

MANAGEMENT SERVICES CONTRACT

This AGREEMENT, between Heartland Lakes Development Commission (“HLDC”), located at 100 8th St E. Park Rapids, MN 56470, and Hubbard County HRA/EDA (“HRA/EDA”), located at 301 Court Avenue Park Rapids, MN 56470, is for the period of August 20, 2024, to December 31, 2027.

WHEREAS, HRA/EDA desires to contract for management services and HLDC is qualified and willing to provide management services;

WHEREAS, HRA/EDA wishes to provide efficient, effective, and accessible housing, redevelopment and economic development services throughout Hubbard County;

WHEREAS, HRA/EDA desires to purchase management services from HLDC to provide said services throughout Hubbard County;

WHEREAS, HLDC desires to provide management services to HRA/EDA;

NOW THEREFORE, in consideration of the mutual understanding and agreement set forth herein, HRA/EDA and HLDC agree as follows:

I. Services to be Purchased:

- A. HLDC will provide management services to HRA/EDA that will encourage and support the foundational elements for a vibrant community to include housing, redevelopment and economic development activities that promote a thriving economy.
- B. The essential duties and responsibilities of the HLDC include:
 - Board governance
 - Organizational mission and strategy
 - Financial performance and viability
 - Organizational Operations

II. HLDC agrees to provide the following specific management services:

- A. **Board governance:** Work with the Board to ensure the successful operation of the HRA/EDA and all assets in portfolio.
 - a. Ensure the organization operates within the legal framework and activities conform with requirements of all regulatory bodies and processes
 - b. Build consensus
 - c. Ensure transparency
 - d. Be responsive to the Board and all external stakeholders
 - e. Prepare and distribute board materials prior to meetings adhering to all posting and notification requirements
 - f. Maintain organizational documents as required for a public organization

- B. Organization Mission & Strategy:** Work with the Board and staff to fulfill the mission of HRA/EDA.
- a. Recommend and craft strategy to meet internal and external expectations
 - b. Assess new initiatives that will broaden overall effectiveness in the County
 - c. Work to ensure the desires of the HRA/EDA Commissioners are met
 - d. Represent HRA/EDA and their interests at local, county, state and federal government levels
 - e. Promote a positive culture within the HRA/EDA
- C. Financial Performance & Viability:** Ensure the financial health of HRA/EDA.
- a. Ensure the Board is kept up to date on the financial status of the organization
 - b. Incorporate external financial reporting for property management into organizational financial statements
 - c. Ensure compliance with Federal & State guidelines
 - d. Develop processes to ensure internal control and compliance
 - e. Manage annual audit process and ensure completion as required by County and State guidelines
 - f. Search for resources to carry out existing and new initiatives of the HRA/EDA
 - g. Manage and maintain HRA/EDA assets for the maximum benefit of the HRA/EDA and Hubbard County.
- D. Organizational Operations:** Oversee and implement policies & procedures for ongoing operations of HRA/EDA.
- a. Provide organizational accounting and bookkeeping services using HRA/EDA provided accounting software.
 - b. Pay all HRA/EDA board approved costs using HRA/EDA funds with HLDC acting as the fiscal agent.
 - c. Implement procedures for the day – to – day operations for the organization that reflect appropriate internal control, maintain transparency, increase efficiency and balance workloads for all staff
 - d. Be the first stop for information on a variety of needs for businesses, clients and residents.
 - e. Create and improve access to capital for businesses and local governments
 - f. Administer all existing housing programs to include MURL, down payment assistance, single family rental properties and rehabilitation activities.
 - g. Oversee multifamily property management provided under a separate contract and act as owners agent for Minnesota Housing Finance Agency property compliance
 - h. Apply for funding as needed to support the activities of the organization including capital needs and new initiatives

III. HRA/EDA agrees to the following in consideration of HLDC's management services:

A. Compensation and payment:

- a. Cost of Services: \$200,000 annually
- b. Terms of Payment: HLDC shall bill HRA/EDA quarterly

B. Reimbursement of costs:

HRA/EDA agrees to reimburse HLDC for costs attributable to HRA/EDA operations paid by HLDC in the performance of management responsibilities.

IV. Term:

This Agreement shall be in effect for a three (3) year term, commencing August 20, 2024, and terminating December 31, 2027. The agreement shall be renewed automatically for succeeding terms of three (3) years each unless either party gives written notice to the other at least ninety (90) days prior to the expiration of any term of their intention not to renew.

V. Insurance:

HLDC agrees to furnish verification of insurance coverage for services provided under this Agreement. HLDC agrees to obtain, pay for, and maintain throughout the term of this Agreement all insurance policies incident to the prudent operation and conduct of the Agreement, including without limitation the following:

- Comprehensive General Liability Policy including personal and property damage liability: \$1,500,00.00
- Workers Compensation and Employees' Liability Insurance: \$100,000.00 - \$500,000.00
- Professional Liability Insurance: \$1,000,000.00 - \$3,000,000.00
- Surety Bond Insurance as required to maintain compliance with NMLS registration requirements

VI. Independent contractor status:

In providing the Services under this Agreement it is expressly agreed that the HLDC is acting as an independent contractor and not as an employee. HLDC and HRA/EDA acknowledge that this Agreement does not create a partnership or joint venture between them and is exclusively a contract for service. HRA/EDA is not required to pay, or make any contributions to any social security, local, state or federal tax, unemployment compensation, workers' compensation, insurance premium, profit – sharing, pension or any other employee benefit for HLDC during the Term. HLDC is responsible for paying and complying with reporting requirements for all local, state and federal taxes related to payment made to HLDC under this Agreement.

VII. Data Practices Act:

HLDC and HRA/EDA must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided under this agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by HLDC. The civil remedies of Minn. Stat. Sect. 13.08 apply to the release of the data referred to in this Clause by either HLDC or HRA/EDA. If HLDC receives a request to release data referred to in this Clause, HLDC must immediately notify HRA/EDA and HRA/EDA will give HLDC instructions concerning the release of data to the requesting party prior to data being released.

VII. Entire agreement:

This Agreement constitutes the entire Agreement of the parties and is intended as a complete and exclusive statement of the terms of this Agreement. No modifications or amendments of this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

VIII. Indemnification:

Each party (the "Indemnifying Party") shall indemnify defend and hold harmless the other Party and affiliates and each of their respective past, present or future officers, directors, employees and agents and their respective successors, heirs, and assignees and representatives (collectively the "Indemnified Persons") from and against any damages, losses, liabilities or cost (other than costs allocated to be borne by the indemnified party under the Agreement, but including reasonable legal expenses, costs of litigation and reasonable attorney's fees) ("Damages") incurred by the indemnified persons resulting from any Third Party Claim against the Indemnified Persons to the extent caused by, resulting from or in connection with the services provided under this Agreement. This indemnification will survive the termination of this Agreement.

IX. Return of Property

Upon the expiration or termination of this Agreement HLDC will return to HRA/EDA any property documentation, records or confidential information which is the property of HRA/EDA.

X. Autonomy

Except as otherwise provided in this Agreement, HLDC will have full control over working time, methods and decision making in relation to provision of the Services in accordance with this Agreement. HLDC will work autonomously and not at the direction of HRA/EDA. However, HLDC will be responsible to the reasonable needs and concerns of HRA/EDA.

XI. Certification

The below individuals agree and certify they are empowered and authorized to execute this agreement and the terms and conditions as stated herein on behalf of HLDC and HRA/EDA.

Heartland Lakes Development Commission

Hubbard County HRA/EDA

Executive Director

Chair – Ted Van Kempen

Date

Date

DRAFT