

Carver County Board of Commissioners
 Regular Session
 December 1, 2009
 County Board Room
 Carver County Government Center
 Human Services Building
 Chaska, Minnesota

			PAGE
9:15 a.m.	1.	<ul style="list-style-type: none"> a) CONVENE b) <i>Pledge of Allegiance</i> c) <i>Public participation (comments limited to five minutes)</i> d) <i>Introduction of New Employees</i> 	
	2.	Agenda review and adoption	
	3.	Approve minutes of November 24, 2009 Regular Session.....	1-6
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10:30 a.m.		RECESS REGULAR SESSION UNTIL 6:00 p.m.	
		Work Session Agenda	
10:30 a.m.	A.	LWS/ADMINISTRATIVE SERVICES	
	1.	Waconia Event Center Septic System Update.....	55
6:00 p.m.	8.	FINANCIAL SERVICES	
	8.1	2010 Budget Public Hearing.....	56-79
7:00 p.m.		ADJOURN REGULAR SESSION	

BOARD REPORTS

- | | |
|-----------|------------------|
| 7:00 p.m. | 1. Chair |
| | 2. Board Members |
| | 3. Administrator |
| 7:30 p.m. | 4. Adjourn |

David Hemze
County Administrator

UPCOMING MEETINGS

- | | |
|--------------------------|---|
| December 8, 2009 | No Meeting – AMC Conference |
| December 15, 2009 | 9:15 a.m. County Board Meeting – Work Session canceled |
| December 22, 2009 | 9:15 a.m. County Board Meeting |
| December 29, 2009 | No Board Meeting |

REGULAR SESSION
November 24, 2009

A Regular Session of the Carver County Board of Commissioners was held in the County Government Center, Chaska, on November 24, 2009. Chair Gayle Degler convened the session at 9:17 a.m.

Members present: Gayle Degler, Chair, Randy Maluchnik, Vice Chair, Tim Lynch and Tom Workman.

Members absent: James Ische.

The following amendment was made to the agenda:

5.14 Joint Powers agreement between Carver County and Scott County for Statewide Health Improvement Program grant project work.

Lynch moved, Maluchnik seconded, to approve the agenda as amended. Motion carried unanimously.

Workman moved, Lynch seconded, to approve the minutes of the November 3, 2009, Regular Session. Motion carried unanimously.

Community announcements were made by the Board.

Maluchnik moved, Workman seconded, to approve the following consent agenda items:

Payment of emergency claims in the amount of \$675, \$1,220.72 and \$3,477.25.

Contract for Microsoft CRM software services for Public Health and related Public Health budget amendment transferring \$7,500 Local Public Health Grant revenue to software contractor account.

Authorized the Sheriff's Office acceptance of \$100 donation.

Approved the following abatements:

65-300-0140	Michael Coumbe/Amy Cullen (2007, 2008, 2009)
85-050-4391	Kevin Schroeder (2007, 2009, 2009)
58-228-0040	Kody Teslaa

Five year elevator service contract with MEI.

Contract with Kusske Construction Company in the amount of \$35,000.

Approved home and community based services waiver contract with Cyrus and Becky Batheja doing business as Batheja SLS.

Resolution #77-09, Acceptance of Office of Justice Programs Grants to the County of Carver.

Contract with CenterPoint Energy Services, Inc.

Authorized Chair and County Administrator to sign joint powers agreement between Carver County and the City of Watertown for CSAH 10 reconstruction by TH 25.

Resolution #78-09, Spending of Federal Economic Renewal Grants to the County of Carver.

Joint Powers agreement between Carver County and Scott County for Statewide Health Improvement Program grant project work.

Community Social Services' actions.

Approved payment of the following Commissioners' warrants:

INSERT

Motion carried unanimously.

Lynch moved, Maluchnik seconded, to open the public hearing on the Carver County fee for service schedule. Motion carried unanimously.

David Frischmon, Financial Services, explained State law allows the County to charge fees to cover the cost to provide services. He stated there were several changes to the fee schedule and the increases in fees were included in the Administrator's recommended 2010 budget. He noted the increase attributable to fees for utility companies working in right of ways. Frischmon stated the County was the only metro County that had not been charging fees and the proposed fees covers the County's cost. He clarified that language related to the fee cap on alarms should be deleted from the schedule.

No public testimony was received.

Maluchnik moved, Workman seconded, to close the public hearing. Motion carried unanimously.

David Hemze, County Administrator, explained as a result of County program aid cuts, Divisions were asked to submit budget adjustments and the utility fees were part of Public Works budget adjustments.

Lyndon Robjent, Public Works, acknowledged the right of way and transportation fees were new for the County. He explained the fee is intended to cover the engineering work that is done.

Maluchnik moved, Degler seconded, to approve the revised Carver County fee for service schedule with the deletion of the fee cap on alarms. Degler, Lynch, Maluchnik voted aye. Workman voted nay. Motion carried.

Lynch moved, Maluchnik seconded, to recess as the County Board and convene as the Carver County Regional Rail Authority. Motion carried unanimously.

Frischmon requested the Rail Authority approve the Rail Authority's fee for service schedule. He highlighted the utility crossing fee and the new application fee.

Martin Walsh, Parks, clarified the fees would have little effect on a private users crossing.

Maluchnik moved, Lynch seconded, to approve the Carver County Regional Rail Authority fee for service schedule. Motion carried unanimously.

Lyndon Robjent, Public Works, requested the Rail Authority approve a permit for Carver County to construct a bypass lane on County Road 30 that is within the Rail Authority's right of way.

Lynch moved, Maluchnik seconded, to approve Carver County Road 30 Bypass Lane Permit #2009-02. Motion carried unanimously.

Lynch moved, Workman seconded, to adjourn as the Rail Authority and reconvene as the Carver County Board. Motion carried unanimously.

Dave Hemze, County Administrator, appeared before the Board to request approval of the County's 2010 Legislative Priorities. Hemze highlighted each of the eleven legislative priorities and stated they attempted to focus on items important to Carver County. He noted they were not in priority order and they would be reviewing these at an upcoming meeting with the County's legislative delegation.

The Board discussed past program State aid cuts and the inability to rely on aid in the future considering the State's financial difficulties.

Workman moved, Lynch seconded, to adopt Carver County's 2010 legislative priorities. Motion carried unanimously.

Doris Krogman, Employee Relations, introduced Kathy Paulsen who was working on the telework program for Carver County.

Paulsen requested the Board approve the Carver County Pilot Telework Program Policy and noted the Resolution the Board previously adopted supporting teleworking. She stated a telework task force was formed to develop policy, guidelines, agreements, and documents. Paulsen clarified a group of 30-50 employees will be able to participate in the pilot program which is anticipated to start February 1, 2010.

Maluchnik moved, Workman seconded, to approve the Carver County Pilot Telework Program Policy. Motion carried unanimously.

Melissa Brechon, Library Director, reviewed with the Board the E-Branch Library kiosk grant. She stated the Library received this grant in collaboration with Washington County for a kiosk to be located at the City of Victoria Rec Center. She stated the grant would serve the underserved in both Counties. Brechon indicated there was no other kiosk branch located in the State and they were awarded \$140,000 for the joint project. She stated Carver County would be the fiscal agent for the grant and explained she was asking for approval of the grant; approval of the joint

powers agreement with Washington County and approval to enter into a joint powers agreement with the City of Victoria.

She clarified she did not know what the ongoing support requirements would be as it would depend on the vendor but she would update them as they moved through the rfp process.

Maluchnik moved, Degler seconded, to accept a federal Library Services and Technology grant, administered by the Minnesota Department of Education State Library Services in the amount of \$140,000 for the e-kiosk project. Motion carried unanimously.

Maluchnik moved, Degler seconded, to approve the joint powers agreement with Washington County to jointly purchase and participate in an electronic self service kiosk demonstration grant project. Motion carried unanimously

Maluchnik moved, Workman seconded, to enter into a joint powers agreement with the City of Victoria to locate the kiosk on city property pending approval from the City, County Attorney's Office and Risk Management. Motion carried unanimously.

Steve Taylor, Administrative Services, requested the Board approve an easement acquisition offer and agreement related to an approximate six acre parcel of land owned by the County within the City of Carver boundaries. He explained the City requested both a temporary and permanent easement over the property as part of a wastewater interceptor project. He indicated in 2010 the second phase of the project would commence.

He stated the Met Council has agreed to the terms of the easement and an appraisal has been done. Taylor pointed out the City is also interested in the County conveying the entire parcel to the City of Carver in the future.

Larry Harris, Esq., representing the City, noted the County's general interest in conveying the property to the City in 2006 and explained the reasons for their renewed interest to acquire the property at this time.

Maluchnik moved, Lynch seconded, to approve the easement acquisition agreement and easement acquisition agreement offer of \$3,700. Motion carried unanimously.

Taylor confirmed he would work with Larry Harris and the County Attorney's Office on the terms related to the conveyance.

Dave Drealan, Land and Water Services, requested the Board authorize submitting changes to address the Met Council's additional information requirements. He noted the comp plan had been submitted in September and they received a letter back from them identifying items to be addressed.

Paul Moline, Land and Water Services, pointed out the draft memo to the Met Council responding to their comments. He noted the work session they held last week with the Board relating to the changes. He clarified all townships were sent the replacement pages along with the memo. He stated they have heard back from all the townships with the exception of Young

America Township. Moline indicated Hollywood Township held their meeting last evening. He stated, while the Chair did not have any issues and had deferred issues to residents, there were no residents attending that meeting to express their concerns.

He pointed out a paragraph in the Parks plan differentiating between aggregate and asphalt on the Luce Line was removed as it was not relevant.

He stated they were recommending sending changes to the Met Council so they can continue the review process. He noted they could delay sending until next week if they wanted to get confirmation from Young America Township.

The Board agreed they would submit but if Young America Township had any concerns they would like to review it again.

Lynch moved, Maluchnik seconded, to approve the changes to the Comprehensive Plan and authorized submittal to the Metro Council in response to the Council's request for additional information, pending Young America Township's approval. Motion carried unanimously.

Drealan requested the Board adopt a Resolution agreeing to enter into a grant application and agreement with the Minnesota Pollution Control Agency.

He explained Environmental Services and the Minnesota Landscape Arboretum have been partnering on a compost site on Arboretum property for a number of years. He stated recently they started to compost yard waste and organic waste at the site but odor issues arose due to the amount of organics.

Drealan indicated a decision was made to move to another site on the Arboretum property and a grant from PCA would be used to relocate the site. He indicated the site would be operated differently with limits on the amounts and materials accepted. He added there would also be better access to the site.

Peter Moe, Minnesota Landscape Arboretum, stated they worked to resolve odor issues over the summer but they were not able to at the current site. He stated he was comfortable they could still conduct composting and eliminate odor issues at the new site.

Workman offered the following Resolution, seconded by Lynch:

Resolution #79-09
Approving a Grant Application and Agreement with the Minnesota Pollution
Control Agency for Funding to Relocate the Composting Site to a Different Location on
Arboretum Property

On vote taken, all voted aye.

Rae Jean Madsen, Public Health, explained she was bringing before the Board the 2010-2015 Community Health Assessment and related action plans for approval. She noted they had earlier reviewed these with the Board at a work session. Madsen pointed out the priority issues and

REGULAR SESSION
November 24, 2009

stated two priority issues are being addressed by the Statewide Health Improvement Program grant.

Workman moved, Degler seconded, to approve the Community Health Assessment Action Planning 2010-2015 priority issues and action plans as the Community Health Board. Motion carried unanimously.

Workman moved, Lynch seconded, to adjourn the Regular Session at 11:15 a.m. to go into a work session with Administrative Services and Land and Water Services. Motion carried unanimously.

David Hemze
County Administrator

(These proceedings contain summaries of resolutions. The full text of the resolutions are available for public inspection in the office of the county administrator.)



REQUEST FOR BOARD ACTION

AGENDA ITEM : Information Services - Contract Approval for Professional Services

Originating Division: Administrative Services

Meeting Date: 12/01/2009

Amount of Time Requested:

Attachments for packet: X Yes No

Item Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority

BACKGROUND/EXPLANATION OF AGENDA ITEM: Information Services requests approval of a professional services agreement with Virteva for data center managed services.

Background – Carver County has approximately 85 SQL data and software application servers requiring daily performance monitoring and tuning, SQL system updates, and stress recovery actions.

Virteva did a pilot program for Carver County with technical assistance for managing of these SQL servers. During our pilot program we have paid for these services on a time and material basis.

The conclusion reached from our pilot program supports the continuation of this service and includes 24/7 monitoring and recovery services for all application servers including the Sheriff Office operation and the County Web Site.

By entering into a 2 year contract there is a 20% cost savings over the time and materials billing.

If there is a technical failure in service provided; a penalty is paid by Virteva as outlined in the service agreement.

ACTION REQUESTED: Motion for county board chair to sign Virteva professional services contract.

FUNDING

County Dollars = \$145,800

Other Sources & Amounts =
= \$

TOTAL = \$145,800

Related Financial Comments: Part of 2009 budget.

FISCAL IMPACT

- None
- Included in current budget
- Budget amendment requested
- Other:

Reviewed by Division Director

Date: 10/09/2009



CARVER
COUNTY

*Managed Services Exhibit
Number 01012010E*

*For Managed IT Services Governed by
Master Service Agreement Between
Virteva LLC ("Virteva") and Carver County
("Customer")*

Dated September 16, 2009

Version: 1.1

Prepared by:


VIRTEVATM

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Document Revision History

Date	Version	Updated By	Description of Changes
9/16/2009	1.0	Jamey Anderson	Initial document created.
10/28/2009	1.1	Tom Kieffer	Changes for Carver Co. <ul style="list-style-type: none">• Eliminated operational assessment• Eliminated remediation terms section• Modified access provisions

A. POLICY GUIDE

The services provided under this Exhibit shall at all times be used in compliance with Virteva's then-current general policies and guidelines ("Policies".) All Policies, including change management policies and procedures, and additional detail regarding the specifications of the service offerings, are set forth in Virteva's Policy Guide, which is available to Customer on demand from Virteva.

Upon completion and full execution of a Managed Services Schedule, Customer shall provide an email address(es) so that notices of changes to the Policy Guide will automatically be sent to the email address(es) provided. The email will notify Customer that the Policy Guide has been changed and upon accessing the Policy Guide, the cover page will indicate the Section(s) modified, deleted or added.

B. OPERATIONAL ASSESSMENT

Not Applicable

C. CUSTOMER RESPONSIBILITIES

1. Space

(a) Customer hereby grants to Virteva the right to use the space where the Cabinet and Power (both as defined herein) are situated at Designated Customer Facility ("Space") for the placement and maintenance of the computer and communications equipment specified in the Schedule ("Equipment") which may be interconnected to the Network Services offered by Virteva (as defined herein) or to other communications carriers via facilities within the Customer's premise as approved by Virteva. The Equipment and any necessary software ("Software") may be provided by Customer ("Customer-provided Equipment" or "Customer-provided Software") or by Virteva ("Virteva-provided Equipment" or "Virteva-provided Software") as specified in the Schedule. Customer shall ensure that the Space shall be configured for use in accordance with the Equipment vendor's specifications for electrical, airflow, and clearance. This Exhibit does not create any interest in real estate and is strictly an agreement for the provision of services, which are personal in nature to the parties. Customer shall provide conditioned UPS-based power with transparent and immediate access to a backup power source capable of sustaining power to the Virteva provided Equipment and Customer-provided Equipment that is managed by Virteva (as defined in the Schedule) during any interruption to the primary power source.

(b) Customer shall perform such janitorial services, environmental systems maintenance, power plant maintenance and other services as are reasonably required to maintain the facility in which the Space is located in good condition suitable for the placement of Equipment. Customer shall keep the Space clear of all refuse, cardboard or any potentially hazardous material. Customer shall maintain the Space in an orderly and safe condition. EXCEPT AS EXPRESSLY STATED HEREIN, THE SPACE SHALL BE IN AN ENVIRONMENTALLY CONTROLLED AND PHYSICALLY SECURE FACILITY WITH UPS AND/OR BACKUP GENERATOR CAPABILITY ("INFRASTRUCTURE"). Customer represents that it will not materially diminish such Infrastructure at any Designated Customer Facility (as defined in the Schedule) during the Agreed Term. At its sole risk and expense, Customer shall be responsible for installation of Customer-provided Software on both Customer-provided Equipment and Virteva-provided Equipment. Upon termination or expiration of the Schedule, Customer shall be responsible for removal and return of Virteva-provided Equipment and Software within ten (10) business days.

(c) Customer shall not permit any liens to be placed against any Virteva-provided Equipment or Software.

(d) If Customer fails to pay Virteva any undisputed amounts due under a Schedule, and such failure continues for more than sixty (60) days after receipt of Virteva's written notice of nonpayment, included in Virteva's right to terminate the applicable Schedule is the right to disconnect and remove any or all of the Virteva-provided Equipment and Software from the Space (including any data or Software resident on such Equipment). Virteva may then redeploy any Virteva-provided Equipment in any manner in its sole

discretion. Any of Customer's data or Software resident on Virteva-provided Equipment shall be deleted. Exercise of any of the above rights by Virteva shall not relieve Customer of any of its payment obligations under the Master Agreement

(e) Customer shall provide to Virteva (including any of its employees, agents and other authorized representatives as Virteva may from time to time reasonably designate in writing), limited access to the part of the Designated Customer Facility from which Customer is providing the Space, on an as-needed basis as determined by Customer at the time access is requested.

2. Cabinet and Power

Customer shall provide Virteva, within the Designated Customer Facility, industry standard and Virteva approved cabinet space and power ("Cabinet and Power"). The Cabinet will include:

- i. appropriate EIA rack space for the Equipment;
- ii. proper air ventilation for the Equipment;
- iii. one (1) stationary equipment shelf;
- iv. twenty (20) AMP power feed (A & B-Side Circuits if available) that provides 24x7x365 power availability; and
- v. security by lock and key, managed by Customer's personnel.

In addition, Customer shall permit the installation of Equipment in other cabinets and allow connectivity to Equipment as needed by Virteva to perform Services hereunder.

3. Monitoring and Management Connectivity

Customer acknowledges that for in order to facilitate monitoring and/or management connectivity of Customer's Equipment, that Virteva may terminate one or more Virteva-provided telecommunications circuits, within the Designated Customer Facility.

(a) Connectivity to the Designated Customer Facility will be facilitated by Virteva's use of Customer's existing Internet connection with Customer's consent. In connection with such use, Customer agrees to provide Virteva access at all times to a high-speed (greater than 1Mbps committed bandwidth) Internet connection from a dedicated fast Ethernet port on the customer's Internet firewall infrastructure, and to modify the firewall's security policies to enable Virteva to monitor and/or manage the applicable Equipment. Virteva agrees that its use of Customer's Internet connectivity is solely at its own risk and is subject to all applicable local, state, national and international laws and regulations ("Applicable Laws"). Virteva represents and warrants that it will comply with all Applicable Laws in its use of the Internet connectivity. If the connection to the Customer's Facility is solely facilitated by the Customer's existing Internet connection, without Virteva provided telecommunication circuit(s), Customer agrees that in event of an interruption to the Internet connectivity that Customer shall provide Remote Support Services (as defined herein) as needed to restore Internet connectivity.

(b) When Virteva-provided telecommunications circuit(s) are required; Customer shall, in order to facilitate monitoring and/or management of Customer's Equipment, provide and install, at its expense appropriate connections extending one or more Virteva-provided telecommunications circuits from third party demarcation points within the Designated Customer Facility to the subject Equipment; and industry-standard CAT5 or better patch panel(s) with associated cabling. Cabling requirements to the patch panel will not exceed two (2) CAT5 or better connections per device to be monitored or managed by Virteva. The patch panels will be dedicated for Virteva's sole use and provide connectivity between Customer-provided Equipment and Virteva-provided Equipment.

(c) Network addresses assigned from a Virteva IP network block are non-portable. Network space allocated to Customer by Virteva must be returned to Virteva in the event Customer discontinues Management Services as defined in this Exhibit for any reason, or upon expiration or cancellation of the Schedule.

D. MANAGEMENT SERVICES

1. Server Services.

For all Service(s) listed in this Section, Customer acknowledges the requirement to have Customer-provided Equipment and Customer-provided Software covered under a valid maintenance contract with the original Equipment/Software manufacturer (or a Virteva approved Third Party) for 24x7x365 support with four (4) hour onsite response. Customer acknowledges that for Virteva to provide Server Services, Customer's server(s) must be configured with a drive capable of reading a CD-ROM to facilitate the installation of utility software on the disk volume where the operating system resides. Customer acknowledges that for Virteva to provide Server Services that Virteva will install utility software on the server(s) in the Space on which the operating system resides. In order for Virteva to provide Operating System Management Standard Services, Customer must provide Virteva with ROOT, ADMIN or the equivalent security access.

a) Managed SQL Server Database Services.

Virteva shall provide Managed Database Services for the number of servers and instances set forth in the Schedule. Managed SQL Server Database Services include:

- i. Initial review and certification of SQL Server system build on the server
- ii. Provide level 2 and 3 support services
- iii. Provide Real-Time Monitoring and standard capacity metrics
- iv. Assess, test, and install service packs, patches, and hotfixes for the environment in accordance with customer standards
- v. Assess and recommend upgrades or system configuration changes
- vi. Manage the security and auditing of the environment according to mutually agreed upon best practices
- vii. Troubleshoot and resolve issues that impact performance or availability of the environment
- viii. Monitor Active Directory issues that impact performance and configurations related to SQL Server
- ix. Monitor the SQL Server environment backup status
- x. Support customer personnel in SQL Server disaster recovery situations
- xi. Provide retrospective, diagnostic and trend reporting
- xii. Escalate issues to appropriate vendors as required and assist in troubleshooting exercises

2. Consulting Services.

a) Rate Schedule

Customer may request additional services in fulfillment of the Services defined above. Upon approval of services from both parties, Virteva will provide the requested Consulting Services with a blended rate of \$105 per hour during business hours (6pm, M – F, excluding holidays) and \$115 per hour after hours (all hours outside of business hours). All travel and expenses must be approved in writing by both parties.

b) Engagements

For all Consulting Services engagements estimated to result in fees greater than \$10,000, Virteva will develop and have the Customer sign a Statement of Work. In the event that the estimated fees are less than \$10,000, Virteva will obtain Customer authorization via email or fax. Consulting Services engagements will not be performed without authorization.

3. Supplemental services

Customer agrees that from time to time it may be necessary for Virteva to provide supplemental services on an emergency basis. Customer agrees to pay Virteva for Supplemental Services required on an

emergency basis. Virteva agrees that rates for supplemental services shall be reasonable and not exceed the rate schedule in this exhibit without prior approval.

E. PROBLEM RESOLUTION

1. Detection, Notification and Diagnosis.

Within fifteen (15) minutes of Virteva's determination that there has been a service impacting event, Virteva will notify Customer of the problem and follow customer's process to initiate trouble ticket (unless Virteva was first notified by Customer). If the service impacting event is associated with a device(s) for which Customer has contracted with Virteva for Management Services, then Virteva shall immediately engage then-available technical support to assist in problem diagnosis. If the appropriate technical support resource has not been assigned to problem analysis within fifteen (15) minutes of problem determination, escalation to the next level of Technical Services Management (as defined in the Policy Guide) occurs, culminating with escalation of the problem to the Vice President of Operations in accordance with Virteva's standard operational procedures.

II. Resolution of Service Impacting Event.

As necessary, following the detection and notification to Customer of a service impacting event associated with a device for which Customer has contracted with Virteva for Remote Equipment Management Services, if the problem has resulted in a service outage, Virteva will continue to escalate the problem internally until the service is restored. If the service is not restored within thirty (30) minutes of determination, escalation to the Technical Services Manager and Customer Services occurs. If the service is not then restored within sixty (60) minutes, escalation to the Technical Services Director occurs. If the service is not then restored within ninety (90) minutes, escalation to Vice President of Operations occurs. Virteva shall provide continuous support to Customer in accordance with the terms of the Master Agreement for problem resolution until the service has been restored. As necessary, Virteva shall coordinate with the applicable maintenance vendor to facilitate resolution of the issue.

A. Software Failures

Customer acknowledges that Virteva is not the developer of any of the Software product(s) used to provide the Services hereunder. In the event of a Software Failure, if in the reasonable discretion of Virteva and Customer, such Software Failure cannot be cured and if, at the time of such failure no other functionally equivalent Software compatible with the Equipment is commercially available, Customer shall have the right to immediately terminate the applicable Schedule without penalty to either party. Virteva shall not be liable to Customer or any third party for any damages with respect to such termination.

B. EXPIRATION/CANCELLATION OF SCHEDULE AND TRANSITION SERVICES

Upon expiration/cancellation of a Schedule to this Exhibit for any reason other than due to an uncured material breach by Customer, and provided Customer is not in default of its payment obligations under the applicable Schedule, Virteva shall provide Customer with reasonable and orderly transition services and information and documentation that reasonably may be needed by Customer in connection with the orderly and expeditious transition of the Services ("Transition Services"). The Transition Services shall be provided for a period of up to one hundred twenty (120) days, provided Customer continues to make timely payments of the Monthly Fees attributable to all Schedules to the Master Agreement.

Upon the expiration/cancellation of a Schedule to this Exhibit for any reason Virteva shall delete all Customer data residing on Virteva-provided Equipment.

Managed Services Exhibit Number 01012010E

By the signatures of their duly appointed representatives below, Virteva and Customer, intending to be legally bound, agree to all of the provisions of this Service Exhibit and ratify the terms of the Master Service Agreement.

Virteva LLC

Carver County

By: _____

By: _____

Print Name: _____

Print Name: _____

Print Title: _____

Print Title: _____

Date Signed: _____

Date Signed: _____

Virteva

5775 Wayzata Blvd, Suite 900
Minneapolis, MN 55416
Main - 952.843.1200
Fax - 952.843.1201
www.virteva.com

**VIRTEVA**TM



CARVER
COUNTY

*Master Service Agreement
Number 01012010M*

Between

*Virteva LLC ("Virteva")
a Minnesota Corporation and
Carver County ("Customer")*

Dated September 16, 2009

Version: 1.1

Prepared by:

VIRTEVATM

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Document Revision History

Date	Version	Updated By	Description of Changes
9/16/2009	1.0	Jamey Anderson	Initial document created.
10/28/2009	1.1	Tom Kieffer	Changes for Carver Co: <ul style="list-style-type: none"> • Payment, liability limitations, disclosure and IP, and indemnification terms replaced by the terms embodied in the Carver County PSA in place between the parties • Subrogation provision removed • Contract pricing at 0% increase

I. Agreement

This Master Service Agreement (MSA or Master Agreement) is comprised of the general terms and conditions set forth below and the terms and conditions set forth in the Services Exhibit(s) (hereafter referring to as Exhibit) attached hereto (the services described in such exhibit(s) are referred to collectively as the "Services"). Each Service Schedule or Sales Order (hereafter referring to as Schedule) entered into hereunder represents a separate contract between Virteva and Customer and/or one of its Affiliates (as defined below) that incorporates and is governed by all of the terms of this Master Agreement. Each Schedule will designate which type(s) of Services it covers by direct or in-direct reference to an Exhibit. If there is a conflict between a Schedule, Exhibit and this Master Agreement, the Schedule shall govern. Each Schedule may be signed by Customer or one of its Affiliates with Customer's written authorization, and such signer shall be deemed to be "Customer" for purposes of that Schedule, provided that the Customer who signed this Master Agreement shall be jointly and severally liable with such Affiliate for the performance of all obligations under such Schedule. "Affiliate" means any entity which directly or indirectly controls, is controlled by, or is under common control with Customer for as long as such relationship remains in effect.

THIS MASTER SERVICE AGREEMENT No. 01012010M (the "MSA") between Virteva LLC ("Virteva") and Carver County ("Customer") is made effective as of the date indicated below the Customer signature on this MSA.

1. ARTICLE 1 – INTRODUCTION

1.1. General.

This MSA sets forth the terms and conditions of Virteva's delivery and Customer's receipt of any or all of the services provided by Virteva, including Professional Services. The specific Services to be provided under this MSA are identified in the Service Schedule(s) submitted by Virteva and accepted by Customer. The service levels Virteva will provide to Customer for each Service ordered, other than Professional Services, are defined in detail in the Services Exhibits. Each Service Schedule and Services Exhibit submitted, accepted and executed by both parties is hereby incorporated by reference into this MSA. This MSA is intended to cover any and all Services ordered by Customer and provided by Virteva. Any terms set forth in this MSA which apply specifically to a service not ordered by Customer, will not apply to Customer.

1.2. Definitions.

Capitalized terms used and not elsewhere defined in this MSA, have the meanings given them in Schedule 1.1 to this MSA.

2. ARTICLE 2 – DELIVERY OF SERVICES AND TERM

2.1. Delivery of Services.

(a) General. By accepting a Service Schedule, Customer agrees to take and pay for, and, by submitting the Service Schedule, Virteva agrees to provide, the Services specified in the Service Schedule during the Initial Term and for any Renewal Term, as specified in Section 2.2(b).

(b) Delivery of Supplemental Services. The purpose of this provision is to enable Virteva to provide Customer with certain limited services and equipment needed by Customer on a "one-off" or emergency basis ("Supplemental Services") where such services are not included within the scope of the Services as described in the Service Schedule and/or Services Exhibit(s) or ancillary to those Services. Virteva shall notify Customer of the fees for any Supplemental Services requested by Customer and obtain Customer's approval prior to providing such services. Customer agrees to pay Virteva the approved fees charged by Virteva for Supplemental Services. Virteva will use commercially reasonable efforts to provide

Supplemental Services, provided that Virteva has no obligation to determine the need for or provide Supplemental Services. Except as otherwise agreed to by Customer and Virteva, all Supplemental Services provided pursuant to this Section 2.1(b) and/or Section 2.1(c) are provided on an "as-is" basis and exclude warranties of any kind, whether express or implied.

(c) Delivery of Supplemental Services on an Emergency Basis. In the event Virteva reasonably determines that Supplemental Services are required on an emergency basis, Virteva may provide such services without the consent of Customer, thereafter provide notice of the services to Customer and bill Customer a reasonable fee for such services. The fee shall not exceed the agreed to fee for supplemental services in the Managed Services Exhibit. Services that could be provided on an emergency basis without Customer's prior consent include only those services that would be required to enable the Customer and/or its Affiliates to continue to operate its business. Customer agrees to pay Virteva the fees charged by Virteva for Supplemental Services required on an emergency basis. Customer indicates its acceptance or rejection of this Section 2.1(c) by initialing the applicable response below. If rejected, the provisions of this Section 2.1(c) relating to delivery of Supplemental Services on an emergency basis shall not constitute a part of this MSA. Customer acknowledges that if this Section 2.1(c) is rejected, Customer's consent will be required before the provision of any Supplemental Services. By initialing the rejection response below, Customer agrees to (i) waive all causes of action against Virteva, and (ii) forever hold Virteva harmless, for any and all damages arising out of Virteva's failure to act during any delay period required to obtain Customer's consent to provision of Supplemental Services.

Accept Reject

(d) Billing for Supplemental Services. Customer will be charged for Supplemental Services in the invoice issued the month following delivery of the Supplemental Services.

2.2. Term of Services.

(a) Commencement of Initial Term. The term for each Service will commence on the Service Commencement Date indicated in the Notice of Service Commencement delivered by Virteva to Customer prior to when Virteva begins providing each Service to Customer and continue for the Initial Term. Except in the event of a termination, Customer is obligated to pay all fees and expenses set forth herein through the Initial Term and any Renewal Term.

(b) Renewal Terms. Each Service will continue automatically for additional terms equal to the Initial Term ("Renewal Term") unless Customer notifies Virteva in writing at least thirty (30) days prior to the end of the Initial Term or a Renewal Term, as applicable, that it has elected to terminate such Service, in which case such Service shall terminate at the end of such term. The termination of any Service will not affect Customer's obligations to pay for other continuing Services. Customer will have no obligation to pay for Services after the effective date of termination for a given service. Except as otherwise expressly provided in this MSA, Virteva is obligated to provide and Customer is obligated to pay for each Service through its Initial Term and any Renewal Term. Beginning one year after the Commencement Date of a Schedule, Virteva may increase all fees chargeable under that Schedule by up to zero percent (0%) per contract year, or if the charge is related to a third party provided service, the increase can be proportionate to the increase charged to Virteva by the third party, by giving Customer at least ninety (90) days prior written notice prior to the anniversary of the Commencement Date. Virteva must provide customer with documented evidence of any third party increase.

3. ARTICLE 3 – PAYMENT TERMS FOR FEES AND EXPENSES

3.1. Fees and Expenses.

Customer will pay all fees and expenses due according to the prices and terms listed in the Service Schedule. The prices listed in the Service Schedule will remain in effect during the Initial Term indicated in the Service Schedule and will continue thereafter, unless modified in accordance with Section 2.2(b). Any changes made to billing due to changes on the Services Schedules will be reviewed with Customer one month prior to billing.

3.2. Payment Terms.

Upon signing of the Service Schedule, Customer will be billed an amount equal to all non-recurring charges indicated in the Service Schedule including third party services. On the Service Commencement Date, Customer will be billed for the pro rata amount due for that month's monthly recurring charges. Monthly recurring charges for all other months will be billed thereafter in advance of the provision of Services. All other charges for Services received and expenses incurred during a month (e.g., time and materials billing fees, travel expenses, etc.) will be billed at the end of the month in which the Services were provided. Payment for all fees and expenses are subject to the terms in the prevailing Carver County Professional Services Agreement (PSA) in place with Virteva. All payments will be made in the United States in U.S. dollars as indicated on the invoice.

Time Limitation. If Virteva fails to provide to Customer (1) an invoice for any amount within ninety (90) days after the month in which such amount should have been invoiced, or (2) an invoice for any amount that should have been invoiced in November or December of any year by February 10 of the following year, then Virteva hereby waives any right it may otherwise have to invoice for and collect such amount.

3.3. Late Payments.

Any payment not received within 45 days of the invoice date will accrue interest at a rate of one and one-half percent (1 ½%) per month from the invoice date, or the highest rate allowed by applicable law, whichever is lower. Virteva retains the right to impose the interest charges set forth above on any invoice which is delinquent regardless of whether or not past due invoices have been sent without such interest charges included. If Customer is delinquent in its payments, Virteva may, upon written notice to Customer, modify the payment terms to require full payment before the provision of all Services or require other assurances to secure Customer's payment obligations under this MSA. If Customer is more than 60 days delinquent in payment for services, Virteva has the additional right to suspend service.

3.4. Credit and Other Payment Conditions.

Virteva will perform a credit evaluation of Customer and based on such evaluation may require a deposit or a prepayment for services. If the initial Customer contract with Virteva is for a monthly recurring amount of less than \$5,000, Customer agrees to a payment via ACH debit.

3.5. Payment Disputes.

If Customer in good faith disputes a portion of any invoice, Customer will submitted a detailed account of the dispute to Virteva via email to billinginquiry@virteva.com. Virteva will promptly work to reconcile any submitted disputes. Customer is obligated to pay all non-disputed items. If Customer does not dispute an invoice within 90 days of receipt of such invoice, Customer forfeits any further right to dispute such invoice.

3.6. Taxes.

All fees charged by Virteva for Services are exclusive of all taxes and similar fees now in force or enacted in the future imposed on the transaction or the delivery of Services, all of which Customer will be responsible for and will pay in full, except for franchise taxes and taxes based on Virteva's net income.

3.7. Third Party Expenses.

Customer acknowledges that Virteva may purchase services (Maintenance, Software, Power, Network Services, etc.) from third parties in order to provide the Services with Customer's prior written consent.

4. ARTICLE 4 – CONFIDENTIAL INFORMATION; INTELLECTUAL PROPERTY OWNERSHIP; LICENSE GRANTS

Replaced by the prevailing terms in the Carver County PSA in place between Virteva and Carver County.

5. ARTICLE 5 – VIRTEVA REPRESENTATIONS AND WARRANTIES

5.1. General.

(a) Authority and Performance of Virteva. Virteva represents and warrants that (i) it has the legal right and authority to enter into this MSA and perform its obligations under this MSA, and (ii) the performance of its obligations and delivery of the Services to Customer will not violate any applicable U.S. laws or regulations, including OSHA requirements, or cause a breach of any agreements with any third parties. In the event of a breach of the warranties set forth in this Section 5.1(a), Customer may be entitled to replacement Services, a refund of fees paid for Services provided, damages and termination of this MSA and any Schedules.

(b) Service Level Commitments. The standard Service Level Commitments and terms that Virteva provides are described in the Service Level Agreement attached to this MSA.

5.2. Service Warranties.

(a) Service Level Warranty. Subject to the exceptions set forth in the Service Exhibit(s) and the Service Level Commitment applicable to a specific Service, Virteva warrants that it will provide each Service at or above the service levels defined in the Service Exhibit(s) and the applicable Service Level Commitment (the "Service Level Warranty").

(b) Remedies. In the event that Virteva fails to provide a Service at the level required by the Service Level Warranty, Customer's only remedies are those set forth in the Service Level Commitment applicable to that Service (the "Remedies").

(c) Customer Must Request Remedies. In order to receive any of the Remedies, Customer must notify Virteva in writing within thirty (30) days from the time Customer becomes eligible to receive such Remedies. Failure to comply with this requirement will forfeit Customer's right to receive such Remedies.

(d) Remedies Shall Not Be Cumulative; Maximum Remedy. The Remedies set forth in each Service Level Commitment are not cumulative. The aggregate maximum Remedy for any and all failures to provide Services at the level required by a particular Service Level Commitment that occur in a single calendar month shall not exceed the maximum set forth in such Service Level Agreement.

(e) Termination Option for Chronic Problems. Customer may terminate the Services if the Customer experiences Chronic Problems (as defined in the applicable Service Level Commitment) with such Service. . Customer must provide Virteva written notice of termination for Chronic Problems as specified in the Service Level Commitment and such termination will be effective as provided in the Service Level Commitment. In addition, Chronic Problems will be considered a material breach of the MSA which will enable the Customer to terminate this MSA as set forth in Section 10.1.

5.3. Service Performance Warranty.

Virteva warrants that it will perform the Services in a manner consistent with industry standards reasonably applicable to the performance thereof.

5.4. No Other Warranty.

EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN ARTICLE 5, THE SERVICES AND ANY EQUIPMENT ARE PROVIDED ON AN "AS IS" BASIS, AND CUSTOMER'S USE OF THE SERVICES AND EQUIPMENT IS AT ITS OWN RISK. VIRTEVA DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. VIRTEVA DOES NOT WARRANT THAT THE SERVICES OR EQUIPMENT WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE.

5.5. Disclaimer of Actions Caused by or Under the Control of Third Parties.

VIRTEVA DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM VIRTEVA FACILITIES, THE CUSTOMER'S FACILITIES AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE PERFORMANCE OF INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. AT TIMES, ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER'S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ALTHOUGH VIRTEVA WILL USE COMMERCIALY REASONABLE EFFORTS TO TAKE ALL ACTIONS IT DEEMS APPROPRIATE TO REMEDY AND AVOID SUCH EVENTS, VIRTEVA CANNOT GUARANTEE THAT SUCH EVENTS WILL NOT OCCUR. ACCORDINGLY, VIRTEVA DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO SUCH EVENTS.

6. ARTICLE 6 – CUSTOMER REPRESENTATIONS, WARRANTIES AND OBLIGATIONS

6.1. Representations and Warranties of Customer.

(a) Authority and Performance. Customer represents and warrants that (i) it has the legal right and authority to enter into this MSA and perform its obligations under this MSA, and (ii) the performance of its obligations and use of the Services (by Customer, its customers and users) will not violate any applicable laws, regulations or cause a breach of any agreements with any third parties or unreasonably interfere with other Virteva Customers' use of Virteva services.

(b) Breach of Warranties. In the event of any breach of any of the foregoing warranties, in addition to any other remedies available at law or in equity, Virteva will have the right, in its sole reasonable discretion, to suspend following 30 days notice any related Services if deemed reasonably necessary by Virteva to prevent any harm to Virteva and its business. Virteva will provide notice and opportunity to cure if practicable depending on the nature of the breach. Once cured, Virteva will promptly restore the Services.

6.2. Compliance with Law.

Customer agrees that it will use the Services only for lawful purposes and in accordance with this MSA. Customer will comply at all times with all applicable laws and regulations. Customer acknowledges that Virteva exercises no control whatsoever over the content of the information passing through Customer's sites and that it is the sole responsibility of Customer to ensure that the information it and its users transmit and receive complies with all applicable laws and regulations.

6.3. Restrictions on Use of Services.

Customer shall not, without the prior written consent of Virteva (which may be withheld in its sole discretion), resell the Services to any third parties.

7. ARTICLE 7 – INSURANCE

7.1. Insurance General.

Prior to the commencement of Services, Supplier shall procure the insurance coverage required under this Section 7, at Supplier's sole expense. Thereafter, Supplier shall maintain all such coverage in effect during the term of this Agreement. With respect to any professional liability coverage that is issued on a claims-made basis, the retroactive coverage date shall be no later than the effective date of coverage. Further, such claims-made policies shall be maintained or include extended claim reporting for a period of not less than two (2) years following the expiration or termination of this Agreement. All such coverage shall be issued by insurers properly licensed to do business in the jurisdictions in which the Services are performed. Each such insurer shall be rated by A. M. Best Company as "A VIII" or better or otherwise

acceptable to Customer. For the avoidance of doubt, none of the coverage under this section shall serve to limit Supplier's indemnification obligations or other liability under this Agreement.

7.2. Required Coverage.

The coverage required to be procured and maintained by Supplier under this Section 7 includes the following, together with any additional coverage that may be required under any other exhibit to this Agreement or any Service Schedule:

- (a) Statutory Workers Compensation, as required by applicable law;
- (b) Employer's Liability, with a minimum limit of one million dollars (\$1,000,000);
- (c) Commercial General Liability, including Products Liability, Completed Operations Liability, Personal Injury, Advertising Injury and Contractual Liability, on an an-occurrence basis, with the following minimum limits for bodily injury and property damage: two million dollars (\$2,000,000) per occurrence, and five million dollars (\$5,000,000) annual aggregate;
- (d) Commercial Automobile Insurance, including owned, leased, hired or non-owned vehicles with minimum limits of one million dollars (\$1,000,000) per accident for bodily injury and property damage;
- (e) Commercial Crime Insurance for loss of money, securities and other tangible personal property of Customer resulting directly from the fraudulent or dishonest acts by a Supplier employee while performing professional services for Customer, extending to Customer's premises and with a minimum limit of one million dollars (\$1,000,000) per claim and annual aggregate; and
- (f) Professional Liability insurance including Media Liability, Privacy and Cyber-Risk (Network Security) Liability insurance, covering liabilities for financial loss resulting or arising from acts, errors or omissions in rendering Services in connection with this Agreement including computer or information technology Services, copyright or trademark infringement, or from data damage/destruction/corruption, including contractual liability, failure to protect privacy, unauthorized access, unauthorized use, virus transmission and denial of service from network security failures with a minimum limit of Two million dollars (\$2,000,000) each claim and annual aggregate; and
- (g) Such other coverage, if any, as Supplier may be required to maintain pursuant to applicable laws and regulations.

7.3. Additional Requirements.

Supplier shall cause Customer to be named as an additional insured under the Commercial General Liability and Commercial Automobile Liability coverage described above for any claims, liability and losses actually or allegedly arising out of or in connection with the Services. Supplier shall cause each applicable insurer to agree that Supplier's insurance is primary and that any insurance maintained by Customer is non-contributing.

7.4. Certificates.

Prior to commencing Services and annually thereafter, Supplier shall furnish one or more certificates, satisfactory to Customer, from each insurer evidencing that the coverage required by this Section 7 is in full force and effect in compliance with the provisions of this Section 7. Each such certificate shall state the relevant policy number(s), date(s) of expiration and limits of coverage, and shall further state that such coverage shall not be canceled or materially changed until Supplier endeavors to provide the Customer with at least thirty (30) days prior written notice of such cancellation or change. Supplier shall cause such certificates to be sent to the Customer address for contract administration set forth on the cover page to this Agreement, or such other address as may be specified by Customer from time to time.

7.5. Subcontracting.

If Supplier subcontracts any Services in accordance with the provisions of this Agreement, Supplier shall cause each applicable subcontractor to procure and maintain appropriate insurance coverage. It is expressly understood that Supplier is ultimately responsible for its subcontractors including without limitation ensuring that appropriate insurance is maintained by its subcontractors.

7.6. Waiver of Subrogation.

Deleted

8. ARTICLE 8 – LIMITATIONS OF LIABILITY

Replaced by the prevailing terms in the Carver County PSA in place between Virteva and Carver County.

9. ARTICLE 9 – INDEMNIFICATION

Replaced by the prevailing terms in the Carver County PSA in place between Virteva and Carver County.

9.1. Notice.

Each party's indemnification obligations under this MSA shall be subject to (i) receiving prompt written notice of the existence of any Action; (ii) being able to, at its option, control the defense of such Action; (iii) permitting the indemnified party to participate in the defense of any Action; and (iv) receiving full cooperation of the indemnified party in the defense thereof.

10. ARTICLE 10 – TERMINATION

10.1. Termination for Cause.

Either party may terminate this MSA, effective as of the date specified in written notice of termination provided to the other party, if: (i) the other party breaches any material term or condition of this MSA and fails to cure such breach within thirty (30) days after receipt of written notice of the same, except in the case of failure to pay fees, which must be cured within fifteen (15) days after receipt of written notice from Virteva; (ii) the other party becomes the subject of a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors; or (iii) the other party becomes the subject of an involuntary petition in bankruptcy or any involuntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, if such petition or proceeding is not dismissed within sixty (60) days of filing.

10.2. Termination on Expiration of all Services.

Either party may terminate this MSA, effective as of the date specified in written notice of termination provided to the other party, if all Services have been terminated in accordance with the procedures in Section 2.2(b) or if no Service Schedules are in effect.

10.3. Termination for Convenience.

Unless specifically stated otherwise in an attached Service Schedule, either party may terminate this Agreement for any reason or no reason at all upon providing one hundred eighty (180) days written notice to the other party. The termination for convenience will be effective as of the last day of the calendar month one hundred eighty (180) days following the month in which the request is received.

10.4. No Liability for Termination.

Neither party will be liable to the other for any termination or expiration of any Service or this MSA in accordance with its terms.

10.5. Effect of Termination.

Upon the effective date of termination of this MSA:

(a) Virteva will immediately cease providing the Services;

(b) Any and all payment obligations of Customer under this MSA for Services provided through the date of termination will immediately become due;

(c) Within ten (10) days of such termination, each party will return or destroy all Confidential Information of the other party in its possession and will not make or retain any copies of such Confidential Information except as required to comply with any applicable legal or accounting record keeping requirement; and

(d) If a Schedule is terminated due to an uncured material breach by Customer, or if Customer properly exercises a right to cancel a Schedule before the end of the then current term, then Customer shall (i) pay to Virteva the unamortized balance attributable to any equipment and software purchased by Virteva on behalf of Customer (as designated in the applicable Schedule and documented evidence provided to Customer detailing balances) and (ii) reimburse Virteva for any cancellation charges for third party services purchased by Virteva on behalf of Customer (as designated in the applicable Schedule).

10.6. Termination Assistance.

Notwithstanding the provisions of Section 10.4, upon the termination of this MSA for any reason, Virteva will provide to Customer such termination assistance relating to the Services, at Virteva's then current standard rates, as may be reasonably requested in writing by Customer. Virteva's obligation to provide assistance pursuant to this Section 10.5 is limited to a period of thirty (30) days (the "Assistance Period"). Customer will pay Virteva, on the first day of the Assistance Period and as a condition to Virteva's obligation to provide termination assistance to Customer during the Assistance Period, an amount equal to Virteva's reasonable estimate of the total amount payable to Virteva for such termination assistance for the Assistance Period. Customer will not pay Virteva for termination assistance related to a termination for cause due to Virteva's breach. Customer shall have usage rights to tools used to perform services during the termination assistance period.

10.7. Continuation of Services.

Notwithstanding the provisions of Section 10.4, Customer shall have the option, exercisable upon termination, by delivery of written notice to Virteva, to continue the Services and this MSA on a month-to-month basis after the termination date or the expiration date, as applicable, for the then applicable fees set forth in the Service Schedule. Customer shall have the right to have this MSA continue on a monthly basis pursuant to this Section 10.6 for up to three months. If this MSA is terminated by Virteva, the Customer will pay Virteva, as a condition to Virteva's obligation to continue to provide the Services to Customer an amount equal to Virteva's reasonable estimate of the total amount payable to Virteva. Payment terms as agreed to in Section 3 will apply to continued services.

10.8. Survival.

The following provisions will survive any expiration or termination of this MSA: Articles 3, 8, 9, 10 and 11 (excluding Section 11.2) and Sections 4.1, 4.2, and 5.4.

11. ARTICLE 11 – MISCELLANEOUS PROVISIONS

11.1. Force Majeure.

Except for the obligation to make payments, neither party will be liable for any failure or delay in its performance under this MSA due to any cause beyond its reasonable control, including, but not limited to, acts of war, acts of God, earthquake, flood, embargo, riot, sabotage, governmental act or failure of the Internet (not resulting from the actions or inactions of Virteva) (each a "Force Majeure Event"), provided that the delayed party: (a) gives the other party prompt notice of such cause, and (b) uses its reasonable commercial efforts to promptly correct such failure or delay in performance. If Virteva is unable to provide Services for a period of fifteen (15) consecutive days as a result of a continuing Force Majeure Event, Customer may cancel the Services and this MSA on written notice to Virteva. Such termination will be effective on the date specified in the written notice.

11.2. Marketing.

Any reference to Customer by Virteva requires the written consent of Customer.

11.3. Non-Solicitation.

During the Term of this MSA and continuing through the first anniversary of the termination of this MSA, neither Party will, without the written consent of the other party, solicit for employment or substantially full time consulting any employee of the other party who was substantially involved in providing, receiving or evaluating services. The foregoing shall not apply to non-targeted solicitations contained in periodicals, on web sites or in other media of general communication.

11.4. No Third Party Beneficiaries.

Virteva and Customer agree that, except for the Affiliates, and as otherwise expressly provided in this MSA or Service Schedules, there shall be no third party beneficiaries to this MSA, including but not limited to the insurance providers for either party or the customers of Customer.

11.5. Governing Law; Dispute Resolution.

This MSA and the rights and obligations of the parties created hereby will be governed by and construed in accordance with the internal laws of the State of Minnesota without regard to its conflict of law rules and specifically excluding from application to this MSA that law known as the United Nations Convention on the International Sale of Goods. The parties will endeavor to settle amicably by mutual discussions any disputes, differences, or claims whatsoever related to this MSA. Failing such amicable settlement, each Party hereby submits to the exclusive jurisdiction of the courts of Minnesota, and waives any objection to venue with respect to actions brought in such courts.

11.6. Severability.

In the event any provision of this MSA is held by a tribunal of competent jurisdiction to be contrary to the law, the remaining provisions of this MSA will remain in full force and effect.

11.7. Waiver.

The waiver of any breach or default of this MSA, or the failure to exercise any right provided for in this MSA, will not constitute a waiver of any subsequent breach, default or right, and will not act to amend or negate the rights of the waiving or non-exercising party.

11.8. Assignment.

Customer may assign this MSA in whole as part of a corporate reorganization, consolidation, merger, sale of all or substantially all of its assets, or transaction or series of related transactions that results in the transfer of fifty percent (50%) or more of the ownership of Customer, or one of its Affiliates. Customer may not otherwise assign its rights or delegate its duties under this MSA either in whole or in part without the prior written consent of Virteva, and any attempted assignment or delegation without such consent will be void. Virteva may assign this MSA in whole or part. Virteva also may delegate the performance of certain Services to third parties, including Virteva's wholly owned subsidiaries provided Virteva controls the delivery of such Services to Customer and remains responsible to Customer for the delivery of such Services and the Customer grants its prior written consent as set forth in Section 3.7. This MSA will bind and inure to the benefit of each party's successors and permitted assigns.

11.9. Notice.

Any notice or communication required or permitted to be given under this MSA may be delivered by hand, deposited with an overnight courier, confirmed facsimile, or mailed by registered or certified mail, return receipt requested, postage prepaid, in each case to the address of the receiving party as listed on the Service Schedule or at such other address as may hereafter be furnished in writing by either party to the other party. Such notice will be deemed to have been given as of the date it is delivered, mailed, faxed or sent, whichever is earlier.

11.10. Relationship of Parties.

Virteva and Customer are independent contractors and this MSA will not establish any relationship of partnership, joint venture, employment, franchise or agency between Virteva and Customer. Neither Virteva nor Customer will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent, except as otherwise expressly provided in this MSA.

11.11. Article and Section Headings; Pronouns; Plural and Singular.

The article and section headings in this MSA are for reference purposes only and shall not affect the meaning or interpretation of this MSA. References in this MSA to a designated "Article" or "Section" refer to an Article or Section of this MSA unless otherwise specifically indicated. All pronouns used in this MSA shall be construed as including both genders and the neuter. All capitalized defined terms used in this MSA are equally applicable to their singular and plural forms.

11.12. Entire Agreement.

This MSA, including schedules and all documents incorporated into this MSA by reference, constitute the entire agreement between the parties with respect to the subject matter hereof, and supersede all of the prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter of this MSA. Any additional or different terms in any Statement of Work provided by Customer or other response by Customer shall be deemed objected to by Virteva without need of further notice of objection, and shall be of no effect or in any way binding upon Virteva.

11.13. Counterparts and Originals.

This MSA may be executed in counterparts, which together shall constitute a single agreement. Delivery by telephonic facsimile transmission of a signed counterpart of this MSA shall be effective as delivery of a manually signed counterpart. Once signed, any reproduction of this MSA made by reliable means (e.g., photocopy, facsimile) is considered an original.

11.14. Amendments.

This MSA may be amended or changed only by a written document signed by authorized representatives of Virteva and Customer in accordance with this Section 11.14.

11.15. Interpretation of Conflicting Terms.

In the event of a conflict between or among the terms in this MSA, the Service Schedule, Services Exhibits, Service Level Agreement and any other document made a part hereof, the documents shall control in the following order: the Service Schedule with the latest date, the Services Exhibits, the Service Level Agreement, this MSA and other documents.

Authorized representatives of Customer and Virteva have read the foregoing Master Services Agreement and all documents incorporated into the Master Services Agreement and agree and accept such terms effective as of the date first referenced above by affixing the signatures of respective authorized officers on this document.

By the signatures of their duly appointed representatives below, Virteva and Customer, intending to be legally bound, agree to all of the provisions of this Master Service Agreement.

Virteva LLC

Carver County

By: _____

By: _____

Print Name: _____

Print Name: _____

Print Title: _____

Print Title: _____

Date Signed: _____

Date Signed: _____

II. Schedule 1.1 - Definitions

The following defined terms are equally applicable in their singular and plural forms:

- (a) "Customer Technology" means Customer's proprietary technology, including Customer's Internet operations design, content, software tools, hardware designs, algorithms, software (in source and object forms), user interface designs, architecture, class libraries, objects and documentation (both printed and electronic), know-how, trade secrets and any related intellectual property rights throughout the world (whether owned by Customer or licensed to Customer from a third party) and also including any derivatives, improvements, enhancements or extensions of Customer Technology conceived, reduced to practice, or developed during the term of this MSA by Customer.
- (b) "Initial Term" means the minimum term for which Virteva will provide the Services to Customer, as indicated on the Service Schedule.
- (c) "Notice of Service Commencement" means the written notice delivered by Virteva to Customer indicating the Service Commencement Date.
- (d) "Professional Services" means any non-standard professional or consulting service provided by Virteva to Customer as more fully described in a Service Schedule.
- (e) "Renewal Term" means any service term following the Initial Term, as specified in Section 2.2 of the MSA.
- (f) "Services" means the specific services provided by Virteva as described in the Services Exhibits.
- (g) "Service Commencement Date" means the date Virteva will begin providing the Services to Customer, as indicated in a Notice of Service Commencement delivered by Virteva to Customer.
- (h) "Service Schedule" means any of the forms specifying the Services, and the term and prices of such Services, to be provided by Virteva to Customer.
- (i) "Services Exhibit" is the detailed definition of service levels that Virteva will provide to Customer for specific Services.
- (j) "Service Level Warranty" is described and defined in Section 5.2 of the MSA.
- (k) "Virteva Technology" means Virteva's proprietary technology, including Virteva Services, software tools, hardware designs, algorithms, software (in source and object forms), user interface designs, architecture, class libraries, objects and documentation (both printed and electronic), network designs, know-how, trade secrets and any related intellectual property rights throughout the world (whether owned by Virteva or licensed to Virteva from a third party) and also including any derivatives, improvements, enhancements or extensions of Virteva Technology conceived, reduced to practice, or developed during the term of this MSA by either party that are not uniquely applicable to Customer or that have general applicability in the art.
- (l) The terms "written" and "in writing" mean anything reduced to a tangible form by a party, including a printed, photocopy, facsimile or hand written document but excluding email or other electronic formats.

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VIRTEVATM



CARVER
COUNTY

*Service Level Agreement
Number 01012010A*

*For Managed IT Services Governed by
Master Service Agreement Between
Virteva LLC ("Virteva") and Carver County
("Customer")*

Dated September 16, 2009

Version: 1.0

Prepared by:

VIRTEVATM

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Document Revision History

Date	Version	Updated By	Description of Changes
9/16/2009	1.0	Jamey Anderson	Initial document created.

1. Agreement

1. GENERAL.

This Service Level Agreement sets forth certain Service Levels against which Virteva's performance of the Services shall be measured.

2. DEFINITIONS.

Terms used herein with initial capital letters shall have the respective meanings set forth herein. Terms used herein with initial capital letters but not otherwise defined herein shall have the respective meanings set forth in the Agreement or other exhibits thereto. All references to sections or articles shall be references to sections and articles set forth in this Service Level Agreement unless specific reference is made to a section or article in the Agreement or other exhibits or schedules to the Agreement.

3. REPORTING; INVESTIGATION AND CORRECTION.

3.1. Reporting.

Unless otherwise specified in this Agreement, Virteva shall measure and report to Customer Virteva's performance of the Services against each Service Level on a monthly basis (in accordance with the Policy Guide) beginning on the MSA Effective Date with respect to the Services being performed on and after the MSA Effective Date. Virteva shall provide, as part of the Reports, a set of hard and soft copy reports to verify Virteva's performance and compliance with the Service Levels. Virteva shall provide detailed supporting information for each such report to Customer in machine-readable form suitable for use on a personal computer. Virteva shall provide such reports and supporting information to Customer no later than five (5) business days after the end of the preceding calendar month. Any service level for which no reporting is delivered within five (5) business days after the preceding calendar month shall be treated as a Service Level Failure (as described in Section 5) and shall be subject to Service Level Credits (as described in Section 6). The raw data and detailed supporting information shall be both Virteva and Customer Proprietary Information, and Virteva shall provide Customer with access to such information on-line and in real-time during the Term.

3.2. Investigation and Correction.

Virteva shall promptly investigate and correct failures to meet the Service Levels by:

- (a) Promptly initiating problem investigations, including Improvement Plans conducted in accordance with the Agreement;
- (b) Promptly reporting problems to Customer in accordance with the escalation process set forth in the Policy Guide;
- (c) Using commercially reasonable efforts to correct problems and to begin meeting or restoring Service Levels as soon as practicable;
- (d) Advising Customer of the root cause of performance problems and the status of remedial efforts being undertaken with respect to such problems;
- (e) Providing reasonable evidence to Customer that the causes of such problems have been or will be corrected; and
- (f) Making written recommendations to Customer for improvement in procedures.

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Virteva will identify root causes of all Service Level Failures and correct problems and minimize recurrences of Service Level Failures for which Virteva is responsible.

4. SERVICE LEVEL FAILURES.

A "Service Level Failure" will be deemed to occur whenever Virteva's level of performance for a particular Service Level fails to meet the Service Level Target for that Service Level.

5. SERVICE LEVEL CREDITS.

5.1. Earning Credits.

In the event of a Service Level Failure for a Service Level, Virteva shall provide Customer credits as specified below.

5.2. Calculation.

The Service Level Matrix sets forth the information required to calculate the credits that Virteva shall pay to Customer in the event of a Service Level Failure ("Service Level Credit"). For each Service Level Failure, Virteva shall pay to Customer a Service Level Credit that will be computed in accordance with the following formula:

$$\text{Percent of Total Invoice} = A \times B \times C$$

$$\text{Service Level Credit} = \text{Percent of Total Invoice} \times \text{Total Invoice Amount for the Month}$$

Where:

A = Total Supplier at Risk %.

B = The Service Level Credit Allocation of Pool Percentage for the Functional Service Area as to which the Service Level Failure occurred

C = Allocation Percentage within the Functional Service Area

For example, assume that Virteva fails to meet the Service Level Target with respect to Service Request Fulfillment. Also, assume that Virteva's charges for the month in which the Service Level Failure occurred were \$50,000, that the Total Supplier at Risk is 10%, that the Service Level Credit Allocation of Pool Percentage for the Functional Service Area is 60%, and that the Allocation Percentage within the Functional Service Area is 50%. The Service Level Credit due to Customer for such Service Level Failure would be computed as follows:

$$A = 10\%$$

multiplied by

$$B = 60\%$$

multiplied by

$$C = 50\%$$

$$= 3\% \text{ (Percent of Total Invoice)}$$

$$\text{Service Level Credit} = \$50,000 \text{ (Invoice Amount)} \times 3\% = \$1,500$$

5.3. Multiple Service Level Failures.

Subject to Section 6.4, if more than one Service Level Failure has occurred in a single month, the sum of the corresponding Service Level Credits shall be credited to Customer in accordance with Section 6.7.

5.4. Cap.

In no event shall the aggregate amount of Service Level Credits credited to Customer with respect to all the Service Level Failures occurring in a single month exceed, in total, the Total Supplier at Risk %.

5.5. Changes to Service Level Credit Allocation Percentages.

Customer may make changes to the Service Level Credit Allocation Percentages for any Service Level in any Functional Service Area by sending written notice to Virteva at least sixty (60) days prior to the first day of the first month that such new percentages are to be effective. Such change notices shall include changes necessary to accommodate the addition of new Service Levels pursuant to Section 7. The Percent of Total Invoice for any individual Service Level may not exceed 3.5%.

5.6. Reporting.

As part of the standard monthly Service Level reports provided by to Customer by Virteva pursuant to Section 4.1, Virteva shall, with respect to the applicable reporting period, notify Customer of any (i) Service Level Failures and (ii) Service Level Credits to which Customer becomes entitled.

5.7. Providing Credits.

The total amount of Service Level Credits that Virteva is obligated to pay to Customer with respect to Service Level Failures of Service Levels occurring each month shall be reflected on the invoice delivered the month immediately after the month in which the Service Level Failure(s) giving rise to such Service Level Credits occurred (e.g., the amount of Service Level Credits granted with respect to Service Level Failures occurring in August and reported in September shall be set forth on the invoice delivered in September).

6. ADDITIONS, MODIFICATIONS AND DELETIONS OF SERVICE LEVELS.

6.1. Additions.

Customer may add Service Levels Measurements in accordance with this Section 7.1. Service Level Targets associated with added Service Levels will be computed as follows:

(a) Where at least six (6) consecutive months (or nine (9) consecutive months if the Services covered by the Service Level have significant seasonable variability) of verifiable service measurements exist for a particular Service previously performed by Customer or by Virteva during its term of service to Customer, the Service Level Target for the applicable Service Level shall be defined as the average of the two (2) lowest¹ service measurements achieved during such period (provided, however, if the monthly service measurement is unreasonably low or not representative of Supplier's performance, then the Service Level Target shall be equitably negotiated by the Parties within ten (10) days after the notice of the Addition to Virteva), or

¹ Certain Service Levels may not be measured against an objective of one hundred percent (100%), (e.g., Time (days, hours, etc.) or defects, where zero (0) and zero percent (0%), respectively, are the appropriate objectives). The calculations described in this Section 7.1 will be modified as appropriate to reflect these objectives. For example, if the Service Level involves Defects in lines of code where zero percent (0%) is the objective, "lowest" would be changed to "highest" in Section 7.1(a).

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(b) Where no measurements exist for a particular Service, the Parties shall attempt in good faith to agree during a thirty (30) day period on a Service Level Target for the applicable Service Level using industry standard measures or third-party vendor advisory services (e.g., Gartner Group, Yankee Group, etc.), or

(c) Where no measurements exist for a particular Service, and the Parties fail to agree on a Service Level commitment using industry standard measures as described in Section 7.1(b), the Parties shall do the following:

- i. Virteva shall begin providing monthly measurements within sixty (60) days after Virteva's receipt of Customer's written request and subject to agreement on such measurements in accordance with the Change Control Procedures (provided, that, (1) there shall be no additional charge to Customer for any measurement tools associated with measuring such additional Service Level to the extent that Virteva has or can obtain such tools without additional material costs, (2) the Parties shall equitably share the costs of any tools associated with measuring such additional Service Level if such tool can be used by other Virteva customers, and (3) Customer shall reimburse Virteva for Virteva's Out-Of-Pocket Expenses in acquiring any tools to measure such additional Service Level to the extent that such expenses are pre-approved by Customer). During the three (3) or six (6) month measurement period (as required herein), Virteva will use commercially reasonable efforts to meet the level of performance for the applicable Service requested by Customer.
- ii. After obtaining three (3) consecutive months (or six (6) consecutive months if the Services covered by the Service Level have significant seasonal variability) of service measurements, Customer may at any time in writing request that Section 7.1(a) above be used to establish the Service Level commitments for the applicable Service Level and Functional Service Area.

(d) Allocation Percentages. With respect to the addition of Service Levels, Customer shall modify the Service Level Credit Allocation Percentages for the Service Levels such that the sum of the Service Level Credit Allocation Percentages for all Service Levels in the applicable Functional Service Area equals the At Risk Pool Percentage Available.

6.2. Deletions.

Customer may delete Service Levels by sending written notice to Virteva in accordance with, and subject to, Section 7.4. With respect to the deletion of Service Levels, Customer shall modify the Service Level Credit Allocation Percentages for the remaining Service Levels in the applicable Functional Service Area such that the sum of the Service Level Credit Allocation Percentages for all remaining Service Levels equals the At Risk Pool Percentage Available.

6.3. Modifications.

In accordance with, and subject to, Section 7.4, Customer may modify the Service Level Credit Allocation Percentages for Service Levels. Customer shall, in the case of additions to, or modifications of, Service Levels, modify the Service Level Credit Allocation Percentages for the remaining Service Levels in the applicable Functional Service Area such that the sum of the Service Level Credit Allocation Percentages for all remaining Service Levels equals At Risk Pool Percentage. If Customer adds a Service Level in accordance with Section 7.1 above, but does not modify the Service Level Credit Allocation Percentages for the remaining Service Levels under this Section 7.3, then, until such time as Customer so modifies such Service Level Credit Allocation Percentages, the Service Level Credit Allocation Percentage for such added Service Level shall be zero (0).

6.4. Notice Requirement.

Customer will send written notice to Virteva at least forty-five (45) days prior to the first day of the first month that any additions, deletions or modifications of Service Levels are to be effective, or for which agreement or measurement should be undertaken or initiated pursuant to Section 7.1 above.

7. COMMENCEMENT OF OBLIGATIONS.

The obligations set forth in this Service Level Agreement shall commence on the date specified in the "Service Level Start Date" column in the Service Level Matrix.

8. COOPERATION.

The achievement of the Service Levels by Virteva may require the coordinated, collaborative effort of Virteva with other Customer third-party contractors. Virteva will provide a single point of contact for the prompt resolution of all Service Level Failures.

9. CONTINUOUS IMPROVEMENT.

The Parties agree to the concept of continuous improvement and that the Service Levels should be modified during the Agreement to reflect this concept unless expressly set forth otherwise in the Service Level Matrix. To accomplish this, Service Levels will be modified at the end of each Contract Year as described below:

9.1. Service Level Targets.

Each Service Level Target will be reset by adding to the Target being adjusted a sum equal to five percent (5%) of the difference between one hundred percent (100%) and the then-current Service Level Target. For example, if the Service Level Target being adjusted were 99.4%, the increase would be 0.03%, thereby increasing the Service Level Target from 99.4% to 99.43%.

10. TIMES.

Unless otherwise set forth herein, all references in this Service Level Agreement to times shall refer to local time at the place from which the Service is delivered.

11. SINGLE INCIDENT/MULTIPLE FAILURES.

If a single incident results in the failure of Virteva to meet more than one Service Level, Customer shall have the right to select any one of such multiple Service Level Failures for which it will be entitled to receive a Service Level Credit. Customer shall not be entitled to a Service Level Credit for each such Service Level Failure.

12. EXCEPTIONS.

Virteva will be relieved of responsibility for meeting the applicable Service Level(s) and any associated Service Level Credits only if and to the extent Virteva's failure to meet such Service Level(s) is due to:

- (a) Problems resulting from components or facilities (hardware, Software, Network, maintenance) for which Customer is operationally responsible; or
- (b) Customer reprioritization of tasks to be performed by Virteva where Virteva has notified Customer in advance that such reprioritization will cause Virteva to miss such Service Level; or
- (c) Circumstances that excuse performance in connection with a force majeure event.

13. TERMINATIONS FOR CHRONIC PROBLEMS.

Chronic problems are the conditions warranting termination of Services applicable to this Service Level Agreement and are as follows:

Service Level Agreement Number 01012010A

- (a) Failure to meet the same Service Level three (3) times in any rolling twelve (12) month period; or
- (b) Two (2) outages, for which Virteva is responsible, lasting twenty four (24) or more hours in any thirty (30) day period;

then Customer may, by giving ninety (90) day notice to Virteva, terminate all or any part of the Services of the Agreement.

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II. Service Level Matrix

SERVICE LEVELS

Total Supplier At Risk - Expressed in term of percentage of the Monthly Charge	10%
At Risk Pool Percentage Available For Allocation - Expressed as a % of the "At Risk" amount	120%
At Risk Pool Available Unallocated -- Expressed as % of the Pool not Allocated	0%

Reference		Service Level Start Date	Service Level Target'	Measurement Window	Allocation	% of Invoice	No Continuous Improvement
1	Functional Service Area: Service Request Fulfillment / Change Management	Allocation of Pool Percentage				60%	
1.1	Service Request Fulfillment	MSA Effective Date + 3 Months	90.00%	Monthly	50%	3.0%	
1.2	Change Management Success	MSA Effective Date + 3 Months	90.00%	Monthly	50%	3.0%	
2	Functional Service Area: Incident Management / Availability	Allocation of Pool Percentage				60%	
2.1	Incident Resolution within Specified Time Frame (Sev 1 < 4 hours, Sev 2 < 24 hours, Sev 3 < 4 business days)	MSA Effective Date + 3 Months	95.00%	Monthly	50%	3.0%	
2.2	Single Outage not to Exceed 8 Hours on any device set forth in Servers section of Schedule	MSA Effective Date + 3 Months	N/A	Monthly	50%	3.0%	X

III. Severity Levels

1. INTRODUCTION

This section sets forth qualitative descriptions of Severity Levels associated with the Services. Severity Levels are used to categorize an incident associated with the Services based on the potential impact of the problem to Customer.

There may be different Service Levels associated with the resolution of an incident based on the assigned Severity Level.

1.1. Severity Level 1

Severity Level 1 – Service to be restored in 4 hours (7x24) unless directed by contractual agreement with Customer and its Clients.

Rated as the most critical business impact to Customer; an incident shall be assigned a Severity 1 when:

- (a) Primary functionality of a “Critical” application is not operational, or
- (b) 50 or more employees or application end users are unable to perform their job responsibilities due to an IT issue

Escalation to Severity 1

An incident can be escalated to a Severity 1 from a lower classification by following the prescribed procedures in the Policy Guide. Contractual agreements impacting the restoration time of Severity 1 incidents will be documented in the Policy Guide and updated through Change Control processes.

1.2. Severity Level 2

Severity Level 2 – Service to be restored in 24 hours (7x24) unless directed by contractual agreement with Customer and its Clients.

Rated as having a large impact to Customer; if the incident does not meet the criteria of a Severity 1, an incident shall be assigned a Severity 2 when:

- (a) 10 or more employees or application end users are unable to perform their job responsibilities due to an IT issue, or
- (b) An identified VIP or his/her administrative support, as identified from the VIP List provided, has reported an incident involving his/her workstation or personal productivity tools

Escalation to Severity 2

An incident can be escalated to a Severity 2 from a lesser significant Severity (Severity 3) by following the prescribed procedures in the Policy Guide. Contractual agreements impacting the restoration time of Severity 2 incidents will be documented in the Policy Guide and updated through Change Control processes.

1.3. Severity Level 3

Severity Level 3 – Service to be restored in 4 business days (8x5 time zone local to site).

Rated as having a moderate to low impact; if the incident does not meet the criteria of a Severity 1 or 2, an incident shall be assigned a Severity 3 when less than 10 employees are unable to perform their job responsibilities due to an IT issue.

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1.4. Severity Level 4

Severity Level 4 – Service to be restored while customer is on the phone with his/her initial call to the Service Desk. An incident shall be assigned a Severity 4 when the Service Desk call can be classified as a Resolvable Call per definitions agreed upon between Virteva and Customer.

By the signatures of their duly appointed representatives below, Virteva and Customer, intending to be legally bound, agree to all of the provisions of this Service Level Agreement and ratify the terms of the Master Service Agreement.

Virteva LLC

Carver County

By: _____

By: _____

Print Name: _____

Print Name: _____

Print Title: _____

Print Title: _____

Date Signed: _____

Date Signed: _____

Virteva

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VIRTEVATM



REQUEST FOR BOARD ACTION

AGENDA ITEM : Altering Office Hours on December 24, 2009

Originating Division: Employee Relations

Meeting Date: 12/1/09

Amount of Time Requested: 5 minutes

Attachments for packet: Yes No

Item Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority

BACKGROUND/EXPLANATION OF AGENDA ITEM:

In 2009 Christmas Eve, December 24, is on a Thursday. Historically, the County has either seen very low walk-in or telephone requests for service on Christmas Eve, especially in the afternoon. Most recently, the County has closed the office on the afternoon on December 24.

The request is to close the County Offices, excluding 24/7 facilities, at noon on December 24, 2009, allowing employees to take vacation, compensatory time, floating holidays or unpaid leave to fill in for the lost work hours. For employees who have no such time available, and flexing work hours during the pay period is not feasible, allow the time off without pay, but with no proportionate reduction in benefits for the hours missed.

ACTION REQUESTED:

Motion to close the County offices, excluding 24/7 facilities, at noon on December 24, 2009 and allow employees to use vacation, compensatory time, floating holidays or unpaid leave to fill in for the work hours lost, perhaps resulting in reduced pay, but not reduced benefits.

FUNDING

County Dollars =	\$
Other Sources & Amounts =	
	= \$
TOTAL	= \$

FISCAL IMPACT

None
 Included in current budget
 Budget amendment requested
 Other:

Related Financial Comments:

There is no intended financial impact from this action, but it could result in minor savings if employees use unpaid time.

Reviewed by Division Director
Doris M. Krogman, Employee Relations

Date: 11/24/09



REQUEST FOR BOARD ACTION

AGENDA ITEM : Amendment to Public Health Emergency Response Grant (PHER III)

Originating Division: Public Health

Meeting Date: 12/01/09

Amount of Time Requested:

Attachments for packet: Yes No

Item Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority

BACKGROUND/EXPLANATION OF AGENDA ITEM:

The Minnesota Department of Health has received funds from the Centers for Disease Control and Prevention (CDC) to assess and enhance the capacity of the state, tribal and local public health departments to respond to bioterrorism, infectious diseases and other threats to public health.

MDH previously awarded Carver County Public Health \$71,326.00 of grant funding, called Public Health Emergency Response (PHER I/II), to prepare for and respond to ongoing and emerging outbreaks of Novel Influenza A (H1N1) virus.

MDH recently amended the PHER I/II grant contract to add \$117,222.00. This amended grant is called PHER III, now a total of \$188,548.00.

This three-year grant period is from October 1, 2009 to July 31, 2012.

ACTION REQUESTED:

Motion to accept additional Public Health Emergency Response grant funds (PHER III) in the amount of \$117,222.00 from the Minnesota Department of Health, as the Community Health Board.

FUNDING

County Dollars = \$
 Other Sources & Amounts =
 Mn. Dept. of Health = \$117,222
TOTAL = \$117,222

FISCAL IMPACT

None
 Included in current budget
 Budget amendment requested
 Other:

Related Financial Comments: Grant funding will be added to the 2009 budget. Unexpended funds as of 12/31/09 will be rolled over to 2010 and subsequent budget years as required for response. An amendment to Public Health's 2009 division budget is requested as follows:

Add to Revenue:	01-460-464-2339-5456	PH Emergency Response III (93.069)	\$117,222
Add to Expenditure:	01-460-464-2339-6271	Medical Expense	\$35,000
	01-460-464-2339-6340	Rentals	10,000
	01-460-464-2339-6260	Professional-Technical Fees for Service	15,000
	01-460-464-2339-6421	Food and Beverage	4,000
	01-460-464-2339-6430	Medical Supplies	4,222
	01-460-464-2339-6480	Non-capitalized Equipment	30,000
	01-460-464-2339-6660	Equipment	19,000

Reviewed by Division Director

Date: 11/24/09



REQUEST FOR BOARD ACTION

AGENDA ITEM : Closed Session, Labor Negotiations Strategy

Originating Division: Employee Relations

Meeting Date: 12/1/09

Amount of Time Requested: 40 minutes

Attachments for packet: Yes No

Item Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority

BACKGROUND/EXPLANATION OF AGENDA ITEM:

Employee Relations has opened negotiations for 2010 Collective Bargaining Agreements (CBAs) with six of the 10 units, and have a ratified agreement with only one at this point. The economic climate has created a somewhat difficult situation for bargaining at this time. Minn. Stat 13D.03 subd. 2 allows a public entity to go into a closed session to plan and discuss its strategy to enter into negotiations of initial and subsequent labor agreements.

Employee Relations is seeking further strategic direction as we enter mediation with the largest groups, AFSCME Public Works, Social Services and General units as well as moving forward with the essential units who have access to binding arbitration.

The requested action is to enter into a closed session to affirm or refine the strategy for the 2010 & forward negotiations with AFSCME, LELS and Teamsters.

ACTION REQUESTED:

Motion to go into closed session to discuss Labor Negotiation strategies.

Following the closed session, motion to return to regular session.

FUNDING

County Dollars = \$

Other Sources & Amounts =

= \$

TOTAL = \$

Related Financial Comments:

FISCAL IMPACT

None

Included in current budget

Budget amendment requested

Other:

Reviewed by Division Director
Doris M. Krogman

Date: 11/20/09



CARVER COUNTY

REQUEST FOR BOARD ACTION

AGENDA ITEM : Carver County's Federal Allocation of Recovery Zone Facility Bond Authority

Originating Division: Financial Services/Community Development Agency

Meeting Date: December 1st, 2009

Amount of Time Requested: 20 minutes

Attachments for packet: Yes No

Item Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority

BACKGROUND/EXPLANATION OF AGENDA ITEM: As part of the federal stimulus bill (American Recovery and Reinvestment Act) passed in February 2009, the US Treasury Department allocated **\$3,021,000** of Recovery Zone Economic Development Bond Authority and **\$4,532,000** of Recovery Zone Facility Bond Authority to Carver County.

On September 22, 2009, the County Board approved an allocation of the Recovery Zone Economic Development Bond Authority to the City of Norwood Young America for the library and city hall portion of their Oak Grove Dairy Project.

Also at the September 22, workshop, County Board and staff discussed a proposal for the County Board to allocate to the Carver County Community Development Authority (the "CDA") the County's Recovery Zone Facility Bond Authority which are a new kind of tax-exempt "private activity" bonds similar to industrial revenue bonds. These tax-exempt bonds would be issued by the CDA but all liability and obligation for repayment would be the responsibility of the private business(es).

At a November 17th workshop, the County and CDA discussed having the CDA be responsible for developing an open and fair process for selecting which County business(es) ultimately receive the bonding authority to spur business development in the County.

The County's Bond Attorney from Faegre & Benson is suggesting a modification to the process discussed at the workshop where the County Board does not formally allocate the Recovery Zone bonding authority until the businesses have been selected by the CDA. Thus, the Bond Attorney is recommending that the County Board adopt the attached resolution which directs the CDA to conduct the selection process. Once the selection process has been completed and the three conditions outlined in the Resolution have been met, then County Board will be asked to adopt a Resolution giving final approval for a Recovery Zone Allocation to the private businesses who will be the ultimate beneficiaries of the financings.

ACTION REQUESTED: Adopt the attached resolution.

FUNDING

County Dollars = \$0

Other Sources & Amounts =

= \$

TOTAL

= \$0

FISCAL IMPACT

None

Included in current budget

Budget amendment requested

Other: See below

Related Financial Comments: The Recovery Zone Bonds would be issued by the CDA as "conduit" financing with absolutely no liability or obligation for repayment by the CDA or County generally similar to the Industrial Revenue Bond process.

Reviewed by Division Director

Date: November 23rd, 2009

BOARD OF COUNTY COMMISSIONERS CARVER COUNTY, MINNESOTA

DATE _____ RESOLUTION NO. _____
 MOTION BY COMMISSIONER _____ SECONDED BY COMMISSIONER _____

RESOLUTION TO PROVIDE ALLOCATION OF RECOVERY ZONE FACILITY BOND VOLUME CAP TO CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY BONDS

Section 1. Background. Carver County Community Development Agency (the "CDA") expects to undertake the financing of one or more projects with Recovery Zone Facility Bonds which will require an allocation of the volume cap granted to the County under the American Recovery and Reinvestment Act ("ARRA") and Treasury Notice 2009-50 thereunder.

Section 2. Allocation of Recovery Zone Facility Bond Authority. As authorized by ARRA and Notice 2009-50 the County expects to allocate its entire \$4,532,000 Recovery Zone Facility Bond volume cap to the CDA upon (i) identification of the ultimate beneficiaries of the financings, (ii) designation of the recovery zone and (iii) completion of all required public hearings. When making this allocation the County will make no representations or warranties that the recovery zone to be designated will meet all applicable requirements or that the CDA will use the proceeds of the CDA Bonds for recovery zone property as required by ARRA.

YES	ABSENT	NO
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

STATE OF MINNESOTA
 COUNTY OF CARVER

I, David Hemze, duly appointed and qualified County Administrator of the County of Carver, State of Minnesota, do hereby certify that I have compared the foregoing copy of this resolution with the original minutes of the proceedings of the Board of County Commissioners, Carver County, Minnesota, at its session held on the 1st day of December, 2009, now on file in the Administration office, and have found the same to be a true and correct copy thereof.

Dated this 1st day of December 2009.

 County Administrator



REQUEST FOR BOARD ACTION

AGENDA ITEM : Waconia Event Center Septic System Update

Originating Division: LWS/Administrative Services

Meeting Date: December 01, 2009

Amount of Time Requested: 30 minutes

Attachments for packet: Yes No

Item Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority

BACKGROUND/EXPLANATION OF AGENDA ITEM:

On November 13, Bob Whitmyer of Matrix Soils & Systems, Inc. inspected the Waconia Event Center septic system. His full report should be received by Friday, November 27. In anticipation of receiving this information, staff is requesting this item is discussed during the December 1 Board meeting.

ACTION REQUESTED: Provide direction to staff regarding the Matrix Soils & Systems, Inc. inspector's report.

FUNDING

County Dollars = \$

Other Sources & Amounts =

= \$

TOTAL = \$

Related Financial Comments:

FISCAL IMPACT

None

Included in current budget

Budget amendment requested

Other:

Reviewed by Division Director

Date: November 25, 2009



CARVER
COUNTY

REQUEST FOR BOARD ACTION

AGENDA ITEM : 2010 Budget Public Hearing

Originating Division: Financial Services

Meeting Date: 12/1/2009

Amount of Time Requested: 30 minutes

Attachments for packet: Yes No

Item Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority

BACKGROUND/EXPLANATION OF AGENDA ITEM: The requirements to hold a special Truth-in-Taxation public hearing, continuation hearing, and levy adoption hearing have been repealed. The County is now required to hold a meeting where the 2010 budget and levy are discussed and the public is allowed to speak. This public hearing is required to be held after 6:00 pm.

The County Administrator's Recommended 2010 Budget document is attached as a summary of the 2010 Budget. The entire recommended 2010 Budget Book is available on the County's web site.

ACTION REQUESTED: Open and close the public hearing.

FUNDING

County Dollars = \$

Other Sources & Amounts = \$

= \$

TOTAL = \$

FISCAL IMPACT

None

Included in current budget

Budget amendment requested

Other:

Related Financial Comments: The final 2010 levy & budget and the 2011 long term financial plan is expected to be adopted at the December 15th County Board meeting.

Reviewed by Division Director

Date: 11/23/09

EXECUTIVE SUMMARY

This County Administrator's Year 2010 Recommended Budget applies prioritized resources to Carver County services. The recommendations included in this document reflect the continued difficult economic times experienced in Carver County, across the U.S., and in other countries. Key components of this budget include the following.

- Shifting the State's County Performance Aid ("State Aid") from funding the County's operating budget to pay-as-you-go funding for capital projects. This budgeting strategy was developed at a Board workshop in February 2009 and is due to the unreliability of State Aid, which was unallotted by the Governor in December 2008 and then again in May 2009. To remove State Aid from funding County operations, budget adjustments of \$1.1 million for 2009 and \$2.6 million for 2010 were approved by the County Board in June 2009. The majority of the budget adjustments came from personnel changes (lay-offs and the elimination of vacant positions) that totaled 11.9 Full-Time Equivalent (FTE) positions. 2010 State Aid of \$1.45 million has been designated to the capital projects listed in Attachment C.
- Flat-lining division operational budgets to be the same as 2009.
- Continuing a "soft" hiring freeze and a "no new levy-funded personnel" policy.
- Continuing efforts to find expenditure reductions and revenue increases through various efforts to increase the efficiency and effectiveness of the organization.
- Continuing an aggressive philosophy of projecting certain expenditure and revenue categories based on trend analysis and budgetary pressures.
- Funding capital projects with revenue sources that do not increase the County's 2010 property tax levy.

This recommendation sets the 2010 property tax levy at \$46,779,720 which is a 3.8% increase compared to 2009. The impact of this levy on the average value home will be a slight decrease in County property taxes in 2010 compared to 2009.

This document provides a broad overview of historical budget trends and 2010 budget recommendations. Attachments A and B provide detail on changes to personnel and capital budgets. Attachment C summarizes the capital projects that will be pay-as-you-go funded with State Aid. Attachment D summarizes the proposed State Aid budget adjustments for the Public Works Division and the Health and Environment Division.

In addition to this annual budget, a long-term financial plan was developed in 2008 as a roadmap to fund significant current and future road and building needs. That separate document will be updated and presented in mid-November of 2009.

A Budget Public Hearing has been set for Tuesday, Dec. 1, 2009. The County Board carries the ultimate budget authority and will be asked to adopt the final budget on Tuesday, Dec. 15, 2009.

The hard work staff members provided in assisting with the preparation of this budget should be acknowledged. In particular, the assistance of Division Heads, Department Managers, and finance staff was instrumental in preparing this recommendation and is greatly appreciated.

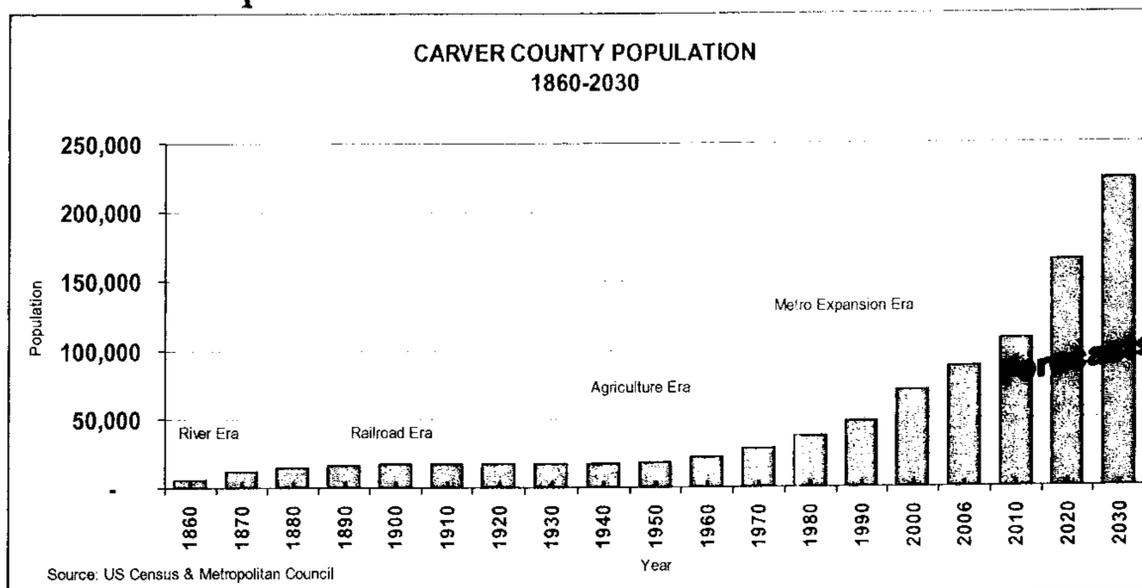
HISTORICAL TRENDS

It is helpful to review past trends as we prepare our next budget. The following are key historical trends which were used to form the foundation of this recommended budget.

A. Population

Carver County's current population is approximately 94,000. Chart #1 shows the dramatic forecasted increase to more than 220,000 citizens by the year 2030. This is roughly 2.5 times the current number of citizens within that timeframe. This explosive population growth is the biggest factor relating to service demand pressure.

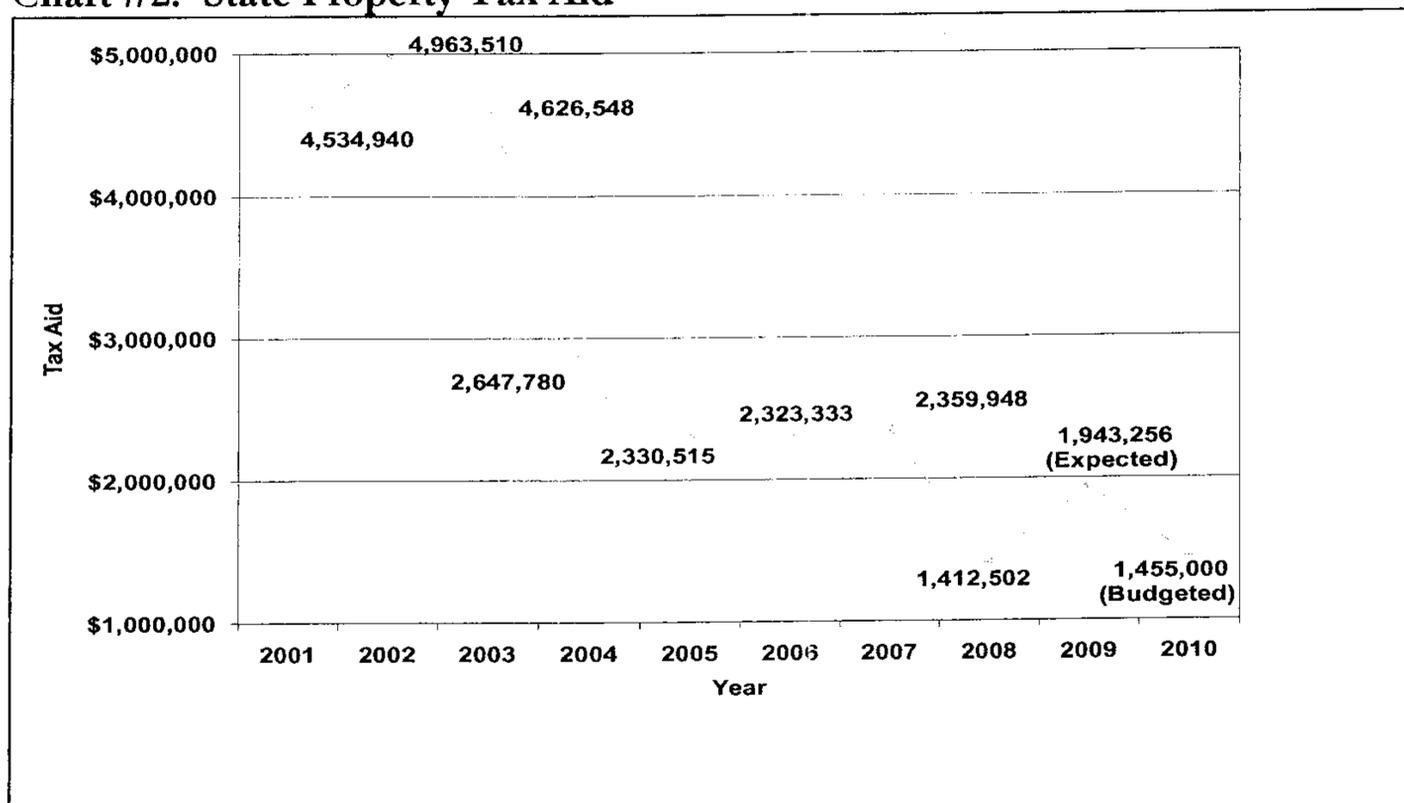
Chart #1: Population Trend



B. General Aid and Property Tax Levy

General property tax aid provided from the State of Minnesota to Carver County is illustrated in Chart #2.

Chart #2: State Property Tax Aid



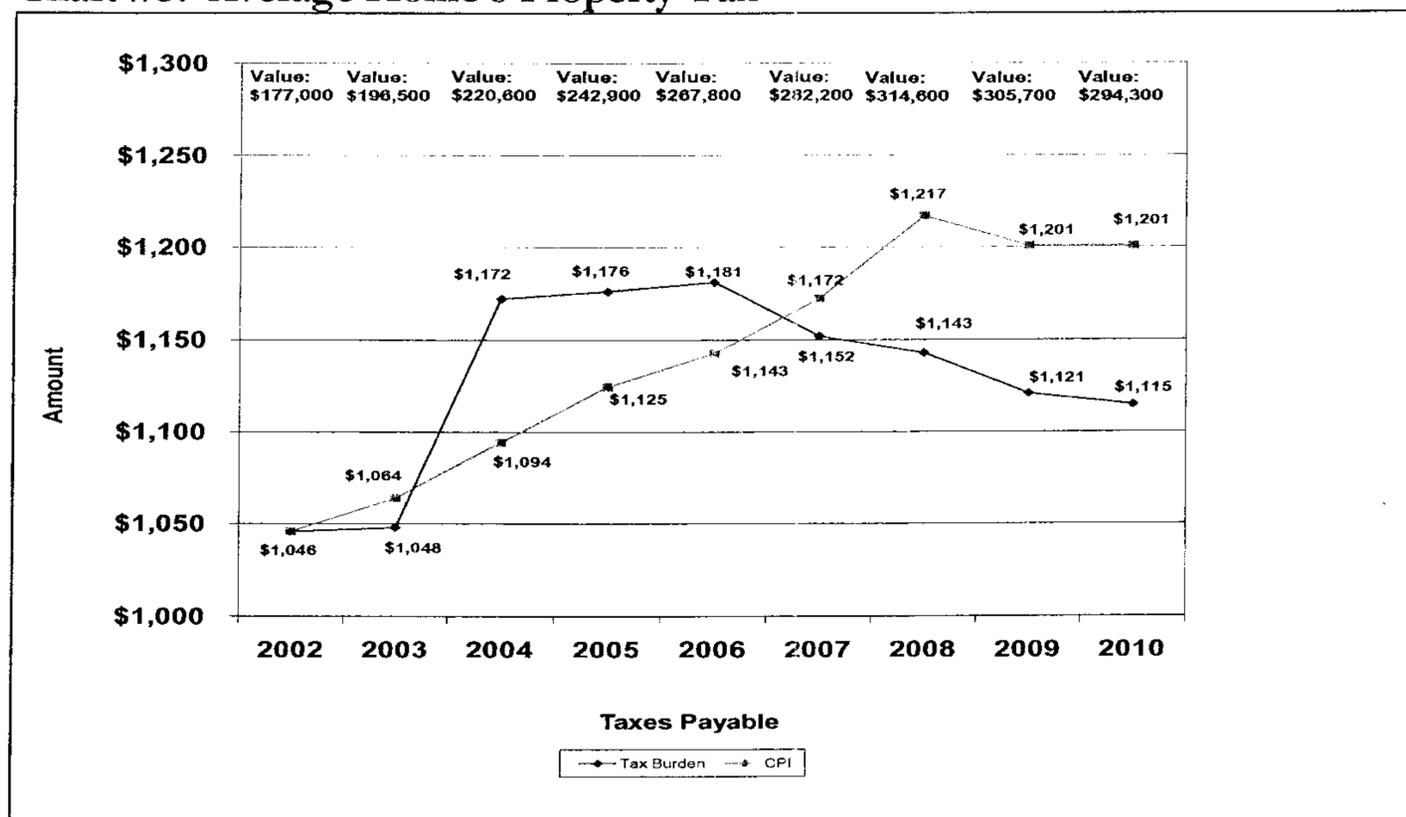
This chart shows a dramatic reduction in aid from year 2002 to 2009. The majority of this loss was suffered between years 2002 and 2004. The general trend beyond year 2004 was a 58

stabilization of this aid with a slight increase in year 2009 projected aid. However, the Governor unallotted 2008 State Aid by \$761,000 in December 2008 and 2009 State Aid by \$565,000 in May 2009. Depending on the State's Budget, the remaining 2009 State Aid of just over \$2 million could be unallotted in December 2009, and the 2010 State Aid of \$1.45 million could be unallotted during 2010.

C. **Property Taxation**

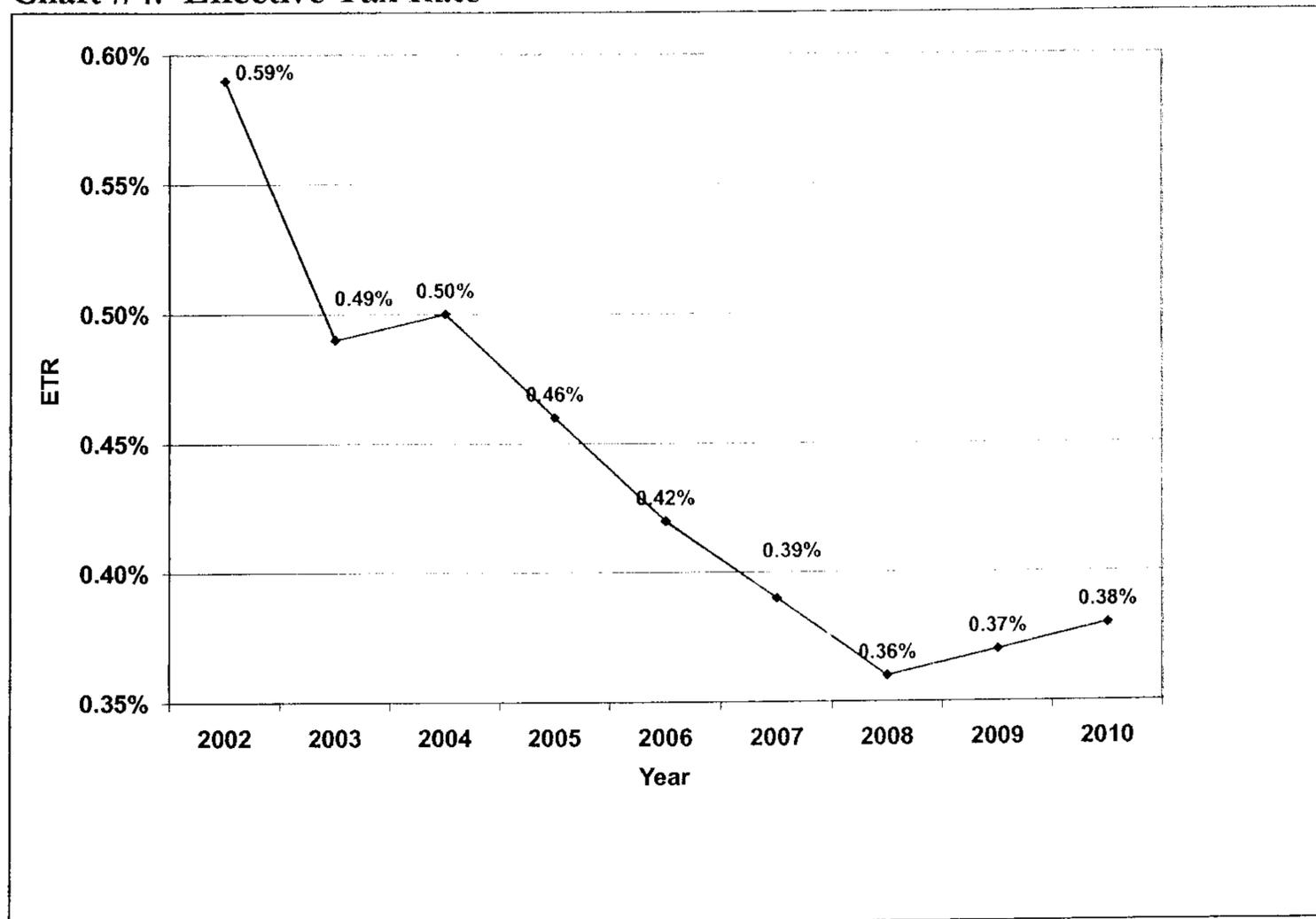
Despite the fiscal pressures faced by factors described earlier, such as State Aid reductions and increasing service demand pressures from a rising population, the increase in the average home's property tax tracks closely with the Consumer Price Index (CPI) over the past several years as illustrated in Chart #3. (The CPI is an inflationary indicator that measures the average change in prices over time in a fixed market basket of goods and services typically purchased by consumers.) An item to note in the chart is the reduced valuation of the average value home starting in 2009. This reverses a trend of double-digit increases in home valuations in past years.

Chart #3: Average Home's Property Tax



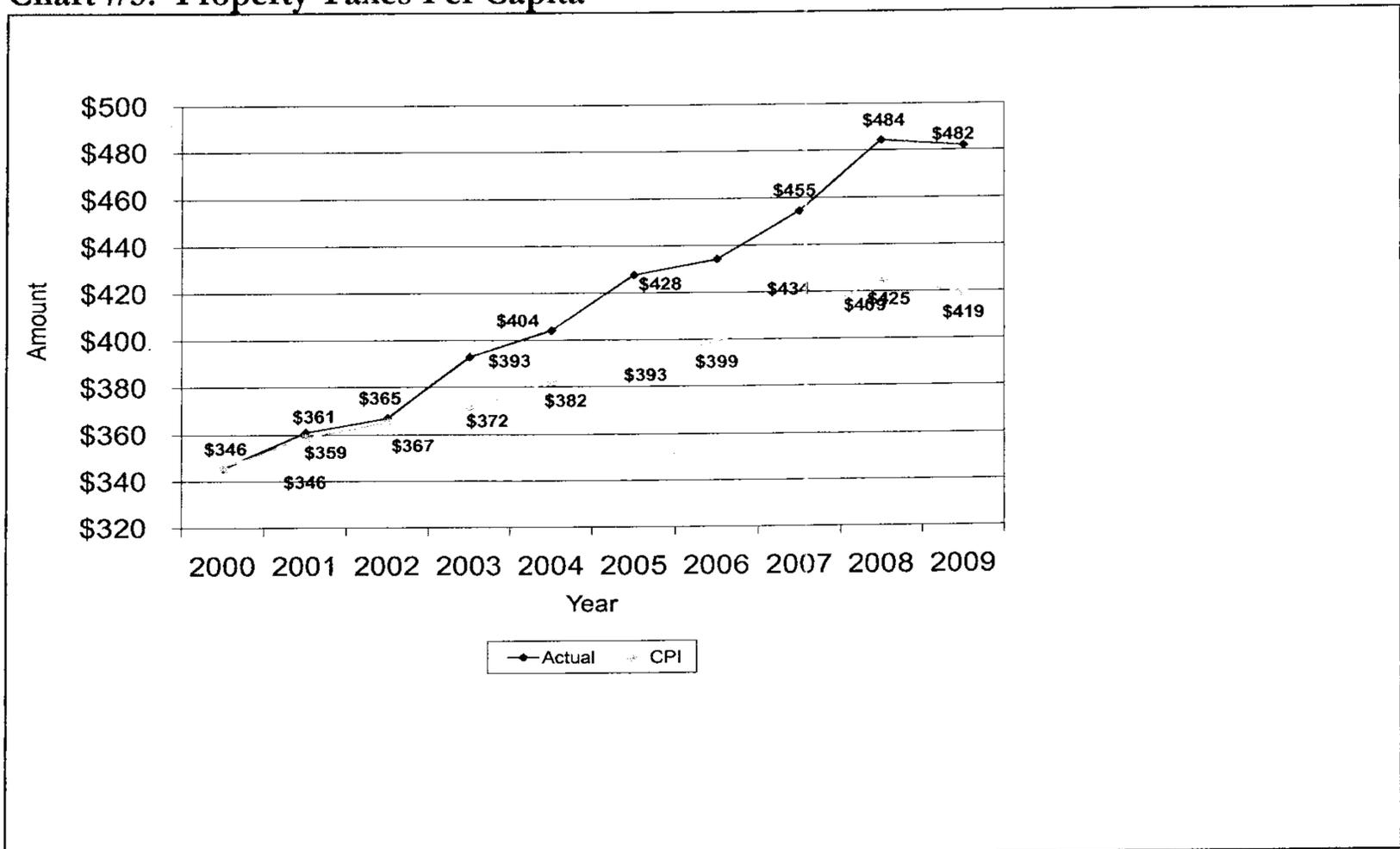
The rapid pace of the average home's increasing value and relatively modest rate of tax increase has resulted in a decreasing effective tax rate for the homeowner, as is illustrated in Chart #4. The effective tax rate is the percentage of market value a homeowner is paying in property taxes and is calculated by taking the home's market value and dividing it by the tax. The declining rate is a clear reflection the County Board's conservative tax policy. This decline also reveals that new construction is reflected in our tax rate, but the majority of the market valuation growth of existing properties has not been captured. Starting in 2009, the upward movement in this trend reflects the decreasing valuation of homes compared to the proposed tax.

Chart #4: Effective Tax Rate



This modest tax growth is also illustrated in Chart #5 which shows the property tax on a per capita basis. Again, the increase mirrors the Consumer Price Index (CPI) trend line.

Chart #5: Property Taxes Per Capita



D. Employees

Since the majority of the County's budget is comprised of personnel costs, it is helpful to view how our employee population has changed over time. Chart #6 shows the number of Full Time Equivalent (FTE) employees from 2001 to 2010. It shows the employee population trending upward from 2001 through 2003, decreasing between 2003 and 2005, trending upward again through 2008 and then decreasing for 2009 from the State Aid budget adjustments. It should be noted that these numbers include employees paid for by outside revenue sources such as contract deputies and license center employees

Chart #6: Total Employees

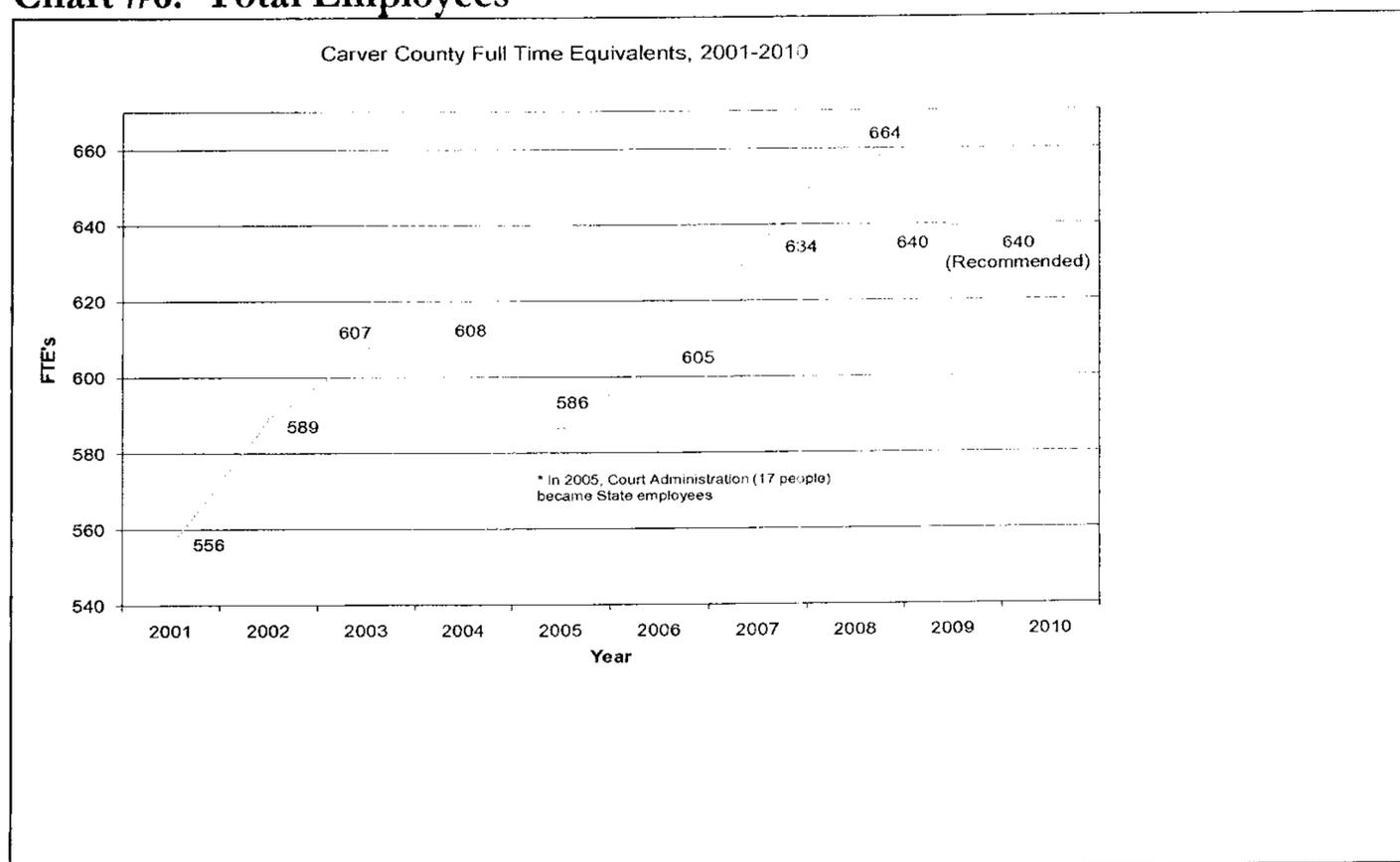


Chart #7: County Employees Per 1,000 Citizens

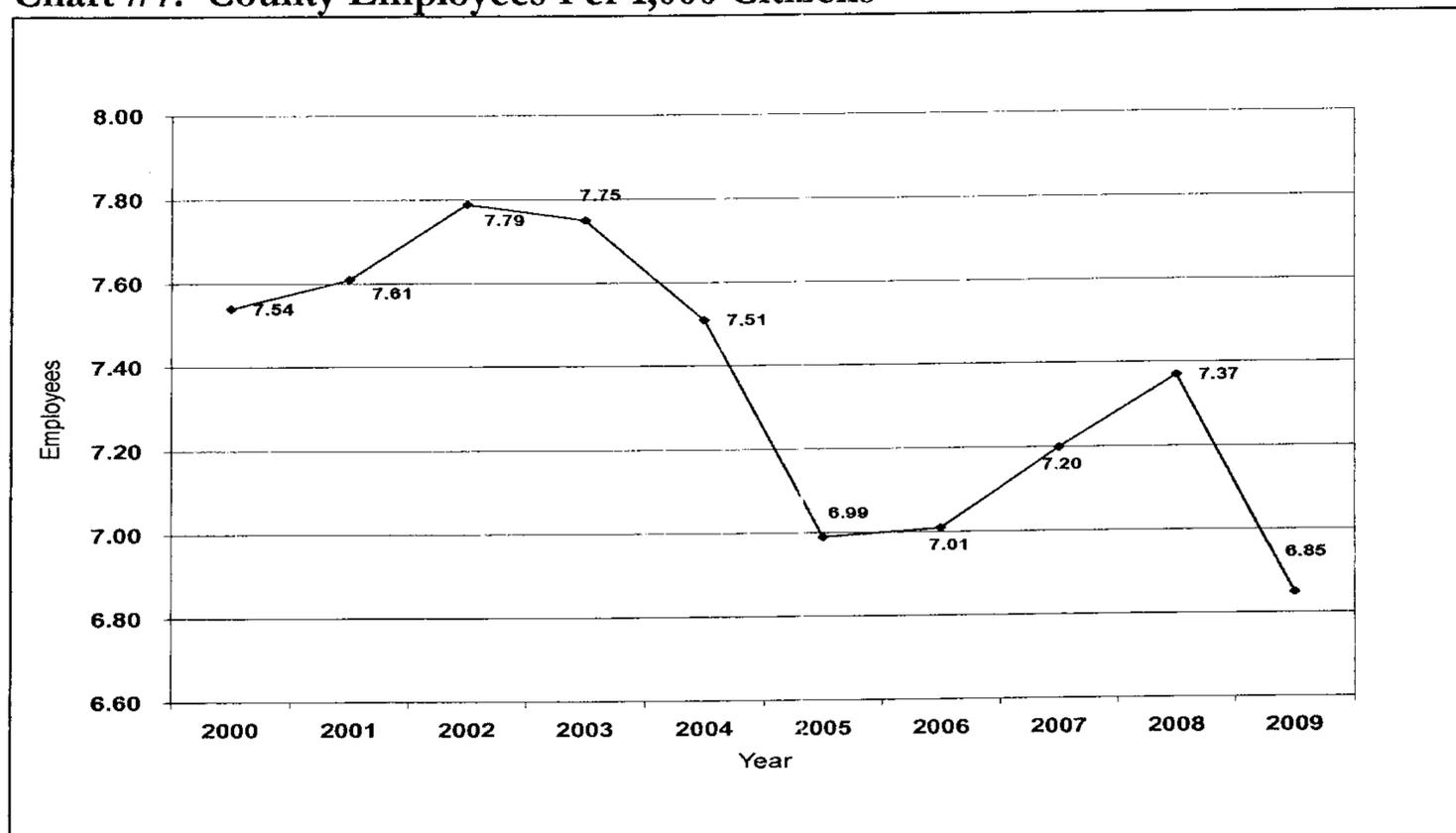
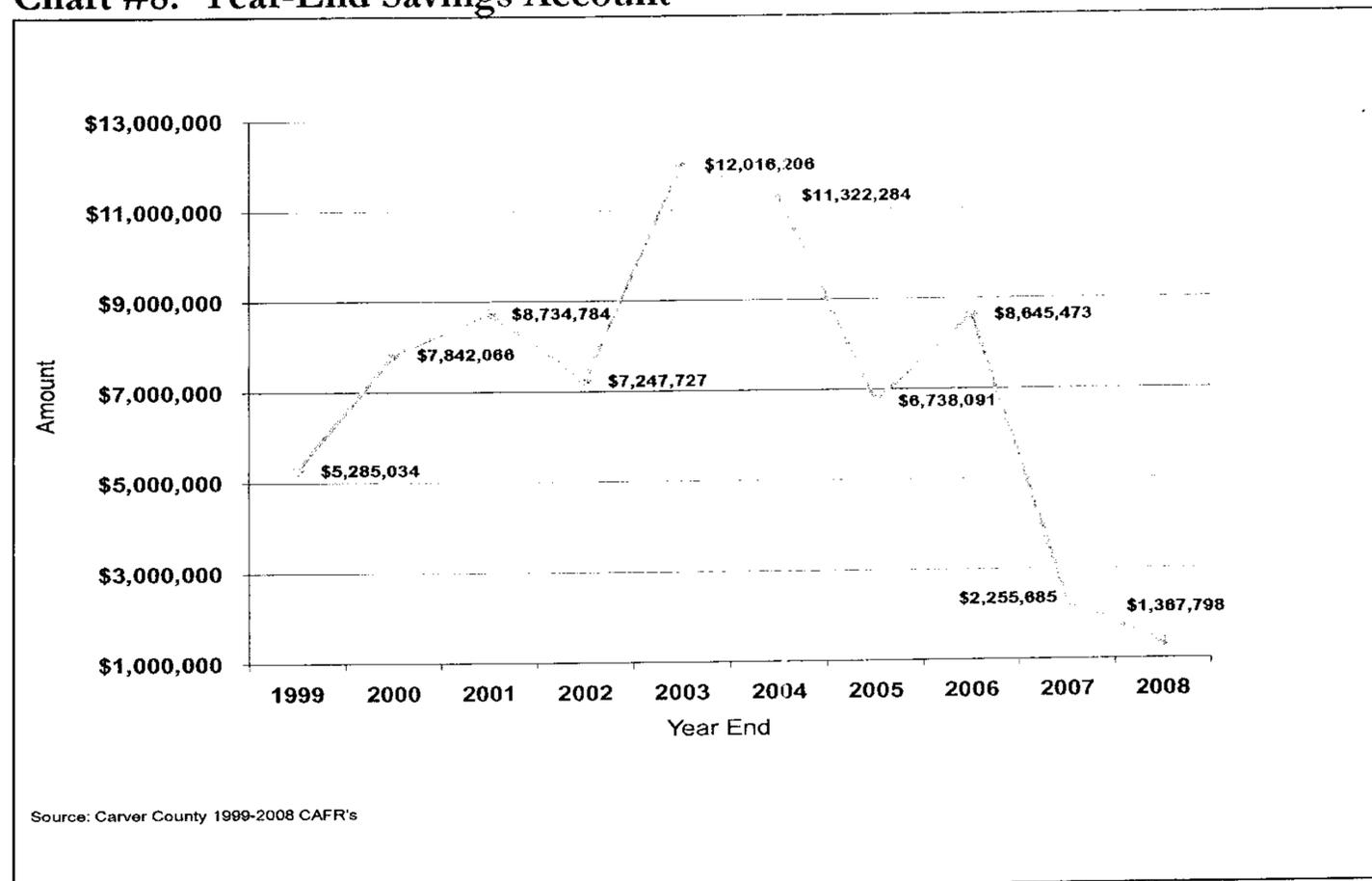


Chart #7 shows the change in the number of county employees per 1,000 citizens. It reveals the trend of “doing more with less” as a result of investments in areas such as technology and efficiencies gained through reorganization.

E. Year-End Savings Account

The final trend presented in this document relates to the historical balance of the Year-End Savings (YES) Account. The YES account designates up to 5% of the County’s reserves for future unknowns such as emergencies, disasters, capital projects and intergovernmental funding cuts. Chart #8 shows the trend in this account’s balance over the last 10 years, with the average balance during this timeframe standing at approximately \$7.1 million.

Chart #8: Year-End Savings Account



The actual balance shown in the financial statement for year-end 2008 is \$1.36 million. Based on current projections, it is estimated that the YES account at year-end 2009 will not change significantly from \$1.36 million.

III. Budget Recommendations

The 2010 Recommended Budget totals just over \$89 million. The budget recommendations are best summarized through an examination of its major components itemized in Attachments A (Personnel List), B (Furniture, Fixtures and Equipment List), C (State-Funded Capital Projects) and D (State Aid Budget Adjustment Targets).

A. Personnel

For 2010, the budget for personnel wages assumes no general salary adjustment, no salary step increases and no new positions. Despite this freeze in personnel costs, salary step increases that were given throughout 2009 will increase the budget by more than \$400,000 in 2010.

Health insurance continues to increase at a rate much higher than inflation. The County adopted a strategy in 2008 to minimize the annual health insurance increase by moving employees away from a legacy, high-cost health insurance plan to less expensive consumer-driven health insurance plans. While progress is being made, health insurance still negatively impacted the County's 2010 budget by more than \$350,000.

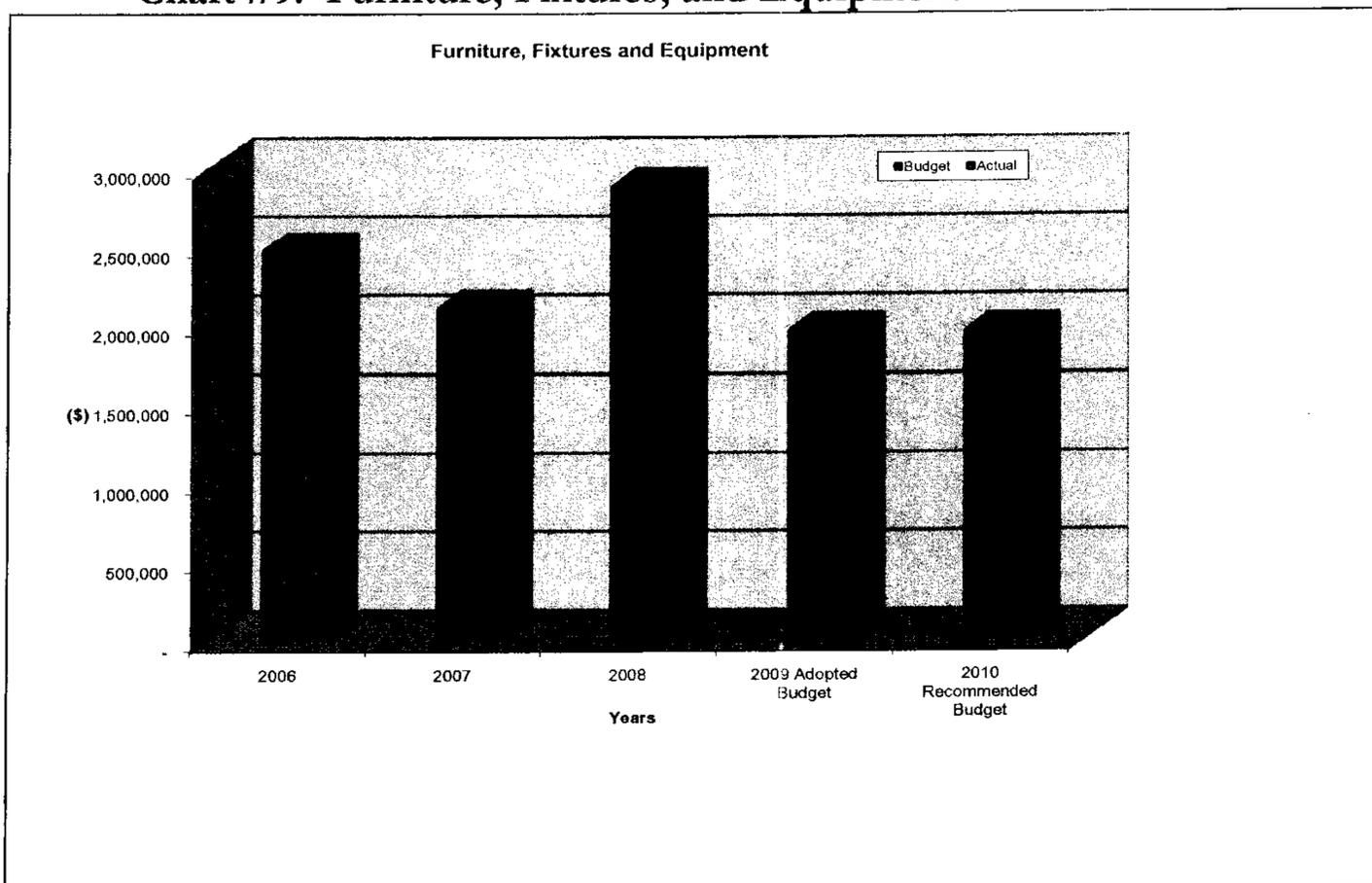
This 2010 recommendation includes an \$800,000 reduction in personnel wage and benefit costs, as compared to full staffing levels, as a result of personnel attrition. This budget adjustment is based on turnover trend analysis and a review of divisional staffing needs. In addition, Carver County has implemented a "soft" hiring freeze, which means a thorough review of vacant positions is made to determine if they should be filled again. Possible alternatives to filling vacant positions are considered as part of this review including position restructuring or elimination to achieve cost savings.

B. Capital

1. Furniture, Fixtures and Equipment

This recommended budget includes an investment of more than \$1.9 million in other capital as is illustrated in Chart #9. A complete detailed list of recommended Furniture, Fixtures and Equipment (FFE) can be found in Attachment B.

Chart #9: Furniture, Fixtures, and Equipment



2. Building Projects

Capital Projects are outlined in Attachment C. The 2010 budget recommendation includes joint construction of a \$1.87 million truck facility with the Minnesota Department of Transportation (MNDOT) and \$425,000 to furnish a new library in Norwood Young America with new books, shelves and equipment. A 2010 bond sale is recommended to finance the MNDOT truck facility with debt service paid by continuing a debt service tax levy that had been used for a jail lease payment that

ended in 2009. The \$425,000 for the new Norwood Young America library is recommended to be paid from 2010 State Aid.

3. **Roads**

Road construction funding by 2010 State Aid will increase by \$692,000, and the debt service on 2008 Road Bonds will increase by \$240,000.

4. **Fiber Optic Ring**

A \$1.8 million fiber optic ring project will be funded by a 2010 bond sale. Elimination of costs for T-1 lines that are currently being used to link county buildings will more than cover the debt service on the bonds. The project will link all county buildings to fiber and offers the potential for school districts, cities, townships, residents and commercial property owners countywide to receive high-speed data access.

C. **State Aid Funded Pay-As-You-Go Capital Projects**

Attachment D provides a list of capital projects that will be funded by State Aid depending on how much is actually received in 2010. The list is prioritized: High priority projects will be funded first and low priority projects on the bottom of the list will be funded last.

D. **State Aid Budget Adjustment Target**

State Aid budget adjustment targets adopted by the County Board in June of 2009 did not include adjustments for the Public Works Division and Health and Environment Division as those two divisions had vacancies in their division director positions beginning in June of 2009. This recommendation includes the budget adjustments proposed for these two divisions is outlined in Attachment E.

E. **Other Key Budget Components**

1. **Decreasing Revenue**

This budget continues an aggressive philosophy of projecting certain expenditure and revenue categories based on trend analysis. Overall revenues are forecasted to be approximately \$700,000 lower with significant reductions in areas such as inmate boarding revenue.

2. **Employee Suggestion Program**

As part of the State Aid Budget Adjustments, which shifted State Aid from funding operations to capital projects, \$200,000 was expected to be saved from employee suggestions. To date, more than 150 suggestions from employees have been submitted for review through a robust SharePoint site that has been created to manage these ideas. The long-term goal for the employee suggestion program is to give all employees a simple and efficient way to process ideas that could potentially save County tax dollars.

3. **Tax Burden Shift from Residential to Commercial Properties**

While the average value home in Carver County decreased from \$305,700 to \$294,300 for 2010, the average value commercial property increased in value from a range of 5% to 12%. This change in property values shifts the tax burden from residential to commercial properties. Even without a levy increase in 2010, property taxes for the average valued commercial

properties would still increase between 5% and 25%. With the 2010 recommended property tax increase of \$46,779,720, the increase in county property taxes for the average value commercial property will be between 8% and 30%.

IV. Property Taxation

This recommendation includes a year 2010 levy of \$46,779,720. Chart #10 compares the recommended year 2010 levy to the 2009 certified levy.

Chart #10 General Levy Comparison

Year 2009 to 2010 General Levy Comparison			
<i>Pay 2009 Certified Levy</i>	<i>Pay 2010 Recommended Levy</i>	<i>\$ Increase</i>	<i>% Increase</i>
\$45,065,587	\$46,779,720	\$1,714,133	3.8%

The year 2010 levy is estimated to slightly decrease 2010 property taxes on the average value home compared to 2009. This estimate includes a market valuation decrease on the average value home from \$305,700 in year 2009 to \$294,300 in year 2010.

V. Expenditures and Revenue Comparisons

The following series of charts (#11 through #14) provide broad-based illustrations of budget changes. These charts provide comparisons between the adopted 2009 budget and the recommended 2010 budget.

Chart #11:

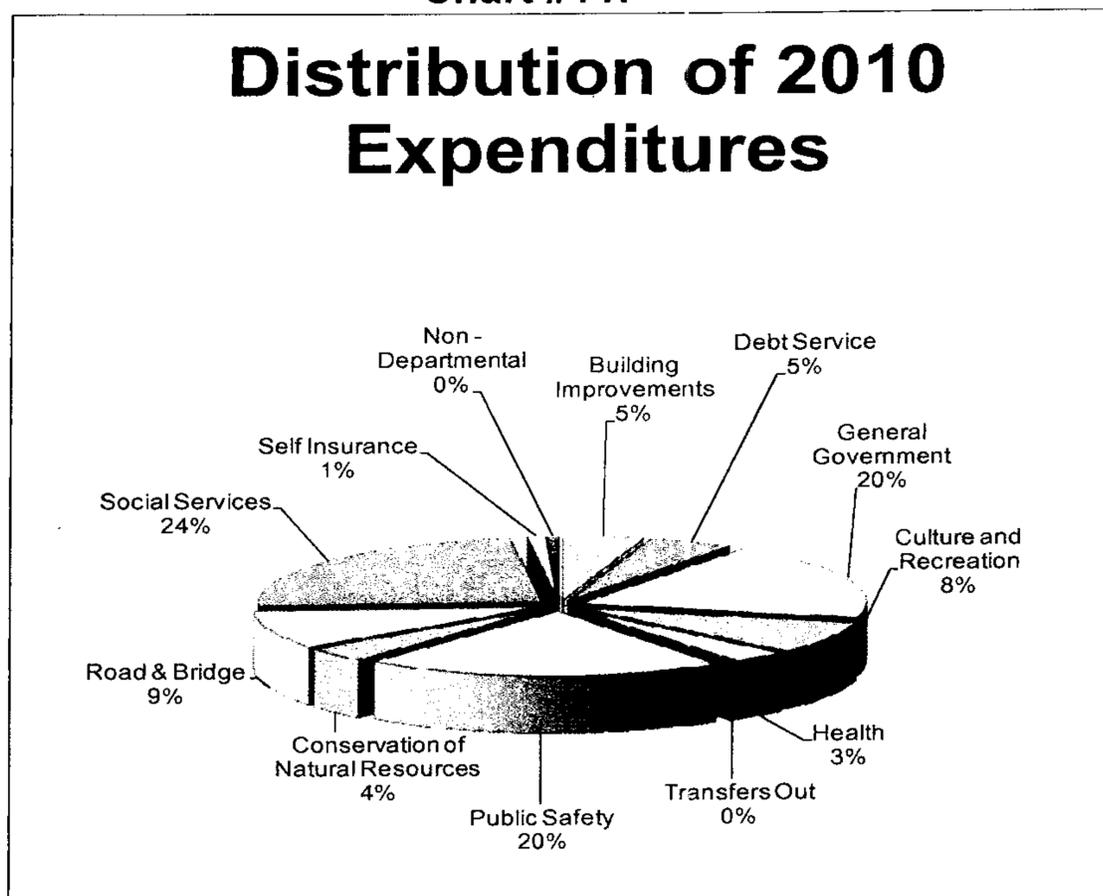


Chart #12:

Distribution of 2009 Expenditures

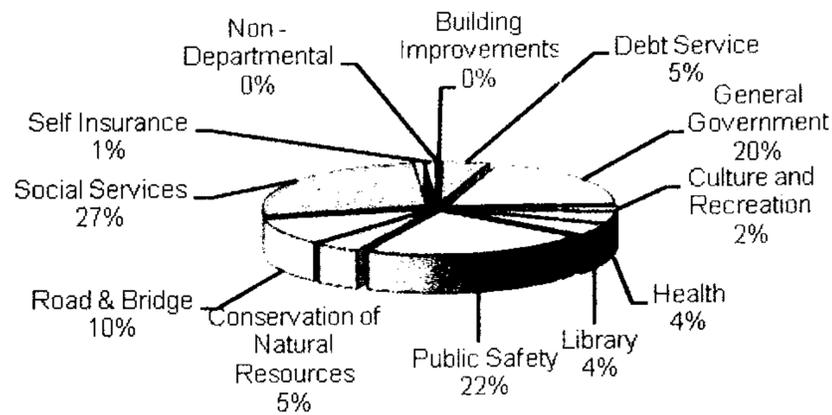


Chart #13:

SOURCES OF 2010 REVENUES

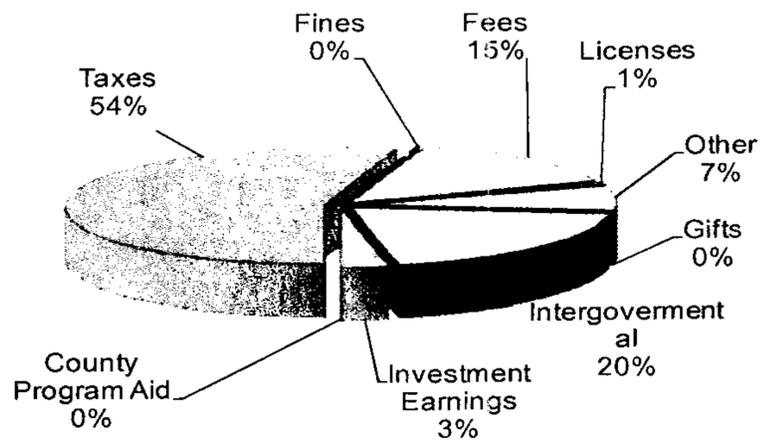
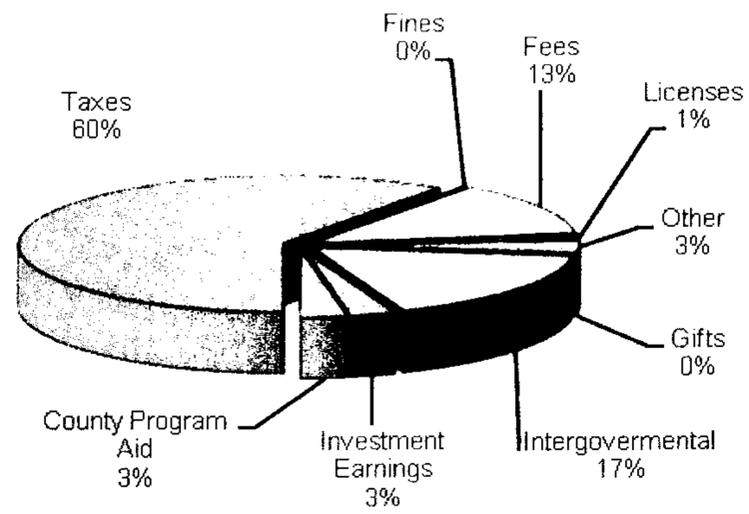


Chart #14:

SOURCES OF 2009 REVENUES



Attachment A: 2010 Staffing Changes

Staffing Changes Requested for 2010						
Division/Department	Requested FTE's	Recommended FTE's Changes	Position	Requested Gross (\$)	Requested Net (\$)	Recommended Net (\$)
2010 New Positions						
Library	1.00	1.00	2 @ 0.5 FTE Libr. Assistant *	5,880	5,880	5,880
Subtotal	1.00	1.00		\$ 5,880	\$ 5,880	\$ 5,880
Eliminate Vacant Positions						
Public Health	(0.80)	(0.80)	Planner	(88,479)	(88,479)	(88,479)
Subtotal	(0.80)	(0.80)		\$ (88,479)	\$ (88,479)	\$ (88,479)
Restructuring - Reorganization, Lay-offs & Reductions in Hours						
Information Services	(1.00)	(1.00)	WebMaster	(66,233)	(66,233)	(66,233)
Information Services	1.00	1.00	SharePoint Administrator	68,482	68,482	68,482
Subtotal	0.00	0.00		\$ 2,249	\$ 2,249	\$ 2,249
Totals	0.20	0.20		\$ (80,350)	\$ (80,350)	\$ (80,350)
* beginning in mid October 2010						

Attachment B: 2010 Furniture, Fixtures, and Equipment

FACILITIES, FIXTURES & EQUIPMENT BY DEPARTMENT FOR 2010

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Commissioners					
		Equipment: 01-001-000-0000-6660	-	-	-
Dept Total	01-001-000-0000-66XX		-	-	-
County Administration					
		Equipment: 01-030-000-0000-6660	-	-	-
Dept Total	01-030-000-0000-66XX		-	-	-
Administrative Services - Administration					
Dept Total	01-048-XXX-0000-66XX		-	-	-
Administrative Services - Facilities					
110	2	EMERGENCY BUILDING REPAIRS	80,000	80,000	-
110	3	CARD READERS - ELECTRIC LOCKS	30,000	30,000	-
110	6	ENERGY MANAGEMENT SYSTEM	25,000	15,000	(10,000)
110	7	MISC BUILDING IMPROVEMENTS	70,000	70,000	-
110		EXTERIOR SIGNS - PARKING & BUILDING	50,000	50,000	-
110	120	JAIL PAINTING	10,000	10,000	-
110	121	JAIL FLOORING	15,000	15,000	-
110	35	JAIL UPS BATTERY REPLACEMENT	11,000	11,000	-
110	115	JAIL LOBBY-MATS-PAINTING	12,500	-	(12,500)
110	114	LEC TUCK POINT - WATER PROOFING	15,000	15,000	-
110	96	COURTS CARD READERS/LOCKS	30,000	30,000	-
110	76	COURTS CARPET REPLACEMENT	25,000	-	(25,000)
110	61	CSS WALL REMOVAL - TRAINING ROOM REMO	50,000	25,000	(25,000)
110	35	ADMIN WEST SPACE PLANNING	30,000	-	(30,000)
110	67	ADMIN WEST PARKING LOT (Paid from State Aid	138,000	138,000	-
110	103	ADMIN WEST FENCING FOR REFUSE-FUEL TAN	10,000	10,000	-
110	110	PWHQ MONUMENT SIGN	18,000	18,000	-
110	111	PW FACILITY REPORTS	10,000	-	(10,000)
110	112	SIGN SHOP DUST COLLECTOR SYSTEM	12,500	6,000	(6,500)
110		PWHW BOILER STACK CODE CORRECTION	12,000	8,000	(4,000)
110		PW OUTBUILDING IMPROVEMENTS	12,000	12,000	-
110	55	PEAVEY INTERIOR DRAINS FOR WARE	12,000	-	(12,000)
110	69	PEAVEY EXTERIOR PAINT	25,000	-	(25,000)
110		PEAVEY DROP OFF ROOF SYSTEM	70,000	-	(70,000)
110	63	PEAVEY OFFICE CARPET	11,000	-	(11,000)
110	89	FIRST STREET CARPET REPLACEMENT FACIL	5,000	5,000	-
110	90	1ST LIGHTING ENERGY IMPROVEMENTS	15,500	-	(15,500)
110	80	1 STPARKING LOT REPAIR/REMOVALS	12,000	-	(12,000)
110	88	1ST HOT WATER HEATER/WATER SOFTENER	11,000	11,000	-
110	72	DEFERRED MAINTENANCE HISTORY - HOUSE I	30,000	-	(30,000)
110	43	ENCORE FURNACE-HOT WATER	10,000	-	(10,000)
110		CHANHASSEN TAXPAYER CANOPY	15,000	15,000	-
529		WACONIA EVENT HVAC SOUND REDUCTION	5,000	5,000	-
529		EXTERIOR - LOT FENCING, EXIT STAIRS BALLA	8,800	8,800	-
529		REVENUE BASED IMPROVEMENTS	-	-	-
		Building Improvements 01-110-000-0000-6640	896,300	587,800	(308,500)
Dept Total	01-110-XXX-0000-66XX		896,300	587,800	(308,500)

**FACILITIES, FIXTURES & EQUIPMENT
BY DEPARTMENT FOR 2010**

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Administrative Services - Information Services					
Manager Capital Initiatives					
		Technology	150,000	150,000	-
		Data and Phone Cabling Needs - County Facilities	-	-	-
		Software: 01-049-000-0000-6655	150,000	150,000	-
		Total 01-049-000-0000-66XX	150,000	150,000	-
Technical Unit		County Wide Technology	248,000	200,000	(48,000)
		Cisco Core Switch - DR and Redundancy			
		Blade Center - DR and Redundancy			
		VMWare - DR and Development			
		Citrix - DR and Development			
		Storage - DR and Development			
		UPS - Addition for DR and Development			
		Equipment: 01-049-046-0000-6660	248,000	200,000	(48,000)
		Total 01-049-046-0000-66XX	248,000	350,000	(48,000)
Central Services					
Central Services					
		Work Stations (front desk)	10,000	-	(10,000)
		Citizen self service informational Kiosk	30,000	-	(30,000)
		Replace Black/White or Color Copier	36,000	36,000	-
		Equipment: 01-049-060-0000-6660	76,000	36,000	(40,000)
		Total 01-049-060-0000-66XX	76,000	36,000	(40,000)
Records Management		Scanners for Imaging program	20,000	20,000	-
		Moveable Storage Shelves	31,000	-	(31,000)
		Equipment: 01-049-061-1000-6660	51,000	20,000	(31,000)
		Total 01-049-061-1000-66XX	51,000	20,000	(31,000)
			-	-	-
		Equipment: 01-049-063-2000-6660	-	-	-
		Total 01-049-063-2000-66XX	-	-	-
Dept Total	01-049-XXX-XXXX-66XX		525,000	406,000	(119,000)
Administrative Services - Library					
Administration					
		Self check out replacement	23,000	23,000	-
		Equipment: 01-014-500-0000-6660	23,000	23,000	-
		Total 01-014-500-0000-66XX	23,000	23,000	-
Chanhassen				-	-
		Equipment: 01-014-501-0000-6660			
		Total 01-014-501-0000-66XX	-	-	-
Chaska					
		Building: 01-014-502-000-6660	-	-	-
		Total 01-014-502-0000-66XX	-	-	-
Waconia		Copy machine	8,050	8,050	-
		Equipment: 01-014-503-0000-6660	8,050	8,050	-
		Total 01-014-503-0000-66XX	8,050	8,050	-

**Library - Continued
Watertown**

Copy machine	3,602	3,602	-
Equipment: 01-014-504-0000-6660	3,602	3,602	-
Total 01-014-504-0000-66XX	3,602	3,602	-

Norwood Young America

Equipment: 01-014-505-0000-6660	-	-	-
Total 01-014-505-0000-66XX	-	-	-

Dept Total	01-014-XXX-XXXX-66XX	34,652	34,652	-
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Administrative Services - University of Minnesota Extension

Equipment: 01-601-000-0000-6660	-	-	-
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Software: 01-601-000-0000-6655	-	-	-
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Dept Total	01-601-XXX-XXXX-66XX	-	-	-
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Administrative Services - Veterans Services

	-	-	-
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Dept Total	01-120-000-0000-66XX	-	-	-
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Attorney

Equipment: 01-090-000-0000-6660	-	-	-
01-090-XXX-XXXX-66XX	-	-	-

Court Services

Software: 01-252-252-0000-6655	-	-	-
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Equipment: 01-252-252-0000-6600	-	-	-
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Dept Total	01-252-XXX-0000-66XX	-	-	-
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Employee Relations - Personnel Services

Equipment: 01-050-000-0000-6660	-	-	-
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Dept Total	01-050-000-0000-66XX	-	-	-
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Employee Relations - Emergency Management

Software: 01-280-280-0000-6655	-	-	-
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Emergency Response Vehicle	-	-	-
Equipment: 01-280-280-0000-6660	-	-	-

Dept Total	01-280-280-0000-66XX	-	-	-
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Finance

Equipment: 01-045-000-000-6660	-	-	-
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Dept Total	01-045-000-0000-66XX	-	-	-
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**FACILITIES, FIXTURES & EQUIPMENT
BY DEPARTMENT FOR 2010**

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Land & Water Services - Land Management					
		01-123-160-XXXX-6630	-	-	-
Land & Water Services -					
		01-123-130-XXXX-6630	-	-	-
Land & Water Services -					
	123-014	Bevens Creek Project Fund	20,000	20,000	-
	123-015	Carver Creek Project Fund	31,000	31,000	-
	123-016	Waconia City Hall Rain Gardens	14,000	14,000	-
	123-017	Seminary Fen Ravine Restoration	30,000	30,000	-
	123-018	Crow River Project Fund	35,000	35,000	-
	123-019	West Creek Project Fund	7,500	7,500	-
		01-123-123-XXXX-6630	137,500	137,500	-
Division Total		01-123-XXX-XXXX-66XX	137,500	137,500	-
Property Records & Taxpayer Services -					
Taxpayer Services					
Administration					
		Software: 01-040-040-0000-6655	-	-	-
		Equipment: 01-040-040-0000-6660	-	-	-
		Total 01-040-040-0000-66XX	-	-	-
License Center					
		Software: 01-040-055-0000-6655	-	-	-
		Equipment: 01-040-055-0000-6660	-	-	-
		Total 01-040-055-0000-66XX	-	-	-
Elections					
		Software: 01-040-055-0000-6655	-	-	-
		Equipment: 01-040-065-0000-6660	-	-	-
		Total 01-040-055-0000-66XX	-	-	-
Dept Total		01-040-000-0000-66XX	-	-	-
Property Records & Taxpayer Services -					
Property Assessment					
		Software: -1-047-000-0000-6655	-	-	-
Dept Total		01-047-XXX-XXXX-66XX	-	-	-

**FACILITIES, FIXTURES & EQUIPMENT
BY DEPARTMENT FOR 2010**

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Property Records & Taxpayer Services - Property Records					
		Software: 01-100-000-0000-6655	-	-	-
		Equipment: 01-100-000-0000-6660	-	-	-
Dept Total	01-100-XXX-0000-66XX		-	-	-
Public Health					
		Equipment: 01-460-460-0000-6660	-	-	-
Dept Total	01-460-000-0000-66XX		-	-	-
Sheriff's Office					
Recreational Services					
		Equipment 01-201-231-1653-6660	-	-	-
		Equipment 01-201-231-1652-6660	-	-	-
		Total Capital Outlay 01-201-231	-	-	-
Jail					
		Equipment: 01-201-235-0000-6660	-	-	-
		Total Capital Outlay 01-201-235	-	-	-
Patrol					
	236-01	Vehicles	405,400	405,400	-
		Vehicles: 01-201-236-0000-6670	405,400	405,400	-
		Total Capital Outlay 01-201-236	405,400	405,400	-
Investigation					
Crime Lab					
	239-	Equipment: 01-201-239-0000-6655	-	-	-
		Equipment: 01-201-239-1713-6660	-	-	-
		Total Capital Outlay 01-201-239	-	-	-
911 Communication					
	240-14	Logger Recorder (Paid with 911 Revenues)	75,000	75,000	-
		Equipment: 01-201-240-0000-6660	75,000	75,000	-
		Total Capital Outlay 01-201-240	75,000	75,000	-
Dept Total	01-201-XXX-XXXX-66XX		480,400	480,400	-

Public Works - Road & Bridge Administration

Hwy Engineer Equipment Request	15,000	15,000	-
Equipment: 03-301-000-0000-6660	15,000	15,000	-
Total Capital Outlay: 03-301	15,000	15,000	-

Engineering

Software: 03-303-000-0000-6655	-	-	-
GPS Survey Instrument	32,000	32,000	-
Equipment: 03-303-000-0000-6660	32,000	32,000	-
Equipment: 03-303-000-0000-6670	-	-	-
Total Capital Outlay: 03-303	32,000	32,000	-

Highway Maintenance

Traffic Sign Replacement (Paid from State Aid)	299,000	100,000	(199,000)
Equipment: 03-304-000-0000-6660	299,000	100,000	(199,000)
Single Axle Truck	215,000	-	(215,000)
Hwy Vehicles: 03-304-000-0000-6670	215,000	-	(215,000)
End Dump Trailer	50,000	-	(50,000)
Skid Loader	55,650	55,650	-
Paver	95,000	-	(95,000)
Pick Up Broom	170,000	-	(170,000)
Hwy Eq: 03-304-000-0000-6690	370,650	55,650	(315,000)
Total Capital Outlay: 03-304	884,650	155,650	(729,000)

Maintenance Shop

Site & Grounds: 03-305-000-0000-6610	-	-	-
Equipment: 03-305-000-0000-6660	-	-	-
Total Capital Outlay 03-305	-	-	-

Equipment Maintenance

Equipment Maint: 03-306-000-0000-6660	-	-	-
Total Capital Outlay 03-306	-	-	-

Surveyor

GPS Equipment Replacement	27,000	27,000	-
Equipment Maint: 03-310-000-0000-6660	27,000	27,000	-
Total Capital Outlay 03-310	27,000	27,000	-

Dept Total	03-XXX-XXX-XXXX-66XX	958,650	229,650	(729,000)
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Public Works - Parks Administration

521-01 Baylor Park - Parking Lot (paid from increase in permit fees)	15,000	15,000	-
520-09 Land Acquisition - LWP (See Capital Projects Listing)			
Site Improvements: 01-520-000-0000-6601	15,000	15,000	-
520-	-	-	-
Bldg Improvements: 01-520-000-0000-6640	-	-	-
520-01 Utility Cart	13,000	-	(13,000)
520-02 Commercial Mower	43,000	43,000	-
520-05 LMP Beach Shade Enhancement	11,000	-	(11,000)
520-07 Trailer	10,000	-	(10,000)
Equipment: 01-520-000-0000-6660	77,000	43,000	(34,000)
Vehicles: 01-520-000-0000-6670	-	-	-

Dept Total	01-520-XXX-0000-66XX	92,000	58,000	(34,000)
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Social Services

Equipment 11-XXX-XXX-XXXX-6665	-	-	-
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FACILITIES, FIXTURES & EQUIPMENT BY DEPARTMENT FOR 2010

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
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	Equipment 11-XXX-XXX-XXXX-6660	-	-	-
	Replacement Client Transport			
	Vehicles (2 @ \$20,000)	40,000	20,000	(20,000)
	Vehicles 11-405-700-XXXX-6670	40,000	20,000	(20,000)
Dept Total	11-XXX-XXX-XXXX-66XX	40,000	20,000	(20,000)
County Totals		3,164,502	1,954,002	(1,210,500)

Attachment C: Capital Projects by Fund for 2010

CAPITAL PROJECTS BY FUND FOR 2010

DEPT.	CIP #	DESCRIPTION	Requested	Approved	Inc./Dec
Parks & Trails Capital Improvements					
	520-01	Advance Funding Parkland Acquisition - Local Contribution (Tax Levy)	50,000	50,000	
	520-09	Land Acquisition - LWP (Designated Reserves)	225,000	225,000	
	15-01	Dakota Trail Phase I (Federal Grant & CCRRA Reserves)	2,225,000	2,225,000	
		34-520-XXX-XXXX-6610	2,500,000	2,500,000	-
Fund Total		34-XXX-XXX-XXXX-66XX	2,500,000	2,500,000	-
Building Capital Improvements					
	973-01	Data & Phone Cabling Needs - County Facilities (State Aid)	200,000	100,000	(100,000)
	968-01	Fiber Optic Ring (Bond Sale Proceeds)	1,800,000	1,800,000	
	966-01	MNDOT Facility (Bond Sale Proceeds)	1,870,000	1,870,000	
	974-01	Norwood Young America Library (State Aid)	425,000	425,000	
		30-XXX-XXX-XXXX-6630	4,295,000	4,195,000	(100,000)
		30-XXX-XXX-XXXX-6601	-	-	-
Fund Total		30-XXX-XXX-XXXX-66XX	4,295,000	4,195,000	(100,000)
Road & Bridge Capital Improvements					
Resurfacing/Maintenance					
	307-01	Resurfacing/Maintenance (Tax Levy)	1,710,000	1,500,000	(210,000)
		32-307-000-0000-6260	1,710,000	1,500,000	(210,000)
Pre-construction Services					
		Professional Services	-	-	-
		32-307-000-0000-6260	-	-	-
Construction					
		Local Share for Federal Road & Bridge Projects (State Aid)	-	692,000	692,000
		32-307-000-0000-6281	-	692,000	692,000
Fund Total		32-307-XXX-XXXX-66XX	1,710,000	2,192,000	482,000

Attachment D: 2010 State Aid Funded Capital Projects
PAY-AS-YOU-GO CAPITAL PROJECTS
FUNDED BY 2010 STATE AID (1)

DEPT.	CIP #	DESCRIPTION	Requested	Approved	Inc./Dec
Library					
	974-01	Norwood Young America Library (State Aid)	425,000	425,000	-
		<u>30-XXX-XXX-XXXX-6630</u>	<u>425,000</u>	<u>425,000</u>	
Road & Bridge Projects					
	307-XX	Local Share for Federal Road & Bridge Projects (State Aid)	-	692,000	692,000
		<u>32-307-000-0000-6281</u>	<u>-</u>	<u>692,000</u>	<u>692,000</u>
Building Capital Improvements					
	973-01	Data & Phone Cabling Needs - County Facilities (State Aid)	200,000	100,000	(100,000)
		<u>30-XXX-XXX-XXXX-6630</u>	<u>200,000</u>	<u>100,000</u>	<u>(100,000)</u>
FFE Projects					
110		Admin West Parking Lot (State Aid)	138,000	138,000	-
	67	Traffic Sign Replacement (State Aid)	299,000	100,000	(199,000)
		<u>34-520-XXX-XXXX-6610</u>	<u>437,000</u>	<u>238,000</u>	<u>(199,000)</u>
Total 2010 State Aid			1,062,000	1,455,000	393,000

(1) Projects are listed by priority so the projects on the top of the list will be funded first and the bottom of the list will be funded last.

Attachment E: State Aid Budget Adjustments for Public Works Division and Health and Environment Division

I. Public Works Division proposal for the \$140,000 budget reduction in 2010

In order to meet the 2010 budget obligation for the Public Works Division here is a suggested proposal:

Reorganize Maintenance, Equipment Maintenance and Engineering Departments	\$83,500
Reduce overtime (Goal = 10%)	\$11,500
Increase revenue by implementing permit fees	\$25,000
Reduce fuel consumption and material usage	\$20,000
Total Public Works 2010 budget reduction	\$140,000

This plan requires some flexibility as there are several unknowns. The budget reduction is largely based on attrition and does not involve any lay-offs. Reorganization will be analyzed as retirements occur. Cost savings are expected to occur with reorganization in the Maintenance, Equipment Maintenance, and Engineering departments.

Road miles and traffic demand continues to increase every year, as does the popularity and use of the park system, and so a reduction in the operational workforce in Public Works should only occur with reorganization unless a reduction in service can be tolerated.

This plan does retain the two vacancies in Engineering (Civil Engineer and Traffic Engineer). These positions are considered essential to deliver the road improvement program, as well as enhance traffic analysis and operations. However, the plan is to hold off filling the Civil Engineer vacancy until reorganization through attrition can occur. The intent is to fill the Traffic Engineer vacancy in 2009.

Other budget reductions proposed include reducing overtime by 10% and collecting revenue with the implementation of fees for permits. Overtime will be reduced by improving efficiency and modifying operations. Fees are proposed to be implemented with the annual fee schedule hearing. Fee revenue is based on 5-year averages of actual permits issued and estimated labor fees to review them.

In addition, Public Works will strive to reduce costs by \$20,000 with reductions in fuel consumption and material usage by reducing vehicle idling, material hauling and implementing a brine pre-wetting program.

II. Health and Environment Division proposal for \$150,000 budget reduction in 2010

In order to meet the 2010 budget obligation for the merged divisions of Public Health and Land and Water Services, the following is being proposed:

Cut one vacancy in Public Health (.8 Planner)	\$88,479
Public Health Emergency Response (PHER) Phase 1&2 for \$71,326 was received for Pandemic Influenza Planning. Utilize this new funding to offset levy cost of Public Health Preparedness staff wages for 2010. Plan to utilize Public Health Preparedness federal grant for sustainable support for subsequent years.	\$49,021
Cut Carver County Health Partnership funding from \$25,000 to \$12,500	\$12,500
Total Health & Environment 2010 budget reduction	\$150,000

This plan retains the one anticipated vacancy (a retirement in the Land and Water Services Division in October, 2009) thereby maintaining managerial flexibility for strategic planning for the newly created division of Public Health and Environment.

Division directors for the Land and Water Services Division and the Public Health Division have discussed work reassignments. The Public Health Support Supervisor and the Public Health Administrative Assistant positions will be able to partially fulfill the responsibilities anticipated with the retirement and vacancy this fall in the Land and Water Services Division, thereby relieving other Land and Water Services staff from absorbing the entire burden. The Public Health Planner vacancy has been reassigned through provision of Working-Out-of-Class of a public health nurse.