



Carver County Board of Commissioners
January 28, 2014
Work Session
County Board Room
Carver County Government Center
Human Services Building
Chaska, Minnesota

WORK SESSION

- 9:00 a.m. **A. FINANCES: Improve the County's financial health and economic profile**
- 1. 2014 Road & Bridge Project Bond Sale 1-2
 - 2. Investment Update 3-7
- 10:00 a.m. **B. COMMUNITIES: Create and maintain safe, healthy and livable Communities**
- 1. Carver County Highway Safety Plan 8-11
- 10:20 a.m. **C. GROWTH: Manage the challenges and opportunities resulting from growth and development**
- 1. 2014 Carver County CSAH Needs Mileage Request 12-14
- 10:45 a.m. **D. CONNECTIONS: Develop strong public partnerships and connect people to services and information**
- 1. Update on City of Watertown Tax Forfeit Parcel 15
- 11:20 a.m. **BOARD REPORTS**
- 1. Chair
 - 2. Board Members
 - 3. Administrator
 - 4. Adjourn

David Hemze
County Administrator

UPCOMING MEETINGS

- | | |
|-------------------|--|
| January 28, 2014 | 7:30 p.m. Township Association Meeting,
Waconia American Legion |
| February 4, 2014 | 9:00 Board Meeting |
| February 11, 2014 | No Meeting |
| February 18, 2014 | 2:30 p.m. Committee of the Whole Meeting |
| February 18, 2014 | 4:00 p.m. Board Meeting |
| February 25, 2014 | Board Work Session |
| March 4, 2014 | 9:00 a.m. Board Meeting |

Carver County Board of Commissioners Request for Board Action



Agenda Item:

2014 Road & Bridge Project Bond Sale

Primary Originating Division/Dept: <input type="text" value="Finance"/>	Meeting Date: <input type="text" value="1/28/2014"/>
Contact: <input type="text" value="David Frischmon"/> Title: <input type="text"/>	Item Type: <input type="text" value="Work Session"/>
Amount of Time Requested: <input type="text" value="30"/> minutes Presenter: <input type="text" value="David Frischmon"/> Title: <input type="text" value="Finance Director"/>	Attachments: <input checked="" type="radio"/> Yes <input type="radio"/> No

Strategic Initiative:

BACKGROUND/JUSTIFICATION:

The 2014 Budget includes a \$31M bond sale to fund road & bridge projects including the Southwest Reconnection project. The majority of the funds are needed to advance fund the State's contribution because the State's turnback account does not have the necessary funds for this project. County staff along with Mark Ruff, our financial consultant from Ehlers, will summarize:

1. 2014 Road and bridge projects,
2. Funding sources for the debt service
3. Draft Bond sale schedule. The Bonds are proposed to be issued as Capital Improvement Project ("CIP") Bonds. The last time the County issued CIP bonds was in 2008. - see attached CIP bond sale scheduled for more details.

ACTION REQUESTED:

none - information only

FISCAL IMPACT: <input type="text" value="Included in current budget"/> If "Other", specify: <input type="text"/>	FUNDING <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">County Dollars =</td> <td style="width: 30%; text-align: right;">\$31,000,000.00</td> </tr> <tr> <td>Other Revenue</td> <td style="text-align: right;">\$53,000,000.00</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$84,000,000.00</td> </tr> </table>	County Dollars =	\$31,000,000.00	Other Revenue	\$53,000,000.00			Total	\$84,000,000.00
County Dollars =	\$31,000,000.00								
Other Revenue	\$53,000,000.00								
Total	\$84,000,000.00								
FTE IMPACT: <input type="text" value="None"/>									

Related Financial/FTE Comments:
 Cash reserves and property tax levy for a 2014 Bond Sale as been set aside in the 2012, 2013 and 2014 Budgets.

Office use only:

RBA 2014 - 2365

Pre-Sale Schedule dated January 17, 2013
5-Year County Capital Improvement Plan Bond Issuance
Carver County, Minnesota

The County Board must take the following actions before Bonds can be issued:

- County Board directs completion of the 5-Year Capital Improvement Plan related to M.S. Chapter 343.40.
- County Board conducts a Public Hearing on issuance of General Obligation (G.O.) Capital Improvement Plan (CIP) Bonds and Capital Improvement Plan.
- County Board approves G.O. CIP Bonds and amended Capital Improvement Plan by at least a 2/3rds vote of the governing body membership.

The table below lists the steps in the issuing process:

1/28/2014	County Board work session to discuss project financing.
2/4/2014	County Board adopts Resolution calling for Public Hearing on the Capital Improvement Plan and the issuance of G.O. CIP Bonds to finance the Y Interchange 101/61 and County Road 10 improvements.
2/7/2014	Submit notice of public hearing on issuance of G.O. CIP Bonds and on Capital Improvement Plan to the County's official newspaper (Chaska Herald requires one week prior to publication)
2/13/2014	Publish notice of public hearing on issuance of G.O. CIP Bonds and on Capital Improvement Plan (publication no more than 28 days and no less than 14 days prior to hearing date). Additionally, notice may be posted on the County's official web site.
3/4/2014	County Board holds Public Hearing at ____ a.m. on G.O. CIP Bonds and on Capital Improvement Plan; adopts Resolution giving approval for their issuance and approving Capital Improvement Plan by at least a 2/3 ^{ths} vote of the governing body membership.
4/3/2014	Reverse referendum period ends for issuance of G.O. CIP Bonds (30 days after the public hearing).
4/15/2014	Bond sale held, County Board accepts offer and adopts Resolution approving sale of G.O. CIP Bonds.
5/13/2014	Receipt of funds occurs on or about this date.

Carver County Board of Commissioners Request for Board Action



Agenda Item:

Investment Update

Primary Originating Division/Dept: Finance

Meeting Date: 1/28/2014

Contact: David Frischmon Title:

Item Type:
Work Session

Amount of Time Requested: 20 minutes

Presenter: David Frischmon Title: Finance Director

Attachments: Yes No

Strategic Initiative:

Finances: Improve the County's financial health and economic profile

BACKGROUND/JUSTIFICATION:

At year-end, accounting rules require the county's investment portfolio to be adjusted to its current market value. This adjustment, commonly referred to as a mark to market adjustment, does not affect the county's cash balance but does impact the county's fund balance. When investments are held to maturity, the mark to market adjustment ends up as zero since the investment ends up being worth its stated value. The mark to market adjustment which is positive when interest rates fall and is negative when interest rates is a function of two factors:

1. Change in Interest rates at year-end from one year to the next
2. Investment portfolio average number of years till maturity

As of 12/31/13, the County's mark to market adjustment was a negative \$4.3M. This amount is significantly larger than previous adjustments due to the sharp rise in interest rates during 2014, especially in Dec. which caused the years to maturity for the county's investment portfolio to increase from 3.9 years to 5.6 years.

Carver County's Investment Policy (see attached for more details) limits the portfolio's years to maturity to 10 and individual securities to 15 years. Investment policies in other metro counties have much lower limits which mitigated the negative mark to market adjustment caused by increasing interest rates in 2014 for other metro counties. County staff will present recommended changes to these limits in the County's investment policy at the board workshop.

ACTION REQUESTED:

Request Board direction on recommended changes

FISCAL IMPACT: Other

Negative mark to market adjustment did not decrease cash but will decrease fund balance as of 12/31/13. It is anticipated that the Year-End Savings ("Y.E.S.") account will be reduced to zero at 12/31/13.

if "Other", specify:

FUNDING

County Dollars =	
Total	\$0.00

FTE IMPACT: None

Related Financial/FTE Comments:

Office use only:

RBA 2014 - 2368



CARVER
COUNTY

Carver County – Financial Policy Manual

Investment Policy

SECTION:	Financial Planning	EFFECTIVE:	3/3/08
AUTHORITY:	Res. 17-08	REVISED:	6/28/11, 11/20/12

Purpose

To provide clear guidelines as it pertains to investments in order to maximize return while minimizing risk.

Policy

Carver County is responsible for receiving and disbursing public funds for many programs and taxing districts within the County's jurisdiction. While the funds are in the custody of the County, pending disbursement, it is the Investment Manager's responsibility to invest the monies as prescribed by Minnesota Statutes, Chapters 118, 471 and 475, which are included in this policy by reference.

Investment Program Objectives

Four objectives are taken into consideration for a sound investment program. It is the policy of Carver County when investing public monies to follow these objectives in the order of importance as listed:

1. **Legality** - The County is limited by law as to the type of investments that can be made. The following investment instruments are authorized: All general obligations of the United States Government; indirect government obligations such as Federal Agency notes and bonds excluding mortgage-backed securities that are defined as high risk; certificates of deposit backed by collateral; repurchase agreements; reverse repurchase agreements; bankers acceptance; commercial paper; and Guaranteed Investment Contracts (GICs).
2. **Safety** - Many banks and investment firms are dealers in these authorized investments. It is the policy of Carver County to do business only with those firms that are willing to meet the requirements set forth by state law and the County for the County's protection in regard to safekeeping, delivery and receipt. It is a statutory requirement that all certificates of deposit are to be backed by collateral at 110% of market value. The County reserves the right to require substitute collateral if any collateral subsequently fails to meet the requirements set.

3. Liquidity - The cash position of Carver County and its various programs has peaks and valleys during the year which require that a portion of the investment portfolio emphasize liquidity. It is a policy of the County to consider liquidity as a priority while still recognizing the need to maximize yield.
4. Yield - After the above considerations have been met, it is the practice of the County to maximize its yield while assuring that the maturity dates coincide with expenditure needs.

The Investment Manager has established the following guidelines needed to carry out this policy.

Guidelines

The County's investment duties require that decisions are made daily concerning the investment of millions of dollars. The investment function operates under state law which establishes restrictions and requirements. Carver County has adopted an Investment Policy which provides more specific program directives.

Authorization & Record Retention

1. All depositories and investment firms that the County deals with will be approved by the County Investment Manager prior to any transactions. It is further the responsibility of the County Investment Manager to designate depositories as authorized in Minnesota Statute 118A.02, Sub. 1 and by County Board Resolutions.
2. The County Investment Manager will maintain a listing of all institutions designated as depositories.
3. The Investment Manager shall refrain from personal business activity that could conflict with the proper execution and management of the investment program and shall disclose any material interests in financial institutions with which he conducts business. The Investment Manager shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of Carver County.
4. Before engaging in investment transactions with any broker/dealer, the supervising officer at the securities broker/dealer shall submit a certification. The document will state that the officer has reviewed the investment policies and objectives, as well as applicable state law, and agrees to disclose potential conflicts of interest or risk to public funds that might arise out of business transactions between the County and the broker/dealer. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the County's funds.

Investments

The Investment Manager shall maintain a system of internal controls for investments. The internal controls shall be reviewed by the State Auditor's Office. The controls shall be designed to avoid losses of county funds arising from fraud, employee error, and misrepresentations by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the county. Investments shall be made with judgment and care, under circumstances

then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, considering the probable safety of their capital as well as the probable revenue to be derived. The financial assets of the county may be invested in those securities or other investments permitted pursuant to M.S. 118A. These include:

Investment Securities	Total Portfolio Exposure	Exposure per Issuer	Additional Restrictions
1. Direct Obligations of U.S.	100%	Unlimited	No more than 25% in Zero Coupon Investments
2. Obligation Issued or Guaranteed by an Agency of the U.S.	100%	Unlimited	None
3. Agency Mortgage Backed Securities including Collateralized Mortgage Obligations	75%	10% in any one Mortgage Pool or CMO	No more than 50% in Mortgage pools or sequential CMO's
4. Share of Regulated Investment Companies invested in 1 & 2 above	100%	100%	None
5. Repurchase or Reverse Repurchase Agreements	20%	10%	90 days maturity or less
6. General Obligations of any State of the US which is a general obligation of any state or local government with taxing powers	50%	5%	"A" or better by at least one major rating agency
7. Any security which is a revenue obligation of any state or local government with taxing powers	50%	5%	"AA" or better by a National Bond Rating Service
8. Bankers Acceptance	25%	5%	Pursuant to State Statute

9. GIC's	10%	5%	A+ rated by AM Best
10. Commercial Paper	50%	\$5 million for any one issuer	270 Days or less, highest rating by two rating agencies.

The County Board shall be advised if any Investments held by the County are subsequently downgraded to a classification that would make them ineligible to purchase. Notification shall be in writing with a recommendation to either sell or hold. The County Board shall be updated once per quarter on the continuing status of any such investments that the County continues to own.

Investment maturities shall be selected to accommodate forecasted requirements, meet anticipated capital obligations, and optimized investment objectives. Individual securities shall be limited to a maximum maturity/average life of fifteen years. The total portfolio shall be limited to a maximum average maturity/average life of ten years.

Portfolio investments shall not exceed 50% of the County's investment portfolio with any one institution, to avoid concentration of assets.

Safekeeping and Collateralization

All investment securities purchased by the county shall be held in accordance with Minnesota statute 118A. All bank deposits will be insured or collateralized in accordance with Minnesota Statutes, Chapter 118.

Other

The county Investment Manager shall prepare a quarterly investment report of portfolio investments and performance (incorporating as appropriate, investment activity, investment allocation, and rates of return).

Carver County Board of Commissioners Request for Board Action



Agenda Item:

Carver County Highway Safety Plan

Primary Originating Division/Dept: Public Works - Engineering

Meeting

Date: 1/28/2014

Contact: Darin Mielke Title: Deputy County Engineer

Item Type:

Work Session

Amount of Time Requested: 20 minutes

Presenter: Darin Mielke/Kate Miner Title: Deputy County Engineer/ Traffi...

Attachments: Yes No

Strategic Initiative:

Communities: Create and maintain safe, healthy, and livable communities

BACKGROUND/JUSTIFICATION:

Present the County Highway Safety Plan to the county board as well as additional highway safety information.

ACTION REQUESTED:

Discussion and input from the county board.

FISCAL IMPACT: None

If "Other", specify:

FUNDING

County Dollars = \$0.00

FTE IMPACT: None

Total \$0.00

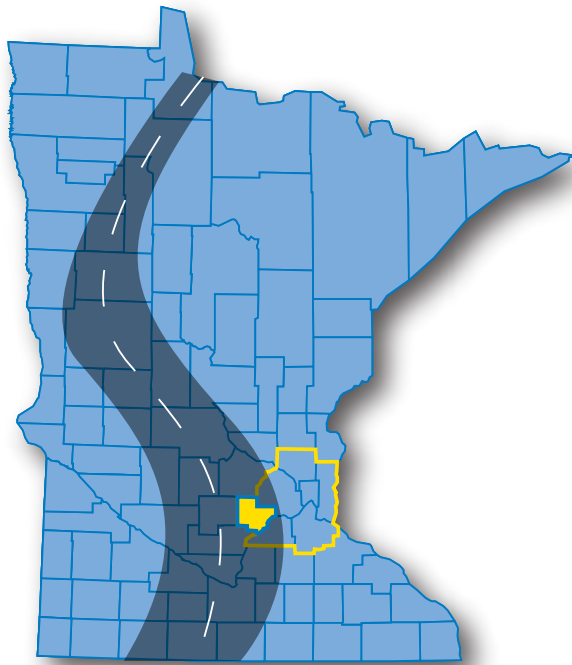
Related Financial/FTE Comments:

Office use only:

RBA 2014 - 2294

Carver County

COUNTY ROADWAY



July 2013



CARVER
COUNTY

Safety

PLAN

Moving Toward **ZERO** Deaths

Prepared by:
CH2M HILL
SRF Consulting Group, Inc.



Executive Summary

This Safety Plan for Carver County (Plan) was prepared as part of the Minnesota statewide highway safety planning process. The Plan was data driven, with a goal to reduce severe crashes (defined as those involving fatalities and serious injuries) by documenting at-risk locations, identifying effective low-cost safety improvement strategies, and better positioning Carver County (County) to compete for available safety funds. The Plan includes a description of the connection to safety planning efforts at the national, State (through Minnesota's Strategic Highway Safety Plan and the Highway Safety Improvement Program), and regional (all counties in the Metro Area) levels.

This Plan was commissioned by the Minnesota Department of Transportation (MnDOT) as a tool to assist counties in submitting proactive low-cost systematic safety projects for MnDOT to fund as part of the Highway Safety Improvement Program (HSIP). This Plan is not intended to be a complete safety plan for Carver County, because there are other safety improvement strategies that are considered high-cost or low-cost that are also effective, but cannot be systematically applied across a county road system. While this Plan addresses many of the safety concerns at high risk locations within the County, other equally important projects likely exist that the County will identify after this report is complete.

Specifically, this Carver County Safety Plan includes the following:

- A description of the Safety Emphasis Areas.
- Identification of a short list of high-priority, low-cost Safety Strategies.
- Documentation of at-risk locations along the County's highway system that are considered candidates for safety investment. At-risk locations include roadway segments, horizontal curves, and intersections with multiple severe crashes or with roadway geometry and traffic characteristics similar to other locations in Minnesota where severe crashes have occurred.
- Development of over \$6 million of suggested safety projects. These projects represent the application of high-priority safety strategies at the at-risk locations.
- Discussion of behavioral crash statistics, potential safety strategies and current statewide resources available for implementation of behavioral safety strategies.

The information in this Plan is consistent with best practices in safety planning as presented in guidance prepared by the Federal Highway Administration (FHWA), the American Association of State Highway and Transportation Officials (AASHTO), and the National Cooperative Highway Research Program (NCHRP). This information is provided to Carver County in an effort to reduce the number of severe crashes on the County's highway system; it is understood that the final decision to implement any of the suggested projects resides with Carver County officials.

It should also be noted that the rankings of County roadway facilities are based on a comparison to documented risk factors. There is no expectation or requirement that Carver County pursue safety projects in the exact ranking order. The ranking suggests a general priority, and it is understood that actual project development decisions will be made by County staff based on consideration of economic, social, and political issues, as well as in coordination with other projects already in the County's Capital Improvement Program.

It should also be noted that some of the at-risk locations and suggested safety projects involve the intersection of a County roadway and a State trunk highway. It is acknowledged that the County does not have the authority to implement projects on the State's right-of-way. The County is encouraged to coordinate with MnDOT to pursue a partnership that identifies a path toward implementation. This Plan (1) does NOT set requirements or mandates, (2) is NOT a standard, and (3) is neither intended to be nor does it establish a legal standard of care.

To help reduce the potential exposure to claims of negligence associated with motor vehicle crashes on Carver County's highway system, the following three key points should be considered:

1. Federal law (23 U.S.C. Section 409) established that information generated as part of the statewide safety planning process is considered privileged and unavailable to the public. The privileged status includes crash data where value/detail has been added by analysts during the safety planning process (for example, computation of crash rates, disaggregation of crashes by type or severity, and documentation of contributing factors), the lists of at-risk locations, and information supporting the development and evaluation of potential safety projects. The federal law and the privileged status of the safety information was upheld by the U.S. Supreme Court in the case of *Pierce County (Washington) v. Guillen* (see Appendix I).
2. Minnesota tort law provides for discretionary immunity for decisions made by agency officials when there is documentation of the decision and evidence of consideration of social, economic, and political issues. To help establish immunity for decisions relative to moving forward with developing any of the suggested safety improvement projects, the County Engineer is encouraged to prepare a memo/plan of action for the County Board. This document would identify the projects selected for implementation, as well as those projects that were dismissed and the reasons that they were not chosen. A sample is provided in Appendix I.
3. Minnesota tort law also provides for official immunity for decisions made by agency staff where there is written documentation of the thought process supporting project development and implementation.

Regarding the expected life of this Plan, the shelf life of this document is limited (as with any transportation plan). This is because the distribution of crashes can change over time, just as roadway and traffic conditions change, contributing to the occurrence of crashes. This Plan contains over \$6 million of potential safety projects, which could provide Carver County with a sufficient backlog of projects for up to 5 years. As a result, Carver County is encouraged to consider periodically updating this Safety Plan.

Carver County Board of Commissioners Request for Board Action



Agenda Item:

2014 Carver County CSAH Needs Mileage Request

Primary Originating Division/Dept:

Meeting

Date:

Contact: Title:

Item Type:

Amount of Time Requested: minutes

Presenter: Title:

Attachments: Yes No

Strategic Initiative:

BACKGROUND/JUSTIFICATION:

Due to continued growth and development within Carver County, the county comprehensive plan indentified highways that will experience higher traffic demands that will also meet the County State Aid Highway Designation (CSAH). In addition, several CSAH highways can be turned over to local cities that have a MSAS status. The CSAH designation allows the highway to draw and access Highway User Trust Funds (gas tax). In order to add additional highway miles to the CSAH designation, the county board must make a formal request to MnDOT and the County Screening Board. MnDOT and the County Screening Board will need to approve or deny the requested highway segments for the requested CSAH designation.

ACTION REQUESTED:

Discussion and feedback is request on the draft 2014 Carver County CSAH Needs Mileage Request prior to adoption by the county board to submit the request to the County Screening Board and MnDOT.

FISCAL IMPACT:

If "Other", specify:

FUNDING

County Dollars =

FTE IMPACT:

Total

Related Financial/FTE Comments:

Office use only:

RBA 2014 - 2327

Carver County 2014 County State Aid Mileage Request

Executive Summary

Carver County has prepared for review and consideration by the County State Aid Screening Board a mileage request report for the County State Aid Highway System (CSAH) in Carver County. This report summarizes proposed changes to the CSAH system in Carver county, which involves a combination of mileage revocation and transfer actions along with a request to add 16.18 miles of County State Aid Highway to the system in Carver County. The proposed changes are based on the consideration of the rules governing designation of State Aid Routes, the 2030 Carver County Comprehensive Transportation Plan, and development and traffic growth trends in Carver County.

Carver County CSAH System Revisions

Carver County has completed an assessment of the county highway network based on recommendations regarding functional classification found in the 2030 Comprehensive Transportation Plan, the criteria for state aid designation found in MN Rule 8820.0600, expected changes in urban growth boundaries and projected levels of future traffic.

In summary, the proposed system changes would result in the following change to the County State Aid System:

- **Current County State Aid Mileage:** **+226.35 miles**
- **Current banked miles of CSAH** **1.32 miles**
- **Net miles proposed for addition to CSAH system:** **+ 16.18 miles**
- **Total Miles with proposed changes:** **242.53 miles**

Summary of Proposed CSAH System Revisions for Carver County

Map ID		Total Mileage	Candidate Change	Designated Mileage	Banked Mileage	New Mileage
	Carver County Mileage (12/3/2013)	226.35		225.03	1.32	0.00

Phase 1: Revocation of Existing CSAH Designations And Transfer of Mileage to New Routes

1*	Revoke designation on CSAH 40 from CSAH 11 to CSAH	226.35	(2.75)	222.28	4.07	0.00
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	61 to MSAS					
2	Designation of Dalhgren Road from CSAH 43 to CSAH 11	226.35	2.20	224.48	1.87	0.00

Phase 2: Revocation of Existing CSAH Designations

3*	Revoke designation on CSAH 57 from TH 5 to CSAH 59 to MSAS	226.35	(0.50)	223.98	2.37	0.00
4*	Revoke designation on CSAH 59 from TH 5 to CSAH 57 to MSAS	226.35	(0.97)	223.01	3.34	0.00

Phase 3: Designation of New State Aid Mileage

5	Marsh Lake Road from CSAH 43 to CSAH 11	226.35	1.67	224.68	1.67	0.00
6	CR 131 from US 212 to CSAH 32	226.36	1.68	226.36	0	0.01
7	CR 140 from CSAH 43 to CSAH 61	230.22	3.86	230.22	0	3.87
8	CR 140 from TH 284 to CSAH 43	235.94	5.72	235.94	0	9.59
9	CR 151 from Sibley County Line to CSAH 52	236.94	1.00	236.94	0	10.59
10	CR 151 from TH 5 to CSAH 32	239.00	2.06	239.00	0	12.65
11	CR 141 from CSAH 10 to TH 5	242.53	3.53	242.53	0	16.18

*As cities grow beyond 5,000 in population and become eligible for Municipal State Aid (MSA), it may be possible to have these cities accept on to their new MSA system, CSAH roads within their boundaries.

The proposed system designation changes would add approximately 16.18 miles to Carver County's State Aid system. This translates to an increase of 7.1 percent in State Aid mileage, from 226.35 miles to 242.53 miles. These system changes would require some additional documentation and approval by Mn/DOT's Division of State Aid for Local Transportation and the County Screening Board.

Carver County Board of Commissioners Request for Board Action



Agenda Item:

Update on City of Watertown Tax Forfeit Parcel

Primary Originating Division/Dept: Administration (County)

Meeting

Date: 1/28/2014

Contact: David Hemze Title: County Administrator

Item Type:

Work Session

Amount of Time Requested: 30 minutes

Presenter: David Hemze Title:

Attachments: Yes No

Strategic Initiative:

Connections: Develop strong public partnerships and connect people to services and information

BACKGROUND/JUSTIFICATION:

The County Administrator will provide an update on the Watertown tax forfeit parcel and related issues.

ACTION REQUESTED:

Direction from the County Board on how to proceed.

FISCAL IMPACT: Other

If "Other", specify: See below note.

FUNDING

County Dollars =

FTE IMPACT: None

Total \$0.00

Related Financial/FTE Comments:

Fiscal issues will be presented during the meeting.

Office use only:

RBA 2014 - 2367