

MINUTES

Montevallo City Council Work Session

January 27, 2020

5:30 p.m. at City Hall

Mayor Hollie Cost, Council Member Rusty Nix, Council Member Jason Peterson, Council Member Arthur Herbert and Council Member Tiffany Bunt were in attendance. Council Member Willie Goldsmith was absent.

Mayor Cost called the Work Session to order at 5:30 p.m.

Chief Littleton presented the report from the Police Department:



Montevallo Police Department Code Enforcement Activity Report

Date:
01/24/2020

Inspection Period
12/30/2019

Inspection Period
01/24/2020

Inoperable Vehicle Inspections:

Inspected:

Pending:

Closed:

Animal Complaint Inspections:

Inspected:
1

Pending:
1

Closed:

Abandoned Building Inspections:

Inspected:

Pending:

Closed:

Property Inspections:

Inspected:
7

Pending:
4

Closed:
3

Miscellaneous Complaints:

Inspected:

Pending:

Closed:

Inspected:


Total Inspections this Period:
8

Total Inspections Year to Date:
322



Montevallo Police Department Code Enforcement Activity Report

Inspections this Period:

- * 164 Devila Drive - Mattresses and old couch placed beside the road. Attempting to contact the owner to have the items removed.
- * 230 Pineview Rd - Trash and debris in the driveway - Certified Letter sent.

Inspections Pending Continued from Last Period:

- * 1660 Ashville Road - The trash and debris have been removed from the property.
- * 125 Highway 219 - Property organized and cleaned. Chickens still running loose.
- * 131 Highway 216 - Property cleaned.
- * Falcon Manor II - Trash piled near dumpster - The management has moved the dumpster to the back of the driveway. Some trash and furniture have been left where the dumpster used to be. Now that the dumpster has been moved, people are dumping furniture next to the only dumpster still next to the road. I have made contact with the management about this situation.
- * Hidden Forest - Most of the basketball goals that were out at the street have been moved.

Cases Closed this Period:

- * 1660 Ashville Road.
- * 131 Highway 216
- * 164 Davila Drive - Trash and mattress have been removed.
- * Hidden Trace Court - Two basketball goals were still left on the street or rite-of-way. I turned the case back over to the HOA.

Other Comments:

Montevallito Police Department Stats

	January-20	February-20	March-20	April-20	May-20	June-20	July-20	August-20	September-20	October-20	November-20	December-20	Total
Total Reports	45												45
Criminal Cases	18												18
Non-Criminal	4												4
Traffic Accidents	6												6
Traffic Citations	30												30
DUI Arrests	1												1
Public Intox Arr	0												0
Alias Arrests	5												5
Juvenile Arrests	0												0
Misd Arrests	2												2
Felony Arrests	0												0
Drug Related	4												4
Total Arrest	12												12
Auto Thefts	0												0
Burglaries	1												1
Auto Recoveries	0												0
Auto Burglaries	3												3
Criminal Mischief	1												1
DV - Related	0												0
Assaults	2												2
Fraud/Forgery	0												0
Harass / Reck	2												2
Misc. Offenses	11												11
Robberies	0												0
Thefts / Attempts	6												6
Suicide Attempts	0												0
Suicides	0												0
Deaths	0												0

Karen Kiker
3:03 PM
1/19/2020



Montevallo Police Department City Council Report

Date:
01/27/2020

Patrol Report:

Total Calls:
NA

Burglaries:
1

Zone Checks:
NA

Total Cases:
45

Auto Burglaries:
3

School Patrols:
NA

Traffic Accidents:
6

Domestics:
NA

Traffic Stops:
NA

Assaults:
2

Traffic Citations:
30

Fraud/Forgery:
0

Total Arrests:
12

Thefts/Attempts:
6

Investigations (New Cases):

Felony Cases Pending:

Misdemeanor Cases Pending:

Felony Warrants:

Felony Cases Closed:

Misdemeanor Cases Closed:

Misdemeanor Warrants:

School Resource Report:

Offense Reports:

Traffic Accident Reports:

Cases Pending:

Incident Reports:

Arrest Reports:

Cases Closed:

Additional Comments:

Council Member Nix noted the Abatement Board will meet at 5:30 tomorrow night.

Fire Chief Brad Davis presented his report. He reminded the Public Safety Committee of the need to schedule a meeting to discuss storm shelters.

Mayor Cost noted we are also looking into possible grant funds to help pay for a shelter.

Council Member Herbert said the Sustainability Committee met Friday to discuss recommended changes to the operating hours of the Recycling Center. He said the committee has recommended the changes Ms. Barone will present.

Olivia Barone, Sustainability Coordinator, said her main focus this far has been on addressing the issues at the Recycling Center. We are trying to determine what works best out there. She said they are redesigning the fencing, adding new signs, improving the bins, etc.

Council Member Herbert reminded everyone the Arbor Board meets Tuesday night at 5:30 at the Library. Arbor Day is scheduled for Saturday, February 27th. ValloyCycle meets on January 16th at the Library. They will discuss the location for a new bike rack, as well as make plans for another family bike ride. Cody Jones at UM has been a tremendous help in determining the best way to install the new bike racks.

Council Member Herbert compliment Mr. Hamby on scanning our Cemetery records. He said a UM class is assisting with that project.

Mr. Hamby noted our Cemetery dates to the early 1800s. Records at the Cemetery over the years have not always been well maintained.

In Mr. Baugh's absence, Council Member Nix reported that the new trails at Shoal Creel Park are completed and marked. He noted that some sections of the trails are too wet to use right now. We are looking at the possibility of adding footbridges to cross the wet spots. He also mentioned we have a lot of travel ball tournaments scheduled this year. Senior Soup and Bingo is scheduled for February 15th at 11:00 a.m.

Dwight Dellinger report on the progress at the Golf Course. He said rounds played are up 350 year-to-date despite all the rain and cold weather. We've also picked up a few new members lately. We have golf tournaments scheduled for this spring, including the Annual Chamber Tournament.

Council Member Nix reminded everyone that there will be a Public Hearing at the February 10th Council Meeting to consider requests regarding two projects: Montevallo Cottages and Bluegrass Apartments.

Savannah Kitchens, Director of the Parnell Library, presented the following:

Parnell Memorial Library

Director's Notes

January 27, 2020

- We're continuing our adult computer classes
- getting ready for Teen Code Club starting Feb. 6 and Breakerspace, Feb. 3
- continuing the final preparations for the 2020 Census, including Shelby County Census Committee meetings
- focusing on providing at least one adult program per month for the entire year (computer classes, craft nights, etc.)
- preparing for Summer Reading 2020

The MJCC reported they volunteered at the Shelby County Humane Society last weekend. They also have a meeting scheduled to discuss the Color Run. They hope to coordinate that event with UM again this year.

Council Member Bunt reported the following:

EDUCATION, ARTS & OUTREACH

MHS

- Wrestling fundraiser tonight at Zapopan. Proceeds to benefit wrestling tournament travel.
- The Montevallo Day of Pageants will be held Saturday, Feb. 1

UM

- Student-Athlete Alumni Reunion, Feb.1 during the basketball games (Check it out along with the weekend of games at montevallo.edu/alumni-events/)
- Athletics Hall of Fame, Feb. 1 at 5:45 p.m.
- Homecoming and College Night, Feb.6-8

Montevallo Artwalk

- Victory at Victory Pop-Up Artwalk, Friday, Feb. 7 from 2-6 p.m.

American Village

- The American Village invites you to help celebrate their **20th Anniversary** - Monday, Feb. 17. Also, on that day: **Washington's Birthday Celebration** and the opening of the **4th annual Festival of Tulips**.

Montevallo Main Street Director Courtney Bennet presented the following report:

Report to City Council

January 27, 2020



New Businesses Opened this Month:

- Hirano Ha Karate Dojo, 1259 Valley Street
- Ideal Insurance Agency, 1225 Valley Street

Businesses Opening Soon in the Main Street District:

- Pit 119 BBQ, (former Main St. Tavern space), details TBA
- CozBee Wireless, 746 Main Street (former Russell Cellular space), details TBA
- Restaurant, 728 Main Street (former Frios space), details TBA
- Slice Pizza & Brew, 1105 Ashville Road, estimated March/April 2020
- Cozumel, 1032 Main Street, details TBA

Properties for sale/rent within the Main Street District:

- Sale:
 - Office building (951 Island St.) – listed by Nathan Stamps, 205-665-0095
 - Lot on Island Street for sale or build to suit—listed by Bob Nesbitt, 205-939-8219
- Rent:
 - Former Southern Vape (707 Main Street) – call 334-819-9768
 - Former Emma Gray (840 Main Street)— text Scott Reneau, 205-229-1476
 - 742 Main Street – call Urmish Patel, 205-982-9171

Respectfully submitted,
Courtney Bennett
Executive Director

She also thanked the Public Works crews for installing the new banners on Main Street. The banners were designed by UM art professor Colin Williams, in conjunction with the Main Street Design Committee.

Sarah Hogan updated the Council on IMPACT. She said she is excited to be back with the City. She's been working to expand our Family Friendly Vendor Program. She also went to the Shelby Humane Society with the MJCC last weekend. She is also working to get all of the foundations laid for the new grant we've received.

The City Clerk requested the Council approve payment of the following invoice from Active Air:



ACTIVE AIR INC.
 P.O. BOX 710 • CALERA, AL 35040
 205-668-8220
 205-646-0662
 205-678-6617

Invoice

Date	Invoice #
1/16/2020	46330

AL HVAC License #97194

Bill To
Montevallo City Hall 545 Main St. Montevallo, AL 35115

P.O. No.	Terms

Quantity	Description	Rate	Amount
	<p>Quoted price - Recycle Center Roof timbers , new strip heater, new power wiring, crane, thermostat wire, metal fittings, metal cover, duct sealer, caulk, screws and labor.</p> <p>Checked rooftop unit and found all ductwork disconnected. Furnished crane to set unit on opposite side so ductwork could be installed correctly. Furnished new ductwork and cover. Installed new strip heater and upgraded electrical wiring. Unit never had strip heat. All work completed on this project and operating properly.</p> <p>Jeff Paschal</p>	5,192.00	5,192.00
Total			\$5,192.00

The City Clerk explained that this unit was improperly installed and had to be rest. It was causing leaks into the building. The company that installed the unit originally is the same one that has been doing our routine maintenance. We've discovered that has not been done

properly either. Therefore, we recommend using Active Air for our maintenance, as well. They are the ones we've had to call to fix all of the problems caused by the previous firm. They are a bit more expensive, but they do the job right the first time – and will save us money in the long-run.

The Council also briefly discussed to proposal to increase the salary for the next council members.

**Montevillo City Council Meeting
January 27, 2020
5:30 p.m. at City Hall**

Mayor Hollie Cost, Council Member Rusty Nix, Council Member Jason Peterson, Council Member Arthur Herbert and Council Member Tiffany Bunt were in attendance. Council Member Willie Goldsmith was absent.

Pledge of Allegiance

Meeting Call to Order –

Mayor Cost called the meeting to order at 6:00 p.m.

Approval and/or corrections of the minutes – 1/13/20 & 1/22/20 Special Work Session

Council Member Nix made a motion to approve the Minutes from January 13, 2020 as corrected. Council Member Herbert seconded. ALL AYES . . . MOTION APPROVED.

Council Member Herbert made a motion to approve the Minutes from January 22, 2020 Special Called Work Session as presented. Council Member Peterson seconded. ALL AYES . . . MOTION APPROVED.

Recognitions / Awards: NONE

Maggie Benson, Mayor's Assistant, mentioned that we should have recognitions at the next council meeting.

Opportunities for citizens to speak to the Council:

Before opening the meeting to public comment, Mayor Cost said she wanted to respond to concern expressed on social media regarding the proposed Dollar General Store on Hwy 119. She noted the following:

- Yes, it is true that Dollar General is interested in locating one of their stores along Hwy 119 diagonally across from American Village. However, we did not recruit Dollar General. They chose this location on their own, and for their own reasons.
- As detailed on the Zoning Map, the property in question is zoned B1 – SD Neighborhood Business Special District. As such, a retail operation the size and scope of a Dollar General is permitted on this site. Other permitted uses include, but are not limited to a medical clinic, community center, office building, greenhouse, bakery, barbershop, drugstore, restaurant, motel, bank, and nursing home.
- We as the city do not have the power or right to pick and choose which businesses may or may not legally operate here. We can't, for instance, say a McDonald's is fine, but we don't want a Chic-Filet. To a large extent, the control we have is exercised through our power to zone property. In this case, our most recent Zoning Map was adopted in 2012, after a lengthy process of public input which lasted nearly 5 years. In fact, the property in question was zoned for commercial use even before that – as far back as 2007 or more.
- As many of you may know, the zoning process starts with the creation of a Comprehensive Plan. Our Comp Plan update process is currently underway, and I encourage you all to get involved in that effort. Opportunities for input are available at public meetings, as well as on-line.
- Keep in mind, however, it is very difficult to downzone a property – such as taking it from commercial to residential. The reason for this is because someone most likely purchased that piece of property as an investment. Its value as an investment or asset is based in part on its zoning classification. Obviously, you can sell a piece of property zoned commercial for a lot more than you can sell one that's zoned residential. I think we all can intuitively understand that. Therefore, if you downzone a property from commercial to residential, you have removed or taken away part of its value. That is known as a taking – and that would result in our city being sued and ultimately paying damages to that property owner for that taking.
- That being said, we all value the American Village and all of the neighborhoods along Hwy 119. This should be clear by the fact that for the past 20 years we've included additional protections in our zoning and subdivision regulations which further restrict and control development along that corridor. In fact, the Hwy 119 corridor falls within the Scenic Corridor Overlay District which adds even more protections in an effort to preserve the pastoral and scenic nature of our northern gateway. These standards and guidelines help to ensure we see the desired character of architectural style buildings, building materials, setbacks, signage, parking location, landscaping, etc.
- When a development is proposed, our Development Services staff works closely with the prospect to develop a site plan which meets or exceeds those standards. This phase of the approval process also involves our city engineer, fire department, and arbor board. Once everyone has reviewed the plans and provided their input, a revised set of plans is presented to our Design Review Committee for consideration. The DRC meets in public and everyone is welcome to attend.
- Once the Design Review Committee approved the plan, it moves on to the Planning Commission for their review and approval/ Here again, this is a public meeting which includes the opportunity for public comment.

- After the plan is reviewed by the Planning Commission, their recommendation is forwarded to the City Council. Once again, there is another duly noticed public hearing at the council meeting where everyone for or against a project can have their say.
- With regard to Dollar General's proposed site plan, we are still in the administrative review phase. Our planning staff has reviewed the plan. Our city engineer has provided them with his comments. And, the Arbor Board has looked at the plan. I'm not certain whether or not the Fire Department has completed its review yet or not.
- Once all of that is complete, the proposed plan will go to the Design Review Committee, which we expect to happen in the next few weeks. After that, as I laid out before, it will go to the Planning Commission and City Council.
- This process will take several more months to complete. It is very involved and, at times, heavily burdensome and arduous. However, it is designed specifically to ensure that everyone's rights and property values are respected. Any suggestion on Facebook or elsewhere to the contrary is simply uninformed and untrue.
- We also make every effort to keep the public informed and involved about what goes on in Montevallo. That's why, for instance, we hold public hearings at the Planning Commission and City Council. That's also why we post upcoming meetings and hearings at City Hall, as required by law, as well as on our city website and Facebook.
- Being well informed, however, is not a one-way street. It requires work on everyone's part. That's why the commitment you all have shown to be here tonight to ask questions and learn more about what is going on in our city is so critical. I thank you for being here tonight and welcome any comments or questions you may have.

H. G. McGaughy noted Dollar General is also planning a new store on Hwy 25.

Mayor Cost said those plans have not come before the Planning Commission or Council yet.

Council Member Herbert said he read an article which said Dollar General is expanding nationwide and their plan is to locate a store every 10 miles or so from one another.

Council Member Nix said the one on Hwy 25 will draw shoppers from Wilton, Bibb and Chilton Counties. The one on Hwy 119 will draw people from the six major subdivisions in that area.

Jake Beaty asked the Council to consider eliminating all parking along North Boundary Street from Main to Oak.

Mayor Cost said we have limited the parking to one side only, however we will look into his suggestion.

Nancy Wilstach asked why Debby Raymond was fired when she has done so much to increase the amount of business license revenue the city has received.

Mayor Cost said her termination had nothing to do with the quality of her work. She also stressed that our business license revenues did not increase just because of Ms. Raymond. There were a lot of other people and factors involved in that increase.

Joyce Sherer said she would like to see us have a storm shelter in Montevallo, possibly in the old Victory building.

Mayor Cost said we talked about that earlier in the meeting. We've asked the Public Safety Committee to look into this. Chief Davis has some ideas in that regard. The High School has offered to serve as a shelter. However, we're not sure if it meets code. We do not want to direct the public to a location that is not suitable for that use. We are also looking at the Victory building.

Council Member Nix said the shelter needs to be FEMA certified.

Ms. Sherer said the local churches stopped opening up during storms because of liability issues.

Council Member Nix said the High School was once a Civil Defense shelter. Mayor Cost said we've also talked to the Post Office.

Committee Reports and Consideration of Bills:

Public Health & Safety (Police, Fire, Code Enforcement, Housing Abatement)– Discussed earlier.

Sustainability (Streets & Sanitation, Recycling, Arbor & Beautification, ValloCycle, Environmental Preservation Initiatives) – Discussed earlier.

Recreation, Preservation and Community Development (Parks & Recreation, Golf Course, Youth Athletics, Trails, Planning & Zoning, Annexations,) – Discussed earlier.

Education, Arts & Outreach (Schools, UM, Boys & Girls Club, Library, American Village, Sister City Commission, Artwalk) – Discussed earlier.

Finance, Economic Development & Tourism (Finance, MDCD, IDB, Chamber, Historical Commission, Main Street) – Discussed earlier.

Council Member Nix made a motion to approve payment of the bills. Council Member Peterson seconded. ALL AYES . . . MOTION APPROVED.

Consent Agenda: NONE

New Business:

2020 Arbor Day Proclamation –

Council Member Herbert made a motion to approve the Arbor Day Proclamation. Council Member Nix seconded. ALL AYES . . . MOTION APPROVED.



ARBOR DAY PROCLAMATION

- Whereas,** In 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and
- Whereas,** the holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and
- Whereas,** Arbor Day is now observed throughout the nation and the world, and
- Whereas,** trees can reduce the erosion of our precious topsoil by wind and water, lower our heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife, and
- Whereas,** trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and
- Whereas,** trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and
- Whereas,** trees, wherever they are planted, are a source of joy and spiritual renewal,

NOW, THEREFORE, I, Hollie C. Cost, Mayor of the City of Montevallo, Alabama, do hereby proclaim Saturday, February, 29, 2020 as ARBOR DAY in the City of Montevallo, and urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

Further, I urge all citizens to plant and care for trees to gladden the heart and promote the well-being of this and future generations.

Proclaimed this 27th Day of January, 2020.

Hollie C. Cost, Mayor

Authorization to pay for repairs to Recycling Center HVAC out of the Sanitation Account – Active Air \$5,192

Council Member Peterson made a motion to approve payment of the invoice. Council Member Bunt seconded. ALL AYES . . . MOTION APPROVED.

Authorization to enter into a bi-annual HVAC maintenance agreement with Active Air

Council Member Herbert made a motion to approve entering into the bi-annual maintenance agreement with Active Air. Council Member Nix seconded. ALL AYES . . . MOTION APPROVED.

Authorization to enter into a Revenue Enhancement Services Agreement with HdL Companies, dba PREMA Corp. There is no cost to the city. They are paid 50% of whatever business licenses they collect.

Council Member Herbert made a motion to approve the Revenue Enhancement Services Agreement with HdL Companies, dba PREMA Corp.. Council Member Peterson seconded. ALL AYES . . . MOTION APPROVED.

MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT (this “Agreement”) is entered into by and between **HdL Companies dba PREMA Corp**, a Colorado corporation, and the **CITY OF MONTEVALLO**, an Alabama municipality (“Montevallo” or “City”), effective as of the project start date indicated in the corresponding Annexed Schedule(s) (the “Effective Date”).

WITNESSETH

WHEREAS, PReMA Corp is engaged in the business of rendering revenue administration, collection, discovery, and performing auditing services;

WHEREAS, the City of Montevallo desires to contract with PReMA Corp to obtain the Services as provided for in Section 1 of this Agreement upon the terms and conditions contained in this Agreement; and

WHEREAS, PReMA Corp desires to contract with the City of Montevallo to render the Services as stated in certain Schedule(s) of this Agreement upon the terms and conditions contained in this Agreement and those Schedules.

NOW THEREFORE, in consideration of the covenants and promises contained herein, the City of Montevallo and PReMA Corp agree as follows:

1. Services. PReMA Corp shall perform those services (the “Services”) described in the annexed schedule(s) and all separate schedules later executed and annexed (collectively, the “Schedules” and, individually, a “Schedule”) upon the terms and conditions contained in this Agreement and those Schedules.

2. Fees. As compensation for the performance of the respective Services, the City shall pay PReMA Corp fees (the “Fees”) as provided for in the Schedule related to the respective Services.

In the event that the Fees for Services on a Schedule consists of an hourly component, the City acknowledges and agrees that, with the City’s consent, PReMA Corp may perform the Services using labor from PReMA Corp’s affiliated companies, and such labor shall be billed to the City under the same billing terms applicable to PReMA Corp’s employees. Unless specified on a Schedule, PReMA Corp will not bill the City on an hourly basis for Services, and the City will not pay hourly labor charges.

3. Expenses. In the event that a Schedule for Services provides that PReMA Corp will be reimbursed for travel, meals, copying, communication charges or other expenses it incurs in connection with its provision of those Services (hereinafter collectively “Reimbursable Expenses”), the City shall reimburse PReMA Corp for those Reimbursable Expenses. Unless

specified on a Schedule, PReMA Corp will not bill the City for any Reimbursable Expenses, and the City will not pay any of those Expenses.

4. Invoices and Terms of Payment.

4.1 Submission of Invoices. PReMA Corp shall invoice the City periodically for the Fees earned and Reimbursable Expenses incurred by PReMA Corp (as specified on an applicable Schedule) pursuant to this Agreement. PReMA Corp may, in its sole discretion, issue separate invoices for Services rendered pursuant to separate Schedules. The City acknowledges and agrees that in some instances (e.g., the collection of sales and other taxes and business license revenue) the Fees earned and Reimbursable Expenses incurred by PReMA Corp (if any are payable) pursuant to this Agreement will be withheld by PReMA Corp from the remittances paid to the City in connection with its performance of the Services; provided, however, that with respect to such Fees and Reimbursable Expenses (if any are payable), PReMA Corp shall issue to the City a periodic statement setting forth the manner in which such Fees and Reimbursable Expenses were determined and the amount withheld with respect to the payment of those items.

4.2 Payment of Invoices; Accrual of Interest on Unpaid Balances; Disputed Amounts. Invoices are due and payable within thirty (30) days after receipt. Payments will first be credited to interest and then to principal. In the event that the City disputes or contests an invoice, only that portion so disputed or contested in good faith shall be withheld from payment, and the undisputed portion shall be paid. Interest shall accrue on any contested portion of the invoice and shall be payable immediately if the contested invoice is resolved in favor of PReMA Corp.

4.3 Remedies for Failure to Timely Pay Invoices; Suspension of Services. If the City fails to timely pay invoices and delinquent amounts are determined in subsequent litigation to be owed to PReMA Corp, the City of Montevallo shall be obligated to pay PReMA Corp any interest on the delinquency that is recoverable under applicable law and the reasonable attorney fees it incurs in any such action. In addition, if the City of Montevallo fails to fully pay an undisputed amount, PReMA Corp may, after giving thirty (30) days written notice to the City, suspend the rendering of Services under this Agreement until said invoice is paid in full. In the event of suspension of Services under this Section 4.3, PReMA Corp will have no liability to the City for delays or damages caused to it because of such suspension of Services.

5. Standard of Care; Insurance.

5.1 Standard of Care. The standard of care applicable to PReMA Corp's provision of the Services will be the degree of skill and diligence normally employed by professionals performing the same or similar services at the time PReMA Corp's Services are performed.

5.2 Insurance. Throughout the Term of this Agreement PReMA Corp shall maintain the following insurance:

a. Worker's Compensation Insurance. Worker's compensation and employer's liability insurance as required by the State.

b. Automobile and Vehicle Liability Insurance. Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including onsite and offsite operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.

c. Professional Liability Insurance Professional liability insurance covering claims for any errors or omissions, with \$1,000,000 limit of liability.

d. Comprehensive General Liability Insurance. Comprehensive liability insurance covering claims arising out of PReMA's operations and performance of Services, including coverage for contractual obligations assumed hereunder, with \$1,000,000 combined limits.

6. Obligations of the City of Montevallo. In addition to performing any of its obligations set forth in a Schedule(s), the City will perform the following:

6.1 Furnishing of Data. The City will promptly provide to PReMA Corp all data in its possession that the City determines is reasonably related to or is reasonably necessary for PReMA Corp's performance of the Services. PReMA Corp shall be permitted to rely on the accuracy, timeliness, and completeness of the information provided by the City, and in no event shall PReMA Corp be liable to the City of Montevallo as a result of such reliance. Further, in no event will the City of Montevallo be liable to PReMA Corp in the event of inaccuracies or errors in the data it furnishes.

6.2 Access to Facilities and Property. On mutually acceptable conditions and times, the City will make its facilities (including, without limitation, its offices and computer system) accessible to PReMA Corp as required for it to perform the Services.

6.2 Timely Review. The City will promptly examine PReMA Corp's reports, specifications, notices, proposals, and other documents. In the event that a decision is required by the City in order for PReMA Corp to perform the Services, the City shall render such decision in writing in a timely manner.

6.3 Litigation. Regardless whether PReMA Corp has performed Services with respect to a delinquent account, the parties agree and understand that the City of Montevallo, in the exercise of its sole discretion, shall determine whether to file or bring any lawsuit or formal

administrative action against third parties to collect amounts owed for any such delinquent account. Further, the parties agree that, if the City elects to bring any such litigation or administrative action, (a) the City of Montevallo shall bear the expense of that action, and (b) the Services to be performed by PReMA Corp do not include it supporting, preparing, documenting or otherwise assisting the City in any such lawsuit or action that it brings (“Litigation Services”). If the City requests PReMA Corp to perform any Litigation Services, the City will reimburse PReMA Corp for that work based on a mutually agreed upon compensation arrangement.

7. General Provisions.

7.1 Authorization to Proceed. Each individual Schedule of Services that is contemplated shall require authorization of the City, or its designated representative, prior to PReMA Corp performing the specific services identified in the respective schedule.

7.2 Force Majeure. Neither party is responsible for damages or delay in the performance of their respective obligations hereunder that are caused by acts of God, strikes, lockouts, accidents, or other events beyond their reasonable control.

7.3 Limitations of Liability.

(a) Cap. PReMA Corp’s liability for loss, expenses or damages incurred by the City that arise from the performance of Services by PReMA Corp shall not, in the aggregate, exceed the amount of the minimum limits of the Comprehensive Liability Insurance coverage or Professional Liability coverage provided by PReMA Corp under this Agreement. The limitation of liability contained in this section shall apply whether PReMA Corp’s liability arises under breach of contract or warranty; tort, including negligence; strict liability; statutory liability; or any other cause. Said limitations shall apply to PReMA Corp’s officers, directors, affiliated corporations, employees, and subcontractors.

(b) Consequential Damages. PReMA Corp and the City of Montevallo waive claims against each other for consequential, indirect, special, punitive, and exemplary damages, and for any other damages in excess of direct, compensatory damages that arise from their failure to perform their respective obligations under this Agreement. The parties agree and acknowledge that, in the event either of them asserts or makes any claim, demand or action of any type against the other party arising from an alleged breach of this agreement or failure of either to perform any of their respective obligations hereunder, the maximum amount that a party may recover from the other as damages in any such action is limited to the actual damages that directly arise from that breach and are proven in a court of law. The parties agree and acknowledge that the commercial terms herein were proposed and based on the assumption that this specific limitation is applicable, and that neither of them would not have entered into this agreement without its inclusion. In no event will either party be liable to the other party for any indirect, incidental, consequential, punitive, reliance or other special damages, including without limitation

damages for lost profits, advantage, savings or revenues or for increased cost of operations, resulting from an alleged breach. Notwithstanding, nothing in this provision is intended to affect or limit PReMA Corp's obligations in section 7(f) below or elsewhere in this Agreement to indemnify the City of Montevallo for claims made or asserted against it.

7.4 Indemnification. Notwithstanding any other provisions of this Agreement, PReMA Corp shall defend, indemnify and hold the City of Montevallo harmless from any and all claims, damages, losses, and expenses, including litigation costs and attorney's fees, to the extent that such arise from (a) the failure of PReMA Corp to perform its obligations hereunder, or (b) the negligence or willful misconduct of PReMA Corp, or any of its employees, officers, agents or subcontractors, in the performance of the Services.

7.5 Amendment. No amendment of any provision of this Agreement of the Schedules shall be valid unless the same shall be in writing and signed by all of the parties. No waiver by any party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

7.6 Termination. This Agreement shall commence on the Effective Date and shall continue to be in force for a period of three (3) years (the "Term") or the end of the period for performance of a Project on a Schedule, whichever occurs last. Notwithstanding, if the period for performance of a Project on a Schedule has not expired, either party may terminate this Agreement without cause prior to the expiration of its Term by giving the other party ninety (90) days written notice in the manner set forth below. On expiration or termination of this Agreement (or a Project on a Schedule) without cause, (a) PReMA Corp shall be paid for all Fees earned and Reimbursable Expenses (if any are payable) incurred through the expiration or termination date, and (b) PReMA Corp will return all data furnished to it by the City in a reasonably appropriate electronic format, and will otherwise reasonably cooperate and assist in any transition of the performance of Services by another provider.

Additionally, the failure of a party to perform a material obligation hereunder owed to the other through no fault of the other party shall be deemed a "Default". This Agreement, and any ongoing Project that is set forth on a Schedule, may be terminated for cause by a party effective thirty (30) days after it provides written notice of a Default to the defaulting party if the defaulting party fails to (a) cure a Default with such correction period, or (b) if the Default is of a nature that reasonably cannot be cured within 30 days after written notice, the defaulting party fails to diligently commence correction of such nonperformance within that period and promptly correct same. The following are among good reasons to terminate for cause: (i) the failure of the City to make timely payments for uncontested amounts due under this Agreement; and (ii) the failure of

PReMA Corp to perform the Services in the time period on a Schedule or in the manner contemplated herein.

On termination of this Agreement (or a Project on a Schedule), PReMA Corp shall return to the City all data previously provided to it in connection with the Services and no party will owe any further obligation to the other on that Project; provided that if PReMA Corp has not defaulted on its obligations under this Agreement (or with respect to a Project on a Schedule), PReMA Corp shall be paid for all Fees earned and Reimbursable Expenses (if any are payable) incurred through the termination date. Also, on termination, PReMA Corp will return all data furnished to it by the City in a reasonably appropriate electronic format, and will otherwise reasonably cooperate and assist in any transition of the performance of Services by another provider.

7.7 Severability and Survival. If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Notwithstanding any other provision of this Agreement, the obligations in Sections 7.3, 7.4, 7.5, 7.6, 7.14 and 7.20 shall survive the expiration or termination of this Agreement.

7.8 No Conflict of Interest. Neither the performance of the Services by PReMA Corp nor this Agreement shall preclude PReMA Corp from making proposals on or providing similar services to the City in the future. Without limiting the foregoing, information and knowledge gained by PReMA Corp in providing the Services shall not create or constitute a conflict of interest in making proposals on or providing additional services to the City of Montevallo.

7.9 Non-Exclusivity. This Agreement shall not limit the right of PReMA Corp to contract with other persons or entities to provide merchandise or services of any kind whatsoever, including, but not limited to services similar to the Services, nor shall this Agreement prohibit or limit PReMA Corp in any way from providing such services. Further, by entering this Agreement, the City of Montevallo does not grant PReMA Corp an exclusive right to perform for it services of the nature set forth herein (or on a Schedule).

7.10 Jurisdiction. The law of the State where the Services are being performed shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it.

7.11 Costs and Expenses of Legal Action. If a party is required to bring legal action to enforce their rights under this Agreement or as the result of a Default by the other party and prevails in any such action, the costs and expenses of the prevailing party, including reasonable attorneys' fees, shall be paid by the Defaulting party.

7.12 No Third Party Beneficiaries. This Agreement does not create, and shall not be construed to create, any rights or benefits to anyone other than the City of Montevallo and PReMA Corp, it being the intent of the parties that there are no third party beneficiaries hereto.

7.13 Assignments. This Agreement shall be binding upon and inure to the benefit of the Parties, their successors, representatives, and assigns. PReMA Corp shall not assign this Agreement, or delegate its duties or obligations under this Agreement, without the prior written consent of the City of Montevallo, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, PReMA Corp may assign this Agreement, in whole or in part, without the consent of the City of Montevallo to any corporation or entity into which or with which PReMA Corp has merged or consolidated; or any corporation or entity which acquires all or substantially all of the assets of PReMA Corp. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors or assigns. Subject to the foregoing, this Agreement is binding on the successors and assigns of the parties hereto.

7.14 Confidentiality and Nondisclosure. The parties shall hold in confidence any confidential information obtained during the term of this Agreement, which shall include any material, data or information disclosed by either party to the other and not previously known by or disclosed to the public or to third persons, and shall include, without limitation, trade secrets, confidential reports, financial and operational information, customer, subscriber and contact lists, and other matters relating to the operation of the businesses of the City of Montevallo and PReMA Corp (“Confidential Information”). Such Confidential Information will be kept strictly confidential by the City and PReMA Corp, its elected officials, employees, advisors or agents (“Representatives”), and except for disclosures made to Representatives who need to know in order to carry out this Agreement and/or person, firms or corporations specifically designated by PReMA Corp, the City and PReMA Corp shall not communicate or disclose any Confidential Information to any person, firm or corporation or use any such Confidential Information for its own account. Confidential Information shall not include: (a) any information that was part of the public domain when received or becomes a part of the public domain through no action or lack of action by the City, (b) prior to disclosure, was already in possession and not subject to an obligation of confidence, or (c) subsequent to disclosure, is obtained from a third party who is lawfully in possession of the information and not subject to a contractual relationship the parties with respect to the information. Nothing in Section 7.14 or 7.15 shall prevent the City from allowing a current or prospective third party contractor or agent from inspecting the data displayed in PReMA Corp’s database for purposes of tax administration or related to assessing the feasibility of change in tax administration; provided, however, that the City obtains specific agreement from said third party contractor or agent that they shall keep said information confidential and that said contractor or agent will not attempt to, directly or indirectly, appropriate, take or use any PReMA Corp’s trade secrets, trademarks, copyrights, patents or other intellectual property rights..

PReMA Corp acknowledges that the City of Montevallo is a governmental entity that may be obligated to disclose information to third parties pursuant to the open or public records laws of the State of Alabama. Therefore, notwithstanding any provision in this Section to the contrary, to the extent that the City determines, in the exercise of its reasonable discretion, that the disclosure of Confidential Information to a third party is required by state law, it does not commit to keep confidential all Information that either party may designate as Confidential. However, if PReMA Corp designates information as “Confidential,” before making any disclosure of that information to a third party who requests its disclosure, the City will notify the party requesting disclosure of PReMA Corp’s desire to protect the confidentiality of the Information, and promptly notify PReMA Corp so that it will be afforded an opportunity to oppose the disclosure.

7.15 Ownership of Data, Work Product and Intellectual Property. All data furnished by the City to assist PReMA Corp perform its Services shall remain the property of the City; provided that the City grants PReMA Corp a license to access and use such data solely for purposes reasonably related to the performance of Services contemplated herein or on a Schedule.

All reports, summaries, information, documents, flowcharts or other work product created by PReMA Corp that store, apply or otherwise utilize the data furnished by the City of Montevallo for PReMA Corp to perform the Services (collectively “Work Product”) shall remain the property of PReMA Corp; provided that PReMA Corp grants the City a license to access and use such Work Product solely for purposes reasonably related to the generation of revenue for it or in connection with the performance of Services contemplated herein or on a Schedule. Nothing in this section shall prevent the City from allowing, in its reasonable discretion, a current or prospective third party contractor, agent, or employee from inspecting the confidential data displayed in the City of Montevallo’s software tax environment maintained by PReMA Corp; provided the City obtains specific agreement from said third party contractor, agent, or employee that they shall keep said information confidential and will not appropriate any trade secrets of PReMA Corp.

All discoveries, know-how, inventions, processes, firmware, computer software, source and object code, and software documentation, including but not limited to, invention disclosures, provisional patent applications, regular patent applications, patents, trade secrets, proprietary information, copyrights, trademarks, service marks, domain names, trade dress, and rights developed during the course of, or as a result of, providing the Services (collectively, “PReMA Intellectual Property”) shall be the sole property of PReMA Corp; provided that PReMA Corp grants the City of Montevallo a license to access and use any such PReMA Intellectual Property solely for purposes reasonably related to the generation of revenue for it or in connection

with the performance of Services contemplated herein or on a Schedule, or as otherwise provided in this agreement.

7.16 Notices. All notices under this Agreement will be in writing and will be deemed to have been given when such notice is (i) when delivered by the United States Postal Service First-Class Certified Mail, Return Receipt Requested, (ii) when delivered by express courier service, or (iii) when tele copied. Notices will, unless another address is specified in writing, be sent to the address indicated below:

Notices to PReMA Corp:

PReMA Corp
Attention: Steve Whitman

Notices to CITY OF MONTEVALLO:

City of Montevallo, Alabama
Attention:

7.17 Entire Agreement. This Agreement, together with any Schedules now or hereinafter attached hereto, constitutes the entire agreement between the parties and supersedes any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they have related in any way to the subject matter hereof. The Services to be performed for the City of Montevallo by PReMA Corp are defined solely by this Agreement and the Schedules, and not by any other contract or agreement that may be associated with the performance of Services.

7.18 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties shall not be required to sign the same counterpart in order for this Agreement to be binding.

7.19 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

7.20 Compliance with Law. PReMA Corp will comply with all applicable federal and state laws, codes and regulations applicable to its provision of the Services (collectively hereinafter the "Laws"), including, but not limited to, the Alabama Taxpayer Bill of Rights, Fair Debt Collection Practices Act and any other Laws relating to the collection of indebtedness. This undertaking will survive the termination of this Agreement.

7.21 Permits/Licenses. Before commencing the Services, PReMA Corp, at its own expense, will obtain all licenses, permits or other governmental authorizations needed to

perform the Services (collectively, “Licensing”). PReMA Corp further agrees to maintain that Licensing throughout the performance of its Services.

7.22 Status of Parties. PReMA Corp is an independent contractor of the City of Montevallo. Nothing contained in this Agreement shall be construed as establishing a partnership or joint venture relationship between PReMA Corp and the City, or as establishing any relationship beyond PReMA Corp’s role under the terms of this Agreement and as specified on a Schedule. Moreover, PReMA Corp and its employees and representatives shall have no legal authority to bind the City of Montevallo.

7.23 Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors, assigns (where permitted), and transferees.

7.24 Authority. As additional inducement for the City of Montevallo to enter this Agreement, PReMA Corp further represents as follows: (a) all actions required to be taken by or on behalf of it to execute the Agreement, and to perform its covenants, obligations and agreements hereunder, have been duly taken; and (b) the execution and performance of this Agreement do not constitute and will not cause the breach or violation of any contract, lease, franchise, permit or agreement of any nature to which PReMA Corp is a party.

7.25 Immigration Law Compliance. If PReMA Corp employs any person or contractor in Alabama in connection with the performance of Services, PReMA Corp represents and warrants that (a) it does not knowingly employ, hire for employment, or continue to employ an “unauthorized alien,” as defined by the *Beason-Hammon Alabama Taxpayer and Citizen Protection Act*, Act No. 2011-535 (H. B. 56), as amended from time to time (the “Act”) and that, during the performance of this Agreement, it shall participate in the E-Verify program as required under the terms of the Act; (b) it will comply with all applicable provisions of the Act with respect to its contractors by entering into an agreement with or obtaining an affidavit from such contractors providing that such contractors are in compliance with the Act with respect to their participation in the E-verify program; and (c) it shall not hire, retain or contract with any contractor that it knows is not in compliance with the Act. PReMA Corp further agrees and warrants that it will fully comply with the Immigration Reform and Control Act of 1986, as amended by the Immigration Act of 1990, in its hiring and employment practices, and that if it receives actual knowledge of the unauthorized status of one of its employees in the State of Alabama, it will remove that employee from performing the Services and shall require each of its contractors, or other parties with whom it has a contract, to act in a similar fashion. If PReMA Corp violates any term of this paragraph, the Agreement will be subject to immediate termination by the City. To the fullest extent permitted by law, it shall defend, indemnify and hold harmless the City of Montevallo from any and all losses, consequential damages, expenses (including, but not limited to, attorneys' fees), claims, suits, liabilities, fines, penalties, and any other costs arising out of or in any way related to its failure to fulfill its obligations in this paragraph.

IN WITNESS WHEREOF, the parties hereto have executed, sealed, and delivered this Agreement through their duly authorized representatives, as of the day and year first written above.

HDL COMPANIES DBA PREMA CORP

By: _____

Its _____

Date: _____

CITY OF MONTEVALLO, ALABAMA

By: _____

Its _____

Date: _____

SCHEDULE 001 TO CITY/PREMA CORP MASTER AGREEMENT

This **SCHEDULE NO. 001** (this "Schedule") to that certain Master Services Agreement effective as of _____ 2019 (the "Master Agreement") is entered by and between **HdL COMPANIES dba PREMA Corp** ("PREMA Corp"), and the **CITY OF MONTEVALLO, ALABAMA** ("City" or "Client") on this ____ day of ____, 2019 (the "Schedule Date").

WITNESSETH:

WHEREAS, Chapter 8 of the City of Montevallo Code of Ordinances (the "City Code"), provides for the levy and assessment of business license fees for the privilege performing or conducting a business, trade or profession or other business activity in the City; and

WHEREAS, the City of Montevallo desires to enhance the revenue yield from its Business Licenses and collect all revenue due it for business license fees, from businesses operating in the City; and

WHEREAS, PREMA Corp has the qualifications, experience, and expertise to provide Services to discover unlicensed businesses operating in the City ("Non-Compliant Businesses") and collect business license fees (including unpaid interest and penalties related thereto) from those Non-Compliant Businesses (such fees and unpaid municipal taxes being referenced herein as "Unpaid Revenue"); and

WHEREAS, the City and PREMA Corp each desire to enter into an Agreement whereby PREMA Corp provides the Services described herein to discover Non-Compliant Businesses and collect Unpaid Revenue therefrom; and

WHEREAS, PREMA Corp and Montevallo desire that, beginning on the Schedule Date, this Schedule be annexed and made a part of the Master Agreement, and that this Schedule continue in effect as provided for in the Master Agreement or in this Schedule.

NOW THEREFORE, in consideration of the covenants and promises contained herein, the City and PREMA Corp agree as follows:

1. Terms of Master Agreement; Capitalized Terms. Unless otherwise provided in this Schedule, capitalized terms that are not defined herein shall have the same meanings as in the Master Agreement. In the event of a conflict between the terms of the Master Agreement and those in this Schedule, the terms of this Schedule shall control.

2. Scope of Project / Start Date / Schedule / Completion Date.

(a) **Project.** PREMA Corp shall provide the City with revenue generation services related to (1) the identification of unlicensed business activity in the City limits by Non-Compliant Businesses that have failed to comply with the licensing requirements in the City Code for the 2014 through 2019 licensing years, and (2) the collection of Unpaid Revenue from Non-Compliant

Businesses identified by PREMA Corp on the PREMA Discovery List discussed below (herein collectively the “2019 Revenue Enhancement Project” or the “2019 Project”).

All the parties recognize that the period in which PREMA Corp performs the 2019 Project will continue beyond the time when businesses operating in the City are required to acquire licenses for the 2020 licensing year. If, in the course of performing the Project, it is determined that a business that PREMA has identified and placed on the PREMA Master List (which may be updated daily) has failed to pay business license fees for the licensing year 2020 (the “2020 Year Delinquencies”), the collection of those 2020 Delinquencies shall also be encompassed in the scope of the 2019 Project and PREMA Corp shall be entitled to receive the Fees (as set forth below) if it collects those 2020 Delinquencies. Non-Compliant Businesses who are discovered after the commencement of the 2020 license year, the eligible period will be changed to license years 2015 through 2020.

(b) Project Start Date. This Project shall commence when (i) this Schedule is fully executed and (ii) the City provides PREMA Corp an authorization to proceed (the “Project Start Date”), and by no later than _____.

(c) PREMA Corp will perform the various phases of the Services on the following schedule:

- 1) Mobilization and Start-up Activities: PREMA Corp will perform its mobilization and startup activities within three (3) months after the Project Start Date. These activities will include software configuration, activation of databases, preparation of business notifications and forms;
- 2) Creation of PREMA Discovery List: Upon commencement of physical field inventory, PREMA Corp will provide a daily and cumulative list of businesses identified in the field as Non-Compliant Businesses who may have Unpaid Revenue for the 2019 licensing year (the “PREMA Discovery List”), and simultaneously furnish that List to the City. Upon completion of the field inventory, the Discovery List may be provided on a weekly or bi-weekly basis, dependent upon notification activity to non-compliant businesses identified through other PREMA proven methods;
- 3) Field Work and Other Non-Compliance Identification Activities. PREMA will commence field work activities (including contacts with Non-Compliant Businesses) within no later than ninety-five (95) days after Project Start Date, and substantially complete its field work within six (6) months after the Project Start Date. Other methods of identification of businesses with nexus in the City or home occupations will continue until sixty (60) days before project end date, or until such time as the City determines an extension of the project end date may be required.
- d) Project Termination Date. The 2019 Project shall continue to be in force for three years after Project Start Date. An extension may be granted at such time the City determines it is in the best interests of the City to continue identification of non-compliant businesses.

3. Cooperation/Suspension of City Collection Activities. The parties understand and agree that the success of the 2019 Project is dependent on cooperation between the City Finance Department revenue staff and representatives of PREMA Corp.

The City agrees that its revenue staff, inspectors or other representatives of its Finance Department will not conduct field inspections, data mining, or any other type of investigation activities for purposes of identifying or discovering Non-Compliant Businesses for the period beginning with the Project Start Date and ending six (6) months later.

4. Applicable Fees/Taxes to Be Collected. The collection Services provided by PREMA Corp. shall be limited to collection from Non-Compliant Businesses of the unpaid license fees (including all applicable interest and penalties) as described in Chapter 8 of the City Code.

5. Eligibility of Accounts for Discovery and Compensation. Unless otherwise provided herein, the City and PREMA Corp agree that all Non-Compliant Businesses on the PREMA Discovery List shall be eligible for inclusion and calculation for compensation.

6. Collection of Applicable Fees. PREMA Corp may begin collecting the applicable fees and taxes, (including penalties and interest) effective as of the Project Start Date and continue to collect those fees and taxes until such time as this Schedule expires or is terminated. Disbursements, net of PREMA Corp fees, will be made to the City by either wire transfer or by ACH into City's designated account on a not less than bi-monthly basis. Reports of disbursements will be provided to the City as part of the Services.

7. Provision of Client Data. The City shall provide PREMA Corp with the most current and active 2019 business licensing year database including, but not limited to, account number, business name, dba name, physical address, mailing address, NAICS Code, 2019 payment amount, and most recent Business License effective data no later than thirty (30) days after the Project Start Date

8. Scope of Services. PREMA Corp will provide the following services relative to discovery and collection of business license fees from Non-Compliant Businesses:

- a) **Inventory.** Work by PREMA Corp during the various phases of the Services will include, but not be limited to:
 - i) **Physical identification and personal contact with the business as necessary.** Both parties recognize that there may be entities, institutions and industries that are either exempt from licensing under federal, state, or local laws, or are properly licensed but may be engaged in additional lines of business or may have under their "umbrella" individuals who are independent contractors/vendors or who conduct independent activities at a single location in the City that may require a business license. It is agreed that, PREMA Corp will contact management of such entities to seek management's cooperation before contacting individuals or individual independent contractors/vendors. Should PREMA be unable to secure cooperation of management and a list of independent contractors/vendors for which the aforesaid entities conduct

business with and are under their "umbrella," then PREMA will notify the City informing them of the lack of cooperation or refusal of the entity to provide a list of such independent contractors/vendors or individuals.

- ii) Identify and confirm businesses that have business presence (nexus) in the City, but who are located outside of the City. The City understands that not all businesses providing services and products in Montevallo but who do not have a physical address in Montevallo, can be identified during the term of the field inventory process.
- iii) Telephone and Internet investigations.
- iv) Comparison of all available databases to listing of businesses currently licensed (e.g. Alabama Secretary of State, Montevallo Chamber of Commerce, City of Montevallo, etc.). Comparison may include licensed retailers to the City's sales tax database to assess completeness and accuracy of both tax and license databases. The City agrees to provide PREMA Corp with full and complete Sales Taxpayer Database for this purpose.
- v) Send written notices of the requirement for license:
 - (1) Deliver and/or mail a First Notice
 - (2) Follow up with mailing a Second and a Third/Final Notice of Tax and License requirement
 - (3) PREMA Corp will advise designated City Finance Department staff of license/tax status if no response to Third and Final Notice.
- b) Internet Access. The City will be provided with secure internet access to view and download real-time data from PREMA Corp's licensing records twenty-four hours a day, seven days a week.
- c) Collections. PREMA Corp will collect the appropriate fees, taxes, and any penalties and interest thereon, on behalf of the City. PREMA Corp will also provide the following assistance to the City in connection with these activities:
 - i) Receive completed license applications;
 - ii) Follow up with Business License tax, fee, penalty, and interest calculations for all applicable years and invoicing;
 - iii) Receive all Business License tax payments;
 - iv) Provide the City with taxpayer information, payment information, and other documentation provided to PREMA Corp by taxpayer on paid-in-full taxpayer accounts for the City's final review and City's issuance of applicable year's Business License(s);

- v) Deposit, via either ACH or wire transfer, Unpaid Revenues (including license fees and penalties and interest amounts thereon) received on behalf of the City directly into the City's designated bank account during the collection phase of the Project, after deduction of PREMA Corp's fee;
- vi) Provide the City with taxpayer records along with deposit;
- d) Data Entry/License Clerk. PREMA Corp will provide dedicated, trained and knowledgeable staff. Staff assigned to Montevallo shall be an employee of PREMA and not the City for any purpose. Employee may serve as the point of contact for businesses seeking assistance with completing business license application and/or payment of Business License invoices as a result of the Revenue Enhancement project. One or more PREMA employees may be on the City's site at periods of time during the field investigation phase of the project.
- e) Delinquencies. PREMA Corp will provide taxpayer delinquency notification (up to three notices and/or invoices, including final notice/invoice) before turning the account over to the City for further collection action and enforcement. The City reserves the right, in the exercise of its sole discretion, to determine what, if any action, it will take regarding collection of accounts returned by PREMA Corp.
 - (1) Delinquent Closeout. The City shall be advised by PREMA Corp of any amounts outstanding or of non-responsive businesses after the 3rd and Final Invoice and/or third and final notice, respectively, has been provided to taxpayer. Two categories of taxpayers will be identified: (i) businesses who have been invoiced, but have not paid in full; and (ii) businesses who have not responded to Notice(s) of Non-Compliance. The City may, but is not obligated, to take the necessary enforcement action in a timely manner to collect invoiced amounts in full or to achieve compliance with Notice(s) of Non-Compliance.
- f) Call Center. PREMA Corp will provide the City and taxpayer with a call center for customer service during PREMA Corp's normal business hours via a toll-free number.
- g) Documentation. PREMA Corp will provide the City with the following documentation:
 - i) Schedule of Business License Tax and Fee remittances by taxpayer and indicating period covered by remittance;
 - ii) Summary indicating gross collections, fee for services, and net collections for the period, including the total amount deposited in the City's account on each deposit date.
 - (1) Deposit of Funds. See Section 8(c) above.
 - (2) Disputes with Businesses in Collection Process. The parties acknowledge, in the course of PREMA Corp's collection activities with Non-Compliant Businesses, those Businesses may contest whether they are required to have a license from the City or the amounts of Unpaid Revenue (including interest and penalties) that are

claimed to be owed (a “Collection Dispute”). Moreover, the parties agree that some circumstances may arise where compromise or settlement of a Collection Dispute would be in the best interests of the parties, the City and the Business. Accordingly, PREMA Corp agrees that, in the event that a Collection Dispute arises, it will advise the City Finance Department of any such Dispute, and the parties thereafter will exercise their good faith efforts to resolve any Dispute with a Non-Compliant Business in a manner that is reasonably acceptable to all interested entities. PREMA will have no authority to compromise or settle a Collection Dispute with a Non-Compliant Business. Requests for abatement of penalty will be directed to PREMA Corp, at which time supporting documentation and any correspondence or communications with taxpayer will be documented and provided to the City along with the Abatement Request for the City’s informed determination of Penalty Abatement.

9. City Assistance. City shall assist PREMA Corp as follows:

- a) Interpretation of Applicable Provisions in City Code. City staff will provide assistance related to interpretation of the City Code as well as interpretation of the data it provides to PREMA Corp.
- b) PREMA Software Configuration. City staff will provide information required for PREMA's software configuration via a question and answer format and/or data configuration template. PREMA Corp may ask questions throughout the configuration process for accurate and concise information.
- c) Maps and Boundaries. The City will provide boundary address information and maps for the City of Montevallo.
- d) Forms. The City will provide approval of temporarily modified business license application forms to include all applicable and required information from business, including other data as may be required to adequately process application for multiple years and for immediate calculation for invoice. Also, the City will provide approval of other documents and forms as may be required to administer collection of required taxes, fees, penalty, and interest.
- e) The City will provide applicable Codes and other documents relating to its Business License requirements for all applicable years, and approved letters and forms for use in notification of the City’s licensing requirements.
- f) The City will provide a letter and/or other appropriate documentation (e.g., identification badge) for PREMA Corp to be identified to Non-Compliant Businesses as necessary for its field operations.

10. Obligations of City.

- a) City Furnished Data. See Section 6.1 of Master Services Agreement.

- b) Unpaid Revenue Calculation. Following the Project Start Date, PREMA Corp and the City will consult on the tax calculation methods employed by PREMA Corp, and used by the City with respect to its business data. The intent of the parties is that Unpaid Revenue be collected in accordance with applicable local and State laws and regulations.
- c) Access to facilities and property. City will make its facilities accessible to PREMA Corp during the City's regular office hours as reasonably required for PREMA Corp to perform the Services, including agreed office space and access to the City's internet service. Access to City computer equipment, system software, and network will be limited to a computer(s) at the Revenue Department with credentials equivalent to those of a business license clerk, with the exception of the cashiering module. City staff will be available on reasonable intervals during the City's regular office hours to assist PREMA Corp representatives with questions related to City records, processes, and data.
- d) Timely Review. If requested, City will examine PREMA Corp's reports, specifications, notices, proposals, and other documents at reasonable intervals. In the event that a decision is required of City in order for PREMA Corp to perform the Services, City shall render such decision in writing in a timely manner.
- e) Litigation Assistance. See Section 6.3 of Master Services Agreement.

11. Fees.

- a) City shall pay PREMA Corp the following fees in connection with the performance of the Scheduled Services for the Project:
 - i) A contingent fee of 50% of Unpaid Revenue collected by PREMA Corp during the term of this Schedule. The City agrees that PREMA Corp may continue to collect revenue and receive fees for 90 days after termination of the Schedule with respect to collection activities with a Non-Compliant Business that it initiated within the three-year term of this Schedule.
 - ii) A contingent fee of 50% of Unpaid Revenue (i.e. license fees, penalties, and interest due thereon) collected by the City through its own personnel.
 - iii) In the event that (a) PREMA Corp is unable to collect Unpaid Revenue regarding a Non-Compliant Business and the actions contemplated in Paragraphs 8.4 and 8.5 of this Schedule occur, and (b) the City retains the services of a third party who ultimately collects that Revenue, the City will pay PREMA Corp a fee of 50% of the net amount of the Unpaid Revenue for any such account that the City receives after compensating such third party for its services.
 - iv) PREMA agrees that no Fees are payable to it with respect to payments for business license fees that are made by businesses to the City in the following circumstances:

- (1) by any business that is newly established or licensed by the City prior to the Project Start Date;
- (2) by any business that is newly established, per the City's Code of Ordinances, and licensed by the City after the Project Start Date but is not on the PREMA Discovery List;
- (3) by any business identified in the City business license database as having held a business license from the City for the 2019 licensing year, regardless if any such business does or does not owe the City business license fees for the 2019 licensing year.

12. Expenses. The City will not reimburse PREMA Corp for any expenses that it incurs in performing the Services contemplated in this Schedule.

13. Termination. This Schedule may be terminated as provided in the Master Agreement or this Schedule, or at any time upon agreement by both parties.

IN WITNESS WHEREOF, the parties hereto have executed, sealed, and delivered this Agreement through their duly authorized representatives, as of the day and year first written above.

**HdL COMPANIES
dba PREMA Corp**

**CITY OF MONTEVALLO,
ALABAMA**

By: _____

By: _____

Its _____

Its _____

Date: _____

Date: _____

Old Business:

Ordinance establishing salary of City Council –

Council Member Herbert said that based on his calculations as discussed during a prior council meeting, for a city our size, the council salary should be around \$3,498 per year.

Council Member Nix said because we rely so much on volunteer labor for our fire department, various committees, boards etc, he didn't think that was warranted. He suggested \$100 per month.

Council Member Bunt said she agreed with \$100 per month.

Council Member Peterson said \$100 a month would not be worth the cost to file taxes on it.

Council Member Herbert made a motion that we set the possible compensation level at \$300 per month, understanding that the ordinance itself would be entered into the record as the first reading and would need to be voted on at the next meeting. Council Member Peterson seconded. Council Members Herbert, Peterson and Mayor Cost voted AYE. Council Members Nix and Bunt voted NAY. MOTION APPROVED.

The following Ordinance was read into the record as its first reading:

ORDINANCE NO. _____

**CITY OF MONTEVALLO ORDINANCE ESTABLISHING THE MONTHLY SALARY
OF THE CITY COUNCIL**

AN ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTEVALLO, ALABAMA AS FOLLOWS:

Section 1. That the salary of the city council of the City of Montevallo, Alabama, shall be and the same is hereby fixed at the sum of \$300 per month; \$3,600 per annum.

Section 2. This ordinance shall become effective on the first Monday in November, 2020, and shall continue in force and effect until repealed by action of the council.

Section 3. The provisions of this ordinance are hereby declared severable; if any portion of this ordinance shall be held unconstitutional or otherwise invalid by a court of competent jurisdiction, such ruling shall not affect the remaining portions of this ordinance.

ADOPTED AND APPROVED THIS THE ___ DAY OF FEBRUARY, 2020.

Hollie C. Cost, Mayor

ATTEST:

Herman Lehman, City Clerk

Board Appointments:

Historical Preservation Commission – Kathy King

Council Member Nix said he wished we could appoint more people to the HPC who have lived in Montevallo all their lives.

Mayor Cost said we welcome anyone who is interested in serving. Ms. King has expressed her interest in serving on this commission.

Council Member Peterson made a motion to approve Ms. King's appointment to the Historic Preservation Commission. Council Member Herbert seconded. Council Member Nix ABSTAINED. ALL OTHERS VOTED AYE . . . MOTION APPROVED.

Mayor Cost informed the Council she has appointed Amy Feger to the Planning Commission.

Council Member Bunt made a motion to approve Diane Lander's reappointment to the Library Board. Council Member Herbert seconded. ALL AYES . . . MOTION APPROVED.

Other Business:

Maggie Benson presented a draft of the updated website for the Council's approval. She pointed out that our current logo is used within the body of the site, but the header uses something more like the logo designed during the Main Street branding session.

Council Member Bunt said she was concerned with the legibility of the banner. Ms. Benson said that is an adjustment she recommended, as well.

Council Member Herbert said he likes the layout, but wants to make sure it is easy to navigate.

In response to a question from Council Member Bunt, Ms. Benson explained there is no additional cost for the creation of this new site. It is part of our agreement with Sophicity. It will also be fully ADFA compliant.

Council Member Bunt suggested changing the text colors from blue to green. She said she would be happy to help Ms. Benson work through some of those finishing touches.

Council Member Herbert made a motion to approve the new website as to be finalized by both Ms. Benson and Council Member Bunt. Council Member Peterson seconded. ALL AYES . . . MOTION APPROVED.

Ms. Barone recommended changing the Recycling Center Hours from 8 a.m. - 4 p.m., Monday – Saturday. She said being open 24/7 leads to a lot of abuse.

Council Member Nix suggested we make sure our new cameras can see the front gate in case people dump there after hours.

Ms. Barone said that is the plan.

Chief Littleton said the new cameras will need to allow us to read tag numbers. We are working on that.

Council Member Herbert made a motion to approve the new hours. Council Member Peterson seconded. ALL AYES . . . MOTION APPROVED.

Chief Littleton requested council approval to enter into a contract with Carol Williams to write a COPS grant. We are attempting to obtain funding for a second School Resource Officer. Carol wrote our most recent successful grant.

Council Member Nix made a motion to approve contracting with Carol Williams to write the COPS grant for a new SRO. Council Member Bunt seconded. ALL AYES . . . MOTION APPROVED.

Grant Writing Consulting Scope of Work
COPS Hiring Program (CHP) Grant

City of Montevallo Police Department Responsibilities:

- Completion of budget with assistance from consultant
- Submit payment to consultant at submission of application (Rate: \$75/hour); Estimate of expected time below
- Provide needed data, documentation and input as needed by consultant (see timeline below)

Consultant Responsibilities (Williams Prevention Consulting, LLC):

- Provide assistance in completing necessary system registries (Pages 3 and 15 of COPS Hiring Program Application Guide)
- Complete the narrative questions of the application to include 6b Sections I-III; Sections 7A-D; and Section 8A (21 total narrative questions)
- Provide assistance in completing other application components (Page 34 of COPS Hiring Program Application Guide)
- Provide a detailed account of hours charged for grant writing with invoice for services

Grant Writing Timeline

Tuesday, January 28th-Friday, February 7th:

- Initial meeting with Chief of Police to review narrative questions and request any needed data
- Login to grants.gov and complete SF-424 to receive COPS system access
- Verify all other needed registries are up-to-date

Monday, February 10th-Friday, February 21st:

- Complete narrative questions (10 hours)

Monday, February 24th-Friday, February 28th:

- City of Montevallo Police Department review of narrative responses
- Consultant and Chief of Police to complete other application components (3 hours)

Monday, March 2nd-Friday, March 6th:

- Schedule date to submit the application at Montevallo Police Department

Application deadline: March 11, 2020

Expected Consulting Hours: 15 hours (\$1,125)

The City clerk asked the Council to renew our sales tax auditing service agreement with Rivertree.

Council Member Peterson made a motion to approve the Rivertree contract. Council Member Nix seconded. ALL AYES . . . MOTION APPROVED.

RIVERTREE SYSTEMS, INC.
P. O. Box 361361
Birmingham AL 35236



AUDITORS FOR THESE ALABAMA CITIES AND COUNTIES:
ALABASTER*ALEXANDER CITY* ANDALUSIA* CALERA
CHELSEA*COLUMBIA*DECATUR*GARDENDALE
GULF SHORES*HARTSELLE* HELENA * HOMEWOOD
HUEYTOWN* IRONDALE*JACKSONVILLE*JASPER*LINCOLN*MADISON
MILLBROOK*MONTEVALLO*MONTGOMERY*MOODY*NORTHPORT
ORANGE BEACH*OZARK* PELHAM*PELL CITY*PRATTVILLE
TALLADEGA*TRUSSVILLE*TUSCUMBIA*VESTAVIA HILLS
INDIAN SPRINGS VILLAGE & TRINITY (BUSINESS LICENSE)
COLBERT COUNTY*MONTGOMERYCOUNTY*MORGAN COUNTY
SHELBY COUNTY*ST. CLAIR COUNTY

JAMES M. THOMAS
205-988-0331 x301
Fax 205- 988-9687
jimthomas308@bellsouth.net

January 6, 2020

CITY OF MONTEVALLO
Attn: Debby Raymond, CMRO
Revenue Director
541 Main Street
Montevallo, AL 35115

RE: Audit Contract Renewal

Dear Ms. Raymond,

My records show that the current 3-year contract is set to expire February 6, 2020. It has been my experience that with City Council members it often takes a month to get approval.

Please note the following:

1. The hourly rate will be \$75.00 an hour.
2. Under termination the change is from 60 to 90 days to cancel the contract.
3. Under 1. (f), the statements on Preliminary Assessments and Final Assessments are based on Act 2016-406. Rivertree has always kept you informed on problem audits and had you sign-off on the Final Assessments

If the City Council approves this contract please mail a signed copy of page 9 for my files. We have had a lengthy relationship and desire to continue to generate revenue for the City of Montevallo.

Yours truly,

A handwritten signature in purple ink that reads "James M. Thomas". The signature is fluid and cursive, with the first name "James" and last name "Thomas" clearly legible.

James M. Thomas –President
Certified Revenue Examiner

STATE OF ALABAMA

COUNTY OF SHELBY

AGREEMENT FOR EXAMINATION SERVICES

THIS AGREEMENT made and entered into on this the ___ day of _____ 2020 by and between the **CITY OF MONTEVALLO**, hereinafter referred to as the "Client", and **RIVERTREE SYSTEMS, INC.**, an Alabama corporation (hereinafter referred to as "**RIVERTREE**").

1. The Client desires to provide for the collection of all local taxes and fees, regardless of the jurisdiction in which a taxpayer subject to the Client's taxing power maintains its principal office, to provide that all taxpayers are treated equally and to provide that all tax related ordinances are uniformly and consistently applied. In order to accomplish these goals and objectives, the Client desires to retain the services of a company legally qualified as a "private auditing or collecting firm" as defined in the Alabama Taxpayers' Bill of Rights and Uniform Revenue Procedures Act, Code of Alabama (1975) §40-2A-1 et seq. (hereinafter the "Taxpayers' Bill of Rights") to perform audits and examinations of such taxpayers' books and records.

2. RIVERTREE is qualified as a private auditing or collecting firm under the Taxpayers' Bill of Rights and, as such, provides collection, examining and consulting services for local governments throughout the State of Alabama. RIVERTREE has represented to the Client that (i) it is knowledgeable of all laws and regulations applicable to private auditing or collecting firms, (ii) it provides its services in full compliance with all applicable laws and

regulations, and (iii) it obtains all of the legally required certifications, fidelity bonds, and legal letters of authority to act as a private auditing or collecting firm.

3. The Client desires to retain RIVERTREE as a private auditing firm to provide tax auditing and examination services under the terms and conditions, of this Agreement.

NOW, THEREFORE, PREMISES CONSIDERED, RIVERTREE and the Client hereby agree as follows:

1. **RIVERTREE SYSTEMS, Inc.** The Client and RIVERTREE hereby agree that RIVERTREE will provide the following services:
 - a) Identify and prepare a written list of "taxpayer candidates for examination "based on objective criteria to be agreed upon by RIVERTREE and the Client in advance of such work.
 - b) Pursuant to Code of Alabama (1975) §40-2A-13(d) upon first contact with the taxpayer, RIVERTREE shall disclose in writing the identity of the Client and all other clients represented by RIVERTREE and shall provide a copy of appropriate written authorization of RIVERTREE's representation from the Client and from any such other client.
 - c) Inspect and examine on behalf of the Client, all books, records and other documents of taxpayers assigned to be examined by the Client to determine to what extent, if any, the taxpayer owes the Client sales and use taxes, occupational taxes, license fees, lease taxes, tobacco taxes, gasoline taxes, and any other city tax, plus interest, penalties and other charges thereon, as directed by Client and in accordance with the ordinances, resolutions and regulations of the Client.
 - d) RIVERTREE acknowledges that Code of Alabama (1975) §40-2A-13(f) provides that when a private examining or collecting firm represents more than one county, city or town on the date it first contacts a taxpayer, the private examining or collecting firm shall examine the taxpayer's books and records for all such counties, cities or towns simultaneously. Therefore, when conducting examinations initiated by other RIVERTREE clients (counties or other cities and towns), RIVERTREE will include Client on the list of entities for which the examination is being conducted. In the event RIVERTREE examines a taxpayer on behalf of other RIVERTREE clients who have not enacted the same taxes as Client, then RIVERTREE's audit of such taxpayer shall include all such taxes of Client.

- e) Perform examinations of taxpayer's records in accordance with "*The Minimum Standard Examination Program*" established by the Alabama Local Tax Institute of Standards and Training (the "Minimum Standards").
- f) Report to the Client that information necessary for the Client to assess the taxpayer's sales and use taxes, license fees, lease taxes, and all other City taxes, plus interest, penalties and other charges thereon for transactions which RIVERTREE reasonably believes may have resulted in an obligation of the taxpayer to pay such taxes to the Client. RIVERTREE shall issue the Preliminary Assessments on audit findings if a **Final Assessment** is required the Client will issue either on a City form or sign off on the RIVERTREE Final Assessment. At no time will RIVERTREE issue a Final Assessment without the Client's approval.
- g) Report to the Client that information necessary for the Client to assess the taxpayer's sales and use taxes, license fees, lease taxes, and all other County taxes, plus interest, penalties and other charges thereon for transactions which RIVERTREE reasonably believes may have resulted in an obligation of the taxpayer to pay such taxes to the Client.
- h) Prepare and present to the Client a "Findings Report," which shall include, at a minimum, all information required to prepare a written report under the Minimum Standards and a summary thereof on each examination performed. In the event RIVERTREE's audit indicates that a particular taxpayer has no tax Liability to the Client, RIVERTREE shall provide the Client a written report including the name of the taxpayer audited, the types of tax for which the taxpayer was examined and found to have no liability, and the audit period.
- i) Provide full cooperation to the Client in the preparation of any legal documents, attend any judicial, administrative, departmental, appellate or other legal hearings and be available to testify at hearings that may be required to collect any amounts due to the Client from the taxpayer.
- j) Pursuant to the Code of Alabama (1975) §40-2A-1 3(h) RIVERTREE shall notify the taxpayer if any tax overpayments are discovered and the taxpayer is due any refunds from the Client, or if the taxpayer owes any tax to the Client.
- k) Any additional or incidental services which are allowable by law and are reasonably necessary in order to carry out RIVERTREE's obligations under this Agreement.

RIVERTREE shall collect all taxes with checks payable to the CITY OF MONTEVALLO.

2. **Compensation.** It is understood that each RIVERTREE client will only pay a prorated portion of total audit costs when RIVERTREE is conducting examinations for multiple clients at one time. Client agrees to pay RIVERTREE its prorated portion of each audit's total audit costs which shall consist of **seventy-five dollars (\$75.00) per hour.**

RIVERTREE shall be paid monthly based upon hours worked submitted to the Client by the fifteenth (15th) day of the month for the month next proceeding. The parties acknowledge that the Code of Alabama (1975) §40-2A-6 specifically prohibits the Client from entering into any contract or arrangement with a private examining or contracting firm for the examination of a taxpayer's books on a contingency fee basis and agree that RIVERTREE's compensation under this Agreement is not in any way contingent upon or otherwise related to the amounts discovered during examinations nor contingent upon or related to amounts finally received by the Client.

3 **Representations and Warranties.** RIVERTREE represents and warrants as follows:

- a. RIVERTREE is a corporation valid and existing and in good standing under the laws of the State of Alabama.
- b. As of the effective date of the Agreement, RIVERTREE and any employee, agent, or independent auditor/examiner of RIVERTREE providing services under this Agreement, shall have obtained all licenses and bonds necessary or appropriate to perform RIVERTREE's obligations under this Agreement and all such licenses and bonds shall be current and in good standing, and shall be maintained throughout the term of this Agreement.
- c. RIVERTREE and its employees, agents and independent auditors/examiners agree to comply with all current and future laws, rules and regulations applicable to all services provided by RIVERTREE under this Agreement, including, but not limited to, the Local Tax Simplification Act of 1998, the Alabama Local Tax Procedures Act of 1998 and the Taxpayers' Bill of Rights as currently in effect and hereafter amended.

- d. RIVERTREE agrees to comply with all laws and regulations relating to the employees of RIVERTREE, including, without limitation, all tax withholding requirements and worker's compensation laws.

4 Change in Law. The parties agree that in the event of any conflict between the requirements of any applicable law and the terms of this Agreement, then the requirements of such applicable law shall control. If any law applicable to the services provided by RIVERTREE under this Agreement shall be amended, or otherwise changed following the effective date of this Agreement, and the Client, in its sole discretion, determines that such amendment, modification or change in the law shall impair or frustrate the Client's purposes for entering into this Agreement, then the Client shall have the option to terminate this Agreement as provided in Paragraph 10 below.

5. Requirements of Examiners. All examiners employed by RIVERTREE shall meet all requirements of the Taxpayers' Bill of Rights and other current or future applicable law. At a minimum, all such examiners shall (i) be certified public accountants or accountants licensed by the State Board of Public Accountants, or (ii) be certified by the Alabama Local Tax Institute of Standards and Training, and (iii) maintain fidelity bonds in accordance with the Code of Alabama (1975) §40-23-30, as currently in effect and hereafter amended, and (iv) maintain a business license as required by Code of Alabama (1975) §40-12-2, as currently in effect and hereafter amended. If any assessment based on an audit by RIVERTREE is invalidated due to lack of proper certification of RIVERTREE's auditors, RIVERTREE must either provide an audit of the assessed taxpayer conducted by a certified auditor or reimburse Client for all amounts paid to RIVERTREE in connection with the audit. RIVERTREE shall indemnify and hold Client harmless from any loss in revenues arising from or in connection with any invalidated assessment based upon an audit conducted

by RIVERTREE if such invalidation is due to lack of proper certification of RIVERTREE 's auditors or due to any other fault of RIVERTREE.

6. **Inspection.** The Client reserves the right at all reasonable times to inspect the documents, information, taxpayer examination system and procedures of RIVERTREE to ensure that RIVERTREE and its employees, agents, and independent auditors/examiners are complying with the terms of this Agreement and all applicable laws. Any such inspection or any lack of inspection by the Client, however, shall not be deemed to waive the requirements of, or excuse the foregoing from complying with, the terms of this Agreement and all applicable laws.

7. **Confidentiality of Tax Information.** RIVERTREE and its employees, agents, and independent auditors/examiners shall not print, publish or divulge the return of any taxpayer or any part of a return or any information or data supplied by the Client or secured in arriving at the amount of the tax value reported and shall act in conformance with all current and future federal, state and local laws and regulations concerning the confidentiality of tax information, including, but not limited to, the Taxpayers' Bill of Rights (collectively, the "Confidentiality Laws"). All principals, officers, employees and independent auditors/examiners of RIVERTREE involved with the services provided by RIVERTREE under this Agreement, prior to undertaking such services, shall execute an agreement in form and context acceptable to the Client binding such principals, officers, employees and independent auditors/examiners to observe the Confidentiality Laws.

8. **Independent Contractor.** The parties agree that RIVERTREE is and shall at all times be considered an independent contractor and neither it nor its employees or its independent auditors/examiners shall be considered employees of the Client or entitled to any

rights or benefits accorded to employees of the Client. RIVERTREE and the Client affirm that this Agreement does not create a partnership or joint venture and that no expressed, implied or apparent rights are intended to inure to any third parties under the terms and conditions herein.

9. **Term.** This Agreement shall be effective as of the date set forth in the preamble and will continue for a period of 3 year(s) from the date unless terminated as herein provided. Pursuant of the Code of Alabama (1975-40-2A-12, this Agreement shall not renewed or extended beyond such three (3) year term: provided, however, that parties may negotiate a new contract concerning the subject matter of this Agreement to become effective following expiration of this Agreement.

10. **Default.** If RIVERTREE shall fail in any respect to comply with the terms of this Agreement, the Client shall notify RIVERTREE in writing of the matters with regard to which default is asserted, and RIVERTREE shall have thirty (30) days to cure such default. If RIVERTREE fails to either cure such default within said time, then the Client may terminate this Agreement at any time thereafter by giving written notice to RIVERTREE of its election to terminate.

11. **Termination.** Either party may terminate this Agreement by giving the other party written notice of termination at least ninety (90) days prior to the effective date of termination. Notwithstanding the foregoing, this Agreement shall be terminated automatically, without notice, if RIVERTREE, for any reason loses or foregoes its license required under Code of Alabama (1975) §40-2A-13 or §40-2A-14. RIVERTREE shall provide the Client all documentation, records, reports, and examinations as of the effective date of the termination with a final itemized statement of fees due.

12. **Assignment; Subcontracting of Services.** Client acknowledges and agrees that RIVERTREE may retain auditors or examiners on an independent contractor basis to provide the services described in this Agreement and Client consents to RIVERTREE's retention of such auditors or examiners provided, however, that any such auditor or examiner must meet all criteria applicable to auditors and examiners under law or under this Agreement and provided further that all terms and conditions of this Agreement, including but not limited to indemnities, applicable to services provided by RIVERTREE shall apply to any work performed by such auditors and examiners. RIVERTREE shall maintain and, upon Client's request, shall provide to Client a list of all auditors and examiners authorized to provide services on behalf of RIVERTREE. Except as provided in this Paragraph 12, RIVERTREE shall not assign any of its rights or obligations under this Agreement or enter into an agreement with any person, entity or subcontractor to perform the obligations of RIVERTREE under this Agreement. Any such assignment or other agreement by RIVERTREE shall be null and void.

13. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama. If a dispute arises out of or relates to this Agreement or its breach, the parties shall endeavor to settle the dispute first through direct discussions and negotiations. If the dispute cannot be settled through direct discussions or negotiations, the parties shall endeavor to settle the dispute by non-binding mediation. The location of the mediation shall be Montevallo, Alabama. Either party may terminate the mediation at any time after the session, but the decision to terminate must be delivered in person to the other party and the mediator. Engaging in mediation is a condition precedent to any other form of binding dispute resolution. If the parties cannot agree on a mutual

resolution then any disputes not resolved by mediation shall be decided in the Circuit Court of Shelby County, Alabama and governed by the laws of the State of Alabama between the CITY OF MONTEVALLO and RIVERTREE.

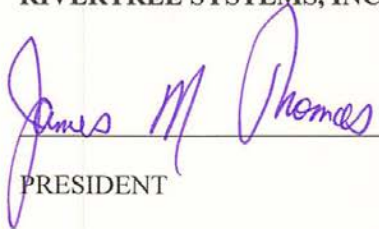
IN WITNESS WHEREOF, the undersigned parties, through their duly authorized officers, have executed this Agreement on the year and day first above written.

CITY OF MONTEVALLO

By: _____

Title: _____

RIVERTREE SYSTEMS, INC.



PRESIDENT

Citizen Participation:

H. G. McGaughy asked if Council Member Peterson was paid for his efforts to install wifi downtown. Council Member Peterson explained that was a UM project and he was compensated for that work.

Mr. McGaughy said he has lived here all his life and that this Mayor and Council have put more time and effort into improving our city than anyone did before. He said \$300 a month for all they do isn't too much to pay. They are all worth lot more.

Mayor Cost thanked Mr. McGaughy and said that they haven't achieved all the progress alone. This has truly been a team effort.

There being no further business before the Council, Council Member Nix made a motion to adjourn. Council Member Peterson seconded. ALL AYES . . .MEETING ADJOURNED at 6:56 p.m.

Submitted by:

Herman Lehman
City Clerk