

RESOLUTION

Board of Hennepin County Commissioners

RESOLUTION: 23-0231

At a meeting of the Board of Hennepin County Commissioners on 6/27/2023, a motion was made by Kevin Anderson, seconded by Jeff Lunde, that this Resolution be adopt. The motion passed.

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

1. Findings. Pursuant to authority granted by Minnesota Statutes, Section 373.40 and Chapter 475, the Board of Commissioners deems it necessary and expedient to issue and sell approximately \$100,000,000 in principal amount of General Obligation Bonds (the "Bonds" or the "Series 2023A Bonds") in order to: (i) provide financing of a portion of the estimated costs of acquisition and betterment, including necessary and incidental costs described in Minnesota Statutes, Section 475.65, for the capital improvements included in the County's 2023-2027 Capital Improvement Plan (the "Improvement Projects") and (ii) refund all or a portion of the outstanding Commercial Paper Certificates Series A (Tax-Exempt), dated May 9, 2023 (the "Commercial Paper Certificates"), contingent upon favorable market conditions, as determined by the Hennepin County Director of Budget and Finance (the "Director of Budget and Finance") or the Hennepin County Administrator (the "County Administrator"), as further described below.

The County's Commercial Paper Certificates were issued May 9, 2023 in the original authorized principal amount of \$35,000,000, pursuant to Minnesota Statutes, Section 383B.17, to provide bridge financing for approved capital improvements included in the County's 2022-2026 Capital Improvement Plan and 2023-2027 Capital Improvement Plan. On May 24, 2022, the County held a public hearing on the proposed issuance of general obligation bonds of the County in the original aggregate principal amount of up to \$250,000,000, for the purpose of financing capital improvements as designated in the 2022-2026 Capital Improvement Plan. On April 25, 2023, the County held a public hearing on the proposed issuance of general obligation bonds of the County in the original aggregate principal amount of up to \$250,000,000, for the purpose of financing capital improvements as designated in the 2023-2027 Capital Improvement Plan.

2. Determinations of the Board. The Board of Commissioners has made all necessary investigation and hereby finds and determines as follows:
 - a. The Bonds shall be dated the date of issuance and shall bear interest at the rates determined by the successful proposer, payable semiannually on June 1 and December 1 in each year, commencing December 1, 2023, as set forth in the Certificate as to Terms of Bond Sale and Levy of Taxes (the "Certificate") to be executed at closing by the Chair, the County Administrator, or the Director of Budget and Finance. Execution of the Certificate upon closing shall be conclusive evidence of the final adoption of the terms contained therein. The terms of the Certificate, when approved and finalized as

evidenced by execution of the Certificate, are incorporated herein by reference.

- b. The Bonds shall mature on the dates and in the amounts set forth in the Certificate; provided, however, the total principal amount of the Bonds shall not exceed \$100,000,000, subject to adjustment for a premium sale price as permitted pursuant to Minnesota Statutes, Section 475.60 and the inclusion of costs of issuance as permitted pursuant to Minnesota Statutes, Section 475.67. The final maturity of the Bonds shall be not later than December 1, 2043.

The County, through the Director of Budget and Finance or the County Administrator, reserves the right to issue the Bonds based on applicable market conditions.

- c. The maximum principal and interest to become due in any year on the Bonds and all other outstanding capital improvement bonds shall not exceed an amount equal to 0.12 percent of market value of all taxable property in the County.
 - d. The Director of Budget and Finance may permit prospective proposers to designate any portion of the principal of the Bonds to be combined within one or more term bonds subject to mandatory sinking fund redemption. The Bonds shall be subject to redemption and prior payment at the option of the County in whole or in part in such order of maturity as the County may determine on the date, at the price, and for the maturities provided in the Official Terms and Conditions of Bond Sale. Thirty days' mailed notice of any such redemption shall be given to the registered owners of the Bonds pursuant to Minnesota Statutes, Chapter 475. The Bonds shall be numbered from R-1 upwards in order of issuance or in such other order as the Bond Registrar may determine and shall be in denominations of \$5,000 each or any integral multiple thereof.
 - e. In the event the County, through the Director of Budget and Finance or the County Administrator, determines that it is not in the best interests of the County to issue and sell the Bonds at this time, or determines to issue the Bonds in more than one series, the Director of Budget and Finance or the County Administrator may re designate the Bonds authorized hereby as "General Obligation Bonds, Series 2023___," completing the blank with an uppercase letter as appropriate for the order of such issuance and to eliminate any gaps in the designation of such series caused by such determination.
3. Bond Sale. Electronic proposals for the Bonds will be received on a date and time determined by the Director of Budget and Finance. The Board hereby delegates to the Director of Budget and Finance, or his designee, authority to consider the proposals and award the sale to the best proposal, provided that the true interest cost of the Bonds does not exceed 5.5% per annum.
- The Board hereby determines to sell the Bonds in accordance with the procedures set forth in the Official Terms and Conditions of Bond Sale. The County has retained PFM Financial Advisors LLC, Minneapolis, Minnesota ("PFM"), as independent municipal advisor, and pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), PFM is hereby authorized to solicit proposals for the Bonds on behalf of the County. The specifications set forth in the Official Terms and Conditions of Bond Sale may be revised by the Director of Budget and Finance in consultation with PFM.
4. Registrar and Paying Agent. The Director of Budget and Finance is hereby designated to act on behalf of the County as Bond Registrar, Transfer Agent and Paying Agent for the Bonds.

5. Official Statement. The County staff, in cooperation with PFM, is hereby authorized and directed to prepare on behalf of the County an official statement to be distributed to potential purchasers of the Bonds. Such official statement shall contain the Official Terms and Conditions of Bond Sale for the Bonds, as set forth above, and such other information as shall be deemed advisable and necessary to describe adequately the County and the security for, and terms and conditions of, the Bonds. The final Official Statement shall be in the form approved by the County Administrator or Director of Budget and Finance.
6. Continuing Disclosure. The Official Statement will contain an undertaking by the County to execute and deliver a Continuing Disclosure Certificate, substantially in the form approved by the County Administrator or the Director of Budget and Finance. The Director of Budget and Finance shall have overall responsibility for compliance with the Continuing Disclosure Certificate and other similar undertakings hereafter made by the County under Rule 15c2-12(b)(5) of the Securities and Exchange Commission, and the Director of Budget and Finance shall implement the dissemination of reports and notices thereunder. Amendments to the Continuing Disclosure Certificate permitted by the undertakings may be made by the Director of Budget and Finance. The Continuing Disclosure Certificate or any amendment thereto may be executed by the Director of Budget and Finance or the County Administrator. The Continuing Disclosure Certificate proposed to be executed and delivered in connection with the Bonds is hereby approved and the undertakings set forth therein shall be deemed covenants for the benefit of the holders of the Bonds.
7. Ratings. The County staff is authorized and directed to obtain ratings of the Bonds from up to three nationally recognized credit rating services, to pay the reasonable and customary charges of such rating services, and to take such other actions as may be required so that the Bonds may be issued and sold as contemplated hereby.
8. Tax Levies. To pay the principal of and interest on the Bonds there is hereby levied upon all of the taxable property in the County a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general taxes of the County and shall be paid into the Debt Service Fund (in any subaccount deemed desirable), which tax is collectible in the years and amounts equal to 105% of the principal and interest on such bonds due in each year.

It is hereby estimated that all such taxes described above, if collected in full, will produce amounts sufficient to pay 105% of principal of and interest on the Bonds when due. However, the Bonds are general obligations of the County, to the payment of which the full faith and credit and taxing power of the County are pledged, and the County will levy a general ad valorem tax on all taxable property in the County, if required for the purpose, without limitation as to rate or amount.

The taxes required to be levied hereby and other funds appropriated to the Debt Service Fund for payment of the Bonds shall be held and used for no other purpose than to pay principal of and interest on the Bonds; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Fund to pay the same, the County shall pay such principal or interest from the General Fund of the County and the General Fund may be reimbursed for such advances out of the proceeds of taxes herein required to be levied.

9. Application of Bond Proceeds. The proceeds of the sale of the Series 2023A Bonds herein authorized shall be used by the County as follows:

- a. to pay or reimburse the County for payment of the costs of the Improvement Projects;
- b. if conditions are determined favorable by the Director of Budget and Finance, to deposit with U.S. Bank National Association, as paying agent with respect to the Commercial Paper Certificates (the "CP Paying Agent"), pursuant to that Third Amended and Restated Issuing and Paying Agency Agreement, dated as of March 1, 2021, between the County and the CP Paying Agent, an amount sufficient, with other available amounts deposited, to pay outstanding principal and interest on the Commercial Paper Certificates to their redemption date in accordance with the terms of such Commercial Paper Certificates;
- c. to pay costs of issuance of the Series 2023A Bonds; and
- d. any accrued interest received from the purchaser of the Series 2023A Bonds, or any proceeds of the Series 2023A Bonds not needed for the above-mentioned purposes, shall be deposited in the Debt Service Fund, to be used to pay interest on the Series 2023A Bonds.

10. Reserved.

11. Defeasance. When any Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the holders of such Bonds shall cease, and such Bonds shall no longer be deemed to be outstanding under this Resolution. The County may discharge its obligations with respect to any Bond which is due on any date by depositing with the Paying Agent on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Paying Agent a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The County may also discharge its obligations with respect to any prepayable Bond according to its terms, by depositing with the Paying Agent on or before that date an amount equal to the principal, interest and redemption premium, if any, to become due thereon to maturity or the redemption date, provided that notice of such redemption has been duly given as provided herein. The County may also at any time discharge its obligations with respect to any Bond, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or irrevocable direct obligations of, or obligations fully guaranteed by, the United States of America, which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required to pay all principal, interest and redemption premiums to become due thereon to maturity or the redemption date.

12. Tax Covenants. The County shall not take or permit any action that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986 as amended (the "Code"). The County shall comply with the rebate requirements imposed under Section 148(f) of the Code and regulations thereunder, including (if applicable) the requirement to make periodic calculations of the amount subject to rebate thereunder and the requirement to make all required rebates to the United States with respect to the Bonds. In addition, the County shall make no investment of funds that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Director of Budget and Finance and County Administrator are authorized to

make any elections or allocations relating to the Bonds and proceeds thereof which are permitted or required under the Code. All terms used in this paragraph 12 shall have the meanings provided in the Code and applicable Treasury Regulations thereunder.

13. Beneficiaries. The provisions of this Resolution shall be deemed covenants for the benefit of the registered owners, from time to time, of the Bonds.
14. Other Matters. As authorized by Minnesota Statutes, Section 475.60, this Board hereby delegates to the Director of Budget and Finance authority to approve the final terms of a bid acceptance form or Purchase Agreement (if any), in consultation with PFM and Dorsey & Whitney LLP, as bond counsel to the County ("Bond Counsel"). The Chair, the County Administrator, and the Director of Budget and Finance, and their respective designees are further authorized and directed to take all necessary actions to cause the Bonds to be issued, executed and delivered as in this Resolution provided, and to prepare and furnish to the purchaser, and to Bond Counsel, certified copies of all proceedings and records relating to the issuance of the Bonds and to the right, power and authority of the County and its officers to issue the same, and said certified copies and certificates shall be deemed to be representations of the County as to all matters stated therein. The Chair, the County Administrator and the Director of Budget and Finance, and their designees are further authorized to take such other actions as may be required to effectuate the terms and intent of this Resolution.

The County Administrator shall furnish a certified copy of this Resolution, together with additional details of the terms of the sale and related tax levies, to the Hennepin County Auditor or Deputy County Auditor, and obtain the certificate required by Minnesota Statutes, Section 475.63.

15. Controller Actions. The Controller is hereby authorized to transfer and disburse funds as necessary to carry out the intent of this Resolution. The Controller is further authorized to adjust the debt service budget and any other budget to reflect the refunding or defeasing of bonds or as otherwise necessary to carry out the intent of this Resolution.

RESOLUTION ADOPTED ON 6/27/2023

The question was on the adoption of the resolution with the votes as follows:

Aye: 6 Commissioner Fernando, Commissioner Greene, Commissioner Lunde, Commissioner Conley, Commissioner LaTondresse, and Commissioner Anderson

Absent: 1 Commissioner Goettel

Karen Keller



Karen Keller