

August 7, 2013

To: Mayor and Council

From: Steven Hasson, AICP

Subject: Personal Services Contract with John Spencer

I have asked John Spencer to construct a personal services contract for the Council's consideration; I am doing so as a risk management strategy.

Mr. Spencer has done a good job of representing the City's interests the past three [3] plus years and with his departure we are losing considerable institutional memory and knowledge base about City operations.

I am recommending Mr. Spencer's limited assistance, in part, to construct products that will help grown revenue sources and noting we need to initiate stronger efforts to procure grant and loan proceeds to improve the City's financial position. Important to that effort is the construction of a capital facilities plan that is requisite to some funding pursuits. Mr. Spencer has previously constructed capital facilities plans as evidenced by the *Tonasket Capital Facilities Plan* he constructed and noting a copy of that plan is in the City's possession.

The City could also use his expertise with respect to budgetary matters and noting he is very conversant in the City's complex budgetary procedures/requirements and staff, by contrast, is either unfamiliar with or just getting up to speed with these financial processes. Thus, Mr. Spencer's assistance, from time to time, will likely assure the City experiences positive financial outcomes, lessens its potential liabilities and facilitates staff's learning curve.

Additionally, the City is in the early stages of constructing the 2104 budget and Mr. Spencer has an acute understanding of our revenue and expense picture and employment of that knowledge will help assure a realistic budget that distributes the City's limited revenues in a fair and equitable manner.

The City has sufficient revenues on hand available to compensate Mr. Spencer's services - in keeping with the terms of his proposal.

For these reasons I am recommending this contract.