

HENNEPIN COUNTY

MINNESOTA

FINAL COMMITTEE AGENDA

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE

TUESDAY, JUNE 24, 2025
1:30 PM

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

1. Minutes from Previous Meeting

1.A. June 3, 2025 Meeting Minutes

Attachments: [AdminOpsBudget-COMMITTEEMINUTES-03-Jun-2025](#)

2. Open Appointment Interviews

2.A. [25-0237](#)

2025 Watershed Board Appointments - Riley Purgatory Bluff Creek Watershed
District Board

2.B. [25-0238](#)

2025 Community Advisory Board Applicants and Appointments - Workforce
Innovation and Opportunity Act Board (WIOA)

3. New Business

Routine Items

3.A. [25-0239](#)

Ratification of permits, leases, lease amendments, and related property
agreements approved by the County Administrator, period 01/01/25-03/31/25,
total NTE \$15,000

Attachments: [Real Estate Documents Executed by Administrator First
Quarter 2025](#)

3.B. [25-0242](#)

Schematic Design and budget approval for the ACF Men's Visitation/Education and Staff Training Remodeling project (Project Number 1008038)

3.C. [25-0240](#)

Submission of substantial amendment to the 2023 HUD Annual Action Plan; Neg 2 award modifications, 07/01/25-06/30/70, total combined NTE \$1,000,000

3.D. [25-0241](#)

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

Addendum

3.E. [25-0259](#)

Authorize withdrawal from Joint Powers Agmt A166677 between Hennepin County, the City of Minneapolis, and Minneapolis School District No. 1, for Youth Curfew/Truancy Services, effective January 1, 2026

4. Old Business

4.A. [25-0218](#)

Loan to Hennepin Healthcare Systems, Inc. for capital medical equipment purchases

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

TMP-25-0438

Item Description:

June 3, 2025 Meeting Minutes

HENNEPIN COUNTY

MINNESOTA

COMMITTEE MINUTES

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE

TUESDAY, JUNE 3, 2025
1:30 PM

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

Commissioner Debbie Goettel, Chair, called the meeting of the Administration, Operations and Budget Committee for Tuesday, June 3, 2025 to order at 1:31 p.m.

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

Absent: Commissioner Marion Greene and Commissioner Heather Edelson

1. Minutes from Previous Meeting

1.A. May 13, 2025 Meeting Minutes

APPROVE

Commissioner Irene Fernando moved, seconded by Commissioner Jeff Lunde, to approve the Minutes.

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

Absent: Commissioner Greene and Commissioner Edelson

2. New Business

Routine Items

2.A. [25-0213](#)

Amd 3 to Agmt PR00001187 with Gartner Inc. for information technology research and advice services, ext end date to 06/30/28, incr NTE by \$495,172 for a new total NTE of \$1,424,390

PROGRESS

Commissioner Irene Fernando moved, seconded by Commissioner Debbie Goettel, to progress the Resolution to the June 10 Board meeting.

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

Absent: Commissioner Greene and Commissioner Edelson

2.B. [25-0214](#)

Neg Amd 1 to the Tasks Unlimited Training Lodge Agmt, extending term to 06/19/30, and and restate related documents, no change to NTE

RETURN TO AUTHOR

Commissioner Debbie Goettel moved, seconded by Commissioner Jeff Lunde, to return to author the Resolution.

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

Absent: Commissioner Greene and Commissioner Edelson

2.C. [25-0215](#)

Neg Amd 5 to Lease Agmt A2110797 with American Indian Community Development Corporation for rental space at 1800 Chicago Avenue in Mpls, extending the contract period to 06/30/27 (\$248,550 estimated first year rent)

CONSENT

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

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

Absent: Commissioner Greene and Commissioner Edelson

2.D. [25-0216](#)

Contract PR00007288 with the MN Dept of Public Safety accepting funds for the 2024 State Homeland Security Program, 01/01/25-06/30/26, \$115,000 (recv)

CONSENT

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

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

Absent: Commissioner Greene and Commissioner Edelson

Items for Discussion and Action

2.E. [25-0217](#)

Hennepin County Youth Activities Grants (HCYAG) Program - Spring 2025 Equipment Grants and Arts & Music Grants, total NTE of \$407,832.21

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Kevin Anderson, to approve the Resolution.

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

Absent: Commissioner Greene and Commissioner Edelson

2.F. [25-0218](#)

Loan to Hennepin Healthcare Systems, Inc. for capital medical equipment purchases

LAI D OVER

Commissioner Debbie Goettel moved, seconded by Commissioner Irene Fernando, to lay over the Resolution to the June 24 Committee meeting.

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

Absent: Commissioner Greene and Commissioner Edelson

Addendum

2.G. [25-0232](#)

Amend the 2025 Capital Budget to include capital project 1009111 HCGC Veterans Monument; transfer \$350,000 in existing budget authority from the HCGC Elevator & Escalator Modernization project (CP 1005192)

CONSENT

Commissioner Kevin Anderson moved, seconded by Commissioner Debbie Goettel, to approve the Resolution.

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

Absent: Commissioner Greene and Commissioner Edelson

2.H. [25-0233](#)

Neg Joint Powers Agreements with the Cities of Maple Grove and Edina for assessment services to be performed by Hennepin County at no cost to the cities

CONSENT

Commissioner Kevin Anderson moved, seconded by Commissioner Irene Fernando, to approve the Resolution.

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

Absent: Commissioner Greene and Commissioner Edelson

There being no further business, the Administration, Operations and Budget Committee for Tuesday, June 3, 2025 was declared adjourned at 2:04 p.m.

Maria Rose
Clerk to the County Board

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

25-0237

Item Description:

2025 Watershed Board Appointments - Riley Purgatory Bluff Creek Watershed District Board

Resolution:

BE IT RESOLVED, that in accordance with the Hennepin County Open Appointments Policy and with Minnesota Statute section 103D.311, the following individual(s) be appointed to the Riley Purgatory Bluff Creek Watershed District Board:

Background:

Consistent with County Board policy and with Minnesota Statutes section 103D.311, Hennepin County has conducted an open appointment application process to fill positions on the watershed board. The Hennepin County Board will hear qualification statements from applicants for these positions on June 24, 2025. Qualified applicants have been notified and invited to pre-record a statement. At a board meeting following, the County Board will take action to select from the pool of applicants to fill the available watershed board positions.

This request communicates the names of applicants for the open watershed board positions and helps build the agenda for qualification statements and appointments.

Recommendation from County Administrator: Recommend Approval

Board Action Request

25-0238

Item Description:

2025 Community Advisory Board Applicants and Appointments - Workforce Innovation and Opportunity Act Board (WIOA)

Resolution:

BE IT RESOLVED, that in accordance with the Hennepin County Open Appointments Policy, the following individual(s) be appointed to the Workforce Innovation and Opportunity Act Board (WIOA):

Private Sector Business:

Higher Education:

Background:

Consistent with County Board policy, Hennepin County has conducted an open appointment application process to fill positions on the community advisory board. The Hennepin County Board will hear qualification statements from applicants for these positions on June 24, 2025. Qualified applicants have been notified and invited to pre-record a statement. At a board meeting following interviews, the County Board will take action to select from the pool of applicants to fill the available advisory board positions.

This request communicates the names of applicants for the open community advisory board positions and helps build the agenda for the qualification statements and appointments.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

25-0239

Item Description:

Ratification of permits, leases, lease amendments, and related property agreements approved by the County Administrator, period 01/01/25-03/31/25, 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, First Quarter 2025: 1/1/25-3/31/25, dated March 31, 2025" be ratified.

Background:

Resolution 97-04-238, dated April 29, 1997, 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. Resolution 11-0339, dated August 16, 2011, delegated to the County Administrator the responsibility for the management and administration of all leases within the building located at 701 4th Avenue South, Minneapolis. All agreements executed by the County Administrator pursuant to these resolutions are presented to the County Board for ratification on a quarterly basis.

Current Request: Ratification is requested of those agreements signed by the County Administrator for the period January 1, 2025 through March 31, 2025, as identified on the report entitled, "Quarterly Summary of Real Estate Documents Executed by Administrator, First Quarter 2025: 1/1/25-3/31/25, dated March 31, 2025."

Recommendation from County Administrator: Recommend Approval

**Quarterly Summary of Real Estate Documents Executed by Administrator,
First Quarter 2025: 1/1/25-3/31/25
Dated 3/31/25**

Contracting Party	Subject Matter and Property	Date Approved	Authorizing Resolution
Change Starts With Community	License Agreement A2412712 to install a kiosk for Human Services within space leased by Change Starts With Community at 1201 West Broadway, Minneapolis, MN., for the period of January 1, 2025 through December 31, 2026. No rent.	1/2/25	97-4-238
State of Minnesota, Department of Administration	Amendment 1 to Lease Agreement A2110892, increasing the gross monthly rent for 1,200 sq. ft. used by the Department of Employment and Economic Development ("DEED") from \$923.67 per month to \$1,123.00 per month and memorializing the Commencement Date as December 1, 2024. Rent for 12/1/24 – 11/30/25: \$13,476.00.	2/18/25	97-4-238
General Services Administration	Lease A2512778 for 4,542 sq. ft. of space in the 701 Building located at 701 Fourth Avenue South, effective March 10, 2025, through May 15, 2025. Rent Rev for 3/10/25 – 5/15/25: \$35,950.58.	3/10/25	11-0339
Secure Parking USA LLC	Parking Rights Agreement A2512798 for the rental of twenty (20) parking spaces at Centre Village Garage located at 700 Fifth Street South, Minneapolis, MN, for use by a tenant at the 701 Building whose rent includes reimbursement to the county for the full cost of the parking space rental. Monthly Rent: \$3,150.00.	3/10/25	11-0339
Metropolitan Airports Commission	Amendment 1 to Ground Lease Agreement LS00000026 for use of 1,600 sq ft of ground space at Flying Cloud Airport located in Eden Prairie, MN (PID No. 2811622210001), extending the ground lease agreement three (3) years through April 30, 2028. First year rent: \$1,264.00.	3/13/25	97-4-238

HENNEPIN COUNTY

MINNESOTA

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Board Action Request

25-0242

Item Description:

Schematic Design and budget approval for the ACF Men's Visitation/Education and Staff Training Remodeling project (Project Number 1008038)

Resolution:

BE IT RESOLVED, that the following actions be approved for the ACF Men's Visitation/Education and Staff Training Remodeling project (Project Number 1008038):

- Approval of Schematic Design (SD);
- Authorization to proceed with project Design Development (DD) through Construction Administration (CA);
- Authorization to advertise and receive proposals;
- Authorization to proceed with a single contract to include general, mechanical, electrical, and plumbing construction;
- Authorization to use contracted service vendors and commodity contracts as necessary for portions of the work, furnishings, and equipment; and

BE IT FURTHER RESOLVED, that Contract PR00007355 with Boarman Kroos Vogel (BKV) Group, Inc. for architectural and engineering services for the Design Development through Construction Administration phases of the ACF Men's Visitation project (Project Number 1008038) for the period of July 09, 2025 through December 31, 2027, in an amount not to exceed \$802,671.00 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; and

BE IT FURTHER RESOLVED, that the County Administrator be authorized to award contracts to the contractors offering best value 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.

Background:

This project will remodel vacant areas in the Adult Corrections Facility (ACF) Industry Building to provide programming space for Child Visitation Area, Vocational Education Center for residents, and an ACF Staff Training Center. The ACF Industry Building, located at 1145 Shenandoah Lane in Plymouth, Minnesota, requires major remodeling to accommodate specialized programming for staff, residents, and children of residents.

The Child Visitation Area will be a planned safe space for residents who are mothers or fathers to visit with their child face-to-face in a setting conducive to this activity.

The Vocational Education Center will provide a bridge to residents who are seeking new job skills. The Vocational Education Center will provide a series of classrooms available to residents with training in industrial trades. Simulation of skills will make it possible for residents to earn initial training certificates. These

certificates will allow residents to continue with more hands-on intensive training in that trade. Conference rooms will be designed to facilitate the simulations and the technical overview by the instructor.

The ACF Staff Training Center will provide space to train staff in situational resident control using simulated environments such as a typical Men's individual living unit and a typical Women's living unit (often shared with one or more residents). The use of these simulated environments to train staff for possible high-risk situations aims to reduce the risk of staff and resident harm or injuries. Additionally, a new office space for staff will be incorporated into the space.

The overall project size will be approximately 15,500 USF of interior space. Capital funding for this project is part of the 2025-2029 Capital Improvement Program. The Schematic Design Executive Summary Report has been distributed to the County Board, and a copy is on file with the Clerk to the County Board.

Current Request: This request seeks approval of Schematic Design for the ACF Men's Visitation/Education and Staff Training Remodeling in the ACF Industry Building, the approval for SD through CA architectural and engineering consulting work, it authorizes the County Administrator to award a contract to the contractor offering the best value if the proposals are within the proposed budgets.

Impact/Outcomes: This action supports Hennepin County's disparity reduction efforts by reducing barriers to family connections due to parental incarceration. Classroom education programs provided to residents will improve their chances of success post incarceration.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

25-0240

Item Description:

Submission of substantial amendment to the 2023 HUD Annual Action Plan; Neg 2 award modifications, 07/01/25-06/30/70, total combined NTE \$1,000,000

Resolution:

BE IT RESOLVED, that the 2023 HOME Investment Partnerships Program award to Project for Pride in Living to develop affordable rental housing units in Brooklyn Center in the amount not to exceed \$1,000,000 (Agreement PR00005266, Resolution 23-0175); be rescinded and reallocated for distribution under the HOME Investment Partnership Program; and

BE IT FURTHER RESOLVED, that the County Administrator be authorized to negotiate modifications to two 2025 HOME Investment Partnerships Program awards approved under Resolution 25-0192, reallocating the rescinded award herein, during the period July 1, 2025 through June 30, 2070:

- PR00007246 with JO Companies LLC, or an affiliated entity, for the Penn Station project, increasing the not to exceed amount by \$560,000 for a new total not to exceed amount of \$908,174;
- PR00007247 with Common Bond Communities, or an affiliated entity, for the South Shore Park and Westonka Estates project, increasing the not to exceed amount by \$440,000 for a new total not to exceed amount of \$990,000;

that the following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the agreements and other necessary documents on behalf of the county; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that a substantial amendment to the 2023 Annual Action Plan, reallocating up to \$1,000,000 in 2023 HOME Investment Partnerships Program funding be approved; that the plan be submitted to the U.S. Department of Housing and Urban Development; and that the County Administrator be designated as the authorized official to act on behalf of Hennepin County in matter related thereto.

Background:

The U.S. Department of Housing and Urban Development (HUD) requires Hennepin County to adopt a Five-Year Consolidated Plan and an Annual Action Plan to receive HUD entitlement funds, including the HOME Investment Partnerships (HOME) Program. To reallocate these HOME funds to other activities, the Consortium is required to create a substantial amendment to the impacted Action Plan.

Resolution 23-0175 approved the 2023 Action Plan and awarded \$1,000,000 in HOME funding to Project for Pride in Living to develop affordable rental housing units in Brooklyn Center (Agreement PR00005266); this project subsequently terminated. The 2025 Coordinated Affordable Housing RFP process identified the proposed use of the reallocated funds to two affordable housing developments: \$560,000 to JO Companies LLC for the Penn Station project in Richfield, and \$440,000 to CommonBond Communities for the South Shore Park and Westonka Estates project in Excelsior and Mound.

This change constitutes a substantial amendment as it changes the scope of an activity and increases the

amount awarded to an activity by more than 50 percent of the original budget.

A notice for public comment was published in the Finance and Commerce newspaper on May 8, 2025 for a 30-day public comment period.

Current Request: This request is for approval of the substantial amendment to the HUD 2023 Annual Action Plan, and authorization to negotiate two award modifications with a total combined not to exceed amount of \$1,000,000 under the HOME Investment Partnerships Program.

Impact/Outcomes: The reallocation of funds to the Penn Station and South Shore Park and Westonka Estates projects will create or preserve a total of 151 units of affordable housing, including 38 units for households at or below 30 percent of the area median income.

Recommendation from County Administrator: Recommend Approval

MINNESOTA

Board Action Request

25-0241

Item Description:

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

Resolution:

BE IT RESOLVED, that the County Administrator authorize Agreement PR00005705 with the Minnesota Department of Revenue for the administration, collection, and enforcement of Hennepin County local sales, use, and excise taxes; 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:

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 deducts 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 Department sent Hennepin County a letter providing notice that the Department planned to update certain provisions of the agreement for local sales tax administration. Resolution 23-0405 negotiating the agreement was approved by the Hennepin County Board of Commissioners, but the contract was never signed because the terms were still being discussed. This agreement will supersede any previous agreement with the Department.

Current Request: This resolution would authorize negotiation of Agreement PR00005705, with the Minnesota 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.

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

25-0259

Item Description:

Authorize withdrawal from Joint Powers Agmt A166677 between Hennepin County, the City of Minneapolis, and Minneapolis School District No. 1, for Youth Curfew/Truancy Services, effective January 1, 2026

Resolution:

BE IT RESOLVED, that the Hennepin County Board of Commissioners withdraws Hennepin County from the Joint Powers Agreement A166677 between Hennepin County, the City of Minneapolis, and Minneapolis School District No. 1, for Youth Curfew/Truancy Services, effective January 1, 2026; and

BE IT FURTHER RESOLVED, that the Board of Hennepin County Commissioners directs the County Administrator to take all steps necessary to make the County's withdrawal effective pursuant to the terms of the Joint Powers Agreement A166677 for Youth Curfew/Truancy Services.

Background:

In 2017, Hennepin County entered into a Joint Powers Agreement for Youth Curfew/Truancy Services, A166677 ("JPA"), with the City of Minneapolis and Minneapolis School District No. 1, to provide curfew, truancy and low-level offense services for the operation of a Hennepin County Juvenile Supervision Center, later known as the Youth Connection Center ("YCC"). Each party to the JPA committed to provide contributions to the successful operation of the YCC and establish a partnership for the management of youth curfew and truancy services.

Since opening in 2018, the YCC, operated by community provider The Link, has provided voluntary services and supervision for youth who come into contact with law enforcement. A Joint Powers Board, made up of the three members of the JPA, has provided management oversight. In 2024, citing budgetary constraints, Minneapolis School District No. 1 withdrew from the JPA.

Changing Needs and New Model

In response to post-pandemic changes in use of the YCC by law enforcement, as well changing needs of youth, Hennepin County staff held a series of community listening sessions and led discussions amongst stakeholders about the services that would best meet the needs of youth and community. These discussions led to the development of a new model that will have an expanded focus to continue to offer a space for law enforcement to bring youth for referral to services and connection to a safe space, as well as to allow families and youth to walk-in for assessments, referrals and connections to resources in the community.

As part of redesign of the YCC model, the City of Minneapolis and Hennepin County will continue to partner but with a new structure that will allow for more nimble management and oversight. Under the new structure, Hennepin County's Safe Communities will oversee a Request for Proposals (RFP) process to select a community provider to implement the services starting January 1, 2026. Safe Communities will then oversee the contract's management and will seek input and guidance from the existing stakeholder workgroup.

The City of Minneapolis, through an existing Memorandum of Understanding with the County, will continue to provide the physical space. Starting in Fall 2026, upon its completion, the physical space will be at the

Minneapolis South Safety Center on Minnehaha Avenue. The emphasis of the new YCC will be on connecting young people to existing resources in the community, particularly those that are culturally responsive, and that include the youths' families in the process. Potential referral resources will include mental and behavioral health services, substance use treatment, truancy supports, youth programming and workforce development opportunities.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street
Minneapolis, MN
55487-0240

Board Action Request

25-0218

Item Description:

Loan to Hennepin Healthcare Systems, Inc. for capital medical equipment purchases

Resolution:

BE IT RESOLVED, pursuant to Minnesota Statutes, Section 383B.916, the County Administrator is authorized to negotiate and finalize a loan agreement with Hennepin Healthcare System, Inc. (HHS) for the purchase of capital equipment in the initial amount of \$10,000,000 and with a five-year term; and

BE IT FURTHER RESOLVED, that the County Administrator is delegated the authority to increase the loan from the initial amount up to \$15,000,000, after considering loan repayment performance and the overall financial condition of HHS; and

BE IT FURTHER RESOLVED, that the County Administrator is delegated the authority to extend the duration of the term of the loan, after considering loan repayment performance and the overall financial condition of HHS, with a new amortization period not to exceed five years; and

BE IT FURTHER RESOLVED, that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign the agreement on the behalf of the county, that the controller be authorized to disburse funds as directed and that the approval of this loan agreement by the Hennepin County Board of Commissioners does not imply any continued lending agreements, disbursements, extensions or modifications of loans for this purpose.

Background:

Minn. Stat. § 383B.916 permits the county to finance capital improvements or equipment for Hennepin Healthcare System (HHS), which is a subsidiary of the County. On April 16, 2025, the interim CEO and CFO for HHS together made a formal request to the county for a loan to purchase capital medical equipment for HHS.

The county will enter into a formal loan agreement with HHS for a term of 5 years to lend cash from the general fund at an interest rate of about 4.0%. That interest rate represents an approximation of what the County would otherwise earn in investment income on those funds. Pursuant to that agreement, HHS may access up to \$10M in funds, which may be increased to no more than \$15M at the discretion of the County Administrator. Principal and interest on the outstanding balance will be paid semi-annually pursuant to the terms of the loan agreement.

Recommendation from County Administrator: Recommend Approval