

INTERGOVERNMENTAL RELATIONS COMMITTEE

11-0629R

RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE SALVATION ARMY RELATING TO DISTRIBUTION OF EMERGENCY ENERGY ASSISTANCE FUNDS IN THE AMOUNT OF \$16,086.

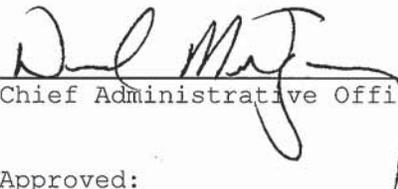
CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to execute an agreement with the Salvation Army, under which the Salvation Army would administer an emergency energy assistance program using \$16,086 in funds that the city has received from the Ordean Foundation for such purpose, which agreement is on file in the office of the city clerk as Public Document No. \_\_\_\_\_; payment by the city will be made from the General Fund 110, Agency 700, Organization 1407, Object 5407.

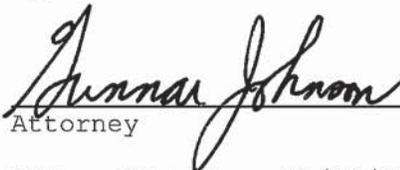
Approved:

  
Department Director

Approved for presentation to council:

  
Chief Administrative Officer

Approved as to form:

  
Attorney

Approved:

  
Auditor

CAO DM:tmf 11/18/2011

STATEMENT OF PURPOSE: This resolution approves an agreement with the Salvation Army to administer an emergency energy assistance program using monies which the city has received during 2011 from the Ordean Foundation for such purpose. Under the program, the Salvation Army will pay utility bills during the 2011-2012 heating season for households that are eligible for assistance under its energy assistance crisis program guidelines. The payment in the amount of \$16,086 is made by the foundation to the city on an annual basis pursuant to an agreement with the housing authority made at the time it purchased the property on which its building is located. The 2011-2012 program guidelines remain the same as the 2010-2011 program.

## AGREEMENT

THIS AGREEMENT, dated this \_\_\_\_ day of \_\_\_\_\_, 2011, is by and between THE SALVATION ARMY, an Illinois corporation, hereinafter referred to as "Army", and the CITY OF DULUTH, MINNESOTA, hereinafter referred to as "City".

WHEREAS, the City received \$16,086 during 2011 from the Ordean Foundation as an in-lieu of property tax payment, and such Foundation has authorized expenditure of such funds under a program to be administered by Army which would provide energy assistance to low-income households in crisis situations; and

WHEREAS, the City and Army desire to implement such program;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. The City will pay Army the sum of \$16,086 upon execution of this Agreement. Such payment shall be made from the General Fund 110, Agency 700, Organization 1407, Object 5407.
2. Army will set up and administer a program called the City of Duluth/Ordean Low Income Emergency Fund (Program) and will use the funds provided by the City under Paragraph 1, above, (and any interest income derived from such funds) to finance this Program.
3. The Program will provide energy assistance to eligible households using the eligibility requirements of the Energy Assistance Crisis Program, which shall be in accord with the letter from the Ordean Foundation attached hereto as "Exhibit A". Payments under the Program will be made only to the City Water and Gas Department to defray charges to customers who meet the Program eligibility requirements.
4. Army will be permitted to keep \$1,000 of the Program funds to cover its expenses in administering the Program; all other Program

funds shall be used to provide energy assistance to eligible recipients during the 2011-2012 heating season.

5. Army will file a report with the City within a reasonable time after distribution of all the Program funds detailing how such funds were spent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CITY OF DULUTH

THE SALVATION ARMY, an Illinois corporation

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
Its Secretary

Attest

\_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
Its Treasurer

Countersigned:

\_\_\_\_\_  
City Auditor

Approved as to form:

\_\_\_\_\_  
City Attorney

OCT 21 2011



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# ORDEAN

FOUNDATION

October 20, 2011

David Montgomery  
Chief Administrative Officer  
City of Duluth  
402 City Hall  
Duluth, MN 55802

Dear Mr. Montgomery:

RE: Payment in lieu of taxes by Ordean Foundation

The Contract for Sale of Land for Private Redevelopment, as amended, between the Housing & Redevelopment Authority of Duluth, Minnesota and Ordean Foundation (hereinafter Ordean) for the purchase of the land on which the Ordean Building is located provides that on or before October 31st in the year following each year in which said property is exempt from taxes by reason of the ownership or use thereof by Ordean Foundation, Ordean shall pay to the City Clerk of the City of Duluth the sum of \$16,086.00; and that Ordean shall have the right, prior to the time each said payment is made, to designate the purpose or purposes for which said such payment is to be used by the City of Duluth.

Pursuant to said provision of said agreement, Ordean hereby designates the above sum of the October 20<sup>th</sup> payment for the following plan as stated in your October 7, 2011 letter.

Ordean would like to continue to use the Ordean in-lieu-of tax monies again in 2012 to continue the successful program where The Salvation Army will provide low-income emergency assistance to needy Duluthians.

Specifically, the purpose of this Fund would be to assist low-income households in Duluth to avert shut-offs of water and gas.

This Fund will be administered by The Salvation Army's Emergency Assistance Program Staff.

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The requirements of the Energy Assistance Crisis Program are:

1. The household must be facing disconnection of service.
2. Must have a minimum of one meeting with The Salvation Army's Personal Financial Counselor.
3. Final client program eligibility will be determined by The Salvation Army caseworker.

Our check for \$16,086.00 is enclosed. This letter constitutes notice of such payment to the addressee and each public corporation and person receiving a copy thereof in accordance with the requirements of said agreement.

Yours very truly,

  
Stephen A. Mangan  
Executive Director

enc.

Cc: Jim Benning, Director, Duluth Public Works Department  
Wayne Parson, City Auditor  
Nancy Leslie, The Salvation Army