

AGENDA REPORT

TO: Mayor Pat Humphrey & the Clare City Commission
FROM: Ken Hibl, City Manager
DATE: January 14, 2016
RE: Intergovernmental Agreement – Assessor Services

For the Agenda of January 18, 2016

Background. We have been attempting for nearly a decade to find an economical and efficient means to manage our assessing services. We presently (and have been for about eight years) contract for assessing services with BS&A. They are a great company, generally provide great customer service and have a very talented staff. And they provide us a top-notch assessor (Ms. Edie Hunter). But even though we enjoy a contractual agreement with them, we remain at their mercy in respect to costs, scheduling, and management of the assessing services.

Our goal has been to share assessing services with other local municipalities. On two occasions we were within a pen-stroke away from attaining that goal. But each time one or another party backed out for sundry reasons (a city manager moved on; the assessor we were courting received an offer he couldn't refuse). But we believe we finally have all the pieces aligned to attain our goal.

Our proposal is that we hire Edie Hunter, the BS&A employee who presently provides us assessing services one day per week, as our full-time employee and contract her services as an assessor to the City of Ithaca (Edie also provides Ithaca their current assessing services one day per week) through an intergovernmental agreement for two days per week, thereby off-setting our costs to hire her while concurrently providing us an opportunity to expand our assessing services and simultaneously use Edie's talents in the much-needed area of code enforcement that we discussed at last night's joint meeting with our Planning Commission.

We discussed the proposal with Ithaca's city manager yesterday. He is in full agreement with the proposal and believes his council will likewise accept the proposal (Ithaca was one of the municipalities who previously attempted to partner with us in this venture). Ithaca will formally consider the proposal at a scheduled meeting on January 19th if we receive your approval to move forward at our January 18th meeting. Edie has agreed to this proposal so long as we allow her to continue additional assessing services she presently provides to the township where her residence is located; allowing her to do so would make her "whole" in respect to the wages and benefits she presently receives from her current employer.

As with any proposal of this nature, there are advantages and disadvantages. These are the primary ones in each category:

Advantages.

- Allows us to control our current and future assessing needs.

- Presently allows us to use a portion of Edie’s talents for our current great need in the arena of code enforcement. While this is not the “perfect” solution for that need, it will serve as a temporary improvement until we are in a position to hire a part-time code enforcement officer – and it allows us to do so for less cost.
Disadvantages.
- Requires us to assume some risk of hiring a full-time employee and have to absorb all the costs or find another municipal partner should Ithaca decide to withdraw from the inter-gov agreement.

If the City Commission is in agreement with this proposal, we ask that you approve the suggested intergovernmental agreement with Ithaca, which is being crafted by our City Attorney and will be provided to you at Monday’s meeting. The basic elements of the proposed intergovernmental agreement are a three-year contract wherein we provide two days of Edie’s services to Ithaca for a cost of \$39,495 annually (\$380 daily) with a 120-day “out” clause for both parties.

The second element we ask the Commission to consider is a five-year contract (*copy att’d*) with Edie.

Issues & Questions Specified. Should the City Commission approve an intergovernmental agreement with Ithaca and an employment contract with Edie Hunter?

Alternatives.

1. Approve the inter-gov agreement and the employment contract.
2. Disapprove this proposal.
3. Set aside decision regarding this matter to a later date.

Financial Impact. The total cost of Edie’s employment contract is \$78,990 annually (\$45K wages and \$33.99K for benefits, to include health care and retirement). One half (\$39,395) of these costs would be absorbed by Ithaca. In comparison to our current situation, we are paying BS&A \$600 for one day of Edie’s services. This proposal drops our daily cost to \$380 per day and provides us the advantage of a second day of her services for code enforcement.

Recommendation. I recommend that the City Commission approve the proposed Intergovernmental Agreement with the City of Ithaca by adopt the attached Resolution 2016-008 (*copy att’d*). I further recommend that the City Commission approve a five-year employment contract with Edie Hunter by adoption of Resolution 2016-009 (*copy att’d*).

Attachments.

1. Intergovernmental Agreement (to be provided separately upon completion of drafting).
2. Employment Contract.
3. Resolution 2016-008.
4. Resolution 2016-009.

**INTERGOVERNMENTAL CONTRACT
CITY OF CLARE / CITY OF ITHACA**

Agreement made between the following:

City of Clare, a Home Rule City, having its principal offices at 202 West Fifth Street, Clare, Michigan 48617, and City of Ithaca, having its principal offices at 129 West Emerson Street, Ithaca MI 48847,

PURPOSE

The parties' purpose in entering into this Intergovernmental Contract pursuant to MCL 124.1, *et seq* is to create a mechanism by which the City of Clare and the City of Ithaca can together pool their resources to directly hire and have an assessor on staff.

ARTICLE I

The City of Clare shall employ an assessor. At this time, the assessor employed shall be Edie Hunter. At all times, the assessor shall remain an employee of the City of Clare and the City of Clare shall provide her with all employment benefits and wages in accordance with Exhibit "A".

During the term of employment with the City of Clare, two days per week of the employee's time shall be allocated to the City of Ithaca and the assessor shall provide services two days a week for the City of Ithaca to maintain its tax roll in accordance with Michigan law.

ARTICLE II - TERM

This agreement shall commence on the 1st day of February, 2016. The term of this contract shall be three (3) years. This Agreement may be terminated at any time upon one hundred twenty (120) days written notice by either party. After the initial three-year term, this agreement shall renew automatically for three year periods without any action by any party.

ARTICLE III - COMPENSATION

The initial cost of service to be paid by the City of Ithaca, being one-half of the total compensation, is \$39,495.09. The employee shall receive an annual increase of two percent of her wages or equal to the Consumer Price Index, whichever is greater. Said increases shall occur at the beginning of the fiscal year of each municipality, which is July 1.

The City will issue invoices for services provided pursuant to this agreement quarterly and payment shall be remitted to the City of Clare within thirty days of the issuance of the invoice.

ARTICLE IV

While at the City of Ithaca and working on the City of Ithaca tax roll, the City of Ithaca shall provide all office supplies and computer requirements for the employee. Likewise, while working at the City of Clare, the City of Clare will provide same for the employee.

ARTICLE V

If the current assessor leaves or terminates employment at the City of Clare for any reason, then the two Cities will work together to try to find a replacement, with approval from both Cities.

ARTICLE VI – OTHER PROVISIONS

A. Changes Or Modification. No change or modification of this agreement shall be valid unless the same be in writing and signed by all the parties hereto.

B. State Law Governing Agreement. This Agreement shall be governed by the laws of the State of Michigan.

C. Situs. The situs of this Agreement is Clare County, State of Michigan because all obligations hereunder pertain to activities therein.

D. Venue. Venue shall be laid in Clare County, State of Michigan.

E. Severability. If any of the provisions of this document are rendered void by acts of the legislature or the courts, this agreement shall be construed as if the offending portion had been omitted.

F. Anti-Waiver. No provision of this Agreement, right or remedy hereunder may be waived except by in a writing signed by the party expressly waiving such right, remedy or obligation. No waiver shall be implied upon the conduct, enforcement, non-enforcement or course of performance of the parties.

IN WITNESS WHEREOF, the parties have hereunto signed their names on the day and date set forth above.

WITNESSES

CITY OF CLARE

BY: PAT HUMPHREY
ITS: Mayor

WITNESSES

CITY OF ITHACA

BY:
ITS:

RESOLUTION 2016-008

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN INTERGOVERNMENTAL AGREEMENT FOR ASSESSING SERVICES WITH THE CITY OF ITHACA.

WHEREAS, the City Manager and the City Treasurer & Finance Director have proposed to the City Commission that the City hire its current contracted assessor as a full-time employee and subsequently enter into an intergovernmental agreement for assessing services with the City of Ithaca to defray one-half the costs of doing so; and

WHEREAS, Ms. Edie Hunter, the City's current contracted assessor has agreed to said proposal; and

WHEREAS, the City of Ithaca has agreed in principle to be a party to said proposal; and

WHEREAS, the City Staff has demonstrated the advantages of said proposal, to include the fiscal advantages garnered while providing an opportunity to improve its present code enforcement inadequacies; and

WHEREAS, the City Commission has considered and reviewed said proposal and determined approval is in the City's long-term best interests.

NOW THEREFORE BE IT RESOLVED that the City Commission of the City of Clare hereby approves a an intergovernmental agreement for assessing services with the City of Ithaca, the terms and provisions of said services as outlined therein.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 18th day of January 2016.

Diane M. Lyon, City Clerk

RESOLUTION 2016-009

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN EMPLOYMENT CONTRACT WITH MS. EDIE HUNTER.

WHEREAS, the City presently enjoys the contracted services of Ms. Edie Hunter as the appointed City Assessor for the City of Clare, said services provided under contract with BS&A; and

WHEREAS, the City's Manager and the City's Treasurer & Finance Director have proposed that it is far more fiscally and operationally prudent to terminate the services contract for assessing with BS&A and employ Ms. Hunter as its full-time Assessor and subsequently offer Ms. Hunter's assessing services to other local municipalities under the terms of an intergovernmental agreement; and

WHEREAS, the City Commission has considered said proposal and deemed it prudent to approve.

NOW THEREFORE BE IT RESOLVED that the City Commission of the City of Clare hereby approves an employment contract for Ms. Edie Hunter, the terms, conditions, stipulations, and provisions of said employment contract as outlined therein.

WHEREAS, the City Commission delegates the needed authority to execute said employment agreement with Ms. Hunter to its City Manager.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 18th day of January 2016.

Diane M. Lyon, City Clerk