

COMMITTEE OF THE WHOLE

12-0641R

RESOLUTION AUTHORIZING JOINT POWERS AGREEMENT BETWEEN
THE CITY OF DULUTH AND ST. LOUIS COUNTY REGARDING
ASSESSMENT SERVICES.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to execute a joint powers agreement, substantially the same as that on file in the office of the city clerk as Public Document No. _____, with St. Louis County, Minnesota, authorizing the county to provide assessment services to the city for all real property located in the city effective January 1, 2013.

FURTHER RESOLVED, that pursuant to the terms of the agreement the city is authorized to make transition assistance payments to the county in a total amount not to exceed \$375,000, payable from Fund 110-125-1213-5441 (General Fund, Finance Department, Assessor, Other Services and Charges.)

Approved for presentation to council:



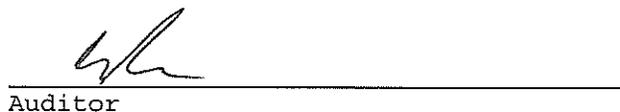
Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

ADM/ATTY GBJ:cjk 12/11/2012

STATEMENT OF PURPOSE: This resolution authorizes a Joint Powers Agreement with St. Louis County, Minnesota, under which the County will provide assessment services to the City for all real property located in the City effective January 1, 2013.

Pursuant to Minnesota Statutes Section 273, the County, through the County Assessor, is generally charged with assessing all real property in the County for real estate tax purposes. In 2011 the County convened a "Blue Ribbon" Assessment

Practices Review Panel to complete an analysis of current County-wide assessment function and to formulate recommendations and develop a comprehensive five year strategy to construct an assessment system that is timely, uniform and fair. The main recommendation of the panel was to develop a True County system which included incorporating the City assessment functions.

Although the City has historically maintained a City Assessor's Office, Minnesota Statutes Section 273.072 authorizes the City and County to enter into a Joint Powers Agreement under Minnesota Statutes Section 471.59 for the County to provide assessment services. The City and County have determined that it will be mutually beneficial to both parties and the taxpayers of the City and County to combine the assessment functions.

Under the terms of the Agreement the County will assume the assessment functions on January 1, 2013. The term of the Agreement shall be for 10 years from the effective date and thereafter the Agreement shall continue indefinitely as provided for by law. The County will incorporate the cost of the additional assessment functions into its general levy, however, the city will initially make four transition assistance payments to the County for a total amount not to exceed \$375,000.

This Joint Powers Agreement was approved by the St. Louis County Board on December 11, 2012.

JOINT EXERCISE OF POWERS AGREEMENT

ASSESSMENT SERVICES

City of Duluth & St. Louis County

This JOINT POWERS AGREEMENT, effective as of the date of attestation thereto by the City Clerk as hereinafter set forth, between the CITY OF DULUTH, a municipal corporation under the laws of the State of Minnesota, hereinafter referred to as "City", and ST. LOUIS COUNTY, a county under the laws of the State of Minnesota, hereinafter referred to as "County".

WHEREAS, pursuant to Minnesota Statutes Chapter 273 the County, through the County Assessor, is generally charged with assessing all real property in the County for real estate tax purposes, except as otherwise provided; and

WHEREAS, pursuant to Minnesota Statutes Section 273.063, such assessment services within cities of the first class, including the city of Duluth, are to be performed by a City Assessor and pursuant to said authority the City has historically maintained a City Assessor's Office which has assessed all real property in the City for real estate tax purposes; and

WHEREAS, Minnesota Statutes Section 273.072 authorized the City and the County to enter into a Joint Powers Agreement under Minnesota Statutes Section 471.59 for the County to provide assessment services to the City for all real property located in the City; and

WHEREAS, City and County have determined that it will be mutually beneficial to both parties and to the taxpayers of the City and the County to combine the assessment functions of the City and the County and to have said functions performed by the County Assessor's Office.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties hereto hereby agree as follows:

1. Definitions:

For the purposes of this Agreement, the following terms and phrases shall have the meanings hereinafter ascribed to them:

- A. Assessment Law: shall mean Minnesota Statutes Chapters 272, 273 and 274 and regulations related thereto, and the requirements of the Commissioner of the Minnesota Département of Revenue.
- B. Chief Administrative Officer or CAO: shall mean the Chief Administrative Officer of the City or his or her designee.

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- C. City Appraisers: shall mean those persons employed in the position of appraisers in the City Assessor's Office as of the effective date of this Agreement, which persons are listed on Exhibit A attached hereto and made a part hereof.
- D. County Assessor: shall mean collectively the St. Louis County Assessor appointed pursuant to Minnesota Statutes Chapter 273 and the office of the County Assessor and all employees thereof.
- E. Operative Date: shall mean January 1, 2013.

2. Purpose and Authority

The purpose of this Agreement is to have the County Assessor perform all functions and services related to the assessment of real property located in the City of Duluth for property tax purposes in conformance with the requirements of Assessment Law. This Agreement is being entered into pursuant to the authorization of Minnesota Statutes Section 272.072 and Minnesota Statutes Section 471.59.

3. Assessment Services

As of the Operative Date of this Agreement and for the Term hereof, and except as hereinafter set forth in Paragraph 8. below, City and County agree that County shall provide all real and personal property assessment services required by Assessment Law for all real and personal property located in the City of Duluth in accordance with and subject to the terms and conditions of this Agreement for the term hereof. For business planning purposes, the County agrees to maintain a cooperative dialogue with the City regarding value determination of tax increment real property as defined in Minnesota Statutes Section 469.177. All such services shall be performed in accordance with the Assessment Law by appraisers qualified and licensed in accordance with the requirements of Minnesota Statutes Sections 270.41, 270.48 and 270.50 and with Minnesota Rules Chapter 1950. Said services shall be performed in accordance with the standards for appraisal services established by the foregoing statutes and regulations and by the Society of Real Estate Appraisers.

4. City Appraisers

As of the Operative Date of this Agreement, County agrees to accept as employees and to employ as County appraisers the City Appraisers. Upon request of AFSCME Council 5, the County shall engage in good faith effects bargaining with AFSCME relative to the transition. The City Appraisers that become County employees shall be subject to the terms and conditions of employment set forth in the Civil Service Basic bargaining agreement negotiated between St. Louis County and AFSCME Council 5.

5. Payments by City

It is understood between City and County that the consideration to be received by County for the provision of services under this Agreement shall be in the form of the increased

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efficiencies of having all assessment services provided by the County Assessor and the benefits to the taxpayers of the County resulting therefrom.

- A. Therefore, except as provided for in Paragraph 7 or 11, or Subparagraph B. below, notwithstanding any other law, statute or regulation to the contrary, it is agreed that County shall not be entitled to any additional remuneration, fee, charge or consideration of any kind whatsoever, other than those revenues derived from the County's general levy against all of the real property in the County, for the provision of the assessment services provided by County under this Agreement.
- B. Notwithstanding the provisions of Subparagraph A. above, City agrees to make transition assistance payments to County in the amount of Ninety-three Thousand, Seven Hundred Fifty Dollars (\$93,750) on February 1, 2013, May 1, 2013, August 1, 2013 and November 1, 2013 for a total amount of Three Hundred, Seventy-five Thousand Dollars (\$375,000), payable from Fund _____.

6. Office Facilities

As of the Operative Date of this Agreement, it shall be the responsibility of County to provide all required office facilities, furnishings, computer equipment and vehicles necessary for the employment of the City Appraisers.

7. Term

Unless sooner terminated as hereinafter provided for, the term of this Agreement shall be for Ten (10) Years from the effective date hereof. Thereafter, this Agreement shall continue indefinitely as allowed by law, including Minnesota Statutes Section 273.072.

8. Records and Inspections

A. Establishment and Maintenance of Records

Records shall be maintained by County in accordance with requirements of the Assessment Law and with respect to all matters covered by this Agreement for such time period as shall be required by applicable law. City shall transfer to County any and all Assessment Services records for continuity and historical value purposes. County will cooperate with City to allow examination of the records covered by this Agreement.

B. Reports and Information

County shall be responsible for providing access to City records, data and information as City may require pertaining to matters covered by this Agreement.

C. Ownership of Data

Copies of all information, notes, reports, special studies, records and other data prepared under this Agreement shall be made available to City upon completion or termination of the services of County.

9. Independent Parties

It is agreed that nothing herein contained is intended or shall be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto or of

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constituting County as an agent, representative or employee of City for any purpose or in any manner whatsoever. County and any officers or employees thereof shall not be considered an employee of City, and any and all claims that may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of County while so engaged and any and all claims whatsoever on behalf of County arising out of employment or alleged employment, including without limitation, claims of discrimination against City, its officers, agents, contractors or employees shall in no way be the responsibility of City. County and its officers, agents, contractors and employees shall not be entitled to any compensation or rights or benefits of any hospital care, sick leave and vacation pay, Workers' Compensation, Unemployment Insurance, disability pay or severance pay. Furthermore, City shall not, in any way, be responsible to defend, indemnify or save harmless County from liability or judgments arising out of the intentional or negligent acts or omissions of County while performing the work specified by this Agreement.

It is agreed that nothing herein contained is intended or shall be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto or of constituting City as an agent, representative or employee of County for any purpose or in any manner whatsoever. City and any officers or employees thereof shall not be considered employees of County, and any and all claims that have accrued or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of City while so engaged, and any and all claims whatsoever on behalf of City arising out of employment or alleged employment, including without limitation, claims of discrimination against County, its officers, agents, contractors or employees shall in no way be the responsibility of County. City and its officers, agents, contractors and employees shall not be entitled to any compensation or rights or benefits of any hospital care, sick leave and vacation pay, Workers' Compensation, Unemployment Insurance, disability pay or severance pay. Furthermore, County shall not, in any way, be responsible to defend, indemnify or save harmless City from liability or judgments arising out of the intentional or negligent acts or omissions of City while performing the obligations specified by this Agreement.

10. Indemnity

County agrees on behalf of itself that it shall defend, indemnify and save harmless, City and its officers, agents, servants and employees from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents or employees of City or of County, by reason of the death of or injury to person or persons or the loss of or damage to property arising out of County's performance of its obligations under this Agreement. On ten (10) days' written notice from any of City, County will appear and defend all lawsuits against City growing out of such injuries or damages.

City agrees on behalf of itself that it shall defend, indemnify and save harmless, County and its officers, agents, servants and employees from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents or employees of City or of County, by reason of the death of or injury to person or persons or the

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loss of or damage to property arising out of City's performance of its obligations under this Agreement. On ten (10) days' written notice from any employee or agent of County, City will appear and defend all lawsuits against County growing out of such injuries or damages.

11. Default, Termination and Effects of Termination

In the event that County shall fail to perform any of its obligations hereunder in conformance with the terms and conditions of this Agreement, County may be deemed to be in default hereof. In the event of a default by County, City shall have the right to send notice to County thereof as provided for in Paragraph 14. below and to demand that County cure the same. If County shall not have cured any such default within Twenty (20) days of the sending of notice thereof or, in the event that cure is not possible within said Twenty (20) day period, shall not have commenced said cure within said Twenty (20) day period and diligently have prosecuted said cure to completion as soon as practically possible, City shall have the right to terminate this Agreement. In the event of such termination, City shall have the right to immediately undertake the assessment of real property in the City of Duluth and City shall be immediately entitled to all records and other information used or useful in the assessment of such property available to County, whether or not in County's possession. In addition, City shall be entitled to recover from County its costs of re-establishing a City Assessor's Office, including but not limited to the cost of securing qualified personnel to perform the assessment functions and the physical costs associated with re-establishing the office. Any waiver by City of any default by County hereunder shall not constitute a continuing waiver of that our any subsequent default.

In the event this agreement is terminated by the City during the first five years following the Operative Date, absent a default by the County, the City shall pay to the County Fifty Thousand Dollars (\$50,000.00) plus actual costs incurred by the County in the transition to/from employing the City Appraisers, such as the costs of office reconfiguration, unemployment benefits, employee training/retraining and other expenditures directly resulting from such transition.

12. Civil Rights Assurances

Both parties and their officers, agents, servants and employees as part of the consideration under this Agreement, do hereby covenant and agree that:

- A. No person on the grounds of race, color, creed, religion, national origin, ancestry, age, sex, marital status, status with respect to public assistance, sexual orientation and/or disability shall be excluded from any participation in, denied any benefits of or otherwise subjected to discrimination with regard to the work to be done pursuant to this Agreement.
- B. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code and any regulations and executive orders which may be affected with regard thereto.

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13. Rules and Regulations

Each party agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota and City and their respective agencies which are applicable to its activities under this Agreement.

14. Notices

Notice to City or County provided for herein shall be sufficient if sent by the regular United States mail, postage prepaid, addressed to the parties at the addresses hereinafter set forth or to such other respective persons or addresses as the parties may designate to each other in writing from time to time:

City: City of Duluth
Office of the Chief Administrative Officer
Room 402 City Hall
Duluth, MN 55802

County: St. Louis County
Public Records and Property Valuation Director
100 North 5th Avenue West.
Room 101
Duluth, MN 55802

15. Waiver

Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.

16. Applicable Law

This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

17. Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

18. Workers' Compensation

Any claims from the City Appraisers under the Minnesota Workers' Compensation Act relating to incidents, events or conditions prior to the Operative Date shall remain the responsibility of the City.

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19. Entire Agreement

It is understood and agreed that the entire agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date first above shown.

City Of Duluth, a Minnesota
municipal corporation

St. Louis County, a Minnesota County

By: _____
Mayor

By: _____
Its County Board Chair

Attest:

By: _____
Its _____

By: _____
City Clerk

Countersigned:

Donald Dicklich
Its: County Auditor

Approved:

Assistant City Attorney

Approved as to form and Execution:

Countersigned:

Assistant County Attorney

City Auditor

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