



Board of Commissioners

- Dennis C. Hegberg, District 1
- Bill Pulkrabek, District 2
- Gary Kriesel, Chair, District 3
- Autumn Lehrke, District 4
- Lisa Weik, District 5

*****PLEASE NOTE CHANGE IN DATE AND TIME*****

**BOARD AGENDA
DECEMBER 8, 2011 – 4:00 P.M.**

1. 4:00 Roll Call
Pledge of Allegiance
2. 4:00 **Comments from the Public**
Visitors may share their comments or concerns on any issue that is a responsibility or function of Washington County Government, whether or not the issue is listed on this agenda. Persons who wish to address the Board must fill out a comment card before the meeting begins and give it to the County Board secretary or the County Administrator. The County Board Chair will ask you to come to the podium, state your name and address, and present your comments. Your comments must be addressed exclusively to the Board Chair and the full Board of Commissioners. Comments addressed to individual Board members will not be allowed. You are encouraged to limit your presentation to no more than five minutes. The Board Chair reserves the right to limit an individual's presentation if it becomes redundant, repetitive, overly argumentative, or if it is not relevant to an issue that is part of Washington County's responsibilities
3. 4:05 Consent Calendar – Roll Call Vote
4. 4:05 **Property Records and Taxpayer Services – Kevin Corbid, Director**
Resolutions – Approve or Deny Two Applications for Repurchase of Tax Forfeited Land Located in Cottage Grove
5. 4:15 **General Administration – Jim Schug, County Administrator**
6. 4:20 **Commissioner Reports – Comments – Questions**
This period of time shall be used by the Commissioners to report to the full Board on committee activities, make comments on matters of interest and information, or raise questions to the staff. This action is not intended to result in substantive board action during this time. Any action necessary because of discussion will be scheduled for a future board meeting.
7. Board Correspondence
8. 4:45 **Adjourn**
9. 4:45 to 5:15 – **Board Workshop with Public Health and Environment**
Draft Regional Solid Waste Master Plan 2011-2030

6:00 Public Budget Meeting on Proposed 2012 County Budget

MEETING NOTICES**

(**Meeting dates, time and locations may change. Contact the Office of Administration or individual agencies for the most current information)

Date	Committee	Time	Location
December 5	MN Inter-City Passenger Rail	10:00 a.m.	MN State Capitol
December 5 – 7	Association of MN Counties Annual Conference	Varies	Hyatt Regency, 1300 Nicollet Mall – Minneapolis
December 6	AD Hoc Waste Management Plan Committee	6:00 p.m.	County Environmental Center - Woodbury
December 7	Metro Emergency Services Board Executive Committee	11:30 a.m.	Hyatt Regency, 1300 Nicollet Mall – Minneapolis
December 8	MN High Speed Rail	10:00 a.m.	454 West 6 th Street – Red Wing
December 8	Transportation Advisory Board Programming Committee	12:30 p.m.	390 Robert Street North – St. Paul
December 8	Commissioners Meeting with Springsted Re: County Administrator Hiring	2:00 p.m.	Washington County Government Center
December 8	Gateway Corridor Commission	3:30 p.m.	8301 Valley Creek road – Woodbury City Hall

WASHINGTON COUNTY BOARD OF COMMISSIONERS
 CONSENT CALENDAR *
 DECEMBER 8, 2011

The following items are presented for Board approval/adoption:

<u>DEPARTMENT/AGENCY</u>	<u>ITEM</u>
Administration	A. November 15 and 22, 2011 Board Meeting minutes.
Accounting & Finance	B. Approval of revisions to the Financial and Budget Policy #2801, Fund Balances.
Community Services	C. Approval to execute three 2011 Community Development Block Grant and Home Investment Partnerships Program funding agreements in accordance with the 2011 Annual Action Plan. D. Approval of an amendment for 2011 and a new contract for 2012-2013 for the Bridges II program, a partnership that assists low income persons with serious mental illnesses maintain housing in our community.
Human Resources	E. Approval to renew service agreement with Madden, Galanter, Hansen, LLP for labor relations consultant services through December 31, 2012. F. Approval of county's tentative agreement with Teamsters Local 320 Commander Unit.
Public Health and Environment	G. Approval of Amendment Number One to the Twin Cities Public Health and Environmental Health Entities in Minnesota Mutual Aid Agreement, and authorization for County Board Chair and County Administrator to sign. The Amendment will extend the termination date of the Agreement to December 31, 2012.
Public Works	H. Approval of resolution approving final payments on the 2025 Government Center Campus Improvements Project to Aduddel Roofing, Inc./Granite, Advance Terrazzo & Tile, Sowles Company, and St. Paul Linoleum & Carpet Co. I. Approval of Amendment #3 with ThyssenKrupp Elevator Corporation to compete elevator updates in the Historic Courthouse and Woodbury Service Center according to 2007 Minnesota State Code standards through the signatures of the Board Chair and County Administrator without further action of the County Board and conditioned upon approval as to form by the Washington County Attorney's office.

*Consent Calendar items are generally defined as items of routine business, not requiring discussion, and approved in one vote. Commissioners may elect to pull a Consent Calendar item(s) for discussion and/or separate action.

Department Information

ORIGINATING DEPARTMENT: Accounting & Finance	REQUESTOR: Harley Will	REQUESTOR PHONE: 651-430-6027
PRESENTER(S):	MEDIA CONTACT: Harley Will	MEDIA CONTACT PHONE: 651-430-6027

Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Request approval of revisions to the Financial and Budget Policy #2801 Fund Balances.	
AGENDA YOU ARE REQUESTING TIME ON: Consent	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: Revisions to the policy were precipitated by the changes to Generally Accepted Accounting Principles (GAAP) as required by the Government Accounting Standards Board Statement #54 (GASB 54).
BACKGROUND/JUSTIFICATION: The GASB #54 required a number of changes to the fund-balance policy and accordingly required that these changes be adopted formally by the County Board. These changes are required to obtain a clean opinion on the county's annual financial statements. The failure to comply would create implications regarding the county's bond ratings and increase the county's cost of borrowing funds. Therefore, the policy is being revised to comply with GASB #54 requirements. These revisions include: classifying the reported fund balance into five categories of restriction; authorizing procedures required to classify fund balance into committed or assigned categories; prescribing that county funds will be spent from most restricted to least restricted category. The policy has also been modified to provide guidelines for managing fund balances within parameters recommended by the Office of State Auditor. Additionally, the policy now formally recognizes budgeting practices that are used regarding cash flow and year-end closing fund balances.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? Yes Approved by the County's Finance Committee 11/22/11	

Budget Information

FUNDING: NA	
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Approvals

COUNTY ATTORNEY: George Kuprian RECOMMENDATIONS: Approved COMMENTS:	COUNTY ADMINISTRATOR: Jim Schug RECOMMENDATIONS: Approved COMMENTS:
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FUND BALANCES

Policy

The county believes sound financial management principles require that sufficient funds be retained by the county to provide a stable financial base at all times. To maintain this stable financial base, the county needs to have sufficient fund balances to fund cash flows, and to provide financial resources for unanticipated expenditures and/or revenue shortfalls.

Guidelines

The county will manage the level of unrestricted fund balance to protect against the need to raise taxes and fees or incur short-term borrowing because of temporary revenue shortfalls or unpredicted one-time expenditures.

All funds, as determined by Generally Accepted Accounting Principals (GAAP) and reported in the county's annual financial statements, shall use the following guidelines to manage appropriate fund balance levels:

A. Fund Balance Classifications:

The county's reporting and communication relating to fund balance will utilize the following hierarchical fund balance classification structure:

1. Non-spendable: fund balance amounts that cannot be converted to cash, such as inventories or prepayments, or are legally or contractually required to be maintained intact.
2. Restricted: fund balance amounts that have externally imposed constraints placed on their use which are legally enforceable.
3. Committed: fund balance amounts that have self-imposed constraints on items that can be used only for the specific purposes as determined by formal action of the county board. Amounts within this category require the same formal board action to remove the commitment.
4. Assigned: fund balance amounts that have self-imposed constraints to demonstrate intent, which can be established by board action or delegated by the county board to others.
5. Unassigned: fund balance amounts that are available for any public purpose. The county's general fund is the only fund that should report a

positive unassigned fund balance as the remaining balance after all other amounts have been classified.

B. Fund balance authorizations and resource flow.

1. Commitments: any funds set aside as committed fund balance requires the passage of a resolution that must take place prior to December 31st. If the actual amount of the commitment is not available by December 31st, the resolution will state the process or formula necessary to calculate the actual amount as soon as the information is available.
2. Assignments: the county board authorizes the county administrator as the official authorized to assign fund balance to a specific purpose as approved by this fund balance policy.
3. Resource flow: when fund balance resources are available for a specific purpose in more than one classification, it is the county's policy to use the most restrictive funds first: restricted, committed, assigned, and unassigned as they are needed.

C. Fund Balance Operations.

1. The General Fund Group and Major Special Revenue Funds.
 - a. The aggregate committed, assigned, and unassigned fund balance shall have a minimum and maximum operating range of between 20% and 50% of the budgeted annual expenditures. This shall be determined at June 30 and December 31 of each year.
 - b. A budget plan or semi-annual balance sheet that is below the minimum operating range shall require a written plan to restore minimum compliance.
2. The Capital Projects Fund Group.
 - a. The fund balance in capital project funds may be drawn down to zero consistent with budgeted plans for project costs.
 - b. If large projects require the county to pay for costs prior to seeking reimbursement of the cost by a third party, the department overseeing the project must submit a cash flow analysis. This cash flow analysis shall specify the ending period balance of amounts owed to the county and the potential impact of the fund balance. They shall be submitted as part of the annual budget process or with board actions seeking project approval.

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- c. The aggregated cash flow of the Capital Project Fund Group and planned use of fund balance shall not result in a negative fund balance at any time.
3. The Debt Service Fund Group.
 - a. Fund balances shall be managed to meet the scheduled debt service obligations as they become due and to provide for the statutory 5% excess amount, if that amount is not budgeted annually.
 - b. Fund balance shall be managed to comply with tax exempt debt requirements as defined by the United States Internal Revenue Service.
 4. Other Governmental Funds.
 - a. A fund that anticipates reporting a negative unassigned fund balance at year-end shall disclose the amount and provide a plan to restore the fund balance to zero or above.

Responsibility

The Accounting and Finance Director shall prepare semi-annual reports that document the status of the fund balance as of June 30th and December 31st. This report shall be presented to the finance committee in conjunction with the development of the annual budget.

The County Administrator shall require cash flow analyses and corrective plans of department as necessary to satisfy the guidelines and intent of the policy.

Other county departments with responsibility for a fund as identified in Policy #2803 shall be required to provide budgets, cash flow analyses, and plans regarding the fund balances for which they are responsible. Department are responsible for managing within these budgets and plans and notifying the Department of Administration if they will not be able to accomplish the stated budgets or plan objectives.

Source

MS 475.61 Subd. 1
County Board action July 26, 2005

Policy

The county will maintain adequate financial reserves to meet emergencies, short-term capital improvements, and operating cash flow needs. Fund balance will include all

unreserved fund balances (both designated and undesignated) in all general and special revenue funds excluding Fund 510 Employer Liability and Fund 511 Post Retirement, and unless otherwise specified.

Responsibility

The Accounting and Finance Department is responsible for implementing this policy.

Guidelines

- A. The county will maintain a fund balance in order to respond to unexpected changes in revenues or expenditures, such as reductions in state aid.
- B. The county will maintain a level of fund balance sufficient to be financially solvent, but not so high as to be considered over taxation.
- C. The county will maintain a level of fund balance sufficient to maintain a favorable bond rating.
- D. The county will maintain appropriate levels of fund balance by:
 - 1. Allowing for the planned use of fund balance for defined purposes, including property tax relief and funding for major capital projects or time-limited projects;
 - 2. Designating fund balance for future expenditures, carryover, cash flow and incurred but not recognized items, budget stabilization, long-term personnel obligations, and
 - 3. Using fund balance to mitigate the effects of fluctuations in state aid.
- E. Any planned use of fund balance below the minimum target shall be accompanied by a plan to restore the fund balance to the minimum targeted level.
- F. The county will manage its fund balance within the following parameters:
 - 1. The county will maintain an unreserved fund balance ranging from 20% to 30% of the budgeted operating expenditures, as measured on December 31st of each year.
 - 2. The fund balance should not fall below 7% of budgeted operating expenditures at any time during the year.
 - 3. The parameters should be reviewed every three years, or more often if conditions change.

Source

County Board action July 26, 2005

Department Information

ORIGINATING DEPARTMENT: Community Services	REQUESTOR: Karin Reinert	REQUESTOR PHONE: 651-430-6502
PRESENTER(S): Diane Elias 430-8317	MEDIA CONTACT: Mary Farmer-Kubler	MEDIA CONTACT PHONE: 651-430-6503

Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Community Services requests approval to execute three 2011 Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funding agreements in accordance with the 2011 Annual Action Plan.	
AGENDA YOU ARE REQUESTING TIME ON: Consent	ARE YOU SEEKING APPROVAL OF A CONTRACT? Yes
IS THIS MANDATED? No	EXPLANATION OF MANDATE:
BACKGROUND/JUSTIFICATION: Washington County Community Services requests approval of three funding agreements in accordance with the 2011 CDBG & HOME Annual Action Plan. Annual grant funds for CDBG and HOME programs are used to fund high and medium priority activities identified in the Consolidated Plan approved by the Board and the US Department of Housing and Urban Development. The following projects were approved as part of the Annual Action Plan.	
Twin Cities Habitat for Humanity CHDO - Scattered Site Single Family HOMES (HOME funds) \$90,366.00	
Two Rivers Community Land Trust CHDO - Single Family Acquisition and Rehab (HOME funds) \$94,053.00	
Charter Oaks LLC - Charter Oaks Townhome Rehabilitation (CDBG funds) \$209,472.00	
<u>Project Summaries:</u>	
<ul style="list-style-type: none"> • The Twin Cities Habitat for Humanity project includes the purchase of three (3) vacant infill lots within the cities of Cottage Grove, Forest Lake, Hugo, Newport, Oakdale and St. Paul Park, Minnesota and construction of three (3) home units for households with income at or below 80% of the area median income. • Two Rivers Community Land Trust will acquire and rehabilitate three (3) affordable housing units in Washington County for households with incomes at or below 80% of area median income. • Charter Oaks LLC will acquire and rehabilitate the Charter Oaks Townhomes located in Stillwater. This project represents a critical affordable rental housing preservation project. 	
The final 2011 CDBG funded project agreement, for the Washington County Housing and Redevelopment Authority - John Jergens Senior Rehabilitation, will come before the board for approval in January 2012.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? Yes The Washington County Board of Commissioners approved the 2011 CDBG/HOME Annual Action Plan on May 3, 2011	

Budget Information

FUNDING: Other		EXPLANATION OF FUNDS: US Department of Housing and Urban Development CDBG & HOME funds
FINANCIAL IMPACT:		
YEAR: 2011	AMOUNT: 393,891.00	BUDGETED: Yes

Approvals

COUNTY ATTORNEY: George Kuprian RECOMMENDATIONS: Approved COMMENTS:	COUNTY ADMINISTRATOR: Jim Schug RECOMMENDATIONS: Approved COMMENTS:
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Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Community Services	REQUESTOR: Julia Wallis	REQUESTOR PHONE: 651-430-8331
PRESENTER(S):	MEDIA CONTACT: Traci Thompson	MEDIA CONTACT PHONE: 651-430-6620

Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST:
Approval of an amendment for 2011 and a new contract for 2012-2013 for the Bridges II program, a partnership that assists low income persons with serious mental illnesses maintain housing in our community.

AGENDA YOU ARE REQUESTING TIME ON: Consent	ARE YOU SEEKING APPROVAL OF A CONTRACT? Yes
IS THIS MANDATED? No	EXPLANATION OF MANDATE:

BACKGROUND/JUSTIFICATION:
The Bridges II program is a partnership between the Community Services Department's Adult Mental Health units (AMH), the Washington County Housing and Redevelopment Authority (HRA), and Human Services, Inc. (HSI). It has been in operation since the 1990s. The County AMH unit applies for and provides funding through a grant from the Minnesota Department of Human Services (DHS). It also provides case management for clients in the Bridges II program. The HRA provides income eligibility determination, computes/issues the rental assistance, and ensures rental units meet quality standards. HSI provides housing support services such as housing search assistance, crisis response, and coaching on landlord/tenant relationships.

Bridges II is modeled after the original Bridges program funded by the Minnesota Housing Finance Agency. Bridges II is designed to assist Washington County residents who have a mental illness find and keep affordable housing by providing a housing subsidy and necessary support services. On average nine households are served per month and many more are on the waiting list. Eligible households include individuals and families where at least one member of the household has a Serious and Persistent Mental Illness (SPMI); whose income is less than 50% of the area median income; and, whose assets are less than \$10,000. They pay between 30% and 40% of their gross income as rent and the remainder is paid by this subsidy.

Amendment #1 to contract #6073 adds \$8,000 in funding to the program for 2011, allowing it to serve an additional household, and bringing the 2011 total cost to \$54,440. The new contract for 2012-2013 continues this valuable program at a cost of \$51,440 per year. Having safe and stable housing is a vital component for maintaining one's mental health, especially for persons with SPMI. Bridges II participants are able to reduce stress and adverse health impacts that are often associated with housing instability.

The Community Services Department recommends approval to Amendment #1 to contract #6073 to add funding for 2011. The Community Services Department also recommends approval of a new contract for 2012 to 2013 to continue the Bridges II program.

PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? Yes
Contract #6073 was approved by the Department Director on January 3, 2011.

Budget Information

FUNDING: Other		EXPLANATION OF FUNDS: DHS Adult Mental Health Grant
FINANCIAL IMPACT:		
YEAR: 2011	AMOUNT: 54,440	BUDGETED: Yes
YEAR: 2012	AMOUNT: 51440	BUDGETED: Yes
YEAR: 2013	AMOUNT: 51440	BUDGETED: Yes

Approvals

COUNTY ATTORNEY: George Kuprian RECOMMENDATIONS: Approved COMMENTS:	COUNTY ADMINISTRATOR: Jim Schug RECOMMENDATIONS: Approved COMMENTS:
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Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Human Resources	REQUESTOR: Vicki DeFord	REQUESTOR PHONE: 651-430-6078
PRESENTER(S):	MEDIA CONTACT: Kay McAloney	MEDIA CONTACT PHONE: 651-430-6075

Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Approval to renew service agreement with Madden, Galanter, Hansen, LLP for labor relations consultant services through December 31, 2012.	
AGENDA YOU ARE REQUESTING TIME ON: Consent	ARE YOU SEEKING APPROVAL OF A CONTRACT? Yes
IS THIS MANDATED? No	EXPLANATION OF MANDATE:
BACKGROUND/JUSTIFICATION: The renewal of the contract with Madden, Galanter, Hansen, LLP will provide labor relations consultant services through December 31, 2012. Services include assistance in negotiations, contract administration, arbitration (grievance, binding and interest) and administrative representation before the Bureau of Mediation Services. Services also include legal representation in the litigation of employee relations matters when and to the extent requested by the County Attorney. The recommended contract cost reflects a 0% increase. Funds needed to renew the contract for service have been requested in the 2012 budget of the Department of Human Resources	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? No	

Budget Information

FUNDING: Levy	
FINANCIAL IMPACT:	
YEAR: 2012	AMOUNT: \$58,464.00 BUDGETED: Yes

Approvals

COUNTY ATTORNEY: George Kuprian RECOMMENDATIONS: Approved COMMENTS:	COUNTY ADMINISTRATOR: Jim Schug RECOMMENDATIONS: Approved COMMENTS:
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Department Information

ORIGINATING DEPARTMENT: Human Resources	REQUESTOR: Maureen Connaughty	REQUESTOR PHONE: 651-430-6087
PRESENTER(S): Kay McAloney	MEDIA CONTACT: Kay McAloney	MEDIA CONTACT PHONE: 651-430-6075

Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Board approval of County's tentative agreement with Teamsters Local 320 Commander Unit.	
AGENDA YOU ARE REQUESTING TIME ON: Consent	ARE YOU SEEKING APPROVAL OF A CONTRACT? Yes
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: MN Statute 179A
BACKGROUND/JUSTIFICATION: During bargaining negotiations the County and the Commanders reached an agreement regarding contract duration, compensation, 2011 health insurance and uniform allowance. The agreements are as follows: <ol style="list-style-type: none"> Duration - One (1) year contract from January 1, 2011 - December 31, 2011 Wages - General increase 0%, annual step increase 0% Increase in uniform allowance (same as LELS) from \$625 to \$700. 2011 insurance contributions: <ul style="list-style-type: none"> Aware \$25 OV Copay Single \$433.00/month Employee + Child(ren) \$433.00/month Employee + Spouse \$589.00/month Family \$619.00/month Aware \$30 and \$35 Copays; and \$500/75% Plans Single \$491.00/month Employee + Child(ren) \$537.00/month Employee + Spouse \$726.00/month Family \$851.00/month Flex Credits for 2011 to \$73/month 	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? Yes Closed meeting with the Board on June 7, 2011 regarding strategy for labor relations.	

Budget Information

FUNDING: Levy	
FINANCIAL IMPACT:	
YEAR: 2011	AMOUNT: \$1775
BUDGETED: Yes	

Approvals

COUNTY ATTORNEY: George Kuprian	COUNTY ADMINISTRATOR: Jim Schug
RECOMMENDATIONS: Approved COMMENTS:	RECOMMENDATIONS: Approved COMMENTS:

Department Information

ORIGINATING DEPARTMENT: Public Health & Environment	REQUESTOR: Lowell Johnson	REQUESTOR PHONE: 651-430-6725
PRESENTER(S):	MEDIA CONTACT: Lowell Johnson	MEDIA CONTACT PHONE: 651-430-6725

Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Approval of Amendment Number One to the Twin Cities Public Health and Environmental Health Entities in Minnesota Mutual Aid Agreement, and authorization for County Board Chair and County Administrator to sign. The Amendment will extend the termination date of the Agreement to December 21, 2012.	
AGENDA YOU ARE REQUESTING TIME ON: Consent	ARE YOU SEEKING APPROVAL OF A CONTRACT? Yes
IS THIS MANDATED? No	EXPLANATION OF MANDATE:
BACKGROUND/JUSTIFICATION: Washington County Public Health and Environment has been a participating member in a public health and environmental health mutual aid agreement since February, 2007. The other participating parties are:	
<ul style="list-style-type: none"> • County of Anoka • County of Carver • County of Dakota • County of Hennepin • County of Ramsey • County of Scott • City of Bloomington • City of Brooklyn Park • City of Edina • City of Maplewood • City of Minneapolis • City of Minnetonka • City of St. Louis Park • City of St. Paul • City of Richfield • City of Wayzata • University of Minnesota 	
Extending the term of the mutual aid agreement will allow time for the parties to examine the relationship and usage of the existing agreement and draft changes or revisions before considering a potential new agreement.	
PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? Yes Original mutual aid agreement approved by County Board on September 26, 2006.	

Budget Information

FUNDING: NA	
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Approvals

COUNTY ATTORNEY:

Maura Shuttleworth

RECOMMENDATIONS: **Approved**

COMMENTS:

COUNTY ADMINISTRATOR:

Jim Schug

RECOMMENDATIONS: **Approved**

COMMENTS:



Request for Board Action

BOARD MEETING DATE:
December 08, 2011

AGENDA ITEM NUMBER:

3H

Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Public Works	REQUESTOR: Rita Conlin	REQUESTOR PHONE: 651-430-4354
PRESENTER(S):	MEDIA CONTACT: Erik Jalowitz	MEDIA CONTACT PHONE: 651-430-6226

Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Adopt resolution approving final payments on the 2025 Government Center Campus Improvements Project to Aduddell Roofing, Inc./Granite Re Contracts #4317 and #5044, Advance Terrazzo & Tile Contracts #4326 and #4329, Sowles Company Contract #4314, and St. Paul Linoleum & Carpet Co. Contract #4328..	
AGENDA YOU ARE REQUESTING TIME ON: Consent	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
IS THIS MANDATED? No	EXPLANATION OF MANDATE:

BACKGROUND/JUSTIFICATION:
Construction on phases 2-4 of the 2025 Government Center Campus Improvements project is substantially complete. The construction manager, Kraus Anderson reviews and approves the building construction and final payment applications. Recommendation is made to approve final payment applications for the following contracts:

Contract	Contractor	Original Amount	Changes	Contract Total	Final Payment (retainage)
4317/5044	Aduddell Roofing, Inc./Granite Re Division 11 - Roofing and Flashing	\$730,080.00	\$32,773.49	\$762,853.49	\$38,142.67
4326	Advance Terrazzo & Tile Division 20 - Ceramic Tile	\$184,190.00	\$22,721.00	\$206,911.00	\$14,293.75
4329	Advance Terrazzo & Tile Division 23 Terrazzo	\$375,000.00	(\$4,069.00)	\$370,931.00	\$18,546.55
4314	Sowles Company Division 8 Steel Erection	\$930,000.00	\$333,903.28	\$1,263,903.28	\$63,195.16
4328	St. Paul Linoleum & Carpet Co. Division 22 Carpet/Resilient Floor	\$666,470.00	\$41,575.00	\$708,045.00	\$35,402.25

PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? No

Budget Information

FUNDING: Other	EXPLANATION OF FUNDS: Bonds and Capital Repair Fund	
FINANCIAL IMPACT:		
YEAR: 2011	AMOUNT: \$169,580.38	BUDGETED: Yes

Approvals

COUNTY ATTORNEY: George Kuprian RECOMMENDATIONS: Approved COMMENTS:	COUNTY ADMINISTRATOR: Jim Schug RECOMMENDATIONS: Approved COMMENTS:
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DATE December 8, 2011

DEPARTMENT Public Works/Building Services

MOTION
BY COMMISSIONER _____

SECONDED BY
COMMISSIONER _____

**FINAL PAYMENT FOR PHASES 2-4 CONTRACTS ON THE
2025 GOVERNMENT CENTER CAMPUS IMPROVEMENT PROJECT**

WHEREAS, the Washington County Board of Commissioners, on August 7, 2007, August 21, 2007, October 23, 2007, November 18, 2007, and December 11, 2007 approved the bid award to contractors in 34 bid divisions for the building construction project known as the 2025 Government Center Campus Improvement Project; and

WHEREAS, Aduddell Roofing, Inc./Granite Re. for Contracts #4317 and #5044 Divison 11, Advance Terrazzo & Tile for Contract #4326 Division 20 and Contract 4329 Division 23, Sowles Company for Contract #4314 Division 8, and St. Paul Linoleum & Carpet Co. for Contract #4328 Division 22, have satisfactorily completed all work in accordance with the terms and conditions of the project specifications.

NOW, THEREFORE, BE IT RESOLVED, that all retainage be released and Aduddell Roofing, Inc./Granite Re be paid in full for Contracts #4317 and #5044 in the amount of \$38,142.67.00 as indicated on the final payment application and as certified by the construction manager.

BE IT FURTHER RESOLVED, that all retainage be released and Advance Terrazzo & Tile be paid in full for Contract #4326 in the amount of \$14,293.75, and for Contract #4329 in the amount of \$18,546.55, as indicated on the final payment applications and as certified by the construction manager.

BE IT FURTHER RESOLVED, that all retainage be released and Sowles Company be paid in full for Contract #4314 in the amount of \$63,195.18 as indicated on the final payment application and as certified by the construction manager.

BE IT FURTHER RESOLVED, that all retainage be released and St. Paul Linoleum & Carpet Co. be paid in full for Contract #4328 in the amount of \$35,402.25 as indicated on the final payment application and as certified by the construction manager.

ATTEST:

COUNTY ADMINISTRATOR

COUNTY BOARD CHAIR

HEGBERG

KRIESEL

LEHRKE

PULKRABEK

WEIK

YES

NO

Department Information

ORIGINATING DEPARTMENT: Public Works	REQUESTOR: Rita Conlin	REQUESTOR PHONE: 651-430-4354
PRESENTER(S):	MEDIA CONTACT: Greg Wood	MEDIA CONTACT PHONE: 651-430-6225

Agenda Item Details

<p>BRIEF DESCRIPTION OF YOUR REQUEST: Authorize execution of Amendment #3 with ThyssenKrupp Elevator Corporation to complete elevator updates in the Historic Courthouse and the Service Center in Woodbury according to 2007 Minnesota State Code standards through the signatures of the Board Chair and County Administrator without further action of the County Board and conditioned upon approval as to form by the Washington County Attorney's office.</p>	
<p>AGENDA YOU ARE REQUESTING TIME ON: Consent</p>	<p>ARE YOU SEEKING APPROVAL OF A CONTRACT? Yes</p>
<p>IS THIS MANDATED? Yes</p>	<p>EXPLANATION OF MANDATE: The work described in Amendment #3 is required to bring the elevators in the Historic Courthouse and Woodbury Service Center up to 2007 Minnesota State Code standards. Failure to correct these items could result in noted state violations and a red tag (removal from service).</p>
<p>BACKGROUND/JUSTIFICATION: Washington County contracts with ThyssenKrupp Elevator Corporation to provide preventative and emergency maintenance of county elevators. After a recent site quality audit by ThyssenKrupp Elevator Corporation, several items were noted that need to be addressed in order to bring the elevators at the Historic Courthouse and the Woodbury Service Center up to 2007 Minnesota State Code standards. The items described on Amendment #3 are in accordance with American Society of Mechanical Engineers elevator regulations code 17.1 (2004 ed.) and Minnesota State Code standards (2007). The work covers code related items as well as required work at these facilities.</p> <p>Per contract policy, board approval is required for non-construction contracts if the amount of the original contract and the amendments exceeds \$50,000.00.</p> <p>The proposal to upgrade the elevator at the Historic Courthouse is \$7,316.00. The proposal to upgrade the elevator at the Woodbury Service Center is \$5,732.50.</p> <p>Total cost for the existing 12 month contract with ThyssenKrupp Elevator Corporation is \$70,560. Amendment #3 will add an additional \$13,048.50. The new total cost will be \$83,608.50.</p> <p>The Building Services Director recommends approval of Amendment #3 to the ThyssenKrupp Contract to perform the elevator updates.</p>	
<p>PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? Yes</p> <p>4/9/2007 - Department Head approval of contract. 4/29/2009 - Board approval of revised contract. 4/20/2010 - Board approval of 12 month contract extension (Amendment #1) 4/26/2011 - Board approval of 12 month contract extension (Amendment #2)</p>	

Budget Information

FUNDING: Other		EXPLANATION OF FUNDS: Facilities Rents
FINANCIAL IMPACT:		
YEAR: 2012	AMOUNT: \$13,048.50	BUDGETED: Yes

Approvals

COUNTY ATTORNEY: George Kuprian RECOMMENDATIONS: Approved COMMENTS:	COUNTY ADMINISTRATOR: Jim Schug RECOMMENDATIONS: Approved COMMENTS:
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Commissioner's Report

Department Information

ORIGINATING DEPARTMENT: Property Records & Taxpayer Services	REQUESTOR: Kevin Corbid	REQUESTOR PHONE: 651-430-6182
PRESENTER(S): Kevin Corbid	MEDIA CONTACT: Kevin Corbid	MEDIA CONTACT PHONE: 651-430-6182

Agenda Item Details

BRIEF DESCRIPTION OF YOUR REQUEST: Review and approve or deny two applications for repurchase of tax forfeited land located at 7132 Jorgenson Lane South in the City of Cottage Grove	
AGENDA YOU ARE REQUESTING TIME ON: Board	ARE YOU SEEKING APPROVAL OF A CONTRACT? No
TIME NEEDED: 10 minutes	
IS THIS MANDATED? Yes	EXPLANATION OF MANDATE: The law requires counties to manage all tax forfeited property on behalf of the State of Minnesota.
BACKGROUND/JUSTIFICATION: Parcel 10.027.21.11.0144, located in the Almar Village subdivision in the City of Cottage Grove, forfeited for the non-payment of property taxes on July 22, 2011. The property is a townhouse unit, formerly owned by Mark and Lindsey Dilla. The former owners continue to live in the property. At the time of the forfeiture, TCF Bank held a first mortgage on the property and Wells Fargo Bank held a second mortgage. The department has been in communication with both banks since the July forfeiture. Although numerous attempts have been made, the department has had very little success in communicating with the Dillas. Included with this board action is a memo prepared by the department for meetings of the Finance Committee on September 16 and November 8 that provides additional information related to this tax forfeited property. Numerous efforts were made to broker an agreement between the former owners and the two banks holding mortgages on the property prior to acting on any repurchase applications. Those efforts have not been successful. On September 16, 2011 a repurchase application was submitted by the Dillas. However, prior to approval of any repurchase application a check or money order equal to the amount of back taxes, penalties, interest, fees and costs must be included with the application. The Dillas have not provided the funds to accompany the repurchase application. State law requires the county board to act on all repurchase applications. Because the applicant has not provided the necessary funds, the department recommends the county board deny the repurchase application submitted by the Dillas. A resolution of disapproval is included for the board's consideration. The County Finance Committee, at its November 8 meeting, supported the department recommendation to deny this application. TCF Bank has also provided a request for repurchase. The TCF application was submitted on September 12, 2011, and included a check for \$12,162.32, the required payment to pay all back taxes, penalties, interest, fees and costs. If the TCF application is approved, a state deed would	

be requested in the name of TCF Bank, not the former owners as normally occurs when tax forfeited property is repurchased.

In order to limit the county liability related to this property and return the property to the tax rolls, the department recommends approval of the TCF Bank application for repurchase. The County Finance Committee also approved a motion to support the TCF Bank application for repurchase.

The department recommends the County Board make a separate motion on each application for repurchase.

PREVIOUS ACTION ON REQUEST / OTHER PARTIES INVOLVED? Yes

County Finance Committee review on September 16, 2011 and November 8, 2011

Budget Information

FUNDING:

NA

Approvals

COUNTY ATTORNEY:

George Kuprian

RECOMMENDATIONS: Approved

COMMENTS:

COUNTY ADMINISTRATOR:

Jim Schug

RECOMMENDATIONS: Approved

COMMENTS:

BOARD OF COUNTY COMMISSIONERS
WASHINGTON COUNTY, MINNESOTA

RESOLUTION NO. _____
Property Records and Taxpayer
Services

DATE December 8, 2011
MOTION _____
BY COMMISSIONER _____

DEPARTMENT _____
SECONDED BY _____
COMMISSIONER _____

**RESOLUTION DENYING APPLICATION FOR REPURCHASE OF
TAX FORFEITED LAND BY LINDSEY AND MARK DILLA**

WHEREAS, Minnesota statutes 282.241 allows for the repurchase of tax forfeited land by the previous owner or other parties with the appropriate legal interest in the property; and

WHEREAS, taxation parcel 10.027.21.11.0144 forfeited for the non-payment of property taxes on July 22, 2011; and

WHEREAS, the law allows for the repurchase of homesteaded property up until the property is sold or conveyed by the county; and

WHEREAS, the former owners, Lindsey and Mark Dilla, have submitted a request for repurchase under 282.241; and

WHEREAS, the applicant have not provided a check or other funds to cover the \$12,162.32 required for the repurchase; and

WHEREAS, the department made numerous efforts to work with the former owners of the property to provide an opportunity to repurchase and made them aware of the requirement to provide the necessary funds; and

WHEREAS, the former owners have been notified by the department that a second repurchase application has been submitted by TCF Bank as we are required by law.

NOW, THEREFORE, BE IT RESOLVED, that the Washington County Board of Commissioners hereby denies the request for repurchase of the tax forfeited parcel 10.027.21.11.0144 by Lindsey and Mark Dilla because the required funds have not been provided along with the repurchase application.

ATTEST:

COUNTY ADMINISTRATOR

COUNTY BOARD CHAIR

	YES	NO
HEBERG	_____	_____
KRIESEL	_____	_____
LEHRKE	_____	_____
PULKRABEK	_____	_____
WEIK	_____	_____

To the Honorable Board of County Commissioners of

Washington County, Minnesota.

I, the undersigned owner-mortgagee-heir-representative of heirs
(Cross out all but one)

at the time of forfeiture, of parcel _____ of land situated in the County of _____
State of Minnesota, described as follows, to-wit:

[Handwritten signature]
Washington

do hereby make application for the purchase of said parcel _____ of land from the State of Minnesota, in accordance with the provisions of Minnesota Statutes 1945, Section 282.241, as amended.

In support of this application for the repurchase of said land I make the following statement:

(a) That hardship and injustice has resulted because of the forfeiture of said land, for the following reasons, to-wit:

Divorce and money issues

(b) That the repurchase of said land by me will promote and best serve the public interest, because

We can maintain residence and continue to pay the mortgage and taxes

[Handwritten signature]
Owner-Mortgage-Heir-Representative of Heirs.



MEMO

Date: September 16, 2011
To: County Finance Committee
From: Kevin Corbid, Director
Re: Committee review of tax forfeited land – October 4, 2011

Parcel number 10.027.21.11.0144 went into property tax forfeiture on July 22, 2011. The property is a townhome unit in the Almar Village subdivision in the City of Cottage Grove. The previous owners are Lindsey and Mark Dilla. A map of the property is attached.

The department has made numerous attempts to contact the previous owners, including:

- August 10 called phone number for Lindsey Dilla and received message that phone was disconnected.
- August 12 sent certified letter
- September 1 staff visited the property and knocked on door with no response.
- September 2 sent certified letter which was returned as unclaimed.
- September 2 sent letter regular mailed and we assume was delivered as the letter was not returned to us.
- September 15 staff visited property, knocked on door and received no response. Left a notice related to the TCF Bank's request to repurchase.

On September 12, 2011 the department received an application for repurchase from TCF, which holds a mortgage on the property in an amount of roughly \$160,000. There is a second mortgage showing on the property of \$12,000 in favor of Well Fargo.

We have been told that TCF was able to speak with Mark Dilla after the property forfeiture occurred and he said they would fill out the repurchase application and return to TCF for filing. Since that initial contact, TCF has not been able to contact either of the previous owners and the repurchase application was not returned to them by the Dillas.

When an interested party submits a repurchase application there is a requirement for the county to notify the previous owner and allow them 30 days to respond. This notice was both mailed and delivered in person on September 15.

The department is requesting Finance Committee review of this situation and a determination on the appropriate course of action.

November 8, 2011 Update Steve Gransee

Parcel Number 10.027.21.11.0144 which forfeited July 22, 2011. The property is a townhome unit in the Almar Village subdivision in the City of Cottage Grove.

We first reviewed this with the Finance Committee on October 4th, 2011. At that time both the previous owners and TCF Bank had submitted applications to repurchase the property and we had mailed the Notices of Applications For Repurchase to the interested parties. They were in their 30 day period to resolve their interests and notify us who is to receive title.

The 30 day deadline has passed and we have not received a written certification of agreement from the eligible repurchasers.

The three parties with interest to repurchase this property are:

1. Previous owners. Mark and Lindsey Dilla. The Dilla's submitted an application to repurchase at the request of TCF. No money has been remitted with their application.
2. Mortgagee. TCF Bank. TCF held the first mortgage on the property and has submitted an application to repurchase the property along with a check of \$12,162.32 for all of the taxes and other costs due on the property.
3. Mortgagee. Wells Fargo Bank. Wells Fargo held a second mortgage on the property and has not submitted an application for repurchase.

Soon after the property forfeited, TCF was trying to work with the previous owners to provide the funds for their repurchase. TCF was requesting that Wells Fargo subordinate their mortgage for the \$12,000 TCF was now paying for the repurchase. When Wells Fargo advised TCF they would not subordinate their mortgage, TCF then requested that they be allowed to repurchase the property in the name of TCF National Bank.

Based on the applications that have been submitted and the responses of each of the interested parties, the department offers the following two recommendations.

1. Disapprove the application received from Mark and Lindsey Dilla. A check does not accompany the application. We have not been able to have a conversation with either of the previous owners. Our only success, after mailings, visits to the property, and phone calls was one instance where the call was answered and they said they would have to call us back within the half hour and the call was not returned.
2. Approve the application submitted by TCF National Bank. They have remitted the required payment of \$12,162.32 for payment in full of all taxes and other costs.

We would have rather worked something out with the previous owners, but the situation did not allow that to happen. If the application from TCF is not approved, the county would be responsible to manage the parcel which would probably require evicting the previous owners and then the process of preparing the parcel for a public auction.

I spoke with Wells Fargo last week and they understand their position of their mortgage being extinguished at the time of forfeiture and they have chosen not to take any action.

DATE December 8, 2011
MOTION _____
BY COMMISSIONER _____

DEPARTMENT _____
SECONDED BY _____
COMMISSIONER _____

**RESOLUTION APPROVING REPURCHASE OF
TAX FORFEITED LAND BY TCF BANK**

WHEREAS, Minnesota statutes 282.241 allows for the repurchase of tax forfeited land by the previous owner or other parties with the appropriate legal interest in the property; and

WHEREAS, taxation parcel 10.027.21.11.0144 forfeited for the non-payment of property taxes on July 22, 2011; and

WHEREAS, the law allows for the repurchase of homesteaded property up until the property is sold or conveyed by the county; and

WHEREAS, a party with an eligible legal interest in the property has submitted a request for repurchase under 282.241; and

WHEREAS, the applicant, TCF Bank, has provided a check for \$12,162.32 to cover the cost of the repurchase; and

WHEREAS, the department believes a repurchase is in the best interest of the public in that it allows the bank with the mortgage in the first position to pay off all taxes and costs; and

WHEREAS, the department made numerous efforts to work with the former owners of the property to provide an opportunity to repurchase; and

WHEREAS, the former owners submitted an application for repurchase that was denied by the County Board because it did not include the required funds to complete the repurchase; and

WHEREAS, the County Board finds it is in the best interest of the public to allow a repurchase by TCF Bank and minimizes the potential for additional costs to the county to manage the property and returns the tax parcel to the tax rolls.

NOW, THEREFORE, BE IT RESOLVED, that the Washington County Board of Commissioners hereby approves the request for repurchase of the tax forfeited parcel 10.027.21.11.0144 by TCF Bank; and

BE IT FURTHER RESOLVED, the County Board directs the Department of Property Records and Taxpayer Services to request the issuance of the state deed in the name of TCF Bank following adoption of this resolution.

ATTEST:

COUNTY ADMINISTRATOR

COUNTY BOARD CHAIR

	YES	NO
HEGBERG	_____	_____
KRIESEL	_____	_____
LEHRKE	_____	_____
PULKRABEK	_____	_____
WEIK	_____	_____



RECEIVED
OCT 26 2011
WASHINGTON COUNTY
VITALS CENTER

October 25, 2011

Steve Gransee
Washington County tax Payer Services Manager
14949 62nd Street North
P.O. Box 6
Stillwater, Minnesota 55082-0006

Re: PID#10.027.21.11.0144 – Dilla

Dear Mr. Gransee:

TCF received a call from Wells Fargo Bank, advising that they will not be subordinating their mortgage to the taxes paid by TCF in the amount of \$12,162.32 to Washington County for the above property. Because of this, TCF cannot provide the financing to allow the previous owners to repurchase the property. Therefore, please proceed with the purchase of the above property in the name of TCF National Bank.

Attached you will find a copy of the completed application for repurchase, copy of the certified check and TCF's mortgage, previously sent to your office September 7, 2011.

Please contact me at 612.661.8104 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Monica Lash", with a long horizontal line extending to the right.

Monica Lash
Bankruptcy/Foreclosure Officer
TCF National Bank

TCF your convenience bank™

TCF National Bank
801 Marquette Avenue
Minneapolis, MN 55402-3475

OFFICIAL CHECK 104079419

TWELVE THOUSAND ONE HUNDRED SIXTY TWO AND 32/100

\$\$\$12,162.32***** **USDOLLARS**

PAY TO THE ORDER OF WASHINGTON COUNTY

ACCOUNT NO. *****7673 12318



MEMO:

113311
PID 10.027.241-044

CUSTOMER COPY

NOT NEGOTIABLE

Unless otherwise prohibited by law, the purchaser agrees to provide an appropriate indemnity or declaration of loss affidavit prior to the refund or replacement of this check in the event it is lost, destroyed or stolen. A 90 day waiting period may apply.

17-7000/2910
SEPTEMBER 07, 2019 9011720060
DATE

3453968



Office of the
County Recorder
Washington County, MN

Certified filed and/or recorded on:
2004/07/15 2:15:00 PM

3453968



Cindy Koemann
County Recorder

WASHINGTON COUNTY

Receipt No: 180866 Date: 6/30/2004
Registration tax hereon of: \$374.60 PAID
MN Conservation Fund M.S. 473h \$5.00 PAID
Molly F. O'Rourke, Auditor by BMJudge

794.50

After recording, please return to:
TCF National Bank
Attn: File Review 002-01-P
101 E 6th Street, Suite 101
St. Paul, MN 55101

General American
CONSUMER LOAN MORTGAGE

GAC 1586901NF

TCF NATIONAL BANK
MINNESOTA CONSUMER LENDING DEPARTMENT

Account Number: 099 - 027

**NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE MAXIMUM PRINCIPAL
INDEBTEDNESS SECURED BY THIS MORTGAGE IS**

ONE HUNDRED SIXTY TWO THOUSAND EIGHT HUNDRED SEVENTY DOLLARS AND 00 CENTS
Dollars (\$162,870.00)

This **CONSUMER LOAN MORTGAGE** ("Mortgage") is made this 9th day of June, 2004, by
LINDSEY DILLA and MARK DILLA

Wife and Husband whose address is
7132 JORGENSEN LN S COTTAGE GROVE MN 55016 (the "Borrower"), who
grants, conveys, mortgages and warrants to TCF National Bank, a national banking association, 801
Marquette Avenue, Minneapolis, MN 55402 (the "Lender"), land and property in
Washington County, Minnesota, described as:

SEE SCHEDULE A

street address: 7132 JORGENSEN LN S COTTAGE GROVE MN 55016
property identification no. 1002721110144

together with all buildings, improvements, and fixtures on the property, whether now on the property or
added in the future, and all easements and other rights that pertain to the property (collectively the
"Property"). This Mortgage secures performance and payment under the terms of this Mortgage and
Borrower's note dated the same date as this Mortgage in the principal amount of
ONE HUNDRED SIXTY TWO THOUSAND EIGHT HUNDRED SEVENTY DOLLARS AND 00 CENTS
Dollars (\$162,870.00), subject to any written amendments to the note agreed to by Lender and
Borrower ("Note"). In addition to the indebtedness due under the Note, this Mortgage secures Protective
Advances which may be in excess of the maximum principal amount stated above with interest thereon
and any other charges due under the Note (collectively "Debt") and the performance of any covenants
and agreements of the Borrower contained herein. "Protective Advance" is defined as a payment made
by Lender for performance of covenants of Borrower pertaining to insuring or preserving the Property
upon Borrower's failure to perform. The full Debt, if not paid earlier, is due and payable on 06/24/2034.
 If the box preceding this sentence is checked, the interest rate under the Borrower's Note is variable
and can change daily, as described in the Note.

Borrower promises and agrees:

- To keep the Property in good repair, and to also comply with all laws and ordinances, which affect the Property.
- To pay all taxes, assessments, and water bills levied on the Property, and any other amounts which could become a senior Security Interest. "Security Interest" includes any lien, mortgages or other encumbrance.
- To perform all obligations under any Security Interest on the Property. As of the date hereof, there exists no other Security Interest on the Property, other than as disclosed to Lender on the title insurance commitment or property report or other title evidence obtained by Lender prior to accepting this Mortgage, or on Borrower's loan application.
- To keep the Property insured against fire, windstorm, flood, and such other hazards as Lender may require, in an amount and manner acceptable to Lender, and with the proceeds made payable in the policies to Lender as mortgagee, and to deliver such proof of insurance as Lender may require. Borrower may obtain insurance from the insurance company of Borrower's choice as long as the insurance company is reasonably acceptable to Lender. Lender will apply any insurance proceeds to pay the Debt, unless Lender agrees in writing that the proceeds can be used differently. If Lender uses the proceeds to reduce the Debt, Borrower will still have to make regular monthly payments until the Debt is satisfied. If Borrower fails to keep the Property insured, Lender may, but is not required to, obtain such insurance to protect Lender's interest. Such insurance obtained by Lender may not protect Borrower's equity interest in the Property. Lender is not required to obtain the lowest cost insurance that might be available.
- That if all or part of the Property is condemned or taken by eminent domain, Borrower directs the party condemning or taking the Property to pay all of the money to Lender. Lender will apply the money to pay the Debt, unless Lender agrees in writing that the money can be used differently. If Lender uses the money to reduce the Debt, Borrower will still have to make regular monthly payments until the Debt is satisfied.

