COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: February 24, 2020
AGENDA NUMBER: 12
ITEM: Metro I-Net (City of Roseville) IT Service

AGENDA: Discussion

ACTION REQUESTED
Discussion regarding entering into a Metro I-Net joint powers agreement for IT services.

BACKGROUND
Metro I-Net originally started as a collaboration between Roseville and Mounds View to share IT resources in 1999. Since that time, Metro I-Net has grown to 35 member organizations receiving full IT services and 9 associate member receiving limited IT services. On January 1, 2016 Coon Creek Watershed District contracted with the City of Roseville (Metro I-Net) for IT services.

Metro I-Net services include deployment of laserfiche, remote computer access, electronic door access, wireless access points, as well as body com support for law enforcement.

Currently, Metro I-Net is under organizational control of the Roseville City Manager and Roseville City Council. All Metro I-Net employees (~20) are actually Roseville employees and fall under Roseville personnel policy, its liability coverage, and compensation structure. The Roseville City Manager makes employment decisions for Metro I-Net including the hiring and termination of employees. The City of Roseville included the $3.5 million Metro I-Net budget as part of its city budget.

ISSUES/CONCERNS
1. Roseville City Council concern about the amount of Metro I-Net staff and added liability and carrying costs for that amount of employees.
2. Roseville City Council concern about the use of space within the City given other city department space needs.
3. The Roseville employee compensation plan lags behind the market for other local governments and especially with LOGIS, a joint powers entity that provides IT services to many local governments in the Twin Cities. LOGIS has recruited several Metro I-Net staff members over the past couple of years.
4. As a result of the Roseville compensation plan and organizational structure, it is not possible to create the necessary executive leadership to guide the large $3.5 million Metro I-Net enterprise.
5. Although the Roseville City Council has not discussed breaking up Metro I-Net, it should be noted that Roseville could at any time decide to no longer lead the agency.
PROPOSED SOLUTION
A group of the member organizations has been working on a proposed solution since September 2019. The consensus is to have Metro I-Net as a joint powers entity, providing members with more direct control over governance of Metro I-Net, including costs, personnel, and policies and taking away the uncertainty of the future of Metro I-Net.

A DRAFT joint powers agreement has been provided. The highlights of the joint powers agreement, as currently contemplated, are as follows:

- The initial members of the JPA will be the current members of Metro I-Net
- JPA is planned to become effective on 1/1/2021
- Metro I-Net will be governed by a Board of Directors with each member having a Director and Alternate designated
- Metro I-Net board meetings are subject to open meeting law
- Each member will have the number of votes equivalent to its share of the budget
- Members will not be allowed to vote if they are in default of their financial obligation or in violation of IT security policies
- Metro I-Net board will meet at least four times (Jan, April, July, Oct) annually
- Metro I-Net board will have officers elected to 3-year terms
- Metro I-Net board will have power to take all action in establishing and managing the operations of Metro I-Net
- Metro I-Net board will enter into a contract with a member to serve as the fiscal and operations agent for the organization
- Metro I-Net board will hire an executive director who will be responsible for day-to-day operations
- The executive director will have broad authority to run the operations of Metro I-Net
- The executive director can be terminated by a 2/3 vote of the Metro I-Net board
- The Metro I-Net board will establish an executive committee consisting of the 4 board officers and the member serving as the fiscal agent
- The executive committee would meet on a more frequent basis and work on duties as assigned by the board such as the budget and administrative issues
- The JPA outlines the schedule for the creation and consideration of the annual budget
- The JPA created 3 different classes of charges
  - Class 1 - Annual personnel & other operating expenses
  - Class 2 – Capital charges for hardware and software
  - Class 3 – Necessary additional charges
- The JPA outlines procedures for members to withdraw from Metro I-Net
- JPA creates a Metro I-Net “Associate” which is an entity that is receiving a contractual service from Metro I-Net
- The JPA has no termination date but does outline procedures to dissolve the organization
The new organizational structure will increase the costs for each member. The exact costs have not been determined yet and is highly dependent on the number of members that join the JPA. If all current members remain as members of the JPA, it is estimated that each member, including Roseville, would see an increase of 5% over the 2020 costs.

At this point, Roseville is seeking a commitment by our Board to enter into a Metro I-Net joint powers agreement, subject to final review and approval of the JPA document. This will allow them to proceed in completing the drafting (and getting the League of Minnesota Cities approval) and have an assurance on the costs to create the new entity.

**CONSIDERATIONS**
This is a non-profit organization. They do not try to sell services or products that are not needed. In the past, they have provided us equipment until we can budget for the replacement.

**OPTIONS**
1. Review the JPA, discuss and consider making a commitment to enter into the joint powers agreement no later than the March 23, 2020 CCWD Board of Managers’ Meeting
2. Do not consider entering into the joint powers agreement and begin looking for a new IT service provider.

**RECOMMENDATION**
Review the JPA, discuss and consider making a commitment to enter into the JPA no later than the second meeting of the board in March, 2020.