



# Joint Powers

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Minnesota Counties Intergovernmental Trust

Presentation to the Collaborative  
Governance Council

**October 21, 2010**



The information contained in this presentation is intended for general information purposes only and does not constitute legal or coverage advice on any specific matter.

# Minnesota Counties Intergovernmental Trust (MCIT)

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- Joint Powers Entity – created pursuant to Minn. Stat. § 471.59 & § 471.981
- Provides coverage designed specifically for Minnesota counties and associated members
- Provides services that help members to identify and manage risk
- Membership
  - 81 of Minnesota's 87 Counties
  - 300+ Associated Members
    - Soil and Water Conservation Districts (SWCD)
    - Historical Societies
    - County Fairs/Agricultural Societies
    - Watershed Districts
    - Joint Powers Entities

# Joint Powers

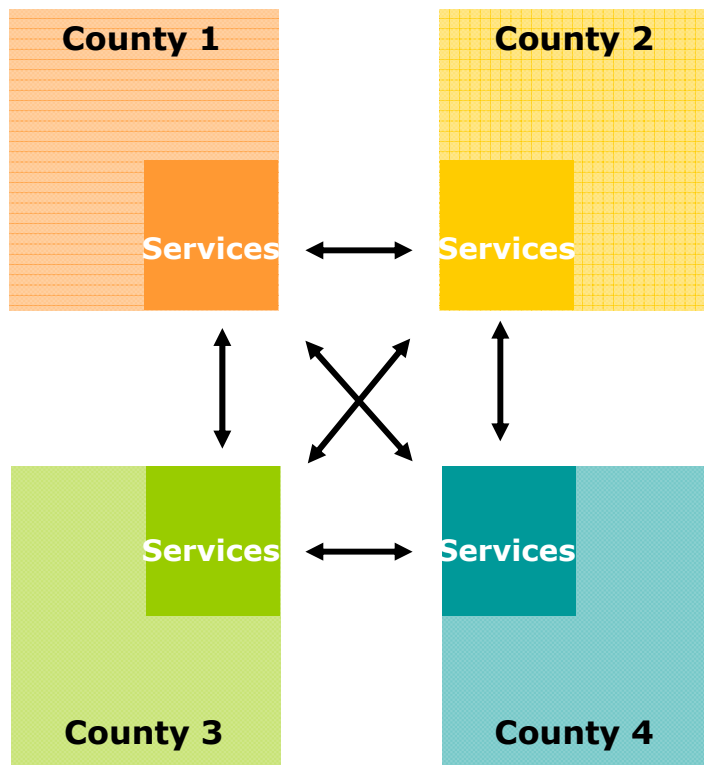
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The Joint Powers Act - Minnesota Statute § 471.59

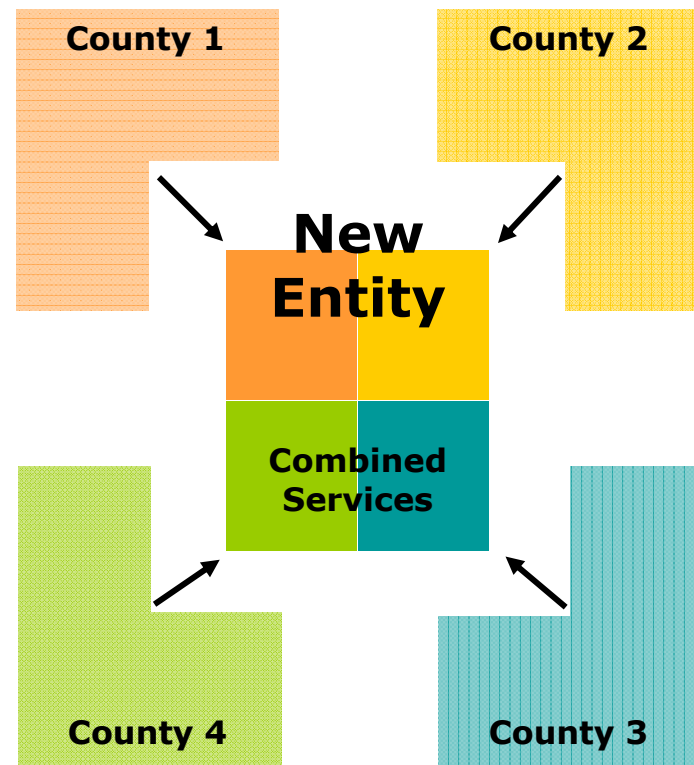
- Authorizes the joint and cooperative exercise of powers common to governmental units, as defined by statute
- Provides the statutory framework for the joint exercise of powers
- Permits governmental units to join together as a single entity to accomplish common goals
- Provides for one set of liability limits

# Types of Arrangements

## Joint Powers Agreement



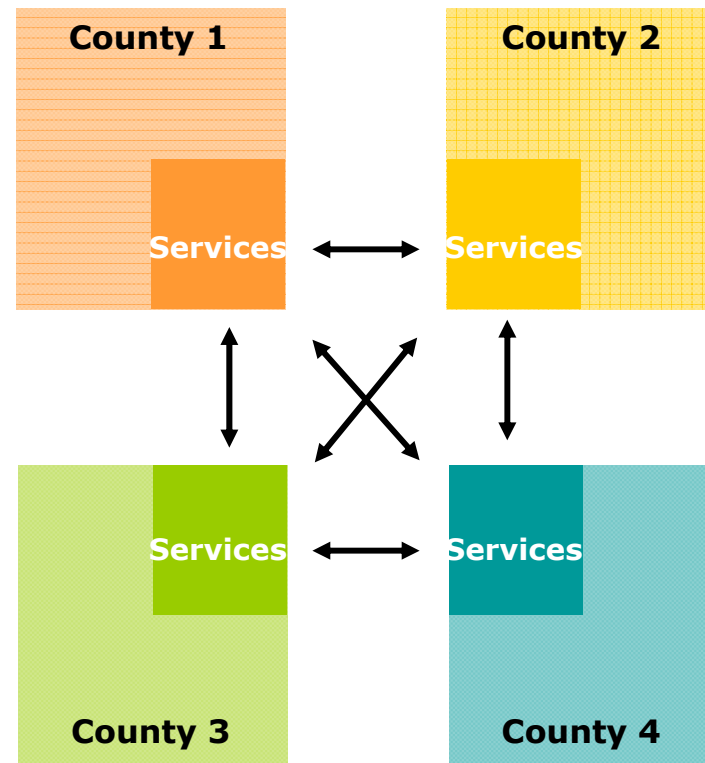
## Joint Powers Entity



# Joint Powers Agreement

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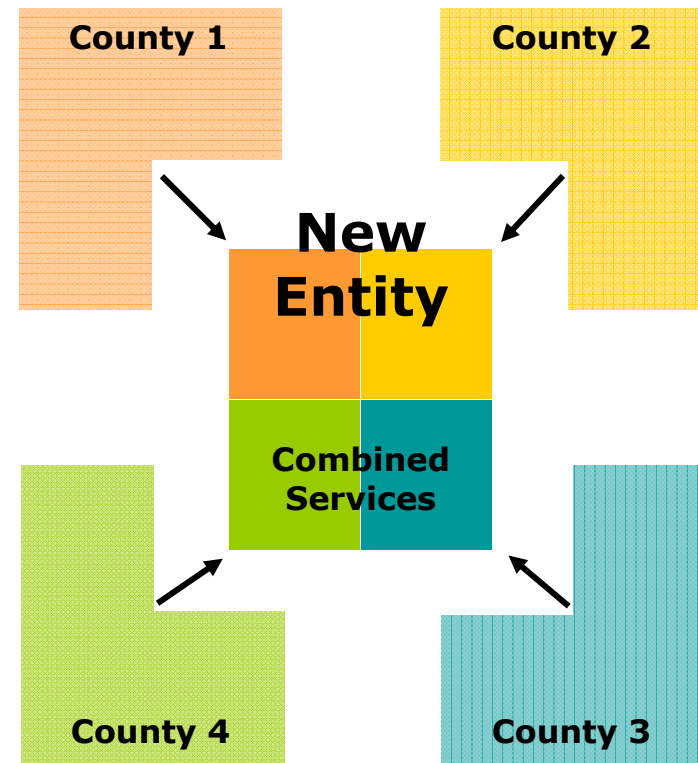
- Written agreement to jointly deliver a service/product or jointly own/manage property
- Typically, establishing a board is not necessary
- The ability to make decisions remains with the governing body of each party to the agreement
- Examples:
  - Sand/Salt Shed
  - Shared Employee
  - Plowing/Maintaining Roads



# Joint Powers Entity

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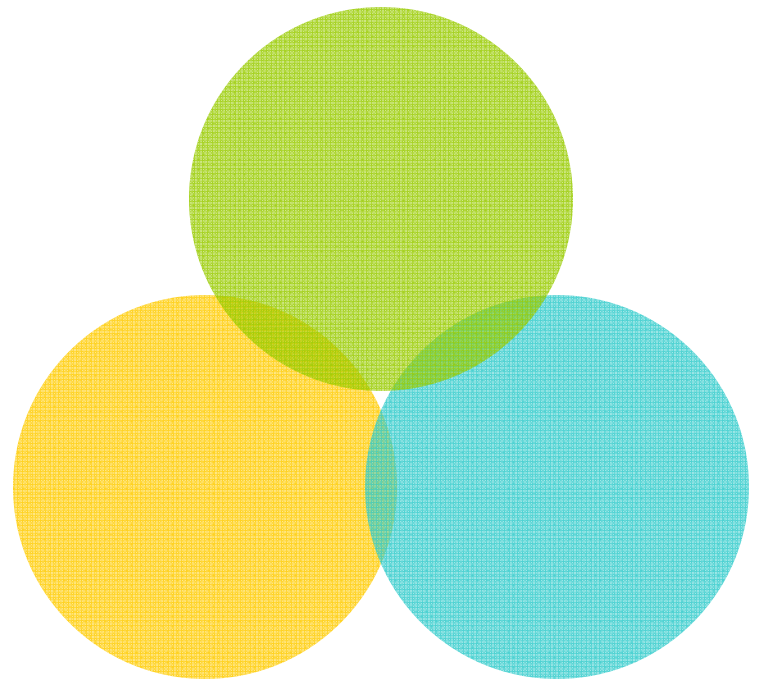
- Joint Powers Agreement that creates a new and distinct government entity
- Operates autonomously from its member entities
  - Receives and disburses funds;
  - Enters into contracts;
  - Hires/fires employees; and/or
  - Owns property, equipment, vehicles
- Needs a Board to operate
- Examples:
  - MCIT
  - Countryside Public Health
  - Human Services of Faribault/Martin Counties



# Joint Exercise of Powers

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- Operations
- Formation
- Coverage



# Operations

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- What are your common goals?
  - Which services or powers will be shared?
  - How do you plan to carry out or accomplish your goals?
- Why are you coming together?
  - Share an Employee
  - Joint Ownership of Property
  - Access Funding Sources
  - Jointly Provide Services



# Operations

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- Is a board or committee needed to accomplish your goals?
- Will you enter into contracts to accomplish your goals?
- Will personnel be needed to accomplish your goals?
- Where will funding be obtained and how will it be expended?
- Will you jointly own or operate facilities or property?

# Formation

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- Must be formed pursuant to Minnesota Statute § 471.59
- Mandatory provisions include:
  - Enabling Authority
  - Purpose of Agreement
  - Governance Terms
  - Distribution of Property
  - If there will be a Disbursement of Funds:
    - Method of Disbursement
    - Strict Accountability of all Funds
    - Report of all Receipts
    - Provision for Disbursements
  - Length of Agreement/Termination Provisions

# Formation

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- Liability can be limited when the agreement meets statutory requirements and the participating governmental units operate pursuant to the terms of the agreement
  - Joint Powers Entity – risk is transferred to the new entity
  - Joint Powers Agreement – costs and responsibilities for liability can be apportioned

# Coverage

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- Separate coverage may be needed for a separate, free-standing public entity that can sue and be sued.
- Separate coverage may not be needed where the ability to make decisions remains with the governing bodies of each party to the agreement.

# Joint Powers

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- Resources
  - MCIT Model Joint Powers Agreement that Creates a Separate Entity
  - Resource Briefing – Joint Powers Agreements, Collaboratives, Contracts, and the Cooperative Delivery of Services: Authority, Liability, Coverage and Design
  - Are We or Are We Not Forming a Separate Entity?: A Joint Powers Analysis and Worksheet
  - Joint Powers Entity: Why it Needs its Own Coverage
  - Joint Powers Agreements, Collaboratives, Contracts and the Cooperative Delivery of Services
  - Minnesota Statute § 471.59 (2010)
- Questions/Discussion