

AGENDA REPORT

TO: Mayor & City Commissioners
FROM: Ken Hibl, City Manager
DATE: November 11, 2009
RE: City Manager's Report

For the Agenda of November 16, 2009

November 11th Planning Commission. The City Planning Commission is scheduled to meet tonight; primary agenda topics include adoption of an amendment to the City's Master Plan updating the Future Land Use Map to include the properties of the Grant Township/City of Clare Urban Cooperation Agreement area; continued discussion related to off-premise signs; and further discussion related to the Clare Railroad Depot.

Thanksgiving Holiday Office Closure. City offices will be closed on Thursday and Friday, November 26th and 27th, in commemoration of the Thanksgiving Holiday.

USDA Loan Update. We have finalized the maximum amount of our USDA loan (*see copy of att'd revised SF 424*) amount for sanitary sewer improvements and sewer debt refinancing at \$3.08M; we had originally set this figure at a maximum of \$3.5M. Sewer Fund debt refinancing of \$750K is included in the loan request; we estimate that we will save approximately \$200K in interest payments if we refinance the debt at the current RD rate of 2.5%. The request has been submitted to Washington, and we anticipate that USDA Caro office will receive authority to obligate the funds for us not later than December. I offer to the City Commission that this \$3.08M is a maximum amount; we will not know the actual amount of the loan until we actually solicit bids for the project work, which we will do after the funds are obligated and we close on the loan. On the current schedule, we expect to be able to commence work on the needed sanitary sewer system improvements prior to April 1, 2010, which will allow us to meet the MDEQ mandate.

City Assessor Services. Approximately six years ago, the city managers of Ithaca, Greenville, and Clare attempted to craft an agreement for assessing services wherein one of the three municipalities would hire Mr. Dan Kirwin, who is an employee of BS&A Software and concurrently was the assessor of record of all three municipalities, and the other two municipalities would then contract with the hiring municipality. We believed that the attempted arrangement would allow all of us to have far greater control of Dan's services for our respective municipalities and concurrently allow us to equally share in potential cost-savings for Dan's assessing services. Dan agreed in principle to the proposed agreement, but when he attempted to provide BS&A notice that he would be leaving their employment, BS&A offered Dan an increase in compensation he couldn't refuse. Consequently, our attempted agreement was set aside, and we continued the contractual arrangement we presently enjoy with BS&A for Dan's assessing services. Earlier this year, we (this time the municipalities of Big Rapids, Clare, and Greenville) again initiated a conversation with Dan in an attempt to renew our original proposed agreement. Dan again concurred in principle. This time we went so far as to draft an inter-local agreement (*copy att'd*) that provided that Big Rapids would hire Dan as an employee and Greenville and Clare would contract with Big Rapids for Dan's assessing services. Our estimate

of annual cost savings for Clare's resultant assessing services was approximately \$7K, and we felt we would have far greater control over Dan's actual time spent in Clare vice having him called to provide service to other Michigan communities by BS&A on short notice (as frequently occurs). The Big Rapids Council approved the agreement, and I had placed it on the November 2nd agenda for the City Commission's consideration but removed it when Dan again informed us that he was obliged to decline our renewed offer due to another increase in compensation BS&A offered him and the loyalty he owed to that company.

I continue to have the absolute highest confidence and respect for Dan's abilities as our assessor; in fact I regard him to be one of the best assessors in Michigan. But I would feel far more comfortable with a contractual arrangement for assessing services with Greenville and Big Rapids than I do with our current arrangement. And it is for that reason that unless directed to go in a different direction by the City Commission, I intend to pursue the proposed arrangement outlined in the aforementioned inter-local agreement with my fellow city managers of Big Rapids and Greenville – but we will attempt to collectively find an assessor we can mutually agree on other than Dan. If we can find such a qualified individual, we would then proceed with actions necessary to execute the proposed three-city agreement for assessing services.

Main Street Visit. Lori and I will host a contingent from Hart, Michigan that is interested in the Main Street Program on Thursday, November 19th.

City Employee Christmas Party. The employee Christmas party is scheduled for December 4th; more details to follow.

Attachments.

1. Inter-local Agreement.
2. SF424.

**INTERLOCAL AGREEMENT FOR
PROVIDING ASSESSOR SERVICES
WITHIN THE CITIES OF BIG RAPIDS,
GREENVILLE AND CLARE**

WHEREAS, the cities of Big Rapids, Greenville and Clare are Michigan municipalities authorized and required by law to provide assessor functions and services within their political boundaries; and

WHEREAS, Const 1963 Art 7 Sec 28 provides in part that “[T]he legislature by general law shall authorize two or more ... cities ... to enter into contractual undertakings or agreements with one another ... for the joint administration of any of the functions or powers which each would have the power to perform separately,” and to “share the costs and responsibilities of functions and services with one another,” and

WHEREAS, MCL 124.2 provides that “[A]ny municipal corporation shall have the power to join with any other municipal corporation, or with any number or combination thereof by contract, ... for the operation or performance, jointly, or by any 1 or more on behalf of all, of any ... facility or service which each would have the power to ... operate or perform separately”; and

WHEREAS, each of the three cities, Big Rapids, Greenville and Clare, desires to structure and enter this interlocal agreement by which one person can be hired and appointed as the City Assessor in Big Rapids, Greenville and Clare, with shared costs and time as specified in the agreement;

IT IS AGREED:

1. The City of Big Rapids shall employ as City Assessor the person accepted and approved by each participating municipality, and for the initial phase of this agreement that person is Dan Kirwin.
2. The City of Big Rapids shall be responsible for paying the full salary and benefits of the City Assessor employed pursuant to this agreement, which is calculated to be \$112,968 per year at the outset (which includes wages, FICA, health insurance, HAS, life insurance, pension, sick pay, vacation, wellness, longevity, unemployment, and workers compensation).
3. The City of Greenville and the City of Clare shall be responsible for paying their respective pro-rata shares of the cost of the City Assessor, which is calculated to be forty percent (40%) for Greenville and twenty percent (20%) for Clare, based on the allocated time of the City Assessor to each participating municipality, which is two (2) days per

week in Big Rapids, two (2) days per week in Greenville, and one (1) day per week in Clare. Payment shall be made monthly to the City of Big Rapids.

4. Each participating municipality shall appoint the person selected by Big Rapids, Greenville and Clare as the City Assessor in each municipality.

5. Big Rapids, Greenville and Clare shall maintain separate assessing offices, facilities, data bases, records, billing, accounting, and revenues.

6. Other than the shared cost described in this agreement, each participating municipality shall not be liable for any cost incurred by any other participating municipality in providing assessing functions and services.

7. The City Managers of each participating municipality shall by unanimous agreement set and adjust the schedule of the City Assessor to match the two day, two day, one day allocation of City Assessor time between Big Rapids, Greenville and Clare to meet the assessing and administrative needs of each municipality.

8. Extraordinary blocks of days for the City Assessor can be scheduled by the unanimous agreement of the three City Managers to accommodate special assessing projects or duties, including but not limited to providing testimony in Tax Tribunal cases or attending Board of Review sessions.

9. At the end of each year of operation under this agreement, the allocation of City Assessor time and the pro-rata cost thereof shall be reviewed and quantified, and any participating municipality using significantly more (20% or more) than its allocated days shall pay or reimburse the other participating municipalities accordingly.

10. The salary and benefits provided to the City Assessor can be adjusted annually with the unanimous agreement of the City Managers of each participating municipality.

11. Each participating municipality can terminate this agreement with or without cause by giving 180 days written notice of termination to the other participating municipalities.

12. Each participating municipality warrants that it has approved this agreement and has authorized its representative(s) named below to sign it.

13. A fully executed copy of this agreement shall be provided to the City Clerk of each participating municipality.

14. The City Manager of each participating municipality is designated and authorized as the administrator and coordinator of the city assessor services provided to each respective municipality pursuant to this agreement.

15. Any dispute between the participating municipalities about the terms, operations, or costs of this agreement shall be submitted first to the three City Managers for resolution, and if that decision is not accepted by all three participating municipalities, the dispute shall be submitted in writing within 45 days to a three person panel consisting of one elected city council or commission member appointed by each participating municipality, and that panel shall determine a resolution within 30 days of receiving a written statement of the dispute, which decision shall be final.

16. Notice for purposes of this agreement shall be given in writing to the City Clerk of each participating municipality.

17. The effective date of this agreement shall be the date on which the last of the authorized representatives of each participating municipality signs it.

Mark Warba
Mayor of Big Rapids
Dated: _____

Roberta R. Cline
Big Rapids City Clerk
Dated: _____

Dr. Ken Snow
Mayor of Greenville
Dated: _____

Bradley Hool
Greenville City Clerk
Dated: _____

Patrick Humphrey
Mayor of Clare
Dated: _____

Diane Schmidt
Clare City Clerk
Dated: _____

**APPLICATION FOR
FEDERAL ASSISTANCE**

Version 7/03

1. TYPE OF SUBMISSION: Application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		2. DATE SUBMITTED		Applicant Identifier	
Pre-application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE		State Application Identifier	
		4. DATE RECEIVED BY FEDERAL AGENCY		Federal Identifier	
5. APPLICANT INFORMATION					
Legal Name: Clare, City of			Organizational Unit: Department:		
Organizational DUNS: 78-1384037			Division:		
Address: Street: 202 West Fifth Street			Name and telephone number of person to be contacted on matters involving this application (give area code)		
City: Clare			Prefix:	First Name: Ken	
County: Clare			Middle Name		
State: MI			Zip Code 48617	Last Name Hibl	
Country: USA			Suffix:		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="9"/>			Phone Number (give area code) 989-426-4351, Ext 25		Fax Number (give area code) 989-426-6442
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input type="checkbox"/> Continuation <input checked="" type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/> Revised project costs along with refinancing of existing debt			7. TYPE OF APPLICANT: (See back of form for Application Types) C - Municipal Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Water & Wastewater Program			9. NAME OF FEDERAL AGENCY: USDA, Rural Development		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): City of Clare			11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Sewer System Improvements		
13. PROPOSED PROJECT Start Date: Ending Date:			14. CONGRESSIONAL DISTRICTS OF: a. Applicant 04 - Camp b. Project 04 - Camp		
15. ESTIMATED FUNDING:			16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal \$ 3,081,000 ⁰⁰			a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:		
b. Applicant \$. ⁰⁰			b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
c. State \$. ⁰⁰			<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
d. Local \$. ⁰⁰			17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
e. Other \$. ⁰⁰			<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
f. Program Income \$. ⁰⁰					
g. TOTAL \$ 3,081,000 ⁰⁰					
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.					
a. Authorized Representative					
Prefix 0		First Name Ken		Middle Name	
Last Name Hible			Suffix		
b. Title City Manager			c. Telephone Number (give area code) 989-386-7541, Ext 102		
d. Signature of Authorized Representative 			e. Date Signed 11/05/09		

BUDGET INFORMATION - Construction Programs

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ 32,500.00	\$.00	\$ 32,500.00
2. Land, structures, rights-of-way, appraisals, etc.	\$.00	\$.00	\$.00
3. Relocation expenses and payments	\$.00	\$.00	\$.00
4. Architectural and engineering fees	\$ 243,296.00	\$.00	\$ 243,296.00
5. Other architectural and engineering fees	\$ 40,000.00	\$.00	\$ 40,000.00
6. Project inspection fees	\$ 25,000.00	\$.00	\$ 25,000.00
7. Site work	\$.00	\$.00	\$.00
8. Demolition and removal	\$.00	\$.00	\$.00
9. Construction	\$ 1,800,000.00	\$.00	\$ 1,800,000.00
10. Equipment	\$.00	\$.00	\$.00
11. Miscellaneous	\$ 760,000.00	\$.00	\$ 760,000.00
12. SUBTOTAL (sum of lines 1-11)	\$ 2,900,796.00	\$ 0.00	\$ 2,900,796.00
13. Contingencies	\$ 180,204.00	\$.00	\$ 180,204.00
14. SUBTOTAL	\$ 3,081,000.00	\$ 0.00	\$ 3,081,000.00
15. Project (program) income	\$.00	\$.00	\$.00
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ 3,081,000.00	\$.00	\$ 3,081,000.00

FEDERAL FUNDING

17. Federal assistance requested, calculate as follows:
 (Consult Federal agency for Federal percentage share.)
 Enter the resulting Federal share. Enter eligible costs from line 16c Multiply X 100.00 %

\$ 0.00