

DRAFT

**JOINT POWERS AGREEMENT REGARDING
THE ESTABLISHMENT OF THE
CENTRAL MESABI COLLABORATIVE (CMC)**

THIS JOINT POWERS AGREEMENT is made, created and established pursuant to Minn. Stat. §471.59, **Joint Exercise of Powers**, with the intent of extending and enabling the parties hereto to exercise all the powers, enablements and protections as set forth therein.

**ARTICLE I.
PARTIES**

The parties to this Joint Powers Agreement are the following governmental units, as that term is defined by Minn. Stat. §471.59, Subd. 1, to-wit:

Independent School District No. 712, Mt. Iron-Buhl
Independent School District No. 706, Virginia.

**ARTICLE II.
PURPOSE OF THE JOINT POWERS AGREEMENT**

Section 1. General Purpose. The general purpose of this Joint Powers Agreement is to create, establish, and maintain a Joint Powers Board, which Board shall have and exercise all the powers contemplated and intended by Minn. Stat. §471.59 to carry out the specific purpose as set forth herein.

Section 2. Specific Purpose. The specific purpose of this Joint Powers Agreement is to obtain financing for, create, construct and establish a Grades 7-12 school building at a site located on real property currently owned or in the

possession of ISD No. 712, Mt. Iron-Buhl, at or near the Merritt Elementary School location.

ARTICLE III. JOINT GOVERNING BOARD OF CMC

Section 1. Creation. A Joint Board, hereinafter called and referred to as the CMC Joint Powers Board, shall be formed and created by the parties hereto upon approval and execution of this agreement.

Section 2. Members. The CMC Joint Powers Board shall consist of eight members who shall be selected and appointed by the governing bodies of each of the parties hereto within 30 days after the approval and execution of this Joint Powers Agreement. Each party shall select and appoint three members of its governing board and its Superintendent of Schools as its representatives to the CMC Joint Powers Board. Should there be a vacancy in the position of the Superintendent, that party may appoint another member of its governing body, or another administrator, to the Joint Powers Board until such time as the vacancy has been filled.

Each member of the CMC Joint Powers Board shall have one vote.

Section 3. Term. Each member of the CMC Joint Powers Board shall be appointed for a one-year term.

Section 4. Vacancies. A vacancy occurs on the CMC Board upon the happening of any one of the following:

- a) Resignation or death of a member;

b) A member is no longer a member of the governing board of the party making the appointment or is no longer directly associated with that governmental entity;

c) A member's appointment to the CMC Board is rescinded or terminated by a majority vote of the full membership of the board of the governmental unit which made the appointment.

When a vacancy occurs, it shall be filled within 30 days by the governmental unit which had made the appointment from which the vacancy occurs.

Section 5. Expenses. All members of the CMC Board shall serve without compensation. However, members of the CMC Board may be reimbursed for expenses in the performance of official duties within the limitations and procedures adopted and established by the CMC Board.

ARTICLE IV. MEETINGS

Section 1. Regular Meetings. The CMC Joint Powers Board shall have at least one regular meeting per month at a time, date and site to be determined and set by the CMC Board.

Section 2. Special Meetings. Special meetings of the CMC Board may be called by the chairperson, or any two other members of the board, upon three (3) days written notice to each member of the board. Such notice shall contain the date, time, place and purpose of the special meeting.

Section 3. Open Meeting Compliance. All meetings of the CMC Joint Powers Board, or any of its committees, shall be in full compliance with the Minnesota Open Meeting Law.

Section 4. Quorum. A quorum of the CMC Joint Powers Board shall consist of a majority of the full membership of the board, namely: five (5). A quorum shall be necessary to conduct or transact any business. If a quorum is not present, no business can or shall be conducted. A majority of those present shall be necessary for approval or passage, unless otherwise provided herein. Abstentions shall be considered as a vote with the majority of those voting on an issue or question.

Section 5. Minutes. Written minutes shall be kept and maintained of each meeting of the CMC Joint Powers Board, and shall be approved by the board at its next regular meeting. Copies of all minutes, whether or not formally approved by the board, and notices of all meetings, shall be provided to the parties to this agreement without unnecessary delay. Meetings can be audio or videotaped in the discretion of the board, but such shall not substitute for the need of written minutes.

ARTICLE V. OFFICERS AND ADMINISTRATIVE ISSUES

Section 1. Election of Officers. At the first meeting of the CMC Joint Powers Board, and at its first regular meeting each year thereafter, the CMC Board shall elect from its membership a chairperson, vice-chairperson and a secretary. The secretary shall be responsible to maintain minutes of all meetings and all

business conducted, although this responsibility may be delegated in the discretion of the board. A treasurer shall also be selected whose responsibility will be to keep accurate record of all accounts, receipts and expenditures. The offices of secretary and treasurer may be combined. The treasurer shall be properly bonded, although this duty and responsibility may be also delegated to one or the other of the parties to this agreement or contracted out.

The aforementioned officers shall hold office for a term of one year. An officer may serve only while a member of the CMC Joint Powers Board, and may be re-elected to an office. A vacancy in any office shall be filled from the membership of the board, and the officer shall serve for the remainder of the unexpired term of the vacated office.

Section 2. Rules, Regulations, By-Laws, and Policies.

a) The CMC Joint Powers Board shall adopt such rules, regulations, by-laws, and policies and procedures as it may deem necessary and appropriate to carry out its affairs, purpose and mission. However, no rules, regulations, by-laws, policies or procedures shall be adopted which conflict with the provisions of this agreement, or with federal or state law, rules or regulations.

b) All rules, regulations, by-laws, policies and procedures, and any amendments or changes thereto, must be approved a majority of the **full membership** of the CMC Joint Powers Board.

ARTICLE VI.

GENERAL POWERS AND DUTIES OF THE CMC JOINT POWERS BOARD

Section 1. General Powers.

a) The CMC Joint Powers Board shall have and exercise all powers necessary to enable it to perform and carry-out the powers, duties and responsibilities to fulfill and effectuate its general purpose and its specific purpose and mission, to-wit: The specific purpose of this Joint Powers Agreement is to obtain financing for, create, construct and establish a Grades 7-12 school building at a site located on real property currently owned or in the possession of ISD No. 712, Mt. Iron-Buhl, at or near the Merritt Elementary School location.

Section 2. Specific Powers.

a) The CMC Joint Powers Board shall exercise those specific powers contemplated by Minn. Stat. §471.59, Subd. 11 necessary to obtain financing for, construct and establish the Grades 7-12 school building, and shall have the ability to adopt and implement all policies and procedures necessary to carry out and accomplish the initiative, purpose and designed outcome intended by the parties as set forth in and by this agreement.

In conjunction with its specific mission, the CMC Joint Powers Board must comply with all federal and state laws which may pertain to the financing, building, creation and establishment of a new school building.

Section 3. Contracts.

a) The CMC Board may enter into contracts for, and make purchases of, materials, supplies, equipment and such other items and things as it may deem necessary to carry out its purpose and mission. All such contracts, when required by law, may only be made or let in full compliance with the letter and spirit of the Uniform Municipal Contracting Act and/or other competitive bidding requirements.

b) The CMC Board may also enter into contracts for services, including but not limited, to financial, accounting, bookkeeping, administrative and/or professional services that it may deem necessary and appropriate to carry out its mission.

c) The CMC Board can enter into any other contracts which would be required by, and consistent with, its specific mission as set forth herein, including those involving financing and the ability to obtain financing.

d) Any contracts or agreements entered into by the CMC Board shall not extend beyond the legal existence of the board, and must contain language specifying that the contract or agreement, and underlying obligation, is the sole responsibility of the CMC Joint Powers Board, unless the parties to this agreement assume the obligation or otherwise provide.

Section 4. Liability and Insurance.

a) For the purposes of determining total liability for damages, the members to this agreement and the CMC Joint Powers Board are to be considered a single governmental unit and the total liability for the participating governmental units and the CMC Joint Powers Board shall not exceed the limits

of governmental liability for a single governmental unit as specified in Minn. Stat. §466.04, Subd. 1, unless specifically waived or extended by the CMC Joint Board or the governmental units making up this agreement.

b) Each of the parties to this agreement shall provide their own liability insurance and errors and omissions coverage for the errors and omissions of their members serving on the CMC Joint Powers Board.

ARTICLE VII. ANNUAL AUDIT

An audit of all funds and accounts of the CMC Joint Powers Board shall be made annually, with the cost of said audit to be the expense of the CMC Board. Said audit must be conducted by an auditing firm familiar with auditing practices and procedures accepted, recognized and approved by the state of Minnesota. A copy of said audit must be provided to each of the parties hereto upon completion.

ARTICLE VIII. DURATION

Section 1. Existence Until Mission is Completed or Agreement Dissolved.

This Joint Powers Agreement, and the CMC Joint Powers Board created hereby, shall continue in existence until the parties determine that its mission has been completed, or it is unlikely to be completed; or until either party wishes to dissolve the Joint Powers Agreement.

Section 2. Dissolution of Agreement. This agreement may be dissolved or terminated by either party by a majority vote of the full membership of its governing board and by giving the other party sixty (60) days written notice of

its intent to do so. The effective date of dissolution and termination shall be considered on the 61st business day following the requisite action and receipt of the written notice. Notice of dissolution or termination may be rescinded at any time prior to its effective date by a majority vote of the full board of the governing body taking the action.

Section 3. Distribution of Assets or Property.

Upon termination or dissolution of this Joint Powers Agreement, all real and personal property and finances of the CMC Joint Powers Board shall be utilized, as a first priority, to pay off any existing or contingent liabilities. Upon the payment of any and all existing and contingent liabilities, any and all surplus funds or property shall be returned to the parties to this agreement in equal amounts, or as otherwise agreed upon by and between the parties.

ARTICLE IX. GENERAL PROVISIONS

Section 1. Amendments. This Joint Powers Agreement may be amended from time to time, but any such amendment or revision must be in written form, and approved by a majority vote of the full membership of each party to this Agreement.

Section 2. New Members. Any new governmental unit contemplated under Minn. Stat. §471.59, Subd. 1, may be added to this agreement and to the Joint Powers Board by receiving the approval of the original parties to this Joint Powers Agreement by a majority vote of the full membership of the board of each

governmental unit. Any new such member shall have four representatives on the CMC Joint Powers Board as set forth in Article III, unless otherwise provided.

Section 3. Address for Services of Notices and Other Documents. All notices, statements, or other written documents required to be given under this agreement shall be in written form, and shall be considered served and received if delivered personally or if deposited in the United States First Class Mail, postage prepaid, as follows:

Independent School District No. 712, Mt. Iron-Buhl
5720 Marble Ave.
Mt. Iron, MN. 55768

Independent School District No. 706, Virginia.
411 5th Ave. South
Virginia, MN. 55792

Section 4. Savings Clause. Should any provision of this agreement be found unlawful or invalid, the other provisions of this agreement shall remain in full force and effect if, by doing so, the purpose of this agreement, taken as a whole, can be reached, fulfilled, and made operative. Should any provision be found unlawful or invalid, the parties shall attempt to agree upon an amendment to this agreement to replace that portion that has been determined to be unlawful or invalid.

ARTICLE X. EFFECTIVE DATE

It is intended that this Joint Powers Agreement shall have an effective date of the 1st day of _____, 20____.

IN WITNESS WHEREOF, each party executed this Joint Powers Agreement pursuant to the authority of resolutions passed and approved by their respective governing bodies, which are incorporated herein by this reference.

INDEPENDENT SCHOOL DISTRICT NO. 712
Mt. Iron-Buhl

Dated: _____, 2014

By _____
Chairman of School Board

INDEPENDENT SCHOOL DISTRICT NO. 706
Virginia

Dated: _____, 2014

By _____
Chairman of School Board

Funds, Expenditures, Authorized Signatures.

a) The CMC Board may name one or more federal insured banks or savings institutions as official depositories, and the treasurer shall promptly deposit all funds in said depositories as the chief fiscal officer of the CMC board and the guardian of its funds.

In lieu of the above, the CMC Board may utilize and contract with another governmental unit, including any party to this agreement, to be its fiscal agent.

b) No expenditures shall be made by any employee or officer of CMC without being approved by the CMC Board at a properly conducted meeting. An imprest fund or other similar fund may be established to pay out monies in the ordinary course of business. Further, while bills or claims shall not be paid unless and until approved by the CMC Board, there may be times when such bills or claims may be ratified for payment after the fact.

c) All checks or drafts shall require the signature of both the treasurer and chairperson, but the CMC Board may develop a procedure or corporate resolution providing for the signatures of other officers in the absence of the treasurer or chairperson. However, in no event shall a check or draft be issued without the signatures of two officers. These provisions may be avoided if checks or drafts are paid in accordance with proper procedures of any fiscal agent of the CMC Board.

Section 3. Terms of Office. Officers shall hold office for a term of one year. An officer may serve only while a member of the CMC Board, and may be re-elected to an office. A vacancy in an office shall be filled from the membership

of the CMC Board by election, and the officer shall serve for the remainder of the unexpired term of the vacated office.

Personnel.

a) The CMC Board shall have the power to hire and employ personnel in order to carry-out its duties, purpose and mission. Each such action to hire shall require the vote of a majority of the full membership of the CMC Board.

b) The CMC Board shall establish and adopt non-discriminatory procedures and policies with regard to the hiring and employment of any employee or personnel. Any and all vacancies or positions must be properly posted and advertised, and all hiring practices shall be in compliance with federal and state law, rule and regulation.

c) Any volunteers working in any of the programs or activities of CMC must have prior approval of a majority of the full membership of the CMC Board or, in the alternative, the CMC Administrative Committee with subsequent ratification by the CMC Board.

d) Any individuals hired or employed by the CMC Board, and any volunteers working in any of its programs or activities, must undergo and successfully complete both a criminal history background check and an employment history background check as a condition to being offered employment. These background checks must be done and conducted prior to the person or individual performing services for CMC.

e) The CMC Board shall establish such personnel policies, job descriptions and qualifications as it deems necessary and appropriate to apply to its employees and personnel.

f) All employees and personnel shall be considered employees of CMC, and shall not be considered as employees of any member or party to this agreement.

g) The salary, workers' compensation insurance, other benefits, and other expenses of employees and personnel shall be paid from the funds of the CMC Board in accordance with the budget provisions of this agreement.

h) The CMC Board shall supervise and oversee all employees and personnel hired by it, although this responsibility may be delegated to an executive director.

i) No employee of the CMC Board, nor any individual member of the CMC Board, shall have the power or authority to in any way bind the board, or any of the parties to this agreement, to any agreement or contract, or to the expenditure of any funds, or to create any other form of debt or obligation, unless formal action is taken by the board authorizing such person to do so.

Section 3.

ARTICLE VII. FINANCIAL MATTERS

Section 1. Funding and revenue. CMC shall be funded and financed by any and all of the following, to-wit:

- a) Applying for and receiving state and federal aids, grants, funds from nonprofits and businesses and/or reimbursements for which CMC or any of the parties to this agreement may be eligible;
- b) An annual lease amount for telecommunication and other services;
- c) User fees, or other fees for service;
- d) Payments from parties to this agreement as needed and requested by the CMC Board.

Section 2. Budget. The CMC Board may submit a proposed budget and written comprehensive program report to each of the parties hereto on an annual basis. Budgeting, however, shall be left with the CMC Board. If the CMC Board is not able to come to an agreement on the budget for the ensuing fiscal year, the budget for said year shall be equal to the last budget approved. The CMC Board shall only spend more than that which has been budgeted when there are sufficient other revenues to guarantee that the board shall not deficit spend in any fiscal year. However, the CMC Board can deficit spend in a given year if there is a fund balance in any of the programs or areas in which the Board determines to deficit spend.

Section 3. Reserve Funds. The CMC Board may accumulate reasonable reserve funds, if any, for the purpose of operating its services, programs and activities; and it may invest such funds not currently needed for program operation in a manner consistent with, and subject to, the laws of the state of Minnesota applicable to cities, counties, towns and school districts.

Section 4. Fiscal Year. The fiscal year of the CMC Board shall be July 1 through June 30.

Section 5. Fiscal Agent. The CMC Board can appoint or contract with a fiscal agent, which agent shall be responsible for all funds and accounts of the CMC Board. Those funds and accounts shall be audited as part of CMC's annual audit, and a copy of the audit pertaining to those accounts and funds shall be provided each of the parties hereto.

Withdrawal or Addition of Parties. Any party to this agreement may withdraw from it by giving a one-year written notice of the party's intent to do so to each of the other parties to this agreement. The effective date of withdrawal shall be considered to be on the 366th day following the receipt of the required written notice as stated above. A withdrawing party shall continue to be obligated to make its contributions and otherwise be in compliance with this agreement through the effective date of withdrawal. The term of office of the member of the CMC Board representing the withdrawing party shall cease to exist on the effective date of withdrawal. Notice of withdrawal may be rescinded at any time prior to the effective date of withdrawal. Any withdrawing party shall continue to be held responsible for any liabilities and obligations incurred prior to withdrawal. Any state aids and other revenues received by the withdrawing member that are attributed to the last fiscal year of membership and received after the date of withdrawal for students who participated in CMC shall

be forwarded to the Collaborative upon receipt thereof by the withdrawing member.

New parties to this agreement who qualify under Minn. Stat. §471.59 have to be approved by a majority vote of the full board of each of the other parties to this agreement.

DISPUTE AND DEFAULT PROCEDURE

Section 1. Disputes. If any party shall fail or refuse to fulfill or fully perform any obligation or covenant required by this agreement, or should there be any dispute or disagreement among or between the parties as to the interpretation or application of the terms of this agreement, the parties agree that the matter shall be submitted to binding arbitration, as set forth below.

Section 2. Arbitration Procedure

a) Any party seeking arbitration must provide a written statement to all other parties to this agreement clearly setting forth and outlining the dispute or disagreement, the issues being raised, and the remedy sought. Within thirty (30) days of the receipt of the written statement, the parties agree to meet, mediate and attempt to informally resolve the matter. If resolution cannot be reached within thirty (30) days, the party(s) submitting the written statement may petition for arbitration through the following process.

Each party to the dispute shall within fifteen (15) days of a request for arbitration made by any of the parties proffer the name of a potential arbitrator. If the parties cannot agree on one arbitrator among those proffered, the selection

of the arbitrator shall be made by lot by placing all of the potential arbitrators' names in a hat and drawing one. At any time, however, the parties may, by unanimous agreement, select one arbitrator or any other qualified individual to act as arbitrator.

b) Within thirty (30) days after the selection of the arbitrator, the arbitrator shall commence a hearing on the dispute. The hearing may be recorded or transcribed at the request and expense of any one party. The arbitrator shall prepare written findings and make a written decision or award within thirty (30) days of the close of the hearing, and the arbitrator's decision shall be served by mail upon all parties to this agreement.

Section 3. Arbitrator's Authority. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from, the terms and conditions of this agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in the written statement, and shall have no authority to make a decision on any other issues not so submitted. The parties agree that the arbitrator's decision shall be binding.

Section 4. Costs of Arbitration. Each party shall pay its own costs and attorney's fees associated with the arbitration process, except as otherwise provided herein.

Section 5. Judicial Relief. Any party may seek judicial relief to the extent authorized in and by Minn. Stat. §572.08 through §572.30, as amended, or where any party fails to participate in a good faith and timely fashion in the arbitration process as set forth herein. If judicial relief is sought to compel a

party to participate in good faith and in a timely fashion in the arbitration process, after said party has refused or failed to do so, costs, including reasonable attorney's fees, shall be awarded to the prevailing party(s). In any other effort to seek judicial relief, each party shall pay its own costs and attorney's fees.

ARTICLE X.

Effective date and continuation:

It is intended by the parties that the previous agreements and all amendments thereto shall continue without interruption and that this Agreement shall merge for purposes of continuity with all prior agreements and amendments to the extent prior provisions have not been superceded.