

INTERGOVERNMENTAL POLICE SERVICES AGREEMENT

THIS AGREEMENT entered into this 1st day of May, 1998, by and between:

<u>Name</u>	<u>Address</u>
VILLAGE OF DOUGLAS a general law village "Douglas"; and	Village Hall 47 West Center Street Douglas, MI 49406
CITY OF SAUGATUCK a municipal corporation "Saugatuck"	City Hall 102 Butler Street Saugatuck, MI 49453

RECITALS

Douglas and Saugatuck are each incorporated municipalities pursuant to the statutes of the State of Michigan (Douglas as a General Law Village and Saugatuck as a Municipal Corporation) and each desires to provide public safety, police and emergency services to their inhabitants and also to provide for the protection of property (the "police services").

Each municipal corporation has furnished police services to the inhabitants and businesses in their respective units of government and now intends to consolidate their respective police services into the Saugatuck/Douglas Police Department to be administered according to this agreement.

Public Act 25 of 1951, as amended, being MCL 124.1, concerning governmental contracts between municipal corporations; and Public Act 8, of 1967 (Ex. Sess.) as amended, being MCL 124.531, concerning Intergovernmental Transfers of Functions and Responsibilities, provides authority to Saugatuck and Douglas to contract to provide cooperative intergovernmental police services to both municipalities.

NOW THEREFORE, Saugatuck and Douglas, in consideration of the mutual undertakings provided for in this Agreement, agree as follows:

1. General Agreement. Saugatuck and Douglas agree to provide police services on the terms and conditions stated in this Agreement, and both agree to receive their police services from the Saugatuck/Douglas Police Department as provided in the Agreement.

2. Definition of Terms. For the purpose of this Agreement, the terms in this section shall have the meanings given to them.

(a) "Contract Year" means a twelve (12) month period during which police services are to be rendered to each municipal corporation. The contract year shall commence on July 1 and terminate on the next June 30.

(b) "Fiscal Year" means a twelve (12) month period during which receipts and expenses for police services are provided for in a budget. The fiscal year shall commence on July 1 and terminate on the next June 30.

(c) "Contracting Municipalities" means the two municipal corporations which are parties to this Contract or a similar contract which by it is interrelated with this Contract for the purposes of determining the total cost for the contracting municipalities, which are the Village of Douglas and the City of Saugatuck.

(d) Saugatuck/Douglas Police Budget shall include all preliminary, estimated and actual costs of operating the intergovernmental Police Department for a given contract year, including but not limited to:

(1) Police Officer overhead expenses including all salaries, fringe benefits, overtime, FICA, all insurance costs including health, liability and accident, holiday pay, unemployment benefits paid, wearing apparel and officer equipment, education and training.

(2) Operating expenses, including all costs of equipment and apparatus acquisition, including vehicles and maintenance, utilities, telephone service, gasoline and oil for vehicles and books and periodicals.

(3) All other expenses normally and reasonably incidental to the operating of a police department, including police liability insurance.

(4) The Saugatuck/Douglas Police Budget to be utilized commencing July 1, 1998 to June 30, 1999 is attached, utilizing current year budgets plus inflation, as developed and approved by the Joint Police Commission.

3. Police Services Designation. The designation "Saugatuck/Douglas Police Department" shall be affixed by appropriate paint or decal sticker to the sides of all police cars used by the Saugatuck/Douglas Police Department under the terms of this Agreement and the designation of "Saugatuck/Douglas Police Department" shall be inserted in the appropriate telephone directories as may be distributed in the municipal corporations.

4. Level of Services.

(a) The level of police services rendered to each municipal corporation shall be 24 hour coverage with a minimum of two officers.

(b) A list of the names of all existing police officers and personnel from both communities to be employed for the police services of the Saugatuck/Douglas Police Department, a description of their titles, duties and salaries, as of July 1, 1998, will be maintained.

5. Administrative Responsibility. The law enforcement services rendered to each municipal corporation shall be administered by Douglas, subject to consultation with the Joint Police Commission as described in Section 6. Any disputes concerning the extent of functions and duties to be rendered hereunder, or the level or manner of performance of such police service, shall be resolved by the Village Manager of Douglas. The Douglas Village Manager shall submit to both municipal corporations a monthly report of police activities/services rendered to each municipal corporation as well as a financial report and suggestions regarding any changes in the provision of police services that may be helpful.

6. Joint Police Commission. Each municipal corporation shall appoint three (3) members to a Joint Police Commission on July 1st of each contract year and the name of each appointee shall be furnished to the chief administrative employee of each municipal corporation. These members shall be two (2) elected Council representatives appointed annually by their respective Council and the Village/City Manager from each municipal corporation. The Joint Police Commission shall elect a Chairman, Vice-Chairman and Secretary and meet periodically as determined from time to time by them, but not less than quarterly, to review and make recommendations and receive information on matters reviewed by such Commission members, including budget proposals to the administrator and the respective Councils of the municipal corporations. The Joint Police Commission shall adopt its own rules of procedure subject to approval of the respective Councils, and shall keep a record of its meetings, which record shall be a public record. The Joint Police Commission shall review and recommend an annual operating budget for consideration by each municipal corporation. In the event agreement cannot be reached on an item of business at the Joint Police Commission, the matter will be referred to the respective Councils for resolution. An interim Joint Police Commission shall be appointed for the period May 1, 1998 through June 30, 1998.

7. Officers, Employees of Douglas.

(a) All personnel of the Saugatuck/Douglas Police Department, including the Police Chief, shall be employees of the Village of Douglas for the duration of this Contract, and only for the duration of this Contract. For administrative purposes, Douglas shall assume all obligations with regard to training, administration of police policies, workers compensation, withholding tax and insurance and other employee costs in the Police Budget with respect to such officers. Former Saugatuck personnel employed by the Saugatuck/Douglas Police Department shall retain and accumulate tenure as Saugatuck employees while so employed. Such employees as are necessary for the operation of the Saugatuck/Douglas Police Department shall be transferred to and appointed as employees of Douglas, subject to all rights and benefits. These employees shall be given seniority credits and sick leave, vacation, insurance and pension credits in accordance with the records or labor agreements from the City of Saugatuck. Members and beneficiaries of any pension or retirement system or other benefits established by the City of Saugatuck shall continue to have rights, privileges, benefits, obligations and status with respect to such established system. Douglas shall assume the obligations of Saugatuck with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement provisions for employees. If any employees of Saugatuck are not guaranteed sick leave, health and welfare and pension or retirement pay based on seniority, Douglas shall not be required to provide these benefits retroactively. No employee who is transferred to a position with Douglas shall by reason of such transfer be placed in any worse position with respect to workmen's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits that he or she enjoyed as an employee of Saugatuck.

(b) Upon non-renewal or termination of this Agreement, Saugatuck shall have the right, subject to compliance with applicable federal, state and local laws, to retain police officers who were previously employed as police officers of Saugatuck but transferred to and appointed as employees of Douglas pursuant to this Agreement.

8. Enforcement of Policies. The enforcement of policies to be addressed by the Saugatuck/Douglas Police Department in each municipal corporation shall be provided in writing to the Joint Police Commission.

9. Enforcement of Ordinances. Saugatuck/Douglas Police Department officers shall enforce the Ordinances of each municipal corporation.

10. Ordinance Fines/Revenues. All fines and revenues generated by the enforcement of Ordinances of Saugatuck and Douglas shall be returned to the municipality in which they originated.

11. All Officers to be Deputized. All police officers shall be authorized to enforce the ordinances, regulations and laws of each municipal corporation by proper action to be taken by the Council of each such municipal corporation.

12. Offenses. All offenses shall be charged in accordance with the ordinances of the municipal corporation in which the offense occurred in each case possible, otherwise, the charge shall be made in accordance with the laws of the State of Michigan or the laws of the Federal Government.

13. Renewal, Non-renewal and Termination.

(a) This Agreement shall remain in full force and effect from May 1, 1998, until June 30, 1999, and shall be automatically renewed annually thereafter, for each successive contract year, unless not renewed by either party by serving a notice of intent not to renew upon the clerk of both municipal corporations before March first of the current contract year.

(b) This Agreement may be terminated at any time by joint action of both parties, or by Saugatuck or Douglas not less than one year after its notice thereof in writing to the other party of its intention to terminate.

(c) In the event that this Agreement is not renewed or is terminated by joint action or notice with or without cause, Saugatuck agrees to indemnify Douglas on a pro-rata basis for any of the extraordinary costs incurred by or within the Saugatuck/Douglas Police Department on account of such non-renewal or termination; said costs shall include, but are not limited to, unemployment benefits paid because of the need to lay off existing police department personnel and the sale of squad cars, occasioned by the need to reduce overhead because of non-renewal or termination of this Agreement. Extraordinary costs shall not include the costs of day to day operations of the Saugatuck/Douglas Police Department. Provided, however, that no such costs shall be imposed unless and until the parties hereto have met with the Joint Police Commission, such costs have been mutually reviewed, and a majority of the Commission has recommended that such costs are valid. In the event that parties are unable to reach agreement, the matter shall be submitted to the Allegan County Circuit Court by complaint of either Municipal Corporation for a determination of "extraordinary costs" incurred by Douglas upon the non-renewal or termination of this Agreement.

(d) Upon non-renewal or termination by joint action or notice, equipment and material originally contributed by Saugatuck and utilized or held by the Saugatuck/Douglas Police Department shall be returned to Saugatuck. Likewise, equipment and material originally contributed by Douglas and still utilized and held by the Saugatuck/Douglas Police Department shall be returned to Douglas.

(e) Upon notice of non-renewal or termination by Saugatuck, Douglas shall have the first option to purchase equipment and material being disposed of by the Saugatuck/Douglas Police Department, to the extent such equipment and material is not governed by (d) above. The purchase price, as determined by mutual agreement or appraisal, for Douglas's acquisition of such equipment and material shall be adjusted to reflect the percentage of the annual budget of the Saugatuck/Douglas Police Department which has been contributed by Douglas in the year of original purchase.

(f) Upon notice of non-renewal or termination by Douglas, Saugatuck shall have the first option to purchase equipment and material being disposed of by the Saugatuck/Douglas Police Department, to the extent such equipment and material is not governed by (d). The purchase price as determined by mutual agreement or appraisal for Saugatuck's acquisition of such equipment and material shall be adjusted to reflect the percentage of the annual budget of the Saugatuck/Douglas Police Department which has been contributed by Saugatuck in the year of original purchase of such equipment and material.

(g) Upon non-renewal or termination, to the extent equipment and material being disposed of by the Saugatuck/Douglas Police Department is not governed by (d), (e) or (f) above, the equipment and material shall be sold or otherwise disposed of by the Saugatuck/Douglas Police Department, and the proceeds from such sale or other disposal, together with any fund balance remaining, shall be split between Saugatuck and Douglas according to the percentage of the annual budget of the Saugatuck/Douglas Police Department which has been contributed by Saugatuck and Douglas, respectively, averaged over the life of the contract.

(h) A copy of this completed agreement shall be filed with the Secretary of State of the State of Michigan as required by Michigan Statute (MCLA 124.533(c); MSA 5.4087(3)) .

14. Communications, Equipment and Supplies.

(a) The Saugatuck/Douglas Police Department shall furnish communication equipment necessary to perform the services which are to be rendered. The Saugatuck/Douglas Police Department shall provide the necessary equipment and vehicles.

(b) Each municipal corporation shall make available to the Saugatuck/Douglas Police Department all equipment and assets presently used to provide services. Such equipment and assets shall be maintained by the Saugatuck/Douglas Police Department. When such equipment and assets become outdated or unusable, it shall be returned to the contributing municipal corporation. Thereafter, the Saugatuck/Douglas Police budget shall include the costs of necessary replacements. A list of the Saugatuck and Douglas assets to be utilized by Douglas as of the commencement of this Agreement is attached as Schedule _____.

15. Cooperation and Assistance. The municipal corporations have entered into this Agreement for the purpose of providing better police services to the citizens of the respective municipalities of Saugatuck and Douglas and shall have full cooperation and assistance from each other's officers, agents and employees.

16. Headquarters. Headquarters for the services rendered to each municipality under the Agreement shall be located at offices recommended by the Joint Police Commission and the citizens of Saugatuck or Douglas shall notify headquarters, or radio dispatch for services requested, either in person or by some other means of communication. Services shall be rendered to each municipal corporation on a twenty-four (24) hour basis. Douglas shall provide office space in its existing department for use of the Saugatuck/Douglas combined department. Separate desks, telephones and other equipment shall be provided to the police in the performance of their police service duties.

17. Police Service Costs. Saugatuck and Douglas shall agree to the Police budget for fiscal year 1998-1999 on or before May 15, 1998. During the initial year of this agreement, Saugatuck and Douglas shall budget and pay for an amount equal to the 1997-1998 police budget for each community adjusted for inflation (Consumer Price Index), additional staffing needs, and start up costs of the combined department. Annually, a tentative Police Budget will be developed by the Village Manager of Douglas, who shall submit the tentative police budget for the upcoming fiscal year to the Joint Police Commission by January 1 of the current contract year. Commencing with the establishing of the budget for the second year of the Agreement and thereafter, the Joint Police Commission shall recommend the allocation of a percentage of responsibility for such Police Budget, utilizing a consideration of population, land area, street miles, incidents of crime, manpower, requirements and other relevant factors.

(a) By April 1 of each contract year, the Joint Police Commission shall receive, review and recommend a Police Budget for the next contract year. Each municipal corporation shall receive such recommendation by April 15 of each contract year for the next

contract year. If either municipal corporation fails to ratify such upcoming police budget by May 15, then this Agreement shall terminate as prescribed in Section 13(b) either by joint action of the parties or by a written notice of intent to terminate by one party one year prior to the date of termination.

(b) Douglas shall administer and account for all funds received and disbursed by it pursuant to this Agreement. Douglas shall establish a Police Services Fund and maintain adequate records to account for the budgeted income and expenditures; pursuant to generally accepted municipal and governmental accounting practices, consistently applied.

(c) Saugatuck shall monthly, by the first of each month, deposit in the Police Services Fund of Douglas, its monetary contribution equal to one-twelfth (1/12) of Saugatuck's share of the budgeted operating expenses for the forthcoming fiscal year. In the event the cash flow demands and expenses of the Police Service Fund require greater contribution by Saugatuck, the Joint Police Commission shall recommend such increased level of contribution to the respective municipal corporations for approval.

(d) Douglas is authorized to make all disbursements provided for in the budget.

(e) If Saugatuck breaches this Agreement by failing to pay to Douglas its monthly contribution within ten (10) days of its due date or if either party commits a material breach of this Agreement, the non-breaching party shall give the other party written notice of the alleged breach. If the breach is not cured within fifteen (15) days of receipt of said notice, then the non-breaching party may withdraw from this contract by giving written notice to the other party of its intent to withdraw and the date of its intent to withdraw, which shall be no less than ninety (90) days after service of the written notice of intent to withdraw. Sections 7(b), and 13(c) through 13(g) shall apply if a party rightfully withdraws from this Agreement.

18. Insurance. As part of the Police Budget for each contract year, Douglas shall purchase law enforcement liability insurance and automotive liability insurance in the minimal level of Five Million Dollars (\$5,000,000) per occurrence/no aggregate to insure against liability incurred in the rendering of law enforcement services to each municipal corporation. Such liability insurance shall be "occurrence" in coverage and not "claims made" unless recommended by the Joint Police Commission and approved by Douglas and Saugatuck. In addition, Douglas shall purchase automotive physical damage coverage for law enforcement vehicles. Douglas shall name Saugatuck, its officers, employees, and directors as additional insureds on the policy. Douglas and Saugatuck, individually, shall purchase and maintain public

officials liability coverage for its respective representatives appointed to the Joint Police Commission.

Annually, the Joint Police Commission shall review the minimum levels of coverage for police, automotive, and physical damage coverage, and shall recommend, as a part of the Police budget for each contract year, any increases or decreases in the levels of such insurance. In the event either Douglas or Saugatuck desires to purchase additional insurance with respect to the law enforcement services to be performed under this agreement, such additional insurance shall be included in the Police Budget for each contract year, subject to an affirmative recommendation of the Joint Police Commission, and the approval of each municipal corporation.

All insurance policies required by this paragraph shall be with insurance companies qualified under the laws of the State of Michigan to assume the risks undertaken, and may be written with deductible amounts, co-insurance features, and exceptions and exclusions comparable to those in similar policies carried with respect to law enforcement operations. On request, Douglas shall obtain and provide to Saugatuck a certificate or certificates of insurance attesting to the fact that the insurance required by this section is in full force and effect. In addition, Douglas, upon request by Saugatuck, shall furnish copies of the original insurance policies required herein. All insurance policies shall contain a provision that they are non-cancelable and not subject to material modifications by the insurer except upon 30 days written notice to the parties hereto.

19. Hold Harmless/Indemnification. In the event any liability, payment, cost, expense, or obligation (including attorneys fees, consulting fees, or expert witness fees) arising from a claim of liability (after application thereto of any insurance coverage or proceeds) ("Liability") is asserted against Saugatuck or Douglas by a third party or parties arising from the operation, use, management, control, administration, or performance of law enforcement services under the terms of this Agreement, and such Liability is not caused by the gross negligence or intentional wrongdoing by Douglas or Saugatuck, such Liability shall be shared by Douglas and Saugatuck in proportion to their respective budget allocations for the year in which the loss occurred. If either Douglas or Saugatuck is required to make any payment or incur any cost, expense, or obligation in excess of that for which it is responsible under the provisions of the preceding sentence, then either Douglas or Saugatuck making such excess payment or incurring such excess cost, expense or obligation shall be reimbursed by the other municipal corporation so that such payment, costs, expenses, and obligations are shared as provided in the immediately preceding sentence. If any liability, payment, cost, expense, or obligation, including attorneys fees, consulting fees or expert witness fees arise from the gross negligence or intentional wrongdoing on the

part of Saugatuck or Douglas, then such party, committing gross negligence or intentional wrongdoing, shall be solely responsible for such liability, payment, cost, expense, or obligation.

Under no circumstances shall this Agreement be construed to place upon Douglas any liability to Saugatuck or to any third party which is greater or different than the liabilities borne by Saugatuck if Saugatuck were providing such services through its own police department. The police chief of the Saugatuck/Douglas police department or his/her designee shall have the sole discretion as to the dispatch of officers and equipment in the performance of their duties in the ordinary course of providing police services.

It shall not be a violation of this Agreement, nor shall Douglas be held responsible to Saugatuck for any loss which may result, if the Saugatuck/Douglas Police Department, in the exercise of reasonable judgment, is unable to respond promptly or is able to respond with only limited officers and equipment, or is delayed in responding to a call by reason of answering a previous call. Nothing contained herein shall deem to hold Douglas liable to perform any of its obligations under this Agreement because of force majeure. As used in the preceding sentence, the term "force majeure" shall mean any cause beyond the reasonable control of Douglas, and which by reasonable effort Douglas is unable to overcome, including without limitation, the acts of God, strikes, lock-outs, or other labor disturbances; acts of public enemies; orders, or absence of necessary orders and permits of any kind, from the government of the United States or from the State of Michigan or any of their departments, agencies, or officials; insurrections, riots, equipment, material, supplies, labor shortages; lightning; earthquakes; fire; hurricane; tornadoes; storms; floods; washouts; explosions; sabotage; or injunction.

20. Non-Budgeted Expenditures. Each municipal corporations shall have the right to approve or disapprove any proposed capital expenditures and/or increase in the number of police officers not otherwise included in the approved Police Budget. Notice of such proposed and non-budgeted capital expenditures and/or increase in number of full time police officers, as prepared by the Joint Police Commission, shall be given in writing to each municipal corporation prior to actual expenditure for such items. Each municipal corporation shall thereafter have until their next scheduled regular or special Council meeting or fifteen(15) working days, whichever is greater, to approve or disapprove the proposal in writing. Failure to make any decision is deemed to be approval of such proposed expenditure and the cost thereof shall be included in that fiscal year's budget. In the event Saugatuck shall disapprove of any such non-budgeted capital expenditure and/or increase in the number of officers, it shall not be liable to

Douglas for any costs incurred by Douglas should the non-budgeted capital expenditure and/or increase in number of officers be made despite such disapproval.

21. Miscellaneous.

(a) The municipal corporations shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment as outlined by applicable ordinance and/or federal or state statute. Breach of this covenant may be regarded as a material breach of this Agreement.

(b) This agreement, together with all addendums or items incorporated by reference, constitutes the entire agreement.

(c) This Contract may be amended by agreement of the parties in the same manner as the original contract was made. Recommendations by the Joint Police Commission shall be given serious consideration in making any amendments.

(d) There shall be no assignment or transfer, in whole or in part, of this Agreement unless mutually agreed to in writing by the parties.

(e) Any lawsuit for a breach of this Agreement shall be instituted and maintained in the court of competent jurisdiction in the County of Allegan, State of Michigan. If either party fails to comply with the terms of this Agreement, the aggrieved party may apply to the Court for relief. In the event that a party hereto wrongfully breaches this Agreement or fails to fulfill its obligations hereunder, thereby necessitating the other party to seek legal counsel and/or undertake enforcement proceedings in any Court of lawful jurisdiction, the party in non-compliance of this Agreement and/or the party prevailing in legal proceedings shall pay the reasonable attorney fees, and Court costs, if any, incurred by the aggrieved party.

(f) Any written notice provided for in this Agreement shall be by certified mail addressed to the clerk of the municipal corporation being given notice. The date of notice shall be the date of mailing.

(g) This Agreement contains the entire understanding of the parties. There are no representations, warranties, promises, covenants or undertakings, oral or otherwise, other than those expressly set forth herein.

(h) Any failure by either party to insist on full performance of any term of this Agreement does not constitute a waiver of all, or any portion of, this Agreement.

(i) This Agreement shall be governed by the laws of the State of Michigan both as to interpretation and performance.

(j) This agreement shall be approved by concurrent resolution of the governing body of each political subdivision.

(k) The terms of this Agreement shall be entered in the official journal/minutes of proceedings of the governing body of each municipal corporation.

22. Severability. Each section, part, term, and provision of this Agreement shall be considered severable. If for any reason any section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation of a court or agency having valid jurisdiction, this determination shall not impair the operation or affect the remaining portions, sections, parts, terms, or provisions of this Agreement, and the latter will continue to be given full force and effect and bind the parties; and the invalid section, part, term, or provision shall be deemed not to be a part of this Agreement.

VILLAGE OF DOUGLAS

By: Henry E. Baker
President

Date: May 1, 1998

By: Barbara McVea
Clerk/Treasurer

Date: May 1, 1998

CITY OF SAUGATUCK

By: Mark E. Redke
Mayor

Date: May 1, 1998

CITY OF SAUGATUCK

By: Ellen Clark
Clerk/Treasurer

Date: May 1, 1998