

**SERVICE AGREEMENT
AND
RESOLUTION REGARDING
THE CONVENTION AND VISITORS BUREAU, AND ITS ACTIVITIES**

This Service Agreement, made and entered into this ____ day of _____, 2011, (hereinafter referred to as the Agreement) by and between Geary County, Kansas, a political subdivision of the State of Kansas, by and through its Board of County Commissioners (hereinafter County); and the Junction City Area Chamber of Commerce (hereinafter Chamber), is made pursuant to the authority of K.S.A. 12-2901, et. seq.; this Service Agreement is entered into in connection with, and as a part of that Master Agreement, to-wit: Exhibit B, to be entered into by the County, the Chamber, the City of Junction City, and as approved by the Attorney General of the State of Kansas;

WHEREAS, K.S.A. 12-2901 provides that “municipalities,” i.e. cities and counties, may contract with each other to perform any governmental service, activity or undertaking which each contracting municipality is authorized by law to perform and may each or jointly contract with a private agency to do the same, and Geary County, Kansas, as a municipality and/or as a public agency, has expressed a desire through the exercise of its police powers to provide for the encouragement, promotion and development of conventions and tourism to further the economic development of Junction City and Geary County, by contracting for such services with the Chamber:

NOW, THEREFORE, in consideration of the purposes, the mutual convenience, and the public welfare, **BE IT HEREBY ORDAINED, RESOLVED AND AGREED** as follows:

1. **Acknowledgments.** The parties acknowledge that the County, by the promulgation of appropriate legislation pursuant to the authority of K.S.A. 12-1692, et. seq., has established a convention and visitors bureau (hereinafter CVB) and the “Convention and Tourism Committee” (hereinafter advisory committee) to make recommendations for the promotion of conventions and tourism, and has levied a statutorily authorized transient guest tax, from which the operations of its CVB are funded, and its expenditures are paid. The parties further acknowledge that the employees of the CVB are county employees and currently perform their duties under the supervision of the appointed executive director, subject to the approval of the advisory committee and the Board of County Commissioners.

2. **Purpose.** The purpose of this Agreement is to establish a format for the implementation of a program(s) to encourage, promote, and solicit tourism and conventions within Geary County, Kansas; to that end, the parties hereto agree to establish a “Conventions and Tourism Program”, subject to the acknowledgments and terms and conditions stated herein:

- a. **Convention and Tourism Promotion Program.** The County hereby engages and retains Chamber to manage and operate a “Conventions and Tourism Promotion Program”, and to render the services hereinafter contemplated, and Chamber hereby agrees to accept such engagement and to discharge its duties in accordance with the terms and conditions stated in the attachment to this Agreement;
- b. **Relationship of the Parties.** Chamber is engaged and retained as an independent contractor and not as an officer, agent or employee of the County;

- c. **Purpose of Convention and Tourism Promotion Program.** The “Convention and Tourism Promotion Programs” to be provided by Chamber shall encourage, promote and solicit tourism and conventions for Geary County according to an annual program attachment, to include a plan of work;
- d. **Program Recommendations.** The County has appointed an advisory committee which shall recommend to the Chamber programs of service and make recommendations for the expenditure of funds received from the “Hotel and Motel Transient Guest Tax”; as set forth in the Master Agreement, appropriate consideration shall continue to be given by the Chamber to the recommendations of the advisory committee in carrying out this agreement;

3. **Duration and Termination.** The duration of this Agreement shall begin on the “Effective Date”, as defined in Section 13 herein, and shall continue in effect until December 31, 2012, subject to the appropriation of the funds as agreed upon herein. This Agreement may be renewed for additional annual periods subject to modifications as may be agreed upon by the parties. Notwithstanding any language set forth herein, it is specifically understood and agreed that any obligation to make financial contributions or payments under this Agreement is contingent upon funds which may be generated, appropriated, and budgeted for such purposes, and which may be subject to the limitations of K.S.A. 10-1101, et seq., At the cash basis law, unless otherwise specifically authorized as an exception thereto. Any intention to terminate this

agreement must be made in writing and directed to all parties as set out in Section 12, and such notice must provide no less than 120 days notice.

4. **CVB Staff.** The Conventions/Visitors Division of the Chamber shall be directed by Chamber staff who shall devote their time primarily to the promotion and solicitation of tourism and conventions for the County, and the County shall contribute to such staff the services of the current executive director and the current employees of the CVB, who shall remain as ACounty@ employees for compensation and benefit purposes only, but who shall perform their duties under the supervision and exclusive direction of the Chamber and its APresident@, subject to the rules and/or regulations and/or personnel policies enacted by the Junction City Area Chamber of Commerce.

It is the mutual goal of the parties hereto that the CVB Director and all CVB staff become exclusively employed by the Chamber (to include compensation and benefits) by January 1, 2013; provided, however, that the Chamber can and will provide benefits to those individuals which are equal to or better than those benefits which said employees currently enjoy. In the event that reasonably comparable benefits are not provided to those individuals, this issue will be reviewed annually until such point in time that those comparable benefits recited herein can be and are provided.

In the event any future CVB Executive Director or CVB Staff not referenced above are hired in addition to or in replacement of such current “County” employees, the parties agree such employees shall not be “County” employees, but rather, they will be exclusively Chamber employees whose benefits will be included in applicable proposed budgets.

5. **Financial Matters and Funding.** All funds received from the County shall be expended for the purposes stated hereinabove and to that end, to finance the operation of the same, the County agrees to fund its contribution to this agreement by paying the salaries and benefits of the CVB executive director and the CVB employees in the amount of \$266,184.00, and by contributing to the Chamber's budget for operational expenses the amount of \$211,349.00; the funds for the marketing portion of said budget shall be retained by the County and distributed through submitted vouchers to the County for payment as long as the expenditures are within the budget as approved by the County Commission at the beginning of the calendar year.

- a. **Budget.** By June 1 of each year, Chamber shall submit to the County a proposed operating budget for the Conventions and Tourism Division for the next operating year, and this budget shall be approved by the County during the annual budgetary process;
- b. **Projected Income.** Said budget shall reflect expected contributions from the County's Transient Guest Tax, proceeds from the sale of program sponsorships and advertising, cash donations for certain events, and projected income from fees and activities; the County shall review the proposed budget and advise the Chamber of its response and any proposed changes. The Chamber shall then return a final budget for approval by the County in order to facilitate the overall budget for the County prior to final adoption;
- c. **Projected Expenditures.** The proposed budget also shall reflect projected expenditures to be made by Chamber for convention and tourism

programs, and the requested contribution from the County for a reasonable pro-rata share of the Chamber's operating funds, including without limitation, chief executive officer salary and benefits, office space, equipment, supplies, reserves and utilities. This contribution shall be separate and apart from the salary and benefits paid by the County for the CVB executive director and CVB employees, who shall remain County employees as set forth in Section 4 above;

- d. **Allocation of Surplus/Deficit.** All related program income, and any program surplus or deficit accumulating after December 31 of each year shall be accounted for by the Chamber's Conventions and Visitors Business Division, and considered in determining the budget for the next operating year;
- e. **Disbursements and Allocations of Funds.** To partially fund the Chamber's Conventions and Tourism Division, as per the proposed budget, the County and Chamber intend that the County shall make disbursements to the Chamber of funds generated by the proceeds of the Transient Guest Tax received by the County. These disbursements shall occur within thirty (30) days after the County receives its quarterly disbursement of such tax revenue from the State of Kansas;
- f. **Inspection of Books and Records.** The County, upon reasonable notice to Chamber, retains the right to inspect all books and records of Chamber involving its use of Hotel and Motel Transient Guest Tax funds received

under this Agreement. Chamber shall provide a copy of its annual audit, and a detailed written annual performance, in duplicate, to the County Clerk's Office.

- g. **Insurance.** Except as set forth in Section 6, below, for purposes of insuring the CVB and the County, the Chamber agrees to fund and maintain general and public liability, casualty and errors and omissions insurance.

6. **Personal Property.**

- a. **Existing Personal Property.** All personal property owned by the County and used by the CVB prior to execution of this Agreement shall remain the property of the County; provided, however, that the parties understand and agree that such personal property may be utilized for purposes other than strictly CVB-related. The County hereby agrees to lease such equipment to the Chamber for a nominal amount so as to retain ownership of such personal property while providing for the continued usage of the same by Chamber staff. The County shall provide an inventory of personal property. The County will either insure such personal property on the same basis it did before entering into this Agreement or it will provide in its annual funding to the Chamber the funds necessary for the Chamber to insure such personal property in a comparable manner.
- b. **Future Personal Property.** All personal property purchased with the funds budgeted pursuant to and after entering into this agreement shall become the property of the Chamber. Any capital improvements or

additions not included in the previously approved budget must first be approved by the Board of Directors= County representative, after consultation with his or her governing body, such approval not to be unreasonably withheld. An inventory of all equipment purchased by the Chamber will be provided to the County Clerk. Should any party hereto withdraw from this Service Agreement upon proper notice or should the Chamber cease to perform the statutory objectives which form the basis of this Service Agreement, and dissolution subsequently occur, then upon that event all property purchased with funds from the County=s transient guest tax shall revert to the CVB, in accordance with the inventory kept by the Chamber.

7. **Amendments.** This Agreement may be amended in any or all respects, but only by the written agreement of the parties hereto authorized by action of the governing bodies of the parties hereto. Any amendments must be approved by resolution of each governing body and executed by appropriate officials thereof.

8. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, successors and agents, subject only to limitations imposed herein, or by operation of law; the parties hereto stipulate that each has received a copy of this Service Agreement.

9. **Applicable Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Kansas, and the venue of any action to enforce this Agreement, or any dispute thereof, shall be in the District Court of Geary County, Kansas. The operations of the

parties hereto, and their agencies, or any activities in furtherance of the purposes of this Service Agreement shall be subject to the Kansas Open Meetings and Open Records Acts.

10. **Prior Agreements.** Incorporated by reference into the Master Agreement as Exhibit B, this Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter of this specific Service Agreement and supersedes any and all prior agreements, negotiations and discussions pertaining thereto.

11. **Severance.** Should any part of this Agreement be declared invalid for any reason, such determination or finding shall not impair the validity or enforceability of any other section herein.

12. **Notices.** Any notice, request, demand or other communication required by this Agreement shall be in writing and shall be deemed duly given if personally delivered or if mailed, certified or registered mail, return receipt requested, postage prepaid, to the appropriate recipient thereof at the following addresses:

Board of County Commissioners
Geary County, Kansas
Geary County Office Building
200 East 8th Street
Junction City, KS 66441
Attn: County Clerk
785-238-3912

President/CEO
Junction City Area Chamber of Commerce
701 North Jefferson Street
Junction City, KS 66441
785-762-2632

13. **Effective Date.** This Agreement shall be effective upon its execution by the Board of County Commissioners and the Chamber's duly authorized representatives(s); the

signing of the Master Agreement referenced above and the incorporated agreements involving the EDC and the MAC by the County, the City of Junction City, and the Chamber, and the approval of said Master Agreement and incorporated agreements by the Attorney General of the State of Kansas, because the Master Agreement is of the kind contemplated in K.S. A. 12-2901, rather than K.S.A. 12-2908. By affixing their signatures hereto, the parties to this Agreement aver that the appropriate action has been taken to approve this Agreement, subject to the approval of the Attorney General.

For Geary County this _____ day of _____, 2011.

**THE BOARD OF COUNTY COMMISSIONERS
OF GEARY COUNTY, KANSAS**

LARRY HICKS, Chairperson

FLORENCE WHITEBREAD, Commissioner

BEN BENNETT, Commissioner

ATTEST:

REBECCA BOSSEMEYER, County Clerk

For the Chamber of Commerce this _____ day of _____, 2011
