

**Minnesota Volunteer Fire Relief Association
Working Group Meeting**

Office of the State Auditor
Tuesday, November 10, 2015
11 a.m. to 1 p.m.

- I. Call to Order**
Chair Auditor Otto.
- II. Review and Approval of Working Group Meeting Minutes**
Exhibit A. Draft October 21, 2015 Meeting Minutes
- III. Review Draft Language for Requirement to Certify Service Credit**
Exhibit B.
- IV. Review Draft Language for Limitation of Relief Association Service Credit to Volunteer Service**
Exhibit C.
- V. Review Draft Language for Expanding Relief Association Pension Eligibility to Emergency Medical Personnel**
Exhibit D.
- VI. Review of Joint Powers Sub-Group Recommendations**
Exhibits E and F.
 - Combined Service Pensions (E)
 - New Joint Powers Subdivision (F)
- VII. Other Business**
- VIII. Next Meeting**
Thursday, December 3, 2015
11 a.m. to 1 p.m.
Office of the State Auditor
- IX. Adjournment**

Volunteer Fire Relief Association Working Group

Office of the State Auditor
Wednesday, October 21, 2015
11 a.m. to 1 p.m.

Members Present

Luke Fischer, City of Plymouth Administrative Services Director
Dave Ganfield, Apple Valley Fire Relief Association President (defined benefit monthly/lump sum combination plans) (participated by phone)
Bruce Hemstad, Bemidji Fire Relief Association Secretary (defined benefit lump sum plans)
Dave Jaeger, Mahnomon Fire Relief Association Vice President (defined benefit lump sum plans)
Ron Johnson, Minnesota State Fire Department Association Representative (defined contribution plans)
Aaron Johnston, Coon Rapids Fire Relief Association Treasurer (defined contribution plans)
Susan Lenczewski, Legislative Commission on Pensions and Retirement Executive Director
Rebecca Otto, State Auditor
Michael Kruse, Falcon Heights Fire Relief Association Treasurer (defined contribution plans)

Members Excused

Steve Donney, City of Harmony Mayor
Kevin Wall, Lower Saint Croix Valley Fire Relief Association President (defined benefit lump sum plans)
Nyle Zikmund, Minnesota State Fire Chiefs Association Representative (defined benefit monthly plans)

Others Present

Harry Blanek, Edina Fire Relief Association Representative
Mary Chamberlain, Abdo, Eick & Meyers, LLP Representative
Candace Gislason, VanIwaarden Associates Representative
Celeste Grant, Deputy State Auditor/General Counsel
Rose Hennessy Allen, Office of the State Auditor Pension Director
Abigail Mediger, Office of the State Auditor Pension Analyst
Ryan Sendelbach, Office of the State Auditor Pension Analyst

The following motions were duly made, seconded and approved:

RESOLVED to approve the October 7, 2015, Working Group Meeting Minutes.

I. Call to Order

Auditor Otto called the meeting to order.

II. Review and Approval of Working Group Meeting Minutes

The members reviewed the October 7, 2015, meeting minutes that had been provided in advance. Johnston made a motion to adopt the minutes. Jaeger seconded the motion that was then adopted unanimously.

III. Discussion of Requirement to Certify Service Credit

The members continued their discussion on whether to add a requirement to statute for good time service credit information to be certified annually to each volunteer fire relief

association. The members discussed who should make the certification and agreed that the certification should be made by the fire chief. The fire chief can be assisted in completing the certification by other fire department or municipal personnel, but the chief is the person responsible for making sure it is completed. The members agreed that the timing of the certification should be the same as the PERA certification requirement, with the certification due to the relief association by March 31 and notice provided to each firefighter at least 60 days before that date. The members discussed to whom the certification should be made, and agreed it should be made to an officer of the relief association and to the municipal clerk. Relief associations then can decide for themselves which officer is the appropriate person to receive the service credit information. The certification to the municipal clerk provides notice to the entity that funds the relief association pension plan. The relief association and municipality should retain the certification for public inspection. Finally, the members discussed whether a review or appeal process should be defined. The members agreed that the process defined in the PERA certification statute for a review and hearing by the fire chief should be followed. Auditor Otto said language would be drafted and presented to the Working Group for review and further discussion.

IV. Discussion of Definition of Volunteer Firefighter

Auditor Otto explained that the definition of “volunteer firefighter” found in the relief association statutes does not include a requirement that the firefighter perform or supervise volunteer firefighting duties. Additionally, service credit requirements for a relief association member to be eligible to receive a service pension from the association do not require the member to be a volunteer firefighter or to perform or supervise volunteer firefighting duties. Because of this lack of specificity, some career firefighters who solely perform fulltime firefighting duties and who are covered by PERA for those duties are also receiving service credit in their affiliated relief associations for the same period of fulltime service. Auditor Otto explained that the intent of reviewing this topic is to stop firefighters from receiving two pensions for the exact same period of service, and that there is no desire to limit fulltime firefighters from responding as volunteers during their nonscheduled hours and accruing relief association pension credit for that volunteer service. The members reviewed the draft language and were hesitant to propose a change to the definition of “volunteer firefighter.” Instead, Hennessy Allen suggested that an exclusion could be drafted for addition to the relief association statutes that would mirror the PERA exclusion for volunteer firefighters. Auditor Otto said language would be drafted and presented to the Working Group for review and further discussion.

V. Discussion of Expanding Relief Association Pension Eligibility to Emergency Medical Personnel

Last year, the Working Group began discussing whether to expand eligibility for relief association service pensions to volunteer emergency medical personnel, subject to local approval. The Office of the State Auditor conducted a survey in April to collect information about how many people on the fire department solely provide volunteer

emergency medical services. There are some options available to provide volunteer emergency medical personnel with compensation for their service, but there appears to be a coverage gap. Auditor Otto shared information about the PERA Defined Contribution Plan and the Cooper/Sams Volunteer Ambulance Program. The members preliminarily agreed to move forward with this topic, provided that it is permissive and subject to local approval. Auditor Otto said language would be drafted and presented to the Working Group for review and further discussion.

VI. Other Business

There was no other business.

VII. Next Meeting

Tuesday, November 10, 2015

11 a.m. to 1 p.m.

Office of the State Auditor

VIII. Adjournment

The meeting was adjourned at 12:55.

Exhibit B

Certification of Service Credit

Topic:

Questions regularly arise regarding the length of time for which relief association members should be credited with service credit for pension purposes. Fire departments set the standards and must determine whether each firefighter is in good standing and has met the minimum service requirements that the department has established. Fire departments should provide the affiliated relief associations with reports listing the service credit determinations for the respective reporting period. Relief associations award service credit for pension purposes, in large part, on these fire department service reports. Problems occur when relief association trustees do not receive service credit information from the fire department.

Draft language is provided below that requires the fire chief to certify annually good time service credit information to an officer of the relief association and to the municipal clerk or clerk-treasurer.

Optional Changes:

424A.003 CERTIFICATION OF GOOD TIME SERVICE CREDIT.

(a) Annually, by March 31, the fire chief of the fire department directly associated with the volunteer firefighters relief association shall certify the good time service credit for the previous calendar year of each firefighter rendering active service with the fire department.

(b) The certification shall be made to an officer of the relief association's board of trustees and to the municipal clerk or clerk-treasurer of the largest municipality in population served by the associated fire department. The good time service credit certification is an official public document. The certification must be retained for public inspection by the relief association and by the municipality.

(c) The fire chief shall provide to each firefighter rendering active service with the fire department notification of the amount of good time service credit rendered by the firefighter for the calendar year. The good time service credit notification must be provided to the firefighter 60 days before its certification to the relief association and municipality, along with an indication of the process for the firefighter to challenge the fire chief's determination of good time service credit. If the good time service credit amount is challenged in a timely fashion, the fire chief shall accept and consider any additional pertinent information, and make a final determination of good time service credit.

(d) The good time service credit certification must be expressed as the number of completed months of the prior calendar year during which an active firefighter rendered at least the minimum level and quantity of fire suppression, emergency response, fire

prevention, or fire education duties required by the fire department under the rules and regulations applicable to the fire department. No more than one year of good time service credit may be certified for a calendar year.

(e) If a firefighter covered by the relief association leaves active firefighting service to render active military service that is required to be governed by the federal Uniformed Services Employment and Reemployment Rights Act, as amended, the person must be certified as providing good time service credit for the period of the military service, up to the applicable limit of the federal Uniformed Services Employment and Reemployment Rights Act. If the firefighter does not return from the military service in compliance with the federal Uniformed Services Employment and Reemployment Rights Act, the good time service credits applicable to that military service credit period are forfeited and cancel at the end of the calendar year in which the federal law time limit occurs.

Exhibit C

Limitation of Relief Association Service Credit to Volunteer Service

Topic:

The definition of “volunteer firefighter” found in the relief association statutes does not include a requirement that the firefighter perform or supervise volunteer firefighting duties. Additionally, service credit requirements for a relief association member to be eligible to receive a service pension from the association do not require the member to be a volunteer firefighter or perform or supervise volunteer firefighting duties. Because of this lack of specificity, some career firefighters who solely perform fulltime firefighting duties and who are covered by PERA for those duties are also receiving service credit in their affiliated relief associations for the same period of fulltime service.

Optional changes are provided below that add an exclusion to the relief association membership statutes for service credit earned as a fulltime or career firefighter and for which is already covered for pension purposes by the PERA Police and Fire Fund. The intent is to prohibit the concurrent accrual of pension coverage in both a relief association and in the PERA Police and Fire Fund for the same period of service.

Optional Changes:

424A.01 MEMBERSHIP IN A VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION.

Subd. 4. **Prohibition on receipt of concurrent service credit.** No fulltime or career firefighter may be credited with service credit in a volunteer firefighters relief association for the same hours of service for which coverage is already provided in a fund operated pursuant to chapter 353.

[Note: Insert before current subdivision 4. Renumber current subdivision 4 to be subdivision 5, and renumber subsequent subdivisions accordingly.]

Exhibit D

Expanding Pension Eligibility to Emergency Medical Personnel

Topic:

Last year, the Working Group began discussing whether to expand eligibility for relief association service pensions to volunteer emergency medical personnel who solely perform medical services, subject to local approval. The majority of calls that most fire departments receive are medical.

Optional changes are provided below that permit, subject to local approval, emergency medical personnel to be members of the associated volunteer fire relief association and to be eligible for service pensions and other benefits from the association.

Optional Changes:

424A.01 MEMBERSHIP IN A VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION.

Subd. 6. Volunteer emergency medical personnel. If the fire department is a municipal department and the applicable municipality approves, or if the fire department is a joint powers entity and the joint powers board approves, or if the fire department is an independent nonprofit firefighting corporation and the contracting municipality or municipalities approve, and if the fire department employs or otherwise uses the services of persons solely as volunteer emergency medical personnel to perform emergency medical response duties and to supervise emergency medical response activities, such persons are eligible to be members of the applicable volunteer firefighter relief association and to qualify for service pension or other benefit coverage of the relief association on the same basis as fire department personnel who perform fire suppression duties.

[Note: Insert before current subdivision 6. Renumber current subdivision 6 to be subdivision 7.]

Exhibit E

Current Statute:

424A.02 DEFINED BENEFIT RELIEF ASSOCIATIONS; SERVICE PENSIONS.

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Subd. 13. **Combined service pensions.** (a) If the articles of incorporation or bylaws of the defined benefit relief associations so provide, a volunteer firefighter with credit for service as an active firefighter in more than one defined benefit volunteer firefighters relief association is entitled, when the applicable requirements of paragraph (b) are met and when otherwise qualified, to a prorated service credit from each relief association.

(b) A volunteer firefighter receiving a prorated service pension under this subdivision must have a total amount of service credit of ten years or more, if the bylaws of every affected relief association do not specify only a five-year service vesting requirement, or five years or more, if the bylaws of every affected relief association require only a five-year service vesting requirement, as a member of two or more relief associations otherwise qualified. The member must have one year or more of service credit in each relief association. The prorated service pension must be based on the service pension amount in effect for the relief association on the date on which active volunteer firefighting services covered by that relief association terminate. To receive a service pension under this subdivision, the firefighter must become a member of the second or succeeding association and must give notice of membership to the prior association within two years of the date of termination of active service with the prior association. The notice must be attested to by the second or subsequent relief association secretary.

Combined Service Pension Examples

Example #1:

John Smith serves for ten years with the Frostbite Falls Fire Department. He moves to Snowshoe City and serves for an additional five years with the Snowshoe Fire Department. Both relief associations offer vesting after ten completed years of service, and both have amended their bylaws to offer combined service pensions. When John retires from the Snowshoe Fire Department, he will receive two pension distributions.

John will receive a service pension from the Frostbite Falls Fire Relief Association calculated as follows:

$$\begin{array}{r} 10 \text{ years} \\ \times \$1,000 \text{ (benefit level in effect when he left Frostbite Falls)} \\ \times \underline{80\%} \text{ (vesting percentage for the combined 15 years of service)} \\ \$8,000 \\ + \underline{\$800} \text{ supplemental benefit} \\ \$8,800 \text{ total distribution} \end{array}$$

John will receive a service pension from the Snowshoe Fire Relief Association calculated as follows:

$$\begin{array}{r} 5 \text{ years} \\ \times \$700 \text{ (benefit level in effect when he left Snowshoe)} \\ \times \underline{80\%} \text{ (vesting percentage for the combined 15 years of service)} \\ \$2,800 \\ + \underline{\$280} \text{ supplemental benefit} \\ \$3,080 \text{ total distribution} \end{array}$$

If John was ineligible to receive combined service pensions, he would have received a distribution from the Frostbite Falls Fire Relief Association of \$6,600 (\$6,000 service pension + \$600 supplemental benefit), and would have received no distribution from the Snowshoe Fire Relief Association. John receives \$5,280 more, in total, due to combined service pensions.

Example #2:

Sue Johnson serves for two years with the Mosquito City Fire Department. She moves to Bluebird and serves for an additional three years with the Bluebird Fire Department. Both relief associations offer vesting after five completed years of service, and both have amended their bylaws to offer combined service pensions. When Sue retires from the Bluebird Fire Department, she will receive two pension distributions.

Sue will receive a service pension from the Mosquito City Fire Relief Association calculated as follows:

$$\begin{array}{r} 2 \text{ years} \\ \times \quad \$1,000 \text{ (benefit level in effect when she left Mosquito City)} \\ \times \quad \underline{40\%} \text{ (vesting percentage for the combined 5 years of service)} \\ \hline \$800 \\ + \quad \underline{\$80} \text{ supplemental benefit} \\ \hline \$880 \text{ total distribution} \end{array}$$

Sue will receive a service pension from the Bluebird Fire Relief Association calculated as follows:

$$\begin{array}{r} 3 \text{ years} \\ \times \quad \$700 \text{ (benefit level in effect when she left Bluebird)} \\ \times \quad \underline{40\%} \text{ (vesting percentage for the combined 5 years of service)} \\ \hline \$840 \\ + \quad \underline{\$84} \text{ supplemental benefit} \\ \hline \$924 \text{ total distribution} \end{array}$$

If Sue was ineligible to receive combined service pensions, she would not have received a distribution from the Mosquito City Fire Relief Association or from the Bluebird Fire Relief Association. Sue received \$1,804 more, in total, due to combined service pensions.

Exhibit F

New Joint Powers Subdivision

471.59 JOINT EXERCISE OF POWERS.

Subdivision 1. **Agreement.** Two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. The agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units. The term "governmental unit" as used in this section includes every city, county, town, school district, independent nonprofit firefighting corporation, other political subdivision of this or another state, another state, federally recognized Indian tribe, the University of Minnesota, the Minnesota Historical Society, nonprofit hospitals licensed under sections 144.50 to 144.56, rehabilitation facilities and extended employment providers that are certified by the commissioner of employment and economic development, day and supported employment services licensed under chapter 245D, and any agency of the state of Minnesota or the United States, and includes any instrumentality of a governmental unit. For the purpose of this section, an instrumentality of a governmental unit means an instrumentality having independent policy-making and appropriating authority.

Subd. 1a. **Liability.** (a) A governmental unit participating in a joint venture or joint enterprise, including participation in a cooperative activity undertaken pursuant to this section or other law, is not liable for the acts or omissions of another governmental unit participating in the joint venture or joint enterprise, unless the participating governmental unit has agreed in writing to be responsible for the acts or omissions of another participating governmental unit.

(b) For purposes of determining total liability for damages, the participating governmental units and the joint board, if one is established, are considered a single governmental unit and the total liability for the participating governmental units and the joint board, if established, shall not exceed the limits on governmental liability for a single governmental unit as specified in section 3.736 or 466.04, subdivision 1, or as waived or extended by the joint board or all participating governmental units under section 3.736, subdivision 8; 466.06; or 471.981. This paragraph does not protect a governmental unit from liability for its own independent acts or omissions not directly related to the joint activity.

(c) If a participating governmental unit has procured or extended insurance coverage pursuant to section 3.736, subdivision 8; 466.06; or 471.981 in excess of the limits on governmental liability under section 3.736 or 466.04, subdivision 1, covering participation in the joint venture or joint enterprise, the procurement of that insurance constitutes a waiver of the limits of governmental liability for that governmental unit to the extent that valid and collectable insurance or self-insurance, including, where applicable, proceeds from the Minnesota Guarantee Fund, exceeds those limits and covers that governmental unit's liability for the claim, if any.

Subd. 2. **Agreement to state purpose.** Such agreement shall state the purpose of the agreement or the power to be exercised and it shall provide for the method by which the purpose sought shall be accomplished or the manner in which the power shall be exercised. When the agreement provides for use of a joint board, the board shall be representative of the parties to the agreement. A joint board that is formed for educational purposes may conduct public meetings via interactive television if the board complies with chapter 13D in each location where board members are present. Irrespective of the number, composition, terms, or qualifications of its members, such board is deemed to comply with statutory or charter provisions for a board for the exercise by any one of the parties of the power which is the subject of the agreement.

Subd. 3. **Disbursement of funds.** The parties to such agreement may provide for disbursements from public funds to carry out the purposes of the agreement. Funds may be paid to and disbursed by such agency as may be agreed upon, but the method of disbursement shall agree as far as practicable with the method provided by law for the disbursement of funds by the parties to the agreement. Contracts let and purchases made under the agreement shall conform to the requirements applicable to contracts and purchases of any one of the parties, as specified in the agreement. Strict accountability of all funds and report of all receipts and disbursements shall be provided for.

Subd. 4. **Termination of agreement.** Such agreement may be continued for a definite term or until rescinded or terminated in accordance with its terms.

Subd. 5. **Shall provide for distribution of property.** Such agreement shall provide for the disposition of any property acquired as the result of such joint or cooperative exercise of powers, and the return of any surplus moneys in proportion to contributions of the several contracting parties after the purpose of the agreement has been completed.

Subd. 6. **Residence requirement.** Residence requirements for holding office in any governmental unit shall not apply to any officer appointed to carry out any such agreement.

Subd. 7. **Not to affect other acts.** This section does not dispense with procedural requirements of any other act providing for the joint or cooperative exercise of any governmental power.

Subd. 8. **Services performed by county, commonality of powers.** Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement the board of county commissioners of any county may by resolution enter into agreements with any other governmental unit as defined in subdivision 1 to perform on behalf of that unit any service or function which that unit would be authorized to provide for itself.

Subd. 9. **Exercise of power.** For the purposes of the development, coordination, presentation and evaluation of training programs for local government officials, governmental units may exercise their powers under this section in conjunction with organizations representing governmental units and local government officials.

Subd. 10. **Services performed by governmental units; commonality of powers.** Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement, the governing body of any governmental unit as defined in subdivision 1 may enter into agreements with any other governmental unit to perform on behalf of that unit any service or function which the governmental unit providing the service or function is authorized to provide for itself. If the agreement has the effect of eliminating or replacing a public employee who is part of a collective bargaining agreement represented by an exclusive representative, and there is no provision in the collective bargaining agreement detailing the effect of the action on the affected public employee, negotiations on the effects to the employee of the job elimination or restructuring must be conducted between the exclusive representative and the employer.

Subd. 11. **Joint powers board.** (a) Two or more governmental units, through action of their governing bodies, by adoption of a joint powers agreement that complies with the provisions of subdivisions 1 to 5, may establish a joint board to issue bonds or obligations under any law by which any of the governmental units establishing the joint board may independently issue bonds or obligations and may use the proceeds of the bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued. A joint board established under this section may issue obligations and other forms of indebtedness only in accordance with express authority granted by the action of the governing bodies of the governmental units that established the joint board. Except as provided in paragraphs (b) and (c), the joint board established under this subdivision must be composed solely of members of the governing bodies of the governmental unit that established the joint board. A joint board established under this subdivision may not pledge the full faith and credit or taxing power of any of the governmental units that established the joint board. The obligations or other forms of indebtedness must be obligations of the joint board issued on behalf of the governmental units creating the joint board. The obligations or other forms of indebtedness must be issued in the same manner and subject to the same conditions and limitations that would apply if the obligations were issued or indebtedness incurred by one of the governmental units that established the joint board, provided that any reference to a governmental unit in the statute, law, or charter provision authorizing the issuance of the bonds or the incurring of the indebtedness is considered a reference to the joint board.

(b) Notwithstanding paragraph (a), one school district, one county, and one public health entity, through action of their governing bodies, may establish a joint board to establish and govern a family services collaborative under section 124D.23. The school district, county, and public health entity may include other governmental entities at their discretion. The membership of a board established under this paragraph, in addition to members of the governing bodies of the participating governmental units, must include

the representation required by section 124D.23, subdivision 1, paragraph (a), selected in accordance with section 124D.23, subdivision 1, paragraph (c).

(c) Notwithstanding paragraph (a), counties, school districts, and mental health entities, through action of their governing bodies, may establish a joint board to establish and govern a children's mental health collaborative under sections 245.491 to 245.495, or a collaborative established by the merger of a children's mental health collaborative and a family services collaborative under section 124D.23. The county, school district, and mental health entities may include other entities at their discretion. The membership of a board established under this paragraph, in addition to members of the governing bodies of the participating governmental units, must include the representation provided by section 245.493, subdivision 1.

Subd. 12. Joint exercise of police power. In the event that an agreement authorizes the exercise of peace officer or police powers by an officer appointed by one of the governmental units within the jurisdiction of the other governmental unit, an officer acting pursuant to that agreement has the full and complete authority of a peace officer as though appointed by both governmental units and licensed by the state of Minnesota, provided that:

(1) the peace officer has successfully completed professionally recognized peace officer preemployment education which the Minnesota Board of Peace Officer Standards and Training has found comparable to Minnesota peace officer preemployment education; and

(2) the officer is duly licensed or certified by the peace officer licensing or certification authority of the state in which the officer's appointing authority is located.

Subd. 12a. Joint exercise of police power; employees.

If an agreement, merger, or consolidation authorizes the exercise of peace officer or police powers by an officer appointed by one of the governmental units within the jurisdiction of the other governmental unit, a peace officer or public safety dispatcher, working pursuant to or as a result of that agreement, merger, or consolidation, must receive credit for accumulated vacation and sick leave time earned within the governmental unit employing the peace officer or public safety dispatcher immediately preceding the agreement, merger, or consolidation. If a peace officer or public safety dispatcher working pursuant to an agreement, merger, or consolidation becomes employed by the new entity, that peace officer or public safety dispatcher is considered to have begun employment with the new entity on the first day of employment by the governmental unit employing the peace officer or public safety dispatcher immediately preceding the creation of the new entity and must be credited with all previously accumulated vacation and sick leave time.

Subd. 12b. Correctional officers. If there is an agreement, merger, or consolidation between two or more local correctional or detention facilities, a correctional officer who becomes employed by a new entity created by the agreement, merger, or consolidation must receive credit for accumulated vacation and sick leave time earned by the correctional officer during the officer's employment with a governmental unit immediately preceding the creation of the new entity. If a correctional officer working pursuant to an agreement, merger, or consolidation becomes employed by the

new entity, the correctional officer is considered to have begun employment with the new entity on the first day of employment with the governmental unit employing the correctional officer immediately preceding the creation of the new entity and must be credited with all previously accumulated vacation and sick leave time.

Subd. 13. Joint powers board for housing. (a) For purposes of implementing a federal court order or decree, two or more housing and redevelopment authorities, or public entities exercising the public housing powers of housing and redevelopment authorities, may by adoption of a joint powers agreement that complies with the provisions of subdivisions 1 to 5, establish a joint board for the purpose of acquiring an interest in, rehabilitating, constructing, owning, or managing low-rent public housing located in the metropolitan area, as defined in section 473.121, subdivision 2, and financed, in whole or in part, with federal financial assistance under Section 5 of the United States Housing Act of 1937. The joint board established pursuant to this subdivision shall:

(1) be composed of members designated by the governing bodies of the governmental units which established such joint board and possess such representative and voting power provided by the joint powers agreement;

(2) constitute a public body, corporate, and politic; and

(3) notwithstanding the provisions of subdivision 1, requiring commonality of powers between parties to a joint powers agreement, and solely for the purpose of acquiring an interest in, rehabilitating, constructing, owning, or managing federally financed low-rent public housing, possess all of the powers and duties contained in sections 469.001 to 469.047 and, if at least one participant is an economic development authority, sections 469.090 to 469.1081, except (i) as may be otherwise limited by the terms of the joint powers agreement; and (ii) a joint board shall not have the power to tax pursuant to section 469.033, subdivision 6, or 469.107, nor shall it exercise the power of eminent domain. Every joint powers agreement establishing a joint board shall specifically provide which and under what circumstances the powers granted herein may be exercised by that joint board.

(b) If a housing and redevelopment authority exists in a city which intends to participate in the creation of a joint board pursuant to paragraph (a), such housing and redevelopment authority shall be the governmental unit which enters into the joint powers agreement unless it determines not to do so, in which event the governmental entity which enters into the joint powers agreement may be any public entity of that city which exercises the low-rent public housing powers of a housing and redevelopment authority.

(c) A joint board shall not make any contract with the federal government for low-rent public housing, unless the governing body or bodies creating the participating authority in whose jurisdiction the housing is located has, by resolution, approved the provision of that low-rent public housing.

(d) This subdivision does not apply to any housing and redevelopment authority, or public entity exercising the powers of a housing and redevelopment authority, within the jurisdiction of a county housing and redevelopment authority which is actively carrying out a public housing program under Section 5 of the United States Housing Act of 1937. For purposes of this paragraph, a county housing and redevelopment authority is considered to be actively carrying out a public housing program under Section 5 of the

United States Housing Act of 1937, if it (1) owns 200 or more public housing units constructed under Section 5 of the United States Housing Act of 1937, and (2) has applied for public housing development funds under Section 5 of the United States Housing Act of 1937, during the three years immediately preceding January 1, 1996.

(e) For purposes of sections 469.001 to 469.047, "city" means the city in which the housing units with respect to which the joint board was created are located and "governing body" or "governing body creating the authority" means the council of such city.

Subd. 14. Joint exercise of fire services. A fire department created under subdivision 1 shall be subject to the following:

(a) Any agreement shall continue for the defined term or until rescinded or terminated in accordance with its terms, including if one or more contracting parties terminates membership.

(b) Any agreement shall provide for the disposition of assets following the exit of one or more parties to the agreement pursuant to subdivision 5.

(c) Disposition of assets following the exit of one or more parties to the agreement shall be made pursuant to the agreement. Any unresolved dispute about the disposition of assets must be referred by the joint powers board for resolution to the Office of Administrative Hearings under Minnesota Statutes, chapter 14. When determining the disposition of assets, the best interests of the public should be considered first followed by the best interests of the contracting parties.