

MINUTES
BERRYVILLE TOWN COUNCIL
Berryville-Clarke County Government Center
Budget Work Session
July 10, 2017
3:00 p.m.

Town Council: Present-Patricia Dickinson, Mayor; Harry Lee Arnold, Jr., Recorder; Allen Kitselman; Erecka Gibson; Donna Marie McDonald; David Tollett

Staff: Keith Dalton, Town Manager; Desiree Moreland, Assistant Town Manager/Treasurer; Ann Phillips, Town Clerk

Press: None

1. Call to Order

Mayor Dickinson called the meeting to order at 3:00 p.m.

2. Approval of Agenda

On motion of Council member Kitselman, seconded by Council member Gibson, the agenda was approved unanimously.

3. Discussion – Draft Cash Disbursements and Procurement Work Plan

Mr. Dalton reviewed the method used to create the Draft Work Plan. The gaps identified by the audit (see Attachment A) were discussed as follows:

GAP_1: The Resolution identified was the requirement of a Vendor Registration form including a W-9. Council agreed to remove “recurring”, asked that the Vendor Registration form provide a space for the Vendor’s preferred method of payment: P-card or check, examine whether MROs can be excluded, and address any insurance requirements for the Vendor.

GAP_3: The Draft Plan called for no additional action required for a purchase less than \$5000 since a purchase will document the quote of one price. Council member Gibson said that there should be physical documentation of a quote for all purchases. Staff will examine how to address this request.

GAP_4: The Resolution identified was the requirement of the Department Head signature on Purchase Orders and Requests for Payment. Council member Gibson asked that the Plan clarify when a Purchase Order is and is not required. Staff will examine whether the Purchasing Policy needs to be amended to address this issue.

GAP_5: The Resolution identified was the requirement for a Price Quote Record form to be completed and signed by Department Heads. It was agreed to contact the auditor for clarification on whether the Town Purchasing policy, as written, requires four quotes not solicitations.

GAP_6: The Resolution identified was the requirement of the Sole Source Procurement form be completed and signed by both the Department Head and the Town Manager and the form be attached to the Request for Payment or Purchase Order Request form. Staff is to examine how to exempt MROs and purchases under a certain amount.

GAP_7: The Resolution identified was the requirement that the Emergency Procurement Justification form be completed by Department Head and signed by both the Department Head and the Town Manager and the form be attached to the Request for Payment form.

GAP_12: The Resolution identified was the requirement that the Cooperative Procurement form be completed by the Department Head and signed by both the Department Head and the Town Manager and the form attached to the Request for Purchase Order or Request for Payment form. Mayor Dickinson asked that a reference check be added for contracts over \$100,000. There was discussion of requiring Town Council approval for large cooperative procurements. Mr. Dalton noted that it would be best for the Policy to mirror the Virginia Public Procurement Act. He said that Town Council could be given notice of the intention to use a cooperative procurement agreement with time allowed for Council members to object if they do not approve. Council member Gibson said that if an item is not being addressed, then it should be noted in the work plan. Recorder Arnold said if Council wishes to review a cooperative contract, it should be made available in the office rather than sent out.

GAP_13: The Resolution identified was the requirement for Department Heads to complete a Request for Payment form when submitting bills for payment. Council member Gibson asked that the requirement for a purchase order be clarified in the Plan and the Purchasing Policy, therefore the Policy will be amended to say that a Purchase Order is required for purchases over \$5000.

GAP_8: The Resolution identified was the requirement that both the cardholder and the Department Head complete the P-Card Expense Report form.

GAP_10: The first Resolution identified was that the Finance Clerk will, prior to electronic approval in Works, print the Works report, sign it, and provide it to the Assistant Town Manager/Finance. After discussion, it was agreed that this requirement is unnecessary. The second Resolution identified was the requirement that the Works Reports on which the Finance Clerk has been an initiator will also be reviewed and signed by Assistant Town Manager/Finance prior to the Finance Clerk approving within Works.

GAP_9: The Resolution identified was that wire transfers and new ACH payments will be approved by the Mayor or Recorder, the Finance Clerk will sign transfers and new ACH payments, and the Assistant Town Manager/Finance will complete the transaction for the Town. The wire transfer process was discussed. Mayor Dickinson asked that she be given the bank statements in order to review the wire transfers. Recorder Arnold asked that the bank statements not be copied, but be available for review in the Treasurer's office.

GAP_2: The Resolution identified was to fund and fill the Finance Clerk position to allow segregation of duties. It was decided that the Treasurer will continue to write Purchase Orders to allow separation from the other accounts payable functions which the Finance Clerk will perform.

GAP_11: The Resolution identified that the Finance Clerk will have primary responsibility for accounts payable functions with the Assistant Town Manager/Finance serving as backup, and the Assistant Town Manager/Finance will have primary responsibility for procurement functions with the Town Clerk serving as backup for procurement functions.

Mr. Dalton said that he will plan to have a final draft of the Work Plan completed by September 12, 2017.

Mayor Dickinson reviewed the current Purchasing Manual. She made the following comments:

She said that on page 4, “should” should be replaced with “shall” under Documentation of Files, and the type of vendor should be specified to determine the necessary documentation.

She said page 7 references completion dates, but she does not see completion dates. It was decided that completion dates are found in contracts.

She said that on page 8, the reference to “should review all contracts annually” should be changed to “shall review all contracts annually.” The Council discussed the necessity of reviewing multi-year contracts, and the consensus was that it was unnecessary.

She questioned the mention on insurance on page 9 and page 13 and said the information appears conflicting. Mr. Dalton said that he would review the information.

She asked about the reference to Form REC-1, and Mr. Dalton said it was an old reference left in the Policy text, and it will be removed.

She asked for clarification of bidding and proposals. Ms. Moreland said that a bid is for a known thing, and a proposal is for how a vendor would offer to meet the requirement.

On motion of Council member Kitselman, seconded by Council member Gibson, the meeting was adjourned at 4:45 p.m.

Harry Lee Arnold, Jr., Recorder

Ann W. Phillips, Town Clerk

Process	Sub-Process	Risk No.	Risk	GAP No.	GAPs	RESOLUTION/ACTION	POSITION RESPONSIBLE	COMPLETION DATE
Procurement	Vendor Management	R_2	Purchases are made to unauthorized or fraudulent/non-existent vendors.	GAP_1	Prior to doing business with a new vendor, vendors are not required to submit business information, including an IRS Form W-9.	A. Develop a Vendor Registration Form with W-9 (Appendix B)	ATMF	COMPLETED
						B. Require all recurring vendors; excluding residential refunds, employee reimbursements, vendors for travel-related expenses, and the like, to complete a Vendor Registration Form with W-9.	FC	1/1/2018
	Purchasing	R_4	Purchases are made at unauthorized prices or terms.	GAP_3	Per the Town of Berryville's Procurement Policy Manual, one (1) quote is required to be obtained for purchases less than \$5,000. Documentation of quotes is not being consistently maintained.	No Action – If a purchase is made from a vendor, it is given that documentation of a price from at least one vendor is provided.	None	None
		R_4	Purchases are made at unauthorized prices or terms.	GAP_4	Department heads are not required to sign off on invoice or purchase requisition indicating approval of price, amount, terms, and GL expenditure account.	A. Amend Purchasing Policy to require Department Head signature.	Town Council	11/1/2017
						B. Purchase Order form will be amended to include a signature line for requesting Department Head.	ATMF	COMPLETED
		R_5	Expenditures are posted to incorrect accounts or periods.	GAP_4	Department heads are not required to sign off on invoice or purchase requisition indicating approval of price, amount, terms, and GL expenditure account.	C. Develop a Request for Payment form (Appendix B).	ATMF	COMPLETED
						D. Department Head signature will be required on Purchase Order Request forms and Request for Payment forms before processing.	FC	1/1/2018
		R_4	Purchases are made at unauthorized prices or terms.	GAP_5	Per the Town of Berryville's Procurement Policy Manual, four (4) quotes are required to be obtained for purchases of goods or nonprofessional services over \$5,000 to the small purchase limits set in the VPPA. Documentation of quotes is not being consistently maintained.	A. Develop a Price Quote Record form (Appendix B).	ATMF	COMPLETED
		R_11	Non-compliance with Virginia Public Procurement Act.	GAP_5	Per the Town of Berryville's Procurement Policy Manual, four (4) quotes are required to be obtained for purchases of goods or nonprofessional services over \$5,000 to the small purchase limits set in the VPPA. Documentation of quotes is not being consistently maintained.	B. Require Price Quote Record form to be completed and signed by Department Heads and attached to a Request for Payment form.	FC	1/1/2018
	R_4	Purchases are made at unauthorized prices or terms.	GAP_6	Per the Town of Berryville's Procurement Policy Manual, all sole source procurements for goods and services must be approved in advance by the Town Manager or designee. Additionally, the Town is required to maintain written determination documenting that there is only one source practicably available for that which is to be procured. Such procedures are not being performed.	A. Amend Purchasing Policy to require signature by Department Head and Town Manager.	Town Council	11/1/2017	
					B. Develop a Sole Source Procurement form (Appendix B).	ATMF	COMPLETED	
					C. Require that the Sole Source Procurement form be completed by Department Head and signed by both the Department Head and the Town Manager and the form attached to the Request for Payment form or Purchase Order Request form.	FC	1/1/2018	

Process	Sub-Process	Risk No.	Risk	GAP No.	GAPs	RESOLUTION/ACTION	POSITION RESPONSIBLE	COMPLETION DATE
Procurement	Purchasing	R_4	Purchases are made at unauthorized prices or terms.	GAP_7	Per the Town of Berryville's Procurement Policy Manual, in the case of emergency procurement, written documentation shall be maintained indicating the nature of the emergency and reason for selection of the particular contractor. Such written determination shall be signed by the Town Manager or designated representative. Such procedures are not being performed.	A. Amend Purchasing Policy to require Emergency Justification form be signed by Department Head and Town Manager.	ATMF/Town Council	11/1/2017
						B. Develop an Emergency Procurement Justification form (Appendix B).	ATMF	COMPLETED
						C. Require that the Emergency Procurement Justification form be completed by Department Head and signed by both the Department Head and the Town Manager and the form attached to the Request for Payment form.	FC	1/1/2018
		R_4	Purchases are made at unauthorized prices or terms.	GAP_12	The Town utilizes the ability to ride other jurisdictions' contracts when practicable; however, the Town does not require Council approval for large purchases made through riding another jurisdiction's contract.	A. Amend Purchasing Policy to require the Cooperative Procurement form be signed by Department Head and Town Manager.	Town Council	11/1/2017
						B. Develop a Cooperative Procurement form (Appendix B).	ATMF	COMPLETED
						C. Require that the Cooperative Procurement form be completed by Department Head and signed by both the Department Head and the Town Manager and the form attached to the Request for Purchase Order or Request for Payment form.	FC	1/1/2018
	R_4	Purchases are made at unauthorized prices or terms.	GAP_13	Purchase orders are generally completed after a purchase has been made and an invoice has been received. Purchase orders should be generated and approved before purchases are made.	A. Develop a Request for Payment form (Appendix B).	ATMF	COMPLETED	
					B. Require Department Heads to complete a Request for Payment form when submitting bills for payment.	FC	1/1/2018	
	Procurement Credit Card	R_9	Cash disbursements for unauthorized purchases are issued.	GAP_8	Per the Town of Berryville's Purchasing Card Policies and Procedures, cardholders are required to sign the monthly statement or individual receipts, documenting his or her review and certification that all purchases listed are correct and made for official purposes. Currently, cardholders are not signing monthly P-Card statements or receipts.	A. Amend the P-Card Policy to require cardholder signature on P-Card Expense Report form.	Town Council	11/1/2017
						B. Amend the P-Card Expense Report form (Appendix B) in order to provide for cardholder certification.	ATMF	COMPLETED
C. Require that both the cardholder and the Department Head complete the P-Card Expense Report form.						FDC	1/1/2018	
R_4		Purchases are made at unauthorized prices or terms.	GAP_10	The Front Desk Clerk reviews all purchasing credit card activity by department heads to ensure receipts are present and transactions are reasonable, and approves within "Works"; however, the reviewer is not required to physically sign off indicating approval. Additionally, the system does not prevent the approver from being the same person as the initiator.	A. FC will, prior to electronic approval in Works, print Works Report, sign it, and provide it to the ATMF.	FC	1/1/2018	
	B. Works Reports on which the FC has been an initiator will also be reviewed and signed by ATMF prior to the FC approving within "Works".				FC	1/1/2018		

Process	Sub-Process	Risk No.	Risk	GAP No.	GAPs	RESOLUTION/ACTION	POSITION RESPONSIBLE	COMPLETION DATE
Cash Disbursement	Wire Transfers	R_9	Cash disbursements for unauthorized purchases are issued.	GAP_9	The online banking portal is not configured to segregate duties between initiator and approver of wire transfers. Additionally, the bank is not set up to only allow wire transfers/ACH payments to approved bank accounts.	A. Wire transfers and new ACH payments will be approved by the Mayor or Recorder.	FC / Mayor or Recorder	1/1/2018
						B. FC will sign transfers and new ACH payments.	FC	1/1/2018
						C. ATMF will complete the transaction for the Town.	ATMF	1/1/2018
All	All	R_3	There are misappropriations of cash or fraudulent payments.	GAP_2	Segregation of duties do not exist between procurement, invoice processing, check processing, and vendor maintenance.	A. Appropriation of funds for Finance Clerk position.	Town Council	7/1/2017
						B. Create and amend job descriptions as required.	TM and ATMF	COMPLETED
						C. Structure system access to only permit responsible position and backup position access.	ATMF	1/1/2018
						D. Fill Finance Clerk position.	TM and ATMF	11/1/2017
						E. Train Administrative Department staff and Administrative Assistant – Police in new or revised primary roles as well as backup roles.	ATMF	11/1/17-7/1/18
All	All	R_12	There is a loss of business continuity.	GAP_11	There is a lack of adequate cross-training for employees on different roles and responsibilities within the procurement and cash disbursement functions.	A. FC will have primary responsibility for accounts payable functions. ATMF will serve as backup to FC for accounts payable functions.	FC / ATMF	1/1/2018
						B. ATMF will have primary responsibility for procurement functions. TC will serve as backup to ATMF for procurement functions.	ATMF / TC	1/1/2018

Key for completion dates:

Completion Date 1/1/2018
Completion Date 11/1/17-7/1/18
Completion Date 11/1/2017
Completion Date 7/1/2017

Key for Positions:

ATMF - Assistant Town Manager for Finance
FC - Finance Clerk
FDC - Front Desk Clerk
TC - Town Clerk
TM - Town Manager

MINUTES
BERRYVILLE TOWN COUNCIL
Berryville-Clarke County Government Center
Regular Meeting
July 11, 2017
7:30 p.m.

Town Council: Present-Patricia Dickinson, Mayor; Harry Lee Arnold, Jr., Recorder; Donna Marie McDonald; Allen Kitselman; Erecka Gibson; Absent- David Tollett

Staff: Keith Dalton, Town Manager; Christy Dunkle, Assistant Town Manager/Planner; Desiree Moreland, Assistant Town Manager/Treasurer; Sgt. Tim Bristol, Berryville Police Dept.; Dave Tyrrell, Director of Public Utilities; Ann Phillips, Town Clerk

Press: Cathy Kuehner

1. Call to Order

Mayor Dickinson called the meeting to order at 7:31 p.m.

2. Pledge of Allegiance

3. Approval of Agenda

Mayor Dickinson said in the absence of Council member Tollett, who is on the Streets and Utilities Committee, she wanted to postpone action on the Water Tank Painting contract. Council member Kitselman asked if the schedule would be affected by not approving the contract this month. Mr. Dalton said every delay would affect getting the project completed. Mayor Dickinson said that the Committee had questions on the project plan and the contract, and she wanted Council member Tollett to hear the answers to those questions. Recorder Arnold suggested leaving the item on the agenda and discussing the matter during the Streets & Utilities Committee report. Mayor Dickinson said she preferred to wait for Council member Tollett to be present. Recorder Arnold asked what information would be known now that was not known when the Committee met. Mayor Dickinson said the updates to the project plan would now be available. Council member Kitselman asked if the Council needed to manage this matter since the Town has staff that does a good job. He said he is not sure the Council needs to micromanage the project. Mayor Dickinson said she does not see it as micromanaging since the Committee had questions and is responsible for making sure the project goes smoothly. Council member McDonald asked if it were appropriate to share the questions with the rest of Council. The Mayor replied that she would leave the item on the agenda without the motion since she was uncomfortable with the motion to approve the contract without Council member Tollett in attendance. Council member McDonald said that is why the members need to know the questions in order to decide on the motion. She asked if there was anything in the contract that was upsetting, and inquired if Mr. Dalton could answer the questions. Mr. Dalton said that he could answer any questions, and Mr. Tyrrell would also be available to provide answers to any questions that he could not address. **On motion of Recorder Arnold, seconded by Council member Kitselman, the agenda was approved as presented unanimously.**

4. Public Hearing

No public hearing was scheduled.

5. Citizens' Forum

The speakers were as follows:

Dan Hall said he is a local builder and wanted to speak about a matter that the Council would be addressing during the meeting. Mr. Dalton offered that he had received a citizen concern about a structure on Delany Court currently being demolished. He said that he and Chief White visited the site and noted the conditions and lack of safety fencing around the site. He said a letter had been sent to the property owners, and Mr. Hall is the contractor who is actually doing the demolition. Mr. Hall said he was helping Mr. Echols and obtained the permit to demolish the structure. He outlined the progress of the job saying that the work is nearly complete with about one half day of work left, and demolition would be completed by Friday, July 14. Mr. Dalton said he wanted the Council to be able to address the matter if necessary before the next meeting. **Council member Kitselman moved that the Council of the Town of Berryville authorize the Town Manager and the Chief of Police to proceed with sending notices of enforcement action under Section 5.3 of the Code if the site at 404 and 408 Delaney Court is not secured by Monday, July 17. Council member McDonald seconded the motion which carried as follows:**

Aye:	McDonald, Kitselman, Gibson, Arnold
Nay:	None
Abstain:	Dickinson
Absent:	Tollett

6. Consent Agenda

The consent agenda was unanimously approved on motion of Recorder Arnold, seconded by Council member Kitselman.

7. Report of Patricia Dickinson, Mayor

Mayor Dickinson discussed the Rock the Block event sponsored by Habitat for Humanity scheduled for July 15.

8. Report of Harry Lee Arnold, Jr, Recorder

Recorder Arnold had nothing to report.

9. Report of Christy Dunkle, Asst. Town Manager for Community Development

Ms. Dunkle reviewed the items in the Planning and Community Development staff report.

10. Report of Keith Dalton, Town Manager

Mr. Dalton provided a review of the Pedestrian Crossing Signal projects at Buckmarsh and Swan, Main and Lincoln, and Main and Hermitage which are revenue sharing projects planned in conjunction with the School Board and VDOT. He noted the School Board's request that the Town maintain a yearly contribution to assist with funding the crossing guard at Lincoln Avenue, and recommended that the Council approve the funding agreement with annual review of the \$2500 contribution. **Council member Kitselman moved that the Council of the Town of Berryville to proceed with the three crossing signal projects with the stipulation that the \$2500 contribution be reviewed annually and authorize the Town Manager to complete the agreement with the School Board and VDOT. Recorder Arnold seconded the motion which carried as follows:**

Aye:	McDonald, Kitselman, Gibson, Arnold
Nay:	None
Abstain:	Dickinson

Absent: Tollett

11. Report of Erecka Gibson - Chair, Budget and Finance Committee

Council member Gibson noted the motion to charge off delinquent taxes. **Council member Kitselman moved that the Council of the Town of Berryville adopt the attached resolution to charge off delinquent personal property taxes for tax year 2011. Council member Gibson seconded the motion which carried as follows:**

Aye: McDonald, Kitselman, Gibson, Arnold
Nay: None
Abstain: Dickinson
Absent: Tollett

RESOLUTION

WHEREAS, Section 58.1-3940 of the Code of Virginia, 1950, as amended, provides the collection of local personal property taxes shall only be enforceable for five years following December 31 of the year for which such taxes were assessed, and

WHEREAS, the attached personal property taxes assessed by the Town of Berryville, Virginia for tax year 2011, have remained delinquent for the year for which such taxes were assessed and are therefore rendered unenforceable,

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Town of Berryville, Virginia, in meeting duly assembled this eleventh day of July, 2017, that the attached list of delinquent personal property taxes for tax year 2011 shall be charged off the tax records of the Town of Berryville as uncollectible.

Patricia Dickinson, Mayor

I hereby certify that the foregoing Resolution was duly adopted by the Council of the Town of Berryville in meeting assembled July 11, 2017.

ATTEST: _____
Harry L. Arnold, Jr., Recorder

+ + + + +

Council member Gibson noted the motion to publish delinquent taxes. Mayor Dickinson questioned the procedure for notifying tax payers of a balance due and asked if there should be a cut off amount below which delinquent taxes are not published or pursued. Council member Kitselman said that a list is being published and the advertising fee is for a list, not an individual name. He said that even if the amounts are low, these individuals have not paid their taxes, and he did not want to set a precedent for excusing taxes. Recorder Arnold said these accounts have already been pursued so no more staff time will be expended. He said the taxpayer just above a cutoff threshold would ask why his delinquent taxes were not forgiven.

The Treasurer clarified the notification process for those with delinquent taxes. She said that tax bills are not sent to those with accounts less than \$5.00, but that if an account is partially paid and has any remaining balance, regardless of the amount, notices are sent.

Council member Gibson moved that the Council of the Town of Berryville authorize publication of the names of those delinquent for personal property and real estate taxes pursuant to Section 58.1-3924 of the Code of Virginia, As Amended. Council member Kitselman seconded the motion which carried as follows:

Aye: McDonald, Kitselman, Gibson, Arnold
Nay: None
Abstain: Dickinson
Absent: Tollett

Council member Gibson asked the Treasurer to explain the motion for amendment to the Code. Ms. Moreland said that beginning September 1, Virginia DMV will raise their fee from \$20.00 to \$25.00 for removal of administrative stops associated with the Vehicle Registration Withholding Program. She said if the Council wishes to continue to mirror the administrative fee charged by the DMV, Section 16-3.1 will need to be amended. **Council member McDonald moved that the Council of the Town of Berryville adopt the following ordinance amending Chapter 16, Section 3 of the Berryville Code regarding Additional Fees for Delinquent Taxes. Council member Gibson seconded the motion which carried as follows:**

Aye: McDonald, Kitselman, Gibson, Arnold
Nay: None
Abstain: Dickinson
Absent: Tollett

AN ORDINANCE AMENDING CHAPTER 16 OF THE BERRYVILLE CODE

Be it ordained, by the Council of the Town of Berryville, that Code Section 16-3.1 be amended as attached to reflect an additional fee for delinquent taxes in the amount of \$25.00 in order that the Town continue to mirror the DMV in regard to administrative charges.

Sec. 16-3.1. - Additional fee for delinquent taxes.

Pursuant to the authority of section 58.1-3958, Code of Virginia, 1950, as amended, the council of the town hereby imposes on delinquent taxpayers a fee to cover the administrative costs associated with the collection of delinquent taxes. Such fee shall be in addition to all penalties and interest and shall be the sum of ~~twenty dollars (\$20.00)~~ twenty-five dollars (\$25.00) for taxes collected subsequent to the filing of a warrant or other appropriate document, but prior to judgement, and the sum of twenty-five (\$25.00) for taxes collected subsequent to judgment.

(Ord. of 1-14-86; Ord. of 9-10-91)

+ + + + + + + + + + +

12. Report of Donna McDonald - Chair, Community Improvements Committee

Ms. McDonald noted the draft RFP for the Livery Stable Structural Assessment. Mr. Dalton said that once the Council approves the scope, deliverables, and schedule of the project, then he would like to have a motion granting him the authority to finalize the RFP and have it reviewed by legal counsel and VML, and issue the RFP. Recorder Arnold asked Mr. Dalton to explain the project to the public. Mr.

Dalton said the building is an older building attached to the rear of Town owned 23 East Main Street, and is in need of stabilization. The Council discussed the draft RFP and offered suggestions.

Council member McDonald said she was not being disrespectful of Council, but she wished to discuss the issue of painting the Town name on the northwest water tower. She said the actual fee for painting the name is \$9000, with an additional \$800 to include the "Est. 1798". She said she wished to make a motion that the Town name be painted, since this is a onetime chance to have the painting done. Mayor Dickinson said that since the tower is scheduled to be painted last, the cost could be budgeted for the next fiscal year. Mr. Dalton noted that the schedule could be altered and he could not guarantee that the northwest tower would not be painted until the next fiscal year. Council member Gibson said that it sounds like this is not the last chance if the contract can be amended. Recorder Arnold said he was opposed to the idea, and he understood Council member Tollett was also opposed to the idea. Council member Gibson said she was opposed to the idea because it was unbudgeted. She added that the Council has not heard citizens coming forward in favor of the idea of painting the Town name on the tower. Mayor Dickinson said she wanted to reiterate this is a one in 20 year chance, and she does not want to lose the opportunity. She said it is a source of pride in the Town, and compared it to painting the high school name on the football stadium. She said it adds to the ambiance of the Town, adding that she looks at how other Towns use their water towers. Council member Kitselman said he is in favor of branding, but he agreed that starting the year by tagging your contingency fund is not a good idea. He said that this topic should not be decided without Council member Tollett who had strong feelings on the issue. The Mayor suggested that the topic be tabled until the next meeting when Council member Tollett could attend and more information about amending the contract and timing would be known.

Mayor Dickinson said a motion was needed on the Livery Stable draft RFP. **Council member McDonald moved that the Council of the Town of Berryville accept the draft RFP as amended and authorize the Town Manager to finalize and issue the RFP. Council member Kitselman seconded the motion which carried as follows:**

| | |
|-----------------|--|
| Aye: | McDonald, Kitselman, Gibson, Arnold |
| Nay: | None |
| Abstain: | Dickinson |
| Absent: | Tollett |

13. Report of David Tollett – Police and Security Committee

Council member Tollett and Chief White were absent. Sgt. Tim Bristol was in attendance. He noted that the Police Department will participate in National Night Out on August 1, 2017, from 6:00-8:00pm.

14. Report of Patricia Dickinson – Chair, Streets and Utilities Committee

Mayor Dickinson discussed the tank painting project spreadsheet provided by Mr. Tyrrell. She said the Committee had requested expenditures by quarter. Mr. Dalton said there were three issues discussed in the Committee: overtime, provision for removal of hazardous waste, and the request for funding to cover paid staff for a tanker task force at Enders during the period when the three million gallon reservoir is out of service. He said the costs associated with these issues have been included in the spreadsheet. He noted that if the overtime costs provided were not considered adequate, the Council members should let staff know what amount needs to be included. Mayor Dickinson said the tanker task force issue was of concern to Council member Tollett. She said she understood the funds for the task force would be paid to Enders Fire & Rescue. Mr. Dalton said that the fees would be paid to the County. He said the issue will be the pace of re-filling the northwest tank, and having the tanker task force will be an insurance policy in the event of a large fire.

In regard to adding the painting of the name on the tank, Mr. Tyrrell said that the contract could be amended later to add the name painting. He said it would be helpful to have the contract signed in order to get the project started and take advantage of the good weather.

Mayor Dickinson asked whether Mr. Tyrrell had talked with others who have used the cooperative contract for the job. Mr. Tyrrell said that he has experience with the contractor and they are capable and highly recommended. Mr. Dalton added that the contract is not for painting only, but includes refurbishing, installation of mixing equipment, and routine maintenance.

Council member Kitselman noted that Council member Tollett's concerns about funding the tanker task force are separate from the contract for the painting. It was agreed that the contract could be approved before the tanker task force issue is decided. **Council member Kitselman moved that the Council of the Town of Berryville authorize the Town Manager to sign the contracts and any other contract related documents in regard to the water tank maintenance painting project as planned in the attached project document. Council member McDonald seconded the motion which carried as follows:**

| | |
|-----------------|--|
| Aye: | McDonald, Kitselman, Gibson, Arnold |
| Nay: | None |
| Abstain: | Dickinson |
| Absent: | Tollett |



Utility Service Co., Inc.

10 Year Contract for Services

Owner: Town of Berryville
Berryville, VA

Tank Size/Name: 250,000 Gallon-Elevated-Josephine Tank

Location: 200 Jack Enders Blvd

Date Prepared: February 20, 2017



CONTRACT FOR SERVICES WATER TANK MAINTENANCE CONTRACT

This Contract entered into by and between the **Town of Berryville, whose business address is 101 Chalmers Court Suite A, Berryville, VA 22611** (hereinafter referred to as "the Owner") and Utility Service Co., Inc., whose business address is 1230 Peachtree Street NE, Suite 1100, Atlanta, GA 30309 (hereinafter referred to as "the Company").

Therefore, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Owner and the Company, the parties agree as follows:

The Owner agrees to engage the Company to provide the professional service needed to inspect its **250,000** gallon water storage tank located at **200 Jack Enders Blvd., Berryville, VA 22620** (hereinafter "tank").

1. Company's Responsibilities. This Contract outlines the Company's responsibility for the inspection of the above described water storage tank. Care and maintenance include the following:

- A. The Company will inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition. Visual inspections will be performed in Contract Years 2, 3, 5, 6, 8 and 9.
- B. Washout inspections will be performed in Contract Years 4, 7 and 10. During the washout/inspection, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
- C. The Company shall furnish engineering and inspection services needed to maintain the tank and tower during the term of this Contract. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.
- D. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.
- E. The Company will furnish current certificates of insurance coverage to the Owner.
- F. A lock will be installed on the roof hatch of the tank.
- G. The Company will provide emergency services, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the tank site.

2. **Contract Price/Annual Fees.** This is a 10 year term contract. The tank shall receive an exterior renovation, interior renovation, repairs and PAX installation prior to the end of Contract Year 1. The tank shall receive visual inspections in Contract Years 2, 3, 5, 6, 8 and 9. The tank shall receive washout inspections in Contract Years 4, 7 and 10. The annual fee for Contract Year 1 shall be \$88,759.00 per Contract Year. The annual fees for Contract Years 2-5 shall be \$16,780.00 per Contract Year. The annual fees for Contract Years 6-10 shall be \$2,571.00 per Contract Year. A "Contract Year" shall be defined as each consecutive 12-month period following the first day of the month in which the Contract is executed by the Owner and each subsequent 12-month period thereafter during the time the Contract is in effect. For example, if a contract was signed by an Owner on April 17, 2012, Contract Year 1 for that contract would be April 1, 2012 to March 31, 2013, and Contract Year 2 for that contract would be April 1, 2013 to March 31, 2014 and so on.

3. **Payment Terms.** The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable upon completion of the initial exterior/interior renovation. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year. Furthermore, if the Owner elects to terminate this Contract prior to remitting the first five (5) annual fees, then the balance for work completed shall be due and payable within thirty (30) days of the termination.

4. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*

5. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this Contract. Said modification of this Contract will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this Contract is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

6. **Excluded Items:** This Contract does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at anytime during the term of the Contract; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) any responsibilities or services except as set forth in Sections 1 and 2; or (10) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

7. Termination. The Owner shall have the right to continue this Contract for a 10 year term period providing payment of the annual fees is in accordance with the terms herein. This Contract is subject to termination by the Owner only if written notice of intent to terminate is received by the Company ninety (90) days prior to the first day of the upcoming Contract Year. Notice of Termination is to be delivered by registered mail to Utility Service Co., Inc., Attention: Customer Service, P O Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's management and/or Commissioners.

8. Assignment. The Owner may not assign or otherwise transfer all or any of its interest under this Contract without the prior written consent of the Company. If the Company agrees to the assignment, the Owner shall remain responsible under this Contract, until its assignee assumes in full and in writing all of the obligations of the Owner under this Contract. Any attempted assignment by Owner in violation of this provision will be void and of no effect.

9. Indemnification. THE COMPANY AGREES TO INDEMNIFY THE OWNER AND HOLD THE OWNER HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE COMPANY OR ITS SUBCONTRACTORS, AGENTS, OR EMPLOYEES. IN TURN, THE OWNER AGREES TO INDEMNIFY THE COMPANY AND HOLD THE COMPANY HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE OWNER OR ITS CONTRACTORS, AGENTS, OR EMPLOYEES. THE INDEMNIFICATION PROVIDED IN THIS PARAGRAPH DOES NOT AFFECT THE COMPANY'S LIMITATIONS OF LIABILITY SET FORTH IN OTHER PARAGRAPHS OF THIS CONTRACT.

10. Assignment of Receivables. The Company reserves the right to assign any outstanding receivables from this Contract to its Bank or other Lending Institutions as collateral for any loans or lines of credit.

11. Miscellaneous Items. No modifications, amendments, or alterations of this Contract may be made except in writing signed by all the parties to this Contract. No failure or delay on the part of any party hereto in exercising any power or right hereunder shall operate as a waiver thereof. The parties expressly warrant that the individuals who sign below are authorized to bind them.

12. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings, and agreement relating to the subject matter hereof, whether oral or written.

This Contract is executed and effective as of the date last signed by the parties below.

OWNER:

Town of Berryville

By: _____

Title: _____

Print Name: _____

Date: _____

Witness: _____

Seal:

COMPANY:

Utility Service Co., Inc.

By: *D. Michael Buchanan*

Title: Deputy Chief Financial Officer

Print Name: D. Michael Buchanan

Date: February 20, 2017

Witness: *Sara Anders*

Seal:





Utility Service Co., Inc.

10 Year Contract for Services

Owner: Town of Berryville
Berryville, VA

Tank Size/Name: 3,000,000 Gallon-Ground Storage Tank

Location: 201 Tom Whitacre Circle

Date Prepared: February 20, 2017



CONTRACT FOR SERVICES WATER TANK MAINTENANCE CONTRACT

This Contract entered into by and between the **Town of Berryville, whose business address is 101 Chalmers Court Suite A, Berryville, VA 22611** (hereinafter referred to as "the Owner") and Utility Service Co., Inc., whose business address is 1230 Peachtree Street NE, Suite 1100, Atlanta, GA 30309 (hereinafter referred to as "the Company").

Therefore, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Owner and the Company, the parties agree as follows:

The Owner agrees to engage the Company to provide the professional service needed to inspect its **3,000,000** gallon water storage tank located at **201 Tom Whitacre Circle, Berryville, VA 22620** (hereinafter "tank").

1. Company's Responsibilities. This Contract outlines the Company's responsibility for the inspection of the above described water storage tank. Care and maintenance include the following:

A. The Company will inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition. Visual inspections will be performed in Contract Years 2, 3, 5, 6, 8 and 9.

B. Washout inspections will be performed in Contract Years 4, 7 and 10. During the washout/inspection, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.

C. The Company shall furnish engineering and inspection services needed to maintain the tank and tower during the term of this Contract. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

E. The Company will furnish current certificates of insurance coverage to the Owner.

F. A lock will be installed on the roof hatch of the tank.

G. The Company will provide emergency services, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the tank site.

2. Contract Price/Annual Fees. This is a 10 year term contract. The tank shall receive an exterior renovation, interior renovation and PAX installation prior to the end of Contract Year 1. The tank shall receive visual inspections in Contract Years 2, 3, 5, 6, 8 and 9. The tank shall receive washout inspections in Contract Years 4, 7 and 10. The annual fee for Contract Year 1 shall be \$292,023.00 per Contract Year. The annual fees for Contract Years 2-5 shall be \$55,207.00 per Contract Year. The annual fees for Contract Years 6-10 shall be \$3,324.00 per Contract Year. A "Contract Year" shall be defined as each consecutive 12-month period following the first day of the month in which the Contract is executed by the Owner and each subsequent 12-month period thereafter during the time the Contract is in effect. For example, if a contract was signed by an Owner on April 17, 2012, Contract Year 1 for that contract would be April 1, 2012 to March 31, 2013, and Contract Year 2 for that contract would be April 1, 2013 to March 31, 2014 and so on.

3. Payment Terms. The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable upon completion of the initial exterior/interior renovation. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year. Furthermore, if the Owner elects to terminate this Contract prior to remitting the first five (5) annual fees, then the balance for work completed shall be due and payable within thirty (30) days of the termination.

4. Structure of Tank. The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*

5. Environmental, Health, Safety, or Labor Requirements. The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this Contract. Said modification of this Contract will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this Contract is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

6. Excluded Items: This Contract does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at anytime during the term of the Contract; except for the initial exterior renovation in Contract Year 1; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) any responsibilities or services except as set forth in Sections 1 and 2; or (10) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

7. Termination. The Owner shall have the right to continue this Contract for a 10 year term period providing payment of the annual fees is in accordance with the terms herein. This Contract is subject to termination by the Owner only if written notice of intent to terminate is received by the Company ninety (90) days prior to the first day of the upcoming Contract Year. Notice of Termination is to be delivered by registered mail to Utility Service Co., Inc., Attention: Customer Service, P O Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's management and/or Commissioners.

8. Assignment. The Owner may not assign or otherwise transfer all or any of its interest under this Contract without the prior written consent of the Company. If the Company agrees to the assignment, the Owner shall remain responsible under this Contract, until its assignee assumes in full and in writing all of the obligations of the Owner under this Contract. Any attempted assignment by Owner in violation of this provision will be void and of no effect.

9. Indemnification. THE COMPANY AGREES TO INDEMNIFY THE OWNER AND HOLD THE OWNER HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE COMPANY OR ITS SUBCONTRACTORS, AGENTS, OR EMPLOYEES. IN TURN, THE OWNER AGREES TO INDEMNIFY THE COMPANY AND HOLD THE COMPANY HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE OWNER OR ITS CONTRACTORS, AGENTS, OR EMPLOYEES. THE INDEMNIFICATION PROVIDED IN THIS PARAGRAPH DOES NOT AFFECT THE COMPANY'S LIMITATIONS OF LIABILITY SET FORTH IN OTHER PARAGRAPHS OF THIS CONTRACT.

10. Assignment of Receivables. The Company reserves the right to assign any outstanding receivables from this Contract to its Bank or other Lending Institutions as collateral for any loans or lines of credit.

11. Miscellaneous Items. No modifications, amendments, or alterations of this Contract may be made except in writing signed by all the parties to this Contract. No failure or delay on the part of any party hereto in exercising any power or right hereunder shall operate as a waiver thereof. The parties expressly warrant that the individuals who sign below are authorized to bind them.

12. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings, and agreement relating to the subject matter hereof, whether oral or written.

This Contract is executed and effective as of the date last signed by the parties below.

OWNER:

Town of Berryville

By: _____

Title: _____

Print Name: _____

Date: _____

Witness: _____

Seal:

COMPANY:

Utility Service Co., Inc.

By: *D. Michael Buchanan*

Title: Deputy Chief Financial Officer

Print Name: D. Michael Buchanan

Date: February 20, 2017

Witness: *Sara Anders*

Seal:





Utility Service Co., Inc.

10 Year Contract for Services

Owner: Town of Berryville
Berryville, VA

Tank Size/Name: 250,000 Gallon-Pedisphere-Northwest Tank

Location: 201 Tom Whitacre Circle

Date Prepared: February 20, 2017



CONTRACT FOR SERVICES WATER TANK MAINTENANCE CONTRACT

This Contract entered into by and between the **Town of Berryville, whose business address is 101 Chalmers Court Suite A, Berryville, VA 22611** (hereinafter referred to as "the Owner") and Utility Service Co., Inc., whose business address is 1230 Peachtree Street NE, Suite 1100, Atlanta, GA 30309 (hereinafter referred to as "the Company").

Therefore, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Owner and the Company, the parties agree as follows:

The Owner agrees to engage the Company to provide the professional service needed to inspect its **250,000** gallon water storage tank located at **201 Tom Whitacre Circle, Berryville, VA 22620** (hereinafter "tank").

1. Company's Responsibilities. This Contract outlines the Company's responsibility for the inspection of the above described water storage tank. Care and maintenance include the following:

A. The Company will inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition. Visual inspections will be performed in Contract Years 2, 3, 5, 6, 8 and 9.

B. Washout inspections will be performed in Contract Years 4, 7 and 10. During the washout/inspection, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.

C. The Company shall furnish engineering and inspection services needed to maintain the tank and tower during the term of this Contract. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

E. The Company will furnish current certificates of insurance coverage to the Owner.

F. A lock will be installed on the roof hatch of the tank.

G. The Company will provide emergency services, when needed, to perform all repairs covered under this Contract. Reasonable travel time must be allowed for the repair unit to reach the tank site.

2. **Contract Price/Annual Fees.** This is a 10 year term contract. The tank shall receive an exterior renovation, Wet-interior renovation, Dry-interior renovation, repairs and PAX installation prior to the end of Contract Year 1. The tank shall receive visual inspections in Contract Years 2, 3, 5, 6, 8 and 9. The tank shall receive washout inspections in Contract Years 4, 7 and 10. The annual fee for Contract Year 1 shall be \$69,218.00 per Contract Year. The annual fees for Contract Years 2-5 shall be \$13,086.00 per Contract Year. The annual fees for Contract Years 6-10 shall be \$2,571.00 per Contract Year. A "Contract Year" shall be defined as each consecutive 12-month period following the first day of the month in which the Contract is executed by the Owner and each subsequent 12-month period thereafter during the time the Contract is in effect. For example, if a contract was signed by an Owner on April 17, 2012, Contract Year 1 for that contract would be April 1, 2012 to March 31, 2013, and Contract Year 2 for that contract would be April 1, 2013 to March 31, 2014 and so on.

3. **Payment Terms.** The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable upon completion of the initial exterior/interior renovation. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year. Furthermore, if the Owner elects to terminate this Contract prior to remitting the first five (5) annual fees, then the balance for work completed shall be due and payable within thirty (30) days of the termination.

4. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*

5. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this Contract. Said modification of this Contract will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this Contract is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

6. **Excluded Items:** This Contract does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at anytime during the term of the Contract;; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) any responsibilities or services except as set forth in Sections 1 and 2; or (10) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

7. Termination. The Owner shall have the right to continue this Contract for a 10 year term period providing payment of the annual fees is in accordance with the terms herein. This Contract is subject to termination by the Owner only if written notice of intent to terminate is received by the Company ninety (90) days prior to the first day of the upcoming Contract Year. Notice of Termination is to be delivered by registered mail to Utility Service Co., Inc., Attention: Customer Service, P O Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's management and/or Commissioners.

8. Assignment. The Owner may not assign or otherwise transfer all or any of its interest under this Contract without the prior written consent of the Company. If the Company agrees to the assignment, the Owner shall remain responsible under this Contract, until its assignee assumes in full and in writing all of the obligations of the Owner under this Contract. Any attempted assignment by Owner in violation of this provision will be void and of no effect.

9. Indemnification. THE COMPANY AGREES TO INDEMNIFY THE OWNER AND HOLD THE OWNER HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE COMPANY OR ITS SUBCONTRACTORS, AGENTS, OR EMPLOYEES. IN TURN, THE OWNER AGREES TO INDEMNIFY THE COMPANY AND HOLD THE COMPANY HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE OWNER OR ITS CONTRACTORS, AGENTS, OR EMPLOYEES. THE INDEMNIFICATION PROVIDED IN THIS PARAGRAPH DOES NOT AFFECT THE COMPANY'S LIMITATIONS OF LIABILITY SET FORTH IN OTHER PARAGRAPHS OF THIS CONTRACT.

10. Assignment of Receivables. The Company reserves the right to assign any outstanding receivables from this Contract to its Bank or other Lending Institutions as collateral for any loans or lines of credit.

11. Miscellaneous Items. No modifications, amendments, or alterations of this Contract may be made except in writing signed by all the parties to this Contract. No failure or delay on the part of any party hereto in exercising any power or right hereunder shall operate as a waiver thereof. The parties expressly warrant that the individuals who sign below are authorized to bind them.

12. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings, and agreement relating to the subject matter hereof, whether oral or written.

This Contract is executed and effective as of the date last signed by the parties below.

OWNER:

Town of Berryville

By: _____

Title: _____

Print Name: _____

Date: _____

Witness: _____

Seal:

COMPANY:

Utility Service Co., Inc.

By: *D. Michael Buchanan*

Title: Deputy Chief Financial Officer

Print Name: D. Michael Buchanan

Date: February 20, 2017

Witness: *Lara Anderson*

Seal:



Town of Berryville
Utilities Department
101 Chalmers Court Suite A
Berryville, VA 22611



[T] 540/955-1982
[F] 540/955-1213
[E] info@berryvilleva.gov
www.berryvilleva.gov

July 7, 2017

Berryville Tank Painting Expense Schedule Update

The following includes two scenarios, worst case followed by best case, as to when we expect the expenses for the tank painting to be due. Utility service will bill for each tank individually upon completion of the work. Once work is completed, the invoicing will be due the first quarter of each following fiscal year. Years one through five are being handled under the CIP budget. Following years will be handled under the facility maintenance budget code 501-4012222-3310 which will increase the line item budget in those years by approximately \$9,000.

Scenario One

This is the worst case scenario with each tank taking the maximum amount of time. Second quarter of FY 18 we expect to have a payment of \$88,759 due for the first year installment on the Southeast tank. First quarter FY 19 will have the second year for the Southeast and first year for the 3MG tanks due totaling \$364,010. Second quarter FY 19 will have completion of the Northwest tank and a \$69,218 payment due. At this point all three tanks will be completed.

FY 20, 21, and 22 will have payments of \$85,073 due first quarter as yearly installments to finish paying for the painting and mixing of the tanks. FY 23 first quarter will have a balance due of \$68,293 as the Southeast tank will have been paid off the previous year. FY 23 will have an increase in the maintenance budget of \$2,600 to cover the yearly contract fees for tank maintenance. FY 24 will have an increase of an additional \$6,000 to cover the cost of annual contracted maintenance of the tanks until the current contracts would run out in FY 26 for the Southeast tank and FY 27 for the other two. At that time a renegotiation of service contract would need to take place.

Scenario Two

This is the best case scenario with everything happening quickly and best case weather conditions for the projects. First quarter FY 18 would have completion of the Southeast tank and an \$88,759 billing due. Second quarter FY 18 would have the Northwest tank completed and a bill for \$69,218 due. Fourth quarter FY 18 would have the 3MG tank completed and a bill

Patricia Dickinson
Mayor

Harry Lee Arnold, Jr.
Recorder

Council Members

Donna Marie McDonald
Ward 1

Allen Kitselman, III
Ward 2

Erecka L. Gibson
Ward 3

David L. Tollett
Ward 4

Keith R. Dalton
Town Manager

Town of Berryville
Utilities Department
101 Chalmers Court Suite A
Berryville, VA 22611



[T] 540/955-1982
[F] 540/955-1213
[E] info@berryvilleva.gov
www.berryvilleva.gov

of \$292,023 due. The first quarters of FY 19, 20, 21, and 22 would then have a bill due of \$85,073 due. FY 23 through 27 will have line item 501-4012222-3310 increased by \$8,500 to cover contracted maintenance cost for the three tanks.

Clarke County EMS has also informed us that because of the nature of needed additional response during the time the 3MG tank will be painted, additional staffing will be required. This cost will be as much as \$15,000 and would occur if approved during the painting of the 3MG tank. This is billing \$180 per day of additional staffing requirement which CCEMS has asked that we cover.

There is little utility department overtime expected to handle this project but we are estimating one day coverage per month of work or ten eight-hour days. Cost estimates are for one of the more experienced operators to ensure estimating enough funds and salary has been calculated at the overtime rate giving us an estimated cost of \$300 per day or a total possible cost of \$3,000 of overtime. Overtime would most likely occur, if at all, while the 3MG tank is out of service to cover illness or vacations if needed.

Attached is an excel spreadsheet showing the tank schedules.

Sincerely,

David A Tyrrell
Director of Utilities

Patricia Dickinson
Mayor

Harry Lee Arnold, Jr.
Recorder

Council Members

Donna Marie McDonald
Ward 1

Allen Kitselman, III
Ward 2

Erecka L. Gibson
Ward 3

David L. Tollett
Ward 4

Keith R. Dalton
Town Manager

SCENARIO 1 WORST CASE

| Tank | 1st QTR 2017-18 | | | 2nd QTR 2017-18 | | | 3rd QTR 2017-18 | | | 4th QTR 2017-18 | | | 1st QTR 2018-19 | | | 2nd QTR 2018-19 | | | |
|------------------------|---|-----|------|-----------------|---------|---------|-----------------|----------|---------------|-----------------------------------|----------|-----------|-----------------|----------|---------------|-----------------|----------|----------|--|
| | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | |
| South East | Tank Painting | | | | | | | | | | | | | | | | | | |
| Sout East Billing | | | | \$88,759 | | | | | | | | | \$16,780 | | | | | | |
| 3MG | | | | | | | | | Tank Painting | | | | | | | | | | |
| 3MG Billing | | | | | | | | | | | | \$292,023 | \$55,207 | | | | | | |
| | Employee OT calculated at \$300 per day | | | | | | | | | | | | | | | | | | |
| North West | | | | | | | | | | | | | | | Tank Painting | | | | |
| North West Billing | Possible Employee OT = | | | | | | \$2,100 | | | Possible Employee OT = | | | \$900 | | | \$69,218 | | | |
| | | | | | | | | | | Clarke County EMS Standby = | | | \$15,000 | | | | | | |
| | Total Painting for Fiscal Year 2018 = | | | | | | \$372,600 | | | Total Painting Fiscal Year 2019 = | | | \$150,605 | | | | | | |
| | 3rd QTR 2018-19 | | | 4th QTR 2018-19 | | | 1st QTR 2019-20 | | | 1st QTR 2020-21 | | | 1st QTR 2021-22 | | | 1st QTR 2022-23 | | | |
| | Jan | Feb | Mar | Apr | May | June | July | July | July | July | July | July | July | July | July | July | July | July | |
| South East Billing | | | | | | | \$16,780 | \$16,780 | \$16,780 | \$16,780 | \$16,780 | \$16,780 | \$16,780 | \$16,780 | \$16,780 | \$16,780 | \$16,780 | \$2,571 | |
| 3MG Billing | | | | | | | \$55,207 | \$55,207 | \$55,207 | \$55,207 | \$55,207 | \$55,207 | \$55,207 | \$55,207 | \$55,207 | \$55,207 | \$55,207 | \$55,207 | |
| North West Billing | | | | | | | \$13,086 | \$13,086 | \$13,086 | \$13,086 | \$13,086 | \$13,086 | \$13,086 | \$13,086 | \$13,086 | \$13,086 | \$13,086 | \$13,086 | |
| | | | | | | | \$85,073 | \$85,073 | \$85,073 | \$85,073 | \$85,073 | \$85,073 | \$85,073 | \$85,073 | \$85,073 | \$85,073 | \$85,073 | \$70,864 | |
| | | | | Fiscal 2024 | | | Fiscal 2025 | | | Fisal 2026 | | | Fiscal 2027 | | | Fiscal 2028 | | | |
| South East Maintenance | | | | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | |
| 3MG Maintenance | | | | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | \$3,324 | |
| North West Maintenance | | | | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | \$2,571 | |

+ + + + + + + + + + +

15. Report of Harry Lee Arnold, Jr. – Chair, Personnel Committee
Recorder Arnold had nothing to report.

17. Other
Mr. Dalton clarified the scheduled committee meetings.

18. Adjourn
There being no other business, upon motion of Council member Kitselman, seconded by Council member Gibson, the meeting was adjourned at 9:01 p.m.

Harry Lee Arnold, Jr., Recorder

Ann W. Phillips, Town Clerk