



Agenda Report 2015-01-12-01

Date: January 2, 2015

To: John Kovash, Mayor
Members, West Linn City Council

From: Richard Seals, Chief Financial Officer

Through: Chris Jordan, City Manager *CJ*

Subject: Agreement with City of Damascus to provide Financial and IT Management Services

Purpose

The purpose of this report is to consider approving an Intergovernmental Agreement (IGA) with the City of Damascus to provide financial and information technology (IT) management services.

Question(s) for Council:

Should the City Council consider shared-service arrangements with other cities?

Public Hearing Required:

None required.

Background & Discussion:

Similar to the successful 3.5 year shared-service arrangement with the City of Milwaukie, which ended June 30, 2014, the City of Damascus requests a comparable arrangement with the recent departure of their finance director who has taken the finance director position with the City of Newberg. The agreement includes a 30-day notice in the event either city wishes to terminate.

Budget Impact:

Additional revenue to the City of West Linn is estimated at \$130,000 to \$150,000 per year.

Council Options:

1. Approve the IGA and share financial and IT management services with the City of Damascus.
2. Do not enter into this shared-service arrangement with Damascus.

Staff Recommendation:

Staff recommends approval of the attached IGA with the City of Damascus

Potential Motion:

Consent Agenda Item: motion to approve an IGA with the City of Damascus to provide financial and IT management services.

Attachments:

1. IGA with the City of Damascus

**INTERGOVERNMENTAL AGREEMENT
TO PROVIDE
PROFESSIONAL FINANCIAL AND INFORMATION TECHNOLOGY MANAGEMENT
SERVICES**

PARTIES:

West Linn: City of West Linn, an Oregon municipal corporation
Damascus: City of Damascus, an Oregon municipal corporation.
Duration: June 30, 2016, or June 30, 2017 or 2018, if extended

RECITALS:

A. ORS Chapter 190.010 authorizes governmental entities such as West Linn and Damascus to enter into written agreements for the performance of any or all functions and activities that either entity has the authority to perform on its own.

B. Damascus needs professional financial management services (“financial services” and information technology management (“IT management”).

WEST LINN AND DAMASCUS, COLLECTIVELY PARTIES, MUTUALLY AGREE AS FOLLOWS:

1. DURATION. This Agreement shall begin on February 15, 2015, and shall continue until June 30, 2016, or termination of this agreement, whichever occurs first. This Agreement may be extended by two one-year mutual agreement of each Council.

2. DESCRIPTION OF SERVICES TO BE PROVIDED. West Linn shall provide professional financial and information technology management services for Damascus as set forth in Exhibit A, which is attached and incorporated by reference.

2.1 Professional Financial Management Services. The West Linn Chief Financial Officer or Assistant Finance Director (“Financial Officers”) shall assist the Damascus Finance Department with management over Damascus’ finance functions, as more particularly described in Exhibit A. It is estimated that Damascus will require approximately 20 hours per week of financial services.

2.2 Information Technology Management. The West Linn IT Team, led by Shane Boyle, shall assist with Damascus’ information technology functions upon request of the Damascus City Manager, as more particularly described in Exhibit A. It is estimated that Damascus will require between two and ten hours per week of IT management.

3. STAFFING. Parties shall continue to serve as employer over their respective employees. No employees will be formally transferred pursuant to this Agreement. West Linn will continue to pay employees that provide services under this Agreement, and Damascus will be invoiced monthly for such services. Damascus and West Linn are

subject employers under ORS Chapter 656, and shall maintain current valid workers compensation insurance coverage throughout the period of this Agreement.

4. CONSIDERATION. Damascus shall pay West Linn the sum of one hundred dollars (\$100) per hour for financial services and IT management provided by this Agreement.

5. TERMINATION OF AGREEMENT. Either Party may terminate this agreement providing 30 days' written notice to the City Manager of the other City. In the event of termination of the Agreement, Damascus shall pay for all services rendered up until the date of termination. Termination shall be without prejudice to any obligations or liabilities of either party that accrues prior to termination.

6. AMENDMENT PROVISIONS. The terms of this Agreement may be amended by mutual agreement of the Parties. Any amendment shall:

- 6.1 Be in writing,
- 6.2 Refer specifically to this Agreement, and
- 6.3 Be executed by the parties.

7. DEFENSE AND INDEMNIFICATION. Damascus shall be solely responsible for the actions of West Linn employees while acting within their authority pursuant to this Agreement for the sole benefit of Damascus. Subject to the Oregon Constitution and the limits of the Oregon Tort Claims Act, Damascus agrees to hold harmless, defend, and indemnify West Linn, its officers, employees and agents against any and all claims, demands, actions or suits (including all attorneys' fees and costs) arising from this Agreement where the claim, suit, action, loss, damage, injury or liability is attributable to the acts or omissions of the Financial Officers in the performance of their duties under the terms of this Agreement. It is further agreed and understood that neither party is, by virtue of this Agreement, a partner or joint venture with the other party, and neither party shall have any obligation with respect to the other party's debts or liabilities of whatever kind or nature. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this indemnification.

8. NOTICE. Any notice under this Agreement shall be in writing and shall be effective when actually delivered or when deposited in the mail, addressed to the parties as follows:

West Linn: City Manager
 City of West Linn
 22500 Salamo Road
 West Linn, OR 97068

Damascus: City Manager Pro Tem
 City of Damascus

19920 SE Highway 212
Damascus, OR 97089

- 9. ATTORNEY FEES.** In the event an action, lawsuit or proceeding, including appeal there from, is brought for failure to fulfill or comply with any of the terms of this Agreement, each party shall be responsible for their own attorney fees, expenses, costs and disbursements for said action, lawsuit, proceeding or appeal.
- 10. NO WAIVER.** The failure by any party to enforce any provision of this Agreement shall not constitute a waiver by that party of that provision or of any other provision of this Agreement.
- 11. SEVERABILITY.** Should any provision or provisions of this Agreement be construed by a court of competent jurisdiction to be void, invalid or unenforceable, such construction shall affect only the provision or provisions so construed, and shall not affect, impair or invalidate any of the other provisions of this Agreement which shall remain in full force and effect.
- 12. HEADINGS.** The headings of this Agreement are for convenience only and shall not be used to construe or interpret any provisions of this Agreement.
- 13. APPLICABLE LAW.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon.
- 14. ASSIGNMENT/DELEGATION.** West Linn shall not delegate the responsibility for providing services hereunder to any other individual or agency. Neither this Agreement nor any of the rights granted by this Agreement may be assigned or transferred by either party.
- 15. MERGER.** This writing is intended both as the final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties.
- 16. BINDING EFFECT.** The terms of this Agreement shall be binding upon and inure to the benefit of each of the parties and each of their respective administrators, agents, representatives, successors and assigns.

City of Damascus

City of West Linn

By: _____

By: _____

Title: City Manager Pro Tem of Damascus
Date: _____

Title: City Manager of West Linn
Date: _____

STATE OF OREGON)
) ss.
County of _____)

On this _____ day of _____, 2015, before me _____
_____, the undersigned Notary Public, personally appeared _____
_____, as City Manager of West Linn, personally known to me (or proved
to be on the basis of satisfactory evidence) to be the person whose name is subscribed
to this instrument, and acknowledged that he executed it.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON)
) ss.
County of _____)

On this _____ day of _____, 2015, before me _____
_____, the undersigned Notary Public, personally appeared _____
_____, as City Manager Pro Tem of Damascus, personally known to me (or
proved to be on the basis of satisfactory evidence) to be the person whose name is
subscribed to this instrument, and acknowledged that he executed it.

Notary Public for Oregon
My Commission Expires: _____

EXHIBIT A

SCOPE OF PROFESSIONAL FINANCIAL MANAGEMENT SERVICES

The City of West Linn, through the services of its chief financial officer, Richard Seals, CPA CMA CFM CFE, assistant finance director, Lauren Breithaupt, CPA CGMA and Mistie Hesse, CPA shall provide the City of Damascus with financial services including, but not limited to, the following:

1. Providing financial services to the City of Damascus, City Council, citizens, departments, and employees, of Damascus;
2. Providing one West Linn employee on-site in Damascus, part-time, every week (barring any sick time, vacation time, etc., as proportionately incurred between Damascus and West Linn) and as schedules permit, not to exceed 20 hours per week;
3. Coordinating the support work performed by City Staff assigned to Finance Department;
4. Attending Council and Committee meetings as needed;
5. Mentoring and supporting the professional development of all assigned staff;
6. Overseeing the annual audit process and completing audits timely;
7. Overseeing the budget process and completing budgets timely;
8. Overseeing finance operations as needed and as directed by the Damascus City Manager;
9. Providing Director level oversight, review, and input into performance evaluations as requested by the Damascus City Manager as typically accustomed to the Director position;
10. Providing strategic financial services to include, but not limited to, such projects as long-term financial forecasting and the preparation of budgets, audits, and monthly financial reports;
11. Overseeing and providing strategic direction and ensuring the performance of risk management functions to including, but not limited to, review of commercial, property and general liability policy coverage, claims handling and processing, coordination with agent of record, and coordination with human resources staff for employee workers compensation coverage;
12. Performing other duties as typically assigned to the finance director position by the Damascus City Manager.

SCOPE OF INFORMATION TECHNOLOGY MANAGEMENT SERVICES

The City of West Linn shall provide the City of Damascus with IT services including, but not limited to, the following:

1. Providing IT services expertise and guidance to the City of Damascus, Council, citizens, departments, employees, and city staff;
2. Overseeing, managing, directing and leading staff;
3. Managing computer information systems including, but not limited to, service vendors, computer network infrastructure, network services, and application solutions;
4. Overseeing and managing network design, servers, email and phone systems, firewall security, remote WiFi, VPN and/or Cloud services;
5. Attending Council, Staff and Committee meetings on an as needed basis;
6. Providing feedback, oversight and recommendations on service vendor performance, including any reward or disciplinary action, if requested by the Damascus City Manager;
7. Providing strategic information technology leadership, including, but not limited to, projects such as technology outsourcing, information security, emergency planning, and other long-term information systems management;
8. Providing onsite technical services for all of Damascus' day to day operations;
9. Planning, executing, and evaluating technology solutions to achieve long-term strategic goals;
10. Conducting a technical site assessment and developing a strategic plan for the evolution of the IT infrastructure with input from senior city management; and
11. Any other information technology duties assigned by the Damascus City Manager.