

The Ramsey County Board of Commissioners met with the following members present: Bennett, Carter, Ortega, Reinhardt, Rettman and Chair Parker – 6. Absent: McDonough – 1. Also present were Julie Kleinschmidt, County Manager, and Darwin Lookingbill, Director, Civil Division, County Attorney's Office.

PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

MOMENT OF SILENCE

Chair Parker requested a Moment of Silence in memory of Michael Wilken, a Ramsey County Reserve Deputy, who was fatally injured in an accident over the weekend.

AGENDA

Commissioner Bennett moved approval of the Agenda of the October 27, 2009 Board Meeting, seconded by Commissioner Carter. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0.

MINUTES

Commissioner Ortega moved approval of the Minutes of the October 20, 2009 Board Meeting, seconded by Commissioner Rettman. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0.

BOARD OF RAMSEY COUNTY COMMISSIONERS – Ramsey County Delegates to the Association of Minnesota Counties Annual Conference

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-355a)

WHEREAS, The 2009 Annual Conference of the Association of Minnesota Counties (AMC) will be held in Minneapolis, Minnesota on December 7-9, 2009; and

WHEREAS, The AMC requests that each county board designate voting delegates; and

WHEREAS, According to the AMC Bylaws, each member county shall be entitled to a number of delegates equal to three more than the number of persons on the board of county commissioners of the member county; and

WHEREAS, Delegates are to be appointed annually by the county board from among the officials and employees of the county; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners hereby appoints the following individuals as voting delegates from Ramsey County to the Association of Minnesota Counties 2009 Annual Conference:

- Commissioner Tony Bennett
- Commissioner Toni Carter
- Commissioner Jim McDonough
- Commissioner Rafael Ortega

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- Commissioner Jan Parker
- Commissioner Victoria Reinhardt
- Commissioner Janice Rettman
- Julie Kleinschmidt, Ramsey County Manager
- Terry Speiker, Director, Intergovernmental Relations
- Nick Riley, Intergovernmental Relations

COMMUNITY CORRECTIONS – Revenue Agreement with Dakota County for housing female inmates at the Ramsey County Correctional Facility

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-356a)

WHEREAS, Dakota County is in need of beds for female inmates; and

WHEREAS, Ramsey County Community Corrections Facility has a program for female inmates and capacity for approximately 25 women each day, and Dakota County is willing to pay Ramsey County Corrections fifty (50) dollars a day per offender in 2009 and 2010 and fifty-three (53) dollars a day per inmates in 2011 ; and

WHEREAS, The Department anticipates revenue of approximately \$450,000 annually based on a daily census of 25 inmates from Dakota County, and

WHEREAS, The revenue will support increased supervision, reinstate staff, and enhance programming for a total complement increase of 4.5 FTE; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners approves an agreement with Dakota County, for the period of November 1, 2009 through December 31, 2011 to house female inmates at the Ramsey County Correctional Facility, payable at the rate of \$50.00 per day per offender for 2009-2010 and \$53.00 per day per offender for 2011 plus all of RCCF medical, dental and related transportation expenses; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the County Manager to execute the Agreement in a form to be approved by the County Attorney; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the County Manager to execute any necessary amendments and renewals, in a form to be approved by the County Attorney; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the County Manager to execute any necessary budget adjustments to increase estimated revenue to cover variable costs in Budget Year 2009.

PUBLIC WORKS/PARKS AND RECREATION – Tamarack Nature Center Wetland Perpetual Conservation Easement and State Wetland Bank Credits

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-357a)

(Continued)

WHEREAS, In 1996, the Ramsey County Parks and Recreation Department and the Ramsey County Public Works Department jointly funded and implemented a project to create a high-quality wetland and construct a paved path in the Tamarack Nature Center within Bald Eagle-Otter Lake Regional Park; and

WHEREAS, The Ramsey County Board of Commissioners passed Resolution No. 1996-499, approving plans for the Tamarack Nature Center Wetland Mitigation project; and

WHEREAS, A total of 12.29 acres of wetland bank credits have resulted from this project, and these credits will be divided between Parks and Public Works with Parks controlling 2.79 acres and Public Works controlling 9.5 acres; and

WHEREAS, The Board of Water and Soil Resources charges fees for establishment of a State Wetland Bank account, annual maintenance, and withdrawal of credits from the account; and

WHEREAS, The State Wetland Bank credits will be available for replacement of unavoidable wetland impacts on future construction projects or for sale; and

WHEREAS, The Board of Water and Soil Resources requires that a Perpetual Conservation Easement be recorded on the wetland area prohibiting any future use that would adversely affect any wetland functions and values before the wetland credits can be deposited in the State Wetland Bank; and

WHEREAS, The Metropolitan Council approved the Perpetual Conservation Easement as required by the January 9, 1991 Agreement and Restrictive Covenants on the Tamarack Nature Center property between the County and the Metropolitan Council; and

WHEREAS, The Vadnais Lake Area Water Management Organization is the local unit of government responsible for administration of the Wetland Conservation Act in the project area and they have approved the Perpetual Conservation Easement and Wetland Bank Plan with recent updates to include provisions for signage, structures, mowing and water level control for the wetland area within Tamarack Nature Center; and

WHEREAS, The project Wetland Bank Plan can be modified to address future programming needs at Tamarack Nature Center by mutual agreement of the County and the Vadnais Lake Area Water Management Organization; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners approves the Perpetual Conservation Easement and Wetland Bank Plan for the Tamarack Nature Center in a form approved by the County Attorney; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the Chair and Chief Clerk to execute the Perpetual Conservation Easement and Wetland Bank Plan for Tamarack Nature Center, in a form approved by the County Attorney, on behalf of Ramsey County; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the County Manager to approve the withdrawal from the State Wetland Bank upon approval of both the Ramsey County Director of Public Works and the Ramsey County Director of Parks and Recreation; and Be It Further

(Continued)

RESOLVED, The Ramsey County Board of Commissioners authorizes the payment for the State Wetland Bank administrative fees, as required by the Board of Water and Soil Resources.

PUBLIC WORKS – Cooperative Agreement and Signal Agreements for the County Road D Reconstruction Project

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-358a)

WHEREAS, Ramsey County, in cooperation with Minnesota Department of Transportation (MnDOT) and the City of Maplewood, have worked through the final design plans for of the County Road D (CSAH 19) reconstruction project; and

WHEREAS, Bids are scheduled to open on October 21, 2009, with the contract to be awarded in mid November 2009; construction is anticipated to start in the spring of 2010 with substantial completion to take place in the fall of 2010; and

WHEREAS, In order for Ramsey County to construct this project it is necessary to have a Cooperative Agreement between Ramsey County and the City of Maplewood to identify construction cost participation and maintenance responsibilities; and

WHEREAS, Ramsey County must enter into Signal Agreements with the City of Maplewood that identify maintenance responsibilities for signals to be located at the intersections of County Road D (CSAH 19) at Southlawn Avenue and of County Road D (CSAH 19) at Maplewood Mall Drive; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners approves Cooperative Agreement PW2009-16 between Ramsey County and the City of Maplewood for construction cost sharing for the County Road D (CSAH 19) reconstruction project; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners approves Signal Agreements PW2009-17 and PW2009-18 for the signal systems on County Road D at the intersections of Southlawn Avenue and Maplewood Mall Drive; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the Chair and Chief Clerk to execute the Cooperative Agreement PW 2009-16 and Signal Agreements PW 2009-17 and PW2009-18, in a form approved by the County Attorney's Office, on behalf of Ramsey County.

PUBLIC WORKS – Detour Agreement 95511 for T.H. 10

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-359a)

WHEREAS, MnDOT is planning improvements to T.H. 10, between T.H. 65 and I-35W for guardrail replacement, bituminous mill and overlay, and other associated construction; and

WHEREAS, MnDOT Detour Agreement 95511 for T.H. 10 identifies Ramsey County State Aid Highway 10, as part of the detour route; and

(Continued)

WHEREAS, Agreement 95511 for T.H. 10 identifies compensation to Ramsey County by MnDOT for maintenance and the road life consumed by the detour to be \$1,279.49; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners approves Detour Agreement 95511 between Ramsey County Public Works and MnDOT; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the Chair and Chief Clerk to execute the agreement on behalf of Ramsey County; and Be It Further

RESOLVED, The eight (8) page agreement is made part of this resolution by reference and is on file with the Chief Clerk; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners authorizes the County Manager to approve any necessary budget adjustments.

SHERIFF – Recovery Act: U.S. Department of Homeland Security – Port Security Grant Program

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-360a)

WHEREAS, The Ramsey County Sheriff's Office applied for and was awarded grant funding for an American Recovery and Reinvestment Act Port Security Grant Program through the U.S. Department of Homeland Security, Federal Emergency Management Agency; and

WHEREAS, The purpose of the grant program is to enhance the Nation's port and maritime infrastructure to prevent, protect, respond to, and recover from threats or acts of terrorism, and to create a sustainable risk-based effort for the protection of critical infrastructure from terrorism, especially explosives and non-conventional threats that would cause major disruption to commerce and significant loss of life; and

WHEREAS, The grant award to Ramsey County, in the amount of \$463,702, will be used for the purchase of technology and equipment that will provide the ability to detect, prevent, protect and respond to the potential threat posed by improvised explosive devices to the port of St. Paul and the surrounding Upper Mississippi River; and

WHEREAS, In addition, initiatives of the grant program meet the Maritime Security Plan; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners ratifies submission of the grant application for the American Reinvestment and Recovery Act Port Security Grant Program; and Be It Further

RESOLVED, The Board approves the American Reinvestment and Recovery Act Port Security Grant Program Award from the U.S. Department of Homeland Security, Federal Emergency Management Agency, in the amount of \$463,702, for the period of September 1, 2009 through August 31, 2012; and Be It Further

(Continued)

RESOLVED, The Board authorizes the County Manager to execute the Grant Award, subject to prior approval by the County Attorney's Office; and Be It Further

RESOLVED, The Board authorizes the County Manager to make all necessary budget adjustments, including increasing estimated revenues and appropriations.

PROPERTY MANAGEMENT – Ramsey County Correctional Facility Main Building Roof Replacement Project

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt. Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-361a)

WHEREAS, On December 20, 2005, by Resolution No. 2005-482, the County Board approved the 2006 – 2011 Capital Improvement Plan including funding for the Ramsey County Correctional Facility ("RCCF") Expansion and Remodeling Project in the amounts of \$4,000,000, \$10,700,000, and \$2,933,460, for 2006, 2007, and 2008 respectively; and

WHEREAS, On May 16, 2006, by Resolution No. 2006-189, the County Board approved the RCCF Expansion and Remodeling Project schedule, budget, and financing plan; and

WHEREAS, The BKV Group architects completed a study that became the basis for the original scope of the RCCF Expansion and Remodeling Project; and

WHEREAS, In the study report, certain deficiencies were outlined in the roofing system, boiler plant, and electrical service in the existing building; and

WHEREAS, During the design and construction of the addition, the boiler plant and electrical service deficiencies were addressed because they were directly affected by the increased loads of the new addition; and

WHEREAS, The replacement of the main building roof was reserved to be completed outside the addition construction project because it would save on contractor markup costs and could be easily completed through a standard bidding process; and

WHEREAS, In June 2009, Property Management hired Roof Spec, Inc. to perform roof design and construction documents, bidding assistance, and construction observation services related to the reroofing project; and

WHEREAS, In July 2009, a Request for Bids was issued and a total of eight (8) bids were received; and

WHEREAS, The lowest responsible bidder is Stock Roofing Company, LLC in the amount of \$220,746, including the base bid, Alternate 1, and Alternate 2; and

WHEREAS, Property Management recommends award of the contract to the lowest responsible bidder, Stock Roofing Company, LLC in the amount of \$220,746, including the base bid, Alternate 1, and Alternate 2; Now, Therefore, Be It

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RESOLVED, The Ramsey County Board of Commissioners hereby approves a contract for the Ramsey County Correctional Facility Main Building Roof Replacement Project with Stock Roofing Company, LLC, 7731 Main Street NE, Fridley, Minnesota, the lowest responsible bidder for the base bid, Alternate 1, and Alternate 2, in the amount of \$220,746; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners hereby authorizes the County Manager to execute the contract with Stock Roofing Company, LLC, subject to final approval by Budgeting and Accounting, Property Management and the County Attorney's Office; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners hereby authorizes the County Manager to make all necessary payments, budget adjustments, and execute change orders to the contract, provided the cost is within the Ramsey County Correctional Facility Expansion and Remodeling Project budget.

COMMUNITY HUMAN SERVICES – Children's Mental Health Services – Project Assist

Commissioner Ortega introduced the following resolution and moved its adoption, seconded by Commissioner Reinhardt.

Commissioner Rettman asked if the protocols the Department of Human Services had negotiated and what had been offered by the previous vendor for the past several years, were the same things being requested in this Request for Proposals.

Dave Haley, Community Human Services, responded affirmatively.

Commissioner Rettman said the RFP was not included in the documentation and asked that it be provided when it is available.

Mr. Haley said there would be no change in focus, there is just the process of reopening the bid now and again. The RFP would be provided to each Commissioner.

Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-362a)

WHEREAS, Project Assist is an early intervention program focusing on children's mental health; and

WHEREAS, Child Protection, Juvenile Justice and school staff refer children for mental health assessments, case management, individual and family therapy; and

WHEREAS, This service was developed as part of a coordinated effort with the Minnesota Department of Human Services; and

WHEREAS, A single vendor has provided the assessments, case management and arranged for the therapy since the service was developed approximately 10 years ago; and

WHEREAS, Over 200 referrals are made to Project Assist services each year; and

WHEREAS, Now that the program has become established, the protocols have been worked out, and the service is growing to support more children of school age, the Community Human Services Department wishes to provide an opportunity for other vendors to submit proposals to provide this service and to make sure we are getting the most value for the dollars expended; and

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WHEREAS, If release of the Request for Proposals for these services is approved, the Department expects to have the RFP developed and distributed by mid-November. Following review of the proposals, recommendations will be presented to the Board during January or February of 2010; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners hereby authorizes the Community Human Services Department to issue a Request for Proposals for mental health assessments, on-going case management, individual and family therapy for individuals served by Project Assist, in a form to be approved by the County Attorney's Office, and in accordance with policies and procedures on RFPs, with direction to staff to return to the Board with a recommendation for selection of a vendor.

BUDGETING & ACCOUNTING – Recovery Act: Application Process for Recovery Zone Facility Bonding Authority

Commissioner Rettman asked Lee Mehrkens, Ramsey County Finance Director, to explain this new bonding authority.

Mr. Mehrkens said the Board is being asked to authorize a process for Ramsey County to allocate Recovery Zone Facility Bond Authority (RZFB) to municipalities in Ramsey County as authorized by the American Recovery and Reinvestment Act (ARRA).

RZFBs are a new type of bonds, created and authorized by ARRA. This is not cash, grants, or things people are used to hearing about in ARRA, but rather an authorization for government jurisdictions to issue a certain type of bond up to a certain maximum dollar amount. Ramsey County has received authority to issue bonds or allocate bonding authority for RZFBs up to \$11,655,000 by December 31, 2010. There is a limited window of opportunity for government jurisdictions in Ramsey County to issue the RZFBs.

ARRA is trying to stimulate the economy, to promote economic development, and to create jobs. The way the ARRA bill has done this in the bonding arena is by authorizing this new type of bonding.

These tax exempt bonds; private activity tax exempt bonds, are a type of bond issued by a government jurisdiction where the bond holders purchase the bonds and receive interest earnings on them; the interest earnings are exempt from federal income taxes. Because there is a federal treasury aspect to these kinds of bonds, an exemption from federal income taxes, the federal government has historically been limiting in terms of what states and municipalities can issue in private activity tax exempt bonds. They have established state by state per capita limit on what can be issued. In this case, ARRA goes the opposite way, it opens the door and the federal government says it essentially doesn't care about the lost interest earnings, the lost federal taxes on the interest earnings; the federal treasury will give up that opportunity to stimulate the economy.

In regard to RZFBs, hearing the word 'facility', think manufacturing facility, commercial, retail facility, private sports facilities – those are the type of uses that could be financed by these government-issued private activity tax exempt bonds. They are like industrial revenue bonds. Basically, they are conduit financing where a government entity would issue the bonds and provide the proceeds to a private developer. The private developer would undertake a private development project. Because they are revenue bonds, the repayment of the principal and interest on the bonds would be repaid by the revenue stream associated with that particular project. The revenue bonds paid by the revenue stream from the project are not general obligation bonds, they are not backed by the jurisdiction's full faith and credit taxing authority; they are a straight revenue bond.

Projects that qualify under these types of bonds must be located either in a recovery zone, an

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empowerment zone, or a renewal community area. Empowerment zones and renewal community areas are designations that are prescribed by the federal Department of Housing and Urban Development (HUD) in a certain type of economic development district that has certain tax advantages. In Minnesota, there are very few empowerment zones or renewal community areas. The recovery zone would be established by a local unit of government, by board resolution, and would be a particular part of a city or geographic area that would be characterized by having high poverty, high unemployment, a high rate of home mortgage foreclosures, or 'general distress'. General distress is a broad term, which is by design by ARRA legislation – they wanted to provide flexibility for government jurisdictions to designate these recovery zones so they could then issue the bonds and move ahead with these particular types of projects.

The proposal suggests that Ramsey County would not issue bonds. Instead, the Board would allocate its bonding authority to local units of government as prescribed by the Act. In this case, if a private developer had a project they wanted to avail themselves of this kind of financing, they would approach a government entity in Ramsey County that is authorized by federal tax code, or by state statutes that can authorize revenue bonds -- city, a municipality, an HRA, an economic development authority, a port authority, a community development agency – those types of entities. A local issuer, if interested in pursuing the project, by resolution would establish a recovery zone. At that time, they would submit an application to Ramsey County. The application process would include an application form, a worksheet that would ask the applicant of the local unit of government to articulate the economic benefits of the project – how many jobs would be retained or created, and the tax base that would be created. That information would be supplied as part of the application process.

This particular proposal will have a couple different rounds. Round One will be open until December 31, 2009 and will be an open and competitive process. This would be advertised to local units of government in Ramsey County for submittal of applications through this calendar year. If more than one application was received, they would be reviewed on a competitive basis on the point-scoring system in the worksheet, based on jobs and tax base created. If no applications are received by December 31, 2009, we would enter into Round Two, from January 1 to August 31, 2010; this would be on a first-come, first-served basis.

The reason for the two-step process is because we don't know if applications will be received. This is a new type of bonding authority; it is unclear whether the private marketplace will embrace it, will want to avail themselves of it, will use it. We have what we think is a thoughtful, intelligent application and allocation process. If no applications are received by August 31, 2010, the Board would then be asked to allocate the authority to the State of Minnesota where it could be used for any statewide project available. This bonding authority ends on December 31, 2010.

Staff have been monitoring recommendations from AMC (Association of Minnesota Counties), which had a committee that recommended that counties think about giving up their allocation authority earlier in 2010 if they thought they would not use it. This gives the County a little more time until the end of August before doing that.

From a policy basis, the County Board has at least four different options. One option is to do nothing; not participate in this program; waive the allocation authority; and let it expire in about a year. Option two is to issue the bonds ourselves; to partner with a private developer; do the project, and issue the bonds on our own behalf; this option is not being recommended. Option three is the staff recommendation, which is for the Board to use the allocation authority through an open and competitive process to allocate it to local jurisdictions – Ramsey County would not be the issuer. The municipalities are closer to the projects in their community and would be the sponsors of the project. Option four would transfer the authority to the State of Minnesota and let them allocate it as they wish.

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Commissioner Rettman asked if a developer would be paying property taxes during the project period, or if it would become similar to a TIF (tax increment finance) where taxes would be captured only for the area unless a municipality diverts them.

Mr. Mehrkens said there is no relationship to the TIF; these are not TIF bonds, they are not TIF districts, so the normal rules would apply for property taxation for a project. There would only be a TIF implication if a local unit of government did it in association with a TIF district.

Commissioner Rettman asked if any of these zones have been created in the suburban area. She assumed one had been done in the City of St. Paul.

Mr. Mehrkens said all the jurisdictions involved with this aspect of ARRA have been trying to figure out how to proceed. Ramsey County may be ahead of the pack because staff wanted to come to the Board to get the process endorsed by the Board to give the private economic development community maximum time to use this. He does not believe there have many of these zones established. The City of St. Paul had an agenda item at its last meeting to set up a recovery zone. The staff proposal was to set up a recovery zone that looked like two-thirds/three-fourths of the size of the City. Carver County has set up an empowerment zone and issued their allocation authority so there is at least one suburban county that has started this process.

Chair Parker asked if the County has authority to designate the entire County as a recovery zone.

Mr. Mehrkens said that would be a question for bond counsel. The criteria in the Act includes high foreclosure rates, high poverty, high unemployment, and general distress. The census tracks would be reviewed to see how it matches up against the criteria. The catch-all is general distress. The federal government did not define what that meant, and may have done that to provide flexibility. A jurisdiction would have to craft a story with their bond counsel that there is economic malaise involved that would qualify as general distress -- it might be unlikely for an entire county.

Commissioner Ortega said Ramsey County has suburban areas that could use help. They might not have the internal structural capacity to move as quickly as does Ramsey County. Is any outreach being done to motivate others to look at this? He said if Mr. Mehrkens doesn't know the general definition of what distress then, he would not define it as malaise. He would go in the other direction so more people could qualify to see how we would move this forward so they could take advantage of this. Otherwise, it discourages people and makes it sound like a town has to be devastated before applying for these funds. What outreach is being done to see which cities could use these dollars?

Mr. Mehrkens said that process has begun. He and Julie Kleinschmidt, County Manager, attended the city managers meeting to talk about this. There was an extensive conversation about what staff saw as the particulars of this piece of the ARRA to make them aware of it. They were asked if they were approached by developers. They had varying levels of knowledge, some were unaware of it, some were aware of it but had not been approached by developers, some were actively thinking about how this could be made to work.

The suggestion from them was for the County to get the word out as quickly as possible and if people are interested, they will apply. Upon approval of this request staff would send notification to each Ramsey County municipality to make them aware of this.

He doesn't have a definition of 'general distress', but believes the feds wanted to be flexible.

Commissioner Ortega requested clarification that those who would make up the definition are bond counsel.

Mr. Mehrkens said bond counsel would not make up the definition, but for a public issuer to sell the bonds the bond counsel must approve the tax consequences of the bonds and provide an

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opinion that federal and state laws were followed. It is stated that a government entity shall make a reasonable effort.

Commissioner Ortega said it is easier for local government to make certain this authority is utilized. It is better to submit something and be rejected, then not seize any opportunity.

Mr. Mehrkens said the purpose of getting this to the Board today is to move it forward and give developers time to do what they want to do. There are many jurisdictions that are not as far along as what is being proposed today. Staff wanted to maximize the possibility of this authority being used in Ramsey County.

Commissioner Rettman requested clarification that this bill is about jobs.

Mr. Mehrkens said this part of ARRA is the same as other parts of ARRA – created to stimulate economic growth and create jobs.

Commissioner Rettman asked if the Metropolitan Council or cities of the first class received an allocation.

Mr. Mehrkens said 55 Minnesota counties received an allocation along with two municipalities – Minneapolis and St. Paul. Ramsey County received an allocation of \$11,655,000; St. Paul received an allocation of \$13 million. Metropolitan Council did not receive an allocation.

Commissioner Rettman asked if Budgeting and Accounting staff would handle this.

Mr. Mehrkens said the process suggests that a municipality would submit an application to the County Manager's Office; the County Manager could use whatever resources she wanted in terms of staff review. He anticipates that his office would be actively involved. There are no tie-ins with CDBG or HUD requirements. If the County wanted to go a different direction and issue the bonds, he believes he would suggest that HRA be involved. At this time it is a rather simple application process.

Commissioner Rettman asked if this would put the County in harm's way regarding bond rating or anything else.

Mr. Mehrkens said we live in a country where anybody can sue anyone, at any time, for any reason, but he doesn't believe there is any reasonable risk. The County would not be the issuer; even the issuers can position themselves to not have risk in a proper revenue bond sale. We would provide the allocation.

Commissioner Bennett asked if this must be delegated to the cities; why couldn't it be done at the County level. The municipalities would be granting the use of that authority, which is what the County would do. We would have no liability; it is not money, it just gives credits so the developer would get tax credits and a low interest loan.

Mr. Mehrkens said the County would receive competitive applications from municipalities and the Board would make any award. A government entity must issue these bonds; either the county issues the bonds or a municipality, HRA, port authority, etc. would issue the bonds. Under this approach, the County would grant its authority to issue bonds to the municipality, which in turn would issue these revenue bonds on behalf of the private developer, loan the proceeds to the private developer, and the repayment on those bonds would come from the project. If a municipality, who is closer to the project, and closer to the economic benefit in their community, feels that the project is not worthy to qualify for revenue bonds, he believes everyone should walk away from the deal.

Commissioner Bennett said that if the County granted a municipality the authority, they would still come to the County with the project.

Mr. Mehrkens said the County would not be involved in the bond issuance, or "the deal", either figuratively or literally. Through this process, the County would allocate its authority by Board resolution to a government jurisdiction stating that the federal government allocated it to the County; we are allocating it to a municipality.

Commissioner Bennett asked if the County had no other part in it; we would not evaluate the project, but just give them blanket authority.

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Mr. Mehrkens said that as part of their application, the municipality would have to state the particulars of the project – for example, is it in a recovery zone; and does it create jobs. The only purpose of that is if we receive more than one application at a time.

Commissioner Bennett said the County would then investigate it.

Mr. Mehrkens said that as part of the application process, applications would be reviewed.

Commissioner Bennett said the County would need a process to make a choice.

Mr. Mehrkens responded affirmatively.

Commissioner Bennett asked what the difference would be if the cities looked at the applications and provided a recommendation to the County.

Commissioner Reinhardt said there is a difference between an approval process and a review process. If the Board approves this, a city project would come to the County so that we know all the requirements have been met. She asked if the County would merely review it at that point, or would the County provide approval.

Mr. Mehrkens said it depends upon the timing. The idea of the application process is because we don't know if one or more applications will be received. There would be a window of opportunity available through December 31, 2009, when applications would be received. If more than one application was received, they would be reviewed to see which one creates the most tax base and jobs. That would be a basis for the Board to pick and choose between competing applications. If only one application was received, there would be no substantive review. Beginning January 1, 2010 it would be on a first come, first served basis.

Commissioner Reinhardt said that if applications come before the County for review, there would be the same review process if there was one or more than one. If only one application was received before the end of 2009, and the Board didn't believe it met requirements, the Board would not want to be put in the position of approving something that didn't have a chance of achieving the goals. She believes that regardless of when an application would be received, there would be a review process and an approval process taken at the Board to affirm those applications. When we run out of money, we are done. It is not a matter of choosing one over another unless we get more applications than we have authority available.

Mr. Mehrkens agreed; the Board retains its right to accept or reject applications as it wishes. There is a provision in the procedures that retains the Board's authority to accept or reject all applications as it sees fit. Ultimately the Board would have to decide whether any authority for any particular application should be issued.

Commissioner Reinhardt said the way it is described seems to provide the County with the most flexibility. One of the options is that the County would keep the authority for itself. If the staff recommendation is accepted, she asked if the County could also apply to itself with a project that is Ramsey County's, in a certain area, and all the criteria is met – can we also apply for the funds.

Mr. Mehrkens responded affirmatively. The procedures give the Board authority to change the program rules at any time as it sees fit. In that case, if the County had a project and the County wanted to be the issuer of the bonds, the procedures could be amended to say the County is going to do the project.

Commissioner Reinhardt believes this option offers the greatest flexibility. Because of the review process through the city, we can make certain our authority is in place. We would not be accepting something and then letting someone else make all the decisions. If something came up for the County we could deal with that as well. She is supportive of the recommendation because it offers the most flexibility and doesn't bind us to anything because the approval process is in place.

Commissioner Reinhardt introduced the following resolution and moved its adoption, seconded by Commissioner Ortega.

(Continued)

Commissioner Ortega asked if it is certain that Ramsey County doesn't have any projects that could use these bonds. He believes it would be a good idea to carve that out before sending this to municipalities.

Mr. Mehrkens said he has had high level discussions with the City of St. Paul and has received general inquiries from two municipalities in Ramsey County. His sense is that they are conceptually interested, but that there are not any projects in hand at this time.

Commissioner Ortega said this is not about the poverty areas, but rather distressed areas that have suffered economic distress and high unemployment. When he uses those terms around Ramsey County he sees a different map. He understands the mechanics of how this would work but is still trying to impose a new view of how we should be looking at it so that we could avail ourselves of the funds.

Mr. Mehrkens said the way the Act is set up is that it expresses four criteria – poverty, unemployment, mortgage foreclosures, and general distress – any one of those criteria or any combination of them.

Chair Parker referred to the 55 counties and two municipalities that have been provided allocations, and said it sounds to her like HUD has already designated Ramsey County as a qualifying area, in whole. Looking at suburban Ramsey County versus Carver County, for example, someone has already made the determination that any part of Ramsey County would be eligible for this. When being communicated to municipalities, anyone would be eligible.

Mr. Mehrkens said the federal criteria used to provide these allocations was based exclusively on changes in employment. They have some type of federal formula that looked at changes in employment. The formula then kicked out the allocations and the dollar amounts on a state-by-state, county-by-county basis.

Commissioner Carter requested clarification that these projects would have to be constructed, reconstructed, renovated, or acquired by a private user within a recovery area. Placement of the word "or" – is this all for bonds to be issued on behalf of private users, regardless of who issues them, "or", can this be for a project of a jurisdiction – specifically, could Ramsey County, the City of St. Paul, or any other city issue these bonds to be used for its own projects?

Mr. Mehrkens said so far, we have talked this morning about recovery zone facility bonds (RZFBs) to be used for a private developer. RZFBs are a private development project, not a public project. A future board item will be coming to the County Board on another type of bonding authority that ARRA has authorized. They have authorized bonding called Recovery Zone Development Bonds (RZDBs), giving counties and cities a specific dollar amount of allocation; Ramsey County has received \$7.8 M of bonding authority. By contrast -- RZFBs – private development – tax exempt. RZDBs – taxable bonds for government projects. When staff come back about to issue bonds for Ramsey County projects in 2010, there will be a discussion about whether to use these RZDBs as the authority granted by the federal government. If we do, the value is that those bonds have a 45% credit against the interest costs making it a lucrative option. The Build American Bonds issued in June are taxable bonds with a 35% credit. RZDBs are taxable bonds with a 45% credit.

Commissioner Rettman asked if those bonds could be used for Ramsey County's capital projects.

Mr. Mehrkens responded affirmatively. That is the express purpose of the RZDBs.

Commissioner Rettman said Mr. Mehrkens had informed the Commissioners that these bonds would be coming. Today we have been informed that we have the opportunity to assist the municipalities in getting private developers to increase their tax base and/or job base with good paying jobs. More points are credited for higher wages, and those points would help staff determine

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the highest and best use from the scoring rating. There is an opportunity to market this for good paying jobs in the areas through a private developer.

Mr. Mehrkens said that is the spirit of the ARRA in terms of having this particular provision included.

Commissioner Carter cited the documentation listing the wages paid per hour and the points awarded. She asked if the wages could be higher than those listed for both wage and points.

Mr. Mehrkens said the worksheet and criteria listed were borrowed from the State of Minnesota. This criteria and scores are in state statutes now that have been previously used by the State for allocation of private activity tax exempt bonds, but Ramsey County does not need to follow it. The County could create it from the ground up. Staff concern was that a lot of time could be spent improving this, but felt that since the private marketplace was already aware of the scoring criteria, had accepted it having been in place for 10-15 years, to go with that since it seemed broadly accepted. Staff did not want to waste time redoing it and not being able to get the bonds allocated.

Commissioner Carter asked if at the time the Board approves the application process and a project were to come in with a higher wage per hour, would that project get a higher number of points.

Mr. Mehrkens said points are awarded based upon those thresholds, no more than, no less than. If the Board wants to amend the criteria to include higher wages and higher points, it could do that. Staff just borrowed the exact points and thresholds being used by the State of Minnesota.

Commissioner Carter said she assumed that with construction jobs, there would be an opportunity for a higher wage per hour and recommended the County have the flexibility to amend it to that higher wage per hour with greater points.

Commissioner Reinhardt recommended that amendment be made to the Procedures for Applications and Allocation of RZFB authority on page 6, to include the addition in the criteria -- up \$2 more per hour and 5 points – two additional levels for \$14 and 20 points and \$16 at 25 points.

Commissioner Carter moved an amendment.

The motion was accepted as friendly.

Commissioner Ortega asked if the Board could revisit whatever is voted on today.

Mr. Mehrkens responded affirmatively.

Commissioner Ortega said while he would like to have the highest possible wages, construction jobs tend to be very different. These are jobs created by the project. We will do whatever we can to get people employed, but when jobs are created that pay \$12-\$70 an hour, certain people in the community will not get employed quickly, leaving an economic disparity. We need to be cognizant of that as we evaluate and put weight and value on these things.

Commissioner Bennett asked if the bonds could be used on the TCAAP property.

Mr. Mehrkens said public ownership goes to the development bond side; if it is a private project, they could apply for the facility bonds.

Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-363a)

WHEREAS, The American Recovery and Reinvestment Act of 2009 (“ARRA”) authorizes state and local governments to issue Recovery Zone Facility Bonds (“RZFBs”) within the limits of the enacted federal allocation formula; and

WHEREAS, RZFBs are tax exempt private activity bonds that may be used to finance construction, reconstruction, renovation, or acquisition of property by a private user in a designated recovery zone that is involved in the active conduct of trade or business, with limited exceptions; and

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WHEREAS, Ramsey County has been allocated \$11,655,000 of Recovery Zone Facility Bond authority by the U.S. Treasury Department, for use in one or more recovery zones that are designated as having significant poverty, unemployment, home foreclosures, general distress, or for use in an empowerment zone or renewal community area that was designated and in effect on February 17, 2009; and

WHEREAS, Ramsey County will not be issuing RZFBs on its own behalf or for other projects; and

WHEREAS, Ramsey County may designate some or all of its allocation for use by local units of government within the County, or transfer some or all of its allocation authority to the State for use elsewhere in Minnesota; and

WHEREAS, The RZFBs must be allocated and issued by December 31, 2010; and

WHEREAS, Ramsey County wishes to promote economic development by enabling local units of government in Ramsey County to apply for the County's RZFB allocation authority through an open and competitive process; and

WHEREAS, Ramsey County has developed procedures, as amended, that prescribe how local governments in the County may apply; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners approves the application process for local units of government in Ramsey County to apply for the County's available RZFB allocation authority, and authorizes the County Manager to advertise the availability of the process and receive applications accordingly.

COUNTY MANAGER – Federal Legislative Representation Services

Commissioner Reinhardt introduced the following resolution and moved its adoption, seconded by Commissioner Ortega.

Commissioner Rettman said the Request for Proposals (RFP) was not included in the documentation. Is the RFP the same as in previous years?

Nick Riley, Intergovernmental Relations, said the RFP is basically the same except for the amount of time, which is five years, with two additional one-year extensions. The previous RFP was three years with two-year extensions. All the safeguards are in place.

Roll Call: Ayes – Ortega, Reinhardt, Rettman, Bennett, Carter, Parker – 6. Nays – 0. (2009-364a)

WHEREAS, Over the past 25 years, the Ramsey County Board of Commissioners has contracted for federal legislative representation; and

WHEREAS, During these past 25 years, a number of firms have represented Ramsey County's interests in Washington, D.C. which have been selected through a competitive Request for Proposals solicitation process; and

WHEREAS, The current contract has been in place since January 1, 2005, and expires December 31, 2009; and

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WHEREAS, The cost for these services for 2009 was \$41,329; and

WHEREAS, In preparation for the 2010 federal legislative session, the County Manager is requesting authorization for the issuance of a Request for Proposals for federal legislative representation, commencing January 1, 2010; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners hereby approves the issuance of a Request for Proposals for a qualified vendor to provide federal legislative representation for Ramsey County for an initial five-year period, with the option for two additional one-year extensions, in a form to be approved by the County Attorney's Office and in accordance with the County's policies and procedures on issuance and evaluation of Requests for Proposals; and Be It Further

RESOLVED, The County Board authorizes staff to return to the County Board with a recommendation for selection of a vendor.

PUBLIC HEALTH – *Feel Better Minnesota!* Television and DVD Production

Rob Fulton, Director, St. Paul Ramsey County Department of Public Health, spoke about the latest project out of the Steps to a Healthier St. Paul grant, called *Feel Better Minnesota!* The project was done in conjunction with TPT. Rochester, Wilmar, St. Paul and Minneapolis were part of a five-year project called *Steps to a Better Minnesota*. The State led the project, received a grant, and funded us for the past five years focusing on reduction of obesity, increasing exercise and reduction of tobacco, in this case, just in the City of St. Paul. They have moved forward with the State Health Improvement Project (SHIP), which has expanded to the entire County. The Steps program ended on September 30. Staff wanted some elements out in the community, and a website was developed focusing on developing worksite wellness programs, primarily targeted to small businesses that would not have the resources to do that. The Public Health website lists a program for how to develop such a program for worksite wellness. The video is a project working with members of the community around things they felt were important for people to learn. They focused on groups with the greatest disparities in health and chronic disease prevention. A packet of materials was provided to the Commissioners, which will be provided to people along with the video. This project will be rolled-out to the community partners on October 29; approximately 1,000 videos are available for distribution. The video has two segments; one is a loop running the entire show; the other segment is a chapter version in two-three minute segments, using jingles throughout the video, working with individuals from throughout the community.

OUTSIDE BOARD AND COMMITTEE REPORTS

Commissioner Reinhardt reported:

- On the Association of Minnesota Counties District X meeting; discussion took place about metro governance and how to best provide the most efficient, high quality services possible on a regional level, and in what areas. Discussion on this topic first began around 1939, and the time is right to look at this, whether it is a council of governments, a modified council of governments, an elected met council, or something non-met council. Some other items discussed were the GAMC cuts and the next legislative session.
- On the dedication ceremony for a Habitat for Humanity home in White Bear Lake, with the partnership of all the volunteers, Ramsey County HRA in providing assistance to the project.
- She presented at the International Symposium on Pharmaceuticals in the Home and the Environment. About 10% of pharmaceutical waste ends up in the waste stream leftover from

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medicine chests and elsewhere. The toxicity levels are much higher than five years ago. The biggest issue is the law enforcement and public safety side. We are at a good spot to have manufacturer responsibility for these wastes because they already have the distribution mechanism in place. This is not a cost that should fall to local governments.

Commissioner Rettman said she had heard of a Snyder Drug store that is accepting leftover prescriptions.

Commissioner Reinhardt said there are some pilot projects going on in Minnesota. Chisago County may have one of the most aggressive projects where drugs come in through the Sheriff's station. That is the law enforcement side. There is a difference between pharmaceuticals and narcotics, but when it comes to the toxic drugs that is a law enforcement issue. There are other projects going on in other states and countries. She attended the symposium to hear what is going on in other countries. The biggest issue is the difference between the controlled substances and those medications that are not. She is not aware of any pilot projects going on in Ramsey County.

Commissioner Bennett reported:

- On a meeting of the TAB (Transportation Advisory Board). The metro area had about \$154M in stimulus money. One of the major projects came in under bid with about \$30M left. Some money may go to three projects in Ramsey County to help with safety and congestion: 1) the restriping of the bridge, northbound I35E to west I694 to utilize both lanes on the bridge; 2) adding a lane on northbound I35W from I694 to Highway 96; and 3) at the same location to widen I694 in the eastbound lane. The construction on the Lafayette Bridge may be done in one to two years. Work on the Hastings Bridge is to be scheduled as well as the Lafayette Bridge and the Cayuga Bridge.

Commissioner Rettman requested that an update be provided on the Cayuga Bridge.

Chair Parker said a status on all the bridges will be requested from the Public Works Department.

Commissioner Rettman reported:

- The District X Como Community Council sponsored a buckthorn bust.

Commissioner Carter reported:

- She attended a kick-off for Child Safety and Permanency, a parent leadership group that the Department of Human Services in connection with Prevent Child Abuse Minnesota conducted. She and Commissioner McDonough attended with the humanities commission. Ramsey County has been partnering with parents over a much longer period of time and able to nominate a few people from Ramsey County.
- At the stakeholders' quarterly meeting for Juvenile Detention Alternatives Initiative (JDAI) meeting, Chief Harrington reported on the police department perspective on JDAI and the work to reduce disproportionate minority confinement. Chief Harrington noted at a time when we have been reducing juvenile detention to almost 70% the past few years, the police department has noted that the JDAI has not been an impediment on the safety, and in fact are seeing reduced levels of juvenile crime within St. Paul. Change is difficult. The police department and all

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stakeholders are changing the way we do business. A decision grid is forthcoming for the police department to review decisions they made along the continuum of work for public safety to ensure those decisions are made in a way that would ensure public safety and outcomes for juveniles.

Chair Parker commended Commissioner Carter for her leadership in the JDAI.

- On a Ramsey County Children's Mental Health Collaborative Executive Committee meeting, where they are working on completion of the allocations through the end of the year among the Children's Mental Health partners in the collaborative.

BOARD CHAIR UPDATE

Chair Parker reported:

- On the Northwest Youth and Family Services grand opening of the new Kay Andrews Discovery Center, open to the public on Wednesday at 5:00 p.m.
- On discussions with some of the neighbors of the Roseville Library about some barrier, landscaping and height issues.

ADJOURNMENT

There being no further business, Chair Parker declared the meeting adjourned.

Bonnie C. Jackelen, Chief Clerk – County Board