

AGENDA REPORT

TO: Mayor Pat Humphrey & the Clare City Commission
FROM: Jeremy Howard, City Manager
DATE: May 12, 2022
RE: Memorandum of Understanding (MOU) – Michigan Department of Treasury and City
– Lake Shamrock Project Funds

For the Agenda of May 16, 2022

Background. As you know the City of Clare received an allocation of 6.8 million dollars of funding for the Lake Shamrock Dredging and Dam Project included in PA53 of 2022. It was allocated with a 20% match, and we will be able to utilize our 1.3 million bond funds for that purpose. This means we should be able to accelerate and hopefully enlarge the project (possible hydraulic dredging) as well as replace the actual Dam and build a spillway, walkway and control structures and piers, etc. We recently had our first meeting with the Department of Treasury to begin working with them to access the 6.8M in grant funds and they began working on a Memorandum of Understanding (MOU) (*att'd*) for the project and associated funding. The City Commission is asked to authorize the City Manager to sign the MOU and any other necessary and related documents for the project and allow the Treasurer/Finance Director to apply any and all necessary budget amendments needed to accept the funds.

Issues & Questions Specified. Should the City Commission authorize the City Manager to sign the proposed MOU?

Alternatives.

1. Authorize signature of the MOU.
2. Do not authorize signature of the MOU.
3. Set aside decision regarding this matter to a later date.

Financial Impact. There is no additional cost to the City above and beyond the matching funds of 20% that will be required to access the full 6.8 million dollars.

Recommendation. I recommend that the City Commission authorize the City Manager to sign the MOU by adoption of Resolution 2022-045 (*att'd*).

Attachments.

1. Proposed MOU.
2. Resolution 2022-045.

MEMORANDUM OF UNDERSTANDING
Between the
MICHIGAN DEPARTMENT OF TREASURY and
THE CITY OF CLARE

I. Introduction

The purpose of this Memorandum of Understanding (MOU) between the Michigan Department of Treasury (Treasury) and the City of Clare is to identify the responsibilities of the parties in supporting the lake dredging and dam emergency spillway project in the City of Clare. The City of Clare has been identified as eligible for funds allocated for this project in Public Act 53 of 2022. Under this MOU, Treasury will pay verified invoices presented by the City of Clare for expenditures in support of this appropriation.

II. Term

This MOU shall remain in effect until all costs incurred by the City of Clare are paid by Treasury, subject to the limitations in Section III.

III. Limitations on Costs

Under this MOU, Treasury will pay verified invoices to the extent appropriated funds are available.

IV. Treasury Responsibilities

Treasury will authorize payment of invoices up to \$6,800,000 upon receiving a request with supporting documentation from the City of Clare. If necessary for the success of the program, Treasury may advance funds from the amount above.

V. Agency Responsibilities

The City of Clare will maintain documentation supporting the disbursement.

VI. Joint Obligations

The parties shall cooperate with one another under this MOU, and upon the reasonable request of any Party, share reporting, payment history, expenditure planning and other information as may become necessary relative to this MOU. This section shall survive termination of this MOU for purposes of audit review and records management.

VII. General Provisions

- A. This MOU contains all of the terms and conditions agreed upon by the Parties. No other understanding, oral or otherwise, regarding the subject matter of this MOU shall be deemed to exist to bind the Parties.
- B. This MOU only addresses the \$6,800,000 allocated in Public Act 53 of 2022, Sec. 602 to support the lake dredging and dam emergency spillway project. It does not address any other appropriations or allocations.

Execution Copy

- C. This MOU may be modified, in writing, upon the mutual written approval of the Parties.
- D. The Parties agree that faxed, or pdf, signatures of the Parties shall be binding and enforceable and that this MOU may be executed in one or more counterparts.

(Signature Page Follows)

FOR THE MICHIGAN DEPARTMENT OF TREASURY

Heather Frick, Deputy State Treasurer

FOR THE CITY OF CLARE

Signature: _____

Date: _____

Name: _____

Title: _____

RESOLUTION 2022-045

A RESOLUTION OF THE CLARE CITY COMMISSION AUTHORIZING THE CITY MANAGER TO SIGN A MEMORANDUM OF UNDERSTANDING WITH THE MICHIGAN DEPARTMENT OF TREASURY.

WHEREAS, the City of Clare was allocated funding of 6.8 million dollars in PA53 of 2022; and

WHEREAS, said funding is designated to be used for the Lake Shamrock Dredging and Dam Improvement Project in the City of Clare; and

WHEREAS, the Michigan Department of Treasury has created a Memorandum of Understanding (MOU) to be signed by Treasury and the City; and

WHEREAS, the City Commission has reviewed said MOU and determined that authorizing the City Manager to sign said MOU clearly is in the best interests of the residents of the City of Clare.

NOW THEREFORE BE IT RESOLVED THAT, the Mayor and City Commission of the City of Clare hereby formally authorizes its City Manager to sign the Memorandum of Understanding and any other necessary and related documents for the project to obtain said funding.

BE IT FURTHER RESOLVED THAT the City Commission directs its Finance Director & Treasurer to take any and all actions necessary to facilitate any necessary budget amendments related to the project and the acceptance of funds from the Michigan Department of Treasury.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 16th day of May, 2022.

Diane M. Lyon, City Clerk