

**AGREEMENT BETWEEN
THE DAKOTA BROADBAND BOARD AND DAKOTA COUNTY
FOR FINANCIAL MANAGEMENT SERVICES**

THIS AGREEMENT is made and entered into by and between the Dakota Broadband Board (DBB) and the County of Dakota (collectively referred to as the Parties) pursuant to the authority vested in the Parties by Minn. Stat. §471.59, to improve the operation and management of publicly owned telecommunications assets throughout Dakota County.

WHEREAS, the DBB was created through a Joint Powers Agreement entered into by the cities of Apple Valley, Burnsville, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul, West St. Paul, the County of Dakota and the Dakota County Community Development Agency for the purpose of operating and managing publicly owned telecommunications assets in Dakota County; and

WHEREAS, Minn. Stat. § 471.59 authorizes two or more governmental units, by agreement, to jointly or cooperatively exercise any power common to the contracting parties or any similar powers; and

WHEREAS, the DBB is in need of financial management services to conduct its operations and Dakota County is willing to provide financial management services to the DBB during the term of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and benefits that each party shall derive from this agreement, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

**ARTICLE 1
PURPOSES**

This Agreement has been executed by the parties for the sole purpose of designating Dakota County to receive and manage DBB funds, provide any and all budgetary, record keeping and accounting services necessary and convenient for the DBB, including contributions and grant monies awarded to the DBB, and to administer receipts and payments of funds required under contracts to which the DBB is a party.

**ARTICLE 2
SERVICES**

Section 2.1 Budget and Accounting Services

A. Dakota County shall provide budgeting and accounting services necessary to manage DBB funds, including financial contributions by DBB Members, revenues from other users of DBB-managed assets and grant monies. The financial services to be

provided by Dakota County are listed in Exhibit A, Scope of Work. Dakota County shall establish one or more separate funds for these monies and all interest earned from DBB funds shall be credited back to those same funds. All pertinent books, records, documents, and accounting procedures and practices shall be maintained by Dakota County and made available to the DBB, its Members, and the State Auditor upon reasonable notice and shall be retained consistent with the Dakota County's record retention schedule for financial records or the DBB records retention schedule for financial records, whichever is longer.

B. Funds provided to Dakota County by the DBB pursuant to this Agreement will be held in a separate account or accounts, and all interest earned on these accounts will be the property of the DBB.

Section 2.2 Accountability for Funds. All funds shall be accounted for according to generally accepted accounting principles. The DBB may request a report pertaining to the budgeting and accounting services provided by Dakota County pursuant to this Agreement.

Section 2.3 Indemnification. The DBB agrees to defend, indemnify and hold harmless Dakota County from all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, resulting from the acts or omissions, including negligent acts or omissions, of DBB elected and non-elected officials, employees and agents in providing services under this Agreement. Nothing in this Section is intended by the parties as a waiver of any liability limits or immunities that the parties are otherwise entitled to under law. The requirements and obligations of this section shall survive the termination or expiration of this Agreement.

ARTICLE 3 TERM OF AGREEMENT

Section 3.1 Term. The initial term of this Agreement shall begin on the date this Agreement is executed by all Parties and will continue until December 31, 2019. This Agreement will renew for an additional one (1) year term, on the 1st day of January every year thereafter commencing January 1, 2020, unless terminated earlier as permitted by Section 3.2 of the Agreement. The Parties agree that Dakota County will continue providing financial services to the DBB for six months following the termination of this Agreement to facilitate the transfer of financial records and assets to a successor financial management agent selected by the DBB and to complete all transactions and reporting required to close-out the financial management tasks for the previous fiscal year. The DBB will pay Dakota County fifty per cent (50%) of the annual fee paid to Dakota County for the prior calendar year for the services provided during the six-month close-out period, or a different amount mutually agreed to by the Parties.

Section 3.2 Termination. The agreement shall terminate upon the earliest of the following events:

A. Upon written agreement of all Parties;

- B. Upon sixty days written notice of intent to terminate by either party, delivered by first class mail to the other party.

Section 3.3 Distribution of Property. Upon termination of this Agreement, Dakota County will pay all outstanding DBB obligations from the funds managed by Dakota County pursuant to this Agreement. Any property or surplus money remaining in these funds after all such payments have been made shall be distributed to the DBB. The DBB and Dakota County will work cooperatively with grantors to transition all financial management obligations related to grants received by the DBB from Dakota County to the successor financial management agent. If a grantor will not permit a transfer of financial management tasks to a successor financial management agent, Dakota County shall continue to hold those specific grant monies and shall manage said monies in accordance with the terms of the grant agreements then in force which obligate Dakota County to hold and/or manage such grant funds. The DBB and Dakota County will negotiate a fee to be paid to Dakota County to manage grant funds through the close-out of the grant.

ARTICLE 4 COMPENSATION

The DBB shall make payments to Dakota County for services provided in the following amounts:

- A. From the Commencement of this Agreement to December 31, 2018 - \$7,000.
- B. From January 1, 2019 to December 31, 2019 – an amount agreed to by the Parties after considering the effort required from Dakota County to provide the services required under this Agreement in 2018. Effective January 1, 2020 and every year thereafter, the compensation will be adjusted by an amount agreed to by the Parties based upon the effort required to provide the financial services in previous year and Dakota County's increased labor costs.

If the DBB requests that Dakota County provide financial services outside the Scope of Work described in Exhibit A, the DBB and Dakota County will enter into a separate agreement for those services and the compensation to be paid for those services will be agreed upon by the Parties. Assistance provided by Dakota County staff to the DBB for applying, receiving and reporting on grants and grant expenditures is considered services outside the Scope of Work of this Agreement and will be billed and paid at an hourly rate to be agreed upon each calendar year by the Parties.

ARTICLE 5 CONTACTS

The contact persons for purposes of day-to-day operations and notifications are as follows, unless either party notifies the other in writing of a change in authorized contact person:

Dakota Broadband Board

The executive director of the DBB Board

County of Dakota

Peter Skwira
Financial Services Director
1590 Highway 55
Hastings, MN 55033

**SECTION 6
LIABILITY**

Each party to this Agreement shall be liable for the acts or omissions of its officers, directors, employees or agents and the results thereof to the fullest extent authorized by law and shall not be responsible for the acts of the other party, its officers, directors, employees or agents. It is understood and agreed that the provisions of the Municipal Tort Claims Act, Minn. Stat. Ch. 466, and other applicable laws govern liability arising from the parties' acts or omissions. In the event of any claims or actions asserted or filed against either party, nothing in this Agreement shall be construed to allow a claimant to obtain separate judgments or separate liability caps from the individual parties.

**SECTION 7
MODIFICATIONS**

Any alterations, variations, modifications, or waivers of the provisions of this Agreement shall only be valid and binding when they have been reduced to writing, approved by their respective governing boards.

**SECTION 8
MINNESOTA LAW TO GOVERN**

The Agreement shall be governed by and construed in accordance with the substantive and procedural law of the State of Minnesota, without giving effect to principles of conflicts of law. All judicial proceedings related to this Agreement shall be venued in the County of Dakota, State of Minnesota.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated

DAKOTA BROADBAND BOARD

Date July 23, 2018

By George Tourville
George Tourville, Chair

Approved by Dakota County
Board of Commissioners

DAKOTA COUNTY

Date: 7-10-18

By Kathleen Gaylord
Kathleen Gaylord, Chair
Dakota County Board of Commissioners

Resolution No. 18-278

Approved as to Form

By [Signature]
Assistant County Attorney

Date of Signature June 29, 2016

KS18-185 DBB-County Financial Services Agreement final

EXHIBIT A

SCOPE OF WORK

A. Financial System Administration:

1. Prepare monthly financial reports for Administrative Agent, Board of Directors and Executive Committee
2. Prepare all monthly, quarterly and annual journal entries
 - i. All revenue and A/R journal entries
 - ii. Cash and Investment activity
 - iii. Year-end adjustments
3. Maintain Capital Asset records – This includes but is not limited to the usage of asset inventory and other data to compute the annual distribution of operations and maintenance costs as envisioned in the System Plan. The capital asset is also used along with other data to compute the annual distribution of revenues computation again as conceived in the System Plan.
4. Assist with Grant project accounting. Also assist the DBB Administrative Agent and others in compiling grant financial information.
5. Prepare bank reconciliation on a monthly basis
 - i. General Checking Account
 - ii. Investment Accounts
6. Conduct annual audit services
 - a. Assist with solicitation and evaluation of audit service proposals
 - b. Assist independent auditors in conducting annual audit
 - c. Prepare all audit confirmations
 - d. Prepare all financial working papers for annual audit.
7. Prepare special financial reports as requested by the Administrative Agent, the Board of Directors and the Executive Committee. This includes but is not limited to providing detailed transaction information and providing advice on Dakota County's investment policy.

B. Accounts Receivable:

1. Prepares Invoices for Member contributions for operations and maintenance
2. Prepares Invoices for all C-Net users
3. Receives all payments and processes bank deposits

C. Accounts Payable:

1. Receives vendor invoices and submits to Administrative Agent for approval on a timely basis
2. Matches all purchase orders (if applicable) with invoice prior to payment

3. Reviews coding for accuracy
4. Computes and distributes Member shares of Revenue Received
5. Prepares all checks
6. Maintains all vendor records consistent with Dakota County's record retention schedule for financial records or the DBB records retention schedule for financial records, whichever is longer
7. Prepares check register for approval by the Board of Directors and or the Executive Committee

D. Budget:

1. Assist in the preparation of the annual budget
 - i. Revenue estimates
 - ii. Capital outlay
 - iii. Operating expenses
 - iv. Required member expense contributions
2. Report quarterly to the board and executive committee on budget variances.

E. Treasury Management:

1. Invest DBB funds in accordance with Dakota County's Investment Policy
2. Insurance: - Monitor and calculate prepaid balances on a monthly basis
3. Other:
 - i. Financial Management Agent is responsible for maintenance of all financial information in accordance with approved records retention schedule and regulations.
 - ii. Fiscal agent must submit all records for review in accordance with Data Practices Laws.
 - iii. Financial Management Agent is responsible for submitting all financial reports to state agencies including but not limited to State Auditor's Office.

