



## Legislation Text

---

**File #:** 67591, **Version:** 1

---

### **Fiscal Note**

This resolution authorizes an intergovernmental agreement and lease with the Town of Madison for the City to lease the Town's former fire station in exchange for the City agreeing to hire certain Town employees upon final attachment of the Town on October 31, 2022.

The agreement would allow use of the former fire station by the City of Madison while Fire Station 6 on West Badger Road is renovated. The lease of the facility would begin December 1, 2021, with a duration of up to two years. The lease agreement would transfer to the City of Fitchburg after the town attachment occurs on October 31, 2022. Under the current attachment agreement between the town and the two cities, ownership of the town hall, which includes the former town fire station, is transferred to the City of Fitchburg at the time of attachment. No rent would be paid for use of the former town fire station by the City of Madison during the duration of the lease.

Under the attachment agreement, severance payments will be made to former Town employees that are not offered comparable employment by either of the two Cities after October 31, 2022. The intergovernmental agreement authorized by this resolution would guarantee that the current incumbents in five Town positions would be employed by the City of Madison in comparable positions immediately after the time of attachment. Three public works positions, a police clerk and a municipal clerk would be affected by this agreement. Due to the fact that the City cannot provide an equivalent level of wages to those earned by each incumbent, the agreement also includes a severance provision that would be paid by the City within two weeks of start of employment with the City. The formula for calculating the severance payment is based on the wage differential, the severance payment under the attachment agreement and a multiplier (2.5) to make up the difference in wages. The estimated cost of the severance payment under the intergovernmental agreement is \$91,100. This compares to an estimated City of Madison share of a severance payment for those incumbents under the attachment agreement of \$145,500. As such, the intergovernmental agreement would save approximately \$54,400, compared to the attachment agreement and would provide comparable employment to five current Town employees after the attachment.

The incumbents would receive vacation and sick leave, and be placed on steps in the respective salary schedules, based on length of service with the Town. The added sick leave hours for incumbents with more than five years of service with the Town would create a liability of \$13,100, compared to hiring these incumbents as new employees with the City.

Funding for the severance payment, as well as new positions associated with extending City of Madison services to residents of the Town, will be included in the 2022 executive operating budget.

### **Title**

Approving an intergovernmental agreement and lease with the Town of Madison for the City to lease the Town's former fire station in exchange for the City agreeing to hire certain Town employees upon the final attachment of the Town on October 31, 2022.

### **Body**

WHEREAS, on October 10, 2003, the City of Madison, the City of Fitchburg and the Town of Madison entered into a Cooperative Plan (the "Cooperative Plan") under which the Town of Madison will cease to exist on October 31, 2022 ("Final Attachment") and Town territory, and all Town assets and liabilities, will be divided

between the two Cities; and,

WHEREAS, under the terms of the Cooperative Plan, at Final Attachment any person who is a Town employee at the time of Final Attachment, and who is not offered suitable employment by either of the Cities on terms at least equivalent to those provided by the Town job, shall be entitled to a lump sum severance payment according to a defined schedule that accounts for their salary with the Town and their years of employment with the Town; and,

WHEREAS, through Final Attachment, the Town is responsible for providing continued services within its territory and will need to maintain adequate staffing through Final Attachment; and,

WHEREAS, five Town employees, three public works employees and two clerks, have expressed an interest in remaining with the Town through Final Attachment but continuing municipal employment with the City following Final Attachment; and,

WHEREAS, in part to accommodate increased service demands associated with the Final Attachment of the Town, the City will be renovating and expanding Fire Station 6 at 825 W. Badger Road. This project is scheduled to commence in early 2022 and continue through early 2023. As part of this project, it will be necessary to temporarily relocate Fire Station 6 employees, equipment and operations to a temporary station nearby. The temporary relocation of an operational fire station can be expensive, costing the City substantial funds to pay for rent and building remodeling expenses; and,

WHEREAS, the Madison Fire Department has determined that the former Town of Madison Fire Station, located .8 miles away from Fire Station 6, at the Town of Madison Town Hall site, at 2120 Fish Hatchery Road, would be an ideal site for the temporary relocation of Fire Station 6 operations. City staff are of the opinion that, due to its recent long-term use as an active fire station, with minimal additional expenditures the site can be made ready for use by the City to continue existing levels of fire and paramedic services during the remodeling project; and,

WHEREAS, following Final Attachment, unless a separate agreement is reached, Fitchburg will assume ownership of the Town Hall property; and,

WHEREAS, the Town, knowing the City's interest in its Fire Station, has offered the rent-free use of the former Town Fire Station, in exchange for an agreement by the City to hire certain Town employees upon Final Attachment, under certain conditions; and,

WHEREAS, a tentative agreement has been reached with the Town, on the following terms:

- The City will lease the Town Fire Station starting 12/1/21. The lease would be for up to two-years and cover the duration of the project. Fitchburg would assume the lease when it takes ownership of the Town Hall property on 10/31/22. There shall be no rental charges for this lease, but the City shall be responsible for its own utility and operational costs at the site.
- The City will guarantee the five Town employees in question City employment beginning on 10/31/22 at positions reasonably comparable to those that they had with the Town, based upon their experience and qualifications. Positions will be determined no later than 10/1/22, and Town employees would be required to meet any testing criteria that would otherwise be applicable to City employees/new hires.
- The Town employees would accrue vacation upon their start with the City, prorated for 2022. They would be placed on the City's vacation schedule, getting credit for ½ of their Town tenure as of 10/30/22.

- Town employees with more than 20 years of experience (1 employee) would get 200 hours of sick time to start with, those with between 5-19 years of experience (3 employees) would get 100 hours of sick time to start with, and those with less than 5 years of experience (1 employee) would not get any sick time to start, provided that they have at least that many hours as of the close of the Town on 10/30/22.
- In determining their placement on the City's salary schedule, Town employees would get credit for their years of experience with the Town as if they were with the City.
- Within two weeks of their hire, the City would pay each of the former Town employees a severance payment in recognition of the wage differential they would face when hired by the City, and the amount of severance benefit, as provided for by the Cooperative Plan, that they would be giving up by seeking continued employment. The Town employees would also need to sign an agreement waiving any and all claims against the City, the Town, or Fitchburg arising from the Final Attachment as a condition of receiving this payment. The severance payment would be determined as follows:

$$\text{Salary differential percentage between City and Town jobs} \times \text{Cooperative Plan Severance Benefit} \times \text{Percentage Employed} \times 2.5 \text{ multiplier}$$

WHEREAS, due to the significant cost savings that will be recognized by the City on the Fire Station 6 remodeling project and the lesser severance payments that will be made to these employees, in addition to the benefits that will be gained by the City in hiring experienced municipal employees, as well as encouraging a smoother transition of services and institutional knowledge from the Town to the City, it is in the City's interest to enter into an agreement and lease with the Town of Madison on the aforementioned terms.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute an intergovernmental agreement and a lease with the Town of Madison for the use of the Town Fire Station for up to two-years and to hire five Town employees upon Final Attachment, in a format approved by the City Attorney and on terms generally consistent with those set forth herein.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk are authorized to enter into any other agreements necessary to effectuate the purposes of this resolution, in a format approved by the City Attorney, including agreements with the five Town employees that will be identified in the intergovernmental agreement, possible agreements with Fitchburg, and agreements with other entities necessary to maintain temporary fire station operations at the Town Hall Fire Station.