem, MatasCastillo, McDonough, McGuire, Ortega, and Reinhardt

Resolution: [2020-049](#)

5. Lease Agreement with HealthEast Care System for the Bethesda Hospital, 559 North Capitol Boulevard, Saint Paul, Minnesota 55103. [2020-452](#)

Sponsors: Property Management

Motion to continue to the next regular board meeting on October 20, 2020. Motion by Ortega, seconded by MatasCastillo. Motion passed.

Aye: Carter, Frethem, MatasCastillo, McDonough, McGuire, Ortega, and Reinhardt

**COUNTY CONNECTIONS**

Presented by County Manager, Ryan O'Connor. Discussion can be found on archived video.

**BOARD CHAIR UPDATE**

Discussion can be found on archived video.

**OUTSIDE BOARD AND COMMITTEE REPORTS**

Discussion can be found on archived video.

**ADJOURNMENT**

Chair Carter declared the meeting adjourned at 10:50 a.m.



# Board of Commissioners

## Request for Board Action

15 West Kellogg Blvd.  
Saint Paul, MN 55102  
651-266-9200

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**Item Number:** 2020-485

**Meeting Date:** 10/20/2020

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**Sponsor:** Public Works

**Title**

Presentation of Award: Active Transportation Policy Champion

**Recommendation**

None. Award presentation only.

**Background**

The Ramsey County Board of Commissioners are being recognized for Ramsey County's continued commitment to Active Living for its residents.

Jess Nolan, Government Relations Director, American Heart Association MN, and Dorian Grilley, Executive Director Bicycle Alliance of Minnesota will make the award presentation to the Board.

**Attachments**

1.None.

# Board of Commissioners

## Request for Board Action

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**Item Number:** 2020-431

**Meeting Date:** 10/20/2020

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**Sponsor:** Public Health

**Title**

Purchase of Services Agreement with Recycling and Energy for Human Resources Services

**Recommendation**

1. Approve the Purchase of Services Agreement with the Ramsey/Washington Recycling & Energy Board for Human Resources Services for a term of January 1, 2021 through December 31, 2025 in a not to exceed amount of \$5,000 per year.
2. Authorize the Chair and Chief Clerk to execute the agreement.

**Background**

The Joint Powers Agreement (Part VI.C.) for the Ramsey/Washington Recycling & Energy (R&E) Board provides that the R&E Board is authorized to hire employees, with such employees being employees of R&E. The Bylaws [Article III, Section 5. (b). (3)] provides that R&E select an agent for Human Resources Services, and that Ramsey County Human Resources be the initial service provider. A purchase-of-services agreement between R&E and Ramsey County Human Resources was approved in 2015 and terminates on December 31, 2020, with R&E paying \$75,000 per year to Ramsey County for those services.

At present R&E employs 50 union staff and 22 non-union staff. Since 2015 R&E has developed its human resources services independent of Ramsey County for all services except for non-union employee insurance benefits. Non-union employees currently receive the same insurance benefits as Ramsey County non-represented employees. A revised purchase-of-services agreement has been prepared with Ramsey County Human Resources to reflect this change in level of service.

At its meeting on September 24, 2020, the R&E Board approved the revised Purchase of Services Agreement for Human Resources Services with Ramsey County, with a term of January 1, 2020 through December 31, 2025, in an amount not to exceed \$5,000 per year.

**County Goals** (Check those advanced by Action)

- Well-being       Prosperity       Opportunity       Accountability

**Racial Equity Impact**

The existence of a strong, comprehensive benefits package that is affordable for employees of R&E assists R&E in its ability to attract and retain its workforce and will be helpful in recruiting a more diverse workforce. Access to Ramsey County's benefits package provides access to such a package.

**Community Participation Level and Impact**

The community is informed of this action through county board documentation that is published on the county's website at

<https://www.ramseycounty.us/your-government/leadership/board-commissioners/board-meetings-information>.



Inform       Consult       Involve       Collaborate       Empower

**Fiscal Impact**

The annual cost of this agreement to R&E, and payment to Ramsey County is \$5,000, which is a reduction from previous years, but the services provided by the Department of Human Resources are greatly reduced as well.

**County Manager Comments**

County Board approval is required to enter into intergovernmental agreements.

**Last Previous Action**

On January 12, 2016, the County Board approved the purchase of services agreement between Ramsey County and R&E with a term through December 31, 2020 (Resolution B2016-012).

On September 22, 2015, the County Board approved the amended and restated joint powers agreement governing the Ramsey/Washington Recycling & Energy Board (Resolution B2015-296).

**Attachments**

1.Purchase of Services Agreement

**Purchase of Services Agreement  
Between  
Ramsey County and  
The Ramsey/Washington Recycling and Energy Board  
For Human Resources Services**

This is a Purchase of Services Agreement (“Agreement”) between Ramsey County, a political subdivision of the State of Minnesota, on behalf of its Human Resources Department, 121 7<sup>th</sup> Place East, Saint Paul, Minnesota 55101, (“County”), and Ramsey/Washington Recycling and Energy, 2785 White Bear Avenue North, Suite 350, Maplewood MN 55109 (“R&E”), a Joint Powers Board created pursuant to Minn. Stat. §471.59.

**1.0 Term**

The term of this agreement shall be from the date of approval by Ramsey County through December 31, 2025. The agreement may be renewed if agreed to in writing by both parties. Either party may cancel without cause upon giving at least 6 months written notice thereof to the other party. By mutual agreement, the parties may alter, modify or waive provisions of this agreement.

**2.0 Scope of Services**

The County agrees that it will provide the following services:

**2.1 Employee Benefits**

R&E will use the same insurance benefits offered to County employees, and the County will manage the insurance benefits for R&E BOARD employees as it manages those for County employees.

**3.0 Administrative Fees, Compensation, Resources**

**3.1 Annual Fee.**

For a portion of its Services under this agreement, the R&E Board shall pay an annual fee of \$5,000 to the County. This fee is intended to cover the County’s ongoing cost of providing access to County insurance benefits.

**4.0 General Contract/Agreement Terms and Conditions**

**4.1 Payment for Services.**

4.1.1. Annual Fee: The R&E BOARD shall make payment within thirty-five (35) calendar days after the date of receipt of an invoice for the Annual Fee from the County.

**5.0 Independent Contractor**

The County is and shall remain an independent contractor throughout the term of this Agreement and nothing herein is intended to create, or shall be construed as creating, the relationship of partners between the parties or as constituting the County as an employee of any other party.

6.0 Data Practices

All data collected, created, received, maintained or disseminated for any purpose in the course of the County's performance under this Agreement is subject to the provisions of the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

7.0 Indemnification

The R&E BOARD shall indemnify, hold harmless and defend the County, its officials, agents, and employees against any and all liability, losses, costs, damages, expenses, claims or actions, including reasonable attorney's fees, which the County, its officials, agents, or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of R&E BOARD and their officials, agents or employees, in the execution, performance, or failure to adequately perform the obligations of the R&E BOARD pursuant to this Agreement.

The County shall indemnify, hold harmless and defend the R&E BOARD, its officials, agents, and employees against any and all liability, losses, costs, damages, expenses, claims or actions, including reasonable attorney's fees, which the R&E BOARD, its officials, agents, or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of County and their officials, agents or employees, in the execution, performance, or failure to adequately perform the obligations of the County pursuant to this Agreement.

8.0 Records Retention

Until the expiration of six years after the furnishing of services pursuant to this Agreement, the R&E BOARD and the County shall retain a copy of the Agreement, and the books, documents, records, and accounting procedures and practices relating to this Agreement.

9.0 Notices

All notices under this Agreement, and any amendments to this Agreement, shall be in writing and shall be deemed given when delivered by certified mail, return receipt requested, postage prepaid, when delivered via personal service or when received if sent by overnight courier. All notices shall be directed to the parties at the respective addresses set forth below. If the name and/or address of the representatives changes, notice of such change shall be given to the other party in accordance with the provisions of this section.

County: Gail Blackstone  
Director  
Ramsey County Human Resources Department  
121 7<sup>th</sup> Place East,

Saint Paul, Minnesota 55101

R&E BOARD: Kelli Hall  
Human Resources Manager  
Ramsey/Washington Recycling and Energy  
100 Red Rock Road  
Newport, MN 55055

10.0 Non-Assignability

The parties to this Agreement shall have no right to assign any interest in this Agreement and shall not transfer any interest in this Agreement by subcontract or assignment without the prior written consent of all other parties to the Agreement.

11.0 Force Majeure

No party shall be liable for any loss or damage incurred by any other party as a result of events outside the control of such party ("Force Majeure Events") including, but not limited to: war, storms, flooding, fires, strikes, legal acts of public authorities, or acts of government in time of war or national emergency.

12.0 Termination

Either party may terminate this Agreement without cause upon giving at least six months written notice thereof to the other party. By mutual agreement, the parties may alter, modify or waive provisions of this agreement.

13.0 Interpretation of Agreement; Venue

The Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the District Court, Second Judicial District, State of Minnesota.

14.0 Severability

The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.

15.0 Alteration

Any alteration, variation, modification, or waiver of the provisions of this Agreement shall be valid only after it has been reduced to writing and signed by all parties.

16.0 Limitation of Liability

The County is not responsible for providing services outside of the scope of the Agreement. The County is not liable for management decisions made by State, R&E BOARD, or any other organization, and is also not responsible for cash shortfalls, such as

bills not paid or charges for payments made with insufficient funds, due to funding shortfalls of State, R&E BOARD, or any other organization.

17.0 Entire Agreement

This written Agreement, including all attachments, represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations or contracts, either written or oral. No subsequent agreement between the County and the Ramsey Washington Recycling and Energy Board to waive or alter any of the provisions of this Agreement shall be valid unless made in the form of a written Amendment to this Agreement signed by authorized representatives of the parties.

In Witness Whereof, this Agreement is duly executed as of the last date written below.

**Ramsey County**

**Ramsey Washington Recycling and Energy Board**

\_\_\_\_\_  
Toni Carter, Board Chair

\_\_\_\_\_  
Fran Miron, R&E BOARD Chair

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Janet Guthrie, Chief Clerk

By: \_\_\_\_\_  
R&E BOARD Secretary/Treasurer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

Approved as to form:

\_\_\_\_\_  
Assistant County Attorney

\_\_\_\_\_  
Assistant County Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approval Recommended:

Approval Recommended:

\_\_\_\_\_  
Gail Blackstone, Director of  
Human Resources

\_\_\_\_\_  
Zack Hansen, Joint Leadership Team  
Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Nicole Steward, Joint Leadership Team  
Date: \_\_\_\_\_

\_\_\_\_\_  
Finance Department

\_\_\_\_\_  
Mark Thompson, Joint Leadership Team  
Date: \_\_\_\_\_

Date: \_\_\_\_\_

# Board of Commissioners

## Request for Board Action

**Item Number:** 2020-430

**Meeting Date:** 10/20/2020

**Sponsor:** Public Health

**Title**

Fiscal Agent Agreement with Recycling & Energy

**Recommendation**

1. Approve the Fiscal Agent Agreement with the Ramsey/Washington Recycling & Energy Board for a term of January 1, 2021 through December 31, 2025 in a not to exceed amount of \$30,000 per year.
2. Authorize the Chair and Chief Clerk to execute the agreement.

**Background**

The Joint Powers Agreement (Part VI.C.) provides that the Ramsey County Finance Department shall act as the Fiscal Agent on behalf of the Ramsey/Washington Recycling & Energy (R&E) Board, performing functions subject to the terms of a Fiscal Agent Agreement between the R&E Board and Ramsey County. A Fiscal Agent Agreement was first approved in October 2015 and expires on December 31, 2020. A new and revised Fiscal Agent Agreement has been developed with a term of January 1, 2021 through December 31, 2025. The services provided by Ramsey County are fewer than before because R&E has developed capacity for financial functions previously provided by the county.

The Fiscal Agent Agreement is consistent with Ramsey County's Fiscal Agent Policies, the Joint Powers Agreement, and the Bylaws of the R&E Board. Both Washington County's and Ramsey County's Finance Departments have reviewed and approved the Fiscal Agent Agreement.

At its meeting on September 24, 2020, the R&E Board approved the revised Fiscal Agent Agreement Ramsey County, with a term of January 1, 2021 through December 31, 2025, in an amount not to exceed \$30,000 per year.

**County Goals** (Check those advanced by Action)

- Well-being       Prosperity       Opportunity       Accountability

**Racial Equity Impact**

There is no known racial equity impact from the Fiscal Agent Agreement.

**Community Participation Level and Impact**

While there was no community engagement/participation specific to this agreement, R&E routinely engages communities in its work.

- Inform       Consult       Involve       Collaborate       Empower

**Fiscal Impact**

The Fiscal Agent Agreement provides for an annual administrative fee paid by the R&E Board to the Ramsey County Finance Department for staffing and other services. The amount of the administrative fee is \$30,000



per year, which is included in the Joint Activities Budget approved by R&E.

**County Manager Comments**

County Board approval is required for fiscal agent agreements.

**Last Previous Action**

On November 24, 2015, the County Board approved the Fiscal Agent Agreement between Ramsey County and R&E with a term through December 31, 2020 (Resolution B2015-349).

On September 22, 2015, the County Board approved the amended and restated joint powers agreement governing the Ramsey/Washington Recycling & Energy Board (Resolution B2015-296).

**Attachments**

1.Fiscal Agent Agreement

## **FISCAL AGENT AGREEMENT**

This is a Fiscal Agent Agreement (“Agreement”) between Ramsey County, a political subdivision of the State of Minnesota, on behalf of its Public Health Department, 90 West Plato Blvd, Suite 200, Saint Paul, Minnesota 55107, and its Finance Department, 121 7<sup>th</sup> Place East, Suite 4000, Saint Paul, Minnesota 55101 (“County”), and Ramsey/Washington Recycling and Energy, 2785 White Bear Avenue North, Suite 350, Maplewood MN 55109 (“R&E”), a Joint Powers Board created pursuant to Minn. Stat. §471.59.

### 1.0 Term

The term of this agreement shall be from the date of approval by Ramsey County through December 31, 2025. This Agreement may be renewed upon such terms are agreeable to the parties. All renewals must be reduced to writing.

### 2.0 Scope of Service

R&E has developed resources to independently manage its finances. At certain times it will be necessary to seek the assistance of the County. The County agrees that, at those times and upon the request of R&E, it will provide the following services in a manner complying with generally accepted accounting principles and, except as noted, in accordance with Ramsey County Finance Department policies.

### 2.1 Disbursement

The R&E shall prepare disbursements for goods and services rendered for the R&E. All disbursements will be based on contracts entered into the County financial system by the R&E or delegations by the R&E to the Joint Leadership Team (JLT). All disbursements will be made using the County financial system.

### 2.2 Accounts Receivable

The R&E shall prepare and issue invoices for the sale of goods and services by R&E. All invoices will be generated using the County financial system.

### 2.3 Cash/Receivables Management

The County shall manage cash and accounts receivable for the Board in accordance with County policies and procedures, including a depository account (s) for R&E revenue. Depository accounts shall be created at the County’s primary bank. Interest on any depository account shall accrue for all of the R&E’s funds. Collection of past due accounts receivable is outside of the scope of this agreement.

## 2.4 Contracts

The R&E shall maintain its own contract process, consistent with its Bylaws. All R&E contracts will be processed outside of the usual County contract management system. A fully executed contract, recommended by the assigned Assistant County Attorney and signed by the Chair, Secretary/Treasurer, or other R&E designee, will be deemed sufficient and no further review by the County will be necessary.

## 2.5 Asset Management

Until such time that R&E has determined to develop its own asset management system, the County shall maintain an inventory of assets and associated schedules of depreciation for all R&E capital assets, which shall be defined as machinery and equipment with a cost of \$15,000 or more and more than two years of useful life, and facility and infrastructure improvements with a cost of \$100,000 or more. This asset inventory shall be updated as necessary. Assets will be managed using the County financial system, or another system identified by the R&E.

## 2.7 Segregation of the activities of the R&E-owned Facility ("Facility") at Newport

The activities of the Facility will be accounted for as an Enterprise Fund within the Ramsey County financial system. All other R&E activities will be accounted for as a General Fund. The County shall create cost centers and accounts as necessary to adequately record the activities of the R&E.

## 2.9 Reporting

All books and records shall be prepared and maintained in accordance with generally accepted accounting principles. Records of expenditures, receipts, and balances shall be available at any time to R&E or its designees.

## 2.10 Audit Requirements

The activities of the R&E will receive an annual audit by R&E's independent auditor.

## 3.0 Segregation of Duties

The County and the R&E have adequate segregation of duties as stipulated by the Government Accounting Standards Board.

## 4.0 Administrative Fees

For its Services under this agreement, the County shall receive an annual administrative fee of \$30,000 for staffing and other services provided by the County to the R&E. The annual administrative fee compensates the County for

staff time and expenses for the Finance Department's member of the JLT, who shall be performing activities pursuant to this Agreement, as well as reimbursement for staff time in the Finance Department.

## 5.0 General Contract/Agreement Terms and Conditions

### 5.1 Payment for Services

5.1.1 No payment will be made until the invoice has been approved by the R&E.

5.1.2 Payment shall be based on a negotiated payment schedule

5.1.3. Payment shall be made within thirty-five (35) calendar days after the date of receipt of a detailed invoice and verification of the charges.

5.1.4. Payment of interest and disputes regarding payment shall be governed by the provisions of Minnesota Statutes §471.425.

### 5.2 Independent Contractor

The County is and shall remain an independent contractor throughout the term of this Agreement and nothing herein is intended to create, or shall be construed as creating, the relationship of partners between the parties or as constituting the County as an employee of any other party.

## 6.0 Data Practices

All data collected, created, received, maintained or disseminated for any purpose in the course of the County's performance under this Agreement is subject to the provisions of the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

## 7.0 Indemnification

R&E shall indemnify, hold harmless and defend the County, its officials, agents, and employees against any and all liability, losses, costs, damages, expenses, claims or actions, including reasonable attorney's fees, which the County, its officials, agents, or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of R&E and their officials, agents or employees, in the execution, performance, or failure to adequately perform the obligations of the R&E pursuant to this Agreement.

The County shall indemnify, hold harmless and defend the R&E, its officials, agents, and employees against any and all liability, losses, costs, damages, expenses, claims or actions, including reasonable attorney's fees, which the R&E, its officials, agents, or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of County and

their officials, agents or employees, in the execution, performance, or failure to adequately perform the obligations of the County pursuant to this Agreement.

#### 8.0 Records Retention

Until the expiration of six years after the furnishing of services pursuant to this Agreement, the R&E and the County shall retain a copy of the Agreement, and the books, documents, records, and accounting procedures and practices relating to this Agreement.

#### 9.0 Notices

All notices under this Agreement, and any amendments to this Agreement, shall be in writing and shall be deemed given when delivered by certified mail, return receipt requested, postage prepaid, when delivered via personal service or when received if sent by overnight courier. All notices shall be directed to the parties at the respective addresses set forth below. If the name and/or address of the representatives changes, notice of such change shall be given to the other party in accordance with the provisions of this section.

County: Alexandra Kotze,  
121 7<sup>th</sup> Place East  
Suite 4000  
Saint Paul, Minnesota 55101

R&E: Zack Hansen,  
2785 White Bear Avenue  
Suite 350  
Maplewood, MN 55109

#### 10.0 Non-Assignability

The parties to this Agreement shall have no right to assign any interest in this Agreement and shall not transfer any interest in this Agreement by subcontract or assignment without the prior written consent of all other parties to the Agreement.

#### 11.0 Force Majeure

No party shall be liable for any loss or damage incurred by any other party as a result of events outside the control of such party ("Force Majeure Events") including, but not limited to: war, storms, flooding, fires, strikes, legal acts of public authorities, or acts of government in time of war or national emergency.

#### 12.0 Termination

Either party may terminate this Agreement without cause upon giving at least six months written notice thereof to the other party

13.0 Interpretation of Agreement; Dispute Resolution and Escalation Procedures; Venue

The Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the District Court, Second Judicial District, State of Minnesota.

14.0 Dispute Resolution

In the event of a dispute, the Ramsey County Chief Financial Officer, the Washington County Finance Director and the R&E joint leadership team (JLT) will meet to attempt to resolve the matter. If the parties fail to come to a mutual agreement to resolve the dispute, the Finance Directors and the R&E JLT will each prepare a written summary of the dispute as well as written suggestions for resolving the matter. The written summaries will be submitted to the Ramsey County Manager and the Washington County Administrator, who will resolve the dispute by providing written direction on the matter.

15.0 Severability

The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.

16.0 Alteration

Any alteration, variation, modification, or waiver of the provisions of this Agreement shall be valid only after it has been reduced to writing and signed by all parties.

17.0 Limitation of Liability

The County is not responsible for providing services outside of the scope of the Agreement. The County is not liable for management decisions made by State, Hennepin, or any other organization, and is also not responsible for cash shortfalls, such as bills not paid or charges for payments made with insufficient funds, due to funding shortfalls of State, Hennepin, or any other organization.

18.0 Entire Agreement

The written Agreement, including all attachments, represent the entire and integrated agreement between the parties hereto and supersede all prior negotiations, representations or contracts, either written or oral. No subsequent agreement between the County and Ramsey/Washington Recycling and Energy to waive or alter any of the provisions of this Agreement shall be valid unless made in the form of a written Amendment to this Agreement signed by authorized representatives of the parties.

In Witness Whereof, this Agreement is duly executed as of the last date written below.

**RAMSEY COUNTY**

**RAMSEY/WASHINGTON RECYCLING  
AND ENERGY BOARD**

\_\_\_\_\_  
Toni Carter, Board Chair

\_\_\_\_\_  
Fran Miron, R&E Chair

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Janet Guthrie, Chief Clerk

By: \_\_\_\_\_  
R&E Secretary/Treasurer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

Approved as to form:

\_\_\_\_\_  
Assistant County Attorney

\_\_\_\_\_  
Assistant County Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approval Recommended:

Approval Recommended:

\_\_\_\_\_  
Alexandra Kotze, Chief Financial Officer

\_\_\_\_\_  
Joint Leadership Team

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Kathy Hedin, Director of Public Health

Date: \_\_\_\_\_



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**Item Number:** 2020-428

**Meeting Date:** 10/20/2020

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**Sponsor:** Public Health

**Title**

Financing Enhancements at the Recycling & Energy Center

**Recommendation**

1. Approve the financing structure for the R&E Center enhancements in which the Ramsey County Board shall issue general obligation bonds on behalf of both counties (the "County Bonds") in an amount not to exceed \$43 million to fund the aggregate County Enhancement Loan ("County Enhancement Loans") amount for the R&E Center enhancement and in which Ramsey and Washington counties shall each loan a proportionate share to the R&E Board sufficient to cover its share of total financing, including all financing costs, for the R&E Center enhancements, according to the percentages set forth in the joint powers agreement: Ramsey County - 73%, Washington County - 27%.
2. Agree to enter into an agreement with Washington County in which Ramsey County will issue bonds on behalf of both counties, and that Washington County shall provide its general obligation pledge to Ramsey County for its share of the financing and pay its share of the total financing of the R&E Center Enhancements through its loan agreement with the R&E Board.
3. Agree to enter into a loan agreement with the R&E Board in which Ramsey County shall loan its proportionate amount of the County Loans and the R&E Board shall be obligated to and is hereby authorized to repay the County Enhancements Loans from facility revenues, CEC funds and other available revenues on terms and conditions that match, or are otherwise consistent with, any terms and conditions of any other loans outstanding and owed to the counties, and additional covenants required by the counties and the County Bonds issued to fund R&E Board's County Enhancements Loans.
4. Authorize the Chair and Chief Clerk to execute the two agreements upon approval as to form by the County Attorney's Office.

**Background**

The Ramsey/Washington Recycling & Energy (R&E) Board has been engaged in policy development to achieve environmental, economic and social benefits through the Recycling & Energy Center (R&E Center) since 2013. To achieve these goals, the R&E Center will require expansion and system improvements. At its May 2019 meeting, the board stated its intent to move forward with the enhancements. This triggered a series of actions, including approval of financing and procurement plans at its August 2019 meeting, pursuit of partial state funding, and authorization to proceed with development of construction-ready engineering documents.

The R&E Joint Leadership Team (JLT), working with the two county finance departments, the counties' financial advisors and bond counsel, the R&E financial advisor Ehlers, and county attorneys, completed a Financing Report to move forward the R&E Board's plans for R&E Center enhancements. That report on was presented at the May 28, 2020 R&E Board meeting. The R&E Board discussed the report, and the approach recommended for the local match was met with favorable comments. The R&E Board also discussed the status of R&E's request for state bonding, and the timing of action by the R&E Board to move forward with local funding.

The legislature adjourned on May 18 without approving a bonding bill. A first special session was held in June

2020, with the result that no bonding bill was advanced. On July 13, 2020 and August 12 special sessions were again called, with no bonding bill being advanced.

At its meeting on August 20, 2020 the R&E Board approved resolution REB-2020-09 which approved the R&E Center Enhancements Financing Report, and took action to implement that report, including recommendations for the two County Boards to implement the financing structure in that report.

**County Goals** (Check those advanced by Action)

- Well-being
- Prosperity
- Opportunity
- Accountability

**Racial Equity Impact**

With regard to the durable compostable bag (also known as “food scrap bags”) project, and recognizing that previous recycling services frequently do not provide equitable access, the proposed enhancements to the R&E Center have been designed to provide all county residents with access to organics recycling at no direct cost to the resident. Access to services is being designed to allow for multiple ways to register for service (on-line, by phone, in person) in multiple languages.

**Community Participation Level and Impact**

Prior to purchase of the R&E Center by the two counties there was significant community engagement. This has continued as the enhancements were considered and designed. Waste haulers and facilities, municipalities, advocacy organizations, and individual residents have been engaged through direct conversations, surveys, and focus groups.

- Inform
- Consult
- Involve
- Collaborate
- Empower

**Fiscal Impact**

The recommended actions would result in Ramsey County issuing general obligation bonds on behalf of Ramsey and Washington Counties, with a pledge by Washington County to pay its share based on the Joint Powers Agreement. The two counties would each approve loans to Ramsey/Washington Recycling & Energy (R&E), which would pay back the loans to the counties using revenue from tipping fees at the R&E Center. There would be no direct cost to Ramsey County for this arrangement.

**County Manager Comments**

County board approval is required to enter into intergovernmental agreements. These enhancements are a significant step in fulfilling the purpose for the purchase of the R&E Center by the two counties, and the financing methods are the best fit for this work.

**Last Previous Action**

None

**Attachments**

1. Recycling & Energy Financing Report
2. Recycling & Energy Board Resolution REB-2020-09



**RAMSEY/WASHINGTON  
RECYCLING & ENERGY**  
CONNECTING VALUE TO WASTE

**To: Ramsey/Washington Recycling & Energy Board Facility & Finance Committee**  
**From: Joint Leadership Team (JLT)**  
**Re: Report on Recycling & Energy Center (R&E Center) Enhancements Financing**  
**Date: May 15, 2020**

**Action Requested**

In the attached resolution, the Facility & Finance Committee is requested to recommend that the Recycling & Energy Board (R&E Board):

- Accept the state bond funds in the amount approved by the legislature and authorize the Joint Leadership Team (JLT) to negotiate documents for receipt of state bond funds, with such agreements brought back for R&E Board approval as soon as possible.
- Authorize the chair of the R&E Board to execute documents necessary for the receipt of state bond funds, upon approval as to form by county attorneys.
- Authorize proceeding with the full scope of the R&E Center enhancements, including the durable compostable bag food scraps recycling system and the recyclables recovery system.
- Authorize the JLT to proceed with final engineering, architecture and construction plans; necessary permits; and construction bidding documents as soon as funds are available.
- Authorize the JLT to apply for permits necessary for the enhancements, and further authorize the Chair to execute necessary easement and permit documents upon approval as to form by county attorneys.
- Approve and recommend that the county boards approve and implement a financing structure for the R&E Center enhancements, with said financing structure to include the following:
  - Each county shall loan a proportionate share to the R&E Board sufficient to cover its share of total financing, including all financing costs, for the R&E Center enhancements, according to the percentages set forth in the joint powers agreement: Ramsey County – 73%, Washington County – 27% (the “County Enhancement Loans”).
  - Ramsey County shall issue general obligation bonds on behalf of both counties (the “County Bonds”) to fund the aggregate County Enhancement Loan amount for the R&E Center enhancements.
  - Ramsey County and Washington County shall enter into an agreement whereby Washington County agrees that Ramsey County will issue bonds on behalf of both counties, and that Washington County shall provide its general obligation pledge to Ramsey County for its share of the financing and pay its share of the total financing of the R&E Center Enhancements through its loan agreement with the R&E Board.
  - The R&E Board shall be obligated to and is hereby authorized to enter into one or more loan agreements pursuant to which it will agree to repay the County Enhancements Loans from facility revenues, CEC funds and other available revenues on terms and conditions that match, or are otherwise consistent with, any terms and conditions of any other loans outstanding and owed to the counties, additional covenants required by the counties and the County Bonds issued to fund R&E Board’s County Enhancements Loans.
- Authorize the JLT to make all necessary budget adjustments related to the R&E Center enhancements project.

**SUBJECT:** *Enhancements Financing Report*

This memo covers the following:

- Background on the R&E Center enhancements
- Pandemic-related economic conditions and R&E financing
- Economic activity generated by the enhancements
- Recommendations on implementation of the August 2019 R&E Center Enhancements Finance Plan
- Timelines
- Summary of community engagement

**Background**

The R&E Board has been engaged in policy development to achieve environmental, economic and social benefits through the Recycling & Energy Center (R&E Center) since 2013. The R&E vision, “vibrant, healthy communities without waste,” is being pursued through a variety of efforts. While R&E activities and each county’s programs compliment each other in working upstream, preventing waste and increasing source-separation of recyclables, the R&E Center will be redesigned and repurposed to recover more value from waste.

The effort to recover more value from waste has progressed since purchase of the R&E Center. Work already completed includes construction of the new building addition to streamline the bulky waste loadout area and provide storage space, creating room for further enhancements. Procurement is underway for a robotic separator to clean the non-ferrous metals that are separated on the processing lines to make these used beverage containers more valuable at market. Procurement is also underway to add a magnet to the bulky waste shredder, allowing the metal from mattresses to be recycled, and the fluff to be used as refuse-derived fuel (RDF).

These improvements will be followed by enhancements to the R&E Center to accommodate source-separated organics and to separate high-value recyclables from trash. Also under development are plans to use the remaining waste, now used to produce refuse-derived fuel, to produce alternate products through more modern conversion technologies, such as gasification, digestion to biofuels and/or chemical recycling.

As a step to achieve the next phase, the R&E Center will require expansion and system improvements. At its March 2019 meeting, the R&E Board received the preliminary design documents for enhancements to the R&E Center. At its May 2019 meeting, the board stated its intent to move forward with the enhancements. This triggered a series of actions, including approval of financing and procurement plans at its August 2019 meeting, pursuit of partial state funding, and authorization to proceed with development of construction-ready engineering documents.

**Pandemic-Related Economic Conditions and R&E Financing**

The JLT, R&E staff and finance team have approached these recommendations fully aware of and with understanding of the significance of the current COVID-19 pandemic. The current economic downturn has affected the waste and recycling industry, both in positive and negative ways. Because the R&E Center operates as an enterprise fund and relies solely on R&E Center revenues, the status of waste deliveries as the pandemic proceeds is important to understand. With that in mind, R&E has evaluated probable and possible effect of the economic uncertainty on the solid waste stream and economics of trash, and has also conducted financial tests to determine the resilience of R&E’s finances.

**SUBJECT:** *Enhancements Financing Report*

Projections of the future of the economy are challenging. Relating economic projections to waste generation is also difficult. However, staff and consultants have been gathering information that can inform the R&E Board's decision moving forward. While there are predictions at the national and state level, it is important to note that "all trash is local." The composition of the East Metro area residential, commercial and industrial waste generators determines the volumes and types of waste and recyclable material.

This section of the report is a summary of the pandemic's expected effects on waste generation, short term and long term. In short, these are the findings:

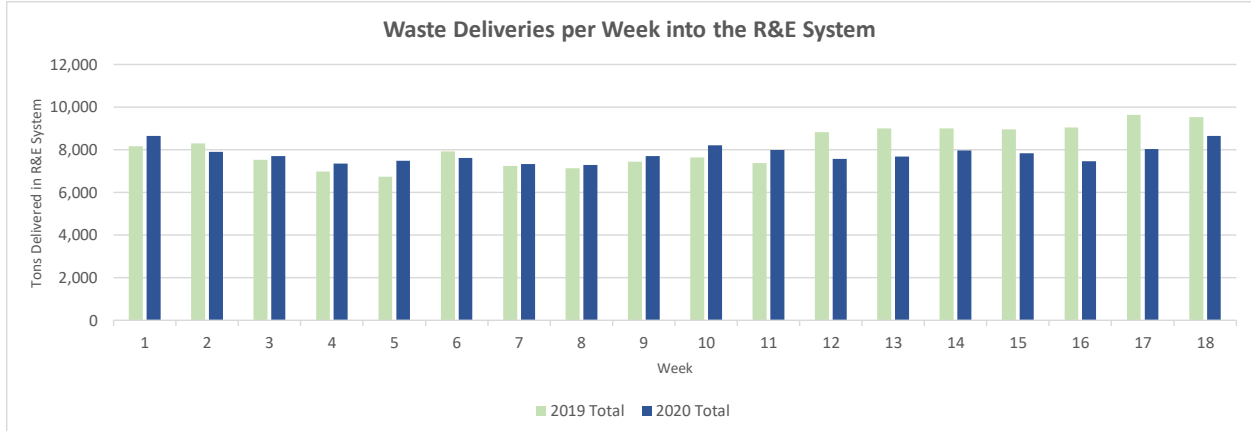
- The gross domestic product (GDP) is a good predictor of waste generation, but it is not exact and does not always reflect local conditions.
- The GDP is expected to drop for three quarters in 2020, and then begin to grow again. This means an economic recession for three quarters, then resumed economic growth.
- The rate of growth is uncertain – the downturn is heavily related to consumer activity, and it depends on the rate of business openings, jobs, and consumer spending.
- Waste volumes in the East Metro have declined over the past eight weeks, then have rebounded somewhat.
- Waste volumes will likely expand to pre-pandemic levels.
- Financial analyses in this report take the pandemic into account.

Short Term Effects

Current effects on the waste industry will likely not last. Executive orders closing many businesses resulted in a significant reduction in commercial and industrial waste generation. At the same time, residential waste volumes have increased with more people staying at home. Some of the residential increase is attributed to home clean-outs.

Through May 4, this year's deliveries at the R&E Center were 140,546 tons, compared to 146,618 tons in 2019, a difference of 6,072 tons, or 4%. Between March 17, 2020 and May 4, 2020, deliveries have been below 2019 levels for the same period by 13%. Week-to-week comparisons show an initial drop, then rising deliveries to approach 2019 levels. Commercial tonnage is expected to increase as businesses reopen in late May, which will begin to close the gap with 2019. The graph below compares first quarter 2019 waste totals by week to 2020. At this time, R&E projects a 0-5% reduction in total annual deliveries for 2020, which would be 440,000 tons delivered in 2020 compared to 462,000 tons in 2019. With regard to R&E Center receivables, there have been no issues with hauler payments, nor a departure from previous remittance patterns. The reopening of commercial establishments and industries in the two counties will be a key factor in total waste receipts in 2020.

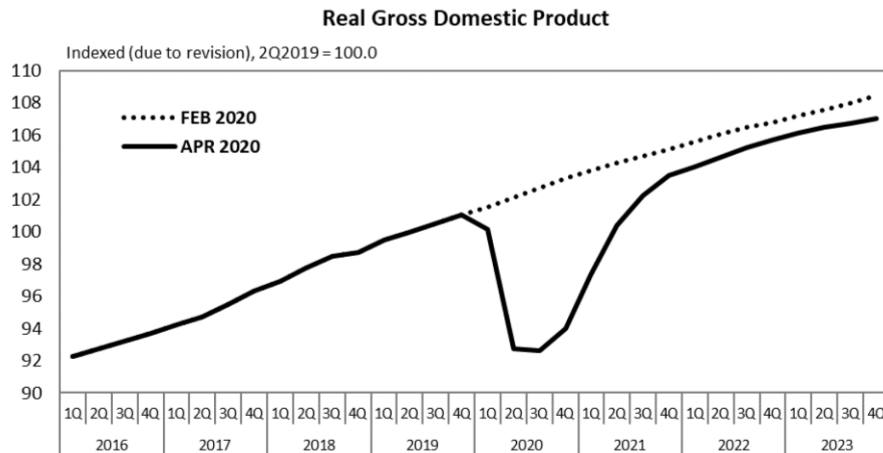
**SUBJECT: Enhancements Financing Report**



**Long Term Effects**

The current economic condition is unprecedented. While the great recession in 2009 had a downturn that both began and was resolved gradually, the current situation was abrupt, as shown in the drop in waste deliveries between weeks 11 and 12 in the graph above. There is no consensus about how growth will occur looking forward.

A reasonable projection produced by the State of Minnesota’s [May 2020 Interim Budget Projection](#) outlines, at a national level, projected changes in the GDP, shown in the graph below:



The Interim Budget Projection states that:

*“IHS Markit (IHS), Minnesota’s macroeconomic consultant, is now forecasting a three-quarter recession, resulting in a 5.4 percent decline in real GDP in 2020.*

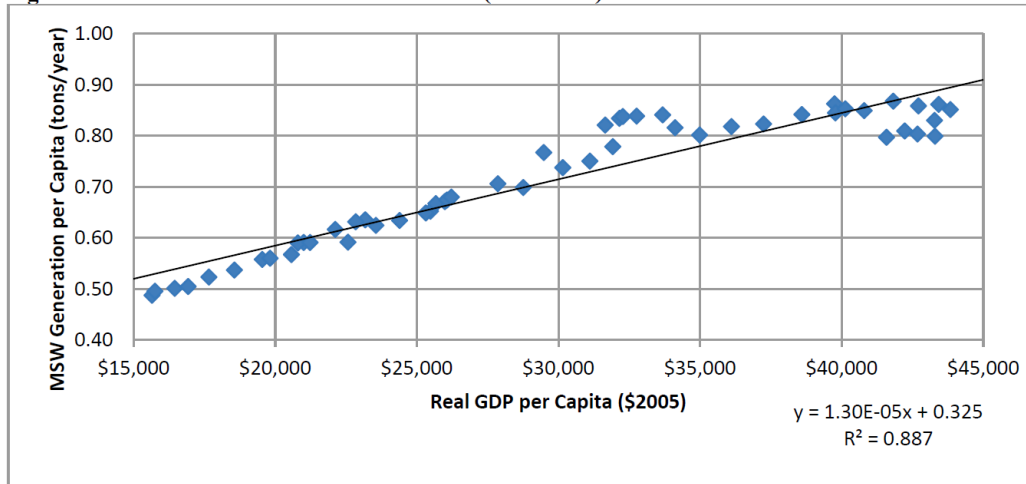
*“IHS expects real GDP to reach its pre-pandemic level in mid-2021, but within our projection horizon, GDP does not get back to where it would have been without the pandemic. Moreover, the recession is expected to dampen business investment, and slower growth in capital services will limit future economic growth. Consequently, while IHS forecasts the U.S. to regain full employment in 2024, they expect GDP in that year to be below the level they forecast for 2024 February.”*

**SUBJECT:** *Enhancements Financing Report*

In other words, after a recession over three quarters of the year, economic growth will occur, but reaching pre-pandemic rates will likely take several years.

There is a strong relationship between GDP and waste generation, as cited by the Environmental Protection Agency in “Economic Indicators and Scoping Analysis,” 2013. The following figure shows that strong relationship. The higher the GDP per capita, the more trash is produced. In Figure 3, the solid line represents GDP, and the diamonds represent per capita waste generation.

**Figure 3: MSW Generation Versus Real GDP (1960-2012)**



From the Interim Budget Projection, one can infer that there will be a drop in waste generation during a recession lasting three quarters and then an increase as GDP grows. While the relationship is strong, waste generation will not mirror GDP exactly. And the local economy in the East Metro will determine the effects on waste.

A March 17, 2020 Brookings article, [“The Places a COVID-19 Recession Will Likely Hit Hardest,”](#) states *“While essentially all of America will likely be affected by COVID-19’s economic effects, those effects will be distinct and varied from place-to-place. Given that, we must not only act quickly, but also attend to the unique regional and local impacts within this national crisis.”* This article reports and builds on work by the chief economist at Moody’s, which examines the five most vulnerable industries in the current situation and looks at the share of those industries in 384 metropolitan areas across the U.S. The Minneapolis-St. Paul-Bloomington region ranked 248<sup>th</sup> in their list, indicating a certain level of resilience and less vulnerability than other regions. The five industries at highest risk are: leisure and hospitality, travel arrangements, employment services, transportation, and mining.

Reports from other sources on the subject of waste generation related to the current pandemic find some noted effects and probable changes in the solid waste stream. Below are three examples:

- Out of consumer concern for hygiene coming out of the pandemic, there may be an increase in packaging to protect products.
- There may be less comfort with dining-in restaurants and possibly an increase in take-out packaging.
- During an economic downturn and corporate belt-tightening, less investment is likely on “greener” innovations. On the other hand, some businesses will see this as an opportunity to streamline processes and packaging, with a focus on sustainability. Others may be ready to invest more in the circular economy aimed at waste elimination and continual use of resources.

**SUBJECT: Enhancements Financing Report**

In May 2020, Foth Infrastructure and Environment, LLC contacted David Bidermen, executive director/CEO of the Solid Waste Association of North America (SWANA) to get a national view on waste generation and the impacts of the pandemic. He reported that, in an April 2020 SWANA presentation on COVID-19 impacts, Michael E. Hoffman, managing director, Stifel, indicated that he anticipated that the economy would recover in 2021 along with growing waste volumes. Mr. Biderman, who is in regular contact with firms in the industry, indicated that in his opinion, industry is past the worst of the current debacle. Mr. Biderman’s view also is confirmed by earnings calls recently held by Waste Management, Republic, and Waste Connections. Overall, commercial waste volumes continue to be down approximately 20 percent. Residential volumes are trending 5-30 percent higher. Mr. Biderman felt that volumes have normalized for the solid waste sector. His caveat was that volumes could again decrease if a second surge of COVID-19 occurs this fall.

A [May 12 article](#) in Waste 360, an online industry journal, reported on the major publicly-traded waste firms, most of which recently held conference calls with first quarter results. These firms include Waste Management, Republic Services and Waste Connections, which operate in the East Metro. Firms reported on the significant downturn in late March but noted stabilization. “Across the board, the companies noted recent green shoots and signs of a bottom, if not an uptick, that generally appeared in the last week of April or first week of May. RSG [Republic Services] was perhaps the most optimistic in stating that a bottom had been put in, but WM [Waste Management] also noted that the rate of volume decline had improved, while WCN [Waste Connections] noted that a number of its metrics had turned in the last week: Service increases exceeded service decreases and net new business went positive again.” The article noted that firms are being cautious, continuing with cost saving measures, deferring mergers and acquisitions, and waiting to see second quarter results.

**Economic Activity Generated by the Enhancements**

<b>R&amp;E Center Enhancements – Effect on the Minnesota Economy:</b>	
<b>Construction:</b>	<b>155 – 198 new jobs; \$55,556,254 - \$64,718,413 added to the economy</b>
<b>Operation:</b>	<b>42 new jobs; \$9,099,556 added to the economy</b>

Dr. William F. Lazarus, a professor of applied economics at the University of Minnesota, prepared a report for R&E titled “Economic Impact of the Ramsey/Washington Recycling & Energy Center,” which can be found in Attachment 1. The IMPLAN input-output software package and 2017 IMPLAN data was used for the analysis.

The report presents an economic impact analysis of the R&E Center. Three main scenarios are compared: R&E Center in its current state, R&E Center with the planned enhancements implemented for organics recycling and recyclables recovery, and R&E Center with enhancements and RDF being processed for alternative use.

- In its current state, the R&E Center, with 66 employees and \$36,715,217 in spending, results in an overall economic impact in the state of 367 jobs and \$88,319,850 in economic activity.



**SUBJECT:** *Enhancements Financing Report*

- With the addition of the R&E Center enhancements (with an additional 18 new employees at the R&E Center) and in full operation, the overall impact rises to 490 jobs and \$97,419,406 in economic activity.
- The enhancements alone generate 42 additional jobs (18 at the R&E Center and the rest are indirectly created) and \$9,099,556 in economic activity. During the two-year construction period for the enhancements, the impact is between 155 and 198 jobs, and \$55,556,254 and \$64,718,413.

**Finance Plan**

At its August 2019 meeting, the R&E Board approved the enhancements financing plan and authorized several actions related to financing of the enhancements for organics and recyclables recovery. These include a state bonding request, with a local match using a loan from the counties using general obligation bonds, and consideration of possible outside funding. Since that time, the counties have aggressively pursued state bonding, a finance team has developed specific recommendations for local funding, and the JLT has applied for funding from the Closed Loop Fund.

**Closed Loop Fund**

An application was submitted for a \$5 million zero-interest loan from the Closed Loop Fund, which is managed by Closed Loop Partners, an investment firm focused on the circular economy that manages a revolving loan fund. While R&E had conversations with the Closed Loop Fund several times since 2016, and had been led to believe that the enhancements project had elements that would be eligible for a loan, the application that was submitted in March was turned down by the Closed Loop Fund. JLT is following up to identify specific reasons for the decision.

**State Bonding**

Applications for state bond funds were submitted to Minnesota Management and Budget (MMB) for \$21 million, and the Minnesota Pollution Control Agency (MPCA) for \$8 million (the maximum request through the MPCA's Capital Assistance Program (CAP)). Lobbyists have been retained to work with the counties' lobbyists on this effort.

The Governor included \$8 million for the R&E Center project in the MPCA CAP bonding request. Bills were introduced in the House and Senate, which include both the \$8 million and \$21 million requests. Tours of the facility were held for the Governor, Governor's staff, the MPCA commissioner, the MMB commissioner, and Senate and House members.

The legislature is scheduled to adjourn on May 18, prior to the Facility & Finance Committee meeting, but after this document was prepared. The committee will be updated about the status of state bonding at its May 21 meeting.

**Local Funds**

The JLT created a finance team comprised of R&E staff, respective county finance departments, R&E and county financial advisers (Ehlers and Baker-Tilly, respectively), bond counsel for the counties, and attorneys (Stoel Rives and county attorneys) have prepared the process and documents to proceed with funding the enhancements upon R&E Board and county board approvals.

The finance team examined the use of general obligation bonds issued by the counties versus revenue bonds issued by R&E. As a result of the analysis, the team recommends the use of general obligation bonds, issued by Ramsey County on behalf of both counties.

**SUBJECT:** *Enhancements Financing Report*

R&E has requested that Ramsey and Washington counties provide loan(s) for capital funding of the proposed enhancements. In 2015, when the facility was initially purchased, the counties provided the acquisition capital in the form of loans according to established funding percentages of 73% for Ramsey County and 27% for Washington County. Ramsey County issued bonds to fund its share. Washington County funded its share from available cash. In each case, the Recycling & Energy Board entered into a loan agreement and promissory note with each respective county to repay the obligations from Net Revenues of the facility. The two 2015 county loans are on a parity, or equal claim, with one another.

Due to the amount of funding anticipated to be needed and if the enhancements project is approved, the counties expect to access the capital markets (sell bonds) as the funding source. R&E has requested that the counties use their general obligation pledges to back the financing/s. Any county's financing that goes forward is subject to approval in final form by the respective county boards. However, after consideration of options, finance department staff from both counties have agreed to bring forth a funding proposal that includes the following basic elements:

1. A single fixed rate bond issued by Ramsey County for the full amount needed (the "County Bond"). The County Bond will be a general obligation of Ramsey County; however, 27% of the debt obligation will be secured by a general obligation bond issued by Washington County to Ramsey County for its 27% share. Repayment terms of Washington County's bond will mirror those of the Master Bond.
2. A final bond structure is yet to be determined; however, it is anticipated that the overall term will be 20 years. Alternatives are being considered that will moderate the debt service cost in the first two years as the project is being completed. Alternatives could include interest only and/or capitalized interest.
3. County, state and federal bonding requirements for the proposed financing have been preliminarily reviewed by bond counsel. In particular, requirements related to the average life of the bonds and the average life of the items being financed are being reviewed. Preliminary legal findings indicate that such considerations should be able to be accommodated within a 20-year debt structure.
4. Ramsey County and Washington County will loan their respective funding amounts to R&E, funded by the Master Bond. The repayment of the R&E debt to each county will be evidenced by a loan agreement(s) and secured by a pledge of Net Revenues of the facility. The loan agreement(s) will be on a parity with the 2015 loan agreements: each loan will have an equal, proportionate claim on Net Revenues as each of the other loans. Repayment of the 2020 loan(s) will be pledged to Ramsey County in support of the Master Bond.
5. Due to the amount of the combined 2015 and 2020 borrowings, exacerbated by impact of the current pandemic, additional covenants may be requested of R&E. Any such covenants will be discussed and documented prior to final action of R&E, Ramsey County and Washington County with consideration given to the impact, if any, on operations or tipping fees.
6. R&E would pay back the 2015 and 2020 loans using Net Revenue from the facility, primarily from tipping fees. Net Revenue is defined under the existing loan agreements to include "...gross revenues of the facility (including without limitation operating revenues and any contributions by Washington County or Ramsey County of County Environmental Charge revenues) after payment of all reasonable expenses of the current operations and

**SUBJECT:** *Enhancements Financing Report*

maintenance of the Facility and will be calculated in accordance with the policies and procedures established in accordance with Section VII.F of the Joint Powers Agreement.”

The primary source for payment of debt service is expected to be Recycling & Energy facility revenues. The use of Ramsey County and Washington County general taxing authority is not anticipated and would only be sought in the absence of all other available R&E resources.

As noted in this memo, the COVID-19 pandemic has impacted daily life and private and public economics. As a result, additional financial analyses were performed by R&E and the description of the proposed funding mechanism described above is subject in all respects to review of those analyses and the ability of the bond market to fund the anticipated Master Bond.

R&E has identified additional resources and actions to support debt service payments should net revenues of the R&E Center be insufficient to meet debt service requirements. Any allocation of these resources would be intended to mitigate or eliminate the need to invoke county property tax levies or other county general support for debt payments. Those resources and actions are set forth below in priority order:

1. Expenditure or other budget adjustment during the fiscal period
2. Deployment of contingency budget towards debt service
3. Adjust the tipping fee (90-day implementation window)
4. Draw on the Joint Activities Fund balance (R&E General Fund balance)
5. Draw on ORF/ERF balances (with pledge to replenish adopted in policy)
6. Equipment Maintenance & Replacement Reserve balance
7. Equipment Maintenance & Replacement Reserve budget
8. County Environmental Charge (short-term loan from counties)

Degradation in R&E revenues would likely be foreseen as a result of declining volumes that would manifest over time. The JLT would bring mitigation strategies before the R&E Board for consideration and action, as well as consulting with both counties through such process. It should be noted that the R&E Center’s cost structure is highly correlated to processing volumes. Therefore, variable expenses would decline at some proportion to waste volumes.

The balances in the funds referenced above as of December 31, 2019 are as follows:

Joint Activities Fund	\$3,120,414
ORF	\$4,100,000
ERF	\$1,650,000
EM&R Reserve	\$514,000
<b>TOTAL</b>	<b>\$9,384,414</b>

Ehlers conducted a sensitivity analysis to test the ability of these strategies to respond to a prolonged reduction in waste volumes, which was provided to the county finance team. The analysis assumed a sustained 10% reduction in waste volume, starting in 2020 and continuing through 2025. The purpose of this “stress test” was to illustrate several ways in which R&E could mitigate a volume-driven reduction in tipping fee revenues – including reducing variable operating costs and contingencies, raising the tipping fee, and drawing on reserves. The sensitivity analysis showed the R&E could successfully apply a variety of strategies to maintain a strong financial position with a substantial reduction in waste volume over a prolonged period.

**SUBJECT:** *Enhancements Financing Report*

**Financial Impacts**

Ehlers has prepared a template for a pro forma for the enhancements. Because the level of state bonding is not known at this time, a pro forma is not included in this memo, but will be provided at the May 21 Facility & Finance Committee meeting.

**Financing Timeline**

Attachment 2 is the timeline for financing the enhancements, starting with R&E Board approval to proceed on May 28. This includes actions to be taken for:

- Ramsey County to consider a bonding ordinance for the County Bond
- Washington County to consider a bonding resolution for its general obligation pledge to Ramsey County for Washington County's portion of the County Bond
- Ramsey and Washington counties to each consider
  - Loan agreement(s) between the counties and R&E Board, contingent on sale of bonds
  - An agreement between Washington County and Ramsey County on joint bonding

This schedule results in funds being available for final construction design, equipment development and construction on November 15, 2020.

**Construction Timeline**

The R&E's construction manager, Adolfson & Peterson Construction, has prepared a construction schedule, which is shown in Attachment 3. This schedule is aligned with the Financing Timeline, and shows a construction start in April 2021, with the DCB building and equipment complete in early December 2021, and the recycling recovery system complete in late July 2022.

**Community Engagement**

Community engagement has helped inform major decisions made by the counties and R&E regarding the region's waste management system. R&E sees community engagement work as an ongoing work critical to building and maintaining relationships, educating partners and the community, and informing R&E's work. Attachment 4 summarizes community engagement to date around the following topics:

- Purchasing the R&E Center
- 2018-2038 county solid waste management master plans
- Waste designation
- Waste-to-energy
- System enhancements – recyclables recovery and durable compostable bags

Community engagement informed and shaped each of these decisions and continues to do so for ongoing work.

**Attachments**

- Attachment 1: Dr. Lazarus' Economic Analysis report
- Attachment 2: Bonding Schedule
- Attachment 3: Construction schedule from A&P
- Attachment 4: R&E Community Engagement Summary
- Attachment 5: Memorandum from Baker Tilley



**RESOLUTION R&EB-2020-09**

WHEREAS, it is the stated policy of the State of Minnesota, under the Waste Management Act, to manage solid waste in an environmentally sound manner; and

WHEREAS, Ramsey and Washington Counties (the “Counties”) have committed to continue to protect and ensure the public health, safety, welfare and environment of each County’s residents and businesses through sound management of solid and hazardous waste generated in each County; and

WHEREAS, Ramsey and Washington Counties have in place County Solid Waste Management Master Plans (“Master Plans”) approved by the Commissioner of the Minnesota Pollution Control Agency, which clearly state the policy goal of maintaining and improving an integrated system of solid waste management that supports Minnesota’s hierarchy of solid waste management, with an emphasis on waste reduction, reuse, recycling and composting before the remaining solid waste is managed through resource recovery; and

WHEREAS, the Master Plans also include policies that affirm the processing of waste, for recovering energy and recyclables, and other beneficially usable materials, as the preferred method to manage solid waste that is not reduced, reused or recycled; and

WHEREAS, the Ramsey/Washington Recycling & Energy Board (“R&E Board”) is governed by the amended and restated joint powers agreement by and between Ramsey County and Washington County dated September 22, 2015 (“Joint Powers Agreement”); and

WHEREAS, R&E has conducted extensive evaluation and analysis of methods to enhance recovery of value from the waste stream using source separation and mechanical separation of organics and recyclables, and has designed system changes to assist in meeting state recycling goals; and

WHEREAS, a peer-reviewed preliminary engineering design has been completed for enhancements to the R&E Center that would recover source separated organic waste in durable compostable bags and add equipment for removal of recyclables; and

WHEREAS, extensive analysis of these enhancements has been completed for technology, economics, environmental benefits, risk assessment and procurement; and

WHEREAS, to be “shovel ready” R&E has engaged the services of a construction manager and architect/engineer to prepare plans and budgets for these enhancements, and has completed the schematic design and budget, with a timeline to complete design and procurement with construction to begin in late 2020; and

WHEREAS, the R&E Board has applied to receive funding from the State of Minnesota to assist with construction of the proposed enhancements to provide this necessary public service, through the Minnesota Management and Budget (MMB) administered capital grants program, and through the Minnesota Pollution Control Agency’s (MPCA) capital assistance program, both of which require a local matching of funds; and

WHEREAS, At its meeting on August 21, 2019, the R&E Board approved Resolution R&EB-2019-16, which approved the Financing Plan to fund the capital improvements necessary for the system enhancements for recycling, and also approved a Procurement Plan (Resolution R&EB-2019-18) for steps necessary to proceed with design and budgeting of the enhancements; and

WHEREAS, the Joint Leadership Team (JLT), working with the two county finance departments, the counties' financial advisors and bond counsel, the R&E financial advisor Ehlers, and county attorneys, as completed a Financing Report to move forward the R&E Board's plans for R&E Center enhancements. NOW, THEREFORE, BE IT

RESOLVED, The R&E Board hereby approves the R&E Center Enhancements Financing Report. BE IT FURTHER

RESOLVED, the R&E Board hereby accepts state bond funds in the amount approved by the legislature and authorizes the Joint Leadership Team (JLT) to negotiate documents for receipt of state bond funds, with such agreements brought back for R&E Board approval as soon as possible. BE IT FURTHER

RESOLVED, The R&E Board hereby authorizes the chair of the R&E Board to execute documents necessary for the receipt of state bond funds, upon approval as to form by the county attorney. BE IT FURTHER

RESOLVED, the R&E Board hereby authorizes proceeding with the full scope of the R&E Center enhancements, including the durable compostable bag food scraps recycling system and the recyclables recovery system and authorizes the JLT to proceed with final engineering, architecture and construction plans. BE IT FURTHER

RESOLVED, the R&E Board hereby authorizes the JLT to apply for permits necessary for the enhancements, and further authorizes the JLT to execute necessary easement and permit documents upon approval as to form by county attorneys. BE IT FURTHER

RESOLVED, The Recycling & Energy Board hereby approves and recommends that the county boards approve and implement a financing structure for the R&E Center enhancements, with said financing structure to include the following:

- Each county shall loan a proportionate share to the R&E Board sufficient to cover its share of total financing, including all financing costs, for the R&E Center enhancements, according to the percentages set forth in the joint powers agreement: Ramsey County – 73%, Washington County – 27% (the "County Enhancement Loans").
- Ramsey County shall issue general obligation bonds on behalf of both counties (the "County Bonds") to fund the aggregate County Enhancement Loan amount for the R&E Center enhancements.
- Ramsey County and Washington County shall enter into an agreement whereby Washington County agrees that Ramsey County will issue bonds on behalf of both counties, and that Washington County shall provide its general obligation pledge to Ramsey County for its share of the financing and pay its share of the total financing of the R&E Center Enhancements through its loan agreement with the R&E Board.
- The R&E Board shall be obligated to and is hereby authorized to enter into one or more loan agreements pursuant to which it will agree to repay the County Enhancements Loans from facility revenues, CEC funds and other available revenues on terms and conditions that match, or are otherwise consistent with, any terms and conditions of any other loans outstanding and owed to the

counties, additional covenants required by the counties and the County Bonds issued to fund R&E Board's County Enhancements Loans. BE IT FURTHER

RESOLVED, The R&E Board hereby authorizes the JLT to make all necessary budget adjustments related to the R&E Center enhancements project.



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Fran Miron, Board Chair

August 20, 2020



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Attest

August 20, 2020

# Board of Commissioners

## Request for Board Action

Item Number: 2020-424

Meeting Date: 10/20/2020

**Sponsor:** Financial Assistance Services

### Title

Cooperative Agreement By and Among the Metropolitan County Consortium for Non-Emergency Medical Transportation

### Recommendation

1. Approve the agreement with Anoka, Benton, Chisago, Dakota, Hennepin, Isanti, Mille Lacs, Pine, Ramsey, Sherburne, Stearns, Washington, and Wright counties to cooperatively manage non-emergency medical transportation and related services in accordance with the rates as established in the agreement, effective upon the earlier of the date of execution by all counties listed or January 1, 2021 through December 31, 2024.
2. Authorize the Chair and Chief Clerk to execute the agreement.

### Background

The Financial Assistance Services Department (FAS) is requesting the County Board continue its cooperative arrangement with 12 other counties in the metropolitan region to administer non-emergency medical transportation (NEMT). The other counties are Anoka, Benton, Chisago, Dakota, Hennepin, Isanti, Mille Lacs, Pine, Sherburne, Stearns, Washington, and Wright. Hennepin County is the current fiscal agent. The County has been part of a cooperative agreement for this purpose since 2009.

Under the agreement, a Governing Board, made up of the human services' department directors of the participating counties oversees the administration and delivery of NEMT services to eligible County residents. Through a previous solicitation process conducted by Hennepin County, Medical Transportation Management (MTM), Inc., has been providing NEMT since 2016. Hennepin County has commenced a new solicitation process in 2020 with a NEMT vendor to be selected in 2021.

As the fiscal agent, Hennepin County is responsible for collecting reports on the selected vendor's compliance with contract terms, regulations and the terms of the Request for Proposal. Hennepin County bills Ramsey County to cover administrative costs, based on the actual number of rides provided to clients, using the rate in the contract.

Medical Assistance pays for the costs of the actual transportation provided to eligible County residents. This agreement is to cover the administrative costs of arranging the rides. For 2021, the cost to Ramsey County for administrative costs after federal reimbursement will be \$3.85 per trip arranged. The total projected cost to the County in 2021 for these levy-funded administrative expenses is estimated to be approximately \$400,000.

### County Goals (Check those advanced by Action)

Well-being

Prosperity

Opportunity

Accountability

### Racial Equity Impact

NEMT helps support the County's goal to strengthen individual, family and community health, safety and well-



being through effective safety-net services, innovative programming, prevention and early intervention, and environmental stewardship.

**Community Participation Level and Impact**

NEMT provides an essential service to address the needs of residents.

Inform       Consult       Involve       Collaborate       Empower

**Fiscal Impact**

State and federal funds (Medical Assistance) pay for the NEMT rides. County levy is used to cover the County's administrative costs of the service. The amount of County funding for the service is the same as in previous years and is included in the 2021 base budget for the Financial Assistance Services Department.

**County Manager Comments**

County Board approval is required for cooperative agreements with other counties.

**Last Previous Action**

On August 16, 2016, the Board approved a Restated Metropolitan Counties Agreement to add an additional county to the original NEMT agreement (Resolution B2016-209).

**Attachments**

1.Cooperative Agreement

**Cooperative Agreement By and Among the  
Metropolitan County Consortium, State of Minnesota**

This cooperative agreement (“Agreement”) is between the Minnesota counties of Anoka, Benton, Chisago, Dakota, Hennepin, Isanti, Mille Lacs, Pine, Ramsey, Sherburne, Stearns, Washington, and Wright (“MCC county” or “MCC counties”).

WHEREAS, the parties to this Agreement, as the “Metropolitan Counties”, previously formalized the terms and conditions through which they have cooperatively provided for administrative services for nonemergency medical transportation (“NEMT”) and related services in a Cooperative Agreement effective January 1, 2016, including amendments and restated Cooperative Agreements effective January 1, 2017, and January 2018; collectively Hennepin County contract number A154056; and

WHEREAS, the parties wish to continue to cooperatively manage such services as the “Metropolitan County Consortium” (“MCC”); and

WHEREAS, the MCC counties wish to formalize the terms and conditions through which they will cooperatively manage the services, pursuant to contract, of each party selected to serve as NEMT transportation coordinator (“COORDINATOR”) throughout the term of this Agreement; and

WHEREAS, the MCC defines the target population served by each COORDINATOR throughout the term of this Agreement to include persons enrolled in Medical Assistance (MA) Fee-for-Service (FFS) or MinnesotaCare, who reside in the MCC service area, and are prior authorized for service by COORDINATOR. Such persons are referred to as Eligible Persons; and

WHEREAS, the governing board of each MCC county has, by resolution, declared its intent to be bound in accordance with the terms of this Agreement and the written agreement governing the provision of transportation coordination administrative services supporting delivery of NEMT.

THEREFORE, the undersigned MCC counties agree as follows:

1. Term of this Agreement: This Agreement shall become effective upon the earlier of a) the date of execution by all MCC counties listed herein, or b) January 1, 2021, as to all MCC counties that have executed the Agreement by that date. This Agreement shall continue through December 31, 2024.
2. In order to effectively coordinate the activities of their respective county staff and the provision of services to MCC Eligible Persons, there is hereby created, pursuant to Minnesota Statute § 471.59, a Cooperative Agreement with a Governing Board representative of the MCC, responsible for managing the operational and fiscal matters related to the provision of NEMT.

The Members of this Governing Board are the Human Service/Welfare Directors of the thirteen MCC counties, as appointed by their respective County Boards.

3. The Governing Board shall oversee the implementation for the delivery of NEMT services to Eligible Persons and the administrative services required to manage such a program.
4. The Governing Board shall develop and approve a funding policy and rate structure for services provided by COORDINATOR to the MCC. Such policy and rate structure are subject to annual review. Funding policy and rate structure may consider each MCC county's projected proportional share of NEMT rides arranged by COORDINATOR. Approvals shall be made pursuant to a voting process established by the Governing Board, with each MCC county having one vote.
5. On behalf of the MCC, Hennepin County, ("COUNTY") shall act as fiscal agent. COUNTY will also manage the written agreement ("CONTRACT") with each contractor selected to serve as COORDINATOR for the MCC during the term of this Agreement and as a result of the request for proposal ("RFP") process commenced during 2020.
6. CONTRACT between COUNTY and COORDINATOR will include standard provisions for the following categories:
  - Contract term;
  - Description of services;
  - Cost;
  - Payment for services;
  - Method of payment;
  - Eligibility for service;
  - Additional understandings, if any;
  - Records, reports, audit and monitoring procedures; records availability and access
  - Compliance;
  - Data privacy and security;
  - Non-discrimination and affirmative action;
  - Fair hearing and grievance procedure;
  - Contract management and disputes;
  - Indemnification;
  - Insurance;
  - Independent contractor;
  - Merger and modification;
  - Conditions of parties' obligations;
  - Successors, subcontracting and assignments;
  - Notices;
  - Default and cancellation/termination;
  - Service Information; and
  - Financial information.

7. In addition to the provisions in section 6, CONTRACT between COUNTY and COORDINATOR will specifically include the following provisions:

- (A) CONTRACTOR shall defend, indemnify, and hold harmless COUNTY and MCC counties, their present and former officials, officers, agents, volunteers and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including attorney's fees, resulting directly or indirectly from any act or omission of CONTRACTOR, a subcontractor, anyone directly or indirectly employed by them, and/or anyone for whose acts and/or omissions they may be liable in the performance of the services required by CONTRACT, and against all loss by reason of the failure of CONTRACTOR to perform any obligation under CONTRACT. Acts or omissions include, but are not limited to, the following:
  - (1) Any applicant or Eligible Persons suffering bodily or personal injury, death, or property loss or damage either while participating in or receiving the care and services to be furnished under CONTRACT, or while on premises owned, leased, or operated by CONTRACTOR, or while being transported to or from said premises in any vehicle owned, operated, leased, chartered, or otherwise contracted for by CONTRACTOR or any official, officer, agent, employee, or volunteer thereof.
  - (2) Any applicant or Eligible Persons causing injury to, or damage to, the property of another person during any time when CONTRACTOR or any official, officer, agent, employee, or volunteer thereof has undertaken or is furnishing the care and services called for under CONTRACT.

For clarification and not limitation, this obligation to defend, indemnify, and hold harmless includes, but is not limited to, any liability, claims, or actions resulting directly or indirectly from alleged infringement of any copyright or any property right of another, the employment or alleged employment of CONTRACTOR personnel, the unlawful disclosure and/or use of protected data, or other noncompliance with the requirements of these provisions.

- B) CONTRACTOR shall not commence work until it has obtained required insurance and filed with COUNTY a properly executed Certificate of Insurance establishing compliance. The certificate(s) must name all MCC counties as certificate holder and as an additional insured for the commercial general liability and automobile liability coverages required by CONTRACT.
- C) CONTRACTOR shall select the means, method, and manner of performing the services herein. Nothing is intended nor should be construed as creating or establishing the relationship of a partnership or a joint venture between the parties hereto or as constituting CONTRACTOR as the agent, representative, or employee of the MCC counties or COUNTY for any purpose or in any manner whatsoever. CONTRACTOR is and shall remain an independent contractor for

all services performed under CONTRACT. CONTRACTOR shall secure at its own expense all personnel required in performing services under CONTRACT. CONTRACTOR's personnel and/or subcontractors engaged to perform any work or services required by this CONTRACT will have no contractual relationship with the MCC counties or COUNTY and will not be considered employees of the MCC counties or COUNTY. Neither COUNTY nor MCC counties shall be responsible for any claims related to or on behalf of any of CONTRACTOR's personnel, including without limitation, claims that arise out of employment or alleged employment under the Minnesota Unemployment Insurance Law (Minnesota Statutes Chapter 268) or the Minnesota Workers' Compensation Act (Minnesota Statutes Chapter 176) or claims of discrimination arising out applicable law, against CONTRACTOR, its officers, agents, contractors, or employees. Such personnel or other persons shall neither accrue nor be entitled to any compensation, rights, or benefits of any kind from MCC counties or COUNTY, including, without limitation, tenure rights, medical and hospital care, sick and vacation leave, workers' compensation, unemployment compensation, disability, severance pay, and retirement benefits.

8. On behalf of the MCC, COUNTY will develop and maintain a relationship with the Minnesota Department of Human Services ("DHS") and will consult with DHS to review issues of performance, payment, and quality of service delivered by COORDINATOR.

On behalf of the MCC, COUNTY will monitor COORDINATOR compliance with CONTRACT terms. COUNTY will manage all issues relating to CONTRACT terms as defined in Clause 6 and 7 of this Agreement. COORDINATOR reporting may be shared with MCC counties as requested.

Each MCC county is responsible for responding to appeals filed by Eligible Persons who reside within their MCC county. MCC must notify COORDINATOR of appeals and make request to attend appeal hearing if desired by MCC county.

Per COUNTY request, MCC counties will engage in annual performance surveying initiated by COUNTY to verify compliance of COORDINATOR with contract terms. MCC counties will also participate in voting required by MCC to approve rate structure and contract terms of COORDINATOR.

COUNTY will initiate meetings with MCC counties, as needed, to discuss contract performance, financial and/or funding concerns, coordination and cooperation among MCC counties.

9. COUNTY will invoice each MCC county bimonthly for administrative services provided to Eligible Persons who receive service and reside in each MCC county. Invoices are prepared based upon the trip leg count provided and paid for by DHS for each MCC county. MCC counties are invoiced for the administrative trip leg rate defined in the CONTRACT. A trip leg is defined as the pick-up of an Eligible Person (e.g. residence) and until the arrival at their destination (e.g., a medical appointment). One round-trip

would be considered two trip legs under this definition. Only trip legs paid by DHS will have administrative costs invoiced to the respective MCC county.

COUNTY will also invoice DHS for applicable Federal Financial Participation (FFP) reimbursements eligible for services provided throughout the MCC. MCC counties are invoiced only for administrative costs not covered by FFP reimbursement.

MCC counties shall make payment to COUNTY within 30 days of receipt of such invoice.

10. Indemnification

Each MCC county agrees that it will be responsible for the acts or omissions of its officials, agents, and employees, and the results thereof, in carrying out the terms of this Agreement, to the extent authorized by law and shall not be responsible for the acts/omissions of other MCC counties and the results thereof. The liability of each MCC county shall be governed by applicable provisions of the Minnesota Tort Claims Act, Minnesota Statutes Chapter 466, § 472.59 and other applicable state and federal laws, including common law.

Each MCC county agrees to defend, hold harmless, and indemnify the other MCC counties, their officials, agents, and employees, from any liability, loss, or damages the other MCC counties may suffer or incur as the result of demands, claims, judgements, or cost arising out of or caused by the indemnifying MCC county's acts or omissions in the performance of its respective obligations under this Agreement. This provision shall not be construed nor operate as a waiver of any applicable limitation of liability, defenses, immunities, or exceptions by statute or common law.

In the event of any claims or actions filed against the MCC counties and/or any individual MCC county for any of the activities for which the MCC counties are responsible, nothing in this Agreement shall be construed to allow a claimant to obtain separate judgments or stack separate statutory liability caps from the MCC counties and/or each individual MCC county.

Each MCC county agrees that, if any litigation is brought relating to this Agreement, and if any liability is found by a court of administrative agency of competent jurisdiction, each MCC county's share of any final liability shall be determined on a pro rata basis using the following formula:

- Total number of MCC county trip legs divided by total number of all trip legs.

The numbers used in this formula will be the numbers in existence on the date the action/event creating liability occurred.

11. Data

COUNTY will be responsible for the collection, creation, receipt, maintenance, storage, dissemination, use and access of COORDINATOR CONTRACT and compliance data referenced in section 8 herein. Each MCC county shall be responsible for its own data under the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 (MGDPA).

12. Withdrawal and Termination

Any MCC county may withdraw from this Agreement, with or without cause, upon 100 days' prior written notice evidenced by resolution of the individual MCC county's governing body to the MCC Governing Board. Such withdrawal will not take effect until reviewed by COUNTY and the non-withdrawing MCC counties, which review must take place within 75 days from the date of the written notice. In the event of withdrawal by any MCC county, this Agreement shall remain in full force and effect as to all remaining MCC counties. At the time of withdrawal, all sums due and owing by the withdrawing MCC county shall become immediately due and payable to COUNTY.

13. Amendments

This Agreement may be amended by unanimous agreement of the MCC counties, reduced to writing as an amendment to this Agreement, and signed by the parties' respective governing bodies. An amendment becomes effective upon the date approved by the last MCC county.

14. Records-Availability/Access

Subject to the requirements of Minnesota Statutes Section 16C.05, Subd. 5 (as may be amended), each MCC county agrees that the other MCC counties, the State Auditor, the Legislative Auditor or any of their duly authorized representatives, at any time during normal business hours, and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of MCC counties and involve transactions relating to this Agreement. Such materials shall be maintained, and such access and rights shall be in force and effect during the period of the Agreement and for six (6) years after its termination or cancellation.

15. Minnesota Law Governs

The laws of the State of Minnesota shall govern all interpretations of this Agreement, and the appropriate venue and jurisdiction for any litigation between the MCC counties which may arise hereunder will be in and under those courts located within Hennepin County, State of Minnesota.



16. MCC counties shall provide contact information per request of COUNTY Contract Manager, and further shall notify the COUNTY Contract Manager within five (5) days of a change in any contact information during the term of this Agreement.

Any notice or demand which must be given or made by a party under this Agreement or any statute or ordinance shall be in writing. Notices to the MCC will be issued to the contact person identified by the MCC county.

17. Assignment

No party to this Agreement shall assign, delegate, or transfer any rights or obligations under this Agreement without prior written consent of all other MCC counties.

18. Entire Agreement

This Agreement contains the entire agreement between the MCC counties regarding the matters set forth herein.

19. Recitals

All recitals contained in this Agreement shall be incorporated into and made a part of this Agreement.

20. Counterparts

The Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same Agreement. Each MCC county is bound by its own electronic signature(s) on this Agreement, and each agrees and accepts the electronic signature of the other MCC counties.

21. No Third-Party Beneficiary

This Agreement is made solely and specifically among and for the benefit of its named parties, and their respective successors and assigns, and no other person or entity shall have any rights, interest, or claim under it or be entitled to ally benefits pursuant to or on account of this Agreement, whether as a third party beneficiary or otherwise.

**(The remainder of this page is intentionally left blank)**



**COUNTY BOARD APPROVALS**

The respective County Boards of Commissioners having duly approved this Cooperative Agreement the date indicated in their signature block, and pursuant to such approval, the proper County officials having signed this contract, the parties hereto agree to be bound by the provisions herein set forth.

**COUNTY OF RAMSEY**  
**STATE OF MINNESOTA**

Approved as to Form

*Lindsey Millard*  
Lindsey Millard  
Assistant County Attorney

By: \_\_\_\_\_  
Toni Carter  
Chair of Its County Board

Date: 9/28/20

Date: \_\_\_\_\_

And: \_\_\_\_\_  
Ryan O'Connor  
County Manager

Date: \_\_\_\_\_

# Board of Commissioners

## Request for Board Action

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**Item Number:** 2020-422

**Meeting Date:** 10/20/2020

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**Sponsor:** Community Corrections

**Title**

Joint Powers Agreement with State of Minnesota, Department of Corrections to Provide Supervision Services for Offenders referred to Ramsey County Community Corrections for Supervised Release or Intensive Supervised Release.

**Recommendation**

1. Approve the Joint Powers Agreement with the State of Minnesota, Department of Corrections for supervision of early released offenders from Minnesota Correctional Facilities to Supervised Release due to the Coronavirus Pandemic for the period of July 1, 2020 or the date the State obtains all required signatures, whichever is later through December 30, 2020, or until all obligations have been satisfactorily fulfilled, whichever occurs first, at the reimbursement rate of \$6.94 per day per offender under Supervised Release and \$18.52 per day per offender under Intensive Supervised Release in the not-to-exceed amount of \$35,624.43.
2. Authorize the Chair and Chief Clerk to execute the agreement.

**Background**

Due to the Coronavirus Pandemic, the State of Minnesota, Department of Corrections (DOC), has begun releasing clients early from their confinement in Minnesota Correctional Facilities for the safety of the entire incarcerated population. The DOC was awarded Federal CARES Act funding to support Community Corrections Act agencies in assisting the DOC with supervision of these early-released clients. Ramsey County Community Corrections was made aware of these funds by the DOC in early September, 2020. The goal of this expansion of early release is to better manage and minimize the risk of the spread of the COVID-19 inside Minnesota Correctional Facilities.

Through September of 2020, Ramsey County Supervised Release (SR) and Intensive Supervised Release (ISR) have received approximately 30 clients that would not have been released to the community prior to the COVID-19 pandemic. In Ramsey County, this constitutes a full-time caseload for this population of high-risk clients. Ramsey County has been asked to provide supervision for these clients without additional assistance and has adapted to the request by using existing internal resources. Each client has additional needs for resources and programming not available in the Department of Corrections. Ramsey County is offering these additional resources to clients without corresponding financial support from the DOC.

Some of the clients referred by the State will be clients diagnosed with COVID-19 and will be designated as Early Work Release clients. Most clients, however, will fall into the category of COVID-19 Conditional Medical Release clients; clients having other medical issues that lead to their early release. The State will pay Ramsey County Community Corrections per-day, per-client released to SR \$6.94 and \$18.52 per-day per-client released to ISR under the terms of the Agreement.

**County Goals** (Check those advanced by Action)

Well-being

Prosperity

Opportunity

Accountability

### Racial Equity Impact

People of color have been inordinately affected by COVID-19. Clients of color released from the DOC will be able to take personal measures to mitigate their chances of getting the virus in the community. They will also have access to their personal healthcare system. As some clients already have medical issues that have led to their release, it is likely they are more vulnerable to the virus than the general public.

The DOC provides very limited access to client programming. Ramsey County offers client programs that include, but are not limited to; chemical dependency and mental health treatment, housing assistance, employment, education, life skills, financial assistance, cognitive programming, etc. These programs have shown to reduce recidivism and assist clients in long term desistance.

### Community Participation Level and Impact

Clients that are released to the community are able to reunite with their families and their community months, and in some cases years before they had originally planned when sentenced. They have an opportunity to rebuild a life that was interrupted. Ramsey County Community Corrections SR and ISR officers work with the clients to get re-acclimated to life outside of prison and work with clients on short- and long-term goals. Ramsey County Community Corrections supports clients to help them stay in the community and not experience incarceration again. The department also supports clients to become leaders within their communities and cease involvement with the criminal justice system. The opportunities provided to clients on Conditional Medical Release quicken that process.

Inform

Consult

Involve

Collaborate

Empower

### Fiscal Impact

Funding to support these services is provided through the Joint Powers Agreement with the State of Minnesota, Department of Corrections. There are funds available in the 2020 Community Corrections budget. Funds received from the DOC will help to help defray costs already incurred for services provided to SR and ISR clients. Ramsey County Community Corrections will be reimbursed for these services by the DOC beginning on July 1, 2020 through December 31, 2020.

### County Manager Comments

County Board approval is required to enter into Joint Powers Agreements.

### Last Previous Action

None.

### Attachments

1. Joint Powers Agreement with the State of Minnesota

## STATE OF MINNESOTA JOINT POWERS AGREEMENT

This agreement is between the State of Minnesota, acting through its Commissioner of Corrections ("State") and Ramsey County Community Corrections ("Governmental Unit").

### Recitals

Under Minnesota Statute § 471.59, subdivision 10, the State is empowered to engage such assistance as deemed necessary. The State is in need of support from Community Corrections Act ("CCA") agencies for the expanded number of early releases from Minnesota Corrections Facilities ("MCF"), due to the Coronavirus Pandemic.

### Agreement

#### 1 Term of Agreement

- 1.1 **Effective date:** July 1, 2020, or the date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.
- 1.2 **Expiration date:** December 30, 2020 or until all obligations have been satisfactorily fulfilled, whichever occurs first.

#### 2 Agreement between the Parties

Due to the Coronavirus Pandemic, the Department of Corrections ("DOC") has been releasing offenders early from their confinement in MCF's for the safety of our entire incarcerated population. The DOC was awarded Federal CARES Act funding to support CCA agencies in assisting the DOC with supervision of these early released offenders. The goal of this expansion of early releases is to better manage and minimize the risk of spread of the Coronavirus inside correctional facilities.

2.1 The State will refer offenders ("Offenders") to the Governmental Unit as follows:

- a) **Covid 19 Early Work Release Program (C19EWRP):** Offenders who have served at least half of their terms of imprisonment shall reside in approved programs/residences in the community up to three months prior to their scheduled supervised release date. Offenders must work at paid employment, seek employment, or be involved in vocational programming or educational programs under while continuing to serve their terms of imprisonment. C19EWRP Offenders will be on Supervised Release (SR") and will:
  - i) meet the criteria and screening for work release as established in Minn. Stat. § 241.26 and State policy 205.120 located at [www.doc.state.mn.us](http://www.doc.state.mn.us), which is incorporated by reference;
  - ii) have a release plan that incorporates the geographical area of the Governmental Unit.
- b) **Covid 19 Conditional Medical Release (C19CMR):** Offenders who have gone through a screening process and have been determined to have significant medical conditions and/or have underlying conditions which put them at higher risk for Covid 19 complications, necessitating their early release from confinement in DOC facilities. C19CMR Offenders may be on either SR or Intensive Supervised Release ("ISR") and will:
  - i) meet the criteria and screening for conditional medical release as established in Minn. Stat. 244.05, subd. 8 and State policy 203.200 located at [www.doc.state.mn.us](http://www.doc.state.mn.us), which is incorporated by reference;
  - ii) have a release plan that incorporates the geographical area of the Governmental Unit.

2.2 The Governmental Unit and the State must mutually agree on the Offender's placement under the Governmental Unit's supervision.

2.3 The Governmental Unit will provide either SR or ISR supervision services under pre-established rules, protocols and regulations of the Minnesota Department of Corrections. Offenders will be assigned a supervision status by DOC prior to release from incarceration. Government Unit will supervise offenders based on their supervision status and program specific requirements. Supervision requirements are as follows:

- a). Supervision requirements for Work Release Offenders are outlined in policy number 205.120 and the Work Release Program Manual, as provided by the State Authorized representative and is incorporated by reference into this agreement.
- b). Supervision requirements for ISR Offenders are outlined in Minn. Stat. 244.15 which is incorporated by reference into this agreement.
- c). Supervision requirements for SR Offenders are as follows:
  - i). Conduct monthly field, home, employment and/or office visits
  - ii). Conduct random UA's
  - iii). Make appropriate referrals to community-based services

- iv). Supervise offenders to ensure they are complying with their individual release conditions
- v). Complete restructures or refer to DOC Hearings and Release Unit (HRU) for all violations of release conditions.

### 3 Payment

3.1 **C19EWRP Offenders (SR only):** The State will pay \$6.94 per day per Offender released under this program to the Governmental Unit for supervision. Submit electronic invoice quarterly to State's authorized representative.

3.2 **C19CMR Offenders (SR or ISR):**

- a) **SR** – The State will pay \$6.94 per day per Offender released under this provision to the Governmental Unit for supervision. Submit electronic invoice quarterly to State's authorized representative.
- b) **ISR** - The State will pay \$18.52 per day per Offender released under this provision to the Governmental Unit for intensive supervision. Submit electronic invoice quarterly to State's authorized representative.

3.3 **Federal funds.** (Where applicable, if blank this section does not apply.) Payments under this Contract will be made from federal funds obtained by the State through CFDA Number 93.569, CARES Act. The Contractor is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by the Contractor's failure to comply with federal requirements.

The total obligation of the State under this agreement will not exceed **\$35,624.43**.

### 4 Authorized Representatives

The State's Authorized Representative is Rubina Khan, Grants and Subsidies Unit, [Rubina.Khan@state.mn.us](mailto:Rubina.Khan@state.mn.us), phone: 651.361.7170 or her successor.

The Governmental Unit's Authorized Representative is John Klavins, Director, [john.klavins@co.ramsey.mn.us](mailto:john.klavins@co.ramsey.mn.us), 121 7<sup>th</sup> Place East, Suite 1210, St. Paul, MN 55101 or his successor.

### 5 Assignment, Amendments, Waiver, and Contract Complete

- 5.1 **Assignment.** The Governmental Unit may neither assign nor transfer any rights or obligations under this agreement without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this agreement, or their successors in office.
- 5.2 **Amendments.** Any amendment to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.
- 5.3 **Waiver.** If the State fails to enforce any provision of this agreement, that failure does not waive the provision or its right to enforce it.
- 5.4 **Contract Complete.** This agreement contains all negotiations and agreements between the State and the Governmental Unit. No other understanding regarding this agreement, whether written or oral, may be used to bind either party.

### 6 Indemnification

In the performance of this contract by the Governmental Unit, or Governmental Unit's agents or employees, the Governmental Unit must indemnify, save, and hold harmless the State, its agents, and employees, from any claims or causes of action, including attorney's fees incurred by the state, to the extent caused by Governmental Unit's:

- 1) Intentional, willful, or negligent acts or omissions; or
- 2) Actions that give rise to strict liability; or
- 3) Breach of contract or warranty.

The indemnification obligations of this section do not apply in the event the claim or cause of action is the result of the State's sole negligence. This clause will not be construed to bar any legal remedies the Governmental Unit may have for the State's failure to fulfill its obligation under this contract.

### 7 State Audits

Under Minnesota Statute § 16C.05, subdivision 5, the Governmental Unit's books, records, documents, and accounting procedures and practices relevant to this agreement are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this agreement.

**8 Government Data Practices**

The Governmental Unit and State must comply with the Minnesota Government Data Practices Act, Minnesota Statute Ch. 13, as it applies to all data provided by the State under this agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Governmental Unit under this agreement. The civil remedies of Minnesota Statute § 13.08 apply to the release of the data referred to in this clause by either the Governmental Unit or the State.

If the Governmental Unit receives a request to release the data referred to in this Clause, the Governmental Unit must immediately notify the State. The State will give the Governmental Unit instructions concerning the release of the data to the requesting party before the data is released.

**9 Venue**

Venue for all legal proceedings out of this agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

**10 Termination**

**10.1 Termination.** The State or the Governmental Unit may terminate this agreement at any time, with or without cause, upon 30 days' written notice to the other party.

**10.2 Termination for Insufficient Funding.** The State may immediately terminate this agreement if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Governmental Unit. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Governmental Unit will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Governmental Unit notice of the lack of funding within a reasonable time of the State's receiving that notice.

**11 E-Verify Certification (In accordance with Minn. Stat. §16C.075)**

For services valued in excess of \$50,000, Governmental Unit certifies that as of the date of services performed on behalf of the State, Governmental Unit and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. Governmental Unit is responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available at <http://www.mmd.admin.state.mn.us/doc/VerifySubCertForm.doc>. All subcontractor certifications must be kept on file with Governmental Unit and made available to the State upon request.

**12 Prison Rape Elimination Act Compliance**

Contractor must comply with the Prison Rape Elimination Act (PREA) of 2003 (Federal Law 42 U.S.C. 15601 et. seq.), with all applicable Federal PREA standards, and with all State policies and standards related to PREA for preventing, detecting, monitoring, investigating, and eradicating any form of sexual abuse within facilities/programs/offices owned, operated, or contracted. Contractor acknowledges that, in addition to self-monitoring requirements, the State will conduct compliance monitoring and PREA standards require an outside independent audit.

**13 Force Majeure.** Neither party shall be responsible to the other or considered in default of its obligations here under to the extent that performance of any such obligations is prevented or delayed by acts of God, war, riot, disruption of government, or other catastrophes beyond the reasonable control of the party unless the act or occurrence could have been reasonably foreseen and reasonable action could have been taken to prevent the delay or failure to perform. A party defaulting under this provision must provide the other party prompt written notice of the default and take all necessary steps to bring about performance as soon as practicable.

SWIFT Contract No. 181706

**1. STATE ENCUMBRANCE VERIFICATION**

*Individual certifies that funds have been encumbered as required by Minnesota Statute §§ 16A.15 and 16C.05.*

Signed: Mary Myers  
Date: 8/31/2020  
SWIFT Contract No. c-181706 PO 3-127837

**2. GOVERNMENTAL UNIT**

By: John Klavins  
Title: Community Corrections Director  
Date: 9/2/2020  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**3. STATE AGENCY**

DocuSigned by: Curtis Shanklin  
By: \_\_\_\_\_  
(with delegated authority) Curtis Shanklin  
Title: Deputy Commissioner  
Date: 9/3/2020

**4. COMMISSIONER OF ADMINISTRATION**

As delegated to the Office of State Procurement  
DocuSigned by: Pa Bong Thao  
By: \_\_\_\_\_  
Date: 9/4/2020

68318

APPROVED AS TO FORM

John A. Ristad  
ASSISTANT RAMSEY COUNTY ATTORNEY

DATE: 9/16/2020

Distribution:  
Agency  
Governmental Unit  
State's Authorized Representative - Photo Copy

# Board of Commissioners

## Request for Board Action

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**Item Number:** 2020-294

**Meeting Date:** 10/20/2020

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**Sponsor:** Human Resources

**Title**

Agreement with CorVel Healthcare Corporation for Workers' Compensation Managed Medical Care Services

**Recommendation**

1. Approve the selection of and the rate setting Agreement with CorVel Healthcare Corporation, 2010 Main Street, Suite 600 Irvine CA 92614, with a local address of 3001 NE Broadway Street, Suite 600, Minneapolis MN 55413 for workers' compensation medical and disability case management services for the period of October 21, 2020 to October 20, 2022 with the option to renew for three additional one-year periods.
2. Authorize the Chair and Chief Clerk to execute the agreement.
3. Authorize the County Manager to execute amendments to the agreement in accordance with the provisions of the agreement and the County's procurement policies and procedures provided the amounts are within the limits of the funding.

**Background**

Ramsey County relies on the services of a managed medical care program to help control the medical and disability costs associated with its workers' compensation benefits program. The Ramsey County Human Resources Department issued a competitive solicitation for these services on March 13, 2020. The County received two proposals.

Below is a competitive solicitation summary:

Request for Proposals (RFP Title):	Workers' Compensation Managed Medical Care Services
RFP Release Date:	March 13, 2020
RFP Response Date:	April 2, 2020
Number of Contractors Notified:	251
Respondents:	CorVel Healthcare Corporation, Inc, Rising Medical Solutions, LLC
Proposal Evaluation Committee:	Human Resources Manager, Benefits/Claims/Transactions Specialist, Clerk Typist 3
RFP Evaluation Criteria:	Contractor Qualifications, Key Personnel Qualifications, Project Understanding and Approach, Cost, Familiarity with County's claims administration and software applications
Contractor Recommended:	CorVel Healthcare Corporation, Inc.

The evaluation team reviewed the proposals based on the criteria that were identified in the competitive solicitation and recommends CorVel Healthcare Corporation, Inc. to provide services for a period of up to five years (October 21, 2020 - October 20, 2025) to include medical/disability case management, medical bill review/repricing and pharmacy/durable medical equipment management services at the rates stated within the agreement.



**County Goals** (Check those advanced by Action)

- Well-being       Prosperity       Opportunity       Accountability

**Racial Equity Impact**

Services provided under this contract are intended to help employees of all cultures and ethnicities navigate the medical considerations and treatment alternatives available in the healthcare marketplace. Medical care that is appropriate for the medical condition while also being respectful of the cultural expectations of the employee are a focal point when providing case management services under this contract.

**Community Participation Level and Impact**

The community is informed about this action through County Board documentation available at <https://ramseynet.us/county-governance/board-commissioners>.

- Inform       Consult       Involve       Collaborate       Empower

**Fiscal Impact**

County Departments budget an annual workers' compensation premium expense based on prior loss experience and payroll exposure. These budgeted amounts are allocated to a workers' compensation risk pool account to cover program expenses. Sufficient funds are available in the County's workers' compensation risk pool account to cover the costs of this agreement.

**County Manager Comments**

County Board approval is required for agreements selected as a result of a Request for Proposals process.

**Last Previous Action**

None.

**Attachments**

1. Professional Services Agreement with CorVel Healthcare Corporation, Inc
2. Attachments A-C and Exhibits A-B

## Professional Services Agreement

This is an Agreement between Ramsey County, a political subdivision of the State of Minnesota, on behalf of Human Resources, 121 7th Place East, Suite 2100, Saint Paul, MN 55101 ("County") and CorVel Healthcare Corporation, 111 SW 5th Avenue, Suite 200, Portland, OR 97201, registered as a Corporation in the State of Minnesota ("Contractor").

### 1. Term

#### 1.1.

The original term of this Agreement shall be from October 21, 2020 through October 20, 2022 and may be renewed for up to three (3) additional one year period(s).

The full term of this agreement (including renewals) is 5 year(s), 0 month(s) and 0 day(s).

#### 1.1.1.

Contract renewals shall be made by way of a written Amendment to the original contract and signed by authorized representatives.

### 2. Scope of Service

The County agrees to purchase, and the Contractor agrees to furnish, services described as follows:

#### 2.1.

Per the Contractor's Workers' Compensation Medical Management Proposal dated April 9, 2020 and in compliance with the County's Information Security for On Premise Solutions ("Information Security Exhibit") attached as Exhibit A and Hosting and/or Cloud Services and Security Standards ("Hosting Security Exhibit") as Exhibit B. Contractor grants County use of their system incorporated herein as Attachment A – Rider A CareMC License Agreement.

#### 2.2.

The Contractor shall provide services and/or other resources that will assist the County in improving control of the costs associated with medical care and the length of disability for County employees receiving Workers Compensation benefits. The method of delivering these services is expected to integrate seamlessly with the County's existing claims management software technology and approach to claims management. The County is seeking services in the following areas:

Medical Case Management. Services are to include:

- a) Development of treatment plans in consultation with the County's claims representative
- b) Coordination of appropriate care including prior approval for diagnostics or medical procedures and need for utilization review
- c) Ongoing contact with employees to point of maximum medical improvement
- d) Communication with medical practitioners as needed to promote appropriate diagnosis-related care and return to work expectations
- e) Coordination of medical coverages available that incorporates the benefit availability of the health care plan in order to treat the "whole person"
- f) Medically certified staff dedicated to this account
- g) A medical advisor able to provide consultation on the appropriateness of treatment, review for return to work or fitness for duty concerns and advise on interpretation of treatment parameters and PPD guidelines.
- h) Statistical reporting on a periodic basis that identifies the billable hours and other case management costs along with # of days open and medical condition(s) being managed.

Medical Bill Review/Repricing/Audit. Services are to include:

- a) Ability to interface with County's current claims management software and accounts payable software systems
- b) Coordination with medical case management services on issues such as utilization, denial of certain medical care, necessity for auditing provider charges
- c) Ability to meet bill processing turnaround times and assure compliance with State requirements including electronic billing expectations
- d) The option to provide check writing services for any bills processed and subsequently approved by the County's claims representative
- e) Report capability that outlines cost savings achieved from services rendered; what is captured and how is it tracked/measured.

PPO or Other Medical Care Network. Contractor's medical care network must:

- a) Have a staffed information/referral phone line for initial injury/illness triage and direction into the network where appropriate
- b) Demonstrate occupational health focused screening/certification procedures used for creating or adding to the provider network
- c) Offer a diverse and geographically accessible medical provider network that meets the County's needs while also controlling the frequency and cost of services rendered
- d) Have staff and/or methods used to provide quality control and general oversight of the provider network
- e) Have the ability to provide electronic reports showing network utilization and diagnosis-based outcome measures.

Disability Case Management. Services are to include:

- a) Development of a return to work plan that is both injury/illness and occupation appropriate
- b) Communication with the employee, employer and claims representative on return to work barriers including psychosocial implications
- c) Coordination with other available services such as the County's Employee Assistance Provider or Human Resources staff with responsibility for employment development
- d) Knowledge of federal and state laws regarding persons with disability (i.e. ADA and FMLA)
- e) Knowledge of accommodations which promote early and effective return to work and stay at work expectations.

Pharmacy and/or Durable Medical Equipment Management. Services are to include:

- a) Network penetration that captures at least 90% of the pharmacies in the 7-county metro area
- b) Initial benefit card with time and quantity limitations
- c) No out of pocket costs for claimants
- d) Pharmacy monitoring for potential misuse
- e) Convenient access to comprehensive durable medical and medical supplies

2.2.1. Other Expectations  
1. County Data

The Contractor shall provide the County with all County Data upon termination or at any earlier time in the format reasonably requested by the County at no additional cost to the County. In addition, to the extent the County requests Transition Services, the Contractor will provide such Transition Services as defined and provided below. The return of the County Data will either be provided once Transition Services are completed, or earlier, as requested by the County. The Contractor shall not destroy the County Data until such time as the County has confirmed successful access to the returned County Data.

A. Definitions

- i. "Transition Services" means those Services that are provided by Contractor to County at the time of expiration or termination of the Agreement, service order, SOW, or any other termination of services, along with any new services that County may require to transfer County Data, and the affected Services to County or to any third party designated and authorized by County.
- ii. "Transition Services Period" means a period of six (6) months, or as otherwise described in the Agreement, service order or SOW, for the orderly transition of services and transfer of any County Data to County or another service provider, beginning upon the expiration of the Agreement, service order, SOW, or other termination of services.
- iii. "Transition Services Plan" is the written methodology and approach, including Deliverables and timelines that Contractor will use to deliver the Transition Services during the Transition Services Period.

#### B. Transition Services

In connection with the expiration or termination of the Agreement, any service order, or SOW, for any reason, and notwithstanding any dispute between the Parties, Contractor will provide Transition Services for the Transition Services Period, or as otherwise agreed upon between the Parties as follows: (i) Applicable Requirements and Access. At no additional cost Contractor will provide County and any designated third-party service provider in writing, to the extent applicable, applicable standards, policies, operating procedures, and other documentation relating to the affected services; (ii) Development of Transition Services Plan. If requested by County, at Contractor's expense, Contractor will assist County and its designated third-party service provider in developing a Transition Services Plan; (iii) Comparable Fees. Contractor shall provide the Transition Services during the Transition Service Period at fees that are no greater than fees charged County for comparable services prior to termination or if comparable services were not performed for County prior to termination or expiration, then at fees no greater than the fees charged by Contractor to other similarly situated customers or fair market value, whichever amount is less; (iv) Post Transition Services Period. For up to three (3) months after the Transition Services Period, at no cost to County, Contractor will answer all reasonable and pertinent verbal or written questions from County regarding the services on an "as needed" basis as agreed to by the Parties, and deliver to the County any County owned reports materials and information including without limitation any County Data that might still be in the possession of Contractor; and (v) Absolute Obligation. Contractor agrees that it has an absolute and unconditional obligation to provide County with Transition Services and Contractor's quality and level of performance during the Transition Service Period will continue to adhere to all requirements of the Agreement.

#### 2.2.2 System Testing and Acceptance

1) Upon determination by the Contract that the Integrations/Interfaces have been successfully installed in a test environment and all environments perform in accordance with the provisions of the resulting Agreement, including the System documentation, the County shall commence a mutually agreed to a Testing and Acceptance period ("Testing Period"). 2) The County will notify the Contractor of any defects or deficiencies identified during the Testing Period and the Contractor will correct the defects and deficiencies or present a plan acceptable to the County that addresses the deficiencies in a time period agreed to by the parties. 3) Upon resolution of all defects and deficiencies identified during the Testing Period, completion of training, and receipt of training and System materials and documentation, the County will provide written System Acceptance to the Contractor.

Deliverables: User Acceptance Test (usually completed by the County) completely developed and configured Integrations/Interfaces installed in a Test Environment; Testing Defect Report

with all defects showing fixed, passed and accepted by the County; updates to System Functionality and Training documentation; fully tested and accepted legacy system data. system data.

2.2.3. Amendments for Modules/Product/Services

The County reserves the right throughout the term of the resulting agreement to add, delete or acquire other modules, products or services that the Contractor can supply that are similar to, but not specifically called for in this solicitation. All changes, including SOWs or Service Orders, require a written amendment to the contract and work cannot begin until the amendment is electronically approved by those who are authorized by the County and the Contractor.

If a statement of work (SOW) is required, reference the County's SOW template is shown on Attachment B.

Any contract amendments for additional modules/features will pertain only to those requested and will not result in any further renegotiations of the existing contract terms and conditions.

2.3.

Services shall be provided at Ramsey County facilities, online and Contractor's facilities. If services are provided at any other locations, it shall be deemed an alteration of this Agreement that must be reduced to writing.

2.4.

The Contractor shall make every reasonable effort to maintain a sufficient staff, facilities, and equipment to deliver the services. The Contractor shall within ten (10) days notify the County in writing whenever it is, or reasonably believes it is going to be, unable to provide the required quality or quantity of services. The foregoing conditions will be subject to the provisions of the Force Majeure Clause of this Agreement.

2.5.

The Contractor shall make every reasonable effort to provide services in a universally accessible, multi-cultural and/or multi-lingual manner to persons of diverse populations.

2.6.

The Contractor agrees to furnish the County with additional programmatic and financial information it reasonably requires for effective monitoring of services. Such information shall be furnished within a reasonable period, set by the County, upon request.

**3. Schedule**

The Contractor shall provide services as and if requested by the County, it being understood that the County might not purchase any services under this Agreement.

**4. Cost**

4.1.

The County shall pay the Contractor the following unit rates:

Reference Attachment C: Cost Proposal

**5. County Roles and Responsibilities**

The County shall

- Provide the Contractor with injury claim notice within two (2) business days of receipt by the

Ramsey County Human Resources Department.

- Notify the Contractor with regard to compensability or other claims status as appropriate.
- Review the medical provider payment recommendations generated by the Contractor, provide acceptance or denial of scheduled payments and transmit to the Contractor those funds required for payment of authorized provider bills and the Contractor's medical bill review fees.
- Pay the Contractor for services described in this agreement, in accordance with Attachment C.
- Warrant and represent that the County's Workers' Compensation Program complies in all material respects with the applicable requirements of any federal or state laws and regulations pertaining to workers' compensation.

## **6. General Contract/Agreement Terms and Conditions**

### **6.1. Payment**

#### **6.1.1.**

No payment will be made until the invoice has been approved by the County.

#### **6.1.2.**

Payments shall be made when the materials/services have been received in accordance with the provisions of the resulting contract.

### **6.2. Application for Payments**

#### **6.2.1.**

The Contractor shall submit an invoice as mutually agreed upon by Contractor and the County.

#### **6.2.2.**

Invoices for any goods or services not identified in this Agreement will be disallowed.

#### **6.2.3.**

Each application for payment shall contain the order/contract number, an itemized list of goods or services furnished and dates of services provided, cost per item or service, and total invoice amount.

#### **6.2.4.**

Payment shall be made within thirty-five (35) calendar days after the date of receipt of a detailed invoice and verification of the charges. At no time will cumulative payments to the Contractor exceed the percentage of project completion, as determined by the County.

#### **6.2.5.**

Payment of interest and disputes regarding payment shall be governed by the provisions of Minnesota Statutes §471.425.

#### **6.2.6.**

The Contractor shall pay any subcontractor within ten days of the Contractor's receipt of payment from the County for undisputed services provided by the subcontractor. The Contractor shall pay interest of 1 1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100.00 or more is \$10.00. For an unpaid balance of less than \$100.00, the Contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect

interest penalties from the Contractor must be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

### **6.3. Independent Contractor**

The Contractor is and shall remain an independent contractor throughout the term of this Agreement and nothing herein is intended to create, or shall be construed as creating, the relationship of partners or joint ventures between the parties or as constituting the Contractor as an employee of the County.

### **6.4. Successors, Subcontracting and Assignment**

#### **6.4.1.**

The Contractor binds itself, its partners, successors, assigns and legal representatives to the County in respect to all covenants and obligations contained in this Agreement.

#### **6.4.2.**

The Contractor shall not assign or transfer any interest in this Agreement without prior written approval of the County and subject to such conditions and provisions as the County may deem necessary.

#### **6.4.3.**

The Contractor shall not enter into any subcontract for performance of any services under this Agreement without the prior written approval of the County. The Contractor shall be responsible for the performance of all subcontractors.

### **6.5. Compliance With Legal Requirements**

#### **6.5.1.**

The Contractor shall comply with all applicable federal, state and local laws and the rules and regulations of any regulatory body acting thereunder and all licenses, certifications and other requirements necessary for the execution and completion of the contract.

#### **6.5.2.**

Unless otherwise provided in the agreement, the Contractor, at its own expense, shall secure and pay for all permits, fees, charges, duties, licenses, certifications, inspections, and other requirements and approvals necessary for the execution and completion of the contract, including registration to do business in Minnesota with the Secretary of State's Office.

### **6.6. Data Practices**

#### **6.6.1.**

All data collected, created, received, maintained or disseminated for any purpose in the course of the Contractor's performance under this Agreement is subject to the provisions of the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

#### **6.6.2.**

The Contractor designates Katie Friend as its Responsible Designee, pursuant to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.02 Subdivision 6, as the individual responsible for any set of data collected to be maintained by Contractor in the execution of this Agreement.

**6.6.3.**

The Contractor shall take all reasonable measures to secure the computers or any other storage devices in which County data is contained or which are used to access County data in the course of providing services under this Agreement. Access to County data shall be limited to those persons with a need to know for the provision of services by the Contractor. Except where client services or construction are provided, at the end of the Project all County data will be purged from the Contractor's computers and storage devices used for the Project and the Contractor shall give the County written verification that the data has been purged.

**6.7. Security**

**6.7.1.**

The Contractor is required to comply with all applicable Ramsey County Information Services Security Policies ("Policies"), as published and updated by Information Services Information Security. The Policies can be made available on request.

**6.7.2.**

Contractors shall report to Ramsey County any privacy or security incident regarding the information of which it becomes aware. "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with System operations in an information system. "Privacy incident" means violation of the Minnesota Government Data Practices Act (MGDPA) and/or the HIPAA Privacy Rule (45 C.F.R. Part 164, Subpart E), including, but not limited to, improper and/or unauthorized use or disclosure of protected information, and incidents in which the confidentiality of the information maintained by it has been breached. This report must be in writing and sent to the County not more than 7 days after learning of such non-permitted use or disclosure. Such a report will at least: (1) Identify the nature of the non-permitted use or disclosure; (2) Identify the data used or disclosed; (3) Identify who made the non-permitted use or disclosure and who received the non-permitted or violating disclosure; (4) Identify what corrective action was taken or will be taken to prevent further non-permitted uses or disclosures; (5) Identify what was done or will be done to mitigate any deleterious effect of the non-permitted use or disclosure; and (6) Provide such other information, including any written documentation, as the County may reasonably request. The Contractor is responsible for notifying all affected individuals whose sensitive data may have been compromised as a result of the Security or Privacy incident.

**6.7.3.**

Contractors must ensure that any agents (including contractors and subcontractors), analysts, and others to whom it provides protected information, agree in writing to be bound by the same restrictions and conditions that apply to it with respect to such information.

**6.7.4.**

The County retains the right to inspect and review the Contractor's operations for potential risks to County operations or data. The review may include a review of the physical site, technical vulnerabilities testing, and an inspection of documentation such as security test results, IT audits, and disaster recovery plans.

**6.7.5.**

All County data and intellectual property stored in the Contractor's system is the exclusive property of the County.



## **6.8. Indemnification**

The Contractor shall indemnify, hold harmless and defend the County, its officials, agents, and employees against any and all liability, losses, costs, damages, expenses, claims or actions, including reasonable attorney's fees, which the County, its officials, agents, or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of the Contractor, or its subcontractors, and their officers, agents or employees, in the execution, performance, or failure to adequately perform the Contractor's obligations pursuant to this Agreement.

## **6.9. Contractor's Insurance**

### **6.9.1.**

The Contractor shall purchase and maintain such insurance as will protect the Contractor from claims which may arise out of, or result from, the Contractor's operations under this Agreement, whether such operations are by the Contractor or by any subcontractor, or by anyone directly employed by them, or by anyone for whose acts or omissions anyone of them may be liable.

### **6.9.2.**

Throughout the term of this Agreement, the Contractor shall secure the following coverages and comply with all provisions noted. Certificates of Insurance shall be issued to the County contracting department evidencing such coverage to the County throughout the term of this Agreement.

### **6.9.3.**

Commercial general liability of no less than \$500,000 per claim, \$1,500,000 per occurrence, \$2,000,000 general aggregate, \$2,000,000 products/completed operations total limit, \$1,500,000 personal injury and advertising liability.

#### **6.9.3.1.**

All policies shall be written on an occurrence basis using ISO form CG 00 01 or its equivalent. Coverage shall include contractual liability and XCU. Contractor will be required to provide proof of completed operations coverage for 3 years after substantial completion.

#### **6.9.3.2.**

The Contractor is required to add Ramsey County, its officials, employees, volunteers and agents as Additional Insured to the Contractor's Commercial General Liability, Auto Liability, Pollution and Umbrella policies with respect to liabilities caused in whole or part by Contractor's acts or omissions, or the acts or omissions of those acting on Contractor's behalf in the performance of the ongoing operations, services and completed operations of the Contractor under this Agreement. The coverage shall be primary and non-contributory.

### **6.9.4.**

Professional liability of no less than \$1,000,000 per claim and \$3,000,000 aggregate limit.

#### **6.9.4.1.**

Certificate of Insurance must indicate if the policy is issued on a claims-made or occurrence basis. If coverage is carried on a claims-made basis, then 1) the retroactive date shall be noted on the Certificate and shall be prior to or the day of the inception of the contract; and 2) evidence of coverage shall be provided for three years beyond expiration of the contract.

**6.9.4.2.**

Ramsey County, its officials, employees, and agents, shall be added to the policy as additional insured; a separation of insureds endorsement shall be provided to the benefit of the County.

**6.9.5.**

Workers' Compensation as required by Minnesota Law. Employer's liability with limits of \$500,000/\$500,000/\$500,000.

**6.9.6.**

An umbrella or excess liability policy over primary liability insurance coverages is an acceptable method to provide the required commercial general liability and employer's liability insurance amounts. If provided to meet coverage requirements, the umbrella or excess liability policy must follow form of underlying coverages and be so noted on the required Certificate(s) of Insurance.

**6.9.7.**

Contractor shall obtain and maintain Network Security and Privacy Liability Insurance, including first-party and third-party costs, for any privacy breach or security failure arising out of Contractor's performance of its services under this Contract that compromises Ramsey County data.

\$1,000,000 – per occurrence  
\$2,000,000 – annual aggregate

If the policy is claims-made, the retroactive/prior acts date of such coverage shall be prior to the effective date of this Contract and Contractor shall maintain such insurance for a period of at least three (3) years following completion of the work.

**6.9.8.**

If the Contractor is driving on behalf of the County as part of the Contractor's services under the Agreement, a minimum of \$1,000,000 combined single limit auto liability, including hired, owned, and non-owned.

**6.9.9.**

The Contractor waives all rights against Ramsey County, its officials, employees, volunteers or agents for recovery of damages to the extent these damages are covered by the general liability, worker's compensation, and employers liability, automobile liability and umbrella liability insurance required of the Contractor under this Agreement.

**6.9.10.**

These are minimum insurance requirements. It is the sole responsibility of the Contractor to determine the need for and to procure additional insurance which may be needed in connection with this Agreement. Copies of policies shall be submitted to the County upon written request.

**6.9.11.**

Certificates shall specifically indicate if the policy is written with an admitted or non-admitted carrier. Best's Rating for the insurer shall be noted on the Certificate, and shall not be less than an A-

**6.9.12.**

The Contractor shall not commence work until it has obtained the required insurance and if required by this Agreement, provided an acceptable Certificate of Insurance to the County.

**6.9.13.**

All Certificates of Insurance shall provide that the insurer give the County prior written notice of cancellation or non-renewal of the policy as required by the policy provisions of Minn. Stat. Ch. 60A, as applicable. Further, all Certificates of Insurance to evidence that insurer will provide at least thirty (30) days written notice to County for cancellation due to non-payment of premium.

**6.9.14.**

Nothing in this Agreement shall constitute a waiver by the County of any statutory or common law immunities, defenses, limits, or exceptions on liability.

**6.9.15.**

A Crime and Fidelity Bond is required if the Contractor is handling money for the County or has fiduciary responsibilities. The required amount will be as set forth in the solicitation document.

**6.10. Audit**

Until the expiration of six years after the furnishing of services pursuant to this Agreement, the Contractor, upon request, shall make available to the County, the State Auditor, or the County's ultimate funding source, a copy of the Agreement, and the books, documents, records, and accounting procedures and practices of the Contractor relating to this Agreement.

**6.11. Notices**

All notices under this Agreement, and any amendments to this Agreement, shall be in writing and shall be deemed given when delivered by certified mail, return receipt requested, postage prepaid, when delivered via personal service or when received if sent by overnight courier. All notices shall be directed to the Parties at the respective addresses set forth below. If the name and/or address of the representatives changes, notice of such change shall be given to the other Party in accordance with the provisions of this section.

**County:**

Greg Anderson, Ramsey County Human Resources Department, 121 7th Place East, Suite 2100, Saint Paul, MN 55101

**Contractor:**

Katie Friend, CorVel Healthcare Corporation, 3001 NE Broadway St, Suite 600, Minneapolis, MN 55413

**6.12. Non-Conforming Services**

The acceptance by the County of any non-conforming goods/services under the terms of this Agreement or the foregoing by the County of any of the rights or remedies arising under the terms of this Agreement shall not constitute a waiver of the County's right to conforming services or any rights and/or remedies in respect to any subsequent breach or default of the terms of this Agreement. The rights and remedies of the County provided or referred to under the terms of this Agreement are cumulative and not mutually exclusive.

### **6.13. Setoff**

Notwithstanding any provision of this Agreement to the contrary, the Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of the contract by the Contractor. The County may withhold any payment to the Contractor for the purpose of setoff until such time as the exact amount of damages due the County from the Contractor is determined.

### **6.14. Conflict of Interest**

The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this subparagraph shall be deemed a material breach of this Agreement.

### **6.15. Respectful Workplace and Violence Prevention**

The Contractor shall make all reasonable efforts to ensure that the Contractor's employees, officers, agents, and subcontractors do not engage in violence while performing under this Agreement. Violence, as defined by the Ramsey County Respectful Workplace and Violence Prevention Policy, is defined as words and actions that hurt or attempt to threaten or hurt people; it is any action involving the use of physical force, harassment, intimidation, disrespect, or misuse of power and authority, where the impact is to cause pain, fear or injury.

### **6.16. Force Majeure**

Neither party shall be liable for any loss or damage incurred by the other party as a result of events outside the control of the party ("Force Majeure Events") including, but not limited to: war, storms, flooding, fires, strikes, legal acts of public authorities, or acts of government in time of war or national emergency.

### **6.17. Unavailability of Funding - Termination**

The purchase of goods and/or labor services or professional and client services from the Contractor under this Agreement is subject to the availability and provision of funding from the United States, the State of Minnesota, or other funding sources, and the appropriation of funds by the Board of County Commissioners. The County may immediately terminate this Agreement if the funding for the purchase is no longer available or is not appropriated by the Board of County Commissioners. Upon receipt of the County's notice of termination of this Agreement the Contractor shall take all actions necessary to discontinue further commitments of funds to this Agreement. Termination shall be treated as termination without cause and will not result in any penalty or expense to the County.

### **6.18. Termination**

#### **6.18.1.**

The County may immediately terminate this Agreement if any proceeding or other action is filed by or against the Contractor seeking reorganization, liquidation, dissolution, or insolvency of the Contractor under any law relating to bankruptcy, insolvency or relief of debtors. The Contractor shall notify the County upon the commencement of such proceedings or other action.

#### **6.18.2.**

If the Contractor violates any material terms or conditions of this Agreement the County may, without prejudice to any right or remedy, give the Contractor, and its surety, if any,

seven (7) calendar days written notice of its intent to terminate this Agreement, specifying the asserted breach. If the Contractor fails to cure the deficiency within the seven (7) day cure period, this Agreement shall terminate upon expiration of the cure period.

**6.18.3.**

The County may terminate this Agreement without cause upon giving at least thirty (30) calendar days written notice thereof to the Contractor. In such event, the Contractor shall be entitled to receive compensation for services provided in compliance with the provisions of this Agreement, up to and including the effective date of termination.

**6.18.4.**

Contractor may terminate this Agreement without cause upon giving at least ninety (90) calendar day written notice thereof to the County. In such event the Contractor shall be entitled to receive compensation for services provided in compliance with the provisions of this Agreement, up to and including the effective date of termination,

**6.19. Interpretation of Agreement; Venue**

**6.19.1.**

The Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the appropriate State or Federal District Court in Ramsey County, Minnesota.

**6.19.2.**

The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.

**6.20. Warranty**

The Contractor warrants that it has the legal right to provide the goods and services identified in this Agreement and further warrants that the goods and services provided shall be in compliance with the provisions of this Agreement.

**6.21. Infringement**

**6.21.1.**

Complementary to other "hold harmless" provisions included in this Agreement, the Contractor shall, without cost to the County, defend, indemnify, and hold the County, its officials, officers, and employees harmless against any and all claims, suits, liability, losses, judgments, and other expenses arising out of or related to any claim that the County's use or possession of the software, licenses, materials, reports, documents, data, or documentation obtained under the terms of this Agreement, violates or infringes upon any patents, copyrights, trademarks, trade secrets, or other proprietary rights or information, provided that the Contractor is promptly notified in writing of such claim. The Contractor will have the right to control the defense of any such claim, lawsuit, or other proceeding. The County will in no instance settle any such claim, lawsuit, or proceeding without the Contractor's prior written approval.

**6.21.2.**

If, as a result of any claim of infringement of rights, the Contractor or County is enjoined from using, marketing, or supporting any product or service provided under the agreement with the County (or if the Contractor comes to believe such enjoinderment imminent), the Contractor shall either arrange for the County to continue using the

software, licenses, materials, reports, documents, data, or documentation at no additional cost to the County, or propose an equivalent, subject to County approval. The acceptance of a proposed equivalent will be at the County's sole discretion. If no alternative is found acceptable to the County acting in good faith, the Contractor shall remove the software, licenses, materials, reports, documents, data, or documentation and refund any fees and any other costs paid by the County in conjunction with the use thereof.

## **6.22. Debarment and Suspension**

Ramsey County has enacted Ordinance 2013-330 [Ramsey County Debarment Ordinance](#) that prohibits the County from contracting with contractors who have been debarred or suspended by the State of Minnesota and/or Ramsey County.

## **6.23. Diverse Workforce Inclusion**

For information and assistance in increasing the participation of women and minorities, contractors are encouraged to access the web sites below:

1. <http://www.JobConnectmn.com/>
2. <http://www.ConstructionHiringConnection.com/>

Job Connect and the Construction Hiring Connection provide a recruiting source for employers and contractors to post job openings and source diverse candidates.

Ramsey County's Job Connect links job seekers, employers, and workforce professionals together through our website, networking events and community outreach. The network includes over 10,000 subscribed job seekers ranging from entry-level to highly skilled and experienced professionals across a broad spectrum of industries.

Employers participate in the network by posting open jobs, meeting with workforce professionals and attending hiring events. Over 200 Twin Cities community agencies, all working with job seekers, participate in the network.

Ramsey County's Construction Hiring Connection (CHC) is an online and in-person network dedicated to the construction industry. The Construction Hiring Connection connects contractors and job seekers with employment opportunities, community resources and skills training related to the construction industry. Construction Hiring Connection is a tool for contractors to help meet diversity hiring goals. Over 1000 construction workers, representing all trades, ranging from newly graduated to journey level, are subscribed to the Construction Hiring Connection.

Additional assistance is available through [jobconnectmn@ramseycounty.us](mailto:jobconnectmn@ramseycounty.us) or call 651-266-6042.

## **6.24. Alteration**

Any alteration, variation, modification, or waiver of the provisions of this Agreement shall be valid only after it has been reduced to writing and signed by both parties.

## **6.25. Entire Agreement**

The written Agreement, including all attachments, represent the entire and integrated agreement between the parties hereto and supersede all prior negotiations, representations or contracts, either written or oral. No subsequent agreement between the County and the Contractor to waive or alter any of the provisions of this Agreement shall be valid unless made in the form of a written Amendment to this Agreement signed by authorized representatives of the parties.

## 7. Special Contract Terms and Conditions

### 7.1. Interfaces/Integrations

Any interfaces and/or integrations with County software systems must be approved by the County's Information Services Department before any implementation work can begin

### 7.2. Multi-Factor Authentication.

Access by Contractor to the any County software solution must be gained through Multi-Factor Authentication.

### 7.3. Warranty

Contractor warrants that the services and deliverables will not contain, and Contractor, its employees or Contractor's Agents will not introduce through data transmission or any other means, any virus, ransomware, malware, spyware, bomb, worm, trap door, back door, Trojan horse, malicious logic, drop dead device, software lock, disabling code or any other contaminant, program routine or disabling device, including without limitation, any key, timer, clock, counter, local shared object/flash cookies or other self-enacting device or limiting routines, codes, commands, or instructions or other feature that may have the effect or that could be used to access, track activity on, alter, delete, damage, deactivate, interfere with, disable or otherwise harm any service or deliverable or the County owned, licensed and/or leased computer hardware, software, code, systems, data, compilations of data

### 7.4. Order of Governance

Order of Governance regarding the Terms and Conditions of this Agreement between the parties shall be as follows:

- a. This Professional Services Agreement
- b. Exhibit A - Information Security for On-Premise Solutions ("Information Security Exhibit")
- c. Exhibit B – Hosting and/or Cloud Services and Security Standards ("Hosting Security Exhibit")
- d. Attachment A – Rider A CareMC License Agreement.

# RIDER A

## CareMC License Agreement

This CAREMC LICENSE AGREEMENT (the “CareMC License Agreement”) is incorporated into the Services Agreement (the “Services Agreement”) to which it is attached as an Exhibit. The parties acknowledge and agree that the terms and conditions under which the Managed Care Services are provided by CorVel and received by Customer shall be governed by the Services Agreement (including without limitation all additional Exhibits and applicable Schedules attached thereto), while the terms and conditions under which Customer may access and use the Online Services shall be governed by the terms and conditions of this CareMC License Agreement. All defined terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Services Agreement.

### 1. ACCESS TO THE CAREMC APPLICATION

A. Terms of Use. The parties acknowledge and agree that the terms and conditions under which particular Managed Care Services are provided by CorVel and the terms and conditions under which Customer may access and use the CareMC Application in order to utilize the online and automated components of such Managed Care Service (the “Online Services”) shall be governed by the terms and conditions of this License Agreement.

B. Registration Information. Prior to accessing the CareMC Application, Customer shall provide CorVel with certain registration information requested therein (“Registration Information”). Customer represents and warrants that (i) the Registration Information Customer provides is true, accurate, current and complete, and (ii) the Registration Information will be updated as necessary to keep such data true, accurate, current and complete.

C. Passwords and Levels of Access. As soon as practicable after the execution of this License Agreement, CorVel shall provide a master password to Customer that allows Customer initial access to the Online Services (the “Master Password”). Customer shall then designate two groups of Authorized Users. The first group of Authorized Users (“Restricted Users”) shall have access to all data available on the CareMC Site except data that constitutes or contains “protected health information” (“PHI Data”). Each Restricted User shall initially access the Online Services by means of the Master Password, then shall be required to choose his/her own unique password (each, a “Restricted Password”) for all future access. The second group of Authorized Users (“Non-Restricted Users”) shall have access to all data available through the CareMC Application, including PHI Data, but shall only have access to PHI Data to the extent necessary for Customer to render payment on a claim, and then only to those portions or amounts of PHI Data that are determined by CorVel, in its sole discretion, to be the minimum necessary for Customer to render payment on such claim. Each Non-Restricted User will be required to choose a second unique password (each, a “Non-Restricted Password”) which will enable his/her to access PHI Data on the foregoing terms.

D. Non-Restricted Users. Customer represents and warrants to CorVel that each Non-Restricted User who accesses PHI Data will do so solely in order for Customer to render payment on the applicable claim.

E. Security of Passwords. Customer acknowledges and agrees that it shall be solely responsible for (i) selecting Authorized Users, (ii) assigning the various levels of authority and access each Authorized User may have to the CareMC Application, Online Services and Customer Data, including by determining which Authorized Users shall be Non-Restricted Users, (iii) ensuring that only Authorized Users have access to the Master Password, only Restricted Users have access to the Restricted Passwords and only Non-Restricted Users have access to Non-Restricted Passwords, (iv) implementing a system to control, track and account for all Restricted Passwords and Non-Restricted Passwords, (v) strictly maintaining the confidentiality and integrity of the Master Password, Restricted Passwords and Non-Restricted Passwords and levels of authority among Authorized Users, and (iv) ensuring that Authorized Users shall at all times comply with the terms and conditions of this License Agreement. Customer further agrees that it shall notify CorVel immediately in writing if the security or integrity of a password has been compromised.

F. Customer Data. Responsibility for ensuring that the content and data input into the CareMC Application by Customer or Authorized Users (“Customer Data”) is accurate, reflects Customer’s requirements and is entered correctly lies solely with Customer. All data generated by and through Customer’s use of the CareMC Application and Online Services shall reside on CorVel’s server and Microsoft’s Azure cloud system. CorVel reserves the right to temporarily suspend access to any Customer Data that it determines, in its sole discretion, violates the terms and conditions of this License Agreement or any applicable laws.



G. Use of Customer Data. CorVel shall have the right to use Customer Data to fulfill its obligations under this License Agreement. Further, nothing shall prohibit CorVel from using aggregate, non-identifying, statistical data generated through its customers', including Customer's, use of the CareMC Application, Online Services and CareMC Site for analytical purposes, provided that CorVel shall not use or disclose any such data or information in a manner that would reveal the identity of, or other confidential information concerning, Customer. Such aggregate, non-identifying statistical data could include, without limitation, statistics regarding the usage of, number of case referrals generated by and/or efficiencies gained by CorVel customers through their use of the CareMC Application, Online Services and/or CareMC Site.

H. Changes to the CareMC Application. CorVel reserves the right, at any time in its sole discretion and without liability to Customer, to delete or change features of the CareMC Application, CareMC Site or Online Services provided such changes do not materially alter the functionality, efficiency or performance of the CareMC Application.

## 2. LICENSE AND RESTRICTIONS

A. Limited License. Subject to the terms and conditions of this License Agreement, CorVel grants to Customer during the License Term (as defined in Section 7A below) a limited, non-exclusive, non-transferable, non-sublicensable license to access and use, and allow Authorized Users to access and use, the CareMC Application via the CareMC Site solely for Customer's own internal business use and operations. Customer shall access and use the CareMC Application in accordance with the user's guides and online instruction provided to Customer by CorVel ("Documentation") and all applicable laws, statutes, rules and regulations.

B. Restrictions. Customer shall not, and shall not allow Authorized Users or any third party to (i) rent, lease, re-license or otherwise provide access to the CareMC Application or Online Services to any third party, (ii) alter, modify or create derivative works of the CareMC Application, (iii) use any reverse compilation, decompilation or disassembly techniques or similar methods to determine any design structure, concepts and construction method of the CareMC Application or replicate the functionality of the CareMC Application for any purpose, or (iv) copy the CareMC Application or any content, materials, information and other data provided by CorVel on the CareMC Site or used in providing the Online Services ("CorVel Content") and/or Documentation without CorVel's prior written consent.

C. Third Parties. Customer shall not allow any third party to have access to the CareMC Application or Online Services without prior written consent of CorVel and ensuring that (i) such third party enters into a legally enforceable written agreement with CorVel, or (ii) CorVel and Customer enter into a Letter Agreement whereby Customer assumes all responsibility and liability for such access by third party.

D. Ownership. CorVel owns and shall retain all right, title and interest in and to the CareMC Application, Documentation, CareMC Site, Online Services, CorVel Content and any intellectual property rights inherent therein or arising therefrom. In addition to CorVel's rights in the individual elements of the CorVel Content, CorVel owns a copyright in the selection, coordination, arrangement and enhancement of the CorVel Content. Neither Customer nor any Authorized User shall obtain any ownership rights, express or implied, or any other rights other than those expressly set forth herein in the CareMC Application, Documentation or CorVel Content.

E. Compliance Monitoring and Audits. CorVel may monitor and, at its expense, perform an audit of Customer's use of the CareMC Application and CareMC Site to verify that Customer and Authorized Users are using the CareMC Application in compliance with the terms of this License Agreement. CorVel reserves the right to temporarily suspend Customer's or any Authorized User's access to the CareMC Application in the event Customer or such Authorized User engages in, or CorVel in good faith suspects is engaged in, any unauthorized conduct. CorVel shall use reasonable efforts to immediately notify Customer in writing of its suspension in services, the reasons for such suspension, including the facts and circumstances it believes constitute Customer's unauthorized conduct and shall agree to a reasonable time to conduct the review of the suspension in access.

## 3. INFRASTRUCTURE, MAINTENANCE AND SUPPORT

A. CorVel Infrastructure Obligations. Subject to Customer's compliance with the terms and conditions of this License Agreement, CorVel shall be responsible for providing and maintaining the hardware, software and other equipment required to host the CareMC Application for Customer ("CareMC Infrastructure"). The CareMC Infrastructure is subject to modification by CorVel from time to time for purposes such as adding new functionality, maximizing operating efficiency and upgrading hardware, provided such modifications shall not degrade the performance of the Online Services utilized by Customer. Customer understands and acknowledges that such modifications may require changes to Customer's Internet access and/or telecommunications infrastructure to

maintain Customer's desired level of performance. CorVel shall give Customer a thirty (30) day prior written notice of any such modifications.

B. Customer Infrastructure Obligations. Except for the CareMC Infrastructure, which will be provided by CorVel, Customer shall be responsible for obtaining and maintaining all hardware, software, equipment, Internet access and/or telecommunications services and other items or services furnished by third party vendors or providers ("Third Party Providers") required to enable Customer to access and use the CareMC Application and CareMC Site as contemplated hereunder.

C. Support. CorVel will provide general support regarding questions on the CareMC Application and CareMC Site via email and by telephone from Monday through Friday between the hours of 5:00 a.m. and 6:00 p.m. Pacific Standard Time, excluding holidays.

D. Scheduled Maintenance. CorVel will use reasonable efforts to (i) perform any scheduled downtime outside of Customer's normal business hours, (ii) notify Customer of all scheduled downtimes at least seventy-two (72) hours in advance, and (iii) perform software updates to the CareMC Application with minimal disruption to Customer's use of the Online Services.

E. System Monitoring. CorVel will use reasonable efforts to continuously monitor its web servers and database servers to ensure that they are functioning properly.

F. Security. CorVel will comply with information technology security as described in the County's Hosting Security and On Premise Security Exhibits attached and incorporated into the Agreement as Exhibits A and B and will implement and use industry standard processes to maintain secure systems through the use of firewalls, virtual private networks (VPN), and other security technologies. Any security violations that affect the data of Customer will, within twenty-four (24) hours of a confirmed breach, be immediately report to Customer.

G. Disaster Recovery and Backup. CorVel will perform nightly backups of essential data on its web servers and database servers. CorVel has implemented third party backup and restoration technology to enable high speed recovery of data. CorVel utilizes redundant load balanced industry standard servers for 24x7, 365 day access, except for regularly scheduled system maintenance and upgrade processes. SQL Server databases are hosted on clustered servers offering fail-over capability, redundant communication links, and load balanced application servers. Backup tapes are restored into a test environment not less than quarterly to confirm validity of backups. The CareMC Site has redundant inbound Internet and Intranet connectivity.

H. Professional Managed Care Services. If Customer requires any additional professional services relating to the CareMC Application or Online Services from CorVel including but not limited to integration with Customer's electronic data interfaces (EDIs) or other Customer systems, Customer shall submit a written request to CorVel for such services. CorVel shall, in good faith, consider providing such services at its then-current professional services fee rate and standard terms and conditions. Any change in services under the terms of this Agreement shall not be effective until the parties have executed a written amendment setting forth, at minimum, a description of the additional services, cost and delivery period.

#### 4. REPRESENTATIONS AND WARRANTIES

A. Customer Representations. Customer represents that (i) it has the legal authority to provide the Customer Data to CorVel hereunder, and (ii) it is fully aware and knowledgeable of and shall comply with its duties and responsibilities with respect to the privacy and confidentiality of medical records and protected health information under applicable federal and state laws, including but not limited to those imposed by state and federal privacy laws. Upon written notice to Customer, CorVel may modify or temporarily suspend Customer's access to and use of the CareMC Application, Online Services and/or CareMC Site as necessary to comply with any law or regulation.

B. CorVel Warranties. CorVel warrants that (i) it shall use commercially reasonable professional practices and good workmanship in providing the CareMC Application, and (ii) Customer support will be performed consistent with generally accepted industry standards. These warranties extend only to Customer.

**Exclusive Remedy. For any breach of the foregoing warranties, CorVel's entire liability and Customer's exclusive remedy will be the correction of the problems or errors that cause the breach of warranty, if feasible, or termination of the Agreement.**

5. DISCLAIMERS AND LIMITATIONS A. **DISCLAIMERS. TO THE EXTENT ALLOWED BY APPLICABLE LAW, EXCEPT FOR THE LIMITED WARRANTIES DESCRIBED IN SECTION 4B ABOVE, CORVEL MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A**

**PARTICULAR PURPOSE. CUSTOMER SPECIFICALLY ACKNOWLEDGES AND AGREES AS FOLLOWS:**

(i) Internet Usage. Customer acknowledges that the Internet is essentially an unregulated, insecure and unreliable environment, and that the ability of Customer to access and use the CareMC Application is dependent on the Internet and hardware, software and services provided by various Third Party Providers. CORVEL SHALL NOT BE RESPONSIBLE FOR CUSTOMER'S INABILITY TO ACCESS OR USE THE CAREMC APPLICATION TO THE EXTENT SOLELY CAUSED BY FAILURES OR INTERRUPTIONS OF ANY HARDWARE, SOFTWARE OR SERVICES PROVIDED BY CUSTOMER OR THIRD PARTY PROVIDERS.

(ii) CareMC Application. CUSTOMER ACKNOWLEDGES AND AGREES THAT CORVEL DOES NOT WARRANT THAT THE CAREMC APPLICATION OR ONLINE SERVICES ARE ERROR FREE, THAT CUSTOMER WILL BE ABLE TO ACCESS OR USE THE CAREMC APPLICATION OR ONLINE SERVICES WITHOUT PROBLEMS OR INTERRUPTIONS.

**B. Limitations of Liability.**

**(i) Aggregate Liability. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, AND EXCEPT AS TO DEATH; PERSONAL INJURY; BODILY INJURY; DAMAGE TO TANGIBLE PERSONAL PROPERTY; CORVEL'S GROSS OR WILLFUL MICONDUCT; CORVEL'S FAILURE TO SAFEGUARD NON-PUBLIC DATA RESULTING IN AN UNAUTHORIZED RELEASE OF NON-PUBLIC DATA; OR CORVEL'S FAILURE TO MEET THE DATA PRACTICES, CONFIDENTIALITY, AND SECURITY OBLIGATIONS IN THIS AGREEMENT; CUSTOMER AGREES THAT REGARDLESS OF WHETHER ANY REMEDY IN THIS AGREEMENT FAILS OF ITS ESSENTIAL PURPOSE, IN NO EVENT WILL CORVEL'S AGGREGATE LIABILITY UNDER THIS AGREEMENT EXCEED THE AMOUNT ACTUALLY PAID BY CUSTOMER TO CORVEL UNDER THIS AGREEMENT IN THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE DATE ON WHICH THE FIRST CLAIM ARISES UNDER THIS AGREEMENT, REGARDLESS OF WHETHER CLAIMS UNDER THIS AGREEMENT ARE BROUGHT UNDER TORT, CONTRACT OR ANY OTHER LEGAL OR EQUITABLE THEORY.**

(ii) Exclusion of Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOST PROFITS OR LOST REVENUES) UNDER THIS AGREEMENT, WHETHER OR NOT FORESEEABLE AND REGARDLESS OF WHETHER CLAIMS UNDER THIS AGREEMENT ARE BROUGHT UNDER TORT, CONTRACT OR ANY OTHER LEGAL OR EQUITABLE THEORY.

(iii) THE COUNTY'S LIABILITY IS GOVERNED BY THE MUNICIPAL TORT CLAIMS ACT, MINN. STAT. 466 AND OTHER APPLICABLE LAWS.

**(iv) Acknowledgment. The parties acknowledge that the limitations and disclaimers set forth in this Agreement were an essential element in setting consideration under this Agreement.**

**6. INDEMNIFICATION**

A. Indemnification-Infringement. Subject to Section 6C below, CorVel shall defend any third party suit or action against Customer to the extent such suit or action is based on a claim that Customer's permitted use of the CareMC Application under this Agreement constitutes an infringement of a United States patent, trademark, trade name, trade secret, copyright or other United States intellectual property right, and CorVel will pay those Losses finally awarded against Customer in any monetary settlement or final, non-appealable judgment of such suit or action which are specifically attributable to such claim. This indemnity does not apply to any claims based on Customer's use of the CareMC Application (i) in violation of this Agreement or the Documentation (as defined in the CareMC License Agreement), (ii) in combination with any other software, hardware, network or system where

the alleged infringement relates to such combination, or (iii) based on CorVel's compliance with Customer's instructions, designs or specifications where the alleged infringement relates to such compliance. If any portion of the CareMC Application becomes, or in CorVel's opinion is likely to become, the subject of a claim of infringement, then CorVel may, at its option and expense, procure for Customer the right to continue using the CareMC Application or replace or modify the affected portion of the CareMC Application subject to the County's written approval so that it becomes non-infringing. If neither alternative is reasonably available, CorVel may terminate this Agreement. THE FOREGOING STATES CORVEL'S ENTIRE LIABILITY AND CUSTOMER'S SOLE REMEDY FOR INFRINGEMENT CLAIMS. Notwithstanding the above, the Contractor shall not be responsible for the County's negligent acts, omissions or willful misconduct.

B. Indemnification-General. CorVel shall indemnify, hold harmless and defend Customer, its officials, employees, and agents from any and all liability, loss, costs, damages, expenses, claims or actions, including attorney's fees, which Customer, its officials, employees, and agents may hereafter sustain, incur or be required to pay, arising out of or by reason of any negligent act, omission or willful misconduct of CorVel, its officers, employees, or agents in the execution, performance, or failure to adequately perform CorVel's obligations pursuant to this Agreement. Notwithstanding the above, the Contractor shall not be responsible for the County's negligent acts, omissions or willful misconduct.

C. Conditions. CorVel's indemnification obligations under this Section 6 are contingent upon: (i) the Customer giving prompt written notice to CorVel of any claim under this Section (provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent, and only to the extent, that CorVel shall have been actually prejudiced as a result of such failure), and (ii) at CorVel's request and expense, Customer cooperating in the investigation and defense of such claim(s). Customer shall be entitled to participate in (but not control) such defense and to retain its own counsel, at its own expense. CorVel shall not settle or consent to an adverse judgment in any such claim that adversely affects the rights or interests of Customer or imposes additional obligations on Customer, without the prior express written consent of Customer.

## 7. LICENSE TERM AND TERMINATION

A. Term. Unless provided otherwise, the Term of this Agreement shall run coterminous with the Services Agreement.

B. Termination for Convenience. Either party shall have the right to terminate this License Agreement for any reason or for no reason, upon ninety (90) calendar days written notice to the other party.

C. Termination for Cause. This License Agreement may be terminated by either party for cause as follows: (i) upon thirty (30) calendar days written notice if the other party breaches or defaults under any material provision of this Agreement and does not cures such breach prior to the end of such thirty (30) day period, (ii) effective immediately and without notice if the other party ceases to do business, or otherwise terminates its business operations, except as a result of an assignment, as permitted under the terms and conditions of this License Agreement, or (iii) effective immediately and without notice if the other party becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against the other (and not dismissed within ninety (90) calendar days).

D. Effect. Except to the extent expressly provided to the contrary herein, any right of action for breach of the License Agreement prior to termination, and the following provisions shall survive the termination of this License Agreement: Sections 1G, 2D, 4, 5 and 6. Additionally, upon termination or expiration of the License Agreement (i) CorVel shall provide Customer with any proprietary data belonging to Customer, in the current format in which it is stored at CorVel at the termination of the License Agreement, (ii) all licenses granted under this License Agreement shall terminate immediately, (iii) all rights to use the CareMC Application and Online Services shall cease immediately, and (iv) each party shall promptly return all information, documents, manuals and other materials belonging to the other party related to this License Agreement, whether in printed or electronic form, except as otherwise provided in this License Agreement, including without limitation all confidential information of the other party then currently in its possession.

E. Funding Out Clause. This agreement depends on continued availability of appropriated funds and expenditure authority from the Legislature (including that of the United States, State of Minnesota, and the Ramsey County Board of Commissioners) for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be

terminated by Customer upon a thirty (30) calendar day prior written notice. Termination for any of these reasons is not a default by the Customer nor does it give rise to a claim against Customer.

## **SCHEDULES DESCRIPTIONS OF SERVICES:**

### **Case Management Services Terms and Conditions**

#### **1. DESCRIPTION OF SERVICES**

- (a) Case management services are provided to manage a claimant's case in order to identify the most appropriate rehabilitative treatment and/or most cost-effective health care alternatives ("Case Management Services"). Case managers may confer with the adjuster, attending physician, other medical providers, employer(s), attorney(s), the patient and the patient's family.
- (b) In certain states if requested by Customer, Case Management Services may include vocational rehabilitation services.

#### **2. DELIVERY OF SERVICES**

- (a) CorVel shall provide Case Management Services to Customer upon receipt by CorVel of specific requests from Customer and as mutually agreed through the special handling instructions.
- (b) Telephonic Case Management: Telephonic case management ("TCM") includes a four-point contact with claimant, employer, claims professional and provider. CorVel case managers ("CMs") do the following: (i) facilitate communication among all appropriate parties regarding the diagnosis, prognosis and treatment plan provided by claimant's treating physician, (ii) channel or direct claimant to a PPO Network provider as appropriate, (iii) monitor and facilitate treatment planning, (iv) coordinate early return to work, and (v) subsequently provide periodic assessments of treatment and return to work plans. CMs may recommend additional services or coordinate claim closure, as appropriate.
- (c) Medical/Field Case Management: CorVel's medical/field case management ("MCM") personnel perform field based case management services as directed by the employer and/or Authorized TPA which may include on-site contact with claimant, employer, and provider, as well as telephonic communication with the claims professional. MCM's provide the CM services set forth in Section A above.
- (d) Vocational Case Management: Vocational case management services may include the following: (i) coordinating return to work, (ii) providing job analysis, (iii) assisting with job placement, (iv) providing expert testimony, (v) assisting with job development, (vi) providing job analysis of essential and non-essential duties for employers under the American's With Disabilities Act, (vii) providing vocational testimony, (viii) providing advice regarding job seeking skills, and (ix) providing transferable skills analysis.
- (e) Utilization Review:
  - (i) CorVel's utilization management program reviews proposed inpatient hospital admissions and ambulatory care to determine the appropriateness, frequency, length of stay, and setting for such proposed treatment. In addition, CorVel can monitor and assess the appropriate utilization

of treatment for all orthopedic and soft tissue injuries requiring ambulatory diagnostics and treatment.

- (ii) CorVel nurses make recommendations to the claims adjuster based on nationally accepted medical guidelines, including Optimed Managed Care System, a clinical protocol software; the American College of Occupational and Environmental Medicine (ACOEM) Occupational Medicine Practice Guidelines: Evaluation and Management of Common Health Problems and Functional Recovery in Workers; other nationally accepted treatment practice guidelines, as well as any state mandated treatment guidelines.
- (iii) Any nurse recommendations for limitation or denial of care based on lack of medical necessity are reviewed by a CorVel Physician Advisor. The Physician Advisor makes a final recommendation to the claims adjuster to approve or deny. If a final recommendation is made to deny treatment, the treating physician is notified in writing of the decision and the appeals process.

### **Bill Audit, Review and Payment Services** **Terms and Conditions**

#### **1. DESCRIPTION OF SERVICES**

- (a) CorVel's proprietary computerized bill review software program enables an application of the appropriate Fee Schedule or usual and customary value, and further value-added applications subscribed to by client which includes PPO, Professional Review, Enhanced Bill Review (CERiS), Onsite, and Check writing Services applied to medical provider bills ("Provider Bills"), hospital bills ("Hospital Bills") and, both together, "Bills").
- (b) Fee Schedule or usual and customary services includes:
  - (i) review of current procedural terminology ("CPT"), revenue code, healthcare common procedure coding ("HCPCS") and national drug code ("NDC") at the rate is published and incorporated into the state fee schedule or usual and customary value.
  - (ii) allowance based on specified conversion factor (s) multiply by referenced value(s)

#### **2. DELIVERY OF SERVICES**

- (a) Customer's Obligations
  - (i) During the term of this Agreement, unless agreed to otherwise by the parties in writing, Customer shall utilize CorVel exclusively (even as to Customer) for audit, review and repricing services for Bills related to workers' compensation, auto liability and general liability claims. A breach of the foregoing obligation shall constitute a material breach under this Agreement. Without limiting any other remedies available under law, a breach of the foregoing obligation with respect to PPO (as defined in Schedule 7) Provider Bills will result in immediate termination of all PPO discounts provided by CorVel.
- (b) CorVel's Obligations
  - (i) CorVel shall provide Bill Review Services described herein to Customer upon receipt of specific requests from Customer. In the absence of instructions from Customer to the contrary, which CorVel must approve, Bill Review Services shall be performed as described herein.
  - (ii) Bill Review Services shall be completed within five (5) business days of CorVel's receipt from receipt by CorVel of all necessary billing information from Customer ("Complete Billing Information").

- (iii) To facilitate timely processing CorVel shall process (A) each Provider Bill no later than ten (10) days after CorVel's receipt thereof, and (B) batches of Provider Bills on a daily basis or as volume dictates.
  - (iv) CorVel shall process PPO Provider reimbursements on behalf of Customer within fourteen (14) days from receipt of the corresponding Bill Review Audit analysis from CorVel.
  - (v) CorVel will be responsible for monitoring, "flagging" and returning to Customer duplicate copies of a Bill ("Duplicates").
  - (vi) Any conflicts or complaints from medical providers ("Complaints") concerning Bill Review Services completed by CorVel initially will be handled directly by CorVel. CorVel will provide an initial response to a Complaint within one (1) business day following the date on which CorVel received the Complaint. CorVel will send a written response to the complainant within five (5) working days that summarizes the nature of the Complaint and the steps CorVel has taken to resolve it. A copy of this response will be sent to the attention of the designated Customer representative. Different or more specific parameters of CorVel's authority to respond to and resolve Complaints hereunder may be agreed to the parties. Further, Customer shall have the right, but not the obligation, at any time, to interject itself into a Complaint between CorVel and a medical provider and to resolve the Complaint in a manner acceptable to Customer at its sole discretion. Notwithstanding the foregoing, Customer shall retain full responsibility for payment of all benefits and any other expenses or services required to be paid or provided under applicable policies or state and federal workers' compensation laws.
  - (vii) CorVel agrees to supply Customer, at no additional cost, in the format in which it is then customarily stored by CorVel, a transmission or tape reflecting the results of the Bill Review Services provided hereunder. Such data shall be provided as to further allow for the application of Bill Review fees to the individual claim file, the preparation of insured specific savings reports and the payment of Bill Review fees.
- (c) Savings for the Fee schedule or usual and customary service shall be:
- (i) for states having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the billed amount resulting from the allowance based on specified conversion factor(s) multiply by referenced value(s).
  - (ii) for states not having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from Usual and customary value.
- (d) Scanning Services
- (i) CorVel shall provide Optical Character Recognition ("OCR") Services set forth herein to Customer on request of Customer. Upon receipt of such request CorVel shall scan all bills and attached medical notes delivered to CorVel necessary for providing Bill Review services within seventy-two (72) business hours of CorVel's receipt of such information. Customer shall mark and date/time stamp the claims as instructed by CorVel.
  - (ii) Subject to applicable law and obtaining any required authorizations, CorVel also shall provide OCR Services for such additional claim-related documentation as Customer reasonably requests, for example, case notes, peer review information and independent medical examinations.
  - (iii) All material scanned by CorVel hereunder shall be accessible to Customer on the Internet pursuant to CorVel's CareMC Agreement with Customer.

**Check Writing Services**  
**Terms and Conditions**

**1. DESCRIPTION OF SERVICES**

- (a) CorVel shall provide check writing services as described below (“Check Writing”) as an integrated component of bill review services during the term of this Agreement. Fees for Check Writing services are set forth in Exhibit B, Schedule of Fees, appended hereto.
- (b) CorVel agrees to supply Customer with automated provider reimbursement through Check Writing services in accordance with Customer specifications. A transmission reflecting the results of the hospital and medical bill audit/review services rendered by CorVel will be submitted to CorVel’s national Check Writing division in Portland, Oregon, wherein a check for each EOB will be automatically generated. CorVel will transmit the results of all Bill Review integrated services to Customer for the express purpose of downloading the data into Customer’s claims management system, which tracks provider payments and Bill Review fees back to the appropriate and corresponding Customer claim file. Such checks shall be held for mailing to the provider until CorVel receives confirmation that Customer has deposited the appropriate funds into a designated account to cover such provider payments. Sufficient programming to enable the automatic download of the Bill Review data transmitted by CorVel will be developed by Customer. Any manual entry of completed check writing information, conducted by a Bill Review analyst on behalf of Customer will require Customer to pay an additional fee to CorVel over and above the standard Check Writing fees. CorVel will provide a dedicated line for Customer transmissions. CorVel will use commercially reasonable efforts to deliver the Bill Review data file to Customer on a schedule mutually agreed upon by the CorVel and Customer. If no such data is available, a “0” (zero) data transmission will be sent to Customer.
- (c) The checks referred to in the above paragraph will be drawn on CorVel’s account at Wells Fargo Bank, Portland, Oregon (hereafter, the “Bank”). Check Writing services shall also include IRS form 1099 filing and associated follow-up, bank reconciliation, and bank fees specifically related to such processing.
- (d) Customer will initiate a charge to a Customer bank account for each check production run by CorVel and Customer has the option to either send a check, ACH or wire sufficient funds on a mutually agreed upon basis to cover such check run. At the end of the month CorVel will also provide Customer with the Bank’s statement, monthly reconciliation report, summarized check register and balance sheet the cost of which shall be included in CorVel’s Check Writing fees. The cost of any wire transmission of funds initiated by Customer will be paid by Customer.

**Professional Review Services**  
**Terms and Conditions**

**1. DESCRIPTION OF SERVICES**

- (a) Professional Review Services. CorVel may provide professional review services to evaluate various state specific complex rules and verify coding by providers are valid. This can include clinical review to validate coding is correct for all applicable Provider bills, Ambulatory Surgical Center bills, and all Hospital Bills (inpatient and outpatient) including:



- (i) review and analysis of codes, charges and billing structure for incorrect coding, incorrect billing, bundling, and up-coding of procedures which effect Fee Schedule values;
- (ii) review of bills, records, and documentation by a nurse and/or coder;
- (iii) separation of charges not related to the compensable injury;
- (iv) review and apply complex state specific rules;
- (v) application of utilization review determinations and clinical edits
- (vi) diagnostic related group validation (i.e., verification that the diagnostic related group billed is appropriate for the services rendered); and
- (vii) cost shifting of revenue and CPT codes.

## **2. DELIVERY OF SERVICES**

- (a) Unless CorVel otherwise notifies Customer, CorVel shall complete Professional Review Services and return the reviewed Bills to Customer, with any adjustments to identified overcharges, within ten (10) business days from receipt of Bills.
- (b) Savings for the Professional Review Services shall be:
  - (i) for states having a state mandated Fee Schedule: (A) the bill amount in the Fee Schedule; less (B) the bill amount resulting from the nurse review services.
  - (ii) for states not having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from the nurse review services.
  - (iii) for states having a state mandated Fee schedule (A) the medical provider's original bill amount; less (B) the bill amount resulting from complex review services.
  - (iv) CorVel shall pay bills on behalf the Customer for bills reviewed by CorVel in a timely manner in accordance with all state guidelines.
  - (v) CorVel will identify all bills that are not eligible for Professional Review Services due to: (A) compensability; (B) a pre-negotiated rate with Customer or other previously established discount; (C) services that are "review only" due to litigation or other non-payment issues; and (D) duplicate bills.
- (c) If a medical provider questions the adjustment and/or balance bills the patient, and the claim payor notifies CorVel of such communication, CorVel will provide documentation of its findings. If the hospital provides corrective or qualifying information sufficient to alter our original adjustments, CorVel will revise its report, advise the claim payor of the new, corrected adjustment. Only in the event of a successful appeal of the reduction of the bill by the medical provider shall Customer be entitled to receive a credit for the portion of the fee previously charged for the amount of the adjustment successfully appealed.

### **Enhanced Bill Review Services (CERiS)**

### **(Hospital Bill Itemization Review Services; Negotiation Services; Implant cost Review Service) Terms and Conditions**

#### **1. DESCRIPTION OF SERVICES**

- (a) Hospital Line Itemization Review Services. CorVel's Enhanced Bill Review Services (CERiS) are performed on Hospital Bills (inpatient and outpatient) in excess of two thousand five-hundred dollars (\$2,500) and consist of procurement of actual bill itemization, (i) a line-by-line validation and comparison of the itemization description charges actually billed by a particular hospital to

what CMS billing guidelines allow to be separately billed for in order to disallow inappropriate charges, and then will compare the valid itemization descriptions to the average itemization description charges utilized by other hospitals within a pre-designated geographic area, and and (ii) a review of charges that fall outside of any pre-contracted discounts or fee schedules, and generates payment recommendations in accordance with the Customer's "Payors Allowable" language. This service does not itself include negotiation services nor Implant Cost Services.

- (b) Negotiation Services. CorVel's Enhanced Bill Review Services (CERiS) can provide negotiation services with respect to all Hospital Bills (inpatient and outpatient) in excess of two thousand five-hundred dollars (\$2,500). CorVel will contact the provider for agreement of the negotiated rate. A signed agreement regarding such rates will be maintained by CorVel. CorVel will use its commercially reasonable efforts to enter into an agreement regarding negotiated rates in accordance with a mutually agreed upon schedule.
- (c) Implant Cost Review Service. CorVel's Enhanced Bill Review Services (CERiS) can include Implant Cost Review services with respect to the applicability of the Customer's "Payors Allowable" plan or policy language that specifically addresses implant payments. CorVel will identify and provide the manufacturers implant cost through its proprietary repository of national implant invoice data. CorVel then determines the recommended payment in accordance with the Customer's "Payors Allowable". In the event there is insufficient implant invoice data for the requested implant, CorVel will notify the Customer and CorVel shall not be responsible for any costs, fees, damages or penalties for any such inability of CorVel to produce a cost savings per Customer's request.

## **2. DELIVERY OF SERVICES**

- (d) Unless CorVel otherwise notifies Customer, CorVel shall complete Enhanced Bill Review Services and return the reviewed Hospital Bills to Customer, together with a written summary of any adjustments to identified overcharges, within ten (10) business days from receipt of Bills.
- (e) Savings for the Enhanced Bill Review Services shall be:
  - (i) for states having a state mandated Fee Schedule: (A) the bill amount in the Fee Schedule; less (B) the bill amount resulting from the Enhanced Bill Review Services.
  - (ii) for states not having a state mandated Fee Schedule: (A) the medical provider's original bill amount; less (B) the bill amount resulting from the Enhanced Bill Review Services.
  - (iii) CorVel shall pay bills on behalf of the Customer for bills reviewed by CorVel in a timely manner in accordance with all state guidelines.
- (c) If a medical provider questions the adjustment and/or balance bills the patient, and the claim payor notifies CorVel of such communication, CorVel will provide documentation of its findings. If the hospital provides corrective or qualifying information sufficient to alter our original adjustments, CorVel will revise its report, advise the claim payor of the new, corrected adjustment. Only in the event of a successful appeal of the reduction of the bill by the medical provider shall Customer be entitled to receive a credit for the portion of the fee previously charged for the amount of the adjustment successfully appealed.

### **Preferred Provider Network Access Services (PPO) Terms and Conditions**

#### **I. DESCRIPTION OF SERVICES**

- (a) CorVel's preferred provider organization is a network of hospitals, physicians and other health care providers ("Participating Providers") that offer services at pre-negotiated rates ("PPO Network").

## II. DELIVERY OF SERVICES

- (a) CorVel shall provide Customer with access to its PPO Network provided it is the exclusive preferred provider organization utilized by Customer for workers' compensation, auto liability, and general liability claimants. CorVel may at any time and in its sole discretion add and/or terminate any provider to or from the PPO Network.
- (b) CorVel shall provide, upon Customer request, a listing of PPO Network providers and/or PPO Network providers may be found by visiting the CorVel website, [www.corvel.com](http://www.corvel.com). As CorVel continues to expand its PPO through the development of proprietary networks, Customer will be notified of their availability in the PPO listing described above and shall be provided access to them, replacing or supplementing the then-current PPO, if applicable,
- (c) Customer agrees that, during the Term of this Agreement and for (12) twelve month period thereafter, Customer will not contract directly or indirectly with Participating Providers made known to Customer under this Agreement.
- (d) Customer will make reasonable effort to channel all Covered Persons to the Participating Providers as are allowed under the laws of that service area or state.
- (e) Savings for the PPO Network shall be:
  - (i) for non fee schedule negotiated contracts: (A) the medical provider's original bill amount; less (B) the bill amount resulting from the contract rate.
  - (ii) for fee schedule negotiated contracts; (A) the fee schedule amount less (B) the bill amount resulting from the contract rate.

### **CareIQ Services** **Terms and Conditions**

## I. **PAYMENT FOR CAREIQ SERVICES**

- (a) Customer will pay CorVel for services provided hereunder at the rates set forth in Schedule 1 attached hereto. Rates reflect the amount payable to the CorVel network provider for providing Covered Services and the amount payable to CorVel for its services provided hereunder and represent a discounted total. Customer shall pay CorVel the full contract rate amount.
- (b) CorVel shall invoice and bill the CareIQ Services directly to the specific file.
- (c) CorVel reserves the right to amend the rates set forth herein by notifying Customer of such amendment in writing, and Customer shall, if such amendment is unacceptable, have thirty (30) days from the date said notice is received to reject such amendment by delivery of written notice of rejection to CorVel. If CorVel does not receive such notice of termination within such thirty (30) day period, the amendment to the rates shall be deemed accepted by Customer and this Agreement shall continue in full force and effect, as so amended.

## II. **INDEPENDENT MEDICAL EXAMINATION SERVICES (IME)**

- (a) **DESCRIPTION OF SERVICES.**
  - (i) CorVel shall provide access, and deliver the services described in this Schedule 5 in connection with such access, to a panel of medical professionals who have been credentialed by CorVel as "Credentialed Providers" and who will perform Independent Medical Examinations (IMEs).
- (b) **DELIVERY OF SERVICES.**

- (i) CorVel shall arrange for IMEs at the request of Customer.
- (ii) CorVel shall work only with Credentialed Providers under this Agreement. “Credentialed Providers” are medical professionals with respect to whom CorVel has performed, its standard credentialing process. CorVel shall also verify that the medical professionals who are Credentialed Providers meet all applicable statutory and/or legal requirements regarding who can conduct an IME.
- (iii) CorVel shall require medical professionals who are providing IMEs to comply with CorVel’s reporting and communications requirements.
- (iv) CorVel shall ensure that IMEs are assigned to providers and performed by such providers in accordance with applicable law. CorVel will schedule the IME with the type of medical expert requested. For example, if an orthopedic surgeon is requested, an orthopedic surgeon must be scheduled, not a general practitioner who deals with soft tissue type injuries. If CorVel does not have an IME medical professional in the requested geographic area or in the requested specialty, CorVel will contact the Customer file handler for advice on how to proceed.
- (v) CorVel shall ensure that the IME appointment is scheduled within 2 business days of receipt of request or in accordance with applicable State law. CorVel will send appropriate communication to the Customer file handler, claimant, and claimant’s legal counsel (when necessary) regarding such scheduling. CorVel will place a reminder call to the claimant 1 – 2 business days prior to the IME appointment. CorVel claimant attended the scheduled IME appointment. CorVel will re-schedule any IME appointment no-shows by the claimant and notify the Customer file handler within 2 business days. If a second IME appointment no-show should occur, CorVel shall contact Customer file handler unless locally CorVel is aware that no additional IME exam appointments should be scheduled.
- (vi) CorVel shall deliver to Customer completed IME reports within 7 business days from the date of the exam. Prior to such delivery to Customer, CorVel shall complete its quality review of such report. All reports shall comply with applicable state law.
- (vii) CorVel shall provide Customer quarterly activity reports within twenty (20) business days following the applicable quarter.

**III. DURABLE MEDICAL EQUIPMENT (DME)**

**(a) DESCRIPTION OF SERVICES**

- (i) CorVel agrees to make durable medical equipment services (“DME Services”) available through CareMC to Customer’s customers. The services will be available in every area where CorVel has a fully established network. CorVel will provide Customer with updated PPO Network directories through CareMC.
- (ii) CorVel will provide training materials to Customer claims adjusters and case managers to inform those with referral responsibilities of the appropriate process for accessing CorVel reduced rates, at no cost to Customer.
- (iii) CorVel will handle DME Services according to the following Customer Services Procedures:
  - (1) Referral Processing (faxed or called in, or received via CareMC)
    - A. Obtain all relevant information to process referral from party placing order (i.e. case manager, adjuster, physicians office).

B. Input data in CorVel Medical Manager System.

(2) Orders are fulfilled using local, preferred equipment distributors, and billing and reimbursement for each transaction is automatically processed.

(b) **DELIVERY OF SERVICES**

(i) CorVel will coordinate delivery of all services from the time of referral to delivery to patient through the CorVel Call Center. The CorVel Call Center coordinates services from 7:00AM to 9:00PM EST Monday through Friday except for public holidays.

(ii) CorVel shall invoice and bill the CareIQ Services directly to the specific file.

**IV. MEDICAL IMAGING SERVICES**

(a) **DESCRIPTION OF SERVICES – Preferred Provider Organization (PPO) Network**

(i) CorVel agrees to make Medical Imaging Services and scheduling services available through its Medical Imaging PPO Networks to Customer's customers for injured workers. The services will be available in every area where CorVel has a fully established network.

(ii) CorVel will customize the PPO Network to meet the needs of Customer's customers. CorVel will request opinions and preferences from Customer claims adjusters and case managers and will use every effort to recruit requested providers into the PPO Network at CorVel's preferred rates.

(iii) CorVel will provide Customer with updated PPO Network directories on at least a quarterly basis to those Customer offices that request PPO directories, at no cost to Customer.

(iv) CorVel will provide training materials to Customer claims adjusters and case managers to inform those with referral responsibilities of the appropriate process for accessing CorVel reduced rates, at no cost to Customer.

(v) CorVel will handle Medical Imaging Services referrals according to the following Customer Services Procedures:

(1) Referral Processing (faxed or called in)

A. Obtain all relevant information to process referral from party placing order (i.e. case manager, adjuster, physicians office).

B. Input data in CorVel Medical Manager System.

(2) Assign appropriate center to the referral based on locality, procedure, client/physician preference and patient conditions.

(3) Perform pre-screening of patients as deemed appropriate.

(4) Schedule at facility appropriate to patient conditions/client requirements.

(5) Contact patient to advise of scheduled appointment date, time and location.

(6) Fax appointment confirmation to case manager, adjuster, and referring physician indicating date and time of procedure, type of procedure, and center name, address and phone number.

(7) Within 24 to 48 hours after completion of procedure, fax medical reports to appropriate parties.

(b) **DESCRIPTION OF SERVICES – Second Opinion Program**

- (i) CorVel will provide a second reading of any questioned MRI, CT or Bone Scan by a second board certified radiologist through its second opinion program. This second reading is available for diagnoses resulting from medical imaging examinations that were scheduled by CorVel at a CorVel Network Provider. This second opinion reading will be provided free of charge.
- (ii) In the event a Customer adjuster believes a second opinion is required for an MRI, CT or Bone Scan, the adjuster will call CorVel at 1-800-414-4MRI (4674) to request the second opinion. CorVel will ask the adjuster for the patient's name, the name and phone number of the center who conducted the examination, and the adjuster's name and phone number.
- (iii) CorVel will contact the center that performed the medical imaging examination and request that the films be sent to a CorVel board certified radiologist for review.
- (iv) In some cases, a release of responsibility may be requested by the MRI center that conducted the study. If so, CorVel will contact the Customer claims adjuster to arrange for a release to be sent via fax to the MRI center. Once release is obtained, CorVel will instruct the MRI center to send the films by two-day carrier.
- (v) CorVel's computerized scheduling program will diary each referral for second opinion and monitor the status of each request. CorVel will enter the data obtained into the CDL system and run quality assurance reports twice daily to monitor the status of each second opinion requested and assure that it is being handled in an expedient manner.
- (vi) CorVel will then inform the board certified radiologists that a review is requested. CorVel will request that the second opinion be completed within two business days from receipt of the films.
- (vii) CorVel will continue to monitor the status of the second opinion and will place calls to the radiologists to confirm that the films were received and that the second opinion will be completed on time.
- (viii) The second opinion report will be faxed to CorVel's attention, which in turn will fax the report to the Customer claims adjuster. This will allow CorVel to confirm that the second opinion was completed and is legible.
- (ix) CorVel will select and provide for Customer a panel of board certified radiologists who have met CorVel credentialing criteria and who will handle all volume of second opinions requested by Customer.

(c) **REPORTS**

- (i) CorVel will prepare region specific and aggregate management reports for Customer that show savings per claims adjuster, per case manager, and per branch office location. The reports will summarize the activity of all case managers and claims adjusters as they relate to referring claimants to CorVel, the amount that would be paid under workers' compensation, the amount paid under the CorVel program, and the percentage of savings realized. CorVel will furnish these reports to Customer quarterly, and annually.

(d) **RELEVANT DEFINITIONS FOR MEDICAL IMAGING SERVICES**

- (i) "Claimants" are those persons entitled to coverage pursuant to a workers' compensation insurance policy or program administered by a Customer.

- (ii) “Health Care Provider” means a duly licensed physician, imaging technician, hospital, clinic or other facility, or any other person or entity who furnishes Medical Imaging Services to a Claimant.
- (iii) “Medical Imaging Services” are those medical imaging services provided pursuant to a workers’ compensation insurance policy or program administered by Customer.
- (iv) “Network Provider” means a Medical Imaging Service Provider who is part of a PPO Network of selected Medical Imaging Service Providers who contractually agree with CorVel to provide Medical Imaging Services to Claimants at negotiated discount rates.

**V. TRANSPORTATION AND TRANSLATION SERVICES**

**(a) DESCRIPTION OF SERVICES**

- (i) CorVel agrees to make Transportation and Translation Services and scheduling services available through its Care<sup>IQ</sup> Networks to Customer’s customers for injured workers. The services will be available in every area where CorVel has a fully established network.
- (ii) CorVel will customize the Care<sup>IQ</sup> Network to meet the needs of Customer’s customers.
- (iii) CorVel will provide training materials to Customer claims adjusters and case managers to inform those with referral responsibilities of the appropriate process for accessing CorVel reduced rates, at no cost to Customer.
- (iv) CorVel will handle Transportation and Translation Services referrals according to the following Customer Services Procedures:
  - (1) Referral Processing (faxed or called in)
    - A. Obtain all relevant information to process referral from party placing order (i.e. case manager, adjuster, physicians office).
    - B. Input data in Medical Manager, CorVel CareMC or CorVel Web portals.
  - (2) Assign appropriate Transportation and /or translation provider to the referral based on locality.
  - (3) Schedule to patient conditions/client requirements.
  - (4) Contact patient to advise of scheduled appointment date, time and location.

**(b) DELIVERY OF SERVICES**

- (i) Transportation and Translation can usually be scheduled same day (dependant on location) of an appointment.
- (ii) Cancellation of Transportation and Translation must be called into CorVel a minimum of four (4 ½) hours prior to the appointment time or a cancellation fee will be charged.
- (iii) Transportation can be scheduled via a car, wheelchair lift vehicle, ambulance, airplane, bus or train. Airport pickups can be scheduled. Hospital pickups can be scheduled.
- (iv) Hotel accommodations can be made for overnight orders.
- (v) Transportation and Translation can be scheduled in all fifty (50) states including Alaska and Hawaii

- (vi) Wheelchairs and other medical equipment needed along with transportation are available at additional fees
  - (vii) Price quotes available
  - (viii) Pre-arranged weekend (Saturday, Sunday & Holidays) services available.
  - (ix) Our translation companies can schedule on-site and telephonic interpretation for over 200 languages
  - (x) Translation and transcription of documents is available; (5 business days required)
  - (xi) Telephonic interpretation is available
  - (xii) Desktop publishing is available
  - (xiii) Sign language interpreters are available with a 3 day notice
  - (xiv) Payment Terms: CorVel will be paid for Covered Services, which CorVel provides to Covered Persons, the reimbursement rates are: one hundred percent (100%)
- (c) CorVel shall invoice and bill the CareIQ Services directly to the specific file.

## **VI. PHYSICAL AND OCCUPATIONAL THERAPY**

### **(A) DESCRIPTION OF SERVICE**

The CorVel Physical Therapy program focuses on rehabilitation while controlling utilization and managing medically necessary treatments. Through a comprehensive program of scheduling, reporting, clinical oversight by CorVel therapy clinical reviewers (licensed PT/OT professionals), and network management, CorVel provides an effective and efficient program for therapy treatment. CorVel Therapy Program offers one national toll free number for referrals and case inquiries from the customer file handler or the claimant. In addition, CorVel offers online referrals and claims management opportunities, such as reviewing therapy activity notes, reviewing milestones as they are met, therapy documentation, and submitting online referrals through CareMC and CorVel websites. The CorVel therapy provider network consists of credentialed physical and occupational therapy providers who are managed based on performance in regards to clinical outcome measures including: patient satisfaction, functional restoration, pain improvement, impact on utilization, savings and return to work. Our network providers perform skilled PT/OT therapy, including hand therapy, aquatic therapy, Functional Capacity Evaluations, and Work Hardening and Conditioning programs. Additionally, CorVel Therapy program schedules the patient in the facility within 3 business days of receipt of authorization, as a means to facilitate healing and return to work.

### **(B) DELIVERY OF SERVICE**

- (i) CorVel shall arrange for PT/OT services at the request of Customer.
- (ii) CorVel shall work only with Credentialed Providers under this Agreement. "Credentialed Providers" are therapy professionals with respect to whom CorVel has performed, its standard credentialing process.
- (iii) CorVel shall require medical professionals who are providing standard therapy services, such as hand therapy, aquatic therapy, Functional Capacity Evaluations, and Work Hardening and Conditioning programs to comply with CorVel's reporting and communications requirements.



- (iv) CorVel will schedule the therapy service with the type of therapy professional requested. If CorVel does not have a therapy professional in the requested geographic area or in the requested specialty, CorVel will contact the Customer file handler for advice on how to proceed.
  - (v) CorVel shall ensure that the therapy appointment is scheduled within 3 business days of receipt of authorization of request. CorVel will send appropriate communication to the Customer file handler, claimant, and claimant's legal counsel (when necessary) regarding such scheduling and when CorVel claimant attended the scheduled therapy initial evaluation. CorVel will re-schedule any initial evaluation appointment no-shows by the claimant and notify the Customer file handler within 2 business days.
  - (vi) CorVel shall provide Customer quarterly activity reports within twenty (20) business days following the applicable quarter.
  - (vii) CorVel will invoice customer directly for therapy services.
- (c) CorVel shall invoice and bill the CareIQ Services directly to the specific file.

## **Pharmacy Benefit Program**

### **Terms and Conditions**

#### **I. DESCRIPTION OF SERVICES.**

- (a) CorVel shall be the exclusive provider of a Pharmacy Program inclusive of a PBM and a Provider Network representing Participating Pharmacy Providers that are obligated upon and after identification of a participant within CorVel's PBM to:
  - a. Accept a contracted rate, and
  - b. Apply mandated processes and CorVel's Formulary and Concurrent Drug Utilization Review program at point-of-service before dispensing prescribed medications.
- (b) In addition, CorVel provides pharmacy audit, review and payment services.

#### **II. DEFINITIONS.**

- (a) "AWP" shall mean the Average Wholesale Price for a Brand or Generic Drug Product. CorVel bases Customer pricing off of the reported AWP value from Medi-Span and the date of service.
- (b) "AWP Discount" shall mean the PBM discounts CorVel applies, per Customer's negotiated rates, to Covered Brand and Generic Drug Products, Compound Drugs and Specialty Meds.
- (c) "Brand Drug" shall mean a Covered Drug defined as a brand name drug in PBM proprietary Generic Code Conversion ("GCC") logic. In the adjudication process, CorVel applies Customer's negotiated Brand Drug discount rate to the AWP value of Covered Brand Drugs.

- (d) “Compound Drugs” shall be systematically identified when processing through the PBM via the Formulary. In the adjudication process, Compound Drugs require Customer’s Claims Professional’s approval, and are priced at the lessor of:
  - a. Customer’s AWP Discount pricing by ingredient plus the dispensing fee, or
  - b. CorVel’s Acquisition Price plus a management and dispensing fee.
- (e) “Concurrent Drug Utilization Review” (“DUR”) shall mean the algorithm systematically applied at a Participating Pharmacy before dispensing that considers the Presenting Drug’s safety and efficacy in context with other drugs that have been dispensed. In addition, the algorithm includes applicable protocols and guidelines based on the Presenting Drug and specific claim history, such as the time period from the last fill of the same Drug.
- (f) “Covered Drug” shall mean the Drug Product that is processed through CorVel’s PBM.
- (g) “Emergency Fill” see Good Samaritan Fill, subsection (l) below.
- (h) “First Fill” shall mean a prescription filled by a Participating Pharmacy for a limited supply of Covered Drugs for a claim that is not, at the time, eligible. First Fill transactions follow CorVel’s First Fill Formulary. Customer is responsible for payment of drug charges processed through its First Fill Program; CorVel assumes no liability.
- (i) “Formulary” shall mean drug/drug class and brand/generic specific triggers systematically applied at a Participating Pharmacy before dispensing a Presenting Drug that prompts the pharmacy through its adjudication system to either: dispense the Presenting Drug, convert from brand to generic, attain approval to dispense, or deny the Presenting Drug outright.
- (j) "Generic Drug" shall mean a Covered Drug, whether identified by its chemical, proprietary, or non-proprietary name, that (i) is accepted by the FDA as therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient; and (ii) defined as a generic drug in PBM proprietary Generic Code Conversion ("GCC") logic. In the adjudication process, CorVel applies Customer’s negotiated Generic Drug discount rate to the AWP value of Covered Generic Drugs. Notwithstanding the foregoing, for Single Source Generic Drugs, Customer’s Brand Drug AWP Discount may be applied.
- (k) “GCC” refers to PBM proprietary Generic Code Conversion logic. GCC logic converts Medi-Span codes to the brand and generic codes used for claims adjudication.
- (l) “Good Samaritan (Emergency) Fill” shall mean a limited supply of Covered Drugs that are outside of the Formulary and typically dispensed outside of normal business hours (overnight, weekends or holidays) by a Participating Pharmacy without Customer’s or CorVel’s approval in order to meet, in the pharmacist’s professional judgment, an immediate or urgent need. Customer is responsible for payment of drug charges processed through Good Samaritan Fills; CorVel assumes no liability.
- (m) “Mail Order Program” or “Home Deliver Program” shall mean the managed program from which Covered Drugs are dispensed and billed through CorVel’s PBM. A pharmacy’s status as a mail order pharmacy does not indicate participation in the CorVel PBM Mail Order Program. Mail Order participation is limited to designated pharmacies operating within the strict parameters of CorVel’s Mail Order Program.
- (n) “Multi Source Brand” shall mean a Covered Drug specified as a brand name drug available from more than one manufacturer as determined by CorVel primarily using a combination of data fields provided to CorVel by Medi-Span (or another nationally available reporting source that may be selected by CorVel). Multi Source Brand Drugs are eligible for conversions to Generic Drugs at the Participating Pharmacy.
- (o) “Multi Source Generic” shall mean a Covered Drug specified as a multi source generic drug as determined by CorVel primarily using a combination of data fields provided to CorVel by Medi-Span (or another nationally available reporting source that may be selected by CorVel). Generic Drugs in their six month exclusivity period or limited supply drugs may be excluded from Multi Source Generic Drugs.

- (p) “PBM” shall mean Pharmacy Benefits Manager. CorVel performs as the PBM on behalf of its Customers.
- (q) “Presenting Drug” shall mean the drug ordered by the prescriber and presented on a signed prescription to a Participating Pharmacy and processed through CorVel’s PBM.
- (r) “Rate application exceptions,” per Billing and Payments of Pharmacy Program (below) sections (d) and (e), apply when either State Fee Schedule AWP Values or Customer’s Negotiated PBM AWP Discount rates are lower than CorVel’s Acquisition Price. CorVel’s Acquisition Price reflects CorVel’s cost of the Covered Drug plus a processing and management fee of 10%.
- (s) “Single Source Brand” shall mean a Covered Drug specified as a brand name drug available from only one manufacturer as determined by CorVel primarily using a combination of data fields provided to CorVel by Medi-Span (or another nationally available reporting source that may be selected by CorVel). Single Source Brand Drugs are not eligible for conversions to Generic Drugs.
- (t) “Single Source Generic” shall mean a Covered Drug as determined by CorVel that may not have been purchased by pharmacies at standard Multi Source Generic Drug rates because of limited manufacturers, limited supply or exclusivity rights. In the adjudication process, Customer’s Brand Drug AWP Discount value may be applied to Single Source Generic Drugs.
- (u) “Specialty Medications” shall mean certain pharmaceuticals, biotech or biological drugs, that are Covered Drugs used in the management of chronic or genetic disease, including but not limited to, injectable, infused, or oral medications, or products that otherwise require special handling. In the adjudication process, Customer’s Claims Professional’s approval is required, and Customer’s Brand Drug AWP Discount value and dispensing fee is applied irrespective of the Presenting Drug’s GCC (Generic Code Conversion) status.
- (v) “State Fee Schedule AWP Value” shall exclusively mean the value of a Covered Drug calculated under an applicable state’s posted AWP fee schedule’s Brand and Generic Drug multipliers (AWP value plus/minus the listed percentages) and the state’s posted dispensing fee. For PBM pricing, CorVel does not honor any other values or indices that may apply under an applicable state’s fee schedule.

### **III. DELIVERY OF SERVICES.**

- (a) CorVel shall provide its Pharmacy Program’s PBM and Network for the benefit of Customer.
- (b) Eligibility, First Fill, Pharmacy Identification (ID) Cards, and Mail Order/Home Delivery.

Pharmacy ID cards contain the necessary data elements to enable a Participating Pharmacy provider to electronically process through and transmit claim data to CorVel’s PBM. The electronic transmission that occurs at the point of sale is required for application of Formulary, Concurrent Drug Utilization Review and contractual pricing.

- a. Customer agrees to promptly provide CorVel all information needed to produce and distribute Pharmacy ID cards to Eligible Claimants. Eligible Claimant information may include, but is not limited to, claimant name, address, social security number, cell phone number, home phone number, and email address.
- b. Subject to applicable law, Customer shall require Eligible Claimants to use the Pharmacy ID cards at participating network providers in order to facilitate the Pharmacy Program. Also, Customer agrees to require the use of pharmacy network participating providers to Eligible Claimants as appropriate.
- c. Distribution of Pharmacy ID cards does not guarantee that Pharmacy ID cards will be appropriately utilized by Eligible Claimants or Participating Pharmacies; therefore, Customer understands that claims assigned by Pharmacies to third party billers or paper bills submitted by the Pharmacies are not adjudicated through the prospective PBM.

- d. CorVel, at its sole expense, agrees to produce and distribute Pharmacy ID cards to Eligible Claimants upon receipt of all necessary Eligible Claimant information from Customer. CorVel will also send an introduction letter to the Eligible Claimant along with the Pharmacy ID card.
  - e. At the initial stage of injury, a claimant may be issued a temporary Pharmacy ID (First Fill) card or processing data may be shared with the dispensing pharmacy for an initial, one (1) time purchase of a pharmaceutical product with a recommended course of no longer than fourteen (14) days, or such days limit as established by Customer.
  - f. CorVel will provide access for Eligible Claimants to the PBM Mail Order Program. CorVel will work with Customer to establish the parameters of the Mail Order Program and the process which will be utilized to encourage Eligible Claimant use of the Mail Order Program.
- (c) CorVel's PBM will present and tailor a proprietary Formulary to Customer. Upon presentation of identification to a Participating Pharmacy, the Formulary will trigger the Participating Pharmacy's adjudication system to either:
- a. Automatically dispense certain medications,
  - b. Attain Prior Authorization (PA) approval from CorVel to dispense, or
  - c. Deny the medications outright.

In addition to Customer's Formulary, Claimant Level Formularies can be built at the claim level upon Customer's Claim Professional's request.

- (d) CorVel's PBM will implement a Concurrent Drug Utilization Review ("DUR") program on behalf of Customer, with permitted program edits as directed by Customer. Concurrent DUR includes a review of the drug history at the time the prescription is presented. Absent Customer's directions, DUR shall be performed in accordance with CorVel's PBM's standard service model.

**V. BILLING AND PAYMENTS OF PHARMACY PROGRAM.**

- (a) Financial obligations of parties.
- (i) Customer shall be financially responsible for all drug charges incurred by claimants for dispensed medications processed under CorVel's PBM. CorVel assumes no liability for drug charges with the exceptions noted below in subsection iii.
  - (ii) If Customer Claims Professional determines, upon receipt of CorVel's PBM invoice, that specific formulary and non-formulary drugs should not have been dispensed, Customer Claims Professional should inform the PBM as soon as possible.
    - The PBM will request a reversal from the Participating Pharmacy. If granted, CorVel will reverse the drug charges, however, if the Pharmacy does not grant the PBM's request, Customer is responsible for payment of the drug charges; CorVel assumes no liability for drug charges with the exceptions noted below in subsection iii.
    - Upon Customer's Claims Professional's request, CorVel's PBM will include the specific prohibition triggering the request for the reversal in the Claimant Level Formulary so that the Claimant Level Formulary will block subsequent re-fills from processing.

- (iii) Within five (5) days of receipt of an invoice, Customer Claims Professional may dispute charges for drugs that were dispensed in error, triggering CorVel's PBM to reverse the drug charges, by notifying CorVel for any of the following reasons:
- CorVel's PBM and/or the Participating Pharmacy's violation of Formulary or Utilization Review Parameters set forth in Customer's DUR program, or in the Claimant Level Formulary; or
  - Duplicate or inadvertent entries or other clerical mistakes on a PBM invoice.
- (b) Invoicing and Payment.
- (i) On a per Covered Drug basis and directly to the claim file, CorVel will invoice Customer daily for all drug charges and fees related to the PBM.
- (ii) CorVel shall invoice and bill the CareIQ Services directly to the specific file.
- (c) CorVel uses the Medi-Span AWP at pre-settlement levels. To maintain pricing neutrality CorVel applies the established multiplier to impacted Covered Drugs.
- (d) Relative to state pharmacy fee schedules, CorVel will apply the lesser of Customer's negotiated PBM AWP Discount rate or the applicable State Fee Schedule AWP Value with one exception: to the extent that the State Fee Schedule AWP Value in any state is less than CorVel's Acquisition Price, CorVel will apply its Acquisition Price.
- (e) Relative to Customer's negotiated PBM AWP Discount rates, CorVel will apply the negotiated rates unless the following exceptions apply:
- (i) CorVel applies CorVel's Acquisition Price on transactions for which Customer's negotiated PBM AWP Discount rate is lower than CorVel's Acquisition Price.
- (ii) Compound Drugs and Specialty Medications are priced per Definition subsections (d) and (u).
- (f) Both parties understand that pricing indices historically used (including under this Agreement) for determining the financial components of pharmacy billing rates are outside the control of CorVel and Customer. The parties also understand there are extra-market industry, legal, governmental and regulatory activities which may lead to changes relating to, or elimination of, these pricing indices that could alter the financial positions and expectations of both parties as intended under this Agreement.
- Both parties agree that, upon entering into this Agreement and thereafter, their mutual intent has been and is to maintain pricing neutrality as intended and not to benefit one party to the detriment of the other. Accordingly, to preserve this mutual intent, if pricing neutrality does change and CorVel undertakes any or all of the following:
- (i) Changes the AWP source, or other source if AWP is not applicable, across its book of business (e.g., from Medi-Span to First Databank); or
- (ii) Maintains AWP, or other source if AWP is not applicable, as the pricing index with an appropriate adjustment in the event the AWP, or other, methodology and/or its calculation is changed, whether by the existing or alternative sources; or
- (iii) Transitions the pricing index from AWP, or other source if AWP is not applicable, to another index or benchmark (e.g., to Wholesale Acquisition Cost);

Customer's negotiated PBM pricing will be modified as reasonably and equitably necessary to maintain the pricing intent under this Agreement.

#### V. **California Modification**

On April 15, 2016, the State of California Department of Industry Relations applied the new Federal Upper Limit (FUL) index to the California Pharmacy Workers' Compensation Fee Schedule. The new FUL index has resulted in a need for CorVel to modify our current pricing structure based on the fee schedule changes and our contract language.

The FUL's impact and the modification is limited to generic drugs; brand drug pricing will not change. As per our contract, the modification will maintain "pricing neutrality" between both parties. This pricing will go into effect immediately:

#### **California Generics = AWP - 45% + \$7.25 dispensing fee**

CorVel has measured the impact of the new FUL index over the last 5 months. We are providing an illustration of the impact and our solution, showing the neutral impact of the modification:

- 1) Pre April 2016, from January - March, 2016, the California Fee Schedule's generic effective rate, measured in AWP terms, was:

AWP - 45% + \$7.25 dispensing fee.

- 2) From May - September, 2016, the California Fee Schedule's generic effective rate dropped to such a point that CorVel's cost to acquire the impacted medications from the pharmacies is higher than the California Fee Schedule value, when applying the new FUL index, putting CorVel in a negative financial position.

- 3) To preserve pricing neutrality, generic drugs in California will be:

AWP - 45% + \$7.25 dispensing fee.

### **Peer Review/Medical Records Review Program**

#### **Terms and Conditions**

#### **I. DESCRIPTION OF SERVICES.**

- (a) CorVel shall provide access, and deliver the services described in this Schedule 7 in connection with such access, to a panel of medical professionals who have been credentialed by CorVel as "Credentialed Providers" and who will perform Peer Review ("Peer Reviews") and Medical Record Reviews ("MRRs").
- (b) Peer Review/Medical Records Review is defined as the process of reviewing and commenting on the work, decisions and/or recommendations by one's equal (peer) to ensure that it meets specific criteria such as federal and state regulations, and nationally accepted standards of care in rendering medical services.

## II. DELIVERY OF SERVICES.

- (a) CorVel shall work only with Credentialed Providers under this Agreement. “Credentialed Providers” are medical professionals with respect to whom CorVel has performed its standard credentialing process. CorVel shall also verify that the medical professionals who are Credentialed Providers meet all applicable statutory and/or legal requirements regarding who can conduct a Peer Review or MRR.
- (b) Customer shall have the right to nominate medical professionals as candidates for addition to the panel of Credentialed Providers provided by CorVel for access by Customer (“Credentialed Panel”), subject to such medical professionals being credentialed by CorVel as Credentialed Providers.
- (c) Customer shall have the right, with written notice to CorVel, to request that CorVel cease using a specific medical professional from the Credentialed Panel for Customer’s claimants. Upon receipt of such notice from Customer, Supplier shall promptly cease using the specified medical professional as requested by Customer in such notice.
- (d) Customer may submit a request for a Peer Review or a MRR via phone, fax, or electronically via CorVel’s CareMC website, if applicable.
- (e) CorVel shall ensure that the MRR is assigned to a provider within 2 business days of receipt of request or in accordance with applicable State law.
- (f) CorVel will copy required medical records for the Peer Review or MRR as provided by the Customer’s file handler or legal office. CorVel will obtain additional medical records as requested.
- (g) CorVel shall deliver to Customer completed Peer Review and MRR reports within 7 business days of assignment to the Credentialed Provider. Prior to such delivery to Customer, CorVel shall complete its quality review of such report.
- (h) CorVel shall provide Customer quarterly activity reports within twenty (20) business days following the applicable quarter.

### **Medicare Set-Aside Services Terms and Conditions**

#### I. **DESCRIPTION OF OTHER SERVICES**

- a. Medicare Set-Asides: CorVel provides an extensive review of medical records and medical bills, producing a comprehensive report and cost projection outlining future Medicare eligible costs in anticipation of settling out future medical care on a Customer’s employee or insured individual. Costs are determined through CorVel’s proprietary Bill Review system as well as utilization of the online Red Book™ access for medication costs. Red Book™ is the accepted authority by CMS for pricing on all medications.
- b. Life Care Plans/Future Cost Projections: Life Care Plans/Future Cost Projections are a plan for optimal utilization of health care dollars that document objective view of the future health needs, services and related costs. It provides for comprehensive reports summarizing medical treatment and care and outlining life time needs for a Customer’s employee or injured individual when they are catastrophically injured. Life Care Plans/Future Cost Projections are also used both for litigious settlements as well as projecting reserves setting.
- c. Medicare Conditional Payment Resolution: CorVel’s service includes securing Medicare Conditional Payment letters and disputing the Medicare Conditional Payments unrelated to the claim. CorVel communicates directly with the Medicare contractors, the CRC (Commercial

Repayment Center) or BCRC (Benefits Coordination & Recovery Center) to resolve the Medicare Conditional Payment debt.

## **II. DELIVERY OF SERVICES OF MEDICARE SET ASIDES**

a. Customer/Carrier shall provide the CorVel Medicare Set-Aside Hub office with a copy of the first report of injury, most recent two years of medical records and medical bills including indemnity payout, all operative reports, IMEs/AMEs as well as orders rendered by the workers' compensation judicial system. Appropriate releases for completion of request for service will be forwarded either to the Customer or, at the Customer's request, directly to counsel representing the injured worker to obtain the injured worker's signature.

b. Customer may submit a request for a Medicare Set-Aside via email, phone, fax, or electronically via CorVel's CareMC website, if applicable.

c. A certified Medicare Consultant ("Consultant") will review the medical records and bill summary, prepare a detailed summary of the records and a projection for future medical expense which are Medicare eligible. If requested, the Consultant will also provide a projection of those costs which are not Medicare eligible in order to provide the customer with their total medical exposure.

d. The Consultant will return the completed Medicare Set-Aside report to the Customer within fifteen (15) business days of receiving all relevant medical records and related information. If a rated age is warranted, the Consultant will acquire same. If the Medicare status of injured party is unknown or unclear, a request for Medicare status will be submitted to the Social Security Administration. Once the Medicare status is known, the Coordination of Benefits Contractor will be notified and conditional payments requested.

e. Upon Customer's request, CorVel Medicare Set-Aside Hub office will submit through the web-portal all required documents to enable CMS to review and approve the proposal. Items submitted include the Medicare Set-Aside report, the tentative settlement amount, along with other required documentation, to the Centers for Medicare & Medicaid Services (CMS). Upon receipt, CorVel Medicare Set-Aside Hub office will forward the CMS Determination letter to the Customer. Final executed settlement documents (reflecting CMS recommended Medicare Set-Aside amount) will be provided to CorVel Medicare Set-Aside Hub by the Customer/counsel and then forwarded by CorVel to CMS through the web-portal.

f. Upon request from Customer, CorVel shall provide Customer quarterly activity report within twenty (20) business days following the applicable quarter.

## **III. DELIVERY OF SERVICES OF LIFE CARE PLANS/FUTURE COST PROJECTIONS**

a. Customer shall provide all available medical records and billing to CorVel Medicare Set-Aside Hub office as well as any other pertinent records for initial review.

b. For a Life Care Plan, a visit to the residence of the Customer's employee or injured individual with interview of claimant and family will be conducted after permission is acquired by the Customer. The interview will include evaluation of the home setting, extensive information gathering, and pictures of the various equipment and housing structures.

c. Letters will be sent to all treating physicians to obtain their opinions on future medical treatments including medications and therapies for the claimant. The physician's opinions will be included as recommendations within the Life Care Plan summaries.



- d. Future cost projections are utilized to immediately set reserves for future medical needs regarding catastrophic or major injuries. Home visits are not conducted for a future cost projection.
- e. Customer may submit a request for a life care plan or future cost projection via email, phone, fax, or electronically via CorVel's CareMC website, if applicable.

**Clearinghouse Payer Agent Services Program**  
**Terms and Conditions**

**1. DESCRIPTION OF SERVICES**

- (a) Clearinghouse Payer Agent Services: CorVel shall act as Customer's agent under this Agreement. CorVel's clearinghouse receives bills from health care providers in electronic form, verifies the data integrity of the information on the bills, and routes directly to CorVel's Bill Review system for completion of CorVel's Bill Review service. Explanation of Benefit (EOR) information will be transmitted to providers from CorVel in the ANSI 835 format. CorVel will send 835 data to health care providers via its clearinghouse upon CorVel's completion and approval of all Explanation of Reviews (EOR's) via CorVel's Bill Review service in compliance with the local governing state laws and regulations.
- (b) Compliance with applicable law: CorVel shall ensure that Clearinghouse Services are provided in compliance with the applicable laws, statutes, rules and regulations of the state service shall be provided in. Customer agrees to timely provide to CorVel information and assistance requested by CorVel and reasonably required to ensure such compliance.

**2. SETUP AND DELIVERY OF SERVICES**

- (a) Routing Directly to Bill Review: A test sample of Customer's bills will be pulled from the clearinghouse test system and imported to the bill Review test system. Bill Review results will be output to Customer through the existing format. Routing bills through CorVel's Test bill review system may require three to four weeks. CorVel will make reasonable efforts to begin testing within five business days of the request for services.

**3. PRICING STRUCTURE**

The cost of Clearinghouse Payer Agent Services is as follows:

- For customers for whom CorVel provides bill review services – No additional charge

**Advocacy 24/7 Nurse Triage Services**

**Terms and Conditions**

CorVel shall provide to Customer the following Services related to Nursing Coordination of Care Services:

- Answer calls received 24 hours a day / 7 days per week on CorVel maintained Customer triage telephone line.

- Instruct the caller / injured employee on first aid and or initial injury treatment.
- Facilitate assessment at a designated outpatient clinic or emergency room as needed.
- Follow up with the injured employee within 24 hours of initial report to evaluate current condition.
- Document all calls and communicate to appropriate parties.

An incident shall encompass

- The nurse receipt of the initial call,
- The gathering of necessary information and distribution of said information to the appropriate parties, and
- One clinical follow-up to the injured employee in the first 24 hours following the initial call.

## **TELEHEALTH SERVICES**

### **Terms and Conditions**

CorVel provides telehealth services through a network of employed and contracted physicians and non-physician practitioners (collectively the “Health Providers”) who use a secure web-based telehealth platform provided by American Well Corporation (the “Platform”).

CorVel shall provide Telehealth visits to Customer’s injured claimants who opt for such service for a level of care determinations related to their work injuries through its 24/7 nurse triage telephone line, or through CorVel’s direct Telehealth access line. A Telehealth visit is a single synchronous virtual consultation through the American Well platform between a Health Provider and an injured claimant (“Telehealth”).

CorVel’s 24/7 triage nurses are trained to provide an initial assessment and will provide immediate referral to medical care when needed. Nurses may refer to a Telehealth Health Care Provider TeleMedicine as appropriate (i.e., musculo-skeletal injuries).

- Telehealth visits are always an “option” for the injured claimant.
- If opted by the injured claimant, CorVel connects the injured claimant to a physician immediately via a computer, tablet or phone.
- If the injured claimant decides that he/she does not want a Telehealth visit, CorVel will immediately offer to schedule the injured claimant with a traditional, in-person PPO medical provider located at a convenient, clinic-based location.

CorVel’s Telehealth services will be made available to injured claimants with an existing claim, as an alternative means of obtaining medical care, where the injured worker requests such care.

RFP# HR0000002381

ATTACHMENT B- SOW TEMPLATE

Vendor:  
SOW Number:

**PROFESSIONAL SERVICES  
STATEMENT OF WORK (SOW)**

This Statement of Work ("SOW") is between Ramsey County ("County") and \_\_\_\_\_("Contractor"). This SOW is issued under Ramsey County Master Contract Number \_\_\_\_\_, and is subject to all provisions of the Master Contract which is incorporated by reference.

**1. Term of SOW**

- 1.1. *Effective date:* \_\_\_\_\_ or the date the County obtains all required signatures, whichever is later.  
**The Contractor must not begin work under this SOW until it is fully executed and the Contractor has been notified by the County's Authorized Representative to begin the work.**
- 1.2. *Expiration date:* \_\_\_\_\_ or until all obligations have been satisfactorily fulfilled, whichever occurs first.

**2. Contractor's Duties**

The Contractor, who is not a County employee, will Provide their resource, \_\_\_\_\_, to perform \_\_\_\_\_ work for Ramsey County \_\_\_\_\_.

Contractor warrants that all services will be performed with the highest standard of professional service.

**3. Consideration and Payment**

- 3.1. *Consideration.* The County will pay for all services performed by the Contractor under this SOW as follows:
  - A. *Compensation.* The Contractor will be paid as follows: at a rate of \_\_\_\_\_ not to exceed \_\_\_\_\_.
  - B. *Total Obligation.* The total obligation of the County for all compensation and reimbursements to the Contractor under this SOW will not exceed \_\_\_\_\_.
- 3.2. *Invoices.* The County will promptly pay the Contractor after the Contractor presents an itemized invoice for the services actually performed and the County's Authorized Representative accepts the invoiced services. Invoices must be submitted timely.

**4. Additional Contractor Requirements**

**NOTE –ARE ADDITIONAL HIPAA, CJIS, PREA, PCI OR OTHER TERMS REQUIRED?**

**5. Additional Insurance Requirements**

**NOTE – WHAT TYPE OF INSURANCE IS REQUIRED?**

**6. SOW Authorized Representative and Project Managers**

The County's SOW Authorized Representative is \_\_\_\_\_ or his/her successor. The County's SOW Authorized Representative will certify acceptance on each invoice submitted for payment.

The County's Project Manager is \_\_\_\_\_ or his/her successor.

The Contractor's Project Manager is \_\_\_\_\_.

If the Contractor's Project Manager changes at any time during this SOW, the Contractor must immediately notify the County.

**1. RAMSEY COUNTY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**2. CONTRACTOR**

The Contractor certifies that the appropriate person(s) have executed the contract on behalf of the Contractor as required by applicable articles or bylaws.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



+



# Cost Proposal

## Ramsey County

Workers' Compensation Medical  
Management Services

RFP #: HR0000002381

April 9, 2020



**Katie Friend**  
CorVel Corporation

T 612.436.2430  
C 612.812.8439

[katie\\_friend@corvel.com](mailto:katie_friend@corvel.com)

### Bill Review Services

Description	Pricing
Bill Review: Includes Standard Fee Schedule and UCR - Per Line <sup>1,2</sup> + Network Solutions includes: <sup>2</sup> Clinical Review, Implant Analysis, Line Item Bill Review, Negotiations, PPO Network Access, Substantive Denials, Technical Evaluation	\$1.30 23% of Savings
Minimum Transaction Fee <sup>2</sup>	\$5.00
Clearinghouse/Scanning/OCR	Included
Storage for medical bills and supporting documents	Included
Check-writing Fee	\$4.65

<sup>1</sup> Includes bill intake, document imaging, file upload, state EDI's, and initial 1099 provider notification letters.

<sup>2</sup> Minimum transaction fee (MTF) per bill transaction. Applied per transaction if all other applicable fees do not meet the minimum transaction fee. Applies to all transactions, including but not limited to, Specialty Bills, Duplicate Bills and bills sent for Re-consideration or Re-evaluation. There is a maximum bill review transaction fee of \$15,000.

### Patient Management

Description	Pricing
Telephonic Case Management, Field Case Management and Return to Work Coordinator - Per Hour <sup>1</sup>	\$99
Exception States: Alaska, California, Hawaii and New York	\$155
Vocational Rehabilitation/QRC, Job Placement - Per Hour <sup>2</sup>	MN Stat Rates All Other States-\$175
Specialty Services (Catastrophic, Life Care Plan, Medicare Conditional Payments, Medicare Set Asides, Bilingual) - Per Hour <sup>2</sup>	\$155
Medical Case Director - Per Review	\$150 Administration Fee
Peer Review / Physician Advisor	Provider Charge + \$75 Admin Fee
Intake Triage/Initial Contact	Included

<sup>1</sup> Fee applies to all States with the exception of premium states (CA, HI, AK, and NY).

<sup>2</sup> Statutory rates supersede if applicable.

Prevailing IRS Mileage Rate applies. Mileage rate is billed at IRS rate + 10% on any Case Management Travel

## Pharmacy Solutions

Description	Pricing
Retail Pharmacies	
Brand	AWP -13% + \$3.00 dispensing fee
Generic	AWP -25% + \$3.00 dispensing fee
Mail Order	
Brand	AWP -16% + \$2.50 dispensing fee
Generic	AWP -35% + \$2.50 dispensing fee
Clinical Modeling	
Integration of Pharmacy Data	Included
Dynamic Calculation/Display in Care <sup>MC</sup>	Included
Pharmacy Interventions	
Certified Pharmacy Technician	Included
Rx Nurse	Included
Nurse Management	Case Management hourly rate
Pharmacy Review - Per Review	\$375
Cognitive Behavioral Therapy - Per Hour	\$250
Medication Review - Per Hour	\$250
Medical Imaging Services	Varies by State
Independent Medical Reviews	\$400 + Provider Charge
Physical and Occupational Therapy	Varies by State
Durable Medical Equipment	5% - 15% off F/S or U&C
Transportation	Varies by State
Translation	Varies by State

## Additional Managed Care Service

Description	Pricing
Dedicated Account Manager	Included
EDI in CorVel standard formats	Included
Training – onsite and online	Included
Technical support	Included
MCO Materials-Posters, Brochures, ID Cards	Cost to Print
Unlimited access to CareMC website	Included
Monthly reporting	Included
Custom reporting	\$ 200.00 per hour

## Intake and Immediate Intervention Services (Optional)

Description	Pricing
24/7 Nurse Triage - Per Call	\$125
Telehealth Services	5% below state Fee Schedule or U&C value by CPT code

*Pricing is valid for first year of the contract. At the end of the first year and each year thereafter, all fees outlined on the claims and managed care pricing sheet will be subject to an automatic increase of three percent (3%).*

*Any service not identified in this proposal will be provided at a later time.*

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**Exhibit A – Information Security for On Premise Solutions (“Information Security Exhibit”)**

- 1. County Policies, Procurements & Requirements.** When accessing County systems and/or County premises, Contractor will perform Services in accordance with the Agreement and any County policies, procedures, and any requirements provided to Contractor to the extent provided in advance. If policies, procedures or standards are updated or changed, the County will provide reasonable advanced notice of the change to Contractor. If Contractor is unable or unwilling to comply with the updated or changed County policies, procedures and requirements within thirty (30) days of notice of such update or change, the Agreement may be terminated for cause without a further period of time to cure. If Contractor performs Services through Contractor’s Agent, Contractor shall ensure that such Contractor’s Agent shall perform such Services in accordance with the terms of the Agreement, including any County provided policies, procedures and requirements
  
- 2. Security Program.** Contractor agrees and represents that it currently maintains information protection practices and procedures (“**Security Program**”) that complies with industry best practice and applicable Privacy Laws. Contractor’s Security Program includes, at a minimum:

  - A.** Appropriate administrative, technical, and physical safeguards and other security measures designed to ensure the security and confidentiality of County Data;
  - B.** A security design intended to prevent any compromise of Contractor’s own information systems, computer networks or data files by unauthorized users, viruses, or malicious computer programs which could in turn be propagated to County;
  - C.** Appropriate internal practices including, but not limited to, encryption of data in transit or at rest; using appropriate firewall and antivirus software; maintaining these countermeasures with up-to-date virus definitions and security patches so as to avoid any adverse impact to County’s systems or information; appropriate logging and alerts to monitor access controls and assure data integrity and confidentiality; installing and operating security mechanisms in the manner intended sufficient to ensure County government operations must not be disrupted; permitting only authorized users access to systems and applications; and preventing unauthorized access to County systems via the Contractor’s networks and access codes; and
  - D.** All persons with authorized access to County Data must have a documented genuine need-to-know prior to access.
  
- 3. Training and Supervision.** Contractor conducts appropriate and reasonable background checks or other investigations of its job candidates or Contractor’s Agents prior to such persons’ employment or access to County Data. Contractor represents that it maintains adequate training and education programs to ensure that its employees and Contractor’s Agents are aware of and adhere to its Security Program. Contractor shall exercise necessary and appropriate supervision over its employees and Contractor’s Agents to maintain appropriate confidentiality and security of County



Data.

- 4. Third Parties.** Contractor shall not share, transfer, disclose or otherwise provide access to any County Data, to any third party unless it is a Third Party Service Provider or Contractor's Agent and County has authorized Contractor to do so in writing. Contractor will ensure that any Contractor's Agent it may desire to perform any of the services required by its Agreement with County shall be obligated to have a Security Program equivalent to that required of the Contractor. Further, regarding any Data Incident, Contractor shall contractually preserve for County all such rights as County has above. Regarding audit rights, Contractor shall contractually preserve for County all such rights as County has in the section below. Contractor shall not share County Data with any other third party, without prior written approval, or if required, to comply with legal process, only after notice to County. Contractor shall only retain Contractor's Agents that are capable of performing the delegated obligations in accordance with the Agreement.
- 5. Audit.** Contractor shall have its own designated third party perform on at least an annual basis security audits and review of Contractor's own systems performed by a third party, including vulnerability and penetration assessments. Contractor shall provide a current SOC Report to the County upon request and Contractor will give County notice of any current findings that are likely to adversely impact County Data and will keep County timely informed of its remediation efforts. If the audit reveals any vulnerability, Contractor shall correct such vulnerability at its sole cost and expense and shall certify the same in writing to County. Contractor shall use information technology industry best practices to correct all vulnerabilities and provide County a report explaining corrective actions immediately but no later than within thirty (30) days of completion of the audit, unless County agrees in writing otherwise. Contractor's failure to procure audits or to complete corrections in a timely manner will be a material breach of the Agreement.
- 6. Security Certification.** Contractor must maintain a level of security certification or assessment consistent with information technology industry best practices and by a qualified third party reasonably acceptable to County. Such certifications shall be provided to County as reasonably requested by County.
- 7. Security Standards.** Contractor shall comply with all security measures and policies as outlined in the Agreement as well as Contractor's client guide and/or Information Security Policy. In the event Contractor materially degrades the information security standard during any such modification, such degradation shall constitute a material breach by Contractor under the Agreement and this Information Security Exhibit. Contractor will comply with applicable U.S. laws and regulations concerning information security and conduct SSAE 18 audits (or SOC 2) at least annually, or in the event it is superseded, the resultant SSAE 18 equivalent.

- 8. Controls.** The County agrees that Contractor is solely responsible for all testing and auditing, including port scanning and penetration testing, of Contractor security controls. Contractor shall provide summaries of such results of such testing as requested by the County.
- 9. Penetration Testing.** Penetration testing of the Contractor's architecture is included at a frequency of one per year at no additional cost. Contractor will coordinate with the current penetration testing vendor and shall use information technology industry best practices to remedy any issues identified immediately but no later than within thirty (30) days of reporting. Contractor's failure to remedy and report the remedy in a timely manner will be a material breach of the Agreement. If additional penetration tests are required due to a material adverse result from first testing, Contractor will arrange through Contractor's vendor for additional penetration testing and shall provide summaries of the results to County.
- 10. Mobility and Transfer of Data.** No County data shall be stored, transported, or kept on a laptop or any other mobile device or storage media, including USB, "thumb drives," DVDs, CDs, unless encrypted using an encryption methodology approved in writing by County. All electronic data transfers of County Data must be via secure FTP or other County approved protocol and/or in approved encrypted form. Any physical removal or transfer of County Data from County's or Contractor's facilities shall be conducted only according to controls developed or approved by County.
- 11. Security Policies.** Contractor's security policy is made up of the following documents and summaries or as applicable table of contents shall be provided to County. Contractor will comply with and not degrade any component of their security policy.
- Acceptable Use Policy
  - Access Control Policy
  - Business Continuity Policy
  - Data Destruction and Retention Policy
  - Data Security Policy
  - Disaster Recovery Policy
  - Email Use Policy
  - Encryption Policy
  - Exception Request Policy
  - Incident Management policy
  - Internet Security Policy
  - Mobile Device Policy
  - Network Security Policy

- Password Policy
- Patch Management Policy
- Personnel Security and Termination Policy
- Physical Security Policy
- Privacy Policy
- Physical Security Policy
- Server Security Policy
- Scanning and Security Policy
- Server Audit Policy
- Third Party Access Policy

**12 Disaster Recovery.** Contractor's Disaster Recovery plan is structured in a recovery team format. This format increases the efficiency by allowing departments to be recovered concurrently. The plan provides critical recovery solutions, information and specific steps required to be followed by each team member to ensure successful recovery. Contractor has a Crisis Manager and leadership identified with responsibilities clearly assigned. Alternates for each critical team member are identified to be involved in the event that the team member is not available. The Disaster Recovery Plan is tested and updated at least annually or when major changes warrant updating. A report of each Disaster Recovery test is completed and any identified gaps and lessons learned are shared with leadership. Any major gaps are prioritized and mitigated where ever possible. At the County's request, Contractor will provide a summary of any major gaps identified which may impact County Data.

## **Exhibit B – Hosting and/or Cloud Services and Security Standards (“Hosting Security Exhibit”)**

1. **Virtual Infrastructure/Cloud Services.** In addition to the Contractor responsibilities listed in the Agreement by and between the Parties, Contractor acknowledges and agrees to assume the following additional responsibilities:
  - 1.1. **Connectivity.** Contractor will provide the connectivity as described in in the Agreement.
  - 1.2. **Load Balancing.** Contractor will load balance the County applications to meet the needs of the County’s operations, as may be further described in the County’s system architecture specifications, or as mutually agreed to by the Parties.
  - 1.3. **Security.** Contractor will implement reasonable and appropriate systems and procedures sufficient to ensure the security and confidentiality of the County Data, as further specified herein. County Data is defined as the data described in the Data Practices section of this Professional Services Agreement.
  - 1.4. **Security Compliance.** Contractor will provide the Services utilizing an information technology industry best practices compliant data center located in the continental United States. Contractor will perform periodic audits (SOC 1 or SOC 2 or other industry equivalent standard mutually agreed to by the Parties) of Contractor’s security controls (i.e., physical and logical security, network configuration, change/problem and vulnerability management and recovery services), and make available to the County upon request by County a current copy of such SOC 1 or SOC 2 report and a current Bridge Letter if applicable. In the event of any qualified statements in such reports that materially impact the County, the County may immediately terminate the Agreement for material breach without further period to cure.
  - 1.5. **Back-up Services.** Contractor will perform the backup services at the following intervals: Contractor will back-up the servers containing County Data one time each day to a storage area network (SAN), and Contractor will keep each such daily back-up for seven days; Contractor will back-up the servers containing County Data one time each week to a back-up tape. Contractor will retain one back-up tape per week for seven years. In addition, Contractor will fulfill restoration of its systems as pursuant to state or federal requirements due to site failures. Restoration will be performed as pursuant to applicable state and federal requirements. Contractor will transfer appropriate back-up data and re-establish all hosting operations in an appropriately functioning secondary server or location in a commercially reasonable timeframe.
  - 1.6. **Anti-Virus Software.** Contractor will install and maintain industry standard anti-virus and anti-spyware software for all physical and virtual servers used to provide the Services.
  - 1.7. **Fix Errors.** Contractor will use Contractor’s best efforts to promptly remedy any failure of the Services.

2. **Monitoring Services.** Contractor will provide the following additional Services with respect to system monitoring:
  - 2.1. **Access.** Contractor will provide access to Contractor's CareMC Application (RMIS system) client portal, monitoring and alerting of the County's servers, as well as the processes and services being executed by such servers by Contractor's systems on a 24 x 7 x 365 basis by agreeing to and executing Contractor's CareMC License Agreement. In addition, the County will be provided with access to Contractor's designated representative which allows for 24x7x365 access to support requests. Such Contractor designated representative shall alert Contractor's Help Desk to open ticket status, reporting and a knowledge base of previous County issues and projects.
  - 2.2. **Monitoring and Detection.** Contractor will provide monitoring and alerting of Contractor's CareMC Application and systems on a 24 x 7 x 365 basis of Services.
  - 2.3. **Equipment Monitored.** The County requests that the Services be provided to cover the computer related items detailed on any network and infrastructure equipment inventory list maintained by Contractor through Contractor's disaster recovery guidelines.
  - 2.4. **Notification.** Contractor will notify the County of disruption in any Services for which Contractor is providing monitoring within twenty-four hours of any such disruption in accessibility.
  - 2.5. **Fix Issues.** Contractor will promptly apply a fix to any disruption in the Services **Communication with Network Operations Center.** The County may communicate with Contractor designated representative via telephone, email, or client portal ticket 24 hours a day, seven days a week and 365 days a year.
  - 2.6. **Initiation of Client Portal Tickets.** Unless stated otherwise, client portal tickets are initiated or escalated within twenty-four (24) hours of receipt.
3. **Operating System Patch Services.** Contractor will provide the following Services with respect to operating system Patches: Contractor does nightly maintenance on its CareMC Application and systems and applies patches as necessary, in a timely manner and prioritizes based upon risk.
  - 3.1. **Installation Services.** Contractor will install Patches at a time appropriate to their risk level, which may include considering the following factors: any possible disruption to the Services, and the urgency of the need to install the Patch.
  - 3.2. **Notification.** Contractor will notify the County of Patch management installations in accordance with the notification requirements agreed upon by the County and Contractor in any Patch Management and Monitoring which could materially and adversely affect the accessibility by Customer of Contractor's CareMC Application or systems during business hours.
  - 3.3. **Definition of Patch.** For the purposes of this Hosting Security Exhibit, the term "Patch" means platform and applications software security and anti-virus updates and other software fixes and updates issued by and recommended for installation by software vendors for

Software used in one or more Services.

4. **Security Standards.** Contractor shall comply with all security measures and policies as outlined in the Agreement as well as Contractor's data privacy, security policies, client guide and/or Information Security Policy, and security procedures that apply to county data. In the event Contractor materially degrades the information security standard during any such modification, such degradation shall constitute a material breach by Contractor under the Agreement Contractor will comply with applicable U.S. laws and regulations concerning information security and conduct SSAE 18 audits (or SOC 2) at least annually, or in the event it is superseded, the resultant SSAE 18 equivalent.
  
5. **Security Program.** Contractor agrees and represents that it currently maintains information protection practices and procedures ("Security Program") that complies with industry best practice and applicable privacy laws. Contractor's Security Program includes, at a minimum:
  - 5.1. Appropriate administrative, technical, and physical safeguards and other security measures designed to ensure the security and confidentiality of County Data;
  - 5.2. A security design intended to prevent any compromise of Contractor's own information systems, computer networks or data files by unauthorized users, viruses, or malicious computer programs which could in turn be propagated to County;
  - 5.3. Appropriate internal practices including, but not limited to, encryption of data in transit or at rest; using appropriate firewall and antivirus software; maintaining these countermeasures, operation systems and other applications with up-to-date virus definitions and security patches so as to avoid any adverse impact to County's systems or information; appropriate logging and alerts to monitor access controls and assure data integrity and confidentiality; installing and operating security mechanisms in the manner intended sufficient to ensure County government operations must not be disrupted; permitting only authorized users access to systems and applications; and preventing unauthorized access to County systems via the Contractor's networks and access codes; and
  - 5.4. All persons with authorized access to County Data must have a documented genuine need-to-know prior to access;
  - 5.5. Contractor warrants that the services and deliverables will not contain, and Contractor, its employees or Contractor's Agents will not introduce through data transmission or any other means, any virus, ransomware, malware, spyware, bomb, worm, trap door, back door, Trojan horse, malicious logic, drop dead device, software lock, disabling code or any other contaminant, program routine or disabling device, including without limitation, any key, timer, clock, counter, local shared object/flash cookies or other self-enacting device or limiting routines, codes, commands, or instructions or other feature that may have the effect or that could be used to access, track activity on, alter, delete, damage, deactivate, interfere with, disable or otherwise harm any service or deliverable or the County owned, licensed and/or leased computer hardware, software, code, systems, data, compilations of data, or other property.
  
6. **Audit.** Contractor shall have its own designated third party perform on at least an annual



basis security audits and review of Contractor's own systems performed by a third party, including vulnerability and penetration assessments. Contractor shall provide a current SOC Report to the County upon request and Contractor will give County notice of any current findings that are likely to adversely impact County Data and will keep County timely informed of its remediation efforts. If the audit reveals any vulnerability, Contractor shall correct such vulnerability at its sole cost and expense and shall certify the same in writing to County. Contractor shall use information technology industry best practices to correct all vulnerabilities and provide County a report explaining corrective actions immediately but no later than within thirty (30) days of completion of the audit, unless County agrees in writing otherwise. Contractor's failure to procure audits or to complete corrections in a timely manner will be a material breach of the Agreement.

7. **Mobility and Transfer of Data.** No Confidential Information, CPI, CPM or County Data shall be stored, transported, or kept on a laptop or any other mobile device or storage media, including USB, "thumb drives," DVDs, CDs, unless encrypted using an encryption methodology approved in writing by County. All electronic data transfers of County Data must be via secure FTP or other County approved protocol and/or in approved encrypted form. Any physical removal or transfer of County Data from County's or Contractor's facilities shall be conducted only according to controls developed or approved by County.
8. **Security Certification.** Contractor must maintain a level of security certification or assessment consistent with best practices and by a qualified third party reasonably acceptable to County. Such certifications shall be provided to County as reasonably requested by County.
9. **Segmentation.** Contractor warrants that all County Data is maintained so as to preserve segmentation of County Data in a logical separation from data of others.
10. **Controls.** The County agrees that Contractor is solely responsible for all testing and auditing, including port scanning and penetration testing, of Contractor security controls. Contractor shall provide summaries and or table of contents as applicable of the results of such testing as requested by the County.
11. **Penetration Testing.** Penetration testing of the Contractor's architecture is included at a frequency of one per year at no additional cost. Contractor will coordinate with the current Contractor penetration testing vendor and shall use information technology industry best practices to remedy any issues identified immediately but no later than within thirty (30) days of reporting. Contractor's failure to remedy and report the remedy in a timely manner will be a material breach of the Agreement. If additional penetration tests are required due to a material adverse result from first testing, Contractor will be arrange through Contractor's vendor for additional penetration testing and shall provide summaries of the result to County.
12. **Security Policies.** Contractor's security policy is made up of the following documents and

summaries or as applicable table of contents shall be provided to County Contractor will comply with and not degrade any component of their security policy.

- Acceptable Use Policy
- Access Control Policy
- Business Continuity Policy
- Data Destruction and Retention Policy
- Data Security Policy
- Disaster Recovery Policy
- Email Use Policy
- Encryption Policy
- Exception Request Policy
- Incident Management policy
- Internet Security Policy
- Mobile Device Policy
- Network Security Policy
- Password Policy
- Patch Management Policy
- Personnel Security and Termination Policy
- Physical Security Policy
- Privacy Policy
- Physical Security Policy
- Server Security Policy
- Scanning and Security Policy
- Server Audit Policy
- Third Party Access Policy

13. **Hosting Security Standards.** The hosting security standards for the Contractor or Contractor's Agent's data center(s) (the "Data Center") include:

- Physical Security
  1. Video cameras
  2. Motion sensors
  3. Fire sensors
  4. Locked doors with controlled access
  5. Manned reception area
  6. Visitor log

There are no external windows in the Data Center. In the Data Center, all physical equipment



is owned or leased by Contractor and/or Contractor's Agent and is subject to terms herein for all such hosting services including without limitation the secure management and monitoring of all components of the Services provided. Exterior perimeter walls, doors, windows and the main interior entry door to the raised floor environment are constructed of materials that afford UL rated ballistic protection. Vegetation and other objects within the Data Center are maintained such that an intruder would not be concealed.

Physical access mechanisms (e.g. access cards, biometric devices, man-traps and portals) have been implemented and are administered by local operations staff to help ensure that only authorized individuals have the ability to access the Data Center. Portals and Tdar man-traps have been installed as an anti-tailgating measure in the Data Center lobby. All access into and out of the Data Center is through either a portal or Tdar man-trap. The portal/man-trap bypass doors are only to be used in the event an individual is unable to use the portal or man-trap. Examples include handicap, phobia or other restrictions on a case- by-case basis. Tours and emergency Data Center security operations crews will be permitted to use the Portal bypass door, when necessary. All security systems have dedicated 24x7 UPS systems and standby emergency power support.

The Data Center incorporates video cameras, motion sensors, fire sensors, locked doors with controlled access, manned reception area, visitor log, and glass break sensors in the Data Center. There are no external windows in the Data Center. Video cameras are used in the front entrances, emergency exits, secure areas, main lobby, elevators, general employee areas, within the Data Center and monitoring the grounds and parking lots around the Data Center. Security monitoring is recorded to digital files with a 90 day retention. Tapes are rotated every 30 days and are stored offsite. Motion sensors are located on the roof and are armed 24x7. The Data Center utilizes on-site and remote monitoring centers and both are manned 24x7.

The Data Center requires a key-card for entry. Only three designated employees are permitted to open the door to accept shipments or greet visitors. The Data Center is staffed from 6 a.m. to 7 p.m. weekdays. Security guards patrol the building during unstaffed hours. Video cameras are positioned in the areas surrounding the Data Center. All visitors must sign in and be escorted at all times.

All persons requesting access into the Data Center must be positively identified. This process requires the requesting person to submit valid (unexpired) Government issued photographic ID at the desk and sign in and out of the Data Center. Visitors must be approved by Contractor's personnel prior to arriving at the Data Center. The Data Center incorporates secure badges, secure visitor badges, and biometrics. All visits must be arranged in advanced, and all visitors are escorted at all times.

- Network Security
  1. Every connection to an external network is terminated at a firewall.
  2. Network devices are configured to prevent communications from unapproved networks.
  3. Network devices deny all access by default.
  4. Security patches are regularly reviewed and applied to network devices.
  5. Contractor follows a strict change management process which incorporates Change Advisory Board review and approvals.
  6. Communication through a network device is controlled at both the port and IP

address level.

7. There is a documented standard for the ports allowed through the network devices.
8. Contractor prevents unauthorized devices from physically connecting to the internal network.
9. There is an approval process to allow the implementation of extranet connections.
10. There are regular scans for rogue wireless access points.
11. Contractor manages a SIEM (Security Information and Event Management) tool to review any potential security, infrastructure and vulnerabilities.
12. Contractor subscribes to Contractor's Agent's dedicated NIDS service and 24 x 7 incident response to monitor and respond to intrusion attempts.
13. The Data Center is compliant with SOC-1 and SOC-2.

14. **Backup.** Contractor uses daily on-site backups that are transferred offsite weekly. On-site backups are in a secured tape library within the data center. The tapes travel to a secure facility in locked storage. All of the County Data will be contained in a distinct database that will follow the backup process set forth in the Agreement. Some systems are not backed up because they do not contain any useful data and the recovery process is to rebuild these systems.

- Full backups of the County's repositories are performed daily at 11:30 p.m. CT.
- Incremental backups are performed every hour.
- The backups are sent to tape every evening.
- Backup tapes are tracked in the Data Center where the backup takes place.
- Tapes are in locked containers before going offsite.
- The containers are tracked in the offsite facility and are stored for thirty (30) days.

15. **Disaster Recovery.** Contractor's Disaster Recovery plan is structured in a recovery team format. This format increases the efficiency by allowing departments to be recovered concurrently. The plan provides critical recovery solutions, information and specific steps required to be followed by each team member to ensure successful recovery. Contractor has a Crisis Manager and leadership identified with responsibilities clearly assigned. Alternates for each critical team member are identified to be involved in the event that the team member is not available. The Disaster Recovery Plan is tested and updated at least annually or when major changes warrant updating. A report of each Disaster Recovery test is completed and any identified gaps and lessons learned are shared with leadership. Any major gaps are prioritized and mitigated where ever possible. Contractor, upon request of the County, provide a summary of any major gaps identified which may impact County Data.

16. Contractor also includes Business Continuity Plans (BCP) as part the annual testing efforts. This includes a full BCP tabletop exercise with leadership engagement. A report of the annual BCP test is generated and reviewed with leadership. Any gaps identified are prioritized by leadership and are assigned and mitigated where ever possible before the next BCP test if not before. Contractor shall provide a table of contents of the Business Continuity Plan upon request from County. Contractor, upon request of the County, provide

a summary of any major gaps identified which may impact County Data.

**17. County Data.** The Contractor shall provide the County with all County Data upon termination or at any earlier time in the format reasonably requested by the County at no additional cost to the County. In addition, to the extent the County requests Transition Services, the Contractor will provide such Transition Services as provided below. The return of the County Data will either be provided once Transition Services are completed, or earlier, as requested by the County. The Contractor shall not destroy the County Data until such time as the County has confirmed successful access to the returned County Data.

17.1 “Transition Services” means those Services that are provided by Contractor to County at the time of expiration or termination of the Agreement, Service Order, SOW, or any other termination of Services, along with any new services that County may require to transfer County Data, and the affected Services to County or to any third party designated and authorized by County.

17.2 “Transition Services Period” means a period of six (6) months, or as otherwise described in the Agreement, Service Order or SOW, for the orderly transition of Services and transfer of any County Data to County or another service provider, beginning upon the expiration of the Agreement, Service Order, SOW, or other termination of Services.

17.3 “Transition Services Plan” is the written methodology and approach, including Deliverables and timelines that Contractor will use to deliver the Transition Services during the Transition Services Period.

17.4 Transition Services. In connection with the expiration or termination of the Agreement, any Service Order, or SOW, for any reason, and notwithstanding any dispute between the Parties, Contractor will provide Transition Services for the Transition Services Period, or as otherwise agreed upon between the Parties as follows: (i)

**18. Applicable Requirements and Access.** At no additional cost Contractor will provide County and any designated Third Party Service Provider in writing, to the extent applicable, applicable standards, policies, operating procedures, and other Documentation relating to the affected Services; (ii) Development of Transition Services Plan. If requested by County, at Contractor’s expense, Contractor will assist County and its designated Third Party Service Provider in developing a Transition Services Plan; (iii) Comparable Fees. Contractor shall provide the Transition Services during the Transition Service Period at fees that are no greater than fees charged County for comparable services prior to termination or if comparable services were not performed for County prior to termination or expiration, then at fees no greater than the fees charged by Contractor to other similarly situated customers or fair market value, whichever amount is less; (iv) Absolute Obligation. Contractor agrees that it has an absolute and unconditional obligation to provide County with Transition Services and Contractor’s quality and level of performance during the Transition Service Period will continue to adhere to all requirements of the Agreement.

**19. Data Retention.** Contractor may continue to keep or maintain any County Data obtained in the course of performance of the Services so long as the Agreement and the relevant Service Order or SOW remains in effect and such use shall not extend beyond the

termination of the Agreement or the relevant Service Order or SOW except with respect to providing Transition Services, provided that Contractor will provide a copy of the County Data upon termination or expiration of the Agreement in accordance with Section XX or at any time requested by County.

## **20. Warranties.**

20.1 Contractor warrants that the Services and Deliverables will not contain, and Contractor, its employees or Contractor's Agents will not introduce through data transmission or any other means, any virus, ransomware, malware, spyware, bomb, worm, trap door, back door, Trojan horse, malicious logic, drop dead device, software lock, disabling code or any other contaminant, program routine or disabling device, including without limitation, any key, timer, clock, counter, local shared object/flash cookies or other self-enacting device or limiting routines, codes, commands, or instructions or other feature that may have the effect or that could be used to access, track activity on, alter, delete, damage, deactivate, interfere with, disable or otherwise harm any Service or Deliverable or the County owned, licensed and/or leased computer hardware, software, code, systems, data, compilations of data, or other property.

20.2 Contractor warrants that (a) all Services and Deliverables will strictly comply, function and perform in accordance with the functional requirements and specifications of County or as otherwise identified in any and all specifications, criteria, requirements and documentation specified or referred to in the applicable Service Order(s) and/or SOW(s).

20.3 The Documentation, if any is to be provided, will be accurate, complete and sufficient in detail to enable the End Users to use all of the functionality of the Services and Deliverables without assistance from Contractor or any third party, (c) no information transferred through or stored in or on the Services or Deliverables, while in the possession or under the control of Contractor, will be subject to any loss of accuracy or integrity or corruption, and (d) all Services or Deliverables will comply, function and perform in accordance with all applicable laws and regulations. In the event that the County discovers that any Services or Deliverables do not conform to and perform in accordance with the specifications and requirements of the County, the County shall promptly notify Contractor in writing of such nonconformance, and Contractor shall, at Contractor's sole cost and expense, promptly re-perform Services to modify such Services or Deliverable to make it conform, time being of the essence. In the event Contractor is unable to qualitatively and functionally re-perform the Services or correct a Deliverable within five (5) business days of County notice of the nonconforming Service or Deliverable, County may seek and obtain a refund for the defective Services or Deliverable. Contractor's failure to properly remedy any failed warranty outlined above shall not preclude County from exercising any other remedies available to it under the Agreement or at law or equity.

20.4 Contractor represents and warrants that all third party materials required to operate and fully utilize the Services or Deliverables will be fully disclosed to the County and are commercially available to the County and unless otherwise identified in a Service Order or SOW, no additional license fee or other costs will be incurred by County for use of the Services.

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**Item Number:** 2020-280

**Meeting Date:** 10/20/2020

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**Sponsor:** Workforce Solutions

**Title**

Grant Award from Minnesota Department of Human Services for Supplemental Nutrition Assistance Program Employment and Training

**Recommendation**

1. Ratify the submittal of the Supplemental Nutrition Assistance Program Employment and Training Local Area Plan/grant application to the Minnesota Department of Human Services for Supplemental Nutrition Assistance Program Employment and Training in the amount of \$236,000.
2. Accept a grant award of \$98,265 from the Minnesota Department of Human Services for Supplemental Nutrition Assistance Program Employment and Training for the period of October 1, 2020 through September 30, 2021.
3. Authorize the County Manager to execute the Grant Allocation Award.
4. Authorize the County Manager to apply for and accept additional Supplemental Nutrition Assistance Program Employment and Training grant funds from the Minnesota Department of Human Services for the period of October 1, 2020 through September 30, 2021.
5. Authorize the County Manager to enter into agreements and amendments to agreements in accordance with the County's procurement policies and procedures, provided the amounts are within the limits of the grant funding.

**Background**

The Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) is a voluntary program, however, requires active participation in order to continue receiving ongoing food benefits. SNAP E&T provides employment and training services to single adults without children and low-income families who are not eligible for other public assistance programs. SNAP participants are offered SNAP E&T activities such as job search, coordination and referral to vocational training and other social services that will improve their employment prospects.

Ramsey County Workforce Solutions is required to provide SNAP E&T services and submit an annual Local Area Plan to the Minnesota Department of Human Services (DHS) in order to receive funds to operate the SNAP E&T program. Due to the tight timeline provided by DHS for the submission of the SNAP E&T Local Area Plan, a timely Request for Board Action was not feasible.

On July 27, 2020, with the approval of Workforce Innovation Board (WIB) of Ramsey County, Workforce Solutions submitted the SNAP E&T Local Area Plan to DHS with a request for funding of \$236,000. The Ramsey County Board of Commissioners was then advised by memo of Workforce Solutions' intent to bring a Request for Board Action to the County Board upon receiving notice of the funding award.

On September 17, 2020, Workforce Solutions was allocated \$98,354 from DHS, which is a slight increase from last year's initial allocation of \$98,265. This year DHS has an allocation of \$554,603 to be distributed to counties. This continuous yearly allocation is based on a formula created by DHS which takes into account the number cases in Ramsey County, increased allocations to additional MN counties to provide SNAP E&T and



funding available to DHS from the United States Department of Agriculture. Aside from the initial allocation, if additional funding is available, counties can request for additional funds. Last federal fiscal year, Workforce Solutions received a total allocation of \$287,708, which was able to fully fund the SNAP E&T program.

The funds will be used to serve up to 500 SNAP E&T participants for the period of October 1, 2020 through September 30, 2021, and will cover transportation costs (bus/gas cards), employment and education-related expenses, such as work clothes, work tools, books, and testing fees.

In addition, Workforce Solutions will assess and refer interested participants to local SNAP E&T providers and work collectively with local colleges, community-based organizations, Workforce Innovation and Opportunity Act programs and others to leverage funding streams and help participants secure education and employment.

**County Goals** (Check those advanced by Action)

- Well-being
- Prosperity
- Opportunity
- Accountability

**Racial Equity Impact**

Upon approval, funding will be used to serve low income Ramsey County residents who are receiving food support benefits that are referred for SNAP E&T. The SNAP E&T program primarily supports people with multiple barriers to employment by assisting with essential case coordination, employment services, job search skill building and placement, and referrals to training services. Additionally, SNAP E&T serves participants who work in low-wage jobs to advance their careers., In Ramsey County, about half of those served are people of color and indigenous. The current demographic for SNAP E&T participants include 35% African American, 47% white, 6% Asian, 3% American Indian, 3% multi-race and 6% unidentified.

**Community Participation Level and Impact**

The plan requires approval by the WIB. Workforce Solutions is working with metro counties to share ideas to improve SNAP E&T programming and will gather input from program participants to improve SNAP E&T services and resources to the participants.

- Inform
- Consult
- Involve
- Collaborate
- Empower

**Fiscal Impact**

The grant allocation will fund all program costs and is included in the 2020-2021 operating budget. The potential exists for additional funding to be received from DHS mid-year.

**County Manager Comments**

County Board approval is required to submit local area plans, grant applications and to accept grant awards over \$100,000.

For more information on the Minnesota Department of Human Services' Supplemental Nutrition Assistance Employment and Training Program, please visit <https://mn.gov/dhs/snap-e-and-t/>.

**Last Previous Action**

On November 5, 2019, the County Board authorized an agreement with the Minnesota Department of Human services to provide SNAP E&T services (Resolution B2019-251).

On November 6, 2018, the County Board authorized an agreement with the Minnesota Department of Human services to provide SNAP E&T services (Resolution B2018-286).

**Attachments**

1. Memorandum to the County Board
2. SNAP E&T Local Area Plan/Grant Application
3. Allocation Award

To: Workforce Innovation Board of Ramsey County  
CC: Ryan O'Connor, Johanna Berg  
From: Ling Becker, Executive Director, Ramsey County WIB  
RE: Intent to Apply for the SNAP Employment and Training 2021 Funds  
Grant: Yearly Local Plan Application for the SNAP Employment and Training Funds to Administer Employment and Training Program for the SNAP Eligible Residents of Ramsey County  
Date: July 27, 2020

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Ramsey County Workforce Solutions (WFS) administers the Supplemental Nutrition Assistance Programs Employment and Training (SNAP E&T) for all eligible Ramsey County residents on behalf of the Department of Human Services (DHS). Counties are required to submit a yearly plan to DHS describing details of the program operations including coordination with other employment programs and the participant support system.

Workforce Solutions' goal is to help SNAP E&T eligible residents fully utilize their SNAP benefits, gain essential skills needed for gainful employment, and successfully transition off public assistance. Due to current COVID-19 pandemic, the majority of communication, documentations and activities are conducted over the phone, by email, and through virtual learnings. There is a statewide focus on offering a skill-development continuum of services to residents. The goal is to work collectively with community and local colleges, community-based organizations, WIOA programs and others to build creative and innovative approaches to provide services to the residents across the local area, leverage multiple funding streams and help residents secure employment.

Workforce Solutions plans to enroll 540 SNAP participants who can benefit from SNAP E&T services. The SNAP E&T program calls for a close partnership with the local Workforce Development Board. The Workforce Innovation Board of Ramsey County (WIB) is actively involved in providing support for the program. The WIB also reviews and approves the SNAP E&T Local Plan.

Due date: July 27, 2020 (DHS released the Local Plan information on July 10, 2020)

Amount: \$236,000 in SNAP 100% funding and \$50,000 in SNAP 50/50 reimbursement. The actual amount for 100% funding will be determined by DHS based on the funds available

Status: If successful, WFS will update the WIB. WFS plans on providing ongoing updates and information regarding program administration to the full WIB at least twice per year.





## Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T) Federal Fiscal Year 2021 Workplan

[Oct. 1, 2020 - Sep. 30, 2021]

**All SNAP E&T entities including counties, Tribal Nations, third-party providers and Department of Employment and Economic Development (DEED) are required to complete relevant sections of this plan and submit responses by July 27, 2020.**

### Instructions

Use the keys below to review, save, print and submit your FFY 2021 SNAP E&T workplan. As you work on your responses, click the save button to store your responses and follow the instructions to return to where you left off. Note that only the person completing and saving the document will be able to retrieve it. When the plan is ready to be reviewed by your agency's respective authorities, save and print a copy. When the workplan is reviewed and certified (no hard signatures required), print a copy for your records (using LANDSCAPE orientation). After printing, click the submit button to send your document to the Department of Human Services, SNAP E&T Team.

### Requirements

All SNAP E&T entities are expected to market E&T (provide information about available services) to SNAP recipients and connect them to service providers. Recipients include those who are working or potentially able to work (both Able-Bodied Adults without Dependents (ABAWDs) and other SNAP recipients. For those working, E&T services can enhance skills to advance in the workplace. For those not working, skills building, and employment training can increase employability in Minnesota's workforce.

The [SNAP E&T website](#) contains a statewide map of current service providers whose services can be accessed by SNAP recipients across the state, not limited to a county or reservation border. The SNAP E&T team is available to provide technical assistance and answer any questions specifically related to how your county can market E&T to recipients and refer them to one of these providers.

Time-limited ABAWDs must continue to work or participate in employment and training activities for an average of 20 hours per week, totaling 80 hours per month, in order to maintain their food benefits beyond three counted months. More details on ABAWDs and current Banked Month guidance is available by accessing the document titled [Serving ABAWDs](#) on the SNAP E&T website. While time-limited recipients will continue to be a priority group, growth in SNAP E&T is projected to reside with other low-income and low-skilled SNAP recipients.

Some counties and tribes may be eligible for an ABAWD waiver from the time limit and work provisions. Whether or not a county or tribe is waived, with the opportunities to leverage the federal 50 percent reimbursement funding stream, along with the 100 percent fund allocation, recipients can benefit from the increasing range of available E&T services. Currently, these include services provided by some agencies in-house, by agency-contracted providers, state-contracted (DHS) providers and DEED's E&T grantees. Using non-federal dollars and seeking a 50 percent reimbursement could return funds to local areas which can be reinvested into employment and training, and thus grow the SNAP E&T program to serve a larger number of SNAP recipients.

Tribal programs may be reimbursed up to 75% for administrative, program, and support service costs related to SNAP E&T participants who reside on Tribal land; participants do not have to be an enrolled Tribal member. Community based organizations and community colleges, including Tribal Colleges, serving primarily American Indians may also be reimbursed up to 75% for expenses related to SNAP E&T participants who reside on Tribal land. It is the responsibility of the grantee to retain this documentation for audit purposes.

## Funding

In the past, Minnesota used its 100 percent federal allocation to fund its E&T services. Minnesota is now using a second federal funding stream, referred to as 50 percent reimbursement funds (50/50 funding) to expand its SNAP E&T services. This entails funding SNAP E&T activities using non-federal dollars (not used as a match for another federal program) to serve eligible SNAP recipients, and seeking a 50 percent reimbursement, which comes back to the provider. Reimbursement funds received are considered non-federal dollars and can be reinvested in E&T. These funds must be received, spent on valid SNAP E&T costs, and invoiced through the regular invoicing process. All third-party providers use non-federal dollars for E&T services and seek reimbursements. Counties can access this funding in addition to 100 percent allocation.

## Providers

Currently, some entities choose to provide SNAP E&T services either in-house or through a county-contracted E&T provider. DHS continues to contract directly with third-party providers to increase the range of E&T services across the state. As of FFY 2020, 17 third-party providers have a direct contract with DHS, including White Earth Nation. In addition, the Department of Employment and Economic Development (DEED) has grantees providing SNAP E&T services. These providers bring an array of additional skills development and training programs that respond to labor market needs, and prepare individuals with low incomes to fill jobs that employers are seeking.

## Collaboration

The department is encouraging greater collaboration among all SNAP E&T entities to ensure recipients maximize the range of services offered by diverse providers. DHS encourages SNAP E&T partners to collaborate and make referrals for other services that are not available through the current provider, exposing the SNAP recipient to a range of services that best align with their needs. For example, when a participant nears the end of their vocational training goals, the organization may refer to another organization to provide job search, if the original organization does not have adequate job search assistance available.

## Co-enrollment

Some of the benefits to co-enrollment in other programs include continuation of services if SNAP ends and access to additional funding sources and other services to help ensure participants succeed in their employment goals. Co-enrollment in other programs, such as the Workforce Innovation and Opportunity Act (WIOA), may provide countable activities for a time-limited participant, allowing the participant to earn additional benefit months. When Minnesota Family Investment Program (MFIP) closes, a participant may transition to SNAP E&T. Transitioning to E&T would provide a continuation of supports while completing goals.

In some situations, participants can access services from more than one provider. For example, a third-party provider can work with a college to help the same participant achieve individual employment plan goals. Both providers may work with the participant at the same time, while not providing duplicative services.

It is the providers' responsibility to coordinate services for co-enrolled participants to prevent duplication of service. Duplication of service means the participant receives the same service or support from multiple providers.

## SNAP E&T Entities

Check one of the choices below that identify your SNAP E&T grouping or entity:

County agency or county agency cohort (providing services in-house or through a county agency-contracted provider)

Third-party provider or Tribal Nation (DHS-contracted provider)

Department of Employment and Economic Development (DEED, lead agency for cohort of community organizations)

## County Agencies

How many county agencies are part of your FFY 2021 SNAP E&T Workplan? [If a single county agency, enter 1]

### County agency name

## Program contacts

Provide a program contact for each of the county agencies listed above.

Name:	Title:	Phone:	Email:
<input type="text" value="Ling Becker"/>	<input type="text" value="Director"/>	<input type="text" value="651-266-6001"/>	<input type="text" value="ling.becker@co.ramsey.mn.us"/>

## Collaboration contacts

Greater collaboration among all SNAP E&T entities can ensure recipients maximize the range of services offered by diverse providers. Complete the table with the name, title, phone number and email address for in-house and/or county-contracted provider personnel who should be contacted by outside third-party providers (TPPs) that may be working with a SNAP E&T participant living in your local service area. The purpose of this is to increase collaboration and ensure pertinent information is exchanged, especially regarding participants with time-limited benefits.

Name:	Title:	Phone:	Email:
<input type="text" value="Hua Moua"/>	<input type="text" value="Planning Specialist"/>	<input type="text" value="651-266-6053"/>	<input type="text" value="hua.moua@co.ramsey.mn.us"/>
<input type="text" value="Lisa Guetzkow"/>	<input type="text" value="Manager"/>	<input type="text" value="651-266-6006"/>	<input type="text" value="lisa.guetzkow@co.ramsey.mn.us"/>

## Fiscal contact

Provide a fiscal contact below. If you are a cohort of counties, provide the fiscal contact for the host county.

Name:	<input type="text" value="Holly Pratt"/>
E-mail:	<input type="text" value="holly.pratt@co.ramsey.mn.us"/>
Phone:	<input type="text" value="651-266-6007"/>

## Service provision

What E&T service provision type(s) will your agency be using in FFY 2021? [CHECK ALL THAT APPLY]

In-house

County-contracted

State-contracted (DHS) or DEED-contracted sub-grantees (see the provider map on the SNAP E&T webpage)

Other (such as Veterans Affairs services, WIOA, ABE, etc.)

For "other", describe below. Include estimated number of participants being referred out for other services.

Program services will be shared with participants at SNAP E&T Orientation, An estimated 20 participants will be referred out to co-enroll in WIOA program or other Career pathways training programs, if eligible. An estimated 50 participants will be referred to ESL, ABE or other educational training programs as needed

## Work registrants

Briefly describe your agency's process for screening work registrants for referral to E&T.

All FAS Financial Staff are expected to ask questions that are relevant to code the client for applicable FSET and ABAWD exemptions. Screeners, Intake Interviewers, and Case Management Financial Workers run Bluezone Scripts "ABAWD Screening Tool" and "ABAWD FSET Exemption Check." When eligibility is determined, Financial workers look at any used ABAWD months, if they have used the 2nd 3 month period of eligibility (if eligible = 80 hours in a 30 day period since last receiving SNAP), and eligibility for banked month for certain populations. A discussion on willingness to work with SNAP E&T is discussed when applicable.

Please respond to the following statements specific to work registrants. Reference sources are provided for additional information.

Yes No N/A

**Domestic Violence:** Does your agency explain domestic violence as part of agency's screening process? [MS 256.029](#)

**Communicating E&T Requirements:** [Does your agency verbally explain the SNAP E&T program requirements, rights and responsibilities of work registrants, and consequences of failure to comply? [7 CFR 273.7\(a\)\(1-6\)](#)

**Compliance:** Does your agency have a written script on SNAP E&T program requirements, rights and responsibilities of work registrants, and consequences of failure to comply that case workers follow? [SNAP E&T](#)

**Employment Plan:** Does your agency require SNAP E&T participants to sign the employment plan? [SNAP E&T](#)

**Disputes:** Does your agency have a written grievance process? [7 CFR 273.7\(f\)\(6\)](#)

**Good Cause:** Does your agency have a written good cause policy? [7CFR 273.7\(e,f\)](#)

## Marketing and referral

Marketing and referral of recipients to available service providers is key to increasing participation in workforce preparation activities. How are you planning to market and connect SNAP recipients to E&T providers? [CHECK ALL THAT APPLY]

Verbal communication

Written script and information

DHS website information

Other

For "other", describe below, including a description of the other check boxes:

SNAP ET Information is shared at FAS intake for eligible SNAP participants. During WFS SNAP E&T Orientation, information about other SNAP E&T providers and resources are also shared with participants.

## Funding

Your SNAP E&T activities will be funded by which of the following funding stream(s): [CHECK ONE OR BOTH]

- A. Federally allocated 100 percent funds
- B. Non-federal funds (requesting 50 percent reimbursement)

## Overview

Provide a succinct overview of your SNAP E&T activities including goals and outcomes for participants:

Workforce Solution's goal is to help SNAP E&T participants achieve stability and economic independence by providing the participants services and resources needed to increase their opportunity to improve their education, employment and economic stability. With the currently Covid-19 pandemic, majority of the communication and documentations and activities are conducted over the phone and email, and through virtual learnings with the participant's verbal consent. SNAP E&T Activities Include: Orientation & Enrollment: SNAP participants referred to SNAP E&T are encouraged and invited to attend a SNAP E&T Orientation that explains the program requirements, services offered, activities requirements, and assistance provided to help them build their own career pathways to become self-sufficient. Participants are mailed a welcoming letter with SNAP E&T Orientations being conducted over the phone, with participant's verbal consent to be enrolled into SNAP E&T. Once the situation is more settled in 2021, SNAP E&T orientations are anticipated to held at the Ramsey County Government Center, located at 160 Kellogg Blvd, St. Paul. Orientations are two hours long and are conducted three times a week. Two orientations are for English speaking and one orientation is for non-English speakers facilitated by interpreter(s) in a group or one-on-one setting. WFS anticipates to enroll 400 SNAP E&T participants in orientation. Assessment and Employment Plan: The counselor and participant communicate over the through various methods such as over the phone, email, mail or on a virtual platform such as TEAMS or Zoom for a one-on-one assessment to develop a comprehensive employment plan within 30 days of completing an orientation. The assessment will identify the individual's background, education, employment history, interests, transferable skills, strengths and barriers to employment. The information gained from the assessment is used to create a plan in partnership with the participant and emphasizes strength and abilities of the individual. The plan can include job search, employment, education or training, social services with the focus on obtaining employment and becoming self-sufficient. WFS anticipates to enroll 90% of the 400 participants in assessment and employment plan completion. Activities Program Services Available includes: • Orientation • Assessment/Employment Plan • Career, Educational and Vocational counseling • Job seeking/job skills/ job readiness assistance • Access to the resource centers with individualized assistance • Structured job search • Job Placements leading to part-time or full-time employment opportunities • Educational programs such as ABE, GED, ESL, Credentials and Non-Credentials Trainings • Job retention services. Additional socials services referrals such as Domestic violence support • Interpreter services • Ex-offender services • Legal services • Housing • Mental and physical health services • Resources and referrals, service coordination with others providers in the community as needed to ensure participants are receiving the services they need • Participants are eligible to receive support services to help them with their engagement of activities. Case Management/Job Counseling: The counselor utilize motivational interview and coaching strategies to help participants define their own path, identify strategies to achieve their goal. The counselor will provide participants with job leads, housing/food resources, assist with development of resumes, cover letters, make referrals to workshops, work experience programs, education and any other resources necessary to provide stability to the individual to become engaged and employed. Case Management may include employability, intake assessments, barriers identification, monitoring of programs and support and collaboration with other employment or social services providers in Ramsey County. Once a participant becomes employed, 90 day retention services are available to ensure a successful transition off SNAP. Cases will be closed once participants become self-sufficient and exits SNAP. Monitoring Client's progress/Tracking: Client's progress will be tracked in Workforce One System. Documentations will be obtained once the participant is engaged in an activity, whether over the phone, verbally, through mail or email. Documentations are stored in Ramsey County's electronic laser fiche file system. The counselor will case note and enter the verified number of hours of participation in the Workforce One System. The counselor will communicate any changes in regards to the case to the financial worker by email, phone or status update. The counselor will ensure that client is in compliance with employment plan and activities and engage participants on a weekly or at minimum monthly basis. WFS focuses on the following outcomes: Number of individuals enrolled and exit cases, ABAWD Referral Status, Engagement in activities and participation Hours, Wages earned after enrollment and exit. Progress will be measured through obtaining required documentations to track the participant's activities. All activity hours and case notes will be entered into Workforce One (WF1). Ongoing monitoring and review of case files will be completed to ensure quality of the services. Collaboration and co-enrollment with other programs will be identified. WF1 has the capability to pull report to allow users to identify persons who have multiple program sequences within the same served dates entered. This allows the counselor to easily identify opportunities for collaboration with other staff or providers and to avoid duplication of services. The successful outcomes of the SNAP E&T participant will: • Engage with the counselor and attend necessary meetings, follow through with goal action plan • Stay in communication with the SNAP E&T team members • Follow through with individual employment plan • Obtain essential skills • Enroll and complete education or short term training program • Secure employment • Stay employed after exiting a program • Have access to other community resources and enroll with other workforce programs when appropriate • Have a career plan in place that participant can follow after the program ends.

## Provider information

If your agency is contracting with **outside** SNAP E&T providers, how many providers will you be contracting with in FFY 2021? If none, enter zero.

## Components and Activities

The following is a list of federal components and corresponding activities found in Workforce One (WF1). Complete the following for activities your agency will offer in-house and/or through contracted provider(s). Refer to the [Minnesota SNAP E&T Components and Activities](#) for guidance and definitions. Identify the E&T activities offered by entering the number of individuals (whole numbers with commas) to be served for each activity by provider(s) and funding source(s). A participant can be counted once for each activity they participate in (duplicate count). Ignore the columns that are "not asked".

Components and Activities	In-House	[Not Asked]	[Not Asked]	[Not Asked]	[Not Asked]	[Not Asked]	[Not Asked]	[Not Asked]	[Not Asked]	[Not Asked]	[Not Asked]	100 Percent Funds	Non-federal Funds
<b>Supervised Job Search--</b> Supervised Job Search	<input type="text" value="200"/>											<input type="text" value="200"/>	
<b>Supervised Job Search Training--</b> Supervised Job Search Training	<input type="text" value="200"/>											<input type="text" value="200"/>	
<b>Workfare--</b> Workfare													
<b>Work Experience--</b> Uncompensated Work Experience												<input type="text" value="5"/>	
<b>Work Based Learning--</b> Apprenticeship													
<b>Work Based Learning--OJT</b>													
<b>Work Based Learning--</b> Subsidized Employment													<input type="text" value="10"/>
<b>Educational Programs--</b> Adult Diploma												<input type="text" value="10"/>	

Program

**Educational**

**Programs--**

Adult Basic  
Education

10

10

**Educational**

**Program--GED**

Training

10

10

**Educational**

**Programs--**

Credentialed  
Training

20

20

**Educational**

**Programs--**

ESL/ELL Training

10

10

**Educational**

**Programs--**

Integrated  
Education  
Training  
(IET)/Bridge  
Programs

**Educational**

**Programs--Non-**

Credentialed  
Training

20

10

10

**Self-**

**Employment**

**Training--Self-**

Employment  
Training

**Job Retention--**

Retention

200

200

**Other**

**Activities--**

Orientation

500

500

**Other**

**Activities--**

Assessment

450

450

**Other**

Activities--

Social Services

**Other**

Activities--

Holding

**Other**

Activities--Local

Flag

**Other**

Activities--

Satisfactory

Progress

**Other**

Activities--

Employed Part-

time

**Other**

Activities--

Employed Full-

time

**Other**

Activities--

Other (specify

below)

**Unduplicated count**

Estimate the total number of individuals to be served by each funding stream (unduplicated) in FFY 2021. If an individual is served by both funding streams, count them once in each. If your area is using only one funding stream, leave the other blank.

100 Percent Funds

Non-Federal Funds

Provide additional details on how the **Uncompensated Work Experience** activity will be provided.

Provide additional details on how the **Subsidized Employment (formerly paid work experience)** activity will be provided.

Provide additional details on how the **Adult Diploma Program** activity will be provided.



Participants will be referred to Adult Diploma program through HUBBS center. Counselors will receive attendance from the school site the participant is enrolled at to track attendance and progress.

Provide additional details on how the **Adult Basic Education** activity will be provided.

Participants will be referred to Adult Basic Education through HUBBS center. Counselors will receive attendance from the school site the participant is enrolled at to track attendance and progress.

Provide additional details on how the **GED Training** activity will be provided.

Participants will be referred to Adult Basic Education through HUBBS center. Counselors will receive attendance from the school site the participant is enrolled at to track attendance and progress.

Provide additional details on how the **Credentialed Training** activity will be provided.

Participants will be referred to community organizations and other providers, as well as in-house training as needed such to colleges such as St. Paul College, Century, MCTC, and P2P programs. Counselors will receive attendance and track progress.

Provide additional details on how the **ESL/ELL Training** activity will be provided.

Participants will be referred to ESL/ELL through HUBBS center. Counselors will receive attendance from the school site the participant is enrolled at to track attendance and progress.

Provide additional details on how the **Non-Credentialed Training** activity will be provided.

Participants will be referred to non-credentialed training in their areas of interest as needed

**Support Services:** Review the [Guidance on Costs and Reimbursements](#) document and identify (list) the support services (such as transportation, course registration fees, etc.) your agency will provide to assist participants in-house and/or through county-contracted providers.

Depending on the availability of the support services fund, participants are eligible to receive support services to help them with their engagement of activities. The support services will include: Transportation Expenses (Bus/Gas Card), Clothing for Job Interview, Course registration fees, Test fees, Training materials, Clothing required for a job, Uniforms, Driver's license.

SNAP E&T has been included as a partner in Minnesota's State Combined Plan under WIOA. If your area offers WIOA programs, how are you integrating these with SNAP E&T? If you are not currently co-enrolling your SNAP E&T participants in WIOA programming, what steps do you plan to take to begin doing this in the future?

Ramsey County will coordinate with our Workforce Innovation & Opportunity Act (WIOA) program, Adult Dislocated Worker Program and partner with community based programs and other employment or educational programs to enhance services to SNAP E&T participants. This partnership will maximize use of resources and increase access to opportunities for employment, education, and training for SNAP E&T participants. Co-enrollment with WIOA services is completed when appropriate, as well as any other training opportunities that can be utilized to create a seamless continuum of services for the participant. The WIOA program has dedicated a staff member who acts as a liaison between the two programs and assist participants as needed. This includes providing WIOA resources and information during SNAP E&T orientation and ongoing weekly to monthly communication with the SNAP E&T Counselor. Our goal is to work very closely with WIOA to increase the number of SNAP E&T receiving services. Through our partnership, we will determine if SNAP eligible individuals are open on any other programs and, if so, we will coordinate services with other programs to ensure continuation of services.

How would your SNAP E&T services interface with other programs such as the Minnesota Family Investment Program (MFIP) and General Assistance (GA) recipients?

WFS is the county administrator of employment and training services including SNAP E&T, Diversionary Work Program (DWP), Minnesota Family Investment Program (MFIP), Workforce Innovation and Opportunity Act (WIOA), and Dislocated Worker Programs. In addition to providing direct employment services, WFS also contracts with a variety of community-based organizations - each offering a full array of employment services and employment support services for participants. In instances, if a MFIP participant exits off MFIP but is still eligible for SNAP, counselor can share information with them regarding SNAP E&T program. Ramsey County Workforce Solutions is the leading partner in the consortium for One-Stop Operator for Workforce Development Area 15, Ramsey County. The other members of the consortia includes WIOA, Minnesota Job Services and Minnesota Vocational Rehabilitation Services. The WIB has adopted a Federated model of service delivery requiring services to be delivered from CareerForce Centers, Specialized Centers, Affiliate Sites, and community sites such as libraries and colleges. Our services are delivered from client-centered, resident's first, approach in a comprehensive service delivery method. At any point of entry through the consortium, customers

are offered navigation services and connections to specific programs that can meet the individual and family needs and assist them in building skills needed to find and keep suitable employment. Resources and referrals regarding program specific such as MFIP, DWP, SNAP E&T will be available to all customers receiving services in affiliate site, the CareerForce Centers, and specialized sites. When an individual's needs are identified by staff, referrals to partner organizations will be made. Direct referrals to specific eligible programs will be made as well as shared services that cross programs. In addition, WFS SNAP E&T orientation provides information regarding all programs and resources available to the participants. Our goal is to create a continuum of services through communication, coordination, resource sharing with WIOA and MFIP community based partners. In addition, if SNAP E&T participants are eligible for any other services or programs, a referral will be made, as well as follow-up to ensure that person obtained resources as a result. WFS also compiles monthly co-enrollment reports for review and connects with counselors when an individual is co-enrolled in various programs. Programs collaborate and communicate with each other to ensure individuals are receiving the necessary services needed to become self-sufficient.

## 100 percent funds

For E&T activities in FFY 2021, estimate the projected administrative, program and support service costs for services to recipients provided in-house, through a county-contracted provider and/or costs associated with marketing/connecting recipients with other providers. The county may be asked to resubmit these estimates when final allocation amounts are issued. Refer to the [Guidance on Costs and Reimbursements](#) when determining administrative, program, and support service activities and costs.

### Administrative Costs:

34500

### Program Costs:

195500

## Support service funds

### Support Service Costs:

6000

Projected 100 Percent Fund request (auto-calculated) = \$230000

Projected Support Service Fund request (auto-calculated) = \$6000

## Non-federal funds

Complete the following estimates on the projected amounts of non-federal funds which the local area is projecting to spend on E&T activities for which a 50 percent reimbursement will be claimed. Refer to the [Guidance on Costs and Reimbursements](#) when determining administrative, program, and support service costs.

### Administrative Costs:

7500

### Program Costs:

27500

### Support Service Costs:

15000

Projected Non-federal expenditures (for which you will claim 50 percent reimbursement (auto-calculated) = \$50000

## Cost Summary

100 percent fund request (auto-calculated): \$230000

Support service fund request (auto-calculated) = \$6000

Non-federal expenditures for which you will seek a 50 percent reimbursement (auto-calculated): \$50000

## Assurances

Check the respective boxes below indicating that you have read, agree to and are in compliance with the following assurance statements:

### Program requirements

All activities authorized by this agency workplan are in accordance with SNAP Employment and Training regulations.

Program activities are conducted in compliance with all applicable federal and state laws, rules, and regulations, including civil rights and Office of Management and Budget (OMB) regulations governing cost issues.

### Staffing

Staff for the administration and operation of the program are competent, professional, ethical and qualified for the position held, and have a firm understanding of the pertinent rules and regulations.

### Contracting and oversight

If applicable, contracts are procured through competitive bid procedures governed by state procurement regulations.

The agency is accountable for the contents of the agency workplan and will provide oversight of any sub-grantees.

### Collaboration and partnerships

By accepting SNAP E&T funding, the agency agree to partner and collaborate with other state contracted 50/50 providers, if available, so SNAP recipients can access the range of services available through the SNAP E&T network of providers. The state SNAP E&T team is available to support and provide technical assistance in this process.

Agency shall provide support services such as counseling, case management, transportation, financial, as needed by SNAP E&T participants. Referrals to other SNAP E&T partners and/or community services, such as agency departments or family services, will be made when appropriate.

### Education and training

Education and training activities must directly enhance the employability of the participants; there is a direct link between the education activities and job-readiness.

### Participants served

Individuals served under SNAP E&T must not be receiving Title IV-A assistance (MFIP).

SNAP recipients upon initial enrollment, shall be provided an assessment which outlines their strengths, job skills needs, interests and abilities. An Employment Plan (EP) will be developed, listing achievable goals which would lead to transitioning into unsubsidized employment. The EP will be made a part of each participant's permanent file and will be updated as necessary.

### Costs and reimbursements

Documentation of agency costs, payments and donations for approved E&T activities are maintained and available for federal and state review and audit.

The [Guidance on Costs and Reimbursements](#) document has been reviewed.

Program activities and expenses are reasonable and necessary to accomplish the goals and objectives of SNAP E&T.

If in-kind goods and services are part of the budget, only public in-kind services are included. No private in-kind goods or services are claimed.

Cash or in-kind donations from other non-federal sources have not been claimed or used as a match or reimbursement under any other federal program.

The agency is fiscally responsible for SNAP E&T activities funded under the plan and is liable for repayment of unallowable costs.

Agency or state education costs will not be supplanted with federal SNAP E&T funds.

### Records and files

Case records will be maintained for each client and be available for federal and state monitoring and audits. These shall be retained for up to 6 years.

Documentation and records for support service expenditures must be retained on file for no less than three years to verify SNAP E&T costs at a participant transactional level.

### Workforce Development Board

Information was shared with the Workforce Development Board and the board have been consulted on the agency's SNAP Employment and Training (SNAP E&T) workplan for FFY 2021.

### Certification

By checking the box below, I hereby certify that SNAP E&T workplan has been prepared as required under the provision of Minnesota Statute, Chapters [§256D and §256D.051](#).

**Agency Director** (or authorized personnel)

Name:

Date:

### Submission of WorkPlan

#### Saving, printing, and submitting your plan

Use the keys below to review, save and print your SNAP E&T workplan. When the plan is ready for submission, print a copy for your records and click the submit button to send this workplan response to the department.

Thanks,  
SNAP E&T Team

September 29, 2020

Employment Services Division Manager  
Workforce Solutions

Ramsey County Workforce Solutions:

Thank you for the Local Area Plan outlining the details of your SNAP Employment and Training (SNAP E&T) program for Federal Fiscal Year 2021 (FFY 2021).

Minnesota has a total of \$554,603 available to counties in administrative and program funds and \$50,000 in support service funds this year.

After evaluating the proposals, taking into consideration your projected goals and expenditures, we can offer you **\$92,288** in administrative and program funds, and **\$8,107** in support service funds. NOTE: The \$8,107 in support service funds *includes* the \$2,041 already issued on July 1, 2020.

DHS has also approved your **\$50,000** expenditure budget for which you may receive 50% reimbursement on for services provided to SNAP E&T participants.

We realize these amounts may not allow you to operate the program for a full year. We ask that you pursue program operation until these funds are exhausted and contact us when that has occurred. Minnesota has already applied to Food and Nutrition Service for additional program funds. If we are successful, we will notify you immediately so you can submit a new request to DHS for additional funds.

Please indicate your acceptance of these funds by signing below, scan and email to [andrea.mcconnell@state.mn.us](mailto:andrea.mcconnell@state.mn.us)

\_\_\_\_\_  
Name (Print clearly)

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

If you have questions or concerns please feel free to contact me at 651-431-6318 or by email. We look forward to working with your agency in FFY 2021.

Thank you,

Andrea McConnell, SNAP E&T Program Specialist

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**Item Number:** 2020-432

**Meeting Date:** 10/20/2020

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**Sponsor:** Community & Economic Development

**Title**

Third Preliminary Development Agreement with AECOM for Ramsey County Riverfront Properties

**Recommendation**

1. Approve the Third Preliminary Development Agreement with AECOM for the development of Ramsey County Riverfront Properties for the period of October 21, 2020 through December 31, 2020.
2. Authorize the County Manager to execute the agreement.

**Background**

Ramsey County is in a unique position to redevelop the riverfront property, formerly the Ramsey County West and Adult Detention Center, into an unparalleled development opportunity and create a significant public amenity along the Mississippi River.

Development of the property is the next step in achieving the County Board vision for the Riverfront Properties site. In 2017, the County Board approved the release of a Request for Development Interest to identify development interest in this site and outlined an iterative, multiphase process to select a preferred buyer and developer for the site. AECOM was identified as the recommended developer.

On January 22, 2019, the County Board approved a six-month exclusive agreement with AECOM to perform due diligence on its proposal to construct a phased mixed-use development known as Riversedge and report regularly to the Board.

On July 23, 2019, AECOM provided summary of its due diligence activities, including its determination of Riversedge's market feasibility, regulatory feasibility, and financial feasibility. At the conclusion of the workshop, the County Board supported staff's recommendation to draft a second preliminary development agreement with AECOM focused on implementation activities.

On August 25, 2020, the Ramsey County Board met in a closed meeting to discuss terms of the sale of riverfront properties property.

The Third Preliminary Development Agreement continues the exclusive relationship with AECOM and requires AECOM and the development to continue to meet multiple benchmarks, including meeting with project stakeholders and further refinement of matters such as project market feasibility, phasing, financing, height variances and other City approvals, and cooperation with the affected railroads and utilities. The agreement is for additional 3 months. A short extension of the PDA would allow the purchase and development agreements to continue to advance. A final Purchase and Redevelopment Contract will come to the Board for approval.

**County Goals** (Check those advanced by Action)

Well-being

Prosperity

Opportunity

Accountability

**Racial Equity Impact**

This action has limited impact on racial equity in service delivery. A future development agreement for Ramsey County Riverfront Properties will impact wages, contracting and workforce inclusion goals and access to affordable housing. Construction projects resulting from a future development agreement will include goals for 32% minority and 20% women in conformance with the County’s adoption of the State of Minnesota’s Workforce Inclusion and Contracting Goals.

**Community Participation Level and Impact**

Representatives from various downtown stakeholder groups participated in interviews of the shortlisted developer teams. The input from these downtown interests was gathered and helped to inform the recommendation of AECOM as master developer to the County Board.

- Inform
- Consult
- Involve
- Collaborate
- Empower

**Fiscal Impact**

Sufficient funding for out-of-pocket costs are available within the approved Riverfront Properties Project Budget. An escrow funded by AECOM was established during the original preliminary development agreement to reimburse the County for extraordinary costs.

Initial project financial information was made available through the due diligence process and will continue to be refined. Through continued refinement a project scope and schedule, the County Board will determine whether the County and AECOM will enter into a formal development agreement for the project and the level of public financing commitment.

**County Manager Comments**

County board approval is requested to enter into this agreement.

Additional project information can be found at <https://www.ramseycounty.us/your-government/projects-initiatives/riverfront-properties>.

**Last Previous Action**

On August 25, 2020, the Ramsey County Board met in a closed meeting to discuss terms of the sale of riverfront properties property.

On October 22, 2019, the County Board approved a second Preliminary Development Agreement with AECOM for the development of Ramsey County Riverfront Properties for October 22, 2019 to October 22, 2020.

On January 22, 2019, the County Board approved a six-month exclusive preliminary development agreement with AECOM for due diligence activities in the development of Ramsey County Riverfront Properties (Resolution B2019-027).

**Attachments**

1. AECOM Third Preliminary Development Agreement

### THIRD PRELIMINARY DEVELOPMENT AGREEMENT

THIS THIRD PRELIMINARY DEVELOPMENT AGREEMENT (the “Third Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between Ramsey County, a political subdivision of the State of Minnesota (“County”), and AECOM Technical Services, Inc., a Delaware corporation (“Developer”).

#### RECITALS

- A. The County and the Developer entered into that certain Preliminary Development Agreement dated January 22, 2019 (the “First Agreement”), which set forth the intent of the parties related to the purchase, sale, and redevelopment of certain real property owned by the County as defined in the First Agreement (the “Property”).
- B. The First Agreement further set forth the general outline of a phased redevelopment project (the “Project”) on the Property, as well as the obligations of the parties during the Due Diligence Period.
- C. The First Agreement expired on its terms on July 22, 2019.
- D. The County and AECOM later entered into that certain Second Preliminary Development Agreement dated October 22, 2019 (the “Second Agreement”).
- E. The Second Agreement carried forward the parties’ respective obligations from the First Agreement, and established the parties’ respective obligations related to the Implementation Phase of the Project, as defined in the First Agreement.
- F. The Second Agreement is set to expire on its terms on October 22, 2020.
- G. The County and the Developer have continued work to reach agreement for conveyance and redevelopment of the Property as contemplated in the First Agreement and the Second Agreement, but to date have not finalized terms.
- H. The County and the Developer wish to maintain the status quo of the relationship between the parties in order to finalize terms for conveyance and redevelopment of the Property.

#### AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual obligations of the Parties contained herein, each of them does hereby represent, covenant, and agree with the other as follows:

1. Incorporation of Recitals and Previous Agreements. The foregoing recitals are correct and incorporated herein. The First Agreement and the Second Agreement are also incorporated herein.




2. Term. This Third Agreement is effective from the date of approval by the Ramsey County Board of Commissioners (“County Board”), and expires on December 31, 2020.
3. Terms and Conditions of Previous Agreements. All other terms and conditions of the First Agreement and the Second Agreement remain in full force and effect.
4. No Waiver. To the extent that the parties have not performed any obligation set forth in the First Agreement and the Second Agreement, failure of either party to object to the failure of performance or enforce remedies for that failure of performance does not constitute a waiver by the non-objecting party of any of the non-objecting party’s rights or remedies pursuant to the First Agreement and the Second Agreement, or at law or equity.

**IN WITNESS WHEREOF**, the Parties have executed this Third Agreement effective upon approval of the County Board.

*[The remainder of this page is left blank intentionally. Signature page follows.]*

**DEVELOPER:**

By:  \_\_\_\_\_  
Bane Gaiser  
Its: Vice President

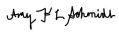
**RAMSEY COUNTY**

By: \_\_\_\_\_  
Toni Carter, Chair  
Ramsey County Board of Commissioners

By: \_\_\_\_\_  
Janet Guthrie, Chief Clerk  
Ramsey County Board of Commissioners

*Approved as to form:*

By: **Amy K.L. Schmidt** \_\_\_\_\_  
Amy K. L. Schmidt  
Assistant County Attorney

**Signature:** 

**Email:** amy.schmidt@co.ramsey.mn.us

# Board of Commissioners

## Request for Board Action

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**Item Number:** 2020-452

**Meeting Date:** 10/20/2020

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**Sponsor:** Property Management

### Title

Lease Agreement with HealthEast Care System for the Bethesda Hospital, 559 North Capitol Boulevard, Saint Paul, Minnesota 55103.

### Recommendation

1. Approve an 18-month Lease Agreement with HealthEast Care System, 45 West 10<sup>th</sup> Street, Saint Paul, Minnesota 55102 for approximately 109,969 feet of space at the Bethesda Hospital, 559 North Capitol Boulevard, Saint Paul, Minnesota 55103 for the period of December 1, 2020 to May 31, 2022 in the amount of \$1,154,962.
2. Authorize the Chair and Chief Clerk to execute the lease agreement.
3. Authorize the Chair and Chief Clerk to execute the security services agreement (included as Exhibit C in the lease agreement).
4. Authorize the County Manager to execute amendments that do not have a financial impact.

### Background

Ramsey County, working in close collaboration with the City of Saint Paul, has been working to expand low-barrier shelter by at least 100 beds to respond to the unprecedented rise in unsheltered homelessness before the onset of winter. A city-county staff workgroup has been meeting on issues related to unsheltered homelessness since 2019, and this group began meeting in late July 2020 with a focus on seeking options for a 100-bed winter expansion. During this process but through an unrelated connection between Fairview Health Services, owner of HealthEast Care System, and Ramsey County leadership, an opportunity for the County to achieve the initial objective materialized and has been the subject of intense planning during the past month.

Fairview Health Services, as a result of a series of system-wide changes, will be vacating the Bethesda Hospital site in November 2020 and the facility is available for partial lease by Ramsey County to address the expansion of available shelter beds. The hospital is licensed at 252 beds with a current patient capacity of 126 beds.

The site is approximately 7 acres primarily surrounded by green space and institutional/office space. The site has ample parking for staff and clients and the area is well served by the METRO Green Line's Rice Street/Capitol Station, Route 3, Route 62, and Route 67. The building and the physical plant are in very good condition. The facility has multiple elevator banks, staircases and wings that can be secured from one another. Patient rooms are large and the facility has enough toilets and showers for shelter use. Laundry and kitchen/dining facilities are available as well.

County staff envision the operation of two shelter programs at Bethesda Hospital that would address immediate and significant community needs. It will also allow us to relocate and consolidate services at one location for higher quality and more efficient service provision that effectively complement other programs and build continuity of operations into our systems response.

One program would have up to 100 new low-barrier shelter beds that would be provided from referral through our homeless outreach teams. The low-barrier model recognizes that many of our unsheltered residents are chemically dependent and would aim to create a safe environment for those who may be intoxicated and provide programmatic support that currently does not exist. Complementing the emergency overnight shelter model at Ramsey County’s Safe Space, guests would be able to use an individual room for multiple nights to provide stability with a limited amount of congregate space available. Meeting space and day space for case managers and outreach are available and would be programmed in coordination with partner service providers and expand upon our aligned service delivery model currently being implemented at Higher Ground Saint Paul.

In a separate wing of the large site, we propose transitioning the site to becoming the County’s primary respite care site (which is currently provided at Boys Totem Town). The new facility is better suited for isolation with individual rooms and toilets, negative air flow and closer proximity to our homeless service network. We are also exploring financial and programmatic opportunities to partner with Hennepin County and Catholic Charities for health care, testing and service provision on a larger scale that better helps us serve residents that end up on both sides of the river.

Ramsey County has lacked continuity of operations planning since the transition of Mary Hall into overnight shelter and the need to then utilize Boys Totem Town as the County’s respite space. This site provides opportunities for the County to develop actionable continuity of operations plans for food preparation and delivery, COVID respite and hotel programs. In all these areas no backups currently exist and the opportunity to ensure resiliency to the existing system, while also expanding the number of available beds, is significant.

Residents using the shelter will have incidental use of the adjacent green space. To enhance the safety and security of the green space for the shelter residents and the surrounding community, security services will be provided by Ramsey County and Fairview Health Services through a security services agreement. The security staff will provide the initial response to non-emergency incidents and work in partnership with on-site service providers and engage partner agencies such as the Saint Paul Police Department for emergency situations.

Fairview Health Services is a flexible partner that is interested in helping to address regional homelessness. We believe this partnership will strengthen our response to the COVID-19 pandemic and unsheltered homelessness.

**County Goals** (Check those advanced by Action)

- Well-being
- Prosperity
- Opportunity
- Accountability

**Racial Equity Impact**

The issue of unsheltered homelessness was significant before the outbreak of COVID-19 and has been a growing issue in our community for some time. The pandemic has increased the need due to social distancing requirements and a growing number of homeless. Homelessness has disparate racial impacts. Recent data for Ramsey County indicate African Americans and American Indians are over ten times more likely per capita to be homeless than whites.

In order to ensure safe options exist for as many people as possible, we will continue to build out our bed capacity to ensure those in congregate settings have the space that they need, and we will continue to do all that we can in partnership with others to address the issue of unsheltered homelessness that continues to grow around us. Approval of this lease agreement will help provide shelter to our homeless residents, who are primarily African Americans and American Indians.

**Community Participation Level and Impact**

Ramsey County supports the City of Saint Paul, service providers and community partners to serve adults experiencing homelessness who are sheltering out-of-doors, camping or are on the verge of homelessness. Efforts focus on continued operational support of county services and referral networks to encourage homeless adults to connect with existing resources through shelter facilities or programs. We will continue to partner with community and support other agencies to ensure that our unsheltered population needs are met.

The information about this action is available through the County Board documentation that is published on the County's website:

<https://www.ramseycounty.us/your-government/leadership/board-commissioners/board-meetings-information>

- Inform       Consult       Involve       Collaborate       Empower

**Fiscal Impact**

The terms of the lease include base rent of \$1.00 per square foot and operating cost of \$6.00 per square foot for the duration of the lease. The annual rent is \$769,788. Funding through the end of 2020 is CARES Act eligible and will allow us to begin operations on or around December 1, 2020. This funding has already been provided in the \$12.2M in CARES funding approved for homelessness response on July 21, 2020. For 2021 and beyond, Finance is working to develop a homelessness project account before the end of the year which lays out spending and a timeline through May 2022 for this lease as well as other costs for this site.

The lease is a small share of the overall funding model compared to the cost for staffing, client services, janitorial, security, food and other costs to operate. As mentioned above, these costs will be addressed in the December Board report to create the project account. In addition, there is a need to seek partnerships with others to assist with funding this initiative. The goal is to evaluate every opportunity for service delivery partnerships that bring new partners into the east metro and ensure that Ramsey County is not attempting to unilaterally own and operate all aspects of this shelter expansion.

**County Manager Comments**

County Board approval is required for all real estate transactions.

**Last Previous Action**

On July 21, 2020, the Ramsey County Board of Commissioners approved Funding Adjustments for the Ramsey County COVID-19 Homelessness Response (B2020-246).

**Attachments**

1. Lease Agreement.
2. Security Services Agreement.

## LEASE AGREEMENT

**This Lease Agreement** (“Lease”) is made as of \_\_\_\_\_, 2020, and is by and between HealthEast Care System, a Minnesota non-profit corporation (“Landlord”), a wholly owned subsidiary of Fairview Health Services, and the County of Ramsey, a political subdivision of the State of Minnesota (“Tenant” or “Ramsey County”).

### RECITALS

A. Landlord is the fee owner of certain real property located in the City of Saint Paul, Ramsey County, Minnesota, located at 559 North Capitol Boulevard, Saint Paul, Minnesota 55103, commonly known as “Bethesda Hospital” (the “Real Property”);

B. As a result of the state of emergency in Ramsey County and beyond related to the global pandemic associated with the virus commonly known as COVID-19, Ramsey County requires the use of additional space to be used for individuals or families as determined by Ramsey County who are experiencing homelessness and are in need of assistance; and

C. Landlord is willing to allow Ramsey County to use the Premises, as defined below, for this purpose and will transition the hospital and other clinical services provided at the Premises to a different location for purposes of assisting Ramsey County in its support of those individuals and families experiencing homelessness.

**NOW THEREFORE**, for and in consideration of the rents and covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby leases to Tenant, and Tenant hereby accepts and leases the Premises from Landlord, upon the following terms and conditions:

### TERMS

#### SECTION 1 - PREMISES AND TERM

1.1. Premises. Landlord hereby leases to Tenant and Tenant hereby takes from Landlord, subject to the terms and conditions of this Lease and for the Term set forth herein, the Premises (the “Premises”) located on the Real Property, consisting of approximately 109,969 square feet of space within the hospital building. The Premises is as depicted on the attached **Exhibit A**. Tenant’s employees and agents shall have the non-exclusive use of building corridors, elevators and stairwells for access to the loading docks and delivery areas within the Premises and the surface parking lot, on a first-come, first-served basis. Tenant’s employees and agents shall have the non-exclusive right to park in the parking ramp located on the Real Property, on a first-come, first-served basis, for the same charge as Landlord charges its own employees who work at the Real Property. Tenant’s employees and agents, and the Residents (as defined below) shall have the non-exclusive use of the adjacent grounds. The surface parking lot, parking ramp and adjacent grounds are not included in the Premises.

1.2 Term. The term (the “Term”) of this Lease shall be for a period of eighteen (18) months, commencing on December 1, 2020 (the “Commencement Date”) and expiring on May 31, 2022 (the “Expiration Date”), except if this Lease is sooner terminated as provided in this Lease.

1.3 Termination. Either party may terminate this Lease for any or no reason upon three (3) months’ prior written notice to the other party.

## SECTION 2 – POSSESSION

2.1. Acceptance of the Premises. Tenant takes and accepts the Premises in their “AS IS” condition, and Tenant acknowledges that it has inspected the Premises and accepts them in their present condition as suitable for the purposes for which they are leased. Tenant further acknowledges that no representations as to the repair of the Premises, nor promises to alter, remodel or improve the Premises have been made by Landlord. The taking of possession of the Premises by Tenant shall be conclusive evidence that the Premises were at that time in good and satisfactory condition. Landlord may install security barriers and/or gates, as Landlord and Tenant deem necessary, suitable to Tenant’s Use, to prevent access by Tenant and the Residents (as defined below) to indoor areas of the Real Property other than the Premises, at Tenant’s expense. Tenant shall reimburse Landlord for any expenses incurred by Landlord in connection with such installations, within thirty-five (35) days after Landlord provides Tenant with evidence of such expenses.

2.2 Delivery of Possession. Landlord shall deliver possession of the Premises “AS IS” on or before the Commencement Date. Delivery of possession prior to such Commencement Date shall not affect the Expiration Date of this Lease. Failure of Landlord to deliver possession of the Premises by the Commencement Date due to any cause beyond Landlord’s control, or force majeure (as provided in Section 23.7 below of this Lease) shall automatically postpone the date of commencement of the Term and shall extend the Expiration Date by periods equal to those which shall have elapsed between and including the Commencement Date and the date on which possession of the Premises is delivered to Tenant.

2.3 Early Access. Landlord will allow Tenant access to the Premises upon the effective date of this Lease to enable Tenant to install data and telecommunications lines and equipment, provided, however that Tenant shall not interfere with the Landlord’s on-going activities, and shall promptly repair any damages to the Premises by Tenant, or its contractors or agents. Any such early access to the Premises by Tenant will in no event constitute Tenant’s taking possession of the Premises or in any way cause the Commencement Date to occur. Notwithstanding the foregoing, Tenant shall deliver to Landlord the certificates of insurance required by Section 10.3 before entering the Premises.

## SECTION 3 – RENT AND SECURITY DEPOSIT

3.1. Rent. In consideration of the leasing of the Premises, Tenant agrees to pay to Landlord without setoff, deduction, or demand, unless specifically provided for herein, at the address set forth herein, or at such other place as Landlord from time to time may designate in writing, base rent in the amount of \$1.00 per square foot of the Premises per year, and estimated

Tenant's share of the Operating Expenses, as defined below, in the amount of \$6.00 per square foot of the Premises per year, in equal monthly installments of \$64,149.00 per month ("Gross Rent"), on December 1, 2020 ("the Rent Commencement Date") and continuing on the first day of each and every month thereafter for the next succeeding months during the balance of the Term. If the Rent Commencement Date is not on the first day of a month, Gross Rent for that month shall be prorated accordingly. For purposes of this Lease, "Operating Expenses" means all expenses incurred by Landlord during the Term (i) to repair and maintain the Real Property, including snow removal and landscaping, (ii) to furnish utilities to the Real Property and (iii) to provide other services to Tenant not separately reimbursed, to the extent provided in this Lease. Landlord estimates the Operating Expenses for the Real Property to be \$6.00 per square foot per year. Landlord shall, approximately every six months during the Term, calculate the actual Operating Expenses for the previous six-month period. If Tenant's share of the actual Operating Expenses incurred by Landlord during such six-month period are less than the amount paid by Tenant for such six-month period, Landlord will either provide Tenant with a credit against the Gross Rent in an amount equal to such overcharge, or if this Lease has ended, Landlord shall promptly reimburse such overcharge to Tenant. If Tenant's share of the actual Operating Expenses incurred by Landlord during such six-month period are greater than the amount paid by Tenant for such six-month period, Tenant shall promptly pay to Landlord the amount of the undercharge. Landlord shall provide Tenant with a semi-annual statement of the actual Operating Expenses for the Real Property, which statement shall include a calculation of Tenant's share thereof, and a calculation of the amount of any undercharge or overcharge by Landlord. For purposes of this Lease, Tenant's share shall be a fraction, the numerator of which is the square footage of the heated and cooled portions of the Premises, and the denominator of which is the total square footage of the heated and cooled portions of all of the buildings located on the Real Property (after excluding the square footage of the heated and cooled portions shared by Landlord and Tenant).

3.2 Security Deposit. Concurrent with Tenant's execution of this Lease, Tenant shall deposit with Landlord a security deposit (the "Security Deposit") in the amount equal to three months' Rent. The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the Lease Term. If Tenant defaults with respect to any provisions of this Lease, including, but not limited to, the provisions relating to the payment of Rent, Landlord may, but shall not be required to, use, apply or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or for the payment of any amount that Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within ten (10) business days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a default under this Lease. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit, or any balance thereof, shall be returned to Tenant, within thirty (30) days following the expiration of the Lease Term or any Extended Term. Tenant shall not be entitled to any interest on the Security Deposit.

3.3 Late Payments. Tenant recognizes that late payment of the Rent when due or of any other sum due under this Lease will result in administrative expense to Landlord which will



be extremely difficult and impractical to ascertain and agrees that if any such amount is not paid within five (5) days when due and payable pursuant to this Lease, a late charge shall be imposed in the amount of \$150.00 and shall be reassessed with respect to each such amount due that is not paid within five (5) days of the due date. The provisions of this Section 3.2 shall not relieve Tenant of the obligation to timely pay Rent or any amount due on or before the date due, nor any of Landlord's remedies under this Lease, including but not limited to, as provided in Section 15 below.

#### SECTION 4 - TAXES

4.1 Property Taxes. It is understood that the Premises is currently exempt from Property Taxes as a Minnesota nonprofit corporation and hospital, and that Tenant as a political subdivision of the State of Minnesota is exempt from property taxes. In the event any real property taxes are levied against the Real Property during the Term of this Lease, Tenant shall pay all real property taxes on any of the Real Property, including the Premises and Tenant's improvements, to the extent such real property taxes are due to Tenant's status, use, acts or omissions. With respect to special assessments, Tenant shall pay Tenant's share of any special assessments levied against the Real Property.

#### SECTION 5 - USE

5.1 Use. The Premises may be used as a residence for individuals and/or families as determined by Ramsey County who are experiencing homelessness ("Residents"), and for related programs serving the needs of Residents or other individuals and/or families who are experiencing homelessness ("Tenant's Use"). No other use for any other purpose is allowed. Tenant agrees to occupy the Premises upon the Commencement Date of the Term and thereafter to continuously operate the entire Premises for Tenant's Use during the Term of this Lease unless prevented from doing so by damage to the Premises, or other similar cause beyond Tenant's control, and to conduct its business at all times in good faith, in a reputable manner consistent with similar businesses in the Minneapolis-Saint Paul Metropolitan Area. Tenant: (i) shall promptly comply with all laws, ordinances, and regulations affecting the Premises or Tenant's Use therein, plus insurance company requirements affecting the cleanliness, safety, use, and occupation of the Premises, and including compliance with the ADA as set forth in Section 8.3 below; and (ii) shall promptly comply with all laws, ordinances, and regulations pertaining to the generation, use, storage, removal, and disposal of hazardous substances.

5.2 Prohibited Uses. Except ordinary operations of Tenant's use, which shall be subject to the reasonable rules and regulation of Landlord, Tenant shall not abuse the Premises or any of the fixtures or personal property of the Premises. Tenant recognizes that the buildings located on the Real Property were financed, in part, with qualified 501(c)(3) tax-exempt bonds. Tenant covenants not to use the Premises in a manner that would constitute a private business use under Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), including by subleasing or licensing space in the Premises to a private business user or by entering into a management or service contract with a private business user with respect to the Premises that does not meet the private business use safe harbor under Revenue Procedure 2017-13. For these purposes, a private business user is any person using the Premises in a trade or business, other than

a state or local governmental unit or an organization described in Section 501(c)(3) of the Code using the Premises in a manner that does not constitute an unrelated trade or business under Section 513(a) of the Code.

5.3 Exclusive Use. Tenant shall have exclusive use of the Premises 24 hours per day, seven days per week. Landlord may have access to the Premises as set forth in Section 14.

## SECTION 6 – UTILITIES AND SERVICES

6.1 Tenant's Obligations. Landlord represents and warrants that sanitary sewer, water, gas, and electricity services are or will be available to Tenant. Tenant shall not install any additional utility services in the Premises and may only connect to electrical or other services provided in the Premises upon the approval of Landlord at Landlord's sole discretion. Tenant will provide for pick-up from the outdoor waste collection site for the Premises by Tenant's service provider, at Tenant's sole expense.

6.2 Landlord's Services. Landlord will provide sanitary sewer, water and electric services, including emergency generator power as currently provided without any modification, to the Premises for Tenant's Use commencing upon the Commencement Date and continuing thereafter until the expiration of the Term of this Lease. Landlord will maintain all systems serving the Premises including mechanical, electrical, and vertical circulation. Landlord also agrees to furnish, at Landlord's expense, heat during the usual heating season (**68 to 72 degrees**) and air conditioning (**72 to 76 degrees**) during the usual air conditioning season. Landlord will provide all landscaping and snow removal for the Real Property, including sidewalks, driveways, and parking, in a manner generally consistent with past practices of Landlord. Landlord will provide pest control service for the foundation and structure the Premises. Any additional required pest control would be at Tenant's expense. Landlord's Services provided to the Real Property under this Section 6.2 shall be initially at Landlord's expense, but shall be included in the determination of Tenant's share of the Operating Expenses. Landlord reserves the right to charge Tenant for special work order requests and replacement of security access cards and keys.

6.3 No Liability of Landlord. Landlord shall not be liable in damages or otherwise if the furnishing by Landlord or by any other supplier of any utility or other service to the Premises shall be interrupted or impaired by fire, repairs, accident, or by any causes beyond Landlord's reasonable control, including force majeure (as provided in Section 23.7 below of this Lease).

6.4 Security Services Agreement. Landlord and Tenant shall enter into a separate Security Services Agreement in substantially the form set forth in **Exhibit C**.

## SECTION 7 – REPAIRS

7.1 Landlord Repairs. Landlord, at its expense, shall keep the foundations and structure of the Premises in good repair, and if necessary or required by proper governmental authority, make modifications or replacements thereof, except that Landlord shall not be required to make any such repairs, modifications or replacements which become necessary or desirable by reason of the negligence, gross negligence, or willful misconduct of Tenant, its officials, agents, or

employees or the misuse or abuse of the Premises by Tenant, its officials, agents, or employees, or by Residents, all of which such repairs, modifications or replacements shall be made by Tenant, at Tenant's sole expense. To the extent Landlord is required to make any modifications to the existing buildings located on the Real Property, including, without limitation, the Premises, in order to comply with laws, codes, or governmental regulations or orders, as a result of Tenant's use or occupancy of the Premises, Tenant shall reimburse Landlord within 35 days after receipt of Landlord's invoice to Tenant, for the actual costs incurred by Landlord in connection therewith.

7.2. Facilities Serving the Premises. Landlord shall keep and maintain in good repair the heating, ventilating and air conditioning system (HVAC), plumbing, and electrical system serving the Premises at Landlord's expense, but such expense shall be included in the determination of Tenant's share of the Operating Expenses. Tenant shall pay the costs and expenses necessary to maintain, repair and replace all data and telecommunication lines exclusively serving the Premises, including all data and telecommunications lines serving and within the Premises. Tenant shall not alter any of the HVAC, plumbing or electrical system within the Premises without Landlord's prior written consent.

7.3 Tenant's Duty of Repair. Tenant shall, during the Term of this Lease, at Tenant's expense, keep the Premises in as good order, condition and repair as they were at the time Tenant took possession of the same, reasonable wear and tear and damage from fire and other casualties excepted, and except for Landlord's obligations as provided in Section 7.1 above. Tenant shall keep the Premises in a neat and sanitary condition and shall not commit any nuisance or waste on the Premises, throw foreign substances in the plumbing facilities, or waste any of the utilities furnished by the Landlord. Subject to Section 11, all damage or injury to the Premises caused by Tenant moving furniture, fixtures, equipment, or other devices in or out of the Premises, or by installation or removal of furniture, fixtures, equipment, devices or other property of Tenant, its agents, contractors, or employees, or by Tenant's use or occupancy of the Premises, in any case due to carelessness, omission, neglect, improper conduct, or other cause of Tenant, its employees, agents, visitors, or licensees, shall be repaired, restored and replaced promptly by Tenant at its sole cost and expense to the satisfaction of Landlord. All repairs, restorations and replacements shall be in quality and class equal to the original work. Except as provided in Sections 7.1 and 7.2 of this Lease, Landlord shall have the right at Tenant's cost and expense, but shall not be obligated, to make repairs to the Premises, or any equipment, facilities or fixtures therein contained, or other equipment serving only the Premises even if located outside the Premises. If Landlord exercises its rights pursuant to this Section 7.3, Tenant shall reimburse Landlord for costs and expenses incurred hereunder within 35 days after Tenant's receipt of an invoice from Landlord evidencing such costs and expenses. Tenant shall permit no waste, damage, or injury to the Premises.

7.4 Exterior of the Premises. Tenant shall not alter the exterior of the Premises in any manner.

## SECTION 8 – FURNITURE, FIXTURES, AND EQUIPMENT; ALTERATIONS; SIGNS; NAME

8.1. Furniture, Fixtures, and Equipment. Tenant, at its own expense shall purchase, install and maintain in good condition its office fixtures and shall, except as initially provided by Landlord upon delivery of the Premises to Tenant, be solely responsible for interior painting and

decorating. Landlord shall make available for Tenant's use during the Term, for no additional rent, certain furniture, fixtures, and equipment currently existing on the Premises, including but not limited to the listed on the attached **Exhibit B** (the "FF&E"). Tenant shall maintain, repair and replace (with equal or better quality items) and keep in good and serviceable condition all of the FF&E, ordinary wear and tear and damage by casualty excepted, and leave all such items in the Premises upon Tenant's vacation of the Premises. Landlord and Tenant anticipate that Tenant will use the kitchen located within the Real Property during the Term. Landlord and Tenant will work together to establish an inventory of the FF&E as soon as reasonably possible after the date hereof, and will document such inventory and terms of use of the kitchen in an addendum or amendment to this Lease.

8.2. Alterations. Tenant may make any improvements, alterations, or installations in or to the Premises necessary to the Tenant's Use with Landlord's prior written consent, which consent shall not be unreasonably withheld. Before the commencement of any such work (the "Work") and before the commencement of or delivery to the Premises of any materials to be used in the Work, Tenant shall furnish Landlord with plans and specifications, names and addresses of contractors, copies of contracts, and necessary permits and licenses, and an indemnification in such form and amount as may be reasonably satisfactory to Landlord. Landlord shall consent to or reject such items furnished by Tenant within fifteen (15) days' after receipt by Landlord. Tenant agrees to defend and hold Landlord harmless from any and all claims and liabilities of any kind and description that may arise out of or be connected in any way with any such Work to the Premises by Tenant. All Work done by Tenant, its agents, employees, or contractors shall be done in such a manner as to avoid labor disputes. Tenant shall pay the cost of all such Work, and also the cost of painting, restoring, or repairing the Premises occasioned by such Work. Upon completion of the Work, Tenant shall furnish Landlord with contractor's sworn affidavits and full and final waivers of liens, or receipted bills covering all labor and materials expended and used. The Work shall comply with all insurance requirements and all laws, ordinances, rules and regulations of all governmental authorities and shall be constructed in a good and workmanlike manner. Tenant shall permit Landlord to inspect construction operations in connection with the Work. Tenant shall promptly pay all contractors and materialmen so as to avoid the possibility of a lien attaching to the Premises. In the event any such lien is filed or notice thereof given to Tenant, Tenant shall, within twenty-four (24) hours of filing of notice, receipt of the lien or notice thereof, give Landlord notice of such lien and Tenant shall, within ten (10) days after the earlier of receiving notice of the lien or the filing of the lien, discharge such lien by payment of the amount due or by providing security guarantying payment of the amount due the claimant and in such form and amount as Landlord determines is sufficient in Landlord's sole discretion. Landlord may, at its option, require Tenant to demonstrate its ability to pay for the Work, or require Tenant to furnish such bonds or other security satisfaction of such Work free and clear of all mechanic's and materialmen's liens. Nothing in this Lease shall be construed as consent on the part of the Landlord so as to subject the Landlord's estate in the Premises to any lien or liability under the lien laws of the State of Minnesota.

8.3 ADA. Tenant hereby acknowledges and agrees that it is aware of the requirements set forth in the Americans with Disabilities Act, 42 U.S.C. Secs. 12101-12213 (the "ADA") and warrants that all construction done by Tenant in connection with the terms and conditions of this Lease, both in the first instance and subsequently throughout the Term of this Lease, shall be in

compliance with the requirements of the ADA as may be amended from time to time. If the Landlord grants its consent to proposed changes to be made by the Tenant in the Premises, the granting of such consent by the Landlord will not mean that Tenant's proposed changes necessarily comply with the ADA; the question of compliance is Tenant's responsibility. Tenant shall hold Landlord harmless and shall protect and defend Landlord in any cause of action brought against Landlord or to which Landlord is a defendant, arising out of alleged violations of the ADA, wherein, by the provisions of this Lease, Tenant was obligated to and failed to comply with any provision of the ADA. Landlord hereby acknowledges and agrees that it is aware of the requirements set forth in the ADA and warrants that all construction done by Landlord in connection with the terms and conditions of this Lease, both in the first instance and subsequently throughout the Term of this Lease, shall be in compliance with the requirements of the ADA as may be amended from time to time, and that if the Premises otherwise requires modification or alteration in order to be in compliance with ADA or similar laws, the cost and expense shall be the responsibility of Tenant and not Landlord, if such modification or alteration is required due to Tenant's use or occupancy of the Real Property. Landlord shall hold Tenant harmless and shall protect and defend Tenant in any cause of action brought against Tenant or to which Tenant is a defendant, arising out of alleged violations of the ADA, wherein, by the provisions of this Lease, Landlord was obligated to and failed to comply with any provision of the ADA, except as provided in the preceding sentence.

8.4 Signs. Landlord and Tenant shall work together to coordinate Tenant's signage that is necessary or desirable to accommodate Tenant's Use. In furtherance of the preceding sentence, Tenant shall have the right to install public-facing signage on exterior and interior doors, walls, and other customary locations for the purpose of communicating (a) building identification; (b) services provided; (c) security information; (d) building rules; (e) way finding; and (f) any other information reasonable or necessary to the efficient, safe and welcoming operation of the Tenant's Use and the delivery of the services therein, subject to approval by Landlord of all public-facing signage visible from outside the Premises, which approval shall not be unreasonably withheld. For the avoidance of doubt, Landlord may retain its existing signage at the Real Property, and add to or replace any such signage, as determined by Landlord, in connection with Landlord's ownership of and continuing operations at the Real Property.

## SECTION 9 - INDEMNIFICATION

9.1 Mutual Indemnification. Each of Landlord and Tenant agrees to indemnify, defend, and hold the other party harmless from any and all claims, demands, liabilities, losses, expenses, and damages (including reasonable attorneys' fees, costs, and expert witnesses' fees) arising out of or in connection with any negligence or willful misconduct of Landlord or Tenant, as applicable.

## SECTION 10 – INSURANCE

10.1 Landlord's Casualty Insurance. Landlord shall keep the Premises insured for the benefit of Landlord in an amount equivalent to the full insurable value thereof (excluding foundation, grading and excavation costs) against (a) loss or damage by fire; and (b) such other risk or risks of a similar or dissimilar nature as are now, or may in the future be, customarily covered with respect to buildings and improvements similar in construction, general location, use,

occupancy and design to the Premises including, but without limiting, the generality of the foregoing, windstorms, hail, explosions, vandalism, theft, malicious mischief, civil commotion, law and ordinance, and such other coverage as may be deemed necessary by Landlord, provided such additional coverage is obtainable and provided such additional coverage is such as is customarily carried with respect to buildings and improvements similar in construction, general location, use, occupancy and design to the Premises.

10.2 Landlord's Liability Insurance. Landlord shall maintain for its benefit and the benefit of its agent and lender, if any, general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Premises.

10.3 Tenant's Insurance. Tenant shall purchase and maintain such insurance as will protect Tenant from claims which may arise out of, or result from, Tenant's operations under this Lease, whether such operations are by Tenant or by any subcontractor, or by anyone directly employed by them, or by anyone for whose acts or omissions any one of them may be liable. Tenant shall secure the following coverages and comply with all provisions noted below. Certificates of insurance shall be issued evidencing such coverage to Landlord throughout the Term of this Lease, before Tenant enters the Premises:

- a. Broad Form Property Insurance.
  - i. Coverage shall be written on a replacement cost basis for any personal property and/or improvements or betterments of Tenant at the Premises.
  - ii. Tenant hereby waives and releases Landlord, its employees, agents, officials, and officers from all claims, liability and causes of action for loss, damage to or destruction of Tenant's property resulting from fire or other perils covered in the standard property insurance coverage. Tenant agrees that it will look to its own property insurance for reimbursement for any loss and shall have no rights of subrogation against Landlord.
- b. Tenant is self-funded for tort liability under the provisions of Minnesota Statutes Chapter 466. The coverage afforded under this self-funded program extends to County employees for activities arising out of the course and scope of their employment as defined under Section 466.07. Coverage is subject to the statutory limits of \$500,000 per claimant / \$1,500,000 for any number of claims arising out of a single occurrence for the liability of Tenant for any claim within the scope of sections 466.01 to 466.15.
- c. In the event Tenant has in effect at any time during the Term of this Lease any general liability or auto liability coverage or insurance to complement or augment its self-funded tort liability program, such as for claims adjudicated within the federal court system that may not be subject to the tort liability limits or immunities prescribed by Minnesota Statutes Chapter 466, Tenant shall have

Landlord named as an additional insured on such general liability or auto liability coverage or insurance.

- d. Tenant is self-funded for Workers' Compensation and Employer's Liability under the provisions of Minnesota Statutes Chapter 466.
- e. All certificates of insurance shall provide that the insurance company gives Landlord thirty (30) days prior written notice of cancellation, non-renewal or any material changes in the policy.
- f. Certificates of insurance must indicate if the policies are issued pursuant to these requirements. Tenant shall not occupy the Premises or enter the Premises to perform any work until Tenant has obtained the required insurance and filed (an) acceptable Certificates of insurance with Landlord. Tenant will provide evidence of its self-insurance program on Tenant's letterhead.
- g. Nothing in this Lease shall constitute a waiver by Tenant of any statutory or common law immunities, limits, or exceptions on liability.
- h. Certificates shall specifically indicate if policy is written with an admitted or non-admitted carrier. Bests' Rating for the insurer shall be noted on the Certificate, and shall not be less than an A.

#### SECTION 11 – FIRE OR OTHER CASUALTY

11.1 Total Destruction. If the Premises is totally destroyed by any fire or other casualty and Landlord elects not to repair or restore the Premises, or if Landlord elects not to repair or restore the Premises in such manner as to be suitable for use as the Tenant's Use, this Lease shall terminate and Landlord and Tenant shall have no obligations to each other effective as of the date of the damage or destruction. Landlord shall provide Tenant with notice of its election hereunder within 180 days of the date of the damage or destruction. In the event that Landlord elects to repair or restore the Premises in such manner as to be suitable for use as the Tenant's Use, the repair or restoration shall include the Premises, or such space as is reasonably equivalent in all material respects for Tenant's Use, at the expense of Landlord, and the Rent shall abate until the Premises or equivalent space is delivered to Tenant in such condition that Tenant may resume its business at the Premises, except that if the damage or destruction occurs when the remaining length of the Term is six (6) months or less, this Lease shall automatically terminate.

11.2 Partial Damage to the Premises. If the Premises are substantially destroyed or rendered wholly untenable for Tenant's Use, Landlord is not required to restore the Premises and may terminate this Lease. If the Premises are partially damaged or destroyed and the remainder is tenantable for the Tenant's Use, unless Landlord terminates this Lease pursuant to Section 1.4 above, Landlord shall promptly repair the damage and restore the Premises to the condition existing immediately before the damage or destruction and Rent shall abate proportionately with the area of the Premises that is rendered untenable. In no event in the case of any such damage or destruction under Section 11 shall Landlord be required to repair or replace

leasehold improvements installed by Tenant, or fixtures, furniture, furnishings, or floor coverings and equipment of Tenant or installed by Tenant. In the event the Premises are repaired or restored as provided in this Section 11, Tenant covenants to make such repairs and replacements of all such items which are not the responsibility of Landlord as provided in this Section 11.2 and to furnish Landlord, on demand, evidence of insurance assuring its ability to do so.

#### SECTION 12 - EMINENT DOMAIN

Landlord represents and warrants that it has no knowledge of any plans by any agency with eminent domain authority to acquire the Premises by use of eminent domain.

12.1 Total Taking. If the whole of the Premises shall be taken under the power of eminent domain or purchased in lieu of condemnation thereof, then the Term of this Lease shall terminate as of the day possession shall be taken and the Rent shall be paid up to that date.

12.2 Partial Taking. If any of the Premises shall be taken under the power of eminent domain, then Landlord or Tenant shall have the right either to terminate this Lease, or, subject, in the case of Tenant, to Landlord's rights of termination as set forth in this Section 12.2, to continue in possession of the remainder of the Premises upon notice in writing to the other party hereto within thirty (30) days after such taking of possession. In the event this Lease is not terminated pursuant to Section 11.2 of this Lease, all of the terms herein provided shall continue in effect except that the Rent shall be equitably abated as to any portion of the Premises so taken and Landlord shall make all necessary repairs or alterations to the extent provided in this Section 12.2.

12.3 Award. The entire award for the taking of the fee and leasehold shall belong to Landlord, but Landlord shall not be entitled to any award made to Tenant for Tenant's trade fixtures or for relocation and moving expenses.

#### SECTION 13 - ASSIGNMENT AND SUBLETTING

13.1 Limitation on Assignment/Subletting. Tenant shall not assign, sublease, mortgage, pledge or in any manner transfer this Lease or any interest therein, or the Premises or any part or parts thereof, nor permit occupancy by anyone for any reason.

#### SECTION 14 - ACCESS TO PREMISES

14.1 Landlord Access. Landlord shall have the right to enter onto the Premises for the purpose of inspecting and maintaining the same in accordance with Section 6.2 or for making repairs, additions, or alterations thereto. Due to the nature of the Tenant's Use, Landlord shall notify Tenant of its need to access the property as soon as practicable, preferably not less than 24 hours prior to the needed access to individual rooms occupied by Residents and to any data rooms or data closets serving Tenant's Use. Tenant shall take all reasonable measures to provide safe access for Landlord. Tenant acknowledges and agrees that Landlord has on-site maintenance workers who need full access to the buildings located on the Real Property, including the Premises, in order to maintain the physical plant in a manner deemed appropriate by Landlord.



14.2 Landlord Emergency Access. Landlord shall have the right to enter upon the Premises immediately in the event of emergency and during all operating hours for the purpose of inspecting the same or of making repairs, additions or alterations thereto. At any time 6 months or less before the expiration of the Term, Landlord may install and maintain a sign in the Premises that advertises the Premises as being available for lease. Landlord shall not be liable to Tenant in any manner for any expense, loss, or damage by reason thereof, nor shall exercise of such rights be deemed an eviction or disturbance of Tenant's use or possession of the Premises. Landlord shall have the right to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the Premises and serving other parts of the Premises in locations which will not materially interfere with Tenant's use of the Premises. Landlord or its employees or agents shall have the right to enter the Premises at any reasonable time or times for the purpose of inspection, cleaning, repairs, altering, or improving the same but nothing contained herein shall be construed as imposing any obligation on Landlord to make any repairs, alterations, or improvements that are the obligation of Tenant. Landlord shall use commercially reasonable efforts not to interrupt Tenant's business operations in the Premises during such periods of entry permitted pursuant to this Section 14.

#### SECTION 15 – DEFAULT OF TENANT AND REMEDIES

15.1 Events of Default. Any one of the following events shall constitute an "Event of Default":

- a. Tenant shall fail to pay any monthly installment of Rent, or timely pay any Rent or any monies due from Tenant to Landlord, and such default shall continue for a period of ten (10) days after the due date;
- b. Tenant shall violate or fail to perform any of the other conditions, covenants, or agreements herein made by Tenant, and such default shall continue for thirty (30) days after Tenant receives written notice from Landlord, except that if such default cannot with due diligence be cured within a period of thirty (30) days, if Tenant fails to proceed promptly after said notice and with all due diligence to commence to cure the same and thereafter to prosecute the curing of such default with all due diligence, it being intended that in connection with a default not susceptible of being cured with diligence within thirty (30) days, the time within which Tenant is to cure the same shall be extended for such period as may be reasonably necessary to complete the same with all due diligence but not to exceed ninety (90) days.
- c. Tenant shall have vacated the Premises for 60 consecutive days.

15.2 Right of Landlord to Terminate the Lease. If an Event of Default shall have occurred and be continuing, Landlord may, at its sole option, by written notice to Tenant, terminate this Lease. Neither the passage of time after the occurrence of the Event of Default nor exercise by Landlord of any other remedy with regard to such Event of Default shall limit Landlord's rights under this Section 15.2.

15.3 Repossession. If an Event of Default shall have occurred and be continuing, whether or not Landlord elects to terminate this Lease, Landlord may enter upon and repossess the Premises (said repossession being hereinafter referred to as "Repossession"), by summary proceedings, ejectment, or otherwise, and may remove Tenant and all other persons and property from the Premises at Tenant's sole cost and expense.

15.4 Obligations of Tenant. No termination of this Lease pursuant to Section 11 and no Repossession of the Premises pursuant to Section 15.3 or otherwise shall relieve Tenant of its liabilities and obligations under this Lease, all of which shall survive any such termination or Repossession. In the event of any such termination or Repossession, whether or not the Premises shall have been re-let, Tenant shall pay to Landlord the Rent, and other sums and charges to be paid by Tenant up to the time of such termination or Repossession, including interest, late fees, and thereafter, until the end of what would have been the Lease Term in the absence of such termination or Repossession, Tenant shall pay to Landlord, as and for liquidated and agreed current damages for Tenant's default, the equivalent of the amount of the Rent and such other sums and charges which would be payable under this Lease by Tenant if this Lease were still in effect, less the net proceeds, if any, of any reletting effected pursuant to the provisions of Section 15.4 after deducting all of Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, attorneys' fees, alteration costs, and expenses of preparation for such reletting. Tenant shall pay such current damages to Landlord monthly on the days on which the Rent would have been payable under this Lease if this Lease were still in effect, and Landlord shall be entitled to recover the same from Tenant on each such day.

15.6 Legal and Other Expenses. In addition to all other remedies of Landlord, Landlord shall be entitled to reimbursement upon demand of all reasonable attorneys' fees incurred by Landlord in connection with any Event of Default.

15.7 Right of Landlord to Cure Default by Tenant. In the event of any breach hereunder by Tenant, Landlord may immediately or at any time thereafter, without notice, cure such breach for the account and at the expense of Tenant. If Landlord at any time by reason of such breach, is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense, including reasonable attorneys' fees, the sum or sums so paid by Landlord, with interest thereon at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less, from the date of payment thereof, shall be deemed to be due from Tenant to Landlord on the first day of the month following the payment of such respective sums or expenses.

15.8 Setoff. Notwithstanding any provision of this Lease to the contrary, Tenant shall not be relieved of liability to Landlord for damages sustained by the Landlord by virtue of any breach of this Lease by Tenant. Landlord may withhold any payment to Tenant for the purpose of setoff until such time as the exact amount of damages due the Landlord from Tenant is determined.

15.9 Landlord's Default. The failure of Landlord to observe, perform, or comply with any term or condition of this Lease within thirty (30) days after written notice from Tenant to

Landlord shall constitute a default and breach of the Lease by Landlord (“Landlord’s Default”); provided that in the event the cure of such failure reasonably requires more than thirty (30) days to complete, then there is no Landlord’s Default if Landlord promptly commences the cure of such failure within the thirty (30) day period and, thereafter, diligently pursues the cure to completion. In the event Landlord discontinues Landlord’s pursuit of a cure of the default, and thereafter fails to cure the default within sixty (60) days after written notice from Tenant to Landlord notifying Landlord that Landlord has discontinued Landlord’s pursuit of a cure, then such failure shall constitute a Landlord’s Default. In the event of a Landlord’s Default, Tenant shall be entitled to any remedies available at law or in equity.

#### SECTION 16 - SURRENDER OF POSSESSION

16.1 Surrender. At the expiration of the Term, whether by lapse of time or otherwise, Tenant shall surrender the Premises in good condition and repair, reasonable wear and tear and loss by fire or unavoidable insured casualty excepted. If the Premises are not surrendered at the end of the Term or the sooner termination thereof, Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in so surrendering the Premises, and shall pay to Landlord holdover Gross Rent at a rate equal to 125% of the Gross Rent specified in this Lease, for any period of holdover. Tenant shall promptly surrender all keys for the Premises to Landlord at the place then fixed for payment of Rent.

16.2 Removal of Alterations. Upon the expiration of the Lease Term, whether by lapse of time or otherwise, if Landlord so requires in writing, Tenant shall promptly remove any alterations, additions, improvements and fixtures, including, without limitation, the Work, including trade fixtures placed in the Premises by Tenant, designated in said request, and repair any damage occasioned by such removals at Tenant’s expense, and in default thereof, Landlord may effect such removals and repairs, and Tenant shall pay Landlord the cost thereof, with interest at the rate of twelve percent (12%) per annum, or the highest rate permitted by law, whichever is less, from the date of payment by Landlord.

#### SECTION 17 – SUBORDINATION

17.1 Subordination. Tenant agrees that this Lease shall be subordinate to any mortgages that may be now or hereafter be placed upon the Premises, and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements, and extensions thereof if the mortgagee thereunder shall agree to recognize Tenant’s rights hereunder as long as Tenant is not in default beyond the period allowed for cure hereunder. Tenant further agrees that upon notification by Landlord to Tenant, this Lease shall be or become prior to any mortgages that may heretofore or hereafter be placed on the Premises. Tenant shall execute and deliver whatever instruments and financial statements as requested by the mortgagee as may be required for the above purposes, and failing to do so within ten (10) days after demand in writing, does hereby make, constitute, and irrevocably appoint Landlord as its attorney-in-fact and in its name, place, and stead so to do.

17.2 Attornment. Tenant shall, upon demand, in the event any proceedings are brought for the foreclosure of, or in the event of an exercise of a power of sale under any mortgage, or

other financing instrument made by Landlord covering the Premises, in writing to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease provided that such purchaser shall agree to recognize Tenant's rights hereunder as long as Tenant is not in default beyond the period allowed for cure hereunder.

#### SECTION 18 - NOTICES

Whenever under this Lease, provision is made for notice of any kind, such notice shall be in writing and shall be deemed sufficient to Tenant if actually delivered to Tenant or sent by registered or certified mail, return receipt requested, postage prepaid, to the last Post Office address of Tenant furnished to Landlord for such purpose, and to Landlord if actually delivered to Landlord or if sent by registered or certified mail, return receipt requested, postage prepaid, to the Landlord at the address furnished for such purpose or to the place then fixed for the payment of Rent. Notice shall be deemed effective upon receipt by either party when actually delivered to the party and if delivered by registered or certified mail upon deposit in the U.S. mail (and if more than one method is used, the earlier of the two).

#### SECTION 19 - ESTOPPEL STATEMENTS

Within ten (10) days after request therefore by Landlord, Tenant shall provide an estoppel statement in recordable form to any proposed mortgagee or purchaser of the Premises or any part thereof, or to Landlord, certifying (if such be the case) that this Lease is in full force and effect and there are no defenses or offsets thereto, or stating those claimed by Tenant and certifying to such other matters as such party shall reasonably require. Landlord's mortgage lenders and purchasers shall be entitled to rely upon any statement so executed pursuant to this Section 19.

#### SECTION 20 - QUIET ENJOYMENT

Landlord covenants that it has full right and authority to enter into this Lease for the full Term hereof. Landlord further covenants that Tenant, upon performing the covenants and agreements of this Lease to be performed by Tenant, will have, hold and enjoy quiet possession of the Premises. Landlord warrants that there are no easements, restrictive covenants or rights granted to parties other than Tenant that limit Tenant's use of the Premises for Tenant's Use as long as Tenant uses the Premises in accordance with the terms and conditions of this Lease.

#### SECTION 21 – RELATIONSHIP OF THE PARTIES

It is agreed that nothing contained in this Lease is intended or should be construed as creating the relationship of agents, partners, joint venturers, or associates between the parties hereto or as constituting Tenant as the agent or employee of Landlord for any purpose or in any manner whatsoever. Tenant, its employees, agents, and its representatives are not employees of Landlord.

## SECTION 22 – DATA PRACTICES.

22.1 Data Practices. All data collected, created, received, maintained or disseminated for any purpose in the course of Tenant’s performance of this Lease is governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

## SECTION 23 – OTHER GENERAL

23.1 Equal Employment Opportunity. Tenant agrees to comply with all federal, state and local laws, resolutions, ordinances, rules, regulations and executive orders pertaining to unlawful discrimination on account of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, sexual orientation, disability, or age.

23.2 Prevailing Wage. With respect to any Alteration to the Premises or any service to maintain the Premises obtained or contracted by Tenant, Tenant and its contractors and subcontractors shall conform to the labor laws of the State of Minnesota, and all other laws, ordinances, and legal requirements affecting the work in Ramsey County and Minnesota, including but not limited to Prevailing Wage.

23.3 Respectful Workplace and Violence Prevention. Tenant shall make all reasonable efforts to ensure that the Tenant’s employees, officials, contractors and subcontractors do not engage in violence while performing under this Lease. Violence, as defined in the Ramsey County Respectful Workplace and Violence Prevention Policy, means words and actions that hurt or attempt to threaten or hurt people; it is any action involving the use of physical force, harassment, intimidation, disrespect, or misuse of power and authority where the impact is to cause pain, fear or injury.

23.4 Cumulative Remedies and Non-Waiver. The various rights and remedies contained in this Lease shall not be considered as exclusive of any other right or remedy, but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, or by statute. No delay or omission of the right to exercise any power by either party shall impair any such right or power, or shall be construed as a waiver of any default or as acquiescence therein. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to approval of any subsequent similar act. The acceptance by the Landlord of any non-conforming performance or fulfillment of conditions or obligations under the terms of this Lease or the foregoing by the Landlord of any of the rights or remedies arising under the terms of this Lease shall not constitute a waiver of Landlord’s right to conforming performance or fulfillment of conditions or obligations or any rights and/or remedies in respect to any subsequent breach or default of the terms of this Lease. The rights and remedies of the Landlord and Tenant provided or referred to under the terms of this Lease are cumulative and not mutually exclusive.

23.5 Headings. The headings of the several sections contained herein are for convenience only and do not define, limit or construe the contents of such sections.

23.6 Binding Effect of Lease. The covenants, agreements contained in this Lease, shall bind and inure to the benefit of Landlord, its successors and assigns, and Tenant and its successors and assigns. Landlord, at any time and from time to time, may make an assignment of its interest in this Lease, and, in the event of such assignment and the assumption by the assignee of the covenants and agreements to be performed by Landlord herein, Landlord and its successors and assigns (other than the assignee of this Lease) shall be released from any and all liability hereunder.

23.7 Force Majeure. Whenever a period of time is herein provided for either party to do or perform any act or thing, that party shall not be liable or responsible for any delays, and applicable periods for performance shall be extended accordingly, due to strikes, lockouts, riots, acts of God, shortages of labor or materials, national emergency, pandemic, acts of a public enemy, governmental restrictions, laws, regulations or orders, or any other cause or causes, whether similar or dissimilar to those enumerated, beyond its reasonable control. The provisions of this Section 24.7 shall not operate to excuse Tenant from prompt payment of Rent or other monetary payments required by the terms of this Lease for any reason, including any of the reasons enumerated in this Section 24.7.

23.8 Acceptance of Payment. No payment by Tenant or receipt by Landlord of a lesser amount than the amount then due under this Lease shall be deemed to be other than on account of the earliest portion thereof due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance due or pursue any other remedy provided in this Lease.

23.9 Brokerage. Each of the parties represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease.

23.10 Unenforceability. Unenforceability of any provision contained in this Lease shall not affect or impair the validity of any other provision of this Lease.

23.11 Compliance with Law. Tenant agrees to comply with all federal, state and local laws or ordinances, and all applicable rules, regulations, and standards established by any agency of such governmental units, which are now or hereafter promulgated insofar as they relate to Tenant's performance of the provisions of this Lease or occupancy of the Premises. It shall be the obligation of Tenant to apply for, pay for and obtain all permits and/or licenses required by any governmental agency for Tenant to be able to occupy the Premises or operate its business or provide any services to be provided by Tenant.

23.12 No Breach of Other Agreements. Tenant hereby covenants, warrants and represents that by executing this Lease and by the operation of the Premises under this Lease, it is not violating, has not violated and will not be violating any restrictive covenant or agreement contained in any other Lease or contract affecting Tenant or any affiliate, associate or any other person or

entity with whom or with which Tenant is related or connected financially or otherwise. Tenant hereby covenants and agrees to indemnify and save harmless Landlord, any future owner of the fee or any part thereof of the Premises, and any mortgagee thereof against and from all liabilities, obligations, damages, penalties, claims, costs and expenses, including attorneys' fees, paid, suffered or incurred by them or any of them as a result of any breach of the foregoing covenant. Tenant's liability under this covenant extends to the acts and omissions of any subtenant, and any agent, employee, or licensee of any subtenant of Tenant.

23.13 Interpretation of Agreement; Venue. This Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Lease shall be venued in the appropriate state or federal district court in Ramsey County, Minnesota.

23.14 Execution of Lease by Landlord and Entire Agreement. The submission of this document for examination and negotiation does not constitute an offer to Lease, or a reservation of, or option for, the Premises and this document becomes effective and binding only upon the execution and delivery hereof by Landlord and Tenant. This Lease constitutes the entire agreement between the parties and supersedes all prior oral and written agreements regarding the subject matter hereof, and this Lease may be modified or altered only by an agreement in writing between Landlord and Tenant and no act or omission of any employee or agent of Landlord, if any, shall alter, change or modify any of the provisions of this Lease unless an alteration, variation, modification or waiver of or provisions of this Lease is reduced to writing and duly signed by both parties.

23.15 Incorporation of Recitals and Exhibits. The Recitals and Exhibit are incorporated herein.

23.16 Counterparts and Email Signatures. This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts of this Lease taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of this Lease by email of a PDF file shall be equally as effective as delivery of an original executed counterpart of this Lease.

*(Remainder of page left blank intentionally. Signature page follows.)*

IN WITNESS WHEREOF, Landlord and Tenant have signed this Lease as of the date first written above.

LANDLORD:

HealthEast Care System

TENANT:

Ramsey County

By: \_\_\_\_\_

James Hereford  
President and Chief Executive Officer

By: \_\_\_\_\_

Toni Carter, Chair  
Ramsey County Board of Commissioners

By: \_\_\_\_\_

Janet Guthrie, Chief Clerk  
Ramsey County Board of Commissioners

*Approval Recommended:*

\_\_\_\_\_  
Jean Krueger  
Director of Property Management

*Approved as to Form and Insurance:*

\_\_\_\_\_  
Amy K. L. Schmidt  
Assistant County Attorney



**Exhibit A**

Depiction of the Premises  
as shown shaded in yellow  
on Exhibit pages A-1 through A-8

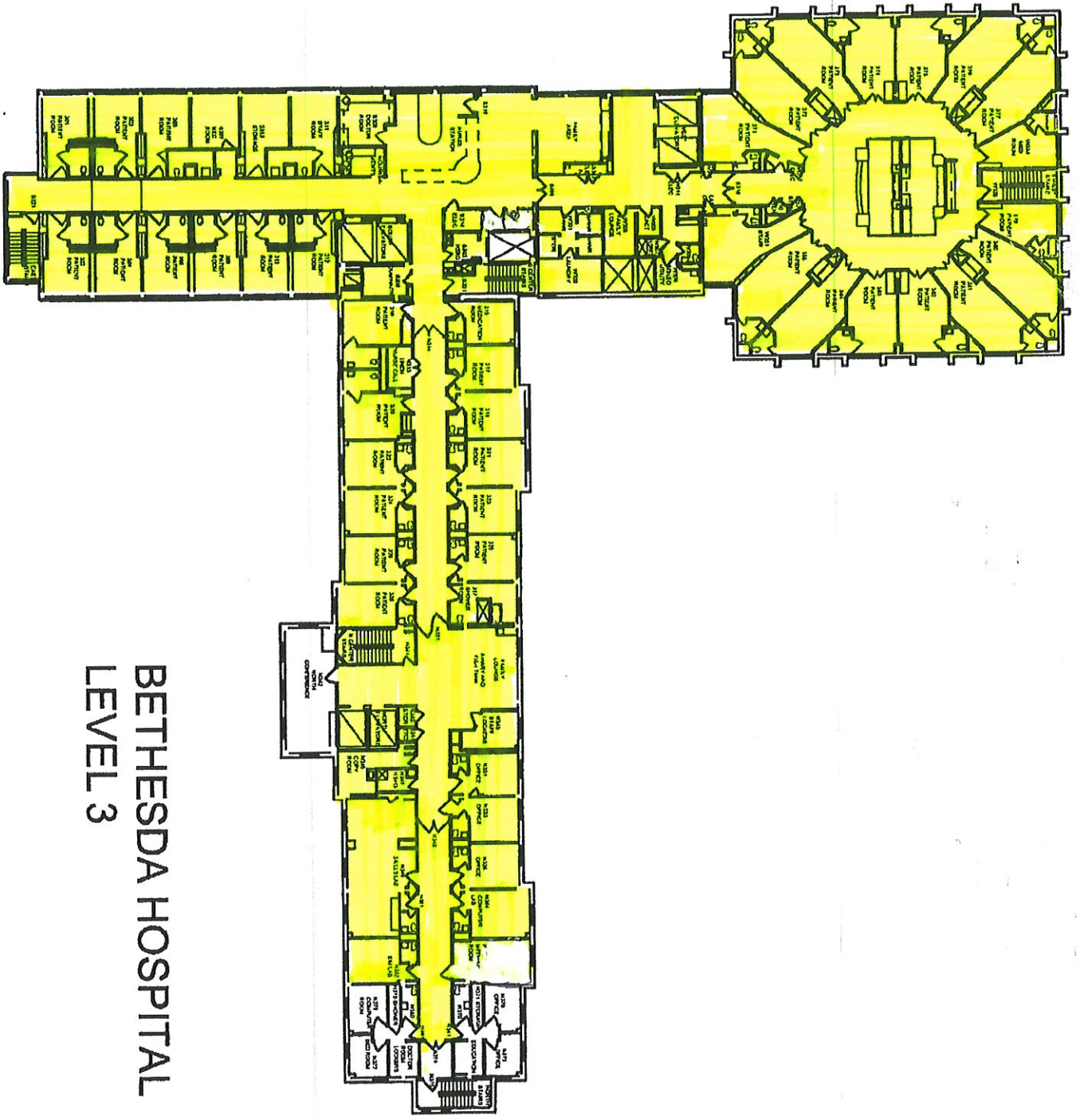
Square Feet by Floor

<b>Floor</b>	<b>Square Feet</b>
<b>Total:</b>	<b>109,969</b>
5	17,322
4	22,113
3	21,444
2	27,510
1	5,033
C	14,000
B	1,466
A	1,081



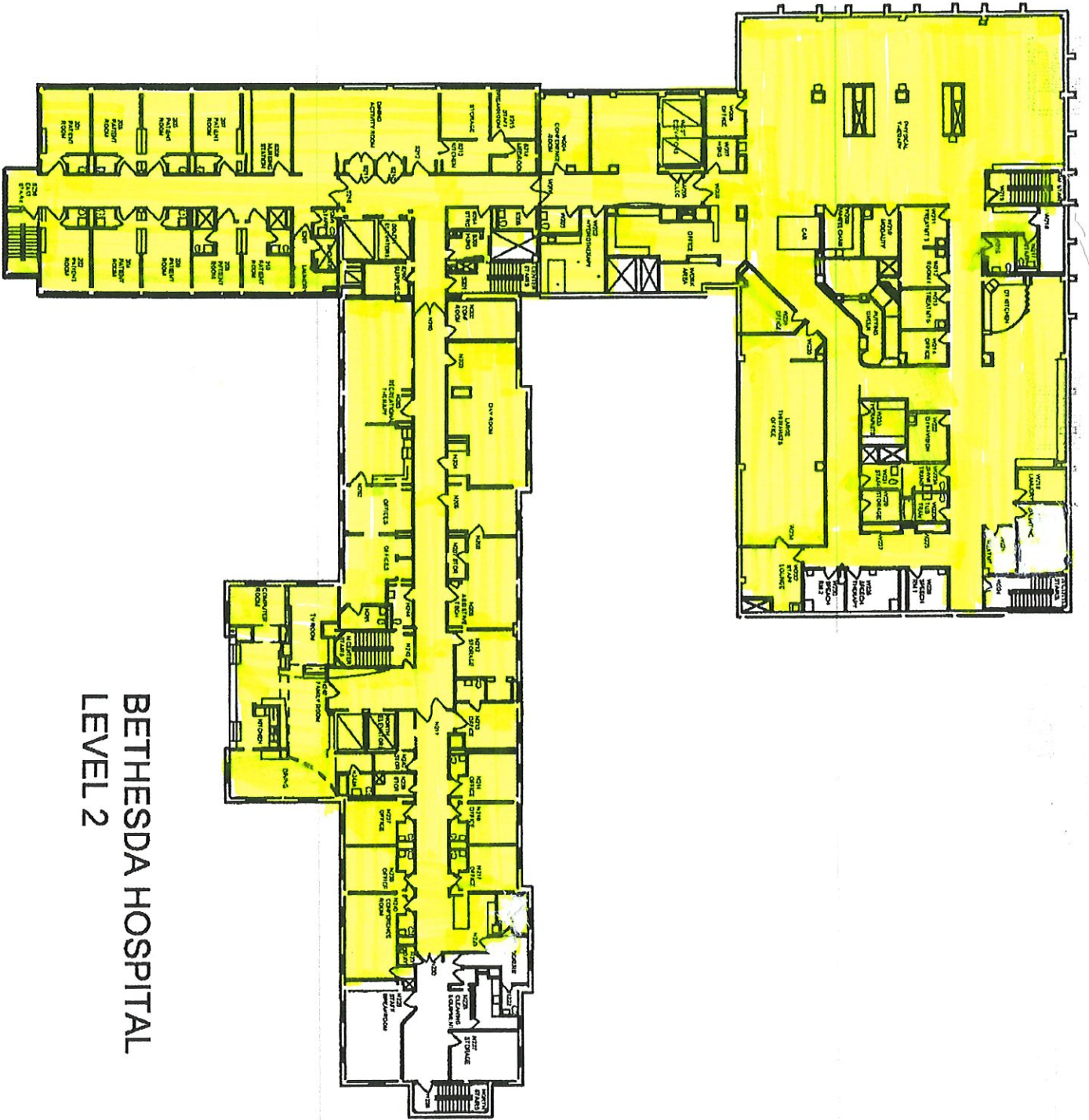






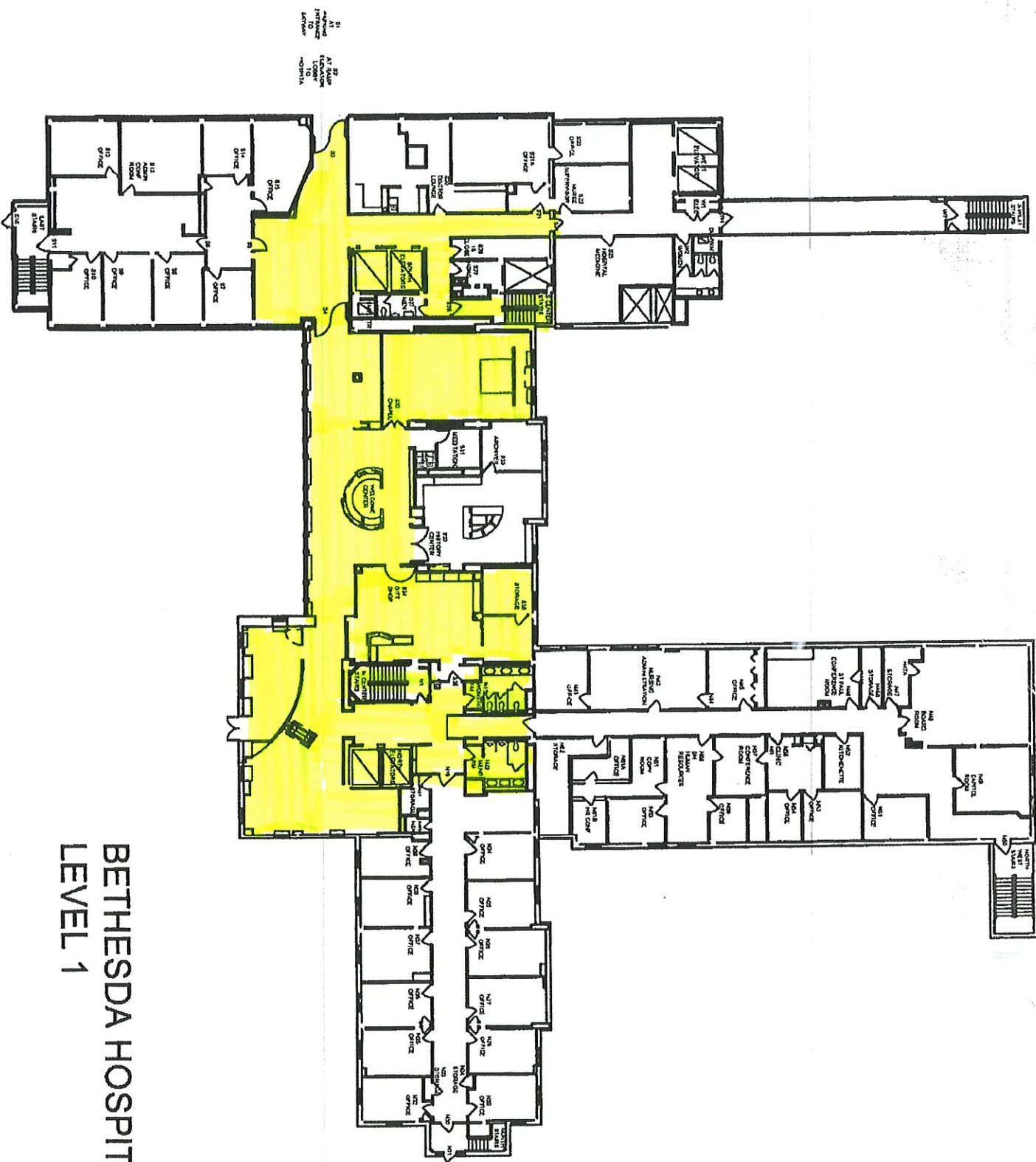
BETHESDA HOSPITAL  
LEVEL 3

A-3



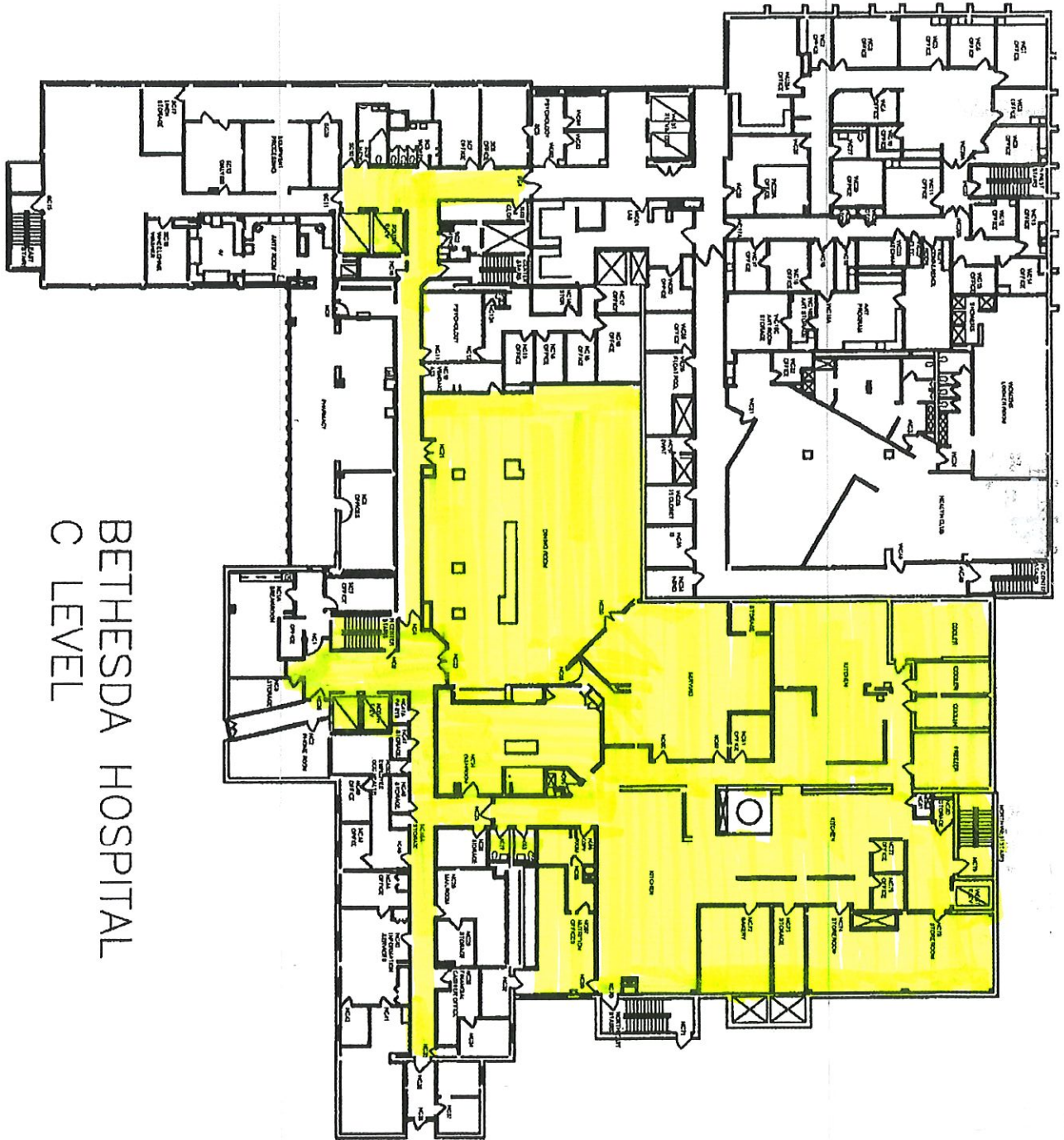
BETHESDA HOSPITAL  
LEVEL 2





BETHESDA HOSPITAL  
LEVEL 1

BETHESDA HOSPITAL  
C LEVEL



A-6









## **Exhibit B**

### Furniture, Fixtures, and Equipment

<b>Asset Description</b>	<b>Number of Assets</b>
Coffee Maker	3
Dishwashers	1
Exhaust Hoods	7
Food Processor	3
Freezers, General	3
Garbage Disposals	2
Microwave	2
Ovens	8
Refrigerators, General	2
Slicers	2
Steam Kettles	8
Toaster	2
Walk-In Coolers	3
Walk-In Freezers	1
Warmer	6

**EXHIBIT C**

Form of Security Services Agreement

*(4 pages follow)*

## SECURITY SERVICES AGREEMENT

This **Security Services Agreement** (“Agreement”) is made as of \_\_\_\_\_, 2020, and is by and between HealthEast Care System, a Minnesota non-profit corporation (“Landlord”), a wholly owned subsidiary of Fairview Health Services, and the County of Ramsey, a political subdivision of the State of Minnesota (“Tenant” or “Ramsey County”).

### RECITALS

D. Landlord is the fee owner of certain real property located in the City of Saint Paul, Ramsey County, Minnesota, located at 559 North Capitol Boulevard, Saint Paul, Minnesota 55103, commonly known as “Bethesda Hospital” (the “Real Property”);

E. Concurrent with this Agreement, Landlord and Tenant have entered into that certain Lease Agreement on \_\_\_\_\_, 2020 (the “Lease Agreement”), whereby Tenant leases from Landlord that portion of the Real Property defined in the Lease Agreement as the “Premises” consisting of approximately 109,969 square feet of space within the hospital building that is located at the Real Property. The Premises is further defined and depicted in **Exhibit A** of the Lease Agreement.

F. Pursuant to Section 1.1 of the Lease Agreement, Tenant and its employees and agents are granted non-exclusive use of (i) the building corridors, elevators and stairwells for access to the loading docks and delivery areas within the Premises; (ii) the surface parking lot; and (iii) the parking ramp adjacent to the Premises. Tenant’s employees and agents, and the Residents (as defined in the Lease Agreement) are granted non-exclusive use of the adjacent grounds, which grounds exclude the areas described in items (i), (ii) and (iii) of the preceding sentence.

G. All of the areas within the Real Property that are not a part of the Premises, as described in Recital C, shall remain in the full control of Landlord.

H. To enhance safety and security to the Premises, Real Property, and immediate surrounding area, Landlord and Tenant agree that additional security services are desirable, and have agreed to provide such additional services as set forth herein.

**NOW THEREFORE**, Landlord and Tenant have agreed to the following terms and conditions:

1. **Term.** This Agreement shall commence, terminate, and be extended concurrent with the Lease Agreement. This Agreement may be terminated as provided in the Lease Agreement.

2. **Tenant’s Obligation.** Tenant shall provide, through its own staff or contracted agent (“Security Staff”), security services for the Premises. “Security Services” shall include Security Staff inside the Premises associated with Tenant’s Use (as defined in the Lease Agreement), and “Non-Premises Security Services” consisting of periodic patrols of the Real Property outside the Premises (excluding those portions of the building outside the Premises that Landlord has under

lock and key), limited to the perimeter of the building and the adjacent grounds (the “Patrolled Area”); initial incident response within the Premises and the Patrolled Area; notification of Landlord related to incident response and building issues; and engagement of law enforcement, as appropriate, in Tenant and/or Security Staff’s sole discretion and judgment. Security Staff shall record and document time spent on Non-Premises Security Services. Tenant shall prepare and deliver to Landlord a monthly invoice for Landlord’s share of the Non-Premises Security Services as provided in Section 3 below.

3. Landlord’s Cost Share for Non-Premises Security Services. Landlord’s share of the cost of the Non-Premises Security Services shall be fifty percent (50%) of the full cost, based on the recorded actual time spent by Tenant’s Security Staff engaged in performance of the Non-Premises Security Services. Landlord shall pay the invoice within 35 days of receipt from Tenant. Landlord shall not be responsible for the cost of Non-Premises Security Services in excess of twenty (20) hours of per week.

4. Right of Entry. In addition to the non-exclusive right of access granted in Section 1.1 of the Lease Agreement, Landlord grants Tenant and Security Staff the right to enter onto the Patrolled Area outside of the Premises for the purpose of performing the Non-Premises Security Services.

5. No Assumption of Liability by Tenant. Tenant shall assume no premises liability for any portion of the Real Property beyond the Premises. Nothing in this Section 5 shall diminish Tenant’s obligations under Section 9 of the Lease Agreement or Section 10 of this Agreement.

6. Meet and Confer. Landlord and Tenant shall meet quarterly, or more frequently as circumstances dictate, to discuss the Non-Premises Security Services and make any necessary adjustments.

7. Contact Information. Upon execution of this Agreement, Landlord shall provide Tenant and Security Staff with contact information for Landlord property management staff to which Security Staff may report property damage or other information related to the Real Property. Any subsequent change in Landlord’s contact information shall be immediately reported to Tenant and Security Staff.

8. Relationship of the Parties. Nothing contained in this Agreement is intended or should be construed as creating the relationship of agents, partners, joint venturers, or associates between the parties hereto or as constituting Tenant as the agent or employee of Landlord for any purpose or in any manner whatsoever. Tenant, its employees, its agents, including Security Staff, and its representatives are not employees of Landlord.

9. Discretion of Tenant. In performance of the Non-Premises Security Services, Tenant and Security Staff shall exercise their professionally reasonable judgment and industry best practices in responding to incidents on the Premises and the Patrolled Area. Tenant and Security Staff may engage law enforcement, including the issuance of individual trespass notices, in their sole discretion and judgment.

10. Mutual Indemnification. Each of Landlord and Tenant agrees to indemnify, defend, and hold the other party harmless from any and all claims, demands, liabilities, losses, expenses, and damages (including reasonable attorneys' fees, costs, and expert witnesses' fees) arising out of or in connection with any negligence or willful misconduct of Landlord or Tenant, as applicable, related to the performance of the Non-Premises Security Services. In addition, Tenant agrees to indemnify, defend, and hold Landlord harmless from any and all claims, demands, liabilities, losses, expenses, and damages (including reasonable attorneys' fees, costs, and expert witnesses' fees) arising out of or in connection with any acts or omissions of Tenant's Security Staff.

11. Data Practices. All data collected, created, received, maintained or disseminated for any purpose in the course of Tenant's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

12. Unenforceability. Unenforceability of any provision contained in this Agreement shall not affect or impair the validity of any other provision of this Agreement.

13. Notices. Whenever under this Agreement, provision is made for notice of any kind, such notice shall be in writing and shall be deemed sufficient to Tenant if actually delivered to Tenant or sent by registered or certified mail, return receipt requested, postage prepaid, to the last Post Office address of Tenant furnished to Landlord for such purpose, and to Landlord if actually delivered to Landlord or if sent by registered or certified mail, return receipt requested, postage prepaid, to the Landlord at the address furnished for such purpose or to the place then fixed for the payment of Rent. Notice shall be deemed effective upon receipt by either party when actually delivered to the party and if delivered by registered or certified mail upon deposit in the U.S. mail (and if more than one method is used, the earlier of the two).

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HealthEast Care System

By: EXHIBIT COPY  
James Hereford  
President and Chief Executive Officer

TENANT:

Ramsey County

By: EXHIBIT COPY  
Toni Carter, Chair  
Ramsey County Board of Commissioners

By: EXHIBIT COPY  
Janet Guthrie, Chief Clerk  
Ramsey County Board of Commissioners

*Approval Recommended:*

EXHIBIT COPY  
Jean Krueger  
Director of Property Management

*Approved as to Form and Insurance:*

EXHIBIT COPY  
Amy K. L. Schmidt  
Assistant County Attorney

## SECURITY SERVICES AGREEMENT

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C. Pursuant to Section 1.1 of the Lease Agreement, Tenant and its employees and agents are granted non-exclusive use of (i) the building corridors, elevators and stairwells for access to the loading docks and delivery areas within the Premises; (ii) the surface parking lot; and (iii) the parking ramp adjacent to the Premises. Tenant’s employees and agents, and the Residents (as defined in the Lease Agreement) are granted non-exclusive use of the adjacent grounds, which grounds exclude the areas described in items (i), (ii) and (iii) of the preceding sentence.

D. All of the areas within the Real Property that are not a part of the Premises, as described in Recital C, shall remain in the full control of Landlord.

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lock and key), limited to the perimeter of the building and the adjacent grounds (the “Patrolled Area”); initial incident response within the Premises and the Patrolled Area; notification of Landlord related to incident response and building issues; and engagement of law enforcement, as appropriate, in Tenant and/or Security Staff’s sole discretion and judgment. Security Staff shall record and document time spent on Non-Premises Security Services. Tenant shall prepare and deliver to Landlord a monthly invoice for Landlord’s share of the Non-Premises Security Services as provided in Section 3 below.

3. Landlord’s Cost Share for Non-Premises Security Services. Landlord’s share of the cost of the Non-Premises Security Services shall be fifty percent (50%) of the full cost, based on the recorded actual time spent by Tenant’s Security Staff engaged in performance of the Non-Premises Security Services. Landlord shall pay the invoice within 35 days of receipt from Tenant. Landlord shall not be responsible for the cost of Non-Premises Security Services in excess of twenty (20) hours of per week.

4. Right of Entry. In addition to the non-exclusive right of access granted in Section 1.1 of the Lease Agreement, Landlord grants Tenant and Security Staff the right to enter onto the Patrolled Area outside of the Premises for the purpose of performing the Non-Premises Security Services.

5. No Assumption of Liability by Tenant. Tenant shall assume no premises liability for any portion of the Real Property beyond the Premises. Nothing in this Section 5 shall diminish Tenant’s obligations under Section 9 of the Lease Agreement or Section 10 of this Agreement.

6. Meet and Confer. Landlord and Tenant shall meet quarterly, or more frequently as circumstances dictate, to discuss the Non-Premises Security Services and make any necessary adjustments.

7. Contact Information. Upon execution of this Agreement, Landlord shall provide Tenant and Security Staff with contact information for Landlord property management staff to which Security Staff may report property damage or other information related to the Real Property. Any subsequent change in Landlord’s contact information shall be immediately reported to Tenant and Security Staff.

8. Relationship of the Parties. Nothing contained in this Agreement is intended or should be construed as creating the relationship of agents, partners, joint venturers, or associates between the parties hereto or as constituting Tenant as the agent or employee of Landlord for any purpose or in any manner whatsoever. Tenant, its employees, its agents, including Security Staff, and its representatives are not employees of Landlord.

9. Discretion of Tenant. In performance of the Non-Premises Security Services, Tenant and Security Staff shall exercise their professionally reasonable judgment and industry best practices in responding to incidents on the Premises and the Patrolled Area. Tenant and Security Staff may engage law enforcement, including the issuance of individual trespass notices, in their sole discretion and judgment.

10. Mutual Indemnification. Each of Landlord and Tenant agrees to indemnify, defend, and hold the other party harmless from any and all claims, demands, liabilities, losses, expenses, and damages (including reasonable attorneys' fees, costs, and expert witnesses' fees) arising out of or in connection with any negligence or willful misconduct of Landlord or Tenant, as applicable, related to the performance of the Non-Premises Security Services. In addition, Tenant agrees to indemnify, defend, and hold Landlord harmless from any and all claims, demands, liabilities, losses, expenses, and damages (including reasonable attorneys' fees, costs, and expert witnesses' fees) arising out of or in connection with any acts or omissions of Tenant's Security Staff.

11. Data Practices. All data collected, created, received, maintained or disseminated for any purpose in the course of Tenant's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

12. Unenforceability. Unenforceability of any provision contained in this Agreement shall not affect or impair the validity of any other provision of this Agreement.

13. Notices. Whenever under this Agreement, provision is made for notice of any kind, such notice shall be in writing and shall be deemed sufficient to Tenant if actually delivered to Tenant or sent by registered or certified mail, return receipt requested, postage prepaid, to the last Post Office address of Tenant furnished to Landlord for such purpose, and to Landlord if actually delivered to Landlord or if sent by registered or certified mail, return receipt requested, postage prepaid, to the Landlord at the address furnished for such purpose or to the place then fixed for the payment of Rent. Notice shall be deemed effective upon receipt by either party when actually delivered to the party and if delivered by registered or certified mail upon deposit in the U.S. mail (and if more than one method is used, the earlier of the two).

14. Interpretation of Agreement; Venue. This Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the appropriate state or federal district court in Ramsey County, Minnesota.

15. Incorporation of Recitals. The Recitals are true and correct, and are incorporated herein.

16. Counterparts and Email Signatures. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts of this Agreement taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by email of a PDF file shall be equally as effective as delivery of an original executed counterpart of this Agreement.

*(Remainder of page left blank intentionally. Signature page follows.)*

IN WITNESS WHEREOF, Landlord and Tenant have signed this Agreement as of the date first written above.

LANDLORD:

HealthEast Care System

By: \_\_\_\_\_

James Hereford  
President and Chief Executive Officer

TENANT:

Ramsey County

By: \_\_\_\_\_

Toni Carter, Chair  
Ramsey County Board of Commissioners

By: \_\_\_\_\_

Janet Guthrie, Chief Clerk  
Ramsey County Board of Commissioners

*Approval Recommended:*

\_\_\_\_\_  
Jean Krueger  
Director of Property Management

*Approved as to Form and Insurance:*

\_\_\_\_\_  
Amy K. L. Schmidt  
Assistant County Attorney



# Board of Commissioners

## Request for Board Action

15 West Kellogg Blvd.  
Saint Paul, MN 55102  
651-266-9200

**Item Number:** 2020-414

**Meeting Date:** 10/20/2020

**Sponsor:** Finance

### Title

**Authorization of General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A and Taxable General Obligation Refunding Bonds Series, 2020B**

### Recommendation

1. Approve the Resolution and Terms of Proposal authorizing issuance of approximately \$19,475,000 General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A and \$28,030,000 Taxable General Obligation Taxable Refunding Bonds, Series 2020B.
2. Set the date of November 17, 2020 as the date for evaluating bond sale bids received on November 16, 2020 and to consider awarding sale of the bonds.

### Background

The County's financial advisor, Baker Tilly Municipal Advisors, has performed an analysis of refunding opportunities available on the County's current bond issues and recommends refunding six outstanding bond issues in order to realize future interest rate cost savings. Refunding these bond issues will take advantage of municipal bond interest rates at near historically low levels.

<u>Current bond issues to be refunded</u>	<u>Current Outstanding</u>
Series 2011A - Tax-exempt GO CIP Bonds	\$ 9,965,000
Series 2012A - Tax-exempt GO CIP Bonds	10,855,000
Series 2013A - Tax-exempt GO CIP Bonds	9,970,000
Series 2013B - Taxable GO Bonds (Rice Creek Commons)	8,170,000
Series 2014B - Taxable GO Bonds (Rice Creek Commons)	6,625,000
Series 2014C - Tax-exempt Library GO CIP Bonds	<u>2,570,000</u>
Total	<u>\$ 48,155,000</u>

Refunding these outstanding bond issues is projected to provide average annual debt service savings of approximately \$427,617 and a present value savings of \$5,368,304 over the life of the bonds based on current interest rates and including costs of issuance. The amount of debt will not be increased and all debt will keep its current maturity length. Debt Service levied and collected in 2020 will be used to pay the upcoming 2/1/2021 principal and interest payments and thereby reduce the amount of refunding bonds needed from \$48,155,000 to \$47,505,000.

The new refunding bond issue will contain two series, \$19,475,000 General Obligation Tax-exempt Refunding Bonds, Series 2020A and \$28,030,000 General Obligation Taxable Refunding Bonds, Series 2020B. Series 2020A will refund Series 2011A and Series 2013A bonds because they have 2/1/2020 call dates and would be considered a current refunding. The Series 2020B bonds will refund Series 2012A, Series 2013B, Series 2014B and Series 2014C (Library) bonds which are either currently taxable or have 2/1/2022 call dates which require advance refunding as taxable bonds

Please note that the Terms of Proposal Prepared by Baker Tilly Municipal Advisors, LLC. indicates that the par

amount of the bonds in any maturity can change depending on market conditions on the date of the sale. Ramsey County’s bonding ordinance allows refunding bonds to be authorized by County Board Resolution.

If authorized, bids will be taken on the bonds at 1:00 p.m. on Monday, November 16, 2020, and considered for award on the County Board Agenda at 9:00 a.m. on Tuesday, November 17, 2020. The County Board will be requested to approve the sale of the bonds to the bidder offering the lowest interest cost.

**County Goals** (Check those advanced by Action)

- Well-being
- Prosperity
- Opportunity
- Accountability

**Racial Equity Impact**

This action by itself does not have a measurable racial equity impact, as the action is just one step in the process required by the County Charter to issue bonds. The County issues bonds to finance numerous capital improvement projects, each of which provides programs and services to the community. The racial equity impact should be considered by the County departments during the development of the associated programs and services for each capital project.

**Community Participation Level and Impact**

Ramsey County issues bonds to finance capital improvements identified in its annual capital improvement plan which is developed with public participation through the capital Improvement Program Citizen’s Advisory Committee (CIPAC), an advisory committee composed of up to 14 residents, appointed by the County Board, to assure public participation in the decision-making process. The County Board also holds a public hearing as part of the Bond Ordinance process to afford the public an opportunity to comment on each proposed project. Direct community participation should be incorporated through the County departments in the development of the program and services associated with each capital project.

- Inform
- Consult
- Involve
- Collaborate
- Empower

**Fiscal Impact**

The sale of the refunding bonds will allow Ramsey County to achieve an estimated \$5,373,893 reduction in future debt service interest costs.

**County Manager Comments**

County Board approval of the proposed resolution is needed to proceed with the sale of the refunding bonds. Bond financing aligns with the County’s Opportunity and Prosperity goals by facilitating strategic capital investments which cultivate economic development and prosperity in the community.

**Last Previous Action**

On July 22, 2014, the County Board authorized the issuance of \$9,500,000 Taxable General Obligation CIP Bonds, Series 2014B (Resolution 2014-239) and Series 2014C (Resolution 2014-240).

On June 4, 2013, the County Board authorized the issuance of \$22,700,000 General Obligation CIP Bonds, Series 2013A (Resolution 2013-163) and Series 2013B (Resolution 2013-164).

On June 5, 2012, the County Board authorized the issuance of \$18,500,000 General Obligation CIP bonds, Series 2012A (Resolution 2012-167).

On May 24, 2011, the County Board authorized the issuance of \$18,500,000 General Obligation CIP bonds,

Series 2011A (Resolution 2011-182).

**Attachments**

1. Draft Resolution
2. Bond Sale Recommendations from Financial Advisor Baker Tilly Municipal Advisors LLC.
3. Proposed Schedule of Events - 2020 Bond Sale.

SCHEDULE OF EVENTS  
2020 REFUNDING BOND SALE

September 4	Begin preparation of draft official statement
October 1	Finalize bond structure and prepare Terms of Proposal
October 12	Draft Official Statement reviewed by County and Bond Counsel
<b>October 20</b>	<b>County Board considers Resolution authorizing refunding bond sale</b>
October 20	Final Preliminary Official Statement delivered to rating agencies
October 26-30	Rating agency conference calls conducted
November 4-6	Rating determinations received from Moody's and Standard & Poor's
November 16	Sale of the bonds
<b>November 17</b>	<b>Sale results presented and County Board considers awarding the sale of bonds</b>
December 17	Bond Closing - Proceeds Received

**Highlighted** items are Board Actions

# Board of Commissioners

## Request for Board Action

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**Item Number:** 2020-418

**Meeting Date:** 10/20/2020

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**Sponsor:** Finance

**Title**  
**2021 Solid Waste Facility Bond Ordinance - Waive First Reading**

**Recommendation**

Waive the first reading of the proposed 2021 Solid Waste Facility Bond Ordinance.

**Background**

This requested action is subject to Ramsey County Board approval of the Recycling & Energy (R&E) Center enhancements financing structure, also being considered by the Board on October 20, 2020.

As previously brought forward and considered by the County Board, the R&E Center enhancement projects financing structure includes the following:

1. Approve the financing structure for the R&E Center enhancements in which the Ramsey County Board shall issue general obligation bonds on behalf of both counties (the "County Bonds") in an amount not to exceed \$43 million to fund the aggregate County Enhancement Loan ("County Enhancement Loans") amount for the R&E Center enhancement and in which Ramsey and Washington counties shall each loan a proportionate share to the R&E Board sufficient to cover its share of total financing, including all financing costs, for the R&E Center enhancements, according to the percentages set forth in the joint powers agreement: Ramsey County - 73%, Washington County - 27%.
2. Agree to enter into an agreement with Washington County in which Ramsey County will issue bonds on behalf of both counties, and that Washington County shall provide its general obligation pledge to Ramsey County for its share of the financing and pay its share of the total financing of the R&E Center Enhancements through its loan agreement with the R&E Board, and authorizes the Chair to approve and execute such agreement, upon approval as to form by the County Attorney
3. Agree to enter into a loan agreement with the R&E Board in which Ramsey County shall loan its proportionate amount of the County Loans and the R&E Board shall be obligated to and is hereby authorized to repay the County Enhancements Loans from facility revenues, CEC funds and other available revenues on terms and conditions that match, or are otherwise consistent with, any terms and conditions of any other loans outstanding and owed to the counties, and additional covenants required by the counties and the County Bonds issued to fund R&E Board's County Enhancements Loans.
4. Authorize the Chair and Chief Clerk to execute the agreements upon approval as to form by the County Attorney's Office and Finance.

The two R&E Center enhancement projects, a durable compostable bag processing system and a recyclables recovery system are estimated to cost \$19,286,450 and \$23,575,000 respectively, for a total estimated cost of \$42,861,450. To allow for small adjustments and costs of issuance, the proposed 2021 Solid Waste Facility Bond Ordinance sets the maximum amount of bonding at \$43,000,000. The actual amount may be less, and cannot be more, and will be determined by the County Board at a later date.

This requested action begins Ramsey County's bond issuance process as part of the R&E Center enhancements financing structure. It is the first action in the County's Ordinance procedures as required by



the County Charter to issue bonds. County Ordinance procedures require that every proposed Ordinance receive two readings; first, at the time it is presented, and second, at the time of the public hearing. Both readings may be waived if a copy of the Ordinance is supplied to each member of the County Board prior to its introduction.

In accordance with these requirements, the first reading of the proposed 2021 Solid Waste Facility Bond Ordinance may be waived because a copy of the proposed Ordinance was supplied to each member of the County Board prior to its introduction on October 20, 2020.

**County Goals** (Check those advanced by Action)

- Well-being
- Prosperity
- Opportunity
- Accountability

**Racial Equity Impact**

This action by itself does not have a measurable racial equity impact, as the action is just one step in the ordinance process required by the County Charter to issue bonds. The County issues bonds to finance numerous capital improvement projects, each of which provides programs and services to the community. The racial equity impact is considered by the County departments during the development of the associated programs and services for each capital project.

**Community Participation Level and Impact**

The bonds issued by Ramsey County pursuant to this proposed ordinance will be joint obligations of Ramsey and Washington Counties, with the proceeds loaned to Ramsey/Washington Recycling and Energy Board for enhancements to the R&E Center. The enhancements are the result of policy direction in the two county solid waste management master plans. Preparation of the Ramsey County plan included significant community engagement, as did the purchase of the R&E Center and discussion about the enhancements. The County Board also holds a public hearing as part of the Bond Ordinance process to afford the public an opportunity to comment on this proposed project.

- Inform
- Consult
- Involve
- Collaborate
- Empower

**Fiscal Impact**

The proposed 2021 Solid Waste Facility Bond Ordinance authorizes a maximum amount of \$43 million of bond issuance to finance the R&E Center enhancement loans. The actual amount of bonding may be less and the final bonding amount will be determined and considered by the County Board at a later date. The County expects to receive loan payments from the R&E Board and Washington County equal to the required debt service on the County Bonds resulting in no cost to Ramsey County. The expected term of the loans and bonds is 25 years.

**County Manager Comments**

The Ramsey County Home Rule Charter requires that every ordinance have two readings and a public hearing. Bond financing aligns with the County's Opportunity and Prosperity goals by facilitating strategic capital investments which cultivate economic development and prosperity in the community.

**Last Previous Action**

None.

**Attachments**

1. Proposed 2021 Solid Waste Facility Bond Ordinance
2. Proposed Schedule of Events - 2021 Solid Waste Facility Bond Sale
3. RESOLUTION PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF \$19,475,000 GENERAL

OBLIGATION CAPITAL IMPROVEMENT PLAN REFUNDING BONDS, SERIES 2020A 4. RESOLUTION PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF \$28,030,000 TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B

OFFICIAL SUMMARY OF ORDINANCE AUTHORIZING  
THE ISSUANCE OF NOT TO EXCEED  
\$43,000,000 GENERAL OBLIGATION  
SOLID WASTE FACILITY REVENUE BONDS

This ordinance authorizes the issuance of bonds in an amount not to exceed \$43,000,000 for recycling system enhancements as identified in the Ramsey/Washington Recycling & Energy Center Enhancements Financing Plan.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$43,000,000  
GENERAL OBLIGATION SOLID WASTE FACILITY REVENUE BONDS

WHEREAS, the Home Rule Charter (the “Home Rule Charter”) of Ramsey County, Minnesota (the “County”) authorizes the issuance of bonds to finance authorized expenditures of the County.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE COUNTY OF RAMSEY DOES ORDAIN as follows:

1. Authorization of Bonds - The bonding and borrowing of money by the issuance of general obligation bonds in an amount not to exceed \$43,000,000 (the “Bonds”) is hereby authorized to finance the costs of issuance of the Bonds and to fund a loan to the Ramsey/Washington Recycling and Energy Joint Powers Board to finance the costs of recycling system enhancements at the existing solid waste processing facility in Newport, MN (the “Recycling & Energy Center”) as identified in the Ramsey/Washington Recycling & Energy Center Enhancements Financing Plan, including without limitation a durable compostable bag processing system and a recyclables recovery system, and other improvements to the Recycling & Energy Center authorized by the County.
2. Bonding Procedure and Terms - The Bonds shall be scheduled for sale and awarded for sale by resolutions. The specific amount, maturities, interest rates and other terms and conditions of the Bonds and covenants with respect to the Bonds shall be set or made by resolution.
3. Taxes - The Bonds shall be general obligations to which the full faith and credit and taxing powers of the County are pledged. The Bonds may also be paid from interest earnings on the debt service account, from loan repayment revenues paid by the Ramsey/Washington Recycling and Energy Joint Powers Board, and from any other moneys appropriated by the County Board. The taxes levied for the payment of the Bonds shall not limit or reduce the ability of the County to levy taxes for the payment of the costs of other capital improvements or obligations issued to finance the payment of such costs
4. Authorization of Refunding Bonds - The bonding or borrowing of money by the issuance of bonds or other obligations to refund the Bonds is hereby authorized on the same basis as set forth in paragraphs 4 and 5 of Ordinance No. 93-292, authorizing the refunding of bonds issued prior to November 6, 1992. Further proceedings to schedule such refunding bonds for sale, to set the terms and conditions thereof, to make covenants with respect thereto and to award the sale thereof may be, and are hereby authorized to be, done or taken by resolution.
5. Referendum Upon Petition - This ordinance is subject to the ordinance procedure of the County’s Home Rule Charter, including the holding of a referendum if a sufficient petition is filed within forty-five (45) days after its publication. Among other conditions to be met, a sufficient petition must be signed by registered voters of the County equal in number to ten percent (10%) of those who voted in the County for the office of President of the United States in the last general election.

ESTIMATED SCHEDULE OF EVENTS  
2021 SOLID WASTE FACILITY BOND SALE

<u>Date</u>	
September 28	Agenda.Net deadline – First Reading and Set Date for Public Hearing RBAs
October 12	Agenda Review and Final Docs - First Reading and Set Date for Public Hearing RBAs
<b>October 20</b>	Board meeting - First Reading of Ordinance and Set Date for Public Hearing RBAs (Public hearing shall be no sooner than 10 days after first reading is published)
<b>November 17</b>	Second Reading of Ordinance Hold Public Hearing
<b>December 1</b>	Action on Ordinance
December 9	Publication of Ordinance Forty-five (45) day Referendum Petition waiting period starts
December 14	Begin preparation of draft official statement
January 4	Draft official statement distributed for review internally
January 23	Ordinance becomes effective Referendum period closes 45 days after Ordinance Publication
<b>January 26</b>	Resolution authorizing bond sale
January 27	Post final Official Statement on internet Final Preliminary Official Statement delivered to rating agencies
February 1-5	Rating conferences conducted
February 9-11	Rating determination by Moody's and Standard & Poor's
February 22	Take bids on bonds
<b>February 23</b>	Board considers awarding the sale of bonds
March 18	Bond Proceeds Received

RESOLUTION PROVIDING FOR THE COMPETITIVE  
NEGOTIATED SALE OF \$19,475,000 GENERAL OBLIGATION  
CAPITAL IMPROVEMENT PLAN REFUNDING BONDS, SERIES 2020A

BE IT RESOLVED by the Board of Commissioners of Ramsey County, Minnesota, as follows:

1. Finding; Amount and Purpose. It is hereby found, determined and declared that Ramsey County, Minnesota (the "County"), should issue its \$19,475,000 General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A, to refund (i) the February 1, 2022 through February 1, 2031 maturities of the County's General Obligation Capital Improvement Plan Bonds, Series 2011A, dated June 16, 2011; and (ii) the February 1, 2022 through February 1, 2033 maturities of the County's General Obligation Capital Improvement Plan Bonds, Series 2013A, dated June 24, 2013.

2. Meeting. This Board of Commissioners shall meet on the date and at the time and place specified in the form of Terms of Proposal attached hereto as **Exhibit A** for the purpose of awarding the sale of the Bonds.

3. Competitive Negotiated Sale. The County has retained Baker Tilly Municipal Advisors, LLC as an independent municipal advisor, and the Board of Commissioners hereby determines to sell the Bonds by private negotiation, by way of a competitive sale in response to Terms of Proposal for the Bonds which are not published in any newspaper or journal.

4. Terms of Proposal. The terms and conditions of the Bonds and the sale thereof are fully set forth in the "Terms of Proposal" attached hereto as **Exhibit A** and hereby made a part hereof.

5. Official Statement. The County Manager and other officers or employees of the County are hereby authorized to participate with Baker Tilly Municipal Advisors, LLC in the preparation of an official statement for the Bonds.

The motion for the adoption of the foregoing resolution was duly seconded by member \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA  
RAMSEY COUNTY

I, the undersigned, being the duly qualified and acting Clerk of Ramsey County, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the Board of Commissioners, duly called and held on the date therein indicated, insofar as such minutes relate to setting the sale of the \$19,475,000 General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 2020.

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Clerk

**EXHIBIT A**

**THE COUNTY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:**

**TERMS OF PROPOSAL**

**\$19,475,000\***

**RAMSEY COUNTY, MINNESOTA**

**GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN  
REFUNDING BONDS, SERIES 2020A**

**(BOOK ENTRY ONLY)**

Proposals for the above-referenced obligations (the “Series 2020A Bonds”) will be received by Ramsey County, Minnesota (the “County”) on Monday, November 16, 2020, (the “Sale Date”) until 1:00 P.M., Central Time (the “Sale Time”) at the offices of Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2020A Bonds will be by the County Board at its meeting commencing at 9:00 A.M., Central Time, of the following day, Tuesday, November 17, 2020.

**SUBMISSION OF PROPOSALS**

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the County nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder.. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the County to purchase the Series 2020A Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to [bondservice@bakertilly.com](mailto:bondservice@bakertilly.com) or by fax (651) 223-3046, and must be received prior to the Sale Time.

**OR**

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the County, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the County, its agents, nor PARITY® shall be responsible for a bidder’s failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The County is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2020A Bonds, and PARITY® is not an agent of the County.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

\* *Preliminary; subject to change.*

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and wholly-owned subsidiary of Baker Tilly US, LLP, an accounting firm. Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2020 Baker Tilly Municipal Advisors, LLC.



## DETAILS OF THE SERIES 2020A BONDS

The Series 2020A Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2020A Bonds will mature February 1 in the years and amounts\* as follows:

2022	\$3,645,000	2026	\$1,355,000	2030	\$1,465,000	2033	\$ 450,000
2023	\$3,730,000	2027	\$1,390,000	2031	\$1,490,000		
2024	\$1,310,000	2028	\$1,415,000	2032	\$ 445,000		
2025	\$1,335,000	2029	\$1,445,000				

\* *The County reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2020A Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2020A Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the County for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Series 2020A Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify “Years of Term Maturities” in the spaces provided on the proposal form.

### BOOK ENTRY SYSTEM

The Series 2020A Bonds will be issued by means of a book entry system with no physical distribution of Series 2020A Bonds made to the public. The Series 2020A Bonds will be issued in fully registered form and one Series 2020A Bond, representing the aggregate principal amount of the Series 2020A Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Series 2020A Bonds. Individual purchases of the Series 2020A Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2020A Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the “Purchaser”), as a condition of delivery of the Series 2020A Bonds, will be required to deposit the Series 2020A Bonds with DTC.

### REGISTRAR

The Finance Director/Chief Finance Officer of the County will serve as registrar for the Series 2020A Bonds.

### OPTIONAL REDEMPTION

The County may elect on February 1, 2029, and on any day thereafter, to redeem Series 2020A Bonds due on or after February 1, 2030. Redemption may be in whole or in part and if in part at the option of the County and in such manner as the County shall determine. If less than all Series 2020A Bonds of a maturity are called for redemption, the County will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

## SECURITY AND PURPOSE

The Series 2020A Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds of the Series 2020A Bonds will be used to refund (i) the February 1, 2022 through February 1, 2031 maturities of the County's General Obligation Capital Improvement Plan Bonds, Series 2011A, dated June 16, 2011; and (ii) the February 1, 2022 through February 1, 2033 maturities of the County's General Obligation Capital Improvement Plan Bonds, Series 2013A, dated June 24, 2013.

## NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will not designate the Series 2020A Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

## BIDDING PARAMETERS

Proposals shall be for not less than \$19,475,000 (Par) plus accrued interest, if any, on the total principal amount of the Series 2020A Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the County scheduled for award of the Series 2020A Bonds is adjourned, recessed, or continued to another date without award of the Series 2020A Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Series 2020A Bonds of the same maturity shall bear a single rate from the date of the Series 2020A Bonds to the date of maturity. No conditional proposals will be accepted.

## ESTABLISHMENT OF ISSUE PRICE

In order to provide the County with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the County in establishing the issue price of the Series 2020A Bonds and shall complete, execute, and deliver to the County prior to the closing date, a written certification in a form acceptable to the Purchaser, the County, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Series 2020A Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the County pursuant hereto may be taken or received on behalf of the County by Baker Tilly MA.

The County intends that the sale of the Series 2020A Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the County shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the County reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Series 2020A Bonds; and
- (iv) the County anticipates awarding the sale of the Series 2020A Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Series 2020A Bonds, as specified in the proposal. The Purchaser shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Series 2020A Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2020A Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the County shall advise the Purchaser of such fact prior to the time of award of the sale of the Series 2020A Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Series 2020A Bonds, the Purchaser shall advise the County and Baker Tilly MA if 10% of any maturity of the Series 2020A Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The County will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The County will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the County will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the County and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the County and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Series 2020A Bonds or until all of the Series 2020A Bonds of a maturity have been sold.

#### GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the County in the amount of \$194,750 (the “Deposit”) no later than 3:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the County nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the County may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the County upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the County and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the County.

#### AWARD

The Series 2020A Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the County. The County's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The County will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2020A Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the County determines to have failed to comply with the terms herein.

## CUSIP NUMBERS

If the Series 2020A Bonds qualify for the assignment of CUSIP numbers, such numbers will be printed on the Series 2020A Bonds. However, neither the failure to print such numbers on any Series 2020A Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2020A Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

## SETTLEMENT

On or about December 17, 2020, the Series 2020A Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2020A Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the County or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2020A Bonds has been made impossible by action of the County, or its agents, the Purchaser shall be liable to the County for any loss suffered by the County by reason of the Purchaser's non-compliance with said terms for payment.

## CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the resolution awarding sale of the Series 2020A Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Series 2020A Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2020A Bonds.

## OFFICIAL STATEMENT

The County has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2020A Bonds, and said Preliminary Official Statement has been deemed final by the County as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the County, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email [bondservice@bakertilly.com](mailto:bondservice@bakertilly.com). The Preliminary Official Statement will also be made available at <https://connect.bakertilly.com/bond-sales-calendar>.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2020A Bonds, together with any other information required by law. By awarding the Series 2020A Bonds to the Purchaser, the County agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The County designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the County, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated October 20, 2020

BY ORDER OF THE BOARD OF COMMISSIONERS

/s/ Ryan T. O'Connor  
County Manager

RESOLUTION PROVIDING FOR THE COMPETITIVE  
NEGOTIATED SALE OF \$28,030,000 TAXABLE GENERAL OBLIGATION  
REFUNDING BONDS, SERIES 2020B

BE IT RESOLVED by the Board of Commissioners of Ramsey County, Minnesota, as follows:

1. Finding; Amount and Purpose. It is hereby found, determined and declared that Ramsey County, Minnesota (the "County"), should issue its \$28,030,000 Taxable General Obligation Refunding Bonds, Series 2020B, to refund (i) the February 1, 2023 through February 1, 2032 maturities of the County's General Obligation Capital Improvement Plan Bonds, Series 2012A, dated June 15, 2012; (ii) the February 1, 2022 through February 1, 2033 maturities of the County's Taxable General Obligation Capital Improvement Plan Bonds, Series 2013B, dated June 24, 2013; (iii) the February 1, 2023 through February 1, 2034 maturities of the County's Taxable General Obligation Capital Improvement Plan Bonds, Series 2014B (TCAAP), dated August 12, 2014; and (iv) the February 1, 2023 through February 1, 2034 maturities of the County's General Obligation Library Bonds, Series 2014C, dated August 12, 2014.

2. Meeting. This Board of Commissioners shall meet on the date and at the time and place specified in the form of Terms of Proposal attached hereto as **Exhibit A** for the purpose of awarding the sale of the Bonds.

3. Competitive Negotiated Sale. The County has retained Baker Tilly Municipal Advisors, LLC as an independent municipal advisor, and the Board of Commissioners hereby determines to sell the Bonds by private negotiation, by way of a competitive sale in response to Terms of Proposal for the Bonds which are not published in any newspaper or journal.

4. Terms of Proposal. The terms and conditions of the Bonds and the sale thereof are fully set forth in the "Terms of Proposal" attached hereto as **Exhibit A** and hereby made a part hereof.

5. Official Statement. The County Manager and other officers or employees of the County are hereby authorized to participate with Baker Tilly Municipal Advisors, LLC in the preparation of an official statement for the Bonds.

The motion for the adoption of the foregoing resolution was duly seconded by member \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA  
RAMSEY COUNTY

I, the undersigned, being the duly qualified and acting Clerk of Ramsey County, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the Board of Commissioners, duly called and held on the date therein indicated, insofar as such minutes relate to setting the sale of the \$28,030,000 Taxable General Obligation Refunding Bonds, Series 2020B.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Clerk

**EXHIBIT A**  
**THE COUNTY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:**

**TERMS OF PROPOSAL**  
**\$28,030,000\***

**RAMSEY COUNTY, MINNESOTA**

**TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B**  
**(BOOK ENTRY ONLY)**

Proposals for the above-referenced obligations (the “Series 2020B Bonds”) will be received by Ramsey County, Minnesota (the “County”) on Monday, November 16, 2020, (the “Sale Date”) until 1:00 P.M., Central Time (the “Sale Time”) at the offices of Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2020B Bonds will be by the County Board at its meeting commencing at 9:00 A.M., Central Time, of the following day, Tuesday, November 17, 2020.

**SUBMISSION OF PROPOSALS**

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the County nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder.. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the County to purchase the Series 2020B Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to [bondservice@bakertilly.com](mailto:bondservice@bakertilly.com) or by fax (651) 223-3046, and must be received prior to the Sale Time.

**OR**

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the County, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the County, its agents, nor PARITY® shall be responsible for a bidder’s failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The County is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2020B Bonds, and PARITY® is not an agent of the County.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

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\* *Preliminary; subject to change.*

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and wholly-owned subsidiary of Baker Tilly US, LLP, an accounting firm. Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2020 Baker Tilly Municipal Advisors, LLC.

## DETAILS OF THE SERIES 2020B BONDS

The Series 2020B Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2020B Bonds will mature February 1 in the years and amounts\* as follows:

2021	\$ 145,000	2025	\$2,360,000	2029	\$2,455,000	2032	\$2,660,000
2022	\$ 935,000	2026	\$2,385,000	2030	\$2,625,000	2033	\$1,555,000
2023	\$2,315,000	2027	\$2,400,000	2031	\$2,630,000	2034	\$ 825,000
2024	\$2,315,000	2028	\$2,425,000				

\* *The County reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2020B Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2020B Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the County for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Series 2020B Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify “Years of Term Maturities” in the spaces provided on the proposal form.

### BOOK ENTRY SYSTEM

The Series 2020B Bonds will be issued by means of a book entry system with no physical distribution of Series 2020B Bonds made to the public. The Series 2020B Bonds will be issued in fully registered form and one Series 2020B Bond, representing the aggregate principal amount of the Series 2020B Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Series 2020B Bonds. Individual purchases of the Series 2020B Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2020B Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the “Purchaser”), as a condition of delivery of the Series 2020B Bonds, will be required to deposit the Series 2020B Bonds with DTC.

### REGISTRAR

The Finance Director/Chief Finance Officer of the County will serve as registrar for the Series 2020B Bonds.

### OPTIONAL REDEMPTION

The County may elect on February 1, 2030, and on any day thereafter, to redeem Series 2020B Bonds due on or after February 1, 2031. Redemption may be in whole or in part and if in part at the option of the County and in such manner as the County shall determine. If less than all Series 2020B Bonds of a maturity are called for redemption, the County will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.



## SECURITY AND PURPOSE

The Series 2020B Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the County expects to use funds, which may include proceeds of an interfund loan from the County's Solid Waste Fund, future TCAAP land sale proceeds, or other sources, when available, to pay debt service on a portion of the Series 2020B Bonds.

The proceeds of the Series 2020B Bonds will be used to refund (i) the February 1, 2023 through February 1, 2032 maturities of the County's General Obligation Capital Improvement Plan Bonds, Series 2012A, dated June 15, 2012; (ii) the February 1, 2022 through February 1, 2033 maturities of the County's Taxable General Obligation Capital Improvement Plan Bonds, Series 2013B, dated June 24, 2013; (iii) the February 1, 2023 through February 1, 2034 maturities of the County's Taxable General Obligation Capital Improvement Plan Bonds, Series 2014B (TCAAP), dated August 12, 2014; and (iv) the February 1, 2023 through February 1, 2034 maturities of the County's General Obligation Library Bonds, Series 2014C, dated August 12, 2014.

## TAXABILITY OF INTEREST

The interest to be paid on the Series 2020B Bonds is includable in gross income of the recipient for United States and State of Minnesota income tax purposes, and is subject to Minnesota corporate and bank excise taxes measured by income.

## BIDDING PARAMETERS

Proposals shall be for not less than \$27,805,760 plus accrued interest, if any, on the total principal amount of the Series 2020B Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the County scheduled for award of the Series 2020B Bonds is adjourned, recessed, or continued to another date without award of the Series 2020B Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Series 2020B Bonds of the same maturity shall bear a single rate from the date of the Series 2020B Bonds to the date of maturity. No conditional proposals will be accepted.

## GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the County in the amount of \$280,300 (the "Deposit") no later than 3:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the County nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the County may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the County upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the County and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the County.

## AWARD

The Series 2020B Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the County. The County's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The County will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2020B Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the County determines to have failed to comply with the terms herein.

## CUSIP NUMBERS

If the Series 2020B Bonds qualify for the assignment of CUSIP numbers, such numbers will be printed on the Series 2020B Bonds. However, neither the failure to print such numbers on any Series 2020B Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2020B Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

## SETTLEMENT

On or about December 17, 2020, the Series 2020B Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2020B Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the County or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2020B Bonds has been made impossible by action of the County, or its agents, the Purchaser shall be liable to the County for any loss suffered by the County by reason of the Purchaser's non-compliance with said terms for payment.

## CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the resolution awarding sale of the Series 2020B Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Series 2020B Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2020B Bonds.

## OFFICIAL STATEMENT

The County has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2020B Bonds, and said Preliminary Official Statement has been deemed final by the County as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the County, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email [bondservice@bakertilly.com](mailto:bondservice@bakertilly.com). The Preliminary Official Statement will also be made available at <https://connect.bakertilly.com/bond-sales-calendar>.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2020B Bonds, together with any other information required by law. By awarding the Series 2020B Bonds to the Purchaser, the County agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The County designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the County, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated October 20, 2020

BY ORDER OF THE BOARD OF COMMISSIONERS

/s/ Ryan T. O'Connor  
County Manager

# Board of Commissioners

## Request for Board Action

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**Item Number:** 2020-419

**Meeting Date:** 10/20/2020

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**Sponsor:** Finance

**Title**

**2021 Solid Waste Facility Bond Ordinance - Set Public Hearing Date**

**Recommendation**

Set a Public Hearing date of November 17, 2020 at 9:00 a.m., or as soon thereafter as possible, in the Council Chambers, third floor of the Ramsey County Court House, 15 West Kellogg Boulevard, Saint Paul, MN, on the proposed 2021 Solid Waste Facility Bond Ordinance.

**Background**

Ramsey County proposes to issue general obligation solid waste facility revenue bonds in accordance with Ordinance No. 93-292, adopted July 29, 1993, which sets forth a procedure for issuing bonds in compliance with the Ramsey County Home Rule Charter.

The ordinance procedures in the Ramsey County Home Rule Charter require that a date for a public hearing will be set at the time of the first reading and the date shall be no sooner than 10 days after the first reading. A notification of the public hearing, which includes the draft Ordinance, will be publicized in advance of the public hearing.

This action sets the date of the Public Hearing as November 17, 2020 at 9am, or as soon thereafter as possible, in the Council Chambers on the proposed 2021 Solid Waste Facility Bond Ordinance. Due to the COVID-19 pandemic, there will be a virtual option to provide feedback included in the notice.

**County Goals** (Check those advanced by Action)

Well-being

Prosperity

Opportunity

Accountability

**Racial Equity Impact**

This action by itself does not have a measurable racial equity impact, as the action is just one step in the ordinance process required by the County Charter to issue bonds. The County plans to issue bonds to finance numerous capital improvement projects, each of which provides programs and services to the community. The racial equity impact is considered during the development of the associated programs and services for each capital project.

**Community Participation Level and Impact**

The bonds issued by Ramsey County pursuant to this proposed ordinance will be joint obligations of Ramsey and Washington Counties, with the proceeds loaned to Ramsey/Washington Recycling and Energy Board for enhancements to the R&E Center. The enhancements are the result of policy direction in the two county solid waste management master plans. Preparation of the Ramsey County plan included significant community engagement, as did the purchase of the R&E Center and discussion about the enhancements. The County Board also holds a public hearing as part of the Bond Ordinance process to afford the public an opportunity to comment on this proposed project.

Inform       Consult       Involve       Collaborate       Empower

**Fiscal Impact**

The proposed 2021 Solid Waste Facility Bond Ordinance authorizes a maximum amount of \$43 million of bond issuance to finance the R&E Center enhancement loans. The actual amount of bonding may be less and the final bonding amount will be determined and considered by the County Board at a later date. The County expects to receive loan payments from the R&E Board and Washington County equal to the required debt service on the County Bonds resulting in no cost to Ramsey County. The expected term of the loans and bonds is 25 years.

**County Manager Comments**

The Ramsey County Home Rule Charter requires that every ordinance have two readings and a public hearing. Bond financing aligns with the County's Opportunity and Prosperity goals by facilitating strategic capital investments which cultivate economic development and prosperity in the community.

**Last Previous Action**

None.

**Attachments**

- 1.Draft Resolution
- 2.Proposed 2021 Solid Waste Facility Bond Ordinance
- 3.Public Hearing Notice
- 4.Proposed Schedule of Events - 2021 Solid Waste Facility Bond Sale

OFFICIAL SUMMARY OF ORDINANCE AUTHORIZING  
THE ISSUANCE OF NOT TO EXCEED  
\$43,000,000 GENERAL OBLIGATION  
SOLID WASTE FACILITY REVENUE BONDS

This ordinance authorizes the issuance of bonds in an amount not to exceed \$43,000,000 for recycling system enhancements as identified in the Ramsey/Washington Recycling & Energy Center Enhancements Financing Plan.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$43,000,000  
GENERAL OBLIGATION SOLID WASTE FACILITY REVENUE BONDS

WHEREAS, the Home Rule Charter (the “Home Rule Charter”) of Ramsey County, Minnesota (the “County”) authorizes the issuance of bonds to finance authorized expenditures of the County.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE COUNTY OF RAMSEY DOES ORDAIN as follows:

1. Authorization of Bonds - The bonding and borrowing of money by the issuance of general obligation bonds in an amount not to exceed \$43,000,000 (the “Bonds”) is hereby authorized to finance the costs of issuance of the Bonds and to fund a loan to the Ramsey/Washington Recycling and Energy Joint Powers Board to finance the costs of recycling system enhancements at the existing solid waste processing facility in Newport, MN (the “Recycling & Energy Center”) as identified in the Ramsey/Washington Recycling & Energy Center Enhancements Financing Plan, including without limitation a durable compostable bag processing system and a recyclables recovery system, and other improvements to the Recycling & Energy Center authorized by the County.
2. Bonding Procedure and Terms - The Bonds shall be scheduled for sale and awarded for sale by resolutions. The specific amount, maturities, interest rates and other terms and conditions of the Bonds and covenants with respect to the Bonds shall be set or made by resolution.
3. Taxes - The Bonds shall be general obligations to which the full faith and credit and taxing powers of the County are pledged. The Bonds may also be paid from interest earnings on the debt service account, from loan repayment revenues paid by the Ramsey/Washington Recycling and Energy Joint Powers Board, and from any other moneys appropriated by the County Board. The taxes levied for the payment of the Bonds shall not limit or reduce the ability of the County to levy taxes for the payment of the costs of other capital improvements or obligations issued to finance the payment of such costs
4. Authorization of Refunding Bonds - The bonding or borrowing of money by the issuance of bonds or other obligations to refund the Bonds is hereby authorized on the same basis as set forth in paragraphs 4 and 5 of Ordinance No. 93-292, authorizing the refunding of bonds issued prior to November 6, 1992. Further proceedings to schedule such refunding bonds for sale, to set the terms and conditions thereof, to make covenants with respect thereto and to award the sale thereof may be, and are hereby authorized to be, done or taken by resolution.
5. Referendum Upon Petition - This ordinance is subject to the ordinance procedure of the County’s Home Rule Charter, including the holding of a referendum if a sufficient petition is filed within forty-five (45) days after its publication. Among other conditions to be met, a sufficient petition must be signed by registered voters of the County equal in number to ten percent (10%) of those who voted in the County for the office of President of the United States in the last general election.

**NOTICE OF  
PUBLIC HEARING**

**NOTICE IS HEREBY GIVEN** that the Ramsey County Board of Commissioners will hold a Public Hearing at 9:00 a.m., or as soon thereafter as possible, on Tuesday, November 17, 2020, in the Council Chambers, third floor Court House, 15 West Kellogg Boulevard, Saint. Paul, Minnesota, 55102. This Public Hearing will be conducted to afford the public the opportunity to comment on the proposed 2021 Solid Waste Facility Bond Ordinance. The maximum proposed bond issuance under this ordinance is \$43,000,000. The proposed bond issuance by Ramsey County will be on behalf of both Ramsey and Washington Counties and will fund loans to the Ramsey/Washington Recycling and Energy Board to finance two recycling facility enhancement projects.

The entire proposed Ordinance can be accessed through [www.ramseycounty/publichearings](http://www.ramseycounty/publichearings), or by calling the Chief Clerk – County Board at (651) 266-8014. Persons who intend to testify are requested to contact (651) 266-8014 or [janet.guthrie@co.ramsey.mn.us](mailto:janet.guthrie@co.ramsey.mn.us) prior to November, 17, 2020.

**OFFICIAL SUMMARY OF ORDINANCE AUTHORIZING  
THE ISSUANCE OF NOT TO EXCEED  
\$43,000,000 GENERAL OBLIGATION  
SOLID WASTE FACILITY REVENUE BONDS**

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ESTIMATED SCHEDULE OF EVENTS  
2021 SOLID WASTE FACILITY BOND SALE

<u>Date</u>	
September 28	Agenda.Net deadline – First Reading and Set Date for Public Hearing RBAs
October 12	Agenda Review and Final Docs - First Reading and Set Date for Public Hearing RBAs
<b>October 20</b>	Board meeting - First Reading of Ordinance and Set Date for Public Hearing RBAs (Public hearing shall be no sooner than 10 days after first reading is published)
<b>November 17</b>	Second Reading of Ordinance Hold Public Hearing
<b>December 1</b>	Action on Ordinance
December 9	Publication of Ordinance Forty-five (45) day Referendum Petition waiting period starts
December 14	Begin preparation of draft official statement
January 4	Draft official statement distributed for review internally
January 23	Ordinance becomes effective Referendum period closes 45 days after Ordinance Publication
<b>January 26</b>	Resolution authorizing bond sale
January 27	Post final Official Statement on internet Final Preliminary Official Statement delivered to rating agencies
February 1-5	Rating conferences conducted
February 9-11	Rating determination by Moody's and Standard & Poor's
February 22	Take bids on bonds
<b>February 23</b>	Board considers awarding the sale of bonds
March 18	Bond Proceeds Received