

	AGENDA ITEM EXECUTIVE SUMMARY	
	Title:	Recommendation to Approve Fifth Amendment to Intergovernmental Agreement (TriCom Central Dispatch) between the City of St. Charles, City of Geneva, and the City of Batavia
	Presenter:	Chief Lamkin

Please check appropriate box:

<input type="checkbox"/>	Government Operations	<input checked="" type="checkbox"/>	Government Services 01.28.13
<input type="checkbox"/>	Planning & Development	<input type="checkbox"/>	City Council
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	

Estimated Cost:	\$10,500	Budgeted:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> X	<input type="checkbox"/> NO	<input type="checkbox"/>
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If NO, please explain how item will be funded:

Executive Summary:

The TriCities joined into the original Intergovernmental Agreement (IGA) on 1976. Since that time there have been four amendments that have been approved by each city. The proposed Fifth amendment changes the calculations used for each entity using TriCom dispatch services. In the original agreement the annual operations budget was funded based on calls for service experienced by each of the three cities paying a proportionate share of the costs related to the share of calls for service generated in the previous year. In recent years, other municipalities have expressed interest in dispatch services from TriCom, and consolidation of dispatch centers continues to be more common. They are considered contract agencies, with no Board voting rights. A review of the IGA was addressed by the TriCom Board of Directors, with a new fee structure recommended requiring a base fee of 1% of the operating budget and then the balance charged proportionately to each entity using the services whether a full TriCities member or contract agency. Any new member shall also pay an amount proportionate to previous years call volume in relation to the current operating budget, which shall be non-refundable and placed into operating reserve funds (as outlined in Section 4).

This recommended change allows for the TriCities to maintain voting rights, allows for a capital reserve contribution, and long term reduction in annual fees due to contributions from other agencies.

Attachments: *(please list)*

Proposed Amendment

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve a Resolution authorizing the Mayor and City Clerk to authorize the Fifth Amendment to the IGA between the City of St. Charles, City of Geneva and the City of Batavia.

For office use only:

Agenda Item Number: 4.e

**FIFTH AMENDMENT TO AN INTERGOVERNMENTAL AGREEMENT
[TRICOM CENTRAL DISPATCH]**

City of St. Charles, City of Geneva, and City of Batavia, Illinois

THIS FIFTH AMENDMENT TO AN INTERGOVERNMENTAL AGREEMENT (this “Amendment”), is made and entered into this ____ day of _____, 2013, by and between the CITY OF ST. CHARLES, DuPage and Kane Counties, Illinois (“St. Charles”), the CITY OF GENEVA, Kane County, Illinois (“Geneva”) and CITY OF BATAVIA, Kane County, Illinois (“Batavia”). St. Charles, Geneva and Batavia sometimes hereafter referred to, collectively, as “Original Members”.

WITNESSETH:

WHEREAS, St. Charles, Geneva and Batavia entered into an Intergovernmental Agreement relating to a cooperative arrangement to provide communications services for police, fire, ambulance and other emergency functions (the arrangement or agency commonly referred to as “TriCom Dispatch” or “TriCom”) within each municipality on June 7, 1976 (hereinafter referred to as “Agreement”); and

WHEREAS, the Agreement was subsequently amended 1979, 1985, and 1986; and

WHEREAS, the Original Members find that it is in their respective best interests to amend the Agreement, as heretofore amended; and

WHEREAS, the Original Members are “units of local government” as defined by Article VII, Section 1, of the Constitution of the State of Illinois of 1970, and Geneva is “non-home rule unit(s)” and St. Charles and Batavia are “home rule unit(s)”, as defined by the Constitution of the State of Illinois of 1970; and,

WHEREAS, units of local government are enabled by Article VII, Section 10 of the Constitution of the State of Illinois of 1970 to enter into agreements among themselves to obtain or share services and to exercise, combine or transfer any power or function in any manner not prohibited by law or ordinance; and,

WHEREAS, the Original Members desire to modify the Agreement, as amended, as to (1) the manner in which the expenses of operating are allocated between the Original Members and any other unit of local government receiving contract communication service from TriCom and (2) the manner of authorizing contracts for communication service to other units of local government (“contract service communication members”); and

WHEREAS, St. Charles, Geneva and Batavia have authorized, by ordinance, the execution of this Amendment as an exercise of their intergovernmental cooperation authority under the Constitution of the State of Illinois, and the Intergovernmental Cooperation Act.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter contained, the adequacy and sufficiency of which the parties hereto stipulate St. Charles, Geneva and Batavia agree as follows:

Section 1. Incorporation of Recitals. The recitals set forth hereinabove are incorporated herein by reference as substantive provisions of this Amendment.

Section 2. Amendment to Paragraph 2 (Purpose) of the Agreement.
Paragraph 2 of the Agreement is hereby deleted and the following provisions are substituted therefore:

“2. Purpose. The purpose of this Agreement is to unite the parties in a cooperative arrangement to provide communications services for police, fire, ambulance and other emergency functions within St. Charles, Geneva and Batavia, as well as other units of local government which TriCom, as hereinafter defined, through its Board of Directors may contract for rendering communication services (contract communications service member).

In no event shall any contract communications service member become a party to this Agreement without first complying with the terms and conditions set forth at Paragraph 14 (Additional Parties). Contract communication service members shall have no voting rights on the Board of Directors (as defined below) or entitlement to any capital investments of TriCom, but shall be permitted to attend open meetings of the Board of Directors.”

Section 3. Amendment to Paragraph 8 (Personnel) of the Agreement. Paragraph 8 (Personnel) of the Agreement is amended by adding the following provisions thereto:

“Notwithstanding any provision contained in this Paragraph 8 to the contrary, the Executive Director of Communications may appoint, evaluate, promote, demote or remove employees of TriCom pursuant to the approved TriCom budget and in accordance with the personnel policies, procedures, and collective bargaining agreements of TriCom; prior to the suspension, demotion or termination of an employee, the Executive Director of Communications shall consult with the Human Resources Division of Geneva as to the manner and procedure of discipline.”

Section 4. Amendment to Paragraph 10 (Finances) of the Agreement. Paragraph 10 (Finances) of the Agreement is hereby deleted and the following provisions are substituted therefor:

“10. Finances. St. Charles, Geneva and Batavia as well as contract communication service members (as defined at Paragraph 19 below) each shall pay to Geneva, on behalf of TriCom, an annual sum as and for the service fee for communication services provided by TriCom (Annual Service Fee). Such communication services may include financial , risk management and human resources obligations of TriCom, as reasonably determined by

Geneva. The Annual Service Fee shall be paid to Geneva in the name of TriCom in equal quarter annual installments by the tenth day of the month following receipt of an invoice from TriCom. The Annual Service Fee is based on the sum of the Base Fee and the Usage Fee. The Base Fee is One (1%) percent of the annual day-to-day operating budget for TriCom. The purpose of the Base Fee is to allocate among all Original Members and contract communication service members expenses of TriCom. The Usage Fee is a member's proportionate share of the remaining balance of the annual day-to-day operating budget (reduced by total Base Fees and non-Usage Fee revenues) based upon the number of Calls for Service received from a member's corporate jurisdiction for the prior fiscal year. A Call for Service is a telephonic alarm dispatch request or emergency responder request received by TriCom Central Dispatch from a location within (or for a location within) the corporate boundaries of a member (Original Member or contract communication service member). The proportionate share of a member for a fiscal year shall be determined by dividing the total number of Calls for Service originating from a member by the total number of Calls for Service received by TriCom. For illustration purposes only, assume that TriCom's annual day-to-day operating budget for year 2012 is \$2,500,000 and TriCom received 182,500 Calls for Service in year 2011 and Municipality "X" generated 63,875 Calls for Service. The Annual Service Fee for Municipality "X" would be calculated as follows:

Base Fee (1% of \$2,500,000) = \$25,000.00

Usage Fee (63,875/182,500 = 35% x \$2,325,000* = \$813,750.00

Annual Service Fee (\$25,000.00 + \$813,750): \$838,750.00

***Net day-to-day Operating Budget after Base Fee and non-Usage Fee Reductions**

Geneva shall keep accurate records of the cost of operating TriCom, which records shall be available at Geneva's municipal offices for inspection by a duly authorized agent or employee of an Original Member or contract communication service member during regular business hours. The operating expenses shall include a reasonable sum for Geneva's administrative expenses. Geneva shall invoice the Original Members and contract communications service members for their respective shares of the Annual Service Fee quarter annually. Invoices shall be paid within thirty (30) days from receipt thereof. The financial records of TriCom shall be audited annually by an auditor selected by the City of Geneva and the cost of audit shall be a cost of operating TriCom."

Section 5. Amendment to Paragraph 14 (Additional Parties) of the Agreement. The following language is hereby added to Paragraph 14 of the Agreement:

"The Board of Directors may enter into contract communications service contracts with units of local government, whether or not contiguous to the corporate boundaries of any Original Member. All new members as well as contract communications service members shall be required to, prior to the effective date of commencing service with TriCom, pay to TriCom a proportionate share of the minimum operating reserves of TriCom and any expenses related to the conversion of service to TriCom. The new member's proportionate share of the minimum operating reserves shall be calculated by multiplying one-fourth (25%) of the current year's day-to-day operating budget of TriCom ("minimum 3-month operating reserve") by the anticipated call volume percentage of the new member. The anticipated call volume, which is the aggregate of all Calls for Service received by TriCom, shall be determined by using the new member's call volume for the

prior calendar year. The new member's call volume shall be interpolated into an estimated percentage of TriCom call volume. For illustration purposes only, assume TriCom's current day-to-day operating budget is \$2,500,000 and the new member's prior year's call volume would have constituted 1.2% of TriCom's entire call volume for the prior year, the new member's contribution to the operating reserve would be \$7,500. ($\$2,500,000 \times .25 = \$625,000 \times .012 = \$7,500$) for its one-time, nonrefundable contribution to the financial operating reserves of TriCom."

Section 6. Binding Effect. This Agreement shall be binding upon and shall apply only to the legal relationship between St. Charles, Geneva and Batavia. Nothing herein shall be used or construed to affect, support, bind or invalidate any claims of any Original Member insofar as such claims shall affect any entity, which is not a party to this Amendment or the Agreement, as modified.

Section 7. Amendment. No Original Member shall directly or indirectly seek any modification of this Amendment or the Agreement, as amended, through court action and the Agreement, as heretofore and herein amended, shall remain in full force and effect until amended or changed in writing by the mutual agreement of the Original Members.

Section 8. Partial Invalidity. If any provision of this Amendment shall be declared invalid for any reason, such invalidation shall not affect other provisions of this Amendment, which can be given effect without the invalid provisions and to this end, the provisions of this Amendment are deemed to be separable.

Section 9. Notice and Service. Any notice hereunder from either municipality hereto to the other municipality shall be in writing and shall be served by registered or certified mail, postage prepaid, return receipt requested addressed as follows:

To St. Charles: City of St. Charles
 2 E. Main Street
 St. Charles, IL 60174
 Attn: City Administrator

To Geneva: City of Geneva
 22 South First Street
 Geneva IL 60134
 Attn: City Administrator

To Batavia: City of Batavia
 100 N. Island
 Batavia, IL 60510
 Attn: City Administrator

or to such persons or entities and at such address as either municipality may from time to time designate by notice to the other municipality. Notice shall be deemed received on the third business day following deposit in the U.S. Mail in accordance with this Section.

Section 10. Illinois Law. This Agreement shall be construed in accordance with the laws of the State of Illinois.

Section 11. Execution of Agreement, Recordation and Counterparts. Each municipality shall authorize the execution of this Agreement by an ordinance duly passed and approved. This Amendment may be executed by the parties in counterparts.

Section 12. Effective Date. The effective date (“Effective Date”) of this Amendment shall be date the last party executes the Amendment.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the date first

above written.

CITY OF ST. CHARLES, an Illinois
municipal corporation

By: _____
Mayor

ATTEST:

City Clerk

CITY OF GENEVA, an Illinois
municipal corporation

By: _____
Mayor

ATTEST:

City Clerk

CITY OF BATAVIA, an Illinois
municipal corporation

By: _____
Mayor

ATTEST:

City Clerk