

# TOWN COUNCIL ACTION REPORT

November 27, 2013

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## ***Resolution Authorizing Execution of a Memorandum of Understanding with CIRBN LLC—Employment Agreement***

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**PREPARED BY:** Steven D. Mahrt, Corporation Counsel

**REVIEWED BY:** Mark R. Peterson, City Manager  
Pamela Reece, Deputy City Manager

**BUDGET IMPACT:** None

**STAFF RECOMMENDATION:** Approval

**ATTACHMENTS:** Proposed Resolution and Memorandum

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### **BACKGROUND**

Since 2010 the town has actively supported and participated in the Central Illinois Regional Broadband Network (CIRBN). Most recently, by adoption of Resolution 4893 on June 17, 2013, the town agreed to become a formal member of CIRBN LLC, a limited liability company tasked with owning and operating the regional broadband network.

CIRBN assets will soon be transferred from Illinois State University (sub-recipient of the federal grant used to construct the broadband system) to CIRBN LLC. In order to operate the system beginning January 1, 2014 CIRBN LLC has determined it necessary to employ at least three persons: An Executive Director, a Chief Technology Officer, and an administrative support person. CIRBN LLC is not presently staffed or equipped to handle the various personnel matters traditionally provided by an employer, such as payroll services, employee benefits, tax filings, and personnel administration.

The proposed Memorandum of Agreement provides that employees hired by CIRBN will be considered Town of Normal employees subject to the town personnel code and town employment policies and benefits. CIRBN LLC will jointly manage the CIRBN employees and reimburse the town the salary and benefit costs incurred by the town for these CIRBN employees.

### **DISCUSSION/ANALYSIS**

The Memorandum is effective December 1, 2013 and continues through November 30, 2016, but may be terminated by either party with six months' notice or as otherwise mutually agreed. The town will be responsible for all administrative responsibilities associated with employment including but not limited to payroll tax, enrollment in town employee benefit programs, unemployment and workers' compensation. The town will consult with CIRBN concerning matters affecting a person's employment such as hiring, performance evaluations, discipline, promotion and termination. CIRBN employees will receive full town fringe benefits normally granted to regular full time town employees and be subject to all town policies and procedures.

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CIRBN will pay the town monthly an amount equal to the monthly salary plus fringe benefits for each CIRBN employee. In the event CIRBN fails to remit payment to town, the town has the right to place the CIRBN employees on unpaid administrative leave pending receipt of payment.

CIRBN will indemnify, hold harmless and defend the town, its officers and employees from any and all claims arising in whole or in part out of the employment of CIRBN employees by the town. CIRBN will maintain liability insurance in a minimum amount of one million dollars.

Other than the semi-annual salary administration program cost of living adjustment, all salary increases for CIRBN employees will be determined by CIRBN LLC and communicated to town and the reimbursement from CIRBN shall be adjusted accordingly.

By approval of this memorandum the City Manager will be authorized to employ the three identified CIRBN employees as town employees pursuant to the terms of the memorandum and other CIRBN employees should CIRBN LLC authorize additional personnel during the term of the agreement.