

BRANCH DISTRICT LIBRARY AGREEMENT

THIS AGREEMENT, is entered into this 30th day of May, 1991, by and between Branch County, a Michigan Municipal Corporation, Courthouse, Coldwater, Michigan, and the City of Coldwater, a Michigan Municipal Corporation, City Hall, Coldwater, Michigan.

I. ESTABLISHMENT OF BRANCH DISTRICT LIBRARY

A. Purpose: The purpose of this Agreement is to establish the BRANCH DISTRICT LIBRARY pursuant to Act No. 24 of the Public Acts of 1989 (MCL 397.171) (herein referred to as the "Act").

B. Participating Municipalities: The Participating Municipalities in this Agreement are:

Branch County (the "County")
the City of Coldwater (the "City")

C. Establishment; Effective Date: The Participating Municipalities hereby establish the Branch District Library pursuant to the Act to become effective May 30, 1991, (the "Effective Date") provided that the legislative bodies of both Participating Municipalities approve this Agreement on or before such date and the Branch County Library Board and the City of Coldwater Library Board approve the establishment of the Branch District Library on or before such date, and this Agreement is approved on or before such date by the State Librarian pursuant to Section 5(2) of the Act.

D. District Description: The district of the Branch District Library shall consist of the entire geographic area of Branch County. The Branch District Library shall provide library service to the residents of the district and may enter into contracts to provide library service to municipalities outside the district.

II. DISTRICT LIBRARY BOARD

A. District Library Board; Appointment; Term: The Branch District Library shall be governed by a Board consisting of seven (7) members. The Mayor of the City of Coldwater, with the approval of the City Council, shall appoint two (2) Board members for a term of four (4) years each. The County of Branch shall appoint five (5) Board Members for a term of four (4) years each, three (3) of which are to represent the branches of Bronson, Quincy and Union

Township and two (2) at large, provided, however, that the terms of the members first appointed to the Board shall be as follows:

<u>Participating Municipalities</u>	<u>Term Expires</u>
1. City (NEW APPOINTMENT)	December 31, 1993
2. City (CURRENTLY REPRESENTING COLDWATER ON BCLS BD.)	December 31, 1994
3. County (CURRENTLY REPRESENTING BRONSON ON BCLS BD.)	December 31, 1993
4. County (CURRENTLY REPRESENTING QUINCY ON BCLS BD.)	December 31, 1994
5. County (CURRENTLY REPRESENTING UNION TWP. ON BCLS BD.)	December 31, 1992
6. County (CURRENTLY REPRESENTING AT LARGE ON BCLS BD.)	December 31, 1991
7. County (NEW APPOINTMENT)	December 31, 1992

B. District Library Board; General Powers: The Board shall be authorized and empowered to:

- (1) establish, maintain, and operate public libraries for the district;
- (2) exclusively control the expenditure of money deposited into the district library fund;
- (3) appoint and remove officers from among its members;
- (4) appoint and remove a librarian and necessary assistants and fix their compensation;
- (5) acquire real or personal property for use for library purposes by purchase, land contract, installment purchase contract, lease with or without option to purchase, or title retaining contract;
- (6) erect buildings;
- (7) supervise and control district library property;
- (8) enter into a contract to receive library-related service from or give library-related service to a library or a municipality within or without the district;

(9) adopt bylaws and regulations, consistent with the Act and this agreement, governing the board and the district library;

(10) propose and levy upon approval of the electors as provided in the Act, a tax for support of the district library;

(11) borrow money pursuant to the District Library Financing Act, Act No. 265 of the Public Acts of 1988;

(12) issue bonds pursuant to the District Library Financing Act, Act No. 265 of the Public Acts of 1988;

(13) accept gifts and grants for the district library;
and

(14) have such additional powers as from time to time may be granted by amendments to the Act;

(15) do any other thing necessary for conducting the district library service, the cost of which shall be charged against the district library fund.

C. District Library Board; Compensation: The Board may reimburse a board member for necessary expenses that the member incurs in the performance of official duties. The Board may compensate board members for attending meetings of the Board and shall include the amount of compensation in the annual budget. Compensation shall not exceed \$30.00 per board member per meeting. A board member shall not be compensated for attending more than 24 meetings per year.

III. SPECIAL CITY PROVISIONS

A. Coldwater Library Board: The Coldwater Library Board (established pursuant to Section 6.13 of the Coldwater City Charter) shall be an advisory body to the Branch District Library Board and recommendations thereto shall be considered in respect to the library services for the citizens of the City of Coldwater.

B. Memorial Funds: Any existing Memorial or Enrichment Funds under the control of the City of Coldwater or received in the future by the City of Coldwater shall remain and be the property of the City and shall be used at the pleasure of the Coldwater Library Board. However, in the event that a proposed usage of such funds would create an ongoing operating expense, the Branch District Library Board must approve such usage.

C. Holbrook Heritage Research Center: The Holbrook Heritage Research Center collection shall also be maintained and enriched, but shall remain the property of the City. It shall remain in the Edwin R. Clarke Building along with the Lewis books, paintings, art objects, historical items and special gifts to the Coldwater Public

Library, which also shall remain the property, of the City of Coldwater as itemized on the inventory attached as Exhibit "A". New purchases may be made from the City of Coldwater Library Memorial Fund at the discretion of the Coldwater Library Board. Any relocation or disposition of these items shall require the written approval of the Coldwater Library Board.

IV. DISTRICT LIBRARY FINANCIAL SUPPORT

A. Termination Unless Millage Approval: This Agreement shall terminate and the Branch District Library shall be abolished effective December 31, 1999 ("termination date") unless two years from the Effective Date the electors within the Branch District Library district approve a district library property tax millage at a rate of not less than .7 mill. In the event that this Agreement terminates pursuant to this Section, all net assets of the Branch District Library shall be returned and transferred to the Branch County Library System in accordance with ownership of the respective assets immediately prior to the formation of the Branch District Library. In addition, all assets acquired by the Branch District Library during the term of this Agreement shall be transferred to the Branch County Library System. Further, public library service shall be provided on the Termination Date to residents of the district by the re-establishment, effective on the Termination Date, of the Branch County Library and the City of Coldwater Library Merger Agreement, dated July 25, 1977, as amended on August 27, 1979, which established the Branch County Library system (the "Merger Agreement"), the organization of which shall be the same as it existed on the Effective Date. Provided, however, that in such event the City shall not be deemed to have waived any defaults in the Merger Agreement.

B. District Library Board; Budget: The Board shall annually determine the budget for the district library, subject to the limitation pursuant to Section 13 (1) of the Act that the obligations of the Participating Municipalities shall not exceed the amounts set forth in paragraph IV.C. below.

C. Financial Support; Participating Municipalities: The fiscal year of the Branch District Library shall be January 1 through December 31. Until collection of a district library property tax millage approved by the electors or termination of this Agreement pursuant to paragraph IV.A., whichever is earlier (the "Interim Period") the Participating Municipalities shall support the Branch District Library as follows:

1. The City and the County each shall make a total annual payment of \$50,000.00 to the Branch County and successor Branch District Library, ~~for the 1991 calendar year.~~

2. There will be no adjustments to such payments because of increase or decrease in penal fines. Such payments shall be

deposited into the District Library Fund. . Nothing in this agreement shall be construed to prohibit voluntary contributions from the City or the County in addition to the interim payments.

D. Interim Period Insurance During the Interim Period the County will continue to pay for liability and contents insurance on the library facility located at 10 East Chicago Street, Coldwater; the City will continue to pay for liability and building insurance on such facility.

E. Interim Period Reimbursement During the Interim Period, the District Library will reimburse the County for all costs incurred on behalf of the Branch District Library.

F. Intent of Agreement It is the intent of this Agreement that the Participating Municipalities shall have no obligation to provide financial support the Branch District Library following the levy and collection of a district library millage. Upon voter approval of a district library millage of not less than .7 mill on or before September 30, 1991, the Participating Municipalities shall have no obligation to provide financial support to the Branch District Library commencing with the fiscal year beginning January 1, 1992. Upon voter approval of a district library millage of not less than .7 mill after September 30, 1991, but before September 30, 1992, the Participating Municipalities shall have no obligation to provide financial support to the Branch District Library commencing with the fiscal year beginning January 1, 1993. In the event that a district library millage of not less than .7 mill is not approved on or before the Termination Date, the Branch District Library shall terminate as provided in paragraph IV.A.

V. TRANSFER OF PROPERTY AND EMPLOYEES; LEASE OF BUILDING

A. Transfer of Personal Property of Branch County: On or before the Effective Date, the County shall convey title to all rights and tangible and intangible personal property, presently owned by the County and used in connection with operation of the Branch County Library System, including but not limited to books, periodicals, fixtures, equipment, supplies and all other goods and chattels used for library purposes. Upon termination of this agreement pursuant to Paragraph IV.A. above, any relocation or disposition of these items shall require the approval of the County Board of Commissioners.

B. Transfer of Personal Property of City of Coldwater: On or before the effective date of this Agreement, the City shall convey title to all rights, property and assets presently owned by the City and used in connection with operation of the Branch County Library System, including but not limited to books, periodicals, fixtures, equipment, supplies and all other goods and chattels used for library purposes as itemized on attached inventory, but excluding: (1) all Memorial or Endowment Funds that are the

property of the City; (2) and the personal property specified in Paragraph III.C. above; (3) and any City owned real property. Upon termination of this Agreement pursuant to Paragraph IV.A. above, any relocation or disposition of these items shall require the written approval of the Coldwater Library Board.

C. Transfer of Library Funds: On the Effective Date of this Agreement, Branch County shall transfer the balance in the Branch County Library Fund to the district library fund of the Branch District Library. The transfer of this balance shall not be credited against any annual payment.

D. Assignment of Contracts: On or before the effective date of this Agreement, the Branch County Library System shall assign all right, title, and interest in and to all Branch County Library contracts to the Branch District Library, including but not limited to the contracts identified in Exhibit B attached.

E. Assumption of Liabilities; Indemnification: As of the Effective Date, the Branch District Library assumes all responsibility for operation and management of the properties conveyed herein for library purposes. The District Library assumes all liability and indebtedness and expenses for operation, maintenance, and improvements of the library facilities together with all claims arising on or after the Effective Date from the operation of the District Library. The Branch District Library shall indemnify and hold harmless all Participating Municipalities from all claims and liabilities arising out of the ownership, operation, maintenance, and improvement of the Branch District Library pursuant to this Agreement.

F. Employees: All employees of the Branch County Library shall be transferred to the Branch District Library and upon the Effective Date shall become employees of the Branch District Library. No employee transferred to the Branch District Library shall by reason of such transfer, be placed in any worse position with respect to worker's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits enjoyed as an employee of the Branch County Library, immediately prior to the effective date of this Agreement.

G. Lease: As of the Effective Date the City shall lease to the Branch District Library the premises located at 10 East Chicago Street, Coldwater. Such lease shall be in the form attached hereto as Addendum "C".

H. Branch County Library System: As of the Effective Date, the Branch County Library System is hereby dissolved, and the Merger Agreement is revoked subject to the provisions of paragraph IV.A. above regarding revival of the Merger Agreement.

V. MISCELLANEOUS

A. Term: This Agreement shall remain in effect until this Agreement is terminated by virtue of subparagraph IV.A. or until all Participating Municipalities withdraw from the District Library.

B. Withdrawal: The adoption of a resolution to withdraw by a Participating Municipality before the levy of a district library property tax millage or two years from the Effective Date, whichever is earlier, shall be void. In the event of a later withdrawal by a Participating Municipality, the withdrawing Participating Municipality shall not be entitled to the distribution of any assets of the Branch District Library. The procedure for any later withdrawal shall be governed by Section 24 of the Act.

C. Amendment: This agreement shall not be amended except by written agreement approved by the legislative bodies of all Participating Municipalities.

D. Governing Law: This Agreement shall be interpreted in accordance with the law of the State of Michigan.

PARTICIPATING MUNICIPALITIES:

BRANCH COUNTY

CITY OF COLDWATER

Dated 7/28/91

Dated 5/29/91

By: John Swanson
John Swanson
Its: Chairman,
Board of Commissioners

By: G. Louise Wallace
G. Louise Wallace
Its: Mayor

By: Judy Elliott
Judy Elliott
Its: County Clerk

By: Gerald M. Boguth
Gerald M. Boguth
Its: Clerk

APPROVED:

BRANCH COUNTY LIBRARY BOARD

By: Richard L. Sharland
Richard L. Sharland
Its: Chairman

BRANCH DISTRICT LIBRARY AGREEMENT

EXHIBIT B

BRANCH COUNTY LIBRARY SYSTEM CURRENT CONTRACTS, MAY 1991

LIBRARY SERVICE

Allen twp.
Alganssee twp.
Bronson twp.
Coldwater City
Quincy twp.
Sherwood twp.
Union twp.

SERVICE

Woodlands Library Cooperative (Membership, delivery)
Michigan Library Consortium (Purchases, etc.)
Typewriters
Copy Machines
Microfilm reader/printer
* Fire Alarm
Theft Detection System 3M
Heating/Air-conditioning
Telephone
Snow Plowing
** Charge Machines
Elevator
Cleaning Supplies (Rental Uniform)

MISCELLANEOUS

Automation Consultants

- * No contract but should have.
- ** Will not need after June.