

PROPOSED
INTERLOCAL AGREEMENT
FOR SHARING GENERAL AND ADMINISTRATIVE EXPENSES

CHARLOTTE - PEMBROKE - PERRY

ADOPTED AT TOWN MEETING AS FOLLOWS:

BY CHARLOTTE ON March 24, 2008
BY PERRY ON March 24, 2008

ADOPTED AT SPECIAL TOWN MEETING AS FOLLOWS:

BY PEMBROKE ON March 17, 2008

FINAL revision date 2-22-08

INTERLOCAL AGREEMENT
FOR SHARING JOINT GENERAL AND ADMINISTRATIVE EXPENSES

CHARLOTTE - PEMBROKE - PERRY

WHEREAS, the parties to this agreement, the Towns of Charlotte, Pembroke and Perry, have entered into this Agreement to be effective as of April 1, 2008, by the authority granted at Town Meetings held in Charlotte on March 24, 2008, Perry on March 24, 2008 and at Special Town Meeting held in Pembroke on March 17th, 2008, have so determined that it will be a more efficient use of their powers and resources and to their mutual advantage to share general and administrative expenses; and

WHEREAS, the parties to this Agreement are authorized to contract pursuant to the Maine Interlocal Cooperation Act, Title 30-A M.R.S.A. Sections 2201-2207; and NOW, THEREFORE, the Towns of Charlotte, Pembroke and Perry, for and in consideration of the mutual covenants, promises and agreements hereinafter stated and the timely performance thereof do hereby consent, covenant, promise and agree as follows:

PURPOSE:

The purposes of this Agreement are:

1. To establish a cost sharing formula so that the parties may equitably and fairly share in all joint general and administrative expenses.
2. To establish a Joint Administrative Department between the parties, including, but not limited to, the cost sharing formula contained herein and all articles which created a Joint Administrative Department to perform all administrative functions on a priority basis to be determined by the Administrative Assistant with the approval of the Joint Board of Selectmen, as though all three member Towns are one. Administrative functions shall include, but not be limited to, support to the Joint Select Board and to the individual Select Boards of each member town, administration of general assistance, tax collection, budget development, issuance of licenses, maintenance of records, service to the public, town web site management and other duties statutorily required of the public offices of Clerk, Treasurer and Tax Collector.

3. To establish a Joint Budget Approval and Adoption Process.

Further, this Interlocal Agreement shall be divided into five sections.

SECTION I. General and Administrative Joint Expense Cost Sharing Agreement

SECTION II. Administration

SECTION III. The Joint Budget Approval and Adoption Process

SECTION IV. Remedies

SECTION V. Miscellaneous Provisions

SECTION I

GENERAL AND ADMINISTRATIVE JOINT EXPENSE COSTS SHARING AGREEMENT

1. DEFINITIONS

- 1.1. Joint General and Administrative Expenses are those expenses which are to be shared jointly and are expenses created by the general needs of the populations of all three Towns as opposed to expenses which are created by the special or singular needs of a certain Town.

1.2. COST SHARING FORMULA

For the purpose of this Agreement, the cost sharing formula shall be based on the current practice of shared education costs among the three towns (based generally on the relative population of each town as set by the U.S. Census), as follows:

	Population	%	Cost Sharing %
Charlotte	328	16	20
Pembroke	875	42.8	40
<u>Perry</u>	<u>840</u>	<u>41.2</u>	<u>40</u>
Total	2043		

The above cost sharing percentages shall be used to determine each Town's share of the following Joint Expenses. The above costs sharing percent shall be reviewed, and amended if necessary, yearly by the Joint Board of Selectmen on or

before April 1 of each year. Such amendment shall be based on an analysis of any significant changes in population and/or valuation in each of the member towns.

2. JOINT EXPENSES TO BE SHARED

2.1. GENERAL GOVERNMENT

Wages

Administrative Assistant

Town Clerk/Tax Collector

Treasurer

General expenses

Clinics

Office supplies and repairs

Postage

Telephone

Training and travel

Advertising (when done jointly)

Office Equipment

Miscellaneous expenses (when done jointly)

Assessing Agent – Code Enforcement Officer (when employed jointly)

Plumbing Inspector (when employed jointly)

Animal Control Officer (when employed jointly)

Any other expense that is by definition a joint expense

2.2. INSURANCE AND BENEFITS

2.2.1. All insurance and benefits for all joint employees.

2.2.2. All Insurances covering general liability on the joint Municipal Building and on shared public officials.

2.3. RESERVE FUNDS

All reserve funds that are shared jointly based on the Administrative formula, such as, but not limited to:

Building Operating Fund

Building Capital Reserve Fund

Computer and Office Equipment Replacement/Repair
Employee Compensation including benefits (an initial amount of \$10,000 from the Maine Municipal Bond Bank Credit Quality Improvement Grant will establish the Employee Compensation fund).

3. JOINT REVENUES

The member towns will contribute revenues to a Joint Operating Account for the operation of the Joint Administrative Department. Revenues will come from the taxes raised from individual town budgets in the proportional contribution of each town as described in the cost sharing formula above. Fees raised by the sale of each permit designated for administrative overhead shall also be deposited to the Joint Operating Account.

4. AUDIT

An audit of the operations undertaken through this agreement will be conducted annually as determined by the Joint Board.

SECTION II

ADMINISTRATION

1. ADMINISTRATION

1.1. JOINT BOARD OF SELECTMEN, ADMINISTRATOR

The municipal officers of the parties shall convene as the Joint Board of Selectmen, hereinafter called the “Joint Board”, to take such actions as are provided for in this Agreement. The Administrative Assistant of Charlotte, Pembroke and Perry shall be the Administrator of the Joint Department.

1.2. MEETINGS

1.2.1. The Chairmanship of the Joint Board shall be appointed annually according to a vote of the Joint Board.

1.2.2. Joint Board meetings may be called by the Chairman or by two municipal officers of any of the parties, or by a majority of the Joint Board. Written notice shall be given at least seven (7) days prior to any Joint Board meeting. Emergency meetings may be called in less than seven (7) days if appropriate notice is provided to the public.

1.2.3. In the event that one of the Party Towns, or the members or an individual member of a Party Towns Delegation to the Joint Board, by any action or inaction prevents a quorum from being present for either the proper calling to order of any Joint Board meeting or the taking of any vote, or action or the conduct of any Business by the Joint Board at said meeting then in that event, the remaining two Party Towns may serve, in hand, written notice on any member of the Board of Selectmen of the third Party Town, or if they are unable after reasonable attempts to accomplish said service, then the Administrative Assistant on said Board of Selectmen's behalf, that a special Joint Board meeting will be held, not less than 7 days not more than twenty-one (21) days from the date said Notice is delivered, at which special meeting the quorum requirements set out below, for said special meeting only, shall be waived and a quorum for the purposes of calling said special meeting to order and taking any vote or action of the conduct of any Business by the Joint Board shall be five (5) members, regardless of Member Town Affiliation.

All voting requirement and standards outlines in Section 2, Subsection 2.1 below shall apply to said special meeting. Any business or action properly brought before the Joint Board at said special meeting may be acted upon by said Board. At the adjournment of said special meeting, the quorum requirements for Joint Board meetings shall revert to those in effect prior to said special meeting.

1.3. VOTING

Vote of Joint Board members will be given equal weights. Each of the 9 Joint Board members shall have one vote. A quorum is five (5) members which must include one member from each member Town Select Board. Should any town increase the number of Selectmen to five (5) members, the Joint Board shall develop a weighting system to ensure that each member town continues to be given equal weight on the Joint Board.

All actions of the Joint Board shall be determined by vote of a majority of the quorum present at the time that meeting is called to order and at the time of any

votes excepting on votes to approve the final draft of the Joint Budget, and votes on the proposed acquisition of single items of personal property in which the expenditure exceeds \$5,000.00 and votes to amend the agreement. Such votes shall require a two-thirds vote of the entire Board and each such vote must have at least one affirmative vote from each member town.

1.4. POWERS

The Joint Board shall have all powers necessary and incidental to the performance of administrative functions to include without limitation the following:

- 1.4.1. Joint Board of Selectmen shall appoint, supervise and dismiss the Administrator, the Town Clerk/Tax Collector, and the Treasurer, hear appeals of dismissal and if appropriate, cause to be reinstated these employees, fix the compensation and benefits of these employees, and establish regulations for their governance, and negotiate special contracts on their behalf.
- 1.4.2. The Administrator shall supervise all employees including the Town Clerk/Tax Collector and Treasurer, with the approval of the Joint Board.
- 1.4.3. Because all disbursement of Administrative Joint Expenses will be made from the Joint general checking account, all member towns will make twice-monthly appropriation payments to the Treasurer.

2. PROPERTY

PURPOSE

The purpose of this section is to provide for a building and other general operations thereof to serve the Municipalities of Charlotte, Pembroke and Perry.

2.1. DEFINITIONS

- 2.1.1. Municipal Building Facility means such land and building as the Joint Board agrees to acquire.
- 2.1.2. Member Town refers to the Towns of Charlotte, Pembroke and Perry.

2.2. AUTHORITY TO PURCHASE

2.2.1. INITIAL INVESTMENT LIMITED

The member towns shall purchase a property and any improvements thereon to serve as a Joint Municipal Facility. The initial investment will not exceed

\$225,000.00 for initial purchase, any improvements necessary to open the facility for full operations to the public, and storage of municipal records for the member towns.

2.2.2. CRITERIA FOR INVESTMENT

The location and characteristics of the Joint Municipal Facility shall be chosen based on criteria agreed to by the member towns including a location that is central to the majority of residents, direct access from Route 1, adequate parking and handicapped accessibility, sufficient interior space for 3 offices, meetings of local boards, service to, and research area for, the public, and secure storage of municipal records.

2.3. TITLE

The Member Towns shall retain and hold title to all real and personal property in the Municipal Building Facility as tenants in common. It is agreed that no action shall be brought by any town to partition the real estate unless all three towns agree. In the event of termination of this agreement, or withdrawal by a member town, disposition of the real estate, and any other physical assets, shall be subject to arbitration as set out in Section IV of this agreement.

2.4. IMPROVEMENTS

The three Member Towns as tenants in common shall develop and construct all improvements, keep the same in good repair, and shall insure all properties acquired or leased by them.

2.5. FINANCE

2.5.1. Apportionment

Cost of acquisition, improvement (both capital and non-capital) and operations, and items incidental, thereto, shall be paid for by appropriations. Appropriations shall be allocated between the Member Towns in accordance with the following:

- a. The Joint Board shall recommend appropriation amounts to the Member Towns in accordance with the ratio as shown in Section I, Subsection 1.2 as said ratio may be amended from time to time. In the event a Member Town appropriates less than the amount recommended, that action shall be deemed a

breach of the Interlocal Agreement and the Remedies shall be as set forth in Section IV.

2.5.2. Financial Procedures

a. Authorization to Accept Funds

For the accomplishing of the purposes of this Section, said Joint Board is hereby authorized and empowered to enter into agreements with the State or Federal Governments, or any agency of either, or any corporation, commission or board authorized by the State of Federal Governments, to grant or loan money, or to otherwise assist in the financing of projects such as the member towns individually are authorized to carry out, and to accept grants and borrow money from any such Governmental Agency, corporation, commission, or board as may be necessary or desirable to accomplish the purposes of Section II, subsection 2.

b. Municipal Building Reserves

The Joint Board shall create a Building Reserve Fund. All contributions to said Building Reserve Fund shall be based on each Member Town’s share of ownership which is:

Town of Charlotte: 20%

Town of Pembroke: 40%

Town of Perry: 40%

The minimum contribution for the initial ten (10) year period of this agreement to the fund shall be made as follows:

	One Year	Ten Years	%
Charlotte	\$800	\$8000	20
Pembroke	\$1600	\$16,000	40
Perry	\$1600	\$16,000	40

Said contribution will be used to purchase interest bearing investments or accounts with the interest to remain in the fund. Additional contributions/appropriations to the Building Reserve Fund as may be determined to be necessary by the Joint Board shall be appropriated by each Member Town at Town Meeting.

All capital expenditures in excess of the Building Reserve Fund and any necessary borrowing shall be subject to the approval of the legislative bodies of all member Towns.

c. Fiscal Year

The Fiscal Year shall commence on July 1.

d. Treasurer

The Municipal Treasurer of the Joint Administrative Department shall serve as Treasurer of the Joint Municipal Building, and shall have the power and duty to: receive, hold and disperse funds, maintain accurate and complete records of the Municipal Facility Building.

2.6. DISPOSITION OF PROPERTY

In the event of withdrawal or dissolution of this agreement all real or personal property shall be disposed of according to procedures established in Section IV, subsections 3 and 4 herein.

3. PERSONNEL

3.1. TRANSITION FROM ELECTED TO APPOINTED POSITIONS

Existing elected officials in the positions of Clerk, Tax Collector and Treasurer in all three towns shall fulfill their terms of office or resign according to their own discretion. Any and all offices that are voluntarily vacated by duly elected officials or whose term is complete shall be phased into the appointed positions as described herein on a part time or full time basis as necessitated by the needs of the Joint Administrative Department and as directed by the Joint Board in consideration of the timing of the expiration of existing elected offices.

3.2. EMPLOYING ENTITY

The Joint Administrative Department, acting as the agent for the member towns of Charlotte, Pembroke and Perry, shall be the employer of all employees for purposes of payroll, withholding taxes, and health or retirement benefits and related functions. The employing Joint Administrative Department shall be solely liable to any such employees for any liability for compensation or indemnity for injury or sickness arising out of or in the course of their employment, provided

the other parties agree to indemnify the employing Joint Administrative Department for their proportional share of any such liability in excess of the limits on the Workmen's Compensation or other insurance.

3.3. EMPLOYEES

The Joint Board of Selectmen may authorize the employment of such persons as the Joint Board of Selectmen deem necessary to accomplish the purposes of this Agreement. Such employees shall be employees of the Joint Administrative Department for administrative and governmental reporting requirements only. The Joint Board of Selectmen shall have full authority to negotiate all terms including benefits concerning the hiring of the Administrative Assistant, Clerk/Tax Collector, and Treasurer and the execution of any and all contracts with said Administrative Assistant, Clerk/Tax Collector, and Treasurer. Further, said Joint Board shall have full authority to determine annual employee compensation. The Joint Board shall have full authority concerning the establishment and amendment to personnel policies including but not limited to all employee benefit programs.

SECTION III

JOINT BUDGET APPROVAL AND ADOPTION PROCESS

1. AUTHORITY OF THE JOINT BOARD OF SELECTMEN TO GRANT FINAL JOINT BUDGET EXPENSES (APPROPRIATIONS) APPROVAL

By adoption of this Interlocal Agreement, the towns of Charlotte, Pembroke and Perry herewith grant authority to the Joint Board of Selectmen to finally approve all Joint Budget Expenses (Appropriations) for the following fiscal year, based on Section 3, Subsection 2.

2. ADOPTION PROCESS

2.1. PREPARING THE COMBINED BUDGET

The Administrative Assistant for the three Towns will prepare a Combined Budget including both jointly shared expenses (and recommended appropriations) as well as individual town expenses (and recommended appropriations) and recommend approval.

2.2. PREPARING THE INDIVIDUAL TOWN BUDGETS

From this combined budget, the Administrative Assistant will prepare each Town's Budget and review them with each Town's Board of Selectmen making any corrections, additions, or deletions, involving those items relative to the individual Town's specific projects or expenses.

2.3. COMBINED BUDGET RECOMMENDATIONS – INITIAL APPROVAL

Based on the above, the Administrative Assistant will make any corrections or changes to the individual town budgets and appropriate adjustments to the combined budget. The combined budget will then be reviewed by the Joint Board of Selectmen in order to make any adjustments or changes to joint expenses (and recommend appropriations) that the Joint Board of Selectmen deem necessary.

2.4. VOTING

Each of the 9 Joint Board members shall have one vote.

2.5. FINAL VOTE OF ADOPTION

After all changes, if any, have been approved by the Joint Board of Selectmen, the Joint Board of Selectmen shall take a final vote to adopt the Joint Budget Expense (appropriations).

3. ADMINISTRATION

The Administrative Assistant shall execute and manage all the policies and decisions made by the Joint Board of Selectmen, affecting Joint Town operations.

SECTION IV

REMEDIES

1. BREACH

A party shall be deemed to be in breach of this Interlocal Agreement if it fails to appropriate or make timely payment of its share of any costs, or if it fails to perform or comply with any of the provisions of conditions of this Agreement. The non-breaching member or members of the Joint Board of Selectmen shall give such a party written notice of the specific acts or omissions which constitute breach. A party so notified shall have thirty (30) days to remedy said breach. If the party fails to remedy said breach within the Notice Period or if it waives the Notice Period, the party or non-breaching

member or members of the Joint Board of Selectmen shall have the power to submit the question of breach to the arbitration procedure established in Part 2 hereinbelow.

2. ARBITRATION

Subsequent to the Notice Period established in Part 1 hereinabove, either the non-breaching member or members of the Joint Board of Selectmen or a party under Notice of Breach may give written notice to the other requesting that the question of breach be submitted to a board of three (3) arbitrators. The non-breaching member or members of the Joint Board of Selectmen and the party under Notice of Breach shall within five (5) days of such request each select and name one arbitrator and shall immediately thereafter notify each other in writing of the name and address of the person so selected. The two (2) arbitrators so selected and named shall, within ten (10) days from such request, agree upon and select and name a neutral arbitrator. If either party shall not select its arbitrator or if the two (2) arbitrators shall fail to agree upon, select and name a neutral arbitrator within said ten (10) days, either party may request the American Arbitration Association to utilize its procedures for the selection of the neutral arbitrator, the three (3) arbitrators of if either party shall not have selected its arbitrator, the two (2) arbitrators as the case may be, shall meet with the parties or their representatives, or both, forthwith, either jointly or separately, make inquiries and investigations, hold hearings, or take such other steps as they deem appropriate, provided however that the arbitrators' jurisdiction shall be limited to interpretation or application of the terms of this Agreement. If the neutral arbitrator is selected by utilizing the procedures of the American Arbitration Association, the arbitration proceedings will be conducted in accordance with the rules and procedures of the American Arbitration Association. The hearing shall be informal, and the rules of evidence prevailing in judicial proceedings shall not be binding. Any and all documentary evidence and other data deemed relevant by the arbitrators may be received in evidence. The Arbitration Board shall by majority vote make written findings and tender a decision which, with the exception of fraud, shall be final and binding upon the Joint Board of Selectmen, the party under Notice of Breach and the other parties to this Agreement. Costs of arbitration proceedings shall be shared equally by the Joint Board of Selectmen and the party under Notice of Breach.

3. WITHDRAWAL

Any party by appropriate action of its legislative body may withdraw from this Agreement subject to the following:

1. The withdrawing party shall give written notice of its intent to the Joint Board of Selectmen on or prior to 12 midnight, December 31 of any year, with the effective date of such withdrawal to be June 30 of the following year. Such party shall make any payments due during the notice period, through the end of that fiscal year ending June 30.
2. At the time of withdrawal, the withdrawing government shall pay to the Joint Administrative Department the entire amount of its share of any outstanding debts and of an assessed value of the outstanding duration of any lease entered into by the Joint Administrative Department.
3. Municipal records of any withdrawing member town shall be returned to the withdrawing town at their expense.

4. DISSOLUTION

The Joint Administrative Department and the Joint Board shall dissolve upon the affirmative vote of at least two-thirds of the member towns. Such dissolution shall be subject to the following:

1. Each member town shall assume its proportional share of the outstanding indebtedness.
2. All real and personal property acquired by the Joint Board and the Joint Administrative Department during the duration of this Agreement shall be disposed of by law.
3. After compliance with section 3 and the payment of all outstanding liabilities, any remaining funds shall be divided among the member towns in proportional share according to the cost sharing formula in Section 1, subsection 1.2.

SECTION V MISCELLANEOUS PROVISIONS

1. DURATION

The duration of this Agreement shall be ten (10) years from the date of its execution as voted by the Legislative body of each party at duly called Town Meetings held in Charlotte on March 24, 2008, in Pembroke on March 17, 2008, and in Perry on March 24, 2008, through the end of the following fiscal year ending June 30. A party may withdraw by vote of its Legislative body, on or before 12 midnight December 31 of each year. The withdrawal shall become effective as of June 30, of that following calendar year (the end of the current fiscal year). Termination of this Agreement may be accomplished by vote of at least two of the party's Legislative bodies, on or before 12 midnight December 31, to terminate the Agreement as of June 30 of the following calendar year (the end of that current fiscal year). At the end of the initial term this agreement shall continue on the same terms and conditions, with the same provision for withdrawal and termination to apply.

2. AMENDMENT

This Agreement may be amended from time to time by the Joint Board of Selectmen by approval of two-thirds vote of a quorum as outlined in Section II, Part 1, subsection 1.1. Said amendment to be effective beginning the next fiscal year following adoption. Should amendment to this agreement be required by State Statute, in the future, said amendment shall require only a simply majority vote.

3. TIME IS OF THE ESSENCE

NOTE WELL: The parties hereby agree that TIME IS OF THE ESSENCE to the terms and provisions of this Agreement. Notification of the intention to withdraw by any party must be made on or before 12 midnight of December 31. Failure to so notify the other parties accordingly, implies that the party will honor the Agreement until the end of the following fiscal year and be liable for its share of Joint Expense.

4. PRIOR AGREEMENTS AND/OR CONTRACTS

For the purposes of this agreement, the member towns hereby ratify and confirm all actions taken by said towns prior to the adoption of this Agreement pursuant to the terms of any agreements or contracts between said Towns in force and effective prior to the adoption of this Agreement.

IN WITNESS WHEREOF, the Inhabitants of the Towns of Charlotte, Pembroke and Perry, by their duly elected selectmen, have caused this instrument to be signed and sealed this ____ day of _____, 2008.

INHABITANTS OF THE TOWN OF CHARLOTTE

ATTEST: Town Clerk

Dennis Bryant, Chairman

Duane Furlong

Robert Moholland

STATE OF MAINE

WASHINGTON, ss.

Then personally appeared the above named Dennis Bryant, Duane Furlong, and Robert Moholland, Selectmen of the Municipality of Charlotte, and acknowledged the foregoing instrument to be their free act and deed in said capacity and the free act and deed of said Municipality.

Before me,

Date

Notary Public

INHABITANTS OF THE TOWN OF PEMBROKE

ATTEST: Town Clerk

Milan S. Jamieson, Chairman

Joyce Johnson

John L. Leighton

STATE OF MAINE
WASHINGTON, ss.

Then personally appeared the above named Milan Jamieson, Joyce Johnson, and John Leighton, Selectmen of the Municipality of Pembroke, and acknowledged the foregoing instrument to be their free act and deed in said capacity and the free act and deed of said Municipality.

Before me,

Date

Notary Public

INHABITANTS OF THE TOWN OF PERRY

ATTEST: Town Clerk

David Turner, Chairman

Jeanne Guisinger

Richard Adams

STATE OF MAINE

WASHINGTON, ss.

Then personally appeared the above named David Turner, Jeanne Guisinger, and Richard Adams, Selectmen of the Municipality of Perry, and acknowledged the foregoing instrument to be their free act and deed in said capacity and the free act and deed of said Municipality.

Before me,

Date

Notary Public