

**Memorandum of Understanding
Between the City of West Allis and First-Ring Industrial Redevelopment Enterprise, Inc.**

THIS Memorandum of Understanding ("MOU") has been created and entered into on this _____ day of _____, 2023 by and between the following parties: **CITY OF WEST ALLIS**, a municipal corporation, organized under the law of the State of Wisconsin within Milwaukee County, located at West Allis City Hall, 7525 W. Greenfield Ave., West Allis, WI 53214 ("City"); and **First-Ring Industrial Redevelopment Enterprise, Inc.**, a Wisconsin nonstock corporation and regional Community Development Entity, formed in 2007, located at 11934 W. West Hayes Ave. West Allis, WI 53227("FIRE").

R E C I T A L S

WHEREAS, the City is the sole member of FIRE, which has been organized and shall continue to be operated following execution of this MOU in accordance with its Articles of Organization and Bylaws, as amended; and

WHEREAS, City employees have in the past performed certain services and functions for FIRE at its request; and

WHEREAS, the City and FIRE desire to clarify by this MOU the scope and extent of the services to be rendered by City employees for the benefit of FIRE in the future; and

WHEREAS, the City recognizes that collaboration with and support of FIRE is in line with it's strategic goals for Economic Development; and

WHEREAS, the City acknowledges that continued collaboration and support of FIRE provides easier access to economic development tools and strategies that other communities don't have, and can provide unique support to specific city economic development initiatives; and

WHEREAS, such support of specific City economic development initiatives remains at the full discretion of the FIRE Board; and

WHEREAS, FIRE recognizes that, as a result of its extraordinary success in receiving and deploying allocations of New Markets Tax Credits through the annual competitive process conducted by the US Department of Treasury, CDFI Fund, (i.e. 12 times awarded an allocation since it's inception in 2007 and the only applicant to have been awarded 9 times in a row, as of November 2022), a proper management structure and succession planning for FIRE are critical to ensure such success can continue to support economic development in West Allis and in FIRE's regional service area, and

WHEREAS, the continued success of FIRE is to the mutual benefit of both FIRE and the City, and

WHEREAS, both parties have agreed on the following terms and conditions with respect to the services to be provided by City employees for the benefit of FIRE:

- I. Statement of Cooperation. The City and FIRE agree to mutually work together to support the economic mission of the City of West Allis and to provide shared services that support the organizational mission of FIRE for the parties' mutual benefit.

II. City Responsibilities:

- All clerical type work associated and requested by a FIRE representative will be directed, authorized, and monitored by the Executive Director of the City's Economic Development Program and the work shall not exceed 10 hours per week or no more than 40 hours per month. The work will be only as time permits. The total number of budgeted hours annually is 480. Other additional services requested will be only made available if the work does not impede on general city functions.
- The work requested of City staff shall be related to providing assistance with FIRE Board meetings, documents, etc. Other clerical support as needed, including but not limited to, tasks relating to the scheduling, agendas and minutes, drafting resolutions, monitoring emails (which need signatures, approvals, or just filing), and electronic filing of emails and documents.
- The City permits the use of meeting rooms for regular scheduled FIRE meetings for FIRE to conduct meetings (via in person, conference call, virtually, etc.). Minimal technical support shall be provided to facilitate collaboration between FIRE staff and City staff that mutually benefits both parties (Tech Support would not be expected to exceed 20 hours annually)
- The City Finance Director/Deputy Director will provide financial analysis and advice as requested by FIRE representatives in acknowledgement of the mutual benefit to both parties (City and FIRE). This may include review of financial accounting statements, audits, balance sheets, etc. Based on their expertise in the New Markets Tax Credit program, FIRE engages Baker Tilly for financial reporting, deal servicing, tax credit compliance, monitoring, consulting, and financial advisory services. City Finance staff will work with the appropriate representatives from Baker Tilly as needed to assist in carrying out these responsibilities on FIRE's behalf. Ultimate oversight and financial responsibility for FIRE rests with the FIRE Board and FIRE's Officers.
- The City Finance Director/Deputy Finance Director will work directly with FIRE's Chief Financial Officer (CFO) to develop and maintain proper custody of FIRE's accounting and tax records, as well as budgetary and internal financial management records and compliance records. ~~Until a different succession plan is identified by FIRE, the current Articles of Incorporation would place succession responsibilities with the City so~~ An in-house understanding of FIRE's accounting and business operations at a financial transaction level is essential.
- The Economic Development Executive Director and Development Project Manager are actively involved in FIRE business development and related activities as time permits as determined by the Economic Development Executive Director.
- The City Economic Development Director will work directly with FIRE's President to maintain knowledge and proper custody of FIRE's operations and economic development projects and initiatives. ~~Until a different succession plan is identified by FIRE, the current Articles of Incorporation would place succession responsibilities~~

~~with the City so~~ An in-house understanding and on-going monitoring and involvement in FIRE's operations, projects, and initiatives is essential.

- The City will maintain a level of knowledge of FIRE activities including both its financial and development activities to be able to step in and assist in the event the FIRE Board so requests.
- The City will utilize the financial resources provided by FIRE for economic development projects that promote job creation, business development and neighborhood revitalization and not for the general conduct of local government.

III. FIRE Responsibilities:

- a. FIRE shall provide to the City an annual distribution. For Fiscal Year 2024, the amount of the distribution shall be \$253,915, which will be placed in a separate City fund for promoting and supporting economic development activities and programs of the City. Unless terminated by either party, the amount of the distribution will be increased by 3 percent per year thereafter.
 - i. The City will provide a budget and report on the projected and final use of funds to the FIRE Board.
 - ii. Funds shall be made available and align with the City's commencement of its fiscal year - January 1 of each year.
 - iii. As contemplated by the Articles of Organization and Bylaws of FIRE, all net assets of FIRE upon its liquidation shall be distributed to the City.
- b. At the request of City staff FIRE may consult with the City staff to explore creative financial and programmatic solutions for City economic development and redevelopment initiatives.
- c. FIRE shall be entitled to engage and compensate independent contractors to assist FIRE in furthering its business and community development purposes, and any such independent contractors shall not be employees of City for any purpose.

IV. Timeframe. The term of this agreement shall commence January 1, 2024 and end on December 31, 2025. After the initial period the MOU shall be automatically renewed for 2 (two) additional years ~~a successive 3-year term~~ unless terminated by either party as outlined below.

V. Termination. For budgetary reasons, this agreement may only be terminated on December 31st of a fiscal year. A minimum of 6 months' notice is required. Notice may be sent from either party by email, or in writing. Either party, by means of email or written notice, can terminate the agreement with at least a 6-month notification before the next fiscal year.

VI. Amendments. Amendments to this Agreement shall be signed and approved by each party.

Signatures on the next page

