



## **Finance Committee Agenda**

November 28, 2016

8:00 AM

Board Conference Room, 1<sup>st</sup> Floor, City Hall

- 1. Call to Order**
- 2. Financial Updates**
- 3. Action Items**
  - A. Approve the minutes from the November 4, 2016, meeting
  - B. Revise the authorized not-to-exceed amount for special legal counsel services with Zerger & Mauer, LLP related to the Brush Creek Drainage and Brink Meyer Neighborhood Improvements Districts (Administration)
  - C. Renew the professional services agreement with Cochran Head Vick & Co., P.C. for auditing services for the 2016 fiscal year (Administration)
  - D. Approve a professional services agreement with Williams & Campo, P.C. for city attorney services (Administration)
  - E. Authorize staff to advertise a public hearing and prepare an ordinance to implement a 10% rate increase for the sewer utility (Administration)
  - F. Approve a supplemental agreement for 2017 with Alliance Water Resources for the continued management, operation, and maintenance of the City's wastewater treatment and collection system (Public Works)
  - G. Approve a maintenance agreement with H&H Septic Service for on-call sewer cleaning and repair services (Public Works)
- 4. Non-Action Items**
  - A. Quarterly Projects Update
- 5. Unfinished Business (postponed from prior meetings)**
- 6. Other Business**
- 7. Adjourn**



**Finance Committee Meeting**  
**Friday, November 4, 2016**  
Executive Chambers – Board Room

**Minutes**

**1. CALL TO ORDER**

Chair Sportsman called the meeting to order at 7:33 a.m. A quorum was present.

- **Members Present:** Chair Marc Sportsman, Nan Johnston, Diane Driver and Robert Lock (*via phone*)
- **Other Aldermen Present:** Jim Werner
- **City Staff Present:** Interim City Administrator Kevin Davis, Finance/Human Resources Director Matthew Chapman, Public Works Director Alysén Abel, Assistant to the City Administrator Tim Blakeslee and City Clerk Melissa McChesney
- **Others Present:** Jay Norco, North Hills Engineering

**2. FINANCIAL UPDATES**

**3. ACTION ITEMS**

**A. Approve the minutes from the October 24, 2016, meeting**

**Diane Driver moved to approve the October 24, 2016, minutes. Nan Johnston seconded; motion passed 3-0.**

**B. Approve Work Authorization No. 3 with Arbor Masters for the removal of hazardous trees in English Landing Park**

Public Works Director Alysén Abel stated that staff received notification in September that the City received a TRIM grant for the removal of hazardous trees in English Landing Park. The original estimate was completed by Urban Tree Specialists under the prior on-call services agreement that expired on July 21, 2016. The new on-call tree trimming provider Arbor Masters identified three additional trees to remove. Abel noted that the project recommended more tree removal than originally budgeted and she provided an alternate to reduce the scope, but staff recommended completion of the full project in 2016.

**Driver moved to recommend that the Board of Aldermen approve Work Authorization No. 3 with Arbor Masters for the removal of hazardous trees in the amount of \$16,100. Johnston seconded; motion passed 3-0.**

**C. Approve a purchase order with Hach for the three dissolved oxygen probes for the Wastewater Treatment Facility**

Public Works Director Alysén Abel said that the Wastewater Treatment Facility had two aeration basins with a total of four dissolved oxygen probes. The probes monitored the oxygen level and controlled the blower speeds. In October staff found that two of the probes had failed and anticipated a third probe would fail. Staff was unable to repair the failed probes and recommended replacing the three probes and keeping the third on-hand until the probe failed. Abel said that only two companies provided the product and Hach also included a 20 percent promotion through the end of the year. Freight was not included in the quote and staff anticipated it would cost about \$100.

**Driver moved to approve the purchase order with Hach for the replacement of three dissolved oxygen probes at the Wastewater Treatment Facility in the amount of \$4,700.80. Johnston seconded; motion passed 3-0.**

**D. Approve a professional services agreement with RL Buford & Associates for the survey services for the Riverchase Sewer Replacement Project**

Public Works Director Alysén Abel explained that a failure occurred in the sewer line at 4906 Riverchase Lane. Staff received three quotes. Abel said the project was not originally budgeted in the Sewer Fund for 2016, but there were savings from the Main Street sewer repairs project. The design would take most of the rest of the year and the work was planned for spring 2017.

**Driver moved to approve the professional services agreement with RL Buford & Associates for the survey services for the Riverchase Sewer Replacement Project in an amount of \$5,780. Johnston seconded; motion passed 3-0.**

**E. Approve a property damage claim at 4906 Riverchase Lane**

Public Works Director Alysén Abel stated that the house at 4906 Riverchase Lane was built in 2010 and had numerous sewer issues, several of which were caused by a substandard grinder pump and some caused by the configuration of the sewer main. The homeowners had installed two Zollar grinder pumps since 2010. In March 2015 staff reviewed the pump and sent the homeowners a letter notifying them of the substandard pump and recommending purchasing an E1 pump because it had the capacity to handle higher volumes. The letter also outlined that staff would monitor the lines. In September the grinder pump failed and the homeowners submitted a property damage requesting a reimbursement from the City. Abel said that staff responded to the claim and offered \$2,500 to cover replacement of the grinder pump with the recommended E1 pump, sales tax and a service call from Haynes to ensure it was installed properly. In response to the offer, the homeowners submitted a counter-offer for \$4,500 to cover one Zollar pump, one E1 pump, warranty and the service call and in exchange they would sign the agreement. Abel said that staff planned a long-term repair of the sewer main and design and construction would begin spring 2017.

For future staff reports, the Finance Committee requested more information regarding the overall budget in addition to information about the line item being used to cover the expense.

**Driver moved to approve the property damage claim at 4906 Riverchase Lane in the amount of \$4,500. Johnston seconded; motion passed 3-0.**

**F. Approve Change Order No. 3 with Foley Company for repairs to the Pinecrest Pump Station**

Public Works Director Alysén Abel stated that during the design phase the discharge pipes at the pump station were evaluated and staff did not see any issues that needed to be fixed. When staff completed the annual preventative maintenance at the pump station they determined there was a leak in one of the pipes that caused leaking into the wet well. As a short-term measure staff turned the pump off and operated on a single pump which was acceptable for the short-term but with the opening of QuikTrip in December the problem needed to be fixed immediately. Abel said that staff reviewed the existing contracts for the work and determined that Foley Company could complete the work quicker than the other vendors. In addition to the repairs, additional work included by-pass pumping and cleaning out the area. She noted that as a cost-saving measure, the equipment would be purchased by the City instead of through a contractor at an estimated cost of \$5,300.

**Driver moved to approve Change Order No. 3 with Foley Company for the Pinecrest Pump Station repair in the amount of \$2,942.47. Johnston seconded; motion passed 3-0.**

**4. NON-ACTION ITEMS**

**5. OTHER BUSINESS**

Mayor Johnston said that the selection committee that reviewed proposals for city attorney services narrowed the proposals down to two firms and interviews would be held the week of Thanksgiving.

**6. ADJOURNMENT**

Chair Sportsman adjourned the meeting at 8:22 a.m.

Submitted by:

\_\_\_\_\_  
Melissa McChesney  
City Clerk

\_\_\_\_\_  
Approval Date

## **CITY OF PARKVILLE Policy Report**

Date: Thursday, November 17, 2016

Prepared By:

Tim Blakeslee  
Assistant to the City Administrator

Reviewed By:

Alysen Abel  
Public Works Director

ISSUE:

Revise the authorized not-to-exceed amount for special legal counsel services with Zerger & Mauer, LLP related to the Brush Creek Drainage and Brink Meyer Neighborhood Improvements Districts.

BACKGROUND:

On June 16, 2015, the Board of Aldermen approved a professional services agreement with Williams & Campo, P.C. (Chris Williams) for special legal counsel services related to economic development of properties located at the intersection of Route 45 and I-435 that are subject to annual Neighborhood Improvement District (NID) assessments. The city attorney declared a conflict of interest because the Stinson Leonard Street law firm represents one of the delinquent property owners, Blue Valley Investment Corporation. Although the city attorney previously provided general advice about the NID properties as a whole, the City has various legal needs and options that are specific to delinquent owners. Therefore, the City engaged special legal counsel to advise the City on its range of options related to prompting payment of the assessments through economic development or legal action.

Because some of the City's options may involve litigation, Mr. Williams advised that the City engage legal counsel with experience in litigation in Platte County. Staff recommended engaging Zerger & Mauer, LLP for this matter (Heather Zerger and Steve Mauer). Ms. Zerger and Mr. Mauer previously defended the city in the matter of *Agnes J. Otjen v. City of Parkville, Missouri* which involved two parcels in the Brush Creek Drainage NID. Zerger & Mauer, LLP was selected as the defense team for the Otjen lawsuit following a competitive process. On November 2, 2015, the Board of Aldermen adopted an ordinance to approve a professional services agreement with Zerger & Mauer, LLP for special legal counsel services. Zerger & Mauer, LLP has helped the city acquire the 45 Park Place properties through the judicial foreclosure and sheriff's sale process.

Due to a discrepancy in the title work, there are two parcels within Tract 9 (Attachment 1) that were not conveyed to the City as part of the judicial foreclosure action related to 45 Park Place. Through some extensive investigation, the title company and Platte County confirmed that the first parcel (Attachment 2) was never owned by 45 Park Place, LLC. It was slated for tax sale but recently sold to a new ownership group (Billy Goat Empire, LLC).

The second parcel (Attachment 3) in Tract 9 is in the Brink Meyer NID but not the Brush Creek NID. This is due to an old discrepancy caused by faulty parcel information on the original assessment notices. Staff evaluated this with bond counsel before finalizing the assessment amounts and was advised to omit this parcel from the Brush Creek NID. When preparing the instructions for the title company staff worked from the Brush Creek spreadsheet, thereby inadvertently omitting this parcel.

In order to complete the judicial foreclosure action to secure this parcel, staff requires additional legal services from Zerger & Mauer, LLP. Zerger & Mauer, LLP originally had a not-to-exceed

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## **ITEM 3B**

*For 11-28-16*

*Board of Aldermen – Finance Committee Meeting*

amount of \$15,000. Former City Administrator Lauren Palmer originally granted an additional \$2,500 to complete the work. Prior to stepping down, Palmer had further correspondence with Zerger & Mauer, LLP and confirmed that \$3,500 instead of \$2,500 is the amount needed to complete the work. Purchasing Policy dictates that requests above \$2,500 need to go to the Finance Committee for approval. The request is for a total not-to-exceed amount of \$18,500.

### **BUDGET IMPACT:**

The previously negotiated professional services agreement with Zerger & Mauer, LLP establishes hourly compensation rates and a not-to-exceed amount of \$15,000, without prior written authorization from the City. This change would revise the authorized not-to-exceed amount for special legal counsel services related to the Brush Creek Drainage and Brink Meyer Neighborhood Improvements Districts with Zerger & Mauer, LLP to \$18,500. Funds of \$60,000 are budgeted in the legal services-litigation line of the General Fund – Administration Department (10-501-08-01-01). To date, \$17,575.40 has been spent so there is adequate capacity for the compensation anticipated under this agreement.

### **ALTERNATIVES:**

1. Revise the authorized not-to-exceed amount for special legal counsel services with Zerger & Mauer, LLP related to the Brush Creek Drainage and Brink Meyer Neighborhood Improvements Districts to \$18,500.
2. Authorize the agreement subject to requested changes.
3. Direct staff to conduct a formal RFQ/P process to identify special counsel.
4. Do not approve the agreement and provide alternative direction to staff.
5. Postpone the item.

### **STAFF RECOMMENDATION:**

Staff recommends that the Finance Committee revise the authorized not-to-exceed amount for special legal counsel services related to the Brush Creek Drainage and Brink Meyer Neighborhood Improvements Districts with Zerger & Mauer, LLP to \$18,500.

### **POLICY:**

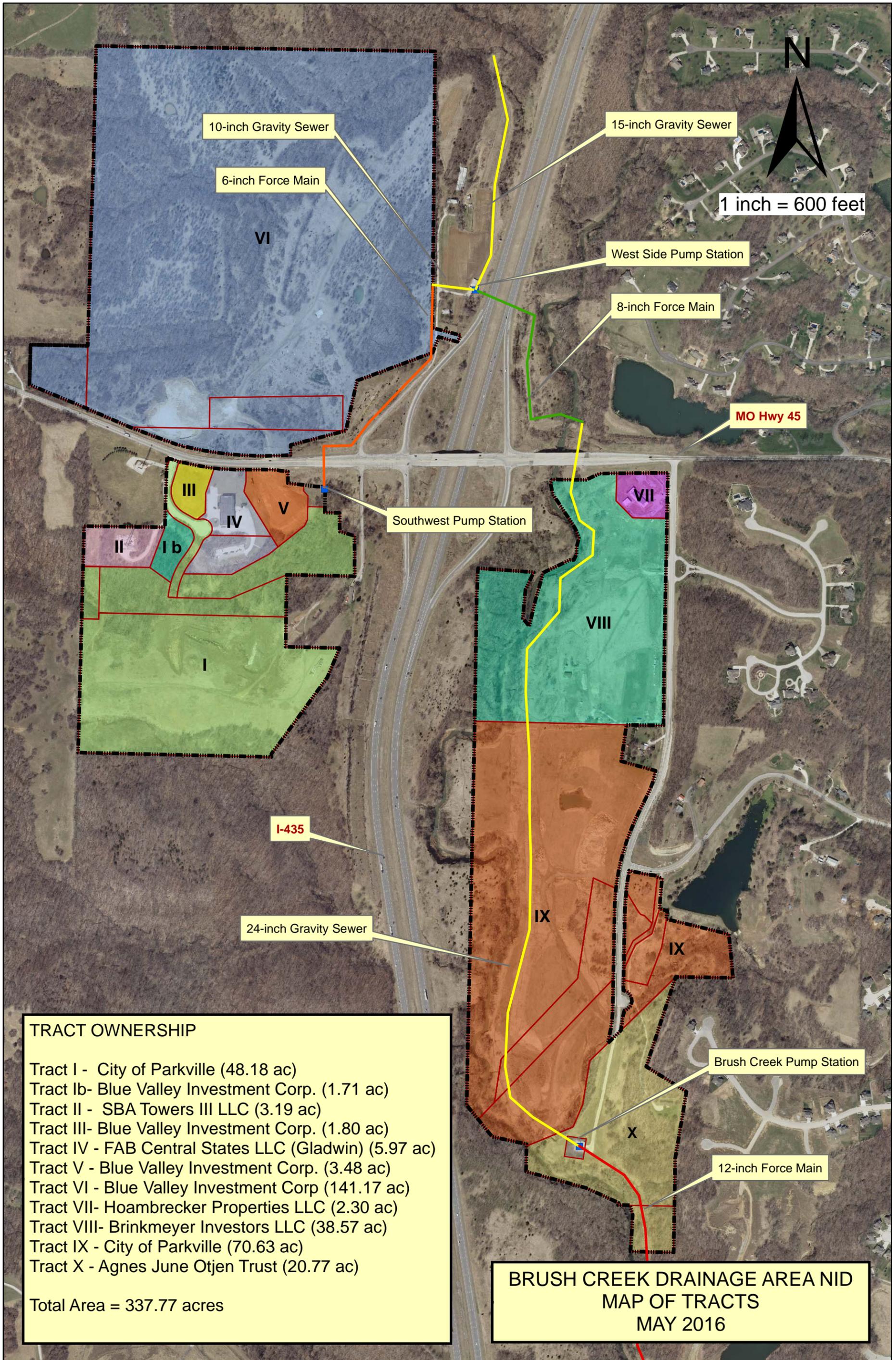
Per the Purchasing Policy, Resolution No. 10-02-14, the Finance Committee may authorize purchases up to \$10,000.

### **SUGGESTED MOTION:**

I move to revise the authorized not-to-exceed amount for special legal counsel services with Zerger & Mauer, LLP related to the Brush Creek Drainage and Brink Meyer Neighborhood Improvements Districts to \$18,500.

### **ATTACHMENTS:**

1. Map of Tracts
  2. Map of Parcel # 20-4.0-19-000-000-034.000
  3. Map of Parcel # 20-4.0-19-000-000-006.003
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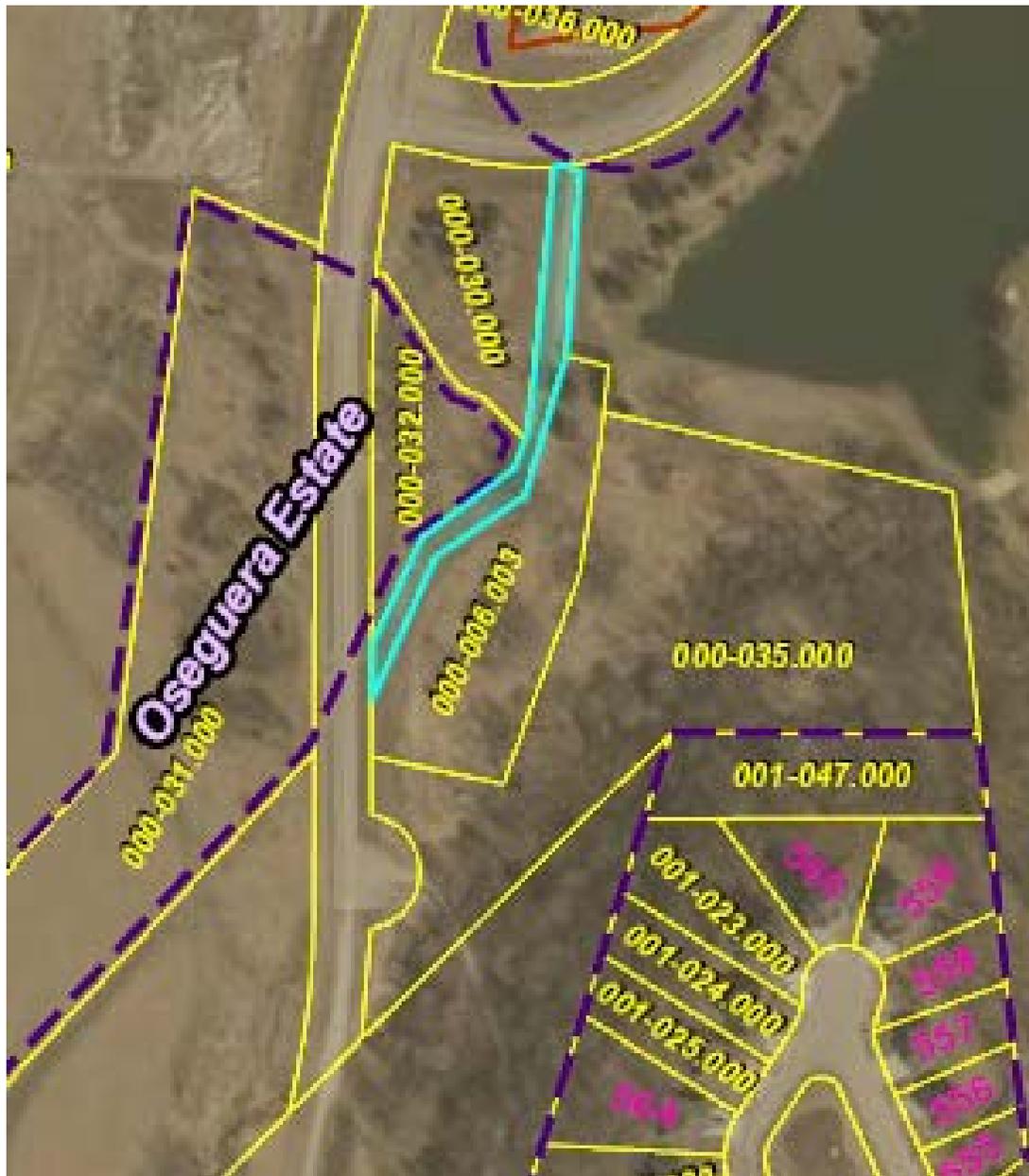
**TRACT OWNERSHIP**

- Tract I - City of Parkville (48.18 ac)
- Tract Ib- Blue Valley Investment Corp. (1.71 ac)
- Tract II - SBA Towers III LLC (3.19 ac)
- Tract III- Blue Valley Investment Corp. (1.80 ac)
- Tract IV - FAB Central States LLC (Gladwin) (5.97 ac)
- Tract V - Blue Valley Investment Corp. (3.48 ac)
- Tract VI - Blue Valley Investment Corp (141.17 ac)
- Tract VII- Hoambrecker Properties LLC (2.30 ac)
- Tract VIII- Brinkmeyer Investors LLC (38.57 ac)
- Tract IX - City of Parkville (70.63 ac)
- Tract X - Agnes June Otjen Trust (20.77 ac)

Total Area = 337.77 acres

**BRUSH CREEK DRAINAGE AREA NID  
MAP OF TRACTS  
MAY 2016**

Map of Parcel # 20-4.0-19-000-000-034.000



Map of Parcel # 20-4.0-19-000-000-006.003



## **CITY OF PARKVILLE Policy Report**

Date: Wednesday, November 16, 2016

Prepared By:

Matthew Chapman  
Finance/Human Resources Director

Reviewed By:

Tim Blakeslee  
Assistant to the City Administrator

ISSUE:

Renew the professional services agreement with Cochran Head Vick & Co., P.C. for auditing services for the 2016 fiscal year.

BACKGROUND:

The City previously solicited proposals for auditing services in August 2012 for audits covering FYs 2012-2014. Bruce D. Culley, C.P.A., P.C. was chosen to perform auditing services for this period. The City has a policy to solicit bids for auditing services every three years. The City issued a Request for Proposals (RFP) for auditing services on September 1, 2015. Three firms submitted proposals and all participated in interviews with the Audit Selection Committee consisting of Alderman Jim Werner (Finance Committee Chair), City Administrator Lauren Palmer, Finance/Human Resources Director Matthew Chapman and City Treasurer Steve Berg. After reviewing each firm's proposal, contacting references and meeting with each firm through the interview process, Cochran Head Vick & Co., P.C. was identified as the best firm to conduct auditing services for the City for FY2015. Cochran Head Vick & Co. completed the FY2015 audit by the required deadline and staff was pleased with the professional and comprehensive level of work performed.

BUDGET IMPACT:

Based on the proposal submitted by Cochran Head Vick & Co., P.C., the lump sum cost for services related to the 2016 Financial Statement Audit will be \$18,570. The budgeted and actual cost for the FY2015 audit was \$18,120. The increase to \$18,570 was included in the Cochran Head Vick & Co. proposal submitted on September 25, 2015. The recommended 2017 budget includes adequate funds for Auditor Fees (10-501-08-02-00) for this contract.

ALTERNATIVES:

1. Recommend that the Board of Aldermen renew the professional services agreement with Cochran Head Vick & Co. for auditing services for FY2016 in the amount of \$18,570.
2. Do not renew the recommendation and provide further direction.
3. Postpone the item.

STAFF RECOMMENDATION:

Staff recommends that the Board of Aldermen renew the agreement with Cochran Head Vick & Co., P.C. for one year for auditing services related to FY 2016, with an extension for FY2017 at the City's option.

POLICY:

The Purchasing Policy, Resolution No. 10-02-14, requires the Board of Aldermen to approve all purchases above \$10,000 upon recommendation of the Finance Committee.

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## **ITEM 3C**

*For 11-28-16*

*Board of Aldermen - Finance Committee Meeting*

### SUGGESTED MOTION:

I move to recommend that the Board of Aldermen renew the professional services agreement with Cochran Head Vick & Co., P.C. in the amount of \$18,570 for auditing services for fiscal year 2016.

### ATTACHMENTS:

1. Proposed Agreement
  2. Cochran Head Vick & Co., P.C. – Technical Proposal for Professional Auditing Services (incorporated by reference and available on request in the City Clerk's Office)
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## AUDITING SERVICES AGREEMENT

THIS SERVICE AGREEMENT, entered into on this 6th day of December 2016, by and between the CITY OF PARKVILLE, MISSOURI ("City") and COCHRAN HEAD VICK & CO, P.C., 1251 NW Briarcliff Parkway, Suite 125, Kansas City, Missouri, 64116.

WHEREAS, the City requires an annual auditing of the City's financial statements; and

WHEREAS, the City has budgeted funds to acquire the services necessary to complete the audit;  
and

WHEREAS, Service Provider is the City's audit firm and has the necessary staff and qualifications to provide auditing services to the City.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants and agreements set forth herein, the parties mutually agree as follows:

### I. SCOPE OF SERVICES

- A. The term "Services" when used in this Agreement shall mean any and all auditing services provided by the Service Provider in accordance with this Agreement.
- B. The City agrees to retain Service Provider and Service Provider agrees to perform and complete the Services described as follows:
  - i. Prepare the audited financial statements of the City of Parkville for the year ended December 31, 2016, including: government-wide financial statements; fund financial statements; proprietary fund financial statements; agency fund financial statements; notes to basic financial statements; required supplementary information; other supplementary information.
  - ii. The audited financial statements will be summarized in a final audit report that includes management's discussion and analysis and is accompanied by a letter from the auditor to management to summarize the findings and any recommendations for city staff and elected officials.
  - iii. Service Provider will make a formal presentation of the final audit report to the Board of Aldermen at a scheduled legislative meeting. Service Provider will also make updates as are necessary throughout the process to the Finance/Audit Committee.
  - iv. Services will be provided in accordance with generally accepted auditing principles (GAAP), guidance standards issued by the Governmental Accounting Standards Board (GASB), and any other applicable industry standards or best practices.
- C. The City reserves the right to direct revision of the Services at the City's discretion. Service Provider shall advise the City of additional costs and time delays, if any, in performing the revision, before Service Provider performs the revised services.
- D. Service Provider shall provide Services under this Agreement only upon written request of the City and only to the extent defined and required by the City. Any additional services or materials provided by the Service Provider without the City's prior written consent shall be at the Service Provider's own risk, cost, and expense, and Service Provider shall not make a claim for compensation from the City for such work.

II. STANDARD OF CARE

- A. Service Provider shall exercise the same degree of care, skill, and diligence in the performance of all Services to the City that is ordinarily possessed and exercised by reasonable, prudent, and experienced professionals under similar circumstances.
- B. Service Provider represents it has all necessary licenses, permits, knowledge, and certifications required to perform the Services described herein.

III. COMPENSATION

- A. As consideration for providing the Services, the City shall pay Service Provider a lump sum of eighteen thousand one hundred twenty dollars (\$18,570). The Service Provider is not entitled to reimbursement for expenses or incidentals.
- B. Service Provider shall submit an itemized invoice to the City on the first day of each month that details the Services that were provided in the month immediately prior. The City agrees to pay the balance of an approved invoice, or undisputed portions of a disputed invoice, within 30 days of the date of receipt by the City. In the event of a dispute, and prior to the invoice's due date, City shall pay the undisputed portion of the invoice and notify Service Provider of the nature of the dispute regarding the balance.
- C. Service Provider shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Agreement and such other records as may be deemed necessary by the City to assure proper accounting for all funds. These records will be made available for audit purposes to the City or any authorized representative, and will be retained for three years after the expiration of this Agreement unless permission to destroy them is granted by the City.

IV. SCHEDULE

- A. Unless otherwise directed by the City, Service Provider shall commence performance of the Services upon execution of this Agreement.
- B. The work shall be completed by June 30, 2017, and the City reserves the right to withhold up to two percent (2%) of compensation for each week (seven calendar days) that the work remains incomplete beyond June 30, 2017.
- C. Neither the City nor the Service Provider shall be in default of the Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party.
- D. If Service Provider's performance is delayed due to delays caused by the City, Service Provider shall have no claim against the City for damages or payment adjustment other than an extension of time to perform the Services.

V. LIABILITY AND INDEMNIFICATION

- A. Service Provider shall indemnify and hold harmless the City and its departments, elected officials, officers, employees and agents, from and against all liability, suits, actions, proceedings, judgments, claims, losses, damages, and injuries (including attorneys' fees and other expenses of litigation, arbitration, mediation or appeal), which in whole or in part arise out of or have been connected with Service Providers' negligence, error, omission, recklessness, or wrongful or criminal conduct in the performance of Services, including performance by Service Provider's employees and agents; or arising from any claim for libel, slander, defamation, copyright infringement, invasion of privacy, piracy and/or plagiarism related to any materials related to materials Service Provider creates or supplies

to the City, except to the extent that such claims arise from materials created or supplied by the City.

- B. Service Provider's obligation to indemnify and hold harmless shall remain in effect and shall be binding on Service Provider whether such injury shall accrue, or may be discovered, before or after termination of this Agreement.

VI. INSURANCE

- A. The Service Provider shall secure and maintain, at its expense, through the duration of this Agreement Commercial General Liability Insurance on an occurrence basis with minimum limits of \$1,000,000 per occurrence and \$1,000,000 aggregate coverage. Service Provider shall also secure and maintain Worker's Compensation and Employer's Liability Insurance, when applicable, at the limits required by state and/or federal law. The City will only accept coverage from an insurance carrier that offers proof that it :
  - a. Is licensed to do business in the State of Missouri;
  - b. Carries a Best's policy holder rating of A or better; and
  - c. Carries at least a Class X financial rating.
- B. The City reserves the right to review certified copies of any and all insurance policies to which this Agreement is applicable. The City shall be given not less than thirty (30) days written notice from the insurer(s) at risk before cancellation, non-renewal, or material modification of coverage.

VII. ASSIGNMENT OF AND RESPONSIBILITY FOR PERSONNEL

- A. Service Provider's assignment of personnel to perform the Services shall be subject to the City's oversight and general guidance. The City reserves the right to request qualifications and/or reject service from any and all employees of the Service Provider.
- B. While upon City premises, the Service Provider's employees and agents shall be subject to the City's rules and regulations respecting its property and the conduct of employees thereon.

VIII. OWNERSHIP OF WORK PRODUCT

All documents, materials and work products produced in whole or in part under this Agreement shall not be the subject of an application for copyright by or on behalf of Service Provider. The City shall be deemed the author of any such data for which Service Provider has been compensated to produce.

IX. RELATIONSHIP OF THE PARTIES

- A. Service Provider represents that it has, or will secure at Service Provider's own expense, all personnel required in performing the Services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City.
- B. All of the Services required hereunder will be performed by the Service Provider or under Service Provider's supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.
- C. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

X. NOTICES

- A. All notices required by this Agreement shall be in writing, and unless otherwise directed by this Agreement, shall be sent to the addresses as set forth in this Section:
- B. Notices sent by Service Provider shall be sent to:
  - City of Parkville
  - Attn: Matthew Chapman, Finance/Human Resources Director
  - 8880 Clark Ave.
  - Parkville, MO 64152
- C. Notices sent by the City shall be sent to:
  - Cochran Head Vick & Co., P.C.
  - 1251 NW Briarcliff Parkway, Suite 125
  - Kansas City, MO 64116

XI. TERM AND TERMINATION

- A. The effective date of this Agreement shall be the date of execution, when the Agreement is signed by both parties.
- B. The term of this Agreement shall be until all services are complete.
- C. Notwithstanding Article XI, Paragraph B, the City reserves the right and may elect to terminate this Agreement at any time, with or without cause, by giving at least ten (10) days written notice to the Service Provider. The City shall compensate Service Provider for the Services that have been completed to the City's satisfaction as of the date of termination. Service Provider shall perform no activities other than reasonable wrap-up activities after receipt of notice of termination.

XII. MISCELLANEOUS PROVISIONS

- A. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Missouri.
- B. Assignability. Service Provider shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or invitation), without the prior written consent of the City thereto. Provided, however, that the claims for money by Service Provider from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the City.
- C. Media Announcements. Service Provider shall not be authorized to make statements to the media or otherwise on behalf of the City without express direction and consent of the City
- D. Compliance with Local Laws. Service provider shall comply with all applicable laws, ordinances, and codes of the State and local governments, and shall save the City harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Agreement.
- E. Equal Employment Opportunity. During the performance of this Agreement, Service Provider agrees as follows:
  - i. Service Provider will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, religion, or sex. Service Provider will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, religion, or sex. Such action shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or

recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

- ii. Service Provider will, in all solicitation or advertisements for employees placed by or on behalf of Professional, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, religion, or sex.
  - iii. Service Provider will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- F. Authorized Employees. Service Provider acknowledges that Section 285.530, RSMo, prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the State of Missouri. Service Provider therefore covenants that it will not knowingly in violation of subsection 1 or Section 285.530, RSMo, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform Services related to this Agreement, and that its employees are lawfully to work in the United States.
- G. Interest of Members of a City. No member of the governing body of the City and no other officer, employee, or agent of the City, who exercises any functions or responsibilities in connection with the planning and carrying out of this Agreement, shall have any personal financial interest, direct or indirect, in this Agreement, and Service Provider shall take appropriate steps to assure compliance.
- H. Interest of Service Provider and Employees. Service Provider covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his/her services hereunder. Service Provider further covenants that in the performance of this Agreement, no person having any such interest shall be employed.
- I. Entire Agreement. This Agreement represents the entire Agreement and understanding between the parties, and this Agreement supersedes any prior negotiations, proposals, or agreements. Unless otherwise provided in this Agreement, any amendment to this Agreement shall be in writing and shall be signed by the City and Service Provider, and attached hereto.
- J. Severability. If any part, term or provision of this Agreement, or any attachments or amendments hereto, is declared invalid, void, or enforceable, all remaining parts, terms, and provisions shall remain in full force and effect.
- K. Waiver. The failure of either party to require performance of this Agreement shall not affect such party's right to enforce the same. A waiver by either party of any provision of breach of this Agreement shall be in writing. A written waiver shall not affect the waiving party's rights with respect to any other provision or breach.
- L. Third Parties. The Services to be performed by the Service Provider are intended solely for the benefit for the City. Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any person or entity not a signatory to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITY OF PARKVILLE, MISSOURI

By: \_\_\_\_\_  
Nanette K. Johnston, Mayor

ATTEST:

\_\_\_\_\_  
Melissa McChesney, City Clerk

DAVID COCHRAN, CPA

By: \_\_\_\_\_  
David Cochran, CPA

## **CITY OF PARKVILLE Policy Report**

Date: Tuesday, November 15, 2016

Prepared By:  
Melissa McChesney  
City Clerk

Reviewed By:  
Tim Blakeslee  
Assistant to the City Administrator

ISSUE:

Approve a professional services agreement with Williams & Campo, P.C. for city attorney services.

BACKGROUND:

Per Parkville Municipal Code Chapter 125, the Mayor, by and with the consent of the Board of Aldermen, may appoint a city attorney. Steve Chinn was appointed as the city attorney in January 2012 and announced that he would retire at the end of 2016.

Staff released a Request for Proposals on October 5, 2016 for a law firm or individual attorney to provide city attorney services on a contract or in-house basis beginning January 1, 2017. Some services will include providing legal advice and consultation, interpreting laws and court decisions, drafting and/or reviewing documents, representing the City in litigation and intergovernmental projects, and attending Board of Aldermen meetings (open and closed).

Seven proposals were received on October 28, 2016. A committee comprised of Mayor Johnston, Alderman Greg Plumb, Interim City Administrator Kirk Davis, City Clerk Melissa McChesney and Assistant to the City Administrator Tim Blakeslee reviewed the proposals and narrowed down the selection to two firms for interviews. The selection committee, along with Aldermen Driver, Sportsman and Rittman conducted interviews with the top two finalists on November 22, 2016. The selection committee narrowed down its selection based on the following criteria: interest and relevant experience, background and training, cost, availability and conflicts. They chose Williams & Campo, P.C. for the city attorney beginning January 1, 2017. Williams & Campo, P.C. was chosen based on a number of factors including their comprehensive municipal government experience and availability.

Staff plans to negotiate terms of the agreement with Williams & Campo prior to final approval by the Board of Aldermen at the regular meeting on December 6, 2016.

BUDGET IMPACT:

The proposed 2017 Administration budget (10.501-08-01-00) includes \$77,400 (\$6,450 per month) for attorney/legal fees and \$42,600 for supplemental services and specialty legal matters. Staff will re-evaluate the proposed 2017 budget once the contract is negotiated.

ALTERNATIVES:

1. Recommend the Board of Aldermen approve the agreement with Williams & Campo, P.C. for city attorney services.
2. Approve the agreement with conditions.
3. Do not approve the agreement.
4. Postpone the item.

## **ITEM 3D**

*For 11-28-16*

*Board of Aldermen – Finance Committee Meeting*

### STAFF RECOMMENDATION:

Staff recommends the Finance Committee recommend to the Board of Aldermen approval a professional services agreement with Williams & Campo, P.C. for city attorney services.

### POLICY:

Parkville Municipal Code Chapter 125 and RSMo 79.230 state that the Mayor, with the consent of the Board of Aldermen, may appoint a city attorney.

### SUGGESTED MOTION:

I move recommend that the Board of Aldermen approve a professional services agreement with Williams & Campo, P.C. for city attorney services in the amount of \$74,400, subject to negotiations.

### ATTACHMENT:

1. Professional Services Agreement

**CITY OF PARKVILLE  
Policy Report**

Date: November 18, 2016

Prepared By:  
Alysen Abel  
Public Works Director

Reviewed By:  
Tim Blakeslee  
Assistant to the City Administrator

**ISSUE:**

Authorize staff to advertise a public hearing and prepare an ordinance to implement a 10% rate increase for the sewer utility.

**BACKGROUND:**

The Sewer Fund is a self-sustaining enterprise fund that operates on its own revenue distinct from the City’s General Fund. In addition to routine operating expenses, the recommended 2017 budget (scheduled for adoption on December 20, 2017) includes capital outlay (CIP) of \$456,000 in the Sewer Fund. This includes carryover from a few projects that were initiated in 2016 but will be completed in 2017.

The five-year CIP projection includes funding to complete an annual closed-circuit television (CCTV) inspection and sewer cleaning program on a cycle of reviewing the entire sanitary sewer system every 8 years in accordance with industry best management practices. Funding is recommended for major repairs every two years to keep up with maintenance needs.

Over the past 2 years, the Sewer Fund has experienced several emergency expenditures for maintenance at the sewer plant, as well as the sewer pump stations. The following table shows the revenue and expenditures for the Sewer Fund.

	<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Projected</u>
Expenditures	\$813,557	\$1,514,501	\$1,552,951
Revenue	\$1,924,326	\$2,210,785	\$1,866,944
Working Capital	\$1,110,769	\$696,284	\$314,043
Target Working Capital	\$332,020	\$507,171	\$345,950

\*Revenue projection for 2017 assumes a 3% rate increase.

Based on an operating budget in 2017 with a 3% rate increase, the working capital will be \$66,412, which is below the target working capital of \$349,186. It is the City’s policy to maintain a target working capital of at least 3 months of operations plus current fiscal year debt service payment for sewer-related emergencies. To assist with the reduced working capital, staff proposes a reduced capital outlay (CIP) program in 2017, deferring \$50,300 from 2017 to 2018.

The City contracted with Springsted, Inc. to study the sewer allocation transfer from the Sewer Fund to the General Fund. The study suggested that a reasonable transfer of \$365,644 could be made from the Sewer Fund to the General Fund to cover personnel costs, as well as direct and indirect costs for sewer-related expenses funded by the General Fund. In an effort to assist with the reduced working capital in 2017, staff proposes to limit the allocation from the Sewer Fund to the General Fund to \$150,000.

## ITEM 3E

For 11-28-16

Board of Aldermen – Finance Committee Meeting

The proposed changes to the allocation from the Sewer Fund and the capital outlay do not provide the adequate working capital for the Sewer Fund in 2017. To support the proposed operating budget and six-year CIP, a 10% sewer rate increase is recommended in 2017.

	<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Projected</u>	<u>2017 Proposed</u>
Expenditures	\$813,557	\$1,514,501	\$1,552,951	\$1,304,641*
Revenue	\$1,924,326	\$2,210,785	\$1,866,944	\$1,491,563**
Working Capital	\$1,110,769	\$696,284	\$314,043	\$186,922
Target Working Capital	\$332,020	\$507,171	\$345,950	\$349,186

\* Expenditure projection for 2017 includes a reduced capital outlay.

\*\* Revenue projection for 2017 assumes a 10% rate increase.

A 3% sewer rate increase was implemented in 2015 and a 2.5% sewer rate increase was implemented in 2016. The impact to the average residential household of a 10% sewer rate increase would be approximately \$3.80 per month. With the reduced capital outlay and increased sewer rate, the positive net effect of the working capital is \$120,510. This allows the Sewer Fund to maintain operational integrity, while continuing to complete important planned maintenance. Raising the sewer rate will allow the Sewer Fund to recover from the numerous unplanned expenses in 2015 and 2016.

### BUDGET IMPACT:

Each 1% rate increase results in approximately \$10,000 in revenue. A 10% rate increase is recommended in 2017 in order to ensure that revenues meet budgeted expenditure levels and to continue the maintenance and repair work planned in the CIP. The 10% rate increase would result in an additional \$100,300 in revenue. If the Board opts not to approve a rate increase, or to adopt a lower increase, the Sewer Fund revenues will likely fall below the working capital target in 2017. In this case, the City will have to make comparable reductions in budgeted expenses or choose to have an ending fund balance below the working capital target.

### ALTERNATIVES:

1. Authorize staff to advertise a public hearing and prepare an ordinance to implement a 10% rate increase for the sewer utility in 2017.
2. Authorize staff to implement a modified rate structure to meet the desires of the Board of Aldermen.
3. Take no action and do not implement a rate change in 2017.
4. Postpone the item.

### STAFF RECOMMENDATION:

Staff recommends that the Finance Committee authorize staff to advertise a public hearing and prepare an ordinance to implement a 10% rate increase for the sewer utility in 2017. If authorized, the public notice will be sent on November 29, 2016. The first reading of the sewer rate ordinance will be read during the December 6, 2016 Board of Aldermen meeting and the second reading will be read during the January 17, 2017 Board of Aldermen meeting.

### POLICY:

Section 703.030(A) of the Parkville Municipal Code states that, "the user charge system shall generate adequate annual revenues to pay the costs of annual operation and maintenance including replacement and cost associated with debt retirement."

## **ITEM 3E**

*For 11-28-16*

*Board of Aldermen – Finance Committee Meeting*

The Reserve Policy (Resolution No. 12-01-13) states that, “the sewer utility fund balance should be able to provide 90 days of operations in addition to the current fiscal year debt service payments.”

RSMo 250.233 states that prior to establishing sewer charges, a public hearing shall be held following at least thirty days’ notice.

### SUGGESTED MOTION:

I move to authorize staff to advertise a public hearing and prepare an ordinance to implement a 10% rate increase for the sewer utility in 2017.

### ATTACHMENTS:

1. Proposed Ordinance
2. 2017 Sewer Fund Budget
3. 2017 Capital Outlay
4. Springsted Sewer Allocation Memo
5. Public Hearing Notice

BILL NO. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 703 OF THE PARKVILLE MUNICIPAL CODE REGARDING THE USER CHARGE SYSTEM FOR THE PARKVILLE SANITARY SEWER UTILITY**

WHEREAS, the City of Parkville, Missouri has constructed wastewater treatment works; and

WHEREAS, the City of Parkville must pay all expenses associated with said treatment works and charge the users of said treatment works accordingly.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PARKVILLE, MISSOURI AS FOLLOWS:

Section 1. Subsection C of Section 703.040 is hereby amended to read as follows:

- C. The minimum charge per month shall be thirteen dollars and seventy-seven cents (\$13.77). The minimum charge shall apply to all properties connected to the sewer system regardless of water consumption. In addition, each contributor shall pay a user charge for operation and maintenance, including replacement, of sixty-five and one-tenths cents (\$0.651) per one hundred (100) gallons of water as determined in the preceding section.

Section 2. If any portion or section of this ordinance is determined to be invalid, illegal, or unconstitutional by a court of competent jurisdiction, the decision shall in no manner affect the remaining portions of this Section, which shall remain in full force and effect.

Section 3. This ordinance shall be in effect immediately upon its passage and approval.

PASSED and APPROVED this 17<sup>th</sup> day of January 2017.

\_\_\_\_\_  
Mayor Nanette K. Johnston

ATTESTED:

\_\_\_\_\_  
City Clerk Melissa McChesney

**Sewer Fund (30) Revenues and Expenses**

Type	Account	Description	Account	2014 Actual	2015 Actual	2016 Budget (amended)	2016 Projected	2017 Budget
Rev: Sewer	Beginning Fund Balance	Projected carryover from prior year.		516,873	1,104,409	797,784	797,784	314,045
	Sewer Charges	Charges levied on all utility customers for use of the City's sewer system.	41501-00	1,016,426	1,020,684	1,014,750	1,003,000	1,028,000
	Sewer Tap Fees	Fees required to connect to the City's sewer system (\$1,500/new home).	41502-00	43,500	39,000	36,000	30,000	30,000
	Sewer Impact Fees	Fees required to compensate the City for the increased demand on the sewer system (\$1,400/new home).	41502-01	42,000	36,400	33,600	26,600	26,600
	MOAW Bill Collection Payment	Money received from Missouri American Water for accepting water bills at City Hall.	41503-00	562	643	650	440	440
	Grinder Pump Administration Fee	A fee paid by the Riss Lake Home Owner's Association for collecting and remitting monthly Riss Lake Subdivision grinder pump maintenance fees.	41504-00	4,620	4,620	4,620	4,620	4,620
	Transfer from Sewer CIP	No longer used. Transfer from Sewer CIP to close out fund in 2014.	41902-00	294,984				
	<b>Revenues: Sewer</b>				<b>1,918,965</b>	<b>2,205,756</b>	<b>1,089,620</b>	<b>1,862,444</b>
Rev: Interest	Interest Income	Interest earned from sewer fund investments.	41701-00	4,361	4,956	4,800	4,500	5,000
	<b>Revenues: Interest Income</b>				<b>4,361</b>	<b>4,956</b>	<b>4,800</b>	<b>4,500</b>
Rev: Misc	Miscellaneous	Includes reimbursements from Viking Football Club for water usage at Viking Field.	41804-00	1,000	74	200	50	50
	<b>Revenues: Misc</b>				<b>1,000</b>	<b>74</b>	<b>200</b>	<b>50</b>
<b>Total Sewer Fund (30) Revenues</b>				<b>1,924,326</b>	<b>2,210,786</b>	<b>1,892,404</b>	<b>1,866,994</b>	<b>1,408,755</b>

**Sewer Fund (30) Revenues and Expenses**

Type	Account	Description	Account	2014 Actual	2015 Actual	2016 Budget (amended)	2016 Projected	2017 Budget
Exp: Personnel	Salaries	The total salaries for sewer billing duties. A portion of staff salaries are covered by the Sewer Administrative Fee, as related to sewer work performed.	01-01-00	10,062	11,691	13,824	14,785	15,000
	FICA & Medicare	This is the City's share of FICA & Medicare cost for its employees.	01-21-00	770	839	1,058	1,223	1,248
	Professional Development	Cost of educational seminars and conferences attended by Sewer employees.	01-41-00		1,416		-	500
	Retirement	The City's LAGERS contribution for 2016 is 5.9% of general employee salaries.	01-22-00			816	800	1,145
	<b>Expenses: Personnel</b>				10,831	13,946	15,698	16,808
Exp: Insurance	Property & Liability	Premium payment for the City's property & liability coverage.	02-01-00	3,678	2,689	2,850	1,533	1,610
	Health, Life, & Dental	The City offers health, dental, and life insurance to its employees and subsidizes a portion of the premium. Reflects premium increases for employees.	02-02-00		1,622	2,955	3,155	3,407
	Workers Compensation	The workers compensation premium that covers all sewer employees.	02-03-00			500	95	500
	Unemployment	This covers the cost of any unemployment insurance claims for the Sewer Department.	02-04-00			500	-	500
	<b>Expenses: Insurance</b>				3,678	4,312	6,805	4,783
Exp: Utilities	Telephone & Voicemail	The charges for local and long distance telephone service for the sewer plant and lift station dialers.	03-01-00	2,394	2,278	1,600	1,344	1,600
	Electricity	Electric utility charges for the sewer plant and pump stations.	03-02-00	36,499	37,783	46,000	38,148	40,000
	Water	Water utility charges for the sewer plant.	03-04-00	2,083	1,606	3,500	3,378	3,500
	Wi-Fi	The cost of the Wi-Fi hotspot at the sewer plant for internet access.	03-06-00	440	480	480	480	480
	Trash Hauling	The charges for trash hauling at the sewer plant (\$70/year for Main Lift Station dumpster and \$356.52/year for Sewer Plant dumpster).	03-09-00	297	392	600	355	400
	<b>Expenses: Utilities</b>				41,713	42,539	52,180	43,705
Exp: Office Expenses	Office Supplies	This includes items such as stationery, pens/pencils, folders, etc. as well as computer accessories, meeting supplies and general consumables.	05-01-00	229	257	150	239	250
	Postage	All postage and shipping costs, along with any incidental charges.	05-02-00	6,868	5,805	7,000	5,700	6,000
	Delinquencies	Administrative costs related to delinquency collections such as water shut off costs, filing property liens, and certified letters.	05-06-00		826	2,000	2,700	2,000
	Printing	Expenses for printing work not performed by City personnel. This includes items such as business cards, forms, letterhead, and books.	05-04-00	1,032	1,055	1,300		
	<b>Expenses: Office Expenses</b>				8,130	7,943	10,450	8,639

Sewer Fund (30) Revenues and Expenses								
Type	Account	Description	Account	2014 Actual	2015 Actual	2016 Budget (amended)	2016 Projected	2017 Budget
Exp: Maintenance	Building Maintenance & Repair	General maintenance for the sewer plant. Includes crane for the new storage building, installation of yard hydrant, and containment for diesel storage.	06-01-00	4,787	6,863	36,480	46,000	18,000
	Pump Stations Maintenance	General maintenance for six pump stations in the City.	06-12-00	7,968	12,992	14,000	20,000	18,000
	Vehicle Repair & Maintenance	Maintenance for sewer vehicles.	06-21-00	105	41	500	150	500
	Tractor / Lawn Mowing Equipment	Maintenance for the sewer plant tractor and lawn equipment. Includes \$2,000 for hydraulic hoses and ram gate for honey wagon in 2017.	06-21-02	1,024	484	1,000	500	3,000
	Vehicle Gas & Oil	Fuel for sewer division vehicles.	06-22-00	1,254	802	3,000	1,000	2,000
	Equipment Gas & Oil	Fuel for sewer equipment, including the tractor, mower, and generator.	06-22-01	1,198	868	1,500	1,500	1,500
	Software Support Agreement	Annual software maintenance for Data Tech Summit sewer billing software.	06-33-00	1,768	1,910	2,000		2,000
	<b>Expenses: Maintenance</b>				<b>18,103</b>	<b>23,959</b>	<b>58,480</b>	<b>69,150</b>
Exp: City Services	Line Repairs	This covers emergency repairs to sewer lines and manholes. Root control and unexpected clogs. It does not cover repairs budgeted in the sewer CIP.	07-34-00	5,522	24,708	20,000	18,000	20,000
	One Call Utility Locating	This is a fee charged to the City for every One Call sewer utility locate requested in the City limits.	07-42-00	2,366	3,180	2,000	1,000	2,000
	KC Water Dept.	Fees paid to the KCMO Water Department for sewer service provided to some Parkville residents The decrease in 2016 is a result of the decommission of Eastside Pump station.	07-82-00	62,521	53,304	26,000	26,000	26,000
	Platte County Regional Sewer District	Fees paid to the PCRSD for wastewater treatment for Parkville residents formerly served by Eastside Pump station.			3,961	16,000	16,000	16,000
	Odor Control	Chemical used to mitigate odors from sewer lines.	07-91-00	18,138	18,851	22,000	22,000	22,000
	<b>Expenses: City Services</b>				<b>88,546</b>	<b>104,004</b>	<b>86,000</b>	<b>83,000</b>
Exp: Professional Fees	Attorney Fees	Fees associated with contract reviews and sewer related legal questions.	08-01-00	7,049		2,500	2,500	2,500
	Engineering Fees	This covers the fees for work performed by the City Contract Engineer for the sewer system, including SSES Program engineering and management.	08-03-00	1,600	9,900	10,000	11,000	10,000
	Management Contract	Contract with Alliance Water Resources to operate the sewer plant.	08-04-00	275,395	282,245	290,483	290,483	293,400
	Administration Fee	Administrative salaries for sewer related work, Missouri One Call services, and other sewer related administrative functions.	08-06-00	100,000	101,500	103,530	103,530	150,000
	Credit Card Fees	Costs associated with processing credit card transactions.	08-07-00	546	2,732	2,000	3,931	
	Sewer Refunds	Refunds for bill over payments	08-08-00		321		850	900
	<b>Expenses: Professional Fees</b>				<b>384,590</b>	<b>396,698</b>	<b>408,513</b>	<b>412,294</b>
Exp: Other Exp.	Miscellaneous	Miscellaneous includes uncategorized expenses.	09-21-00	4,833	851	2,000	1,650	2,000
	DNR Fees	Annual fee to the Missouri Department of Natural Resources based on the number of sewer connections in the City.	09-22-00	1,641	1,792	2,000	1,789	2,000
	<b>Expenditures: Other Expenditures</b>				<b>6,474</b>	<b>2,643</b>	<b>4,000</b>	<b>3,439</b>

**Sewer Fund (30) Revenues and Expenses**

Type	Account	Description	Account	2014 Actual	2015 Actual	2016 Budget (amended)	2016 Projected	2017 Budget
Exp: Capital Outlay	Equipment & Machinery	For the purchase of operating equipment for the Sewer Plant. Includes replacement of two tires and four rims on tractor (\$7,000).	04-31-00	14,398	6,615	3,000	3,000	7,000
	Sewer Plant Improvements	Improvements and enhancements to the sewer plant. Includes rebuilding of the bar screen (\$47,000), rebuilding of two clarifier drives (\$15,000). Building improvements include new doors and door jams (\$6,000) and site improvements include access drive and fence (\$13,000).	04-51-00		407	156,200	148,884	81,000
	Pump Station Improvements	Improvements to pump stations. New projects include FF Hwy and McAfee pump station modifications planned for 2017 (\$9,000), improvements to 45 Hwy Pump Station (\$66,000), improvements to S. National Pump Station (\$67,000), and rebuilding of one pump at McAfee Pump Station (\$9,000).	04-61-00	27,694	185,637	37,700	19,654	151,000
	Line Maintenance	Includes carry-over for Sanitary Sewer Phase 3 manhole repairs (\$60,000). New projects include 2017 CCTV & Cleaning (\$56,000), design of Downtown Manhole Reconstruction Phase 2 (\$8,000), and repairs to the Riverchase Sewer Main (\$40,000).	06-42-00	11,566	197,854	636,300	554,098	164,000
	Other Maintenance	Includes repairs to the levee next to to the sewer plant and the stabilization of the streambank along the access drive to the sewer plant.	06-99-00	6,330	68,575	5,000	-	50,000
	<b>Expenditures: Capital Outlay</b>				<b>59,988</b>	<b>459,088</b>	<b>838,200</b>	<b>725,636</b>
Exp: Transfers	Transfer to Debt Service Fund (for Bonds)	No longer used. Funds are transferred to Debt Service for bond payments. Paid off in 2015.	20-02-02		151,063			
	Transfer to Debt Service Fund (for SRF)	Funds are transferred to Debt Service for SRF payments.	20-02-03		206,807	185,495	185,495	181,701
<b>Expenditures: Transfers</b>				<b>-</b>	<b>357,870</b>	<b>185,495</b>	<b>185,495</b>	<b>181,701</b>
<b>Total Sewer Fund (30) Expenditures</b>				<b>622,053</b>	<b>1,413,002</b>	<b>1,665,821</b>	<b>1,552,949</b>	<b>1,304,641</b>
<b>Ending Fund Balance Sewer Fund (30)</b>				<b>1,302,273</b>	<b>797,784</b>	<b>226,583</b>	<b>314,045</b>	<b>104,114</b>

**Capital Improvement Program  
FY 2017**

Division	Account Code	Type	New or Replacement?	Name	Project Description	Funding Source	Total Cost	Budget Impact
Sewer		Multi-Year Project	Year 2 of 2	WWTP Headworks Screen Rebuild	Rebuild the influent mechanical bar screen at the WWTP. Screen is used to filter out plastics, rags and debris. Includes replacing the screen links, media shafts, and drive chain links. Begin design/bidding in 2016, construct in 2017.	100% Sewer Fund	\$ 47,000	\$ 47,000
Sewer		Equipment	Replacement	Sludge Application Equipment	Equipment replacement for the tractor (two tires and four wheel rims) and wagon (hoes and hydraulic ram gate) that are used to haul and distribute biosolids on agricultural fields.	100% Sewer Fund	\$ 7,000	\$ 7,000
Sewer		Project	Replacement	WWTP Building Improvements	Replace existing doors and door jams on the main building at the WWTF.	100% Sewer Fund	\$6,000	\$6,000
Sewer		Equipment	Replacement	Clarifier Drives	Onsite rebuild of the two hydraulic drive units that make the clarifier mechanisms rotate.	100% Sewer Fund	\$ 15,000	\$ 15,000
Sewer		Project	Maintenance	WWTP Access Road	Replace existing gravel access roadway from FF Hwy to the WWTP.	100% Sewer Fund	\$ 13,000	\$ 13,000
Sewer		Equipment	Replacement	Misc. Pump Station Improvements	Includes installation of FF Hwy Pump Station valves and mission unit, Pinecrest Valve pit lid, and McAfee level transducer.	100% Sewer Fund	\$9,000	\$9,000
Sewer		Project	Replacement	45 Hwy Pump Station	Install new pumps and controls. Begin design in 2016, construct in 2017.	100% Sewer Fund	\$66,000	\$66,000
Sewer		Project	Replacement	South National P.S. Equipment Replacement.	Replace pumps, base elbows, rails, along with electrical work.	100% Sewer Fund	\$67,000	\$67,000
Sewer		Equipment	Replacement	McAfee Pump	Rebuild one existing pump at McAfee Pump Station	100% Sewer Fund	\$9,000	\$9,000
Sewer		Project	New	CCTV	Program to clean and televise a portion of the 15,000 feet per year of the City's sewers.	100% Sewer Fund	\$56,000	\$ 56,000
Sewer		Project	Replacement	Downtown Manhole Reconstruction Phase 2	Second phase of manhole project started in 2016. This involves the reconstruction of existing manholes.	100% Sewer Fund	\$8,000	\$8,000
Sewer		Project	Replacement	Sanitary Sewer Phase 3	Phase 3 repairs to repair manholes and install new manholes to access areas in downtown	100% Sewer Fund	\$60,000	\$60,000
Sewer		Project	Replacement	Riverchase Sewer Repair	Remove and replace sewer main in the Riverchase Subdivision	100% Sewer Fund	\$40,000	\$40,000
Sewer		Project	Replacement	Levee Repair / Bank Stabilization	Repair two location of breeches in the levee and the streambank failure along the creek adjacent to the entrance to the sewer plant.	100% Sewer Fund	\$50,000	\$50,000
<b>Sewer Total</b>							<b>\$ 453,000</b>	<b>\$ 453,000</b>



Springsted Incorporated  
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## MEMORANDUM

TO: City of Parkville, Missouri

FROM: Nick Dragisich

DATE: October 6, 2016

SUBJECT: Administrative Charge to Sewer Service Fund

Springsted was retained to assist the City in determining and recommending an administrative charge allocation from the City's General Fund to its Sewer Service Fund. The administrative charge should reflect the direct support provided by the General Fund to the Sewer Service Fund and also indirect support provided by the City's overhead activities that benefit the Sewer Service fund.

Underlying any cost study is the necessity to identify all costs which are incurred by the General Fund when providing a service to another fund. Without this information, an accurate determination of the appropriate level of cost identification becomes difficult, if not impossible. The General Fund incurs two types of costs in providing support to the Sewer Service Fund. The most obvious costs are those direct costs for services where City staff accounted for in General Fund operating budgets undertake activities that directly benefit the Sewer Service Fund. These would include services like, inspection of sewer construction, filing sewer service forms, and other activities directly related to and benefiting the Sewer Service Fund. The General Fund also incurs indirect costs that benefit the Sewer Service Fund which we define as City-wide overhead activities. These include services like paying bills, issuing payroll checks, coordinating purchasing functions, helping to define policy goals and direction, and other services.

In order to determine these costs, City staff was asked to estimate the time they spent over the course of an average year on activities that directly benefited the Sewer Service Fund and on City-wide overhead activities. General Fund activities that directly benefitted the Sewer Service Fund were reported in Administration, Public Works Administration, Public Works Operations Street, and in Community Development. General Fund overhead activities were reported in Administration, Police, Public Works Administration, Public Works Operations Streets, Community Development, Public Information Division, and Information Technology Division.

The time reported to be spent on either direct or overhead activities by each staff member was used to estimate the personnel related costs for that activity. The personnel related costs included salary, benefits, FICA and Medicare, retirement, and auto allowances. The personnel costs were then multiplied by the percentage of time the employee estimated they spent on the activity to arrive at the personnel cost of that employee providing that service. For example, the City Administrator reported spending 60% of her time on overhead related activities. The total personnel costs for the City Administrator was determined to be \$145,251. That results in an overhead cost of

\$87,151 ( $\$145,251 \times 0.60 = \$87,151$ ). The total personnel costs for each employee related to an activity were summed to get the total personnel costs for that activity.

The total personnel cost for each activity was then divided by the total personnel costs for the department to arrive at a percentage that was used to allocate other department costs. For example, in Administration it was determined that \$230,896 of personnel costs were related to overhead activities. The total personnel costs in Administration are \$459,598. The \$230,896 of personnel related cost for overhead was divided by the total \$459,598 of personnel cost resulting in a ratio of 50.24%. The non-personnel costs for the Administration department were multiplied by that 50.24% to allocate their cost to the overhead activity. For example, the cost of utilities in the Administration budget was \$73,270. This amount was multiplied by 50.24% which resulting in an allocation of \$36,810 ( $\$73,270 \times 0.5024 = \$36,810$ ) of utility costs to the overhead activity. The personnel costs for each activity and the allocated non-personnel costs were added up to arrive at the total cost of each activity for the department under consideration.

This cost allocation carried out for each department reporting overhead and/or sewer service related activities resulted in overhead activities totaling \$630,061 and direct sewer service activities totaling \$106,249 as shown in the table below.

<b>General Fund</b>	<b>2016 Budget</b>	<b>Overhead Activities</b>	<b>Direct Sewer Service Activities</b>
Administration	\$ 1,329,483	\$ 552,860	\$ 25,634
Police	\$ 1,223,870	\$ 6,294	\$ -
Municipal Court	\$ 153,471	\$ -	\$ -
Public Works Admin & Streets	\$ 651,343	\$ 7,140	\$ 60,469
Community Development	\$ 316,393	\$ 5,983	\$ 20,146
Operations Division Parks	\$ 356,007	\$ -	\$ -
Nature Sanctuary	\$ 39,681	\$ -	\$ -
Public Information Division	\$ 13,810	\$ 13,810	\$ -
Information Technology Division	\$ 43,974	\$ 43,974	
Capital Outlay	\$ 351,035	\$ -	\$ -
<b>Totals</b>	<b>\$ 4,479,067</b>	<b>\$ 630,061</b>	<b>\$ 106,249</b>

The direct sewer service activities can be charged directly to the Sewer Service Fund. However, the overhead activities costs need to be converted to an overhead percentage that can then be charged to the Sewer Service Fund. This percentage was determined to be 18.01% as shown in the table below. Capital outlay was subtracted because it is not an operating expense.

Total General Fund	\$ 4,479,067
Less Capital Outlay	\$ (351,035)
Net operating	\$ 4,128,032
Less Overhead	\$ (630,061)
General Fund Overhead Basis	\$ 3,497,971
<b>Overhead percent</b>	<b>18.01%</b>

The overhead allocation to the Sewer Service Fund was determined by subtracting the current \$103,530 administration fee charged to the Sewer Fund from the total Sewer Service Fund expenses of \$1,543,461 to avoid the overcharging of overhead. The remaining \$1,440,111 was multiplied by the overhead percentage of 18.01% to determine the total City overhead allocation of \$259,396. The direct activity expenses of \$106,249 was then added to the overhead allocation to arrive at a total administrative charge of \$365,644 which is the amount the Sewer Service Fund should pay to the General Fund for the support it receives from that fund. The administrative charge should be updated each fiscal year based on then current costs and time allocations. The administrative charge calculation is shown in the table below.

<b>Total Sewer Expenses</b>	<b>\$ 1,543,641</b>
<b>Less Administration Fee</b>	<b>\$ (103,530)</b>
<b>Net Sewer Expenses</b>	<b>\$ 1,440,111</b>
<b>City overhead Allocation</b>	<b>\$ 259,396</b>
<b>City Direct Expenses</b>	<b>\$ 106,249</b>
<b>Total Sewer Administration Fee</b>	<b>\$ 365,644</b>



## **CITY OF PARKVILLE, MISSOURI NOTICE OF PUBLIC HEARING**

The City of Parkville, Missouri, will hold a public hearing to discuss a proposed sewer rate increase during its regular Board of Aldermen meeting on January 17, 2017, at 7:00 p.m. in the Municipal Court / Board Room of City Hall, 8880 Clark Avenue, Parkville, Missouri. All interested parties are invited to attend and be heard.

Melissa McChesney  
City Clerk

*Posted November 29, 2016*

## **CITY OF PARKVILLE Policy Report**

Date: Monday, November 14, 2016

Prepared By:  
Alysen Abel  
Public Works Director

Reviewed By:  
Tim Blakeslee  
Assistant to the City Administrator

### ISSUE:

Request to approve a supplemental agreement for 2017 with Alliance Water Resources for the continued management, operation, and maintenance of the City's wastewater treatment and collection system.

### BACKGROUND:

In 2002, the City entered into a contract with Alliance Water Resources to provide management, operation, and maintenance services for the wastewater collection and treatment system. The initial agreement was for a period of three years, and it renews automatically for successive terms of three years unless canceled by either party in writing no less than 90 days prior to the expiration of the agreement. The agreement was renewed in 2014 for a new three-year term (2015 to 2017). Historically a supplemental agreement has been executed prior to each new contract year to update the management fee annually. The proposed supplemental amount for 2017 of \$293,400 represents a 1% increase over the 2016 contract to account for wage increases, employee health insurance costs, and inflationary increases for supplies and materials. The 2016 contract represented a 2.9% increase over the 2015 contract.

Alliance has done a great job providing oversight of the sewer plant and collection system, as well as keeping the City in compliance with state and federal regulations. Based on the original contract, Alliance has the ability to increase its rates between 3% and 6% annually, or with respect to the Consumer Price Index (CPI). The 1% increase is below the permitted cost increase.

### BUDGET IMPACT:

The proposed 2017 Sewer Fund budget includes \$293,400 for the management services contract (line item 30-501- 08-04-00).

### ALTERNATIVES:

1. Recommend that the Board of Aldermen approve the supplemental agreement with Alliance Water Resources for 2017.
2. Recommend that the Board of Aldermen approve the supplemental agreement with other modifications.
3. Do not approve the supplemental agreement.

### STAFF RECOMMENDATION:

Staff recommends that the Financing Committee recommend that Board of Aldermen approve of the supplemental agreement with Alliance Water Resources for 2017.

### POLICY:

The Purchasing Policy, Resolution No. 10-02-14, requires the Board of Aldermen to approve all purchases above \$10,000 upon recommendation of the Finance Committee.

## **ITEM 3F**

*For 11-28-16*

*Board of Aldermen – Finance Committee Meeting*

### SUGGESTED MOTION:

I move to recommend that the Board of Aldermen approve the supplemental agreement to the contract with Alliance Water Resources for management, operation, and maintenance of the City's wastewater collection system and treatment plant in 2017 in the amount of \$293,400.

### ATTACHMENTS:

1. Original Contract with Alliance – 2002
2. Renewal Letter
3. Supplemental Agreement for 2017

BILL NO. C/A 69

ORDINANCE NO. C/A 69

AN ORDINANCE REPEALING ORDINANCE C/A 66 AND AUTHORIZING THE MAYOR TO ENTER INTO A NEW AGREEMENT WITH ALLIANCE WATER RESOURCES TO OPERATE THE PARKVILLE SEWER PLANT.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PARKVILLE, MISSOURI, AS FOLLOWS:

Section 1. The mayor is hereby authorized and directed to sign the service agreement proposed by Alliance Water Resources for operation of the Parkville sewer plant. Said agreement is attached hereto and incorporated herein by reference.

Section 2. This agreement shall be in effect immediately upon its signing by both parties.

PASSED this 17<sup>th</sup> day of December, 2002.

  
\_\_\_\_\_  
Mayor Charles E. Kutz

ATTESTED: Sandra Gower  
Asst. City Clerk ~~Barbara J. Lance~~

APPROVED this 17<sup>th</sup> day of December, 2002.

  
\_\_\_\_\_  
Mayor Charles E. Kutz

ORD. NO. C/A 69

## **SERVICE AGREEMENT**

THIS AGREEMENT made and entered into as of the 17<sup>th</sup> day of December, 2002 by and between City of Parkville, a municipal Corporation of the State of Missouri, (hereinafter referred to as "City") and Alliance Water Resources, Inc., a Missouri corporation, (hereinafter referred to as "Alliance"),

**WITNESSETH:**

WHEREAS, Alliance is engaged in the business of providing management, operation and maintenance services for public water and wastewater utilities; and

WHEREAS, City owns a public wastewater treatment system and is engaged in providing public utility wastewater service in certain areas in or adjacent to the City of Parkville; and

WHEREAS, City is desirous of retaining Alliance to perform certain operation and maintenance services in accordance with the terms and conditions of this Agreement,

NOW, THEREFORE, for and in consideration of the mutual promises contained herein contained and subject to the terms and conditions herein stated, City and Alliance hereby agree as follows:

### **1. INTRODUCTION**

1.1 The foregoing recitals are adopted as part of this Agreement.

1.2 This Agreement shall supersede and nullify, as of the date hereof, any and all prior agreements, offers, service fees, quotations, estimates, representations and warranties between the parties with respect to the operation and maintenance of City's water or wastewater system.

1.3 This Agreement, including any and all Exhibits, Addendums, and Amendments thereto, is the entire Agreement between City and Alliance.

### **2. DEFINITIONS**

2.1 The "Facility" located at 101 McAfee, Parkville, MO 64152 means wastewater treatment plants, all pumping stations, pipes, storage tanks and basins and related equipment, vehicles and rolling stock owned by City and used in the treatment

of wastewater, as specifically described in Exhibit A. Individual home grinder pump stations are not included in this definition.

2.2 "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or Facility items that cost more than Two Hundred Dollars (\$200.00); or (2) major repairs which significantly extend equipment or Facility service life and cost more than One Thousand Dollars (\$1,000.00); or (3) expenditures that are planned, nonroutine and budgeted by City.

2.3 "Base Fee" means a fixed sum for Alliance services. The Base Fee includes all direct costs including Repair Expense, labor, overhead, and profit for Alliance performance of operation and maintenance of the Facility as expressly required hereunder.

2.4 "Preventive Maintenance" means the cost of those routine and/or repetitive activities required by the equipment or facility manufacturer or Alliance to maximize the service life of the equipment, vehicles, and Facility.

2.5 "Corrective Maintenance" means those non-routine/non-repetitive activities required for operational continuity, safety, and performance generally due to failure or to avert a failure of the equipment, vehicle or Facility or some component thereof.

2.6 "Biologically Toxic Substances" means any substance or combination of substances contained in the plant influent in sufficiently high concentration so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge required by City's NPDES permit. Biologically Toxic Substances include but are not limited to heavy metals, phenols, cyanides, pesticides, and herbicides.

2.7 "Repair Limit" means the total dollar budget of Alliance during a 12-month period for all Maintenance and Repair Costs.

2.8 "Force Majeure" means any event beyond the reasonable control of Alliance, including but not limited to war, earthquake, fire, flood, explosion or other casualty loss, strikes and labor disputes (other than a legal strike by, or labor dispute of, Alliance employees), civil commotion, epidemic, acts or omissions of City, its employees, agents or representatives, wrecks or delays in transportation of supplies, materials, and equipment, influent varying from that specified in Exhibit C or Abnormal Conditions.

2.9 "Service Commencement Date" means the date on which Alliance begins operation and maintenance of the Facility.

2.10 "Adequate Nutrients" means plant influent nitrogen, phosphorus and iron contents proportional to BOD<sub>5</sub> in the ratio of five (5) parts nitrogen, one (1) part phosphorus and one-half (0.5) part iron for each one hundred (100) parts BOD<sub>5</sub>.

2.11 "Abnormal Condition" means (a) the presence in influent of substances which cannot be removed or treated by the Facility, including but not limited to those relating to an interference or pass-through; (b) influent which violates applicable law; (c) a flow or loading of influent which is beyond the Facility's capacity set forth in Exhibit B.

### 3. GENERAL

3.1 It is understood that the relationship of Alliance to City is that of independent contractor.

3.2 All grounds, facilities, equipment, and vehicles now owned by City or acquired by City shall remain the property of City.

3.3 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Missouri.

3.4 This Agreement shall be binding upon the respective successors and assignees of each of the parties hereto.

3.5 All notices shall be in writing and transmitted by certified mail to the appropriate address as follows:

City: City of Parkville  
1201 East Street  
Parkville, MO 64152

Alliance: Alliance Water Resources  
206 South Keene Street  
Columbia, MO 65201

3.6 This Agreement may be modified only in writing and signed by the parties. All releases, indemnities and limitations on liability and remedies stated herein shall apply, regardless of whether the liability or remedies arise in contract, warranty, negligence, strict liability or otherwise.

#### **4. SCOPE OF SERVICES**

**4.1 Alliance shall operate and maintain the Facility in accordance with all applicable laws, ordinances, regulations and this Agreement and more specifically shall provide the following services.**

- a. Coordinate with regulatory agencies regarding treatment plant performance and compliance.**
- b. Maintain communications with City to keep client fully informed regarding all aspects of facility operations, maintenance, regulatory requirements, etc. Attend all meetings of City and report on operations.**
- c. Submit to City a monthly report describing the general operational and maintenance activities undertaken. Maintain adequate records to document this report in detail.**
- d. Develop and implement a comprehensive preventive maintenance program in accordance with manufacturer's recommendations and the system's operation and maintenance manual.**
- e. Perform corrective maintenance and repair of all Facility equipment.**
- f. Provide twenty-four hour emergency service seven (7) days per week.**
- g. Staff the Facility with qualified personnel who meet certification requirements of the State of Missouri as necessary to meet wastewater treatment requirements.**
- h. Assist City with facility capital improvements planning, annual budget preparation, and other miscellaneous technical services.**
- i. Perform all sampling, testing, and analysis presently required by the existing permits, rules, and regulations. Perform additional testing as may be required in subsequent permits, rules, and regulations at an additional charge subject to approval of City.**
- j. Provide necessary chemicals, consumable materials, and supplies.**
- k. Provide for all maintenance and repairs for the Facility provided the total amount does not exceed the Annual Repair Limit. Alliance shall rebate to City the entire amount that the actual repairs were less than the Repair Limit in any year of this Agreement. City shall be responsible for all maintenance and repairs in excess of the Repair Limit, providing the city**

is notified in advance of any maintenance repairs in excess of the repair limit.

- l. Perform other services that are incidental to the Scope of Services as directed by City. Such services will be invoiced to City at Alliance's cost plus ten percent (10%). Incidental services shall not be performed without prior notification to the City.**
- m. Maintain all manufacturers' warranties and assist City in enforcing equipment warranties and guarantees.**
- n. Offer employment to all personnel of City assigned full time to the Facility as of the Service Commencement Date of this Agreement providing benefits and wages comparable to those wages and benefits provided by City.**

**4.2 City shall:**

- a. Provide for Alliance use of all land, equipment, improvements, buildings, structures and facilities under its ownership and presently located at the Facility or currently available to or assigned for Facility use.**
- b. Pay all repair expenses in excess of the Repair Limit.**
- c. Make Capital Expenditures at the Facility as deemed necessary by City. Alliance will cooperate with City to determine the necessity and cost of Capital Expenditures.**
- d. Pay all taxes or governmental fees or licenses, if any, associated with the Facility.**
- e. Pay all utility expense.**
- f. Pay all repair and maintenance expense for the grinder pump/pressure sewer system in Riss Lake as per current practice.**
- g. Pay for all chemical additives to the pressure sewer system in Riss Lake as per current practice.**
- h. Pay for all third party sludge hauling and disposal cost.**
- i. Perform all functions and retain all responsibilities and obligations related to Facility not expressly assumed herein by Alliance.**

**5. COMPENSATION**

5.1 Alliance Base Fee compensation under this Agreement shall be \$175,500.00 per year for the first year of service. The Repair Limit for this period shall be \$6,500.00. This limit shall not be exceeded without approval by the City.

5.2 City will pay Alliance each month one-twelfth (1/12) of the Base Fee and payment shall be due and payable on the first day of the month that services are rendered. All other compensation to Alliance is due upon receipt of Alliance's invoice and payable within thirty (30) days. City shall pay interest at an annual rate of nine percent (9%) on payments not received by the due date, such interest being calculated from the due date of the payment.

5.3 The Base Fee and Repair Limit shall be adjusted in proportion to the change in the Consumer Price Index for All Urban Consumers (U.S. City Average) in the prior 12 month period as published by the U.S. Dept of Labor. Such increase, however, shall not be less that 3% nor exceed 6% unless otherwise agreed upon.

5.4 The Base Fee and or Repair limit shall be equitably adjusted for any substantial change in the costs of Facility operation and maintenance, including but not limited to changes in flow, customer accounts, plant design, regulatory requirements, personnel or staffing requirements, or increased costs due to Force Majeure occurrences.

5.5 It is understood that Alliance base fee compensation for the first year of service includes specifically the following:

Salary, Benefits & Suppt. SVS	\$115,665.56
Office Expense	4,850.00
Travel Expense	3,100.00
Repair Expense	6,500.00
Chemical Expense	7,620.00
Maintenance & Supplies	6,350.00
Outside Services	4,000.00
Equipment, Ins. & Misc,	3,319.30
G&A	8,172.25
Management Fee	15,957.71
Alliance Contract Amount	\$175,534.82

**6. TERM AND TERMINATION**

6.1 The initial term of this agreement shall commence on the 1st day of January, 2003, and shall extend for a period of three (3) years. Thereafter, the

Agreement shall be renewed automatically for successive terms of three (3) years each unless canceled by either party in writing no less than ninety (90) days prior to expiration.

6.2 This Agreement may be terminated by either party for breach of contract terms by the other. Such right of termination shall be in addition to any other claims or remedies either party may have against the other at law or in equity.

6.3 Such termination shall be effected as follows: The party declaring a breach shall give the other written notice of the breach and sixty (60) days from the date of notice to cure. In the event the other party fails to cure within that period, the party serving notice may elect to terminate and shall give written notice of its election to terminate effective not more than ninety (90) days after the date of the notice of election to terminate.

6.4 If a breach is claimed by Alliance over a disputed invoice or payment, Alliance will, at Utility's option, continue to perform under the Agreement subject to resolution of the dispute by a court or agency of competent jurisdiction, provided either party initiates such action within the sixty (60) day cure period. The parties agree that any and all disputes under the terms of this agreement shall be determined by arbitration. The parties shall choose a neutral arbitrator which will be governed by the rules of the American Arbitration Association or those rules mutually agreed upon by both parties.

6.5 Upon notice of termination, City and Alliance shall agree to an action plan that will enable City to resume operation in an organized fashion. Alliance agrees to assist and cooperate with City in any such transition.

## **7. INDEMNITY, LIABILITY AND INSURANCE**

7.1 Alliance shall indemnify, save harmless and defend City from any and all claims, liabilities, penalties, fines, forfeitures, suits and costs and expenses incident thereto, including reasonable attorneys' fees, which City may incur, pay in settlement, or become responsible for as result of death or bodily injury to any person, damage to any property, adverse effects on the environment, or violation of any law arising out of or relating to Alliance's material breach of any term of this Agreement, or any negligent or willful act or omission of Alliance, its employees, or subcontractors in the performance of this Agreement.

City shall indemnify, save harmless and defend Alliance from any and all claims, liabilities, penalties, fines, forfeitures, suits and costs and expenses incident thereto, including reasonable attorney's fees, which Alliance may incur, pay in settlement, or becoming responsible for as a result of death or bodily injury to any

person, damage to any property, adverse effects on the environment, or violation of any law arising out of or relating to City's material breach of any term of this Agreement, or any negligent or willful act or omission of City, its employees, or subcontractors in the performance of this Agreement.

City and Alliance shall each provide the other with prompt and timely written notice of any event or proceeding of which either acquires knowledge and for which indemnification may be sought so that each shall have any opportunity which exists to take such actions as may be desirable to contain or minimize the consequences of any such event or proceeding and to defend or settle at such party's expense any such proceeding.

7.2 Alliance shall be liable for fines or civil penalties imposed by regulatory agencies for violation of City's NPDES permit or rules or regulations of the Missouri Department of Natural Resources or the United States Environmental Protection Agency which occur during the term of this Agreement and which were caused by Alliance negligence or willful conduct. Alliance shall be given full authority to contest such violations and City shall assist Alliance in such proceedings, except that the City shall not have responsibility for any legal fees.. Except to the extent caused by Alliance's negligence, willful conduct, or breach of its obligations under this Agreement, Alliance shall not be responsible for fines or penalties or any other liability if influent characteristics exceed Facility design parameters (as defined in Exhibit B), influent contains biologically toxic substances, source water contains non-treatable substances or the Facility is inoperable due to abnormal conditions.

7.3 Alliance's liability to City under this Agreement specifically excludes any and all indirect or consequential damages arising from the operation, maintenance, and management of the Facility.

7.4 Each party shall obtain and maintain insurance coverage of a type and in amounts described in Exhibit A. Each party, to the extent permitted by law, shall name the other party as an additional insured on all insurance policies covering the Facility and shall provide the other party with satisfactory proof of insurance upon written request.

## 8. WARRANTY

8.1 Alliance warrants that it will operate and maintain the Facility in accordance with the Scope of Services set forth in this Agreement and generally accepted industry principles and practices for maintenance and operation of similar facilities within Facility's design capacity.

9.1 The parties agree that any delay or failure of either party to perform its obligations under this Agreement, except for indemnification required hereunder or the payment of money, shall be excused if and to the extent caused by acts of God, strikes, fire, flood, windstorm, explosion, riot, war, sabotage, or other similar cause beyond the reasonable control of the party affected, provided that prompt notice of such delay is given by such party to the other and each of the parties shall be diligent in attempting to remove or overcome the effects of such cause or causes.

10. MISCELLANEOUS

10.1 The parties intend that there shall not be any third party beneficiaries to this Agreement.

10.2 If any provision of this Agreement is held invalid or unenforceable, such provision shall be modified consistent with the original intent of the parties so as to be enforceable and the remainder of the Agreement shall remain in full force and effect.

10.3 The failure of either party to enforce any right hereunder shall not be construed as a waiver of its right to enforce that or any other right hereunder in the future.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives on the date and year first above written.

**ALLIANCE WATER RESOURCES**

Greg P Mattli  
Signature

Gregory P. Mattli  
Name

President  
Title

Attest:

Dale Wagner  
Signature

Dale Wagner  
Secretary

**CITY OF PARKVILLE**

Charles E. Kutz  
Signature

Charles E. Kutz  
Name

Mayor  
Title

Attest:

Barbara J. Lance  
Signature

Barbara J. Lance  
Clerk

**EXHIBIT A**

**Alliance shall maintain:**

1. Statutory Worker's Compensation Insurance for all Alliance's employees at the Facility as required by law.
2. Comprehensive or Commercial General Liability Insurance for bodily injury and/or property damage as follows:

General Aggregate	\$2,000,000
Each Occurrence	1,000,000
Umbrella Aggregate	\$4,000,000

**City shall maintain:**

1. Comprehensive or Commercial General Liability Insurance covering general liability, personal injury and property damage in amounts not less than Missouri statutory requirements relating to Sovereign Immunity.

**Each Party:**

1. Shall maintain adequate property insurance for its equipment and real and personal property, including but not limited to extended coverage.
2. Shall provide, with respect to its owned vehicles, Commercial Automobile Liability Insurance for bodily injury and/or property damage with \$500,000 combined single limits per occurrence and in the aggregate.

**EXHIBIT B**  
**WASTEWATER FACILITY CHARACTERISTICS**

- B1 Alliance shall not be responsible for fines or penalties or any other liability if the wastewater influent exceeds facility design parameters including maximum daily and instantaneous flow, does not contain adequate nutrients, contains biologically toxic substances, or the Facility is inoperable due to circumstances beyond Alliance control.**
- B2 Alliance liability regarding payment of fines, penalties, or any other related liability is restricted to effluent limitations established in existing NPDES Permit No. MO-0113085 dated December 22, 1997 which are within the design capacity and capability of the treatment facility. In the event that effluent limitations are revised in subsequent NPDES permits, Alliance shall have the right to renegotiate the terms of Section 7 in the Agreement by giving notice to City within forty-five (45) days after the effective date of the revised permit.**



August 29, 2016

Lauren Palmer, City Administrator  
City of Parkville  
8880 Clark Ave.  
Parkville, Mo 64152

Re: 2017 Proposed Budget, Alliance Water Resources, Inc.

Alliance Water Resources is pleased to present the City of Parkville with the proposed budget for 2017 for your review and consideration. **The fee for 2017 will increase by 1.0% to \$293,400.** The increase is a result of cost of living and merit salary increases for employees, somewhat offset by a reduction in expected employee overtime. Also helping to minimize the annual budget increase is lower gas prices resulting in lower fuel expenses. The annual Repair Limit remains unchanged at \$9,000. As a reminder, any dollars left unspent in the repair accounts are refunded to the City per the contract.

Alliance performs the day-to-day operations and maintenance 7 days per week for the wastewater treatment plant, 6 lift stations, land application of bio-solids, odor control unit at Riss Lake, after hours sewer line locates and approximately 31 miles of collection system with three full time employees.

Alliance continues to look for ways to help the City control costs and increase efficiency. Over the last year, Alliance has continued to act as liaison for (1) the rental of 56 acres for land application of biosolids, (2) the MPower program with KC P&L, and (3) assistance with lift station rehabilitation and sewer main improvement projects.

Alliance has a highly motivated local staff plus an additional 280 employees including engineers, laboratory technicians, billing clerks, plant operators, equipment operators and maintenance workers to offer assistance when needed.

Richard Wilson, Alliance's Local Manager, is responsible for direct on-site supervision of staff and has reporting responsibilities to the City and Alliance's Division Manager. Mr. Wilson keeps the City informed with monthly reports and attends staff meetings as needed to discuss facility operations, maintenance, and regulatory requirements.

Mr. Wilson also provides an annual list of recommended capital improvements for the City's budget.

Enclosed are two copies of the annual Supplemental Agreement to the O&M contract for review and action by the City. It specifies the base rate compensation

and maximum annual Repair Limit for 2017. If the City approves the Supplemental Agreement, please have the City execute it and return a copy to me.

If you have any questions, please contact me at 660-890-8290.

Sincerely,

A handwritten signature in black ink that reads "Richard Webber". The signature is written in a cursive style with a large, prominent initial "R".

Richard Webber  
Division Manager  
Alliance Water Resources

cc: Alysen Abel, Public Works Director  
Richard Wilson, Local Manager  
Tim Geraghty, Director of Operations

**FISCAL YEAR 2017 SUPPLEMENTAL AGREEMENT**

This supplemental agreement made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2016 by and between the City of Parkville, Missouri (hereinafter referred to as "City") and Alliance Water Resources, Inc. (hereinafter referred to as "Alliance"),

**WITNESSETH**

WHEREAS, the City and Alliance entered into a Service Agreement on the 17th day of December 2002 providing for the management, operation and maintenance services for the wastewater utility system owned by the City; and

WHEREAS, Section 5.1 of the aforementioned agreement provides for base compensation, herein referred to as Annual Fee as well as a Repair Limit; and

WHEREAS, Section 5.4 of the aforementioned agreement provides for the Annual Fee and Repair Limits to be subject to renegotiation and adjustment with the written consent of both parties on the anniversary of the contract commencement date; and

NOWHEREFORE, the City and Alliance hereby desire and agree to the following revisions to the Service Agreement:

Section 5.1 is hereby revised to read:

**5.1 Alliance Base Fee compensation under this Agreement shall be \$293,400.00 per year. The Repair Limit for this period shall be \$9,000.00. The limit shall not be exceeded without approval by the City.**

The revisions above shall commence and become effective January 1, 2017.

IN WITNESS THEREOF, the parties have caused this agreement to be executed by their respective officers thereunto duly authorized and their respective corporate seals to be herewith affixed and attested by their respective officers having custody thereof the date and year first written above.

City of Parkville, Missouri

BY: \_\_\_\_\_  
Mayor

(Seal)  
Attest

\_\_\_\_\_  
Clerk

Alliance Water Resources, Inc.

BY: *Dale Wagner*  
Dale Wagner, President

(Seal)  
Attest:

*Mary Ann J. Perkins*  
Mary Ann J Perkins, Secretary

## **CITY OF PARKVILLE Policy Report**

Date: Friday, November 18, 2016

Prepared By:  
Alysen Abel  
Public Works Director

Reviewed By:  
Tim Blakeslee  
Assistant to the City Administrator

ISSUE:

Request to approve a maintenance agreement with H&H Septic Service for on-call sewer cleaning and repair services.

BACKGROUND:

There are numerous repair and maintenance services that the city needs on a routine and emergency basis throughout the year. In 2014, the city attorney suggested entering into multi-year service contracts for these routine services in order to lock in prices and avoid having to repeat the process to accept quotes or bid for smaller scopes of work. The intent is for the City to contract with one vendor, who will provide priority services to the City during emergency and non-emergency situations.

On August 8, 2015, the Board of Aldermen approved an on-call service contract with H&H Septic Service for a one-year term. The unit pricing from 2015 is included as Attachment 1. Once the one-year term expired, the City released a bid request for On-Call Sewer Cleaning Services. Unfortunately there were no responses to this bid request. In an effort to assist during sewer emergencies, H&H agreed to continue to serve the City with the unit prices outlined in the original contract. Staff contacted H&H about continuing to provide on-call services to the City. H&H expressed an interest in continuing their relationship with the City and provided updated unit pricing (Attachment 2).

The City has used H&H Septic Service numerous times in the past and has had an extremely positive experience. The company has always been responsive to the needs of the Public Works staff, especially during emergency situations. H&H Septic Service has a local presence, with a location west of Parkville on FF Hwy. The proximity is a benefit to Parkville with respect to emergency sewer calls. H&H Septic has years of experience and knowledge of the City and its staff.

BUDGET IMPACT:

The Sewer Fund includes budget for Pump Station Maintenance and Line Maintenance. Depending on the nature of the work being done, staff will use the proper budget item.

ALTERNATIVES:

1. Recommend that the Board of Aldermen approve the maintenance agreement with H&H Septic Service.
2. Do not approve the maintenance agreement.
3. Provide other direction to staff to meet the desires of the Board of Aldermen.
4. Postpone the item.

STAFF RECOMMENDATION:

Staff recommends the approval of the maintenance agreement with H&H Septic Service for on-call sewer cleaning and repair services.

## **ITEM 3G**

*For 11-28-16*

*Board of Aldermen – Finance Committee Meeting*

### POLICY:

The Purchasing Policy, Resolution No. 10-02-14, requires the Board of Aldermen to approve all purchases above \$10,000 upon recommendation of the Finance Committee.

### SUGGESTED MOTION:

I move to recommend that the Board of Aldermen approve the maintenance agreement with H&H Septic Service for on-call sewer cleaning and repair services, with the unit prices listed in the agreement.

### ATTACHMENTS:

1. 2015 Contract Unit Prices
2. Maintenance Agreement – Small Construction Contract

### **NON-EMERGENCY SERVICES**

SCOPE OF WORK	UNIT PRICE	UNIT
VACUUM TRUCK	\$275.00/1 <sup>st</sup> \$125/hr. thereafter	HR
HYDRO JETTER TRUCK W/OPERATOR	\$575.00/1 <sup>st</sup> \$95/hr. thereafter	HR
ADDITIONAL MAN PER HOUR	\$60.00	HR
CAMERA LOCATE	\$200.00/1 <sup>st</sup> \$50/hr. thereafter	HR
DISPOSAL FEE	\$.095	GAL
MINOR LINE REPAIR:		
EQUIPMENT W/OPERATOR	\$200.00 per machine Backhoe/mini- x/skid loader	HR
LABOR (EXCLUDES OPERATOR)	\$60.00	HR

### **EMERGENCY SERVICES**

SCOPE OF WORK	UNIT PRICE	UNIT
VACUUM TRUCK	\$375.00/1 <sup>st</sup> \$125/hr. thereafter	HR
HYDRO JETTER TRUCK W/OPERATOR	\$675.00/1 <sup>st</sup> \$95.00/Hr. thereafter	HR
ADDITIONAL MAN PER HOUR	\$60.00	HR
CAMERA LOCATE	\$200.00/1 <sup>st</sup> \$50.00/hr. thereafter	HR
DISPOSAL FEE	\$.095	GAL
MINOR LINE REPAIR:		
EQUIPMENT W/OPERATOR	\$300.00/1 <sup>st</sup> \$200.00/hr. thereafter Backhoe/mini- x/skid loader	HR
LABOR (EXCLUDES OPERATOR)	\$60.00	HR

## **SMALL CONSTRUCTION SERVICES AGREEMENT MAINTENANCE OR REPAIR PROJECT**

THIS SERVICE AGREEMENT, entered into on this 6th day of December, 2016, by and between the CITY OF PARKVILLE, MISSOURI ("City") and H & H SEPTIC SERVICE, INC., ("Contractor").

WHEREAS, the City seeks to hire Contractor to provide certain on-call construction services as described in Exhibit "A" to this Agreement (the "Construction Services"); and

WHEREAS, the City has budgeted funds to acquire the services necessary to complete the Construction Services; and

WHEREAS, Contractor has the necessary staff and qualifications to provide the Construction Services to the City.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants and agreements set forth herein, the parties mutually agree as follows:

### **I. SCOPE OF SERVICES**

- A. The term "Construction Services" when used in this Agreement shall mean any and all labor, material, equipment, insurance, surety bonds or other thing of value that may be required by this Agreement including its exhibits.
- B. The City agrees to retain Contractor and Contractor agrees to perform and complete the Construction Services described in the **Exhibit "A"** – Scope of Work, attached hereto and incorporated by reference.
- C. Service Provider represents it has all necessary skills, personnel, financial capacity, licenses, permits, knowledge, and certifications required to perform the Services described herein.

### **II. COMPENSATION**

- A. As consideration for providing the Construction Services, the City shall pay Contractor as set forth in **Exhibit "A"**.
- B. Contractor shall submit its invoices to the City either at completion of the Project, or on such milestone or other interim terms as set forth on **Exhibit "A"**. Contractor's final invoice shall be accompanied by Waivers of Lien and Releases of Claim on the forms attached as **Exhibit "B-2"** to this Agreement, executed by Contractor, any all subcontractors with contract values of \$5,000 or more, and notarized. If partial payments are authorized on **Exhibit "A"**, then Contractor shall submit partial lien waivers on the form attached as **Exhibit "B-1."** The City agrees to pay the balance of an approved invoice, or undisputed portions of a disputed invoice, within 30 days of the date of receipt by the City. In the event of a dispute, and prior to the invoice's due date, City shall pay the undisputed portion of the invoice and notify Contractor of the nature of the dispute regarding the balance.
- C. Contractor shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Agreement and such other records as may be deemed necessary by the City to assure proper accounting for all funds. These records will be made available for audit purposes to the City or any authorized representative, and will be retained for three years after the expiration of this Agreement unless permission to destroy them is granted by the City.

### III. SCHEDULE

- A. Time is of the essence in performance of this Agreement.
- B. Unless otherwise directed by the City, Contractor shall commence performance of the Construction Services upon execution of this Agreement.
- C. Services shall be completed within the schedule set forth on **Exhibit "A"**.
- D. Neither the City nor the Contractor shall be in default of the Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party.
- E. If **Exhibit "A"** contains a provision for Liquidated Damages, it shall be because the parties have agreed that late completion of the Construction Services by Contractor would cause irreparable harm to the City, which harm is difficult to quantify; and that the parties have agreed that the amount stated in Exhibit "A" for Liquidated Damages is a fair approximation of the daily costs that the City would incur for late Substantial Completion of the work.

### IV. CHANGES

- A. The City reserves the right to issue Changes, both additive and deductive, to the Scope of Work at the City's discretion. Contractor shall advise the City of additional costs and time delays, if any, resulting from such Changes, before Contractor performs the Changes. No adjustment to the Contract Time or Contract Price will be permitted unless Contractor has advised the City of the potential impact prior to commencing work on the Change, and the City either issues a Change Order which is agreed to by the parties, or the City directs the Contractor to proceed.
- B. Contractor shall provide Construction Services under this Agreement only upon written request of the City and only to the extent defined and required by the City. Any additional services or materials provided by the Contractor without the City's prior written consent shall be at the Contractor's own risk, cost, and expense, and Contractor shall not make a claim for compensation from the City for such work.

### V. INDEMNIFICATION

- A. Contractor shall indemnify and hold harmless the City and its departments, elected officials, officers, employees and agents, from and against all liability, suits, actions, proceedings, judgments, claims, losses, damages, and injuries (including attorneys' fees and other expenses of litigation, arbitration, mediation or appeal), which in whole or in part arise out of or have been connected with Contractor's negligence, error, omission, recklessness, or wrongful or criminal conduct in the performance of Construction Services, including performance by Contractor's employees and agents; or arising from any claim for libel, slander, defamation, copyright infringement, invasion of privacy, piracy and/or plagiarism related to any materials related to materials furnished by Contractor in the course of performance of the work, except to the extent that such claims arise from materials created or supplied by the City.
- B. Contractor's obligation to indemnify and hold harmless shall remain in effect and shall be binding on Contractor whether such injury shall accrue, or may be discovered, before or after termination of this Agreement.

**VI. INSURANCE**

- A. Contractor shall secure and maintain, at its expense, through the duration of this Agreement insurance as set forth on **Exhibit "C."**

**VII. ASSIGNMENT OF AND RESPONSIBILITY FOR PERSONNEL**

- A. Contractor's assignment of personnel to perform the Services shall be subject to the City's oversight and general guidance. The City reserves the right to request qualifications and/or reject service from any and all employees of the Contractor.
- B. Unless otherwise stated in **Exhibit "A"**, Contractor shall be represented by a Superintendent or Foreman authorized to give and receive all instruction and notices from and to the City at all times while performing Construction Services, and shall have on site a person who is fluent in all languages necessary to communicate instructions regarding the work and information regarding medical emergencies with Contractor's employees and subcontractors.
- C. All of the Construction Services required hereunder will be performed by the Contractor or under Contractor's supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.
- D. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement including, but not limited to, indemnification, insurance and warranties.
- E. Contractor and all subcontractors with a contract value of \$5,000 or more shall execute affidavits on the form attached as **Exhibit "D"**, attesting to their compliance with RSMo. § 285.530.5 concerning compliance with Missouri's Worker Eligibility requirements.
- F. Contractor and all subcontractors must require all on-site employees to complete the ten-hour construction training program required under Section 292.675 RSMo. unless they have previously completed the program and have documentation of having done so. Contractor shall execute the affidavit attached as **Exhibit "E"**, attesting that it has provided OSHA safety training for its on-site employees. Contractor will forfeit a penalty to the City of \$2,500 plus an additional \$100 for each employee employed by Contractor or any subcontractor, for each calendar day, or portion thereof, such employee is employed without the required training. See Section 292.675 RSMo.
- G. No illegal drug or alcohol usage will be tolerated at the Site. All persons admitted to work on the Site will dress appropriately and avoid foul language. Music shall not be played at volume levels that would be objectionable to third-parties. Any worker found by the City to be violating these conduct requirements will be removed immediately.

**VIII. WARRANTY**

- A. The Contractor warrants to the City that materials and equipment furnished under the Contract will be of good quality and new unless the Scope of Work documents require or permit otherwise. The Contractor further warrants that the work will conform to the requirements of the Scope of Work documents and will be free from defects, except for those inherent in the quality of the Work the Scope of Work documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the work not executed by the Contractor or its subcontractors or suppliers, improper or insufficient maintenance or improper

operation. If required by the Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. The Contractor's warranties required by the Agreement (express and implied) shall remain in full force and effect even if a material or equipment item is required by the Owner to be manufactured by a specific entity, and no other equivalent product manufactured by any other entity is acceptable.

- B. The Contractor's warranty in Section IX.A. shall not be construed to replace, change or otherwise limit any statutory or common law warranty rights of the Owner, or any other Contract requirements.

**IX. OWNERSHIP OF WORK PRODUCT**

- A. Contractor agrees that any documents, materials and/or work products produced in whole or in part by or through it under this Agreement, any intellectual property rights of Contractor therein (collectively the "Works") are intended to be owned by the City. Accordingly, Contractor hereby assigns and agrees to assign to the City all of its right title and interest in and to such Works.

**X. RELATIONSHIP OF THE PARTIES**

- A. Contractor represents that it is an independent contractor and that no personnel performing any of the Construction Services shall be employees of or have any contractual relationship with the City.

**XI. NOTICES**

- A. All notices required by this Agreement shall be in writing, and unless otherwise directed by this Agreement, shall be sent to the addresses as set forth in this Section:
- B. Notices sent by Contractor shall be sent to:
  - City of Parkville
  - Attn: City Administrator
  - 8880 Clark Ave.
  - Parkville, MO 64152
- C. Notices sent by the City shall be sent to:
  - H & H Septic Service, Inc.
  - 30 Village Circle Drive
  - Platte City, MO 64079
  - 816-330-4040

**XII. CORRECTION OF WORK**

The Contractor shall promptly correct work rejected by the City or failing to conform to the requirements of the Agreement, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for services and expenses of a designer made necessary thereby, shall be at the Contractor's expense. If the Contractor fails to correct nonconforming Work within ten (10) days after receipt of written notice from the City, the City may correct it at Contractor's expense.

**XIII. TERM AND TERMINATION**

- A. The term of this agreement shall be one (1) year from the effective date of this agreement.
- B. The effective date of this Agreement shall be the date of execution, when the Agreement is signed by both parties.
- C. Notwithstanding anything to the contrary in this Agreement or exhibit, the City reserves the right and may elect to terminate this Agreement at any time, with or without cause, by giving at least ten (10) days' written notice to the Contractor. The City shall compensate Contractor for the Construction Services that have been completed to the City's satisfaction as of the date of termination. Contractor shall perform no activities other than reasonable wrap-up activities after receipt of notice of termination.
- C. The City may terminate the Agreement for cause if the Contractor
  - 1. refuses or fails to supply enough properly skilled workers or proper materials;
  - 2. fails to make payment to Subcontractors for materials, equipment, services or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
  - 3. disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;
  - 4. or its Subcontractors or Sub-subcontractors causes a work stoppage due to any strike, picket, boycott or participates in any voluntary or involuntary cessation of Work; or
  - 5. otherwise is guilty of substantial breach of a provision of the Agreement.

When any of the above reasons exist, the City may without prejudice to any other rights or remedies of the City and after giving the Contractor and the Contractor's surety, if any, seven (7) days' written notice, terminate the Agreement and may, subject to any prior rights of the surety, if any:

- 1. Exclude the Contractor from the Project site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- 2. Direct the work of subcontractors; and
- 3. Finish the Work by whatever reasonable method the City may deem expedient. Upon written request of the Contractor, the City shall furnish to the Contractor a detailed accounting of the costs incurred by the City in finishing the Work.

When the Owner terminates the Agreement for one of the reasons stated in Section XIV. A., the Contractor shall not be entitled to receive further payment until the Work is finished.

If the unpaid balance of the Contract Price exceeds costs of finishing the Work, including compensation for the services and expenses of a designer, and legal, consultant and testing fees made necessary thereby, and other damages incurred by the City and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor or its surety, if any, shall pay the difference to the City upon demand. The obligation for payment, if any, shall survive termination of the Agreement.

**XIV. MISCELLANEOUS PROVISIONS**

- A. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Missouri.
- B. Assignability. Contractor shall not assign any interest on this Agreement, and shall not transfer any interest in the same (whether by assignment or invitation), without the prior written consent of the City thereto. Provided, however, that the claims for money by Contractor from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the City.
- C. Media Announcements. Contractor shall not be authorized to make statements to the media or otherwise on behalf of the City without express direction and consent of the City
- D. Compliance with Local Laws. Contractor shall comply with all applicable laws, ordinances, and codes of the State of Missouri and local governments, and shall save the City harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Agreement.
- E. Equal Employment Opportunity. During the performance of this Agreement, Contractor agrees as follows:
  - i. Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, religion, or sex. Service Provider will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, religion, or sex. Such action shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
  - ii. Contractor will, in all solicitation or advertisements for employees placed by or on behalf of Professional, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, religion, or sex.
  - iii. Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- F. Interest of Members of a City. No member of the governing body of the City and no other officer, employee, or agent of the City who exercises any functions or responsibilities in connection with the planning and carrying out of this Agreement, shall have any personal financial interest, direct or indirect, in this Agreement, and Contractor shall take appropriate steps to assure compliance.
- G. Interest of Contractor and Employees. Contractor covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his/her services hereunder. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.
- H. Entire Agreement. This Agreement represents the entire Agreement and understanding between the parties, and this Agreement supersedes any prior negotiations, proposals,

or agreements. Unless otherwise provided in this Agreement, any amendment to this Agreement shall be in writing and shall be signed by the City and Contractor, and attached hereto.

- I. Severability. If any part, term or provision of this Agreement, or any attachments or amendments hereto, is declared invalid, void, or enforceable, all remaining parts, terms, and provisions shall remain in full force and effect.
- J. Waiver. The failure of either party to require performance of this Agreement shall not affect such party's right to enforce the same. A waiver by either party of any provision of breach of this Agreement shall be in writing. A written waiver shall not affect the waiving party's rights with respect to any other provision or breach.
- K. Third Parties. The Services to be performed by the Contractor are intended solely for the benefit for the City. Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any person or entity not a signatory to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITY OF PARKVILLE, MISSOURI

By: \_\_\_\_\_

Nanette K. Johnston, Mayor

ATTEST:

\_\_\_\_\_

Melissa McChesney, City Clerk

H & H SEPTIC SERVICE, INC.

By: \_\_\_\_\_

Russell Sickman, President

## EXHIBIT A

### SCOPE OF WORK AND PRICING AGREEMENT

This Agreement constitutes a Master Agreement for a period of one (1) year from the date of this Agreement. All work performed hereunder shall be in accordance with the terms and conditions of this Agreement.

- A. This Agreement allows the City to call on Contractor for assistance during emergency and non-emergency work scenarios. The situations will require different response times due to the severity and urgency of the work.
1. Emergency – An emergency situation requires a response time within 4 hours for a condition that jeopardizes public safety; and with 24 hours for a condition that constitutes a public inconvenience. Contractor shall commence the Work as follows:
    - a. Upon notice from the Director of Public Works or authorized representative for emergency services. Contractor and City representative will agree on scope of work and determine a timeframe to complete for emergency work prior to Contractor performing any work.
  2. Non-emergency – A non-emergency situation requires a response time within 2 business days or a timeframe that is mutually agreed upon by both parties. Contractor shall commence work as follows:
    - b. Upon issuance of a Work Authorization by the City (Exhibit A-1).
- B. The Scope of Work includes on-call sewer services to include, but not be limited to:
1. Once a year vacuuming and jetting of pump stations at FF Highway, North National, River Hills, East Side, 45 Highway, and Pinecrest Pump Stations, on a non-emergency basis.
  2. Quarterly vacuuming and jetting of existing wet wells (2) at the McAfee Pump Station, including grit removal.
  3. Vacuuming and jetting of existing lines and manholes on an emergency basis.
  4. Camera locates of existing lines on an emergency basis.
  5. Work may include minor line repairs on an emergency or non-emergency basis.
  6. Work is only for routine and emergency maintenance of existing infrastructure and involves no new or expanded construction.
  7. Contractor agrees to perform all the Work described in the Contract Documents, including all Addenda, for the prices presented below for each Section of the Work. In case of a discrepancy between the Unit Price and the Extension Figure, the Unit Price shall rule.

**NON-EMERGENCY SERVICES**

SCOPE OF WORK	UNIT PRICE	UNIT
VACUUM TRUCK	\$300/1st hour \$125/hr thereafter	HR
HYDRO JETTER TRUCK W/OPERATOR	\$600/1st hour \$100/hr thereafter	HR
ADDITIONAL MAN PER HOUR	\$60.00	HR
CAMERA LOCATE	\$200/1st hour \$60/hr thereafter	HR
DISPOSAL FEE	\$0.095	GAL
MINOR LINE REPAIR:		
EQUIPMENT W/ OPERATOR	\$200 per machine Backhoe / mini-x / skid loader	HR
LABOR (EXCLUDES OPERATOR)	\$75.00	HR

**EMERGENCY SERVICES**

SCOPE OF WORK	UNIT PRICE	UNIT
VACUUM TRUCK	\$400/1st hour \$125/hr thereafter	HR
HYDRO JETTER TRUCK W/ OPERATOR	\$700/1st hr \$100/hr thereafter	HR
ADDITIONAL MAN PER HOUR	\$75.00	HR
CAMERA LOCATE	\$200/1st hour \$60/hr thereafter	HR
DISPOSAL FEE	\$0.095	GAL
MINOR LINE REPAIR:		
EQUIPMENT W/ OPERATOR	\$350/1 <sup>st</sup> hour \$200/hr thereafter backhoe / mini-x / skid loader	HR
LABOR (EXCLUDES OPERATOR)	\$75.00	HR

C. Upon completion of the work, and approval of such work by the City, Contractor shall submit an invoice in accordance with the provisions set forth in Paragraph II (B) of this Agreement.

**City of Parkville  
Major Projects Updates**

Updated as of November 22, 2016

**2014 PROJECTS - STILL PENDING**

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Remaining City Funds to Be Spent
Parks	Multi-year Project	Year 3 of 3	Parks Building Façade Improvements	Staff is working to complete the mandatory remaining elements of the project which are focused on code compliance that include structural and electrical. After the contract was awarded, KCP&L informed staff that a new service box was necessary. The work has been completed, waiting on final invoicing.	69% Parks Donations; 31% Sewer (Projects Fund)	\$ 90,480	\$ 3,544

**2016 PROJECTS**

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Remaining City Funds to Be Spent
Admin	Equipment	Replacement	Radiator Replacement for City Hall Generator	In April it was found that the radiator in the City Hall backup generator was damaged. In late April, the Finance Committee approved a work authorization with Absolute Comfort Technologies, Inc. for the radiator repair. <b>COMPLETE.</b>	100% General Fund	\$ 6,899	\$ -
Admin	Project	New	Maintenance Reserve Study	A professional services agreement with Reserve Advisors for a comprehensive reserve study of Parkville City Hall, Street Barn, Train Depot, and Park HQ was approved by the Finance Committee. Study has been received and is being reviewed by staff. Staff will use study recommendations in the budget process. <b>COMPLETE.</b>	100% General Fund	\$ 7,500	\$ -
Admin/IT	Equipment	Replacement	Microsoft Exchange Server	Approved by the Finance Committee February 22. <b>COMPLETE.</b>	100% General Fund	\$ 4,925	\$ -
Com Dev	Multi-year Project	Year 3 of 3	Upgrade Zoning and Subdivision Regulations	The consultant team led by Gould Evans presented eight "Issue Papers" to P&Z and two public open houses have been conducted. A public hearing for proposed changes is scheduled for December 13th, and a work session with the Board of Aldermen is anticipated on December 20th. Staff anticipates final consideration by the Board of Aldermen on January 3, 2017.	100% General Fund	\$ 85,000	\$ 81,400
Com Dev	Equipment	Replacement	Line Locator Kit	On October 10, 2016, the Finance Committee recommended approval of the purchase of an RD8100 PDLG Locator Kit from Subsurface Solutions in the amount of \$6,396. <b>COMPLETE.</b>	100% General Fund	\$ 5,000	\$ -

**City of Parkville  
Major Projects Updates**

Updated as of November 22, 2016

**2016 PROJECTS**

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Remaining City Funds to Be Spent
Com Dev	Equipment	Replacement	Inspections Vehicle	On August 16, the Board of Aldermen approved the purchase of a 2017 Ford Focus SE to replace the 2004 Ford Taurus for \$16,859. Staff expects delivery to occur around December 20, 2016 when the vehicle is manufactured. Staff anticipates spending between \$1,500-2,000 on caution lights and City decals once the car is delivered.	100% General Fund	\$ 22,000	\$ 5,141
Public Works	Multi-year Project	Year 4 of 4	Downtown Entryway Improvement Design	The contractor started work in the winter, prior to the March 14 Notice to Proceed. The inactive KCP&L pole was removed. The entryway sign base and columns were constructed. The brackets and Park University banners were installed. The Downtown Parkville signage was installed. <b>COMPLETE.</b>	17% General Fund, 7% Fewson Fund, 27% Donation, 56% Grant	\$ 211,373	\$ 1,935
Public Works	Project	New	Demolish Home on City Property (6201 Hwy 9)	The contract was approved by the Finance Committee on April 11. The house was demolished in May. The area has been cleared and stabilized by the contractor. <b>COMPLETE.</b>	100% General Fund	\$ 9,800	\$ -
Parks	Project	Maintenance	Roof Replacement for Historic Train Depot	The contract was approved by the Board of Aldermen on February 16. The work was completed at the beginning of April. The entire roof and decking at the train depot was replaced. <b>COMPLETE.</b>	24% Insurance Proceeds; 76% General Fund	\$ 29,777	\$ -
Parks	Project	Year 2 of 2	Maintenance and Equipment Storage Facility	The bid documents for the Parks Storage Building were completed with the reconstruction of the English Landing Park restroom. Now that the restroom is being rehabilitated, the location of the Parks storage building is currently under review by staff. <b>DEFERRED.</b>	100% General Fund	\$ 75,000	\$ 75,000
Parks	Multi-year Project	Year 2 of 6	Replace or Improve/Expand Permanent Restroom Facility in English Landing Park	Bids were received for the ELP restroom project in early February. The bids were about \$100,000 over budget. The project changed to a rehabilitation of the existing restroom. The construction will be complete by the end of November.	7% Park Donations; 19% Platte County Outreach Grant; 74% Fewson Fund loan	\$ 93,804	\$ 15,310

**City of Parkville  
Major Projects Updates**

Updated as of November 22, 2016

**2016 PROJECTS**

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Remaining City Funds to Be Spent
Parks	Project	Year 1 of 3	English Landing Parks Low Water Crossing Improvements	This project would raise the low water crossing in English Landing Park to reduce the amount of time the park is closed due to backwater flooding from the Missouri River. Staff submitted a grant to FEMA in July. It is intended that FEMA will make a decision in August/September about the grant. Assuming the project moves forward, it is anticipated that the design will start at the end of 2016.	75% FEMA Grant, 25% General Fund	\$ 200,000	\$ 50,000
Parks	Project	New	5K/10K Markers and Parks Signage	Awarded \$4,105 toward 5K/10K signage from a Platte County Outreach Grant. CLARB approved the 5K/10K Markers and Parks Signage project in July. Board of Aldermen approved the project in early August. Markers have been installed and map design is complete. The new trail information maps will be installed in mid-December.	59% General Fund, 41% Platte County Grant	\$ 10,000	\$ -
Parks	Equipment	Replacement	Zero Turn Mower	The purchase of the mower was approved by the Board of Aldermen on March 15. The mower was delivered in April. <b>COMPLETE.</b>	100% General Fund	\$ 16,135	\$ -
Parks	Project	Year 2 of 2	Parks Master Plan Update	Four key community leaders and four focus group discussions happened throughout February and March. A community open house was held on April 14 to gather community-wide input. Draft master plan concepts on were display at the Fourth of July festival, as well as through an online survey. Work session was held with the Board in early November. Board of Aldermen adopted the plan on November 15, 2016. <b>COMPLETE.</b>	81% City; 19% Platte County Grant (Projects Fund)	\$ 52,000	\$ -
Parks	Project	Replacement	Trail Improvements Near Grigsby Field	This project includes the removal of 850 feet of a narrow asphalt trail along the riverfront in English Landing Park (south of Grigsby Field) and replacement with lime screenings for a uniform surface with the remaining trails. The trail will be approximately 10 feet wide. <b>COMPLETE.</b>	29% City budget; 28% Platte County Grant; 43% City Labor	\$ 12,869	\$ -
Parks	Project	New	Trail Around Large Dog Park	This project includes the installation of a gravel trail along the perimeter of the large dog park fence. The trail was installed in June. <b>COMPLETE.</b>	40% Platte County Grant; 60% City Labor	\$ 8,000	\$ -

**City of Parkville  
Major Projects Updates**

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**2016 PROJECTS**

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Remaining City Funds to Be Spent
Police	Equipment	Replacement	In-Car Video Systems	The project involves replacing the existing in-car video system with an updated system. Two systems will be replaced in 2016 and one in 2017 to get on a five-year maintenance cycle to match warranty pending wear and tear. The two new systems for 2016 have been purchased and installed. <b>COMPLETE.</b>	100% General Fund	\$ 7,420	\$ -
Police	Equipment	Replacement	Patrol Vehicle	The purchase is for a 2016 AWD Police Ford Taurus Sedan including emergency equipment, video, radio, etc. Approval was granted at the April 19 Board Meeting for purchase from Dick Smith Ford in Raytown, MO. The vehicle was delivered on August 17, 2016. It has been made road ready and in operation.	100% General Fund (includes trade-in value)	\$ 35,115	\$ 424
Sewer	Equipment	Replacement	Sludge Application Equipment	Due to the overage in the WWTP Storage building, staff will delay this budget item until 2017. <b>DEFERRED.</b>	100% Sewer Fund	\$ 7,000	\$ 7,000
Sewer	Project	Maintenance	Water Line Repair	On March 1, 2016, the Board approved an agreement with Deister Company for the waterline repairs for the service to the WWTP. During construction, additional repairs were necessary. An additional emergency change order was authorized by the City Administrator. The work was completed in late March. <b>COMPLETE.</b>	100% Sewer Fund	\$ 23,797	\$ -
Sewer	Project	Year 2 of 2	WWTP Site Improvements	The construction contract for the WWTP Storage building was approved by the Board of Aldermen on April 19. Construction began on the building in June and punch list items were completed in early November. <b>COMPLETE.</b>	100% Sewer Fund	\$ 93,900	\$ -
Sewer	Project	Maintenance	Clarifier Floor	A work authorization was approved at the March 7 Finance Committee meeting for the clarifier floor design. The construction contract was approved by the Board on August 16. <b>COMPLETE.</b>	100% Sewer Fund	\$ 32,250	\$ -
Sewer	Project	Maintenance	WWTP Mission Control	Staff purchased a tablet from the City's cell provider at a lower cost than purchasing a laptop. The mission control software was purchased and installed in late October. <b>COMPLETE.</b>	100% Sewer Fund	\$ 4,774	\$ -
Sewer	Multi-year Project	Year 2 of 2	Pinecrest Pump Station Reconstruction	Carryover project from 2015. <b>COMPLETE.</b>	100% Sewer Fund	\$ 86,515	\$ -

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Major Projects Updates**

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**2016 PROJECTS**

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Remaining City Funds to Be Spent
Sewer	Project	Maintenance	Miscellaneous Pump Station Improvements	Due to the unexpected expense of the South National Pump Station pump, the other pump station improvements are delayed until 2017. <b>DEFERRED.</b>	100% Sewer Fund	\$ 11,800	\$ 11,800
Sewer	Multi-year Project	Year 2 of 2	Sanitary Sewer Phase 2 Line Repairs	The work associated with this contract is substantially complete. The final as-built change order was approved by the Finance Committee on April 25. <b>COMPLETE.</b>	100% Sewer Fund	\$ 292,957	\$ -
Sewer	Multi-year Project	Year 1 of 2	Sanitary Sewer Phase 3 Manhole Repairs	The Board approved a change order to the Phase 2 contract for the Phase 3 repairs. The pipe repair is substantially complete. The manhole repair project was combined with Main Street sewer repairs. The work will begin in late November.	100% Sewer Fund	\$ 230,000	\$ 124,126
Sewer	Project	New	Sewer Evaluation and Mapping	Review and evaluate existing information about sewers and create updated mapping to assist with line locates and emergency calls. Maps have not been created since 2007. The work associated with this item will start in mid-September and with completion in December.	100% Sewer Fund	\$ 6,500	\$ 3,725
Sewer	Project	Maintenance	CCTV and Cleaning	The engineering design is completed. The contract for the 2016 CCTV was approved by the Board of Aldermen on May 17. The field work has been completed. Final payment is pending review of data by staff.	100% Sewer Fund	\$ 55,000	\$ 7,238
Sewer	Multi-year Project	Year 1 of 2	45 Hwy Pump Station	Installation of new pumps and controls. Begin design in 2016 with installation in 2017. The design will begin in early October. <b>DEFERRED.</b>	100% Sewer Fund	\$ 6,200	\$ 6,200
Sewer	Multi-Year Project	Year 1 of 2	WWTP Headworks Screen Rebuild	Rebuild the influent mechanical bar screen at the WWTP. Screen is used to filter out plastics, rags and debris. Includes replacing the screen links, media shafts, and drive chain links. Begin design/bidding in 2016, construct in 2017. The design will begin in early November.	100% Sewer Fund	\$ 3,000	\$ 2,625
Streets	Equipment	New	Ditch bank mower	New tractor with cab and extendable arm mower for cutting back trees and heavy brush along right of ways. The equipment was purchased and staff is awaiting delivery.	100% Transportation Fund	\$ 65,000	\$ 65,000
Streets	Equipment	New	Mower Attachment	80 inch mower attachment for existing 3930 tractors that is used for mowing rights-of-way. Existing equipment is 20+ years old and repair parts are not available. <b>COMPLETE.</b>	100% Transportation Fund	\$ 8,000	\$ -

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Major Projects Updates**

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**2016 PROJECTS**

Division	Type	New or Replacement	Name	Project Update	Funding Source	Total Cost	Remaining City Funds to Be Spent
Streets	Maintenance	New	2" Asphalt Mill and Overlay	The construction contracts were approved for the Mill and Overlay and Microsurfacing programs on April 19. The microsurfacing work was completed in July. The majority of the mill and overlay occurred in May and June. Additional money from the General Fund was approved to complete additional streets in Riss Lake. The additional streets in Riss Lake were complete in late August. <b>COMPLETE.</b>	100% Transportation Fund	\$ 241,784	\$ -
Streets	Maintenance	New	Curb & Sidewalk Repair	The construction contract was approved by the Board of Aldermen on April 19. A change order was approved for sidewalk repair on Twilight Place on June 7. <b>COMPLETE.</b>	100% Transportation Fund	\$ 106,928	\$ -
Streets	Maintenance	New	Crack Sealing	City crews use a rented machine from Weatherby Lake for \$750 per week and plan on 4 weeks of use in addition to purchasing approx. 15 tons of sealing material to seal cracks up to 1" in width. Covers approx. 15 lane miles. It is anticipated that the majority of the work will be completed in the fall.	100% Transportation Fund	\$ 15,000	\$ 12,660
Streets	Maintenance	New	Street Striping	Needed to re-paint faded areas on the pavement such as centerlines and stop bars for traffic safety. The pavement marking will bid in August. The work was completed in September. Staff is waiting on final invoicing from contractor.	100% Transportation Fund	\$ 20,000	\$ 6,167
Streets	Equipment	Replacement	Street Department Truck/Plow/Spreader	The purchase was approved by the Board of Aldermen on February 16. The truck was delivered in early May. A separate request for truck equipment was approved by the Board on May 3. The truck equipment was installed in October. <b>COMPLETE.</b>	100% Transportation Fund	\$ 54,060	\$ -