

HENNEPIN COUNTY

MINNESOTA

FINAL COMMITTEE AGENDA

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE

TUESDAY, OCTOBER 31, 2023
1:30 PM

Chair: Debbie Goettel, District 5
ViceChair: Marion Greene, District 3
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Angela Conley, District 4
Vacant, District 6
Kevin Anderson, District 7

1. Minutes from Previous Meeting

- 1.A. October 10, 2023 Minutes - Administration, Operations and Budget

2. New Business

Routine Items

2.A. [23-0397](#)

Ratification of permits, leases, lease amendments, and related property agreements approved by the County Administrator, 07/01/23-09/30/23, total NTE \$15,000

2.B. [23-0398](#)

Neg Amd 1 to Lease Agmt A121321 with VEAP, Inc. for rental space at 9600 Aldrich Avenue South, Bloomington, ext end date to 12/31/28 (\$348,308 first year rent and operating costs)

2.C. [23-0399](#)

Consent and Subordination and Subordination to Environmental Covenant and Easement document related to Lease Agmt A142072 with 800 West Broadway, LLC for NorthPoint Health and Wellness Center, no change to lease term

2.D. [23-0400](#)

Subordination, Non-Disturbance, and Attornment Agreement to Lease Agmt A153899 with Woodlake Centre MOB, LLC and Alerus Financial, N.A. (No change to lease terms)

2.E. [23-0401](#)

Agmt A2311994 with the MN Dept of Public Safety for the Radiological Emergency Preparedness Grant, 07/01/23-06/30/25, \$236,000 (recv)

2.F. [23-0402](#)

Neg Amd 3 to Agmt PR00004865 with Lockridge Grindal Nauen P.L.L.P. Attorneys at Law for legal services, incr NTE by \$250,000

- 2.G. [23-0403](#)
Amd 1 to Agmt PR0003770 with Deer Oaks EAP Services for the provision of employee assistance program services for employees and their household members, ext end date to 12/31/25, incr NTE by \$215,000
- 2.H. [23-0404](#)
Amd 2 to Agmt A165399 with Benefit Resource, LLC. for the provision of COBRA, retiree, and employee benefit continuation administrative services, ext end date to 12/31/24 incr NTE by \$185,000
- 2.I. [23-0405](#)
Neg Agmt PR00005705 with the MN Dept of Revenue for administration, collection, and enforcement of Hennepin County local sales taxes
- 2.J. [23-0406](#)
Affirmation of state and federal lobbying contracts and amendments to contracts under Administrator's delegated authority
- 2.K. [23-0407](#)
Authorize Investment Officer to use additional statutory investment authority relating to repurchase agreement and reverse repurchase agreements through 2024 within statutory and board-authorized limits
- 2.L. [23-0408](#)
Authorization to negotiate terms and conditions for a master banking agreement with U.S. Bank N.A., to begin April 1, 2024, based on its proposal to the county's RFP issued on July 20, 2023
- 2.M. [23-0409](#)
Schematic design approval for the Westonka Library Replacement project (CP 1004468); Contract PR00005690 with M. Arthur Gensler Jr. & Associates, Inc., for architectural and engineering services, (12/01/23-01/30/27) NTE \$1,616,987
- 2.N. [23-0410](#)
Agmt CM00001098 with Automated Logic to upgrade the Building Automation System at the Public Safety Facility, 11/03/23-08/31/25, NTE \$2,567,320

Items for Discussion and Action

- 2.O. [23-0411](#)
Neg agmts with Microsoft Corporation for Microsoft volume licensing, 01/01/24-12/31/26; Agmt PR00005687 with SHI International Corp. for Microsoft products and services, 11/17/23- 02/19/27, NTE \$38,000,000; Neg agmts with Microsoft Corporation for Unified Enterprise Support services, 01/01/24-12/31/26, combined NTE of \$3,400,000.

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

TMP-0581

Item Description:

October 10, 2023 Minutes - Administration, Operations and Budget

HENNEPIN COUNTY

MINNESOTA

COMMITTEE MINUTES

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE

TUESDAY, OCTOBER 10, 2023
1:30 PM

Chair: Debbie Goettel, District 5
ViceChair: Marion Greene, District 3
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Angela Conley, District 4
Vacant, District 6
Kevin Anderson, District 7

Commissioner Debbie Goettel, Chair, called the meeting of the Administration, Operations and Budget Committee for Tuesday, October 10, 2023 to order at 1:59 p.m.

Present: Debbie Goettel, Jeff Lunde, Irene Fernando, Marion Greene, Angela Conley and Kevin Anderson

1. Minutes from Previous Meeting

1.A. September 26, 2023 Minutes

APPROVE

Commissioner Kevin Anderson moved, seconded by Commissioner Angela Conley, to approve the Minutes.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Anderson

2. New Business

Routine Items

2.A. [23-0377](#)

Authorize acceptance of additional funding from the CDC for childhood lead poisoning prevention, 09/30/21-09/29/26, \$1,637,935 (recv)

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Irene Fernando, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Anderson

2.B. [23-0383](#)

Neg Agmt PR00005657 with the City of St. Paul for HUD Section 3 contracting services and participation in the Twin Cities Section 3 Collaborative, 07/01/23-06/30/26, NTE \$12,000

CONSENT

Commissioner Marion Greene moved, seconded by Commissioner Kevin Anderson, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Anderson

Items for Discussion and Action

2.C. [23-0384](#)

Directing County Administration to develop plans and recommendations for the purpose of advising the Board on the closure of the HERC facility between 2028 and 2040; complying with state and federal statute, meeting major milestones of the County's Climate Action Plan and Zero Waste Plan, and ensuring continued funding for the County's waste reduction and natural resources programming - offered by commissioners Conley, Fernando and Lunde

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Angela Conley, to approve the Resolution, as amended.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Anderson

Addendum

2.D. [23-0394](#)

Authorize county staff to pursue 2024 state general obligation bonding appropriations

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Irene Fernando, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Anderson

2.E. [23-0395](#)

Authorize the expenditure of \$825,556 for 18 contract extensions with providers for prevention, treatment, and other strategies to support the Hennepin County Opioid Framework

CONSENT

Commissioner Kevin Anderson moved, seconded by Commissioner Angela Conley, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Anderson

2.F. **23-0396**

Agmt PR00005670 with the Tasks Unlimited Building Services to provide janitorial services for the 625 Building and Family Justice Center, 11/01/23-10/31/26, NTE \$2,250,000

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Jeff Lunde, to approve the resolution.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Anderson

There being no further business, the Administration, Operations and Budget Committee for Tuesday, October 10, 2023 was declared adjourned at 3:23 p.m.

Maria Rose
Clerk to the County Board

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0397

Item Description:

Ratification of permits, leases, lease amendments, and related property agreements approved by the County Administrator, 07/01/23-09/30/23, total NTE \$15,000

Resolution:

BE IT RESOLVED, that the agreements listed on the report entitled "Quarterly Summary of Real Estate Documents Executed by Administrator, Third Quarter 2023: 07/01/23-09/30/23, dated September 30, 2023" and the administration of all leases within the building located at 701 4th Avenue South, Minneapolis be ratified.

Background:

Pursuant to Resolution 97-04-238, dated April 29, 1997, the County Board authorized the County Administrator to sign temporary permits, licenses, leases, lease amendments, and related property agreements, provided that the resulting expenditure does not exceed \$15,000 per year; and pursuant to Resolution 11-0339, dated August 16, 2011, the County Board delegated the County Administrator the responsibility for the management and administration of all leases within the building located at 701 4th Avenue South, Minneapolis; and that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign all leasing documents.

Current Request:

Ratification is requested of those agreements signed by the County Administrator for the period July 1, 2023 through September 30, 2023, as identified on the report entitled, "Quarterly Summary of Real Estate Documents Executed by Administrator, Third Quarter 2023: 07/01/23-09/30/23, dated September 30, 2023" and the administration of all leases within the building located at 701 4th Avenue South, Minneapolis.

Recommendation from County Administrator: Recommend Approval

**Quarterly Summary of Real Estate Documents Executed by Administrator,
Third Quarter 2023: 07/01/23-9/30/23
Dated 09/30/23**

Contracting Party	Subject Matter and Property	Date Approved	Authorizing Resolution
Rainbow Health Minnesota	Lease A2311794 between Hennepin County and Rainbow Health Minnesota consisting of 17,146 sq. ft. of the space on the 15 th floor of the 701 Building located at 701 Fourth Avenue South, effective August 1, 2023 through August 31, 2030. First year Rent and Operating Rev. \$205,752.00.	7/21/23	11-0039
2 Dope Chicks LLC	License A2311848 between Hennepin County and 2 Dope Chicks LLC for use of Hennepin County's approximately 120 sq. ft. "Grill Shack" on the North Plaza of Hennepin County Government Center located at 300 South Sixth Street, Minneapolis, for the period July 18, 2023 through December 31, 2023. No rent.	7/15/22	97-4-238
Ti-Zack Concrete, Inc.	License A2311850 between Hennepin County and Ti-Zack Concrete, Inc for use of Hennepin County's approximately 4,900 sq. ft. vacant lot located at 3107 Lyndale Avenue North, Minneapolis, for the period July 20, 2023 through November 20, 2023. Rent: \$4,000.00	7/25/23	97-4-238

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0398

Item Description:

Neg Amd 1 to Lease Agmt A121321 with VEAP, Inc. for rental space at 9600 Aldrich Avenue South, Bloomington, ext end date to 12/31/28 (\$348,308 first year rent and operating costs)

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate Amendment 1 to Lease Agreement A121321 with VEAP, INC., for rental space located at 9600 Aldrich Avenue South, Bloomington, extending the contract period through December 31, 2028, in the amount of \$348,308 first year rent and operating costs, with annual adjustments to operating costs; that following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the amendment on behalf of the County; and that the Controller be authorized to disburse funds as directed.

Background:

Since 2013, Hennepin County has leased space at 9600 Aldrich Avenue South, Bloomington, for the Health and Human Services (HHS) South Suburban Hub. The county currently leases 17,613 square feet (sf) under Agreement A121321 which is scheduled to expire on December 23, 2023.

The proposed terms of the First Amendment to Lease Agreement A121321 with VEAP, INC. will extend the lease approximately five (5) years from December 24, 2023 through December 31, 2028, and will reduce the rental size by 267 sf from 17,613 sf to 17,346 sf. The county will retain the right to cancel the lease with no penalty at any time during the five (5) year extension period with 270 days' written notice to the landlord. The base rent will remain the same at the current rate of \$13.67 per square foot which will be \$237,120 annually for the five (5) year extension term. Operating expenses are estimated to be \$6.41 per square foot (\$111,188 annually) for the first year and will be adjusted annually to reflect actual costs. Operating expenses include common area maintenance, insurance, and applicable taxes. The county pays directly for janitorial services.

Current Request: Authorization to negotiate Amendment 1 to Lease Agreement A121321 with VEAP, Inc., extending the contract period from December 24, 2023, to December 31, 2028, in the amount of \$348,308 first year rent and operating costs is requested.

Impact/Outcomes: Approval of Amendment 1 to Lease Agreement A131063 will allow HHS to continue to provide services at the South Suburban Hub.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0399

Item Description:

Consent and Subordination and Subordination to Environmental Covenant and Easement document related to Lease Agmt A142072 with 800 West Broadway, LLC for NorthPoint Health and Wellness Center, no change to lease term

Resolution:

BE IT RESOLVED, that the Consent and Subordination to Environmental Covenant and Easement related to county Lease Agreement A142072 with 800 West Broadway, LLC for leased property located at 800 West Broadway, Minneapolis, be approved; and that the Chair of the Board be authorized to sign the Environmental Covenant and Easement on behalf of the county.

Background:

Resolution 15-0127 authorized Lease Agreement A142072 with 800 West Broadway, LLC, (Landlord) for 2,748 square feet of office space located at 800 West Broadway, Minneapolis (Property) for use by NorthPoint Health and Wellness Center. The Landlord previously renovated and completed environmental remediation activities on the Property, including the installation of a vapor mitigation system. The Minnesota Pollution Control Agency (MPCA) requires an Environmental Covenant and Easement ("Covenant") to be recorded on the Property as an administrative measure to establish ongoing maintenance and operating requirements for the mitigation system. MPCA requires that all current tenants of the building execute a consent and subordination to the Covenant.

The Covenant will not change any terms of the county lease.

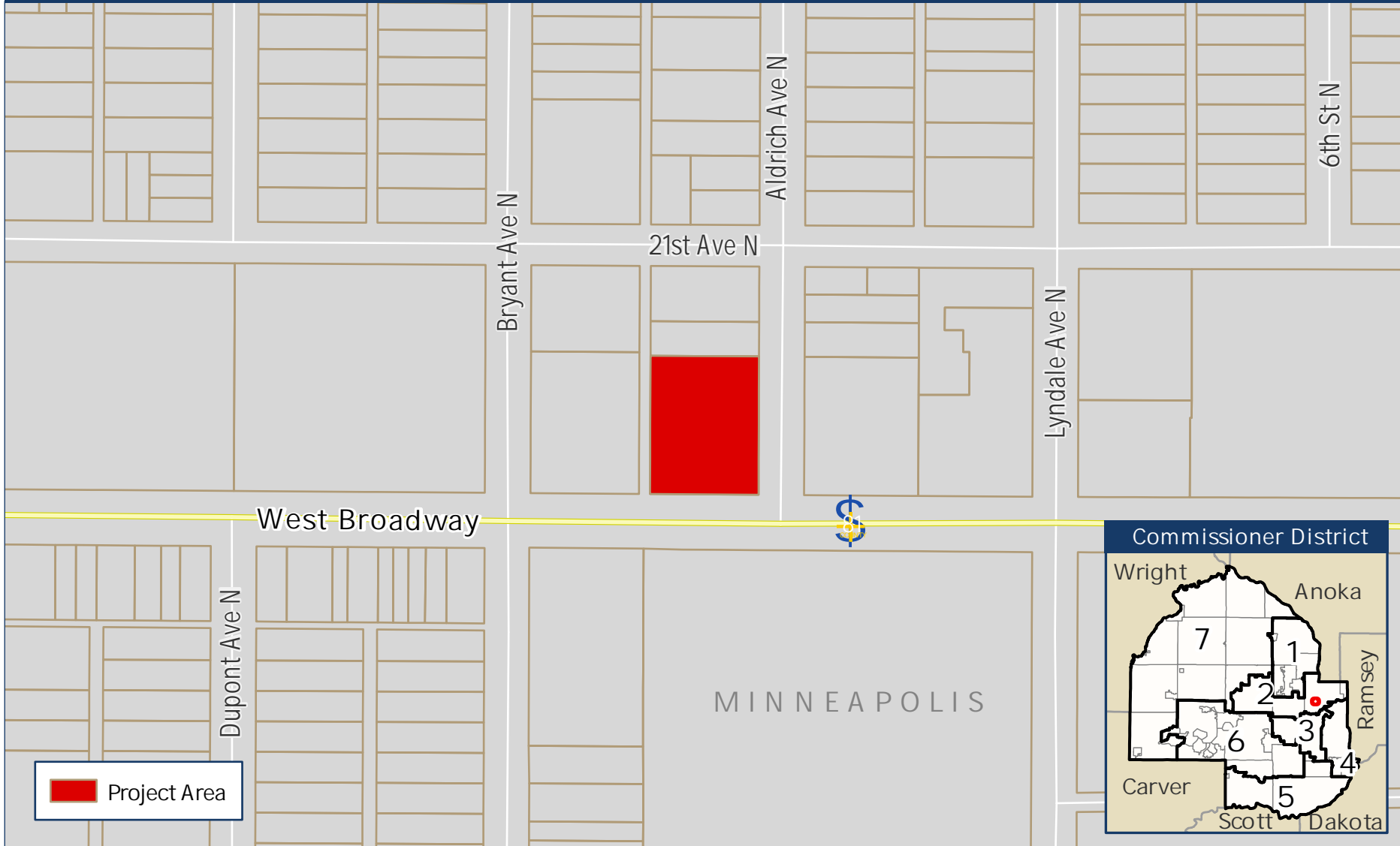
Current Request: Approval of the Consent and Subordination to Environmental Covenant and Easement related to Lease Agreement A142072 with 800 West Broadway, LLC for NorthPoint Health and Wellness Center is requested.

Impact/Outcomes: Approval of the Consent and Subordination to Environmental Covenant and Easement will not change the terms to Lease Agreement A142072 or impact operations for NorthPoint Health and Wellness Center at 800 West Broadway, Minneapolis.

Recommendation from County Administrator: Recommend Approval

NorthPoint at the WorkForce Center

800 West Broadway, Minneapolis, MN 55411



BAR map date:
10/12/2023

0 250 500 Feet

MINNESOTA

Board Action Request

23-0400

Item Description:

Subordination, Non-Disturbance, and Attornment Agreement to Lease Agmt A153899 with Woodlake Centre MOB, LLC and Alerus Financial, N.A. (No change to lease terms)

Resolution:

BE IT RESOLVED, that the Chair of the Board be authorized to sign the Subordination, Non-Disturbance, and Attornment Agreement related to Lease Agreement A153899 on behalf of the county.

Background:

On August 25, 2015 Hennepin County Board adopted Resolution No. 15-0315 to lease 20,188 square feet of space in a building located at 6625 Lyndale Avenue South, Richfield ("Property"). Hennepin County Human Services operates an office from this location. The lease term (Agreement A153899) expires on December 31, 2026.

The Subordination, Non-Disturbance, and Attornment Agreement (SNDA) is a document between Hennepin County (tenant) and Alerus Financial, N.A. (landlord mortgage lender) that lays out certain rights between the parties. The SNDA will establish the priority of the lender's mortgage lien and ensure the county's right to occupy the leased premises in the event of a foreclosure. This is a standard practice in the event of a property sale or refinance.

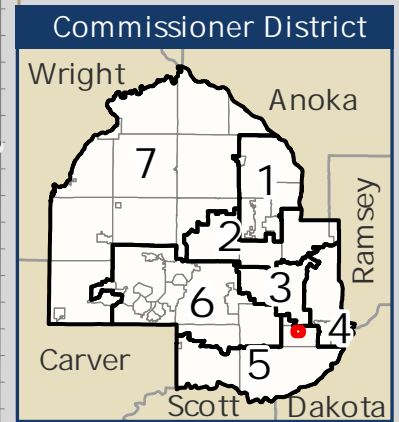
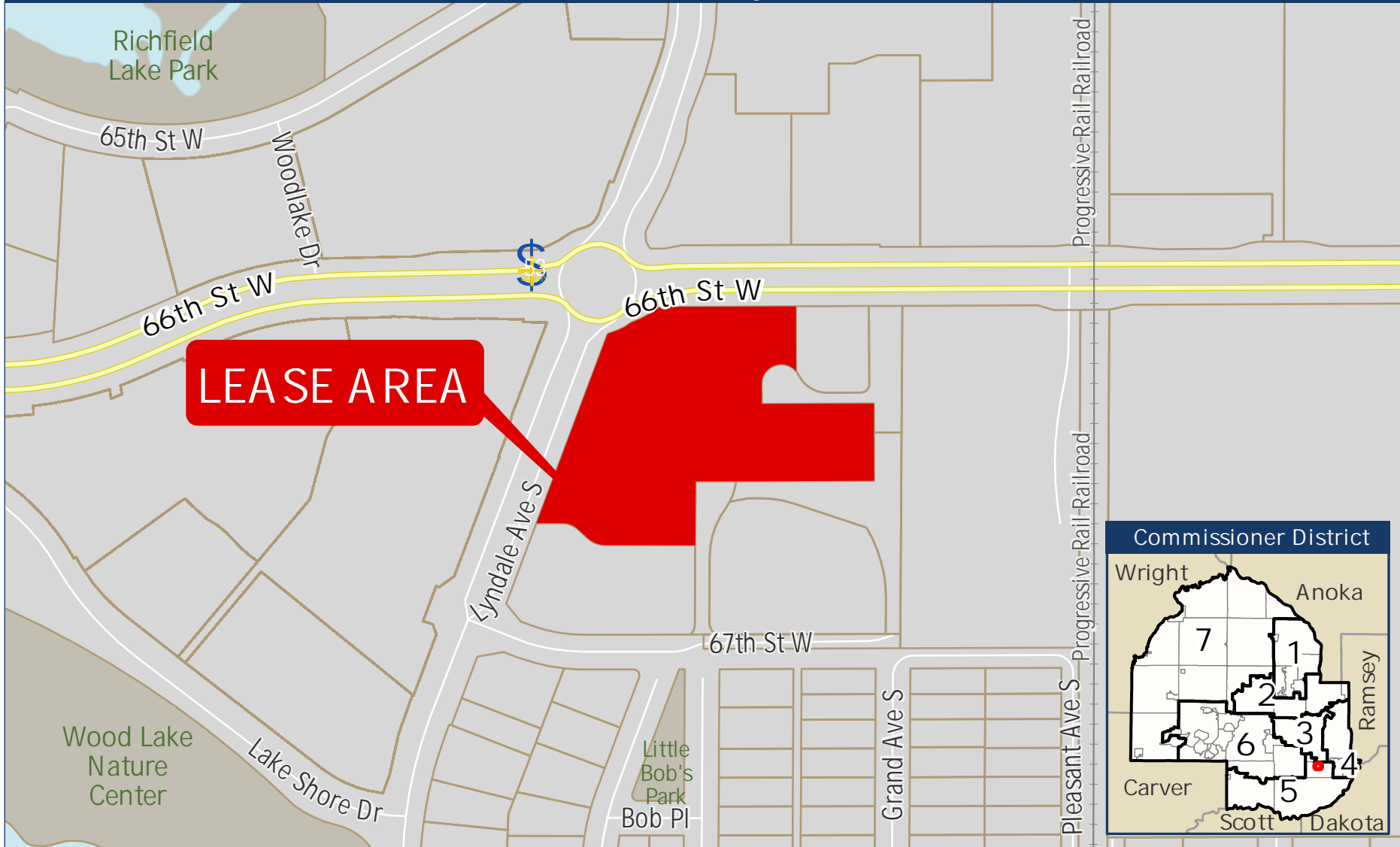
Current Request: Approval of the negotiation and execution of a Subordination, Non-Disturbance, and Attornment Agreement to Lease Agmt A153899 with Woodlake Centre MOB, LLC, and Alerus Financial, N.A. for the Property at 6625 Lyndale Avenue South, Richfield, is requested.

Impact/Outcomes: Approval of the SNDA will not change the terms to Lease Agreement A153899 or impact operations for Human Services at 6625 Lyndale Avenue South, Richfield.

Recommendation from County Administrator: Recommend Approval

Lease No. A153899

Richfield HSPHD Satellite Office - 6625 Lyndale Ave. S., Richfield 55432



BAR map date:
10/24/2022

0 300 600
Feet



HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0401

Item Description:

Agmt A2311994 with the MN Dept of Public Safety for the Radiological Emergency Preparedness Grant, 07/01/23-06/30/25, \$236,000 (recv)

Resolution:

BE IT RESOLVED, that Agreement A2311994 with the Minnesota Department of Public Safety accepting funding for the Radiological Emergency Preparedness grant during the period July 1, 2023 through June 30, 2025 in the receivable amount of \$236,000, be approved; that the Chair of the Board be authorized to sign the Agreement on behalf of the county; and the Controller be authorized to accept and disburse funds as directed.

Background:

Radiological Emergency Preparedness (REP) funding has been made available to Hennepin County Biennially for over 20 years from the Nuclear Management Company (NMC), the operator of the nuclear generating plants within the state, through the Minnesota Department of Public Safety division of Homeland Security and Emergency Management (HSEM). This funding process is codified by the Minnesota Legislature. Hennepin County supports the state's REP program by coordinating training, testing and readiness of the personnel who staff the Monticello nuclear generating plant primary evacuee reception and decontamination center at the Rogers High School. Funds received from NMC through are used primarily for costs associated with training of the emergency response personnel. County staff time and associated costs are also funded for REP related planning activities and for attendance at meetings and conferences as directed by HSEM.

This board action request aligns with the Hennepin County disparity reduction efforts in support of all evacuated persons arriving at a Hennepin County initial reception facility in the event of a radioactive contaminant release from the Monticello Nuclear Power plant.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0402

Item Description:

Neg Amd 3 to Agmt PR00004865 with Lockridge Grindal Nauen P.L.L.P. Attorneys at Law for legal services, incr NTE by \$250,000

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate Amendment 3 to Agreement PRR00004865 with Lockridge Grindal Nauen P.L.L.P. Attorneys at Law for the provision of legal services, no change to contract dates, increasing the not to exceed amount by \$250,000 for a new total not to exceed amount of \$500,000, be approved; that following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the Amendment on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

On November 2, 2022, a complaint was filed in Hennepin County District Court, alleging several claims against Hennepin County and county officials, in Tamburino v. Freeman, et al., Case No. 27-CV-22-16364. Lockridge Grindal Nauen P.L.L.P. previously provided legal services to the County in a substantially related matter and is well situated to provide legal services to the County in the defense of this new lawsuit. An agreement is currently in place with Lockridge Grindal Nauen P.L.L.P. and County Administration and the County Attorney's Office recommend that the County Board approve this amendment in order to increase the not to exceed amount of the agreement from \$250,000 to \$500,000.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0403

Item Description:

Amd 1 to Agmt PR0003770 with Deer Oaks EAP Services for the provision of employee assistance program services for employees and their household members, ext end date to 12/31/25, incr NTE by \$215,000

Resolution:

BE IT RESOLVED, that Amendment 1 to Agreement PR0003770 with Deer Oaks EAP Services for the provision of employee assistance program services, extending the contract period from December 1, 2021 to December 31, 2025 and increasing the not to exceed amount by \$215,000 for a new total not to exceed amount of \$495,000 be approved; that the Chair of the Board be authorized to sign the agreement on behalf of the County; and that the Controller be authorized to disburse funds as directed.

Background:

Deer Oaks EAP began providing employee assistance program services to county employees and their household members in December 2021. Deer Oaks EAP provides confidential telephonic assessments and support, short-term counseling, referral and community resources, legal consultation, financial support, life coaching, AWARE stress reduction sessions, and access to a robust member site with resources, articles, videos, interactive tools and more on a variety of topics. In addition, Deer Oaks offers organization assistance services such as critical incident support, manager support, crisis management support, and training and seminars to provide creative solutions to help at both the individual and organizational level.

Hennepin County's usage of EAP services during the period, December 1, 2021, to December 31, 2022, was 792 cases and 43 organizational services. Of the 792 total cases, 596 were EAP counseling cases, and 196 were work-life cases. During the first half of 2023, usage of EAP services was 244 cases and 32 organizational services. 152 were EAP counseling cases, 92 were work-life cases. The projected annual utilization rate is 6.37%.

Program utilization:

Date	EAP cases	Organizational services
12/1/2021 - 12/31/2022	792	43
1/1/2023 - 6/1/2023	244	32

If extended, Human Resources will continue to monitor program utilization while promoting and encouraging use of the employee assistance services Deer Oaks provides.

Recommendation from County Administrator: Recommend Approval

Board Action Request

23-0404

Item Description:

Amd 2 to Agmt A165399 with Benefit Resource, LLC. for the provision of COBRA, retiree, and employee benefit continuation administrative services, ext end date to 12/31/24 incr NTE by \$185,000

Resolution:

BE IT RESOLVED, that Amendment 2 to Agreement A165399 with Benefit Resource, LLC. for the provision of COBRA, retiree and employee benefit continuation administrative services, extending the contract end date through December 31, 2024 and increasing the not to exceed amount by \$185,000 for a new total not to exceed amount of \$1,364,584 be approved; that the Chair of the Board be authorized to sign the Amendment on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

The county has contracted with Benefit Resource, LLC since January 1, 2017 to administer benefits continuation programs for terminated employees in accordance with federal and state COBRA regulations, retirees participating in the Early Retiree Health Insurance Program and for employees on leaves of absence and employment layoff.

Benefit Resource also produces all annual 1095 documents for this population as required by the Affordable Care Act and the IRS. Currently, Benefit Resource manages approximately 1300 continuations.

Recommendation from County Administrator: Recommend Approval

Board Action Request

23-0405

Item Description:

Neg Agmt PR00005705 with the MN Dept of Revenue for administration, collection, and enforcement of Hennepin County local sales taxes

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate Agreement PR00005705 with the Minnesota Department of Revenue for the administration, collection, and enforcement of Hennepin County local sales, use, and excise taxes, with an effective date of January 1, 2024, and with a contractual reimbursement rate of 1.35% of gross sales tax receipts; and that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement on behalf of the County.

Background:

Hennepin County has imposed two different local sales taxes. In 2006, the Minnesota Legislature authorized Hennepin County to approve a county ordinance to impose a 0.15% local sales and use tax to assist in funding a new major league ballpark and related infrastructure, and for other specified purposes (Laws of Minnesota 2006, Chapter 257; and Minn. Stat. 473.757, Baseball Stadium, County Activities). Accordingly, the county board adopted Ordinance 26, which authorized the 0.15% ballpark sales tax with an effective date of January 1, 2007.

In 2017, Hennepin County imposed its second local sales tax. Pursuant to state law, the county board approved Resolution 17-0207 on June 13, 2017, to impose a 0.5 percent local sales and use tax and a \$20 motor vehicle sales tax that is dedicated to transit and transportation purposes (Minn. Stat. 297A.993, County Transportation Sales and Use Tax). The 0.5% county transportation sales tax had an effective date of October 1, 2017.

State law requires the MN Department of Revenue (the "Department") to administer, collect, and enforce all local sales taxes (Minn. Stat. 297A.99, Local Sales Taxes). The statute also requires that the Department deduct its costs of administration from the gross tax collections, prior to remitting tax proceeds to the county (Minn. Stat. 297A.99, subd. 11). Both Ordinance 26 imposing the 0.15% ballpark sales tax, and Resolution 17-0207 imposing the 0.5% county transportation sales tax, include authorization for the Department to administer, collect, and enforce Hennepin County's local sales taxes. Accordingly, Hennepin County has entered into multiple administrative agreements with the Department that specify the calculation of the administrative costs that are deducted from the tax collections. The most recent agreement is A177859, which became effective on July 1, 2017.

In December 2022, the MN Department of Revenue sent Hennepin County a letter providing notice that the Department planned to update certain provisions of the agreement for local sales tax administration. Administrative fees will be charged as a flat rate of 1.35% of gross tax collections, instead of a weighted allocation formula. The flat rate will result in increased costs to the county. The process for terminating a local sales tax has been refined to adjust the time period and the amount of revenue that is withheld by the Department for close out of audits through the end of the statutory tax enforcement period. Other administrative measures are also refined to allow for operational efficiency. The proposed agreement with the

23-0405

Department, PR00005705, incorporates the Department's requested changes, with an effective date of January 1, 2024.

Current Request: This resolution would authorize negotiation of Agreement PR00005705, with the MN Department of Revenue, for administration, collection and enforcement of Hennepin County's 0.15% ballpark sales tax and the 0.5% county transportation sales tax, with an effective date of January 1, 2024.

Impact/Outcomes: Compliance with statutory requirements for administration of local sales taxes by the MN Department of Revenue.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0406

Item Description:

Affirmation of state and federal lobbying contracts and amendments to contracts under Administrator's delegated authority

Resolution:

BE IT RESOLVED, that the County Administrator is hereby authorized to execute annual contracts for state and federal lobbying services for the years 2024 through 2028; and

BE IT FURTHER RESOLVED, that the County Administrator shall, on a biannual basis, provide a written communication to the County Board of Commissioners that summarizes all contracts for state and federal lobbying services, including not to exceed amounts and scopes of services; and

BE IT FURTHER RESOLVED, that should there be any substantial changes in the staffing of any firm holding a state or federal lobbying contract with the County, or should be there any newly executed contracts or early termination of a lobbying contract, that the County Administrator, at the earliest practicable time, inform the Chair of the Board of County Commissioners and the Co-Chairs of the Board of County Commissioners Intergovernmental Relations Committee of said changes; and

BE IT FURTHER RESOLVED, that Hennepin County will be reimbursed by Hennepin Health System for all expenditures related to the contracts for state and federal lobbying services on behalf of Hennepin Health System; and

BE IT FURTHER RESOLVED, that the Controller be authorized to accept and disburse funds as directed.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0407

Item Description:

Authorize Investment Officer to use additional statutory investment authority relating to repurchase agreement and reverse repurchase agreements through 2024 within statutory and board-authorized limits

Resolution:

BE IT RESOLVED, that the Investment Officer of Hennepin County be authorized to utilize the additional investment authority set forth in Minnesota Statute 118A.07, relating to repurchase agreements and reverse repurchase agreements, through December 31, 2024, within statutory limits and in conformance with the written policies and procedures of the Office of Budget and Finance, and that the Investment Officer submit a report to the Board in 2024 on the findings of the oversight process; and

BE IT FURTHER RESOLVED, that the limit on the amount of investments owned, with maturity dates greater than 12 months, is set at 120 percent of the prior year's average daily invested assets.

Background:

This Board Action Request asks for the continuation of the additional investment authority described in Minnesota Statute 118A.07 which the Investment Officer uses in the safekeeping, management and investment of county deposits and funds. It requires annual authorization by the local governing body as well as the maintenance of policies and procedures and an oversight process which are documented below and in the attachments.

For more than three decades, the county's treasury practices have incorporated the use of Treasury bonds, bonds issued by government agencies, municipal bonds, collateralized deposits, repurchase agreements and reverse repurchase agreements, and high-quality bank commercial paper when useful and appropriate to the safe management of county funds.

The requested authority specifically allows the Investment Officer to enter into reverse repurchase agreements for periods beyond the 90-day term allowed without the additional authority through 2024.

Similar to past years, the requested authority follows an internal limit on amount of investments owned at 120% of the prior year's average invested assets; this is 10% below the statutory limit of 130%. This limit restricts the size of the county's investment portfolio. It recognizes that the Office of Budget and Finance (OBF) also uses the board-authorized Hennepin County commercial paper issuance program as an added cash management tool. Finally, the limit signals to financial markets that OBF manages use of available financing conservatively.

The Office of Budget and Finance has policies and procedures that define its management of county deposits and investments. They address: (1) collateralization requirements on bank deposits; (2) maturities of investments; (3) use of investments such as repurchase and reverse repurchase agreements, floating rate securities, callable and puttable securities, and interest rate swap agreements; (4) the weighted duration of the portfolio; and (5) monitoring of the credit quality of counterparties with whom OBF transacts.

OBF staff discusses markets and investment strategies with an Investment Policy Advisory Committee, a group of members from the professional community with financial markets experience who volunteer their insights. At its September 25, 2023, meeting, after hearing staff presentation and holding discussion, the committee approved the continuation of the county's investment practices, as presented.

Documentation of policies and procedures is maintained by the Office of Budget and Finance. There are control and oversight procedures to monitor investment transactions and strategy, and portfolio performance. They include internal and external auditing, credit rating agency reviews, Investment Policy Advisory Committee review, internal controls on the execution and recording of investment transactions, and monthly reporting by general accounting staff of the previously discussed limit on amounts invested.

The attachments comprise the oversight report referenced in the prior year's resolution (22-0445). They provide details regarding the use of the additional investment authority. Exhibit I documents the proposed usage of the additional authority. Exhibit II is a report of oversight practices. Further, the Investment Officer shall report to the board in 2024 on the findings of the oversight process. Exhibit III is a summary of the current investment portfolio as of September 30, 2023, with comparisons to the prior year.

In addition to its own funds, the county's investment portfolio includes funds of the Regional Rail Authority, Housing and Redevelopment Authority, Hennepin Healthcare System, Hennepin Health Foundation, Three Rivers Park District, and Minnesota Ballpark Authority.

Recommendation from County Administrator: Recommend Approval

**SUMMARY OF STATUTORY INVESTMENT AUTHORITY
AND
PROPOSED USE OF ADDITIONAL INVESTMENT AUTHORITY UNDER STATUTE**

Investment Instrument	Statutory Investment Authority		OBF Guidelines and Practice and Proposed Use
	General Authority under Minn. Stat. Chap. 118A	Additional Authority under Minn. Stat. 118A.07	
Repurchase agreements (RPs)	Permitted.	Permitted. Statute authorizes the acceptance of collateral in an RP in the form of “high risk” mortgage-backed securities as defined by regulatory tests. Collateral in these transactions must be provided at 101% or higher.	Staff does not utilize this particular additional investment authority for RPs. It accepts normal whole pool agency mortgage-backed securities as collateral for RPs at 102% but not “high risk” ones.
Reverse repurchase agreements (RRPs)	Permitted for periods of 90 days or less and only to meet short-term cash flow needs.	Permitted with no term limit. RRP's are used to meet cash flow needs, and to generate cash for investments, provided that total operating portfolio shall not exceed 130% of the average daily investable assets of the prior year, excluding investments with maturities of 1 year or less.	Staff proposes to utilize the additional investment authority for RRP's, limiting the total operating portfolio (excluding those with maturities of 1 year or less) to 120% of the average daily investable assets of the prior year.

**Report to the Hennepin County Board of Commissioners
Regarding Investment Oversight Processes
4th Quarter 2023**

General oversight

The Hennepin County investment function is managed by the Treasury and Investment Officer and designated staff, which includes regular consultation with the Chief Financial Officer. The investment function follows the practices described in the Office of Budget and Finance (OBF) Investment Policy which is maintained by OBF and revised with concurrence of the Investment Policy Advisory Committee.

The Investment Policy Advisory Committee is an ad hoc group of volunteer members from the professional community having experience and expertise that provides investment staff with both insights on financial markets and feedback on the investment strategies of the County. Input from this Committee is limited to policy and overall strategy but does not include day-to-day oversight of individual transactions.

At its September 25, 2023 meeting, after hearing and discussing the staff presentation, the committee approved the continuation of the county's investment practices, as presented, to position the county's investment portfolio strategically as a response to the inverted nature of interest rates, increasing short-term positions and limiting short-term borrowing.

In addition to the Investment Policy Advisory Committee, there are several other oversight processes in place to monitor the investment activity of the County. These additional oversight processes are completed by a variety of entities. These entities are both internal and external and are listed below.

Internal monitoring

The Accounting Division of OBF tracks investment activity on a daily basis by receiving broker confirmations and reconciling with bank statements. With this process, it monitors the invested amount and ascertains that the size of the investment portfolio does not exceed the amounts defined within state law and internal investment policy guidelines. The most recent report on investment limit, dated September 30, 2023, verified the amount of investments with maturities greater than 1 year at 50.5 percent of the prior year's average daily invested assets. This current percentage indicates that there are fewer investments with maturities greater than 1 year than the prior year (at 66.5%). This is consistent with current strategy of maintaining additional investments with maturities less than 1 year.

Audit, Compliance and Investigation Services periodically reviews the investment process in the normal course of its audit activities and receives the review of banking and investment activities in the annual audit schedule by the external auditor. In 2018, ACIS completed a review of data

security practices in treasury activities. It also assists reviews made by the State Auditor's Office on the legal compliance of the investment program.

The Accounting Division also provides monthly reports on investment activities including transaction volumes, earnings, monthly yields, benchmarks, and investment balances to the Director of Budget & Finance, the Director of ACIS, the Controller and investment staff.

External audit and credit reviews

The County's external auditors review the County's investment practices during the course of the annual audit and preparation of the financial statement. They review investment balances and legal compliance, compliance with applicable accounting standards, and they test internal controls. Review of the investment activity is a part of the audit, but it is not handled as a separate audit specific to investment activity. Therefore, the external auditors express no opinion related to the investment function or strategy but would note any significant exceptions in the management letter. In the last completed external audit for fiscal year 2022, no exceptions related to investment activities were noted.

The County's investment activity is also reviewed by the credit rating services. When the County issues bonds, the rating services review the County's investment practices. Currently, the County prices the market value of the portfolio monthly as compared to the book value of the portfolio and makes that available to rating agencies during ratings discussions. In conjunction with the County's commercial paper issuance program, the County also complies with monthly liquidity reporting procedures required by certain credit rating agencies. This reporting allows investors to judge the County's ability to repay its short-term liabilities. Once a year, S&P Global Ratings liquidity review group reviews and affirms the county's short-term rating on its commercial paper certificates which has been at the highest rating, A-1+, since inception of the commercial paper program. Fitch Ratings also has given its highest short-term rating, F1+, to the county's commercial paper certificates. These highest ratings from both agencies were confirmed recently as part of credit reviews for bonds and commercial paper issued in 2023.

In addition, our continuing disclosure agreements now require that any events of a material nature be disclosed to interested parties. This disclosure is conducted through a public portal of the Municipal Securities Rulemaking Board called Electronic Municipal Market Access. Additionally, as defined by Securities and Exchange Commission rules, the OBF has adopted the RFP process to comply with rules on municipal advisory requirements for the investment of bond proceeds. The information is posted on the county website.

**HENNEPIN COUNTY
INVESTED OPERATING FUNDS**

	9/30/2022	12/31/2022	9/30/2023
Earnings yield - YTD	0.84%	1.22%	2.06%
Total return (Earnings + market value change)	-7.14%	-3.95%	3.19%
Weighted average maturity - years	2.39	2.20	1.82
Weighted duration	2.33	2.15	1.75
<i>Yield comparisons</i>			
90-day Treasury yield - YTD	1.40%	2.09%	5.20%
1-year Treasury yield - YTD	2.21%	2.80%	5.03%
Highest govt money market fund - YTD	0.76%	1.71%	3.80%

PORTFOLIO ALLOCATIONS - in millions				
	9/30/2022		9/30/2023	
<u>By issuer</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Cash on deposit	25.4	1.4%	14.1	0.8%
Federal Home Loan Bank	866.9	47.0%	801.7	45.6%
Freddie Mac	251.1	13.6%	316.1	18.0%
Farm Credit Bureau/Farmer Mac	260.2	14.1%	270.2	15.4%
United States Treasury / guaranteed	110.0	6.0%	160.0	9.1%
General collateral repurchase agreements	-	0.0%	140.0	8.0%
Fannie Mae	75.0	4.1%	50.0	2.8%
MN municipals	6.2	0.3%	6.2	0.4%
US Bank NA CP A-1+/F1+	250.0	13.6%	-	0.0%
	1,844.8	100.0%	1,758.2	100.0%
<u>By structure</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Cash on deposit	25.4	1.4%	14.1	0.8%
Agency - Callable	1,438.2	78.0%	1,413.0	80.4%
Corporate CP	250.0	13.6%	160.0	9.1%
Treasury bills and notes	110.0	6.0%	140.0	8.0%
Agency - Discount and variable rate	15.0	0.8%	25.0	1.4%
Municipal	6.2	0.3%	6.2	0.4%
Repurchase agreements	-	0.0%	-	0.0%
	1,844.8	100.0%	1,758.2	100.0%
<u>By maturity</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
0 to 6 months	315.4	17.1%	335.2	19.1%
6 months to 1 year	100.0	5.4%	174.2	9.9%
1 - 2 years	330.3	17.9%	483.0	27.5%
2 - 5 years	990.7	53.7%	756.5	43.0%
Greater than 5 years	108.3	5.9%	9.3	0.5%
	1,844.8	100.0%	1,758.2	100.0%

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0408

Item Description:

Authorization to negotiate terms and conditions for a master banking agreement with U.S. Bank N.A., to begin April 1, 2024, based on its proposal to the county's RFP issued on July 20, 2023

Resolution:

BE IT RESOLVED, that the Director of the Office of Budget and Finance, in conjunction with the County Attorney, be authorized to negotiate terms and conditions for a master banking agreement with U.S. Bank N.A., to begin April 1, 2024, based on its service pricing and economic incentive proposals to the county's Request for Proposals, and

BE IT FURTHER RESOLVED, that the Chair of the Board and the County Administrator be authorized to sign, and amend as needed, the master banking agreement with U.S. Bank N.A., and

BE IT FURTHER RESOLVED, that the Director of the Office of Budget and Finance be authorized to sign, and amend as needed, service operating schedules which will be attachments to the master banking agreement, and

BE IT FURTHER RESOLVED, that the Controller be authorized to accept and disburse funds as directed.

Background:

This Board Action Request asks for renewal of a master banking agreement with U.S. Bank, N.A., headquartered in Minneapolis, with updated pricing, terms and conditions, to encompass four operating service categories:

1. General banking services for deposits, payments and reporting,
2. Commercial card services for staff purchasing cards and virtual card payments to vendors,
3. Retail payment card services for employee payroll deposits and client payments,
4. Custody and delivery services for county investment portfolio securities.

For this RFP, the Office of Budget and Finance updated and refined operational requirements for each of the four service categories, based on current banking industry standards and offerings, and county business needs. The RFP allowed proposals for one or more of the service categories. The county received proposals from five banks: US Bank, JPMorgan Chase Bank, Wells Fargo Bank, Huntington Bank, BMO Harris Bank. Except for US Bank, which made proposals for all four service categories, the remaining banks offered services in fewer service categories.

To assist in the analysis of the proposals, we engaged the treasury consulting group from our contracted financial advisor, Public Financial Management (PFM). Using scoring based on weighted evaluation criteria, we determined that US Bank is the most responsive provider in each of the four service categories.

The three most influential scoring criteria that resulted in the decision to request Board permission to negotiate a master banking agreement with US Bank as the county's banking provider in all service categories were:

1. Overall cost of services including economic incentives,
2. Costs of IT transition services to a new bank, and
3. The bank's presence and investments in Hennepin County.

This new agreement will require contracted prices for five (5) years, after which there can be three (3) optional two-year extension periods.

The new agreement will also include and extend US Bank's provision of credit and debit card payment processing. Card payments were not included as a service category in this RFP because of pricing restrictions placed on the county as a deputy registrar for the State of Minnesota's Driver and Vehicle Services. Those transactions occur at Hennepin County Service Centers.

Regarding the third criteria of community presence and investment, we note, in particular, a relationship that US Bank has with First Independence Bank, a Black-owned financial institution, recently established in Hennepin County. We believe that this partnership represents an alignment with the county's disparity reduction goals.

U.S. Bank has partnered with First Independence Bank under the U.S. Treasury's Bank Mentor-Protégé Program (TBMPP) that was established in 2018 by the Department of the Treasury, Bureau of the Fiscal Service to recognize and promote the important role played by minority-owned and women-owned banks, and small banks and financial institutions (FIs) in the nation's economy and financial system.

The TBMPP provides a platform for large commercial financial institutions such as US Bank to partner with a protégé and provide management and/or technical assistance to help minority/women-owned banks and small FIs in low-income communities to strengthen their balance sheets and better serve their customers.

OBf and Housing and Economic Development will work with US Bank and the community to determine activities and programming that support First Independence Bank in Hennepin County.

Recommendation from County Administrator: Recommend Approval

Hennepin County, MN
Summary of Cost Proposals & Scoring

	BMO Harris Bank	Huntington National Bank	JPMorgan Chase Bank	U.S. Bank	Wells Fargo
Service Group 1: General Banking Services					
Total Cost Before Incentives	Did not propose	\$ 370,138.16	\$ 167,207.97	\$ 191,225.91	Did not propose
ECR Compensating Balance Needed		\$ 14,805,526.37	\$ 3,542,541.76	\$ 3,476,834.73	
Total Services Cost with Incentives ¹		\$ 370,138.16	\$ 132,207.97	\$ 172,103.32	
Total Economic Cost with Incentives¹		\$ 1,181,604.34	\$ 435,472.97	\$ 371,167.31	
Score		12.6	37.8	40.0	
Service Group 2: Commercial Card Services					
Potential Rebate	\$ (238,790.00)	\$ (222,550.00)	\$ (311,130.00)	\$ (310,560.00)	\$ (299,730.00)
Incentives ¹	\$ (5,000.00)	\$ -	\$ -	\$ -	\$ -
Net Cost/(Benefit)	\$ (243,790.00)	\$ (222,550.00)	\$ (311,130.00)	\$ (310,560.00)	\$ (299,730.00)
Score	31.3	28.6	40.0	39.9	38.5
Service Group 3: Retail Card Services					
Total Cost - Cardholder (Prepaid Card) ²	Did not propose	\$ -	Did not propose	\$ 96.00	Did not propose
Total Cost - Cardholder (Payroll Card) ³		\$ -		\$ 84.00	
Total Cost - County⁴		\$ 7,380.00		\$ 1,800.00	
Score		9.8		40.0	
Service Group 4: Custody and Delivery Services					
Total Cost Before Incentives	Not responsive⁵	-	Did not propose	\$ -	Did not propose
Total Cost		\$ 83,250.00		\$ 34,225.00	
Score		16.4		40.0	

¹ The value of proposed incentives are amortized over the 5-year contract.

² Total cost to the cardholder for prepaid debit card services. (Excludes payroll card.)

³ Total cost to the cardholder for payroll card services. (Excludes prepaid debit card.)

⁴ Total cost to the County for retail card services.

⁵ BMO Harris Bank is proposing safekeeping services rather than trust custody services. The fee schedule for safekeeping services differs from the other proposers.

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0409

Item Description:

Schematic design approval for the Westonka Library Replacement project (CP 1004468); Contract PR00005690 with M. Arthur Gensler Jr. & Associates, Inc., for architectural and engineering services, (12/01/23-01/30/27) NTE \$1,616,987

Resolution:

BE IT RESOLVED, that the following actions be approved for the Westonka Library Replacement project (CP 1004468)

- Approval of schematic design for the Westonka Library Replacement project. The summary report has been distributed to the County Board, and a copy is on file with the Clerk to the County Board;
- Authorization to proceed with project design development and construction documents;
- Authorization to utilize a best-value procurement process; and

BE IT FURTHER RESOLVED, that the County Administrator be authorized to award contracts to the awarded contractor if the proposals are within the approved project budget; that the Chair of the Board be authorized to sign the contracts on behalf of the county after the performance and payment bonds have been properly executed; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that Contract PR00005690 with M. Arthur Gensler Jr. & Associates, Inc. for architectural and engineering services for the design development through construction administration phases of the Westonka Library Replacement project (CP 1004468) for the period of December 1, 2023 through January 30, 2027, in the amount not to exceed \$1,616,987, be approved; that the Chair of the Board be authorized to sign the contract on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

The current Westonka Library, located at 2079 Commerce Boulevard in Mound, MN, is an 8,600 gross square foot, one-story building, situated on a 1.68 acre site with surface parking for 48 vehicles. The Westonka Library has been a significant community resource for western Hennepin County for more than 50 years. Open six days a week, this well used library provides resources, programming and access to technology and collections for children, teens and adults. Facility assessment studies conducted in 2015 concluded that replacement of the existing structure with a new facility was the most cost-effective long-term approach given the facility's significant end-of-life infrastructure issues and evolving community needs.

Under the Westonka Library Replacement project (CP 1004468), the new Westonka Library will be a 12,000 gross square foot, single-story, building with 29 parking stalls, EV-ready infrastructure to serve two stalls, and landscaping and site improvements. The new net-zero building will align with the county's climate action plan through its use of renewable geothermal and solar energy. A green roof and stormwater infiltration features will treat 95 percent of stormwater onsite. Civil and landscape improvements will provide better connectivity for pedestrians and bicyclists traveling to the library via Commerce Boulevard and Bellaire Lane and create inviting outdoor spaces for reading and nature exploration. The new facility will include two study rooms, one study room equipped with video conferencing technology, a large meeting room and a wellness room. Adult,

teen and children's areas, as well as staff areas, will improve efficiencies and better serve current and future library patrons.

Extensive public engagement process was conducted during the early design phases of the project, which included a patron survey, staff engagement, and a public meeting at the library in July 2023. Public outreach and public and library staff engagement provided opportunities for a broad range of participation and input, which is reflected in the schematic design. An additional public meeting will be scheduled later this fall to continue receiving feedback.

The 2024-2028 Capital Improvement Program (CIP) includes a total project budget of \$17,500,000 for the Westonka Library Replacement. The estimated construction cost averages \$1,061/SF with a total estimated project cost averaging \$1,494/SF.

The best-value procurement process will be utilized for selecting a general contractor for this project.

The library will be closed during construction for 15 months (Fall 2024 through Early 2026).

Current Request: The resolution seeks approval of the Schematic Design for the library and to authorize the County Administrator to award a contract to the contractor with the highest scoring proposal if the proposal is within the project's budget.

In addition, approval is requested for Contract PR00005690 with M. Arthur Gensler Jr. & Associates, Inc. for architectural and engineering services for the design development through construction administration phases for the period of December 1, 2023 through January 30, 2027, in the amount not to exceed \$1,616,987. M. Arthur Gensler Jr. & Associates was selected by the County's Designer Selection Committee in the Fall of 2017.

Impact/Outcomes: This project will improve the asset infrastructure, improve customer access to library services and staff, and improve overall staff efficiencies. Asset infrastructure improvements will:

- Reduce the county's carbon footprint by replacing a 1970s structure with a new net-zero facility, with geothermal heat source and solar photovoltaic panels;
- Offer improved amenities for library patrons, including private study rooms, a video; conferencing room, a wellness room, and learn-through-play elements for children;
- Meet other county climate action priorities through native plantings, onsite stormwater processing, improved connectivity for alternate modes of transportation;
- Improved security and access to technology.

The renovation will support Hennepin County Library's Strategic Plan which includes the following goals for building projects:

- Provide flexible spaces to respond to changing communities and demographics
- Configure spaces to reflect new and broader purposes
- Create library environments that are welcoming, safe and secure.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

23-0410

Item Description:

Agmt CM00001098 with Automated Logic to upgrade the Building Automation System at the Public Safety Facility, 11/03/23-08/31/25, NTE \$2,567,320

Resolution:

BE IT RESOLVED, that Agreement CM00001098 with the Automated Logic to upgrade the Building Automation System at the Public Safety Facility for the period of November 3, 2023 through August 31, 2025, in an amount not to exceed \$2,567,320 be approved; that the Chair of the Board be authorized to sign the agreement on behalf of the County; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED that the Purchasing Manager may increase the agreement amount as necessary.

Background:

The Public Safety Facility, located at 401 South 4th Avenue in Minneapolis, opened in 2000.

This project will replace the original Building Automation System (BAS) control modules with new, more reliable modules that also align with IT Networking standards. These modules, which control all major HVAC functions for the facility, are nearing end-of-life and are due for replacement. Replacing these modules will extend the life of the BAS for another 20+ years.

Automated Logic was selected on the key criteria of providing compatible hardware, BAS experience, on-call staff, and experienced programmers. The project is planned for twenty-four months of on-site phased construction to minimize building HVAC downtime.

Current Request: This is a request to approve an agreement with Automated Logic for the Public Safety Facility Building Automation System Upgrades project in the amount of \$2,567,320.

Impact/Outcomes: This project will expand the lifecycle of the BAS system at the Public Safety Facility.

Recommendation from County Administrator: Recommend Approval

Board Action Request

23-0411

Item Description:

Neg agmts with Microsoft Corporation for Microsoft volume licensing, 01/01/24-12/31/26; Agmt PR00005687 with SHI International Corp. for Microsoft products and services, 11/17/23- 02/19/27, NTE \$38,000,000; Neg agmts with Microsoft Corporation for Unified Enterprise Support services, 01/01/24-12/31/26, combined NTE of \$3,400,000.

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate agreements with Microsoft Corporation for Microsoft volume licensing, during the period January 1, 2024 through December 31, 2026; that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign Microsoft agreements and other volume licensing documents on behalf of the county; and

BE IT FURTHER RESOLVED, that Agreement PR00005687 with SHI International Corp., serving as a reseller for Microsoft products and services, during the period of November 17, 2023 through February 19, 2027, in an amount not to exceed \$38,000,000, be approved; that the Chair of the Board be authorized to sign the Agreement on behalf of the county; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the County Administrator be authorized to negotiate agreements with Microsoft Corporation for Unified Enterprise Support services, during the period January 1, 2024 through December 31, 2026, in a combined amount not to exceed \$3,400,000; that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign Microsoft Enterprise Services Work Orders, Amendments, and other Unified Enterprise Support contract documents on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

The county signed its first Microsoft Enterprise Agreement to centralize enterprise applications in 2011. Since then, the county has continued to use the Microsoft platform to streamline its approach to productivity tools, infrastructure, security, developer tools, remote access, and compatibility with internal and external business partners. Microsoft is currently the largest provider of business-critical software used by county staff, which includes:

- Microsoft 365 licensing and productivity technology
- Enterprise mobility and security
- Endpoint management
- Enrollment for Microsoft Windows and SQL Servers, including development tools
- Azure cloud services

The county uses Microsoft professional services to maximize value from Microsoft products. Microsoft Unified Support provides the following services:

- 24/7 technical support
- Technical training
- Cloud support
- Enhanced solutions to provide specific guidance for major business priorities

The county's current Microsoft Enterprise Agreement and Unified Support agreements expire at the end of 2023. This request seeks contracting authority for a Microsoft Enterprise Agreement and Unified Support covering 2024 - 2026.

The Microsoft Enterprise Agreement provides a single, organization-wide agreement for cloud services and on-premises software for a three-year period. By entering into the Enterprise Agreement, the county will commit to purchasing selected products and services. The Enterprise Agreement with Microsoft provides the county with:

- Discounted pricing- as a governmental entity, the county receives the highest level of programmatic discounts
- Locked-in prices throughout the contract term
- Access to latest versions of software
- Simplified license management

The county benefits from purchasing the following products covered under the Microsoft Enterprise Agreement:

- Productivity tools for 10,600 employees, volunteers and contractors, including SharePoint, Outlook, Word, PowerPoint, Excel. Licensing also covers public-facing devices at the libraries, kiosks and virtual desktops. End client licensing will grow by approximately 1000 licenses for the upcoming Enterprise Agreement term.
- Microsoft Teams video conferencing, which supports improved collaboration and remote work.
- Security tools including data protection, compliance capabilities, identity and threat protection.
- Power Platform, which is a suite of low-code tools that support rapid solution development, aggregate data and create internal and external dashboards, and help make data-driven decisions. This suite includes Power Apps, Power Business Intelligence, Power Pages, and Power Automate.
- Cloud services, which supports digital delivery of resident services. Use of cloud resources will result in approximately \$12 million in on-premises cost avoidance over three years.
- Infrastructure licensing for Windows Operating System and SQL Server to support servers, development, and county applications.

Microsoft sells local government its Enterprise Agreement offerings through resellers called Licensing Solution Providers. In spring of 2023, the County reviewed all three (3) authorized Licensing Solutions Providers that were available to the county under cooperative agreements. SHI International Corp. was selected because it offered the lowest pricing and demonstrated experience in proactively managing government accounts.

Microsoft Unified Enterprise Support provides the county with expert guidance and tailored support to modernize the county's capabilities and services.

Microsoft's Unified Enterprise Support offerings include:

- Reactive Support- problem resolution for the organization on an unlimited, as-needed basis.
- Proactive Support
 - On-demand learning for Microsoft products.
 - Enhanced Support Services, including Designated Support Engineer (DSE) engagements that provide specific guidance for major business priorities.

Strategic benefits to be gained through Unified Support include:

- Staying current on the latest technological developments, which allows the county to be an early adopter and informs the county's technology roadmap.
- Helping the county optimize its technology stack to ensure we are obtaining maximum value for money.
- Increasing IT and end user productivity with the Microsoft toolset.

- Helping the county advance its cybersecurity posture through security-optimized assessments, support, and education.

This action supports the county's disparity reduction, digital equity, and sustainability efforts by:

- Providing all library patrons with use of Microsoft standard business applications such as Word, Excel and PowerPoint
- Providing the most up to date, industry standard accessibility tools and features for people with visual, hearing, motor and cognitive challenges
- Reducing CO2 emissions by diverting workloads from county data centers to the Azure cloud

This technology request has been reviewed and approved by the office of the Hennepin County CIO.

Recommendation from County Administrator: Recommend Approval