



City Council Special Meeting Agenda

Date: 2/2/2012
Time: 4:15 p.m.
Location: City Hall Council Chambers

- Mayor Nancy Tia Brown
- Donny Anderson
- Charles Cloud
- Bryan Edwards
- Jerry Fritz
- Steve Miller
- Stan Wolz
- City Administrator, Jenni Rosencranse
- Administrative Services Officer, Cindy Baker
- City Attorney, Scott Kolpitke

- Informational Item - Forward Cody Upcoming Projects
 - Spokesperson: James Klessens, Forward Cody
- Discuss Special Funding Process
 - Staff Reference: Jenni Rosencranse, City Administrator
- Discuss National League of Cities Service Line Warranty Program
 - Staff Reference: Steve Payne, Public Works Director
- Discuss “Nexgen” Below Grade Slider Bed Feed Conveyor
 - Staff Reference: Steve Payne, Public Works Director
- Discuss Mid Year Budget Review
 - Staff Reference: Jenni Rosencranse, City Administrator & Leslie Brumage, Finance Officer
- Discuss Agenda for February 7, 2012 Council Meeting
- Staff Updates
- Council Updates
- Meeting Reminders:
 - Tuesday, February 7, 2012 – Regular Council Meeting – 7:00 p.m. Council Chambers (Pre-meeting 6:30 p.m.)
 - Thursday, February 16, 2012 - Special Council Work Session – 4:15 p.m. – Council Chambers

Time Adjourned: _____

MEETING DATE:	FEBRUARY 2, 2012
DEPARTMENT:	PUBLIC WORKS
PREPARED BY:	STEPHEN PAYNE
DEPT. DIR. APPROVAL:	_____
CITY ADM. APPROVAL:	_____
PRESENTED BY:	STEPHEN W. PAYNE

**AGENDA ITEM SUMMARY REPORT
NATIONAL LEAGUE OF CITIES SERVICE LINE WARRANTY PROGRAM**

ACTION:

Staff requests that the Mayor and Council consider entering into a Marketing Agreement with Utility Services Partners Private Label, Inc. d/b/a Service Line Warranties of America ("SLWA"). The agreement would address a program for creating an insurance policy to fix a citizens water or sewer lateral if they became inoperable and/or needed to be replaced. If council is interested in pursuing this option, an agreement will be brought forward for consideration.

SUMMARY:

The National League of Cities recently put out a publication outlining a program whereby a citizen can pay a monthly fee and in essence purchase an insurance policy on their water and/or sewer laterals. The policy covers up to \$8,500 for water service lateral repairs and up to \$8,000 for sewer lateral repairs.

Every year we find a water service lateral that is leaking and it is often beyond the curb stop and thus the home owner's responsibility to repair. The repairs are often costly and home owners frequently do not have the financial wherewithal to pay for the repairs. The water is not being metered so there is no way to account for the water and since the home owner is not being charged for the water, they are not in a hurry to address the concern. Staff has to send letters requiring the repairs are completed within a set time frame or water service will be shut off and in some cases staff has had to make repairs and then work with administrative services to work out a payment plan with the home owner.

The same scenario outlined above has also occurred with sewer lateral failures.

The attached memo from Keith Viles more clearly outlines the various options available through the program. The memo also addresses two other communities in Wyoming who have the program and one other community that is considering becoming a member of the program.

FISCAL IMPACT

There is no negative impact or cost to the City with the program. There may be a cost benefit, but this would be hard to quantify. The real benefit is to the home owners who participate in the program.

ALTERNATIVES

1. Indicate no interest in the program.
2. Ask staff to bring an agreement forward for the Councils consideration.

RECOMMENDATION

Staff recommends that the Mayor and Council consider entering into a Marketing Agreement with Utility Services Partners Private Label, Inc. d/b/a Service Line Warranties of America ("SLWA"). Staff also

AGENDA ITEM NO. _____

recommends that the Council go with the program and agreement that maximizes the discount to the home owner.

ATTACHMENTS

1. Memo from Keith Viles
2. Sample Agreements

AGENDA & SUMMARY REPORT TO:

N/A

Memorandum

To: Steve Payne, Public Works Director
CC:
From: Keith Viles, Water Systems/Sanitation Superintendent *KV.*
Date: 1/26/2012
Re: National League of Cities Service Line Warranty Program

Pursuant to our conversation regarding the above mentioned program I have the following information.

This program offers City residents the opportunity to participate in two separate programs for water and sewer line replacement at a relatively low monthly cost. For example, the monthly fee for coverage of a water service is presently \$4.50 per month which provides up to \$4000.00 for replacement of the water service, \$4000.00 for asphalt replacement and \$500.00 for any sidewalk replacement associated with the water service replacement. In addition, there is no deductible and the customer is not limited on the number of repairs associated with the service line.

The cost for sewer service coverage is presently \$5.95 per month and provides for \$4000.00 for replacement and \$4000.00 for any associated street and sidewalk repair. As with the water service coverage there is no deductible and the customer is not limited on the number of repairs associated with the service lateral.

The program is administered by Utility Service Partners, Inc. and they take care of all marketing, collection of fees and work with local contractors to have any needed repairs made. It does require a co-branded marketing agreement with the City in order for them to offer the program to our residents. I have attached two copies of the proposed Marketing Agreements for your review. One agreement entitles the City to 12% of the revenue from Utility Service Partners warranty subscriptions while the other agreement provides any residents that subscribe to the warranty program a 10% discount in lieu of the City receiving any payment from Utility Service Partners. In addition there are two other discounts available to subscribers, a 10% discount for those who sign up during the "campaign cycle" and an additional 8% for paying the premium once a year rather than monthly. All total the above represents a potential discount of 28% for subscribers.

I found that both the City of Douglas and the City of Green River are participants in the program. I had the opportunity to visit with the Water Department in Douglas regarding the program and to date they are not aware of any claims but do feel that the program provides a benefit to those participating. In addition, the City of Casper is close to signing an agreement pending Council approval.

After review I feel that this program would be of benefit to any resident choosing to participate as it appears to offer protection at an affordable rate while providing additional opportunities for both plumbing and excavation contractors here in Cody.

CONFIDENTIAL

January 25, 2012

The Honorable Nancy Brown
Mayor
City of Cody
1338 Rumsey Avenue
Cody, WY 82414

RE: Marketing Agreement with Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("SLWA")

Dear Mayor Brown:

We have discussed entering into a marketing agreement between the City of Cody (the "City") and SLWA.

SLWA provides affordable utility service line warranties to consumers. It is SLWA's understanding that, in consideration of the License Fee (as defined below and attached hereto as Exhibit A) to be paid by SLWA to City, City has agreed to cooperate with SLWA in marketing SLWA's services to City's residents and homeowners (the "Residents") as described below:

1. City hereby grants to SLWA a non-exclusive license to use City's name and logos on letterhead and marketing materials to be sent to the Residents from time to time, and to be used in advertising, all at SLWA's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld.
2. As consideration for such license, SLWA will be liable to pay to City, within 30 days of the end of the final calendar quarter, 12% of the revenue from USP warranty subscriptions collected from the Residents during such calendar year (the "License Fee"), together with a statement certifying collections of such USP revenue, so long as this marketing agreement remains in effect. City will have the right, at its expense, to conduct an annual audit, upon reasonable notice and during normal business hours, of SLWA's books and records pertaining to sales and rentals to the Residents while this marketing agreement is in effect and for one year after any termination of this marketing agreement.
3. The term of this marketing agreement will be for one year from the date of the execution of the acknowledgement below and this agreement will then renew on an annual basis unless one of the parties gives the other advance written notice of at least 90 days that it does not intend to renew this marketing agreement. City may terminate this marketing agreement 30 days after giving notice to SLWA that SLWA is in material breach of this agreement if such breach is not cured during such 30-day period. SLWA will be permitted to complete any marketing initiative initiated or planned prior to the effective date of any termination of this marketing agreement and shall pay the License Fee to the City for the calendar year in which this marketing agreement is terminated after which time, except for SLWA'S obligation to permit City to conduct an audit as described above, neither party will have any further obligations to the other and the license described in this letter will terminate.

4. SLWA shall indemnify, hold harmless, and defend City, its elected officials, appointed officials, and employees from and against any loss, claim, liability, damage, or expense that any of them may suffer, sustain or become subject to in connection with any third party claim (each a "Claim") resulting from the negligence or willfulness of SLWA in connection with, arising out of or by reason of this marketing agreement, provided that the applicable indemnitee notifies SLWA of any such Claim within a time that does not prejudice the ability of SLWA to defend against such Claim. Any indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

If City agrees that the foregoing fully and accurately describes the agreement between City and SLWA, please arrange to have a duly authorized representative of City execute and date the acknowledgement below in each of the duplicate original versions of this letter and return one to me in the enclosed self-addressed stamped envelope.

If you have any questions or wish to further discuss this marketing agreement, please do not hesitate to contact Bill Diones via email at bdiones@utilitysp.net or by phone at (303) 736-1159.

Very truly yours,

Utility Service Partners Private Label, Inc.

By: _____

Print Name: Philip E. Riley, Jr.

Title: President & CEO

By: _____

Print Name: Brad H. Carmichael

Title: Vice President

Acknowledged and Agreed:

City hereby acknowledges and agrees that the foregoing letter fairly and accurately describes the agreement between City and SLWA as of the date of this acknowledgement.

City of Cody, WY:

By: _____

Date: _____

Print Name: _____

Title: _____

January 25, 2012

The Honorable Nancy Brown
Mayor
City of Cody
1338 Rumsey Avenue
Cody, WY 82414

**RE: Marketing Agreement with Utility Service Partners Private Label, Inc. d/b/a
Service Line Warranties of America ("SLWA")**

Dear Mayor Brown:

We have discussed entering into a marketing agreement between the City of Cody (the "City") and SLWA.

SLWA provides affordable utility service line warranties to consumers. It is SLWA's understanding that, in consideration of SLWA offering its external sewer and external water line warranties (the "Warranties") at a 10% discount from its standard rates to the Residents (as defined below) the City has agreed to cooperate with SLWA in marketing SLWA's services to City's residents and homeowners (the "Residents") as described below:

1. City hereby grants to SLWA a non-exclusive license to use City's name and logos on letterhead and marketing materials to be sent to the Residents from time to time, and to be used in advertising, all at SLWA's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld.
2. As consideration for such license, SLWA shall offer the Warranties to the Residents at a rate that is 10% less than its standard rate for Warranties offered elsewhere.
3. The term of this marketing agreement will be for one year from the date of the execution of the acknowledgement below and this agreement will then renew on an annual basis unless one of the parties gives the other advance written notice of at least 90 days that it does not intend to renew this marketing agreement. City may terminate this marketing agreement 30 days after giving notice to SLWA that SLWA is in material breach of this agreement if such breach is not cured during such 30-day period. SLWA will be permitted to complete any marketing initiative initiated or planned prior to the effective date of any termination of this marketing agreement and shall pay the License Fee to the City for the calendar year in which this marketing agreement is terminated after which time, except for SLWA'S obligation to permit City to conduct an audit as described above, neither party will have any further obligations to the other and the license described in this letter will terminate.
4. SLWA shall indemnify, hold harmless, and defend City, its elected officials, appointed officials, and employees from and against any loss, claim, liability, damage, or expense that any of them may suffer, sustain or become subject to in connection with any third party claim (each a "Claim") resulting from the negligence or willfulness of SLWA in connection with, arising out of or by reason of this marketing agreement, provided that the applicable indemnitee notifies

SLWA of any such Claim within a time that does not prejudice the ability of SLWA to defend against such Claim. Any indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

If City agrees that the foregoing fully and accurately describes the agreement between City and SLWA, please arrange to have a duly authorized representative of City execute and date the acknowledgement below in each of the duplicate original versions of this letter and return one to me in the enclosed self-addressed stamped envelope.

If you have any questions or wish to further discuss this marketing agreement, please do not hesitate to contact Bill Diones via email at bdiones@utilitysp.net or by phone at (303) 736-1159.

Very truly yours,

Utility Service Partners Private Label, Inc.

By: _____

Print Name: Philip E. Riley, Jr.

Title: President & CEO

By: _____

Print Name: Brad H. Carmichael

Title: Vice President

Acknowledged and Agreed:

City hereby acknowledges and agrees that the foregoing letter fairly and accurately describes the agreement between City and SLWA as of the date of this acknowledgement.

City of Cody, WY:

By: _____ Date: _____

Print Name: _____

Title: _____



TERMS, LIMITATIONS AND EXCLUSIONS OF THE
SERVICE LINE WARRANTIES OF AMERICA (“SLWA”)
EXTERNAL WATER LINE
SERVICE, REPAIR, OR REPLACEMENT PROGRAM (“SERVICE PROGRAM”)

1. This Home Service Contract covers the service as defined by the repair or replacement of a leaking or broken single underground water supply line serving your home that fails due to normal wear and tear. This Home Service Contract covers the consumer owned portion of this water supply line, which may be buried or embedded in a concrete slab under your home. Please note that our approved contractors must have safe access to, and safe working conditions at and around the work area. This Home Service Contract is limited to \$4,000 per occurrence, plus an additional \$500 for public sidewalk cutting or \$4,000 for public street cutting, if necessary. This Home Service Contract covers only the home listed on the cover page.
2. **To initiate a service call under this Service Program, you must call SLWA, toll free at 866-922-9006 (assistance available 24/7) before any repair work is performed.** We answer calls 24 hours a day, 7 days a week. If your case represents an emergency, please state so to our customer service representative.
 - All work must be performed by an authorized SLWA contractor. This Service Program does not cover work performed by a non-SLWA contractor.
 - *If you reside in a Duplex or other Multi Family structure and do not own the entire structure, it will be your responsibility to provide SLWA with a signed release from all other home owners for any internal work which may affect their portion of the structure. This release must be signed and submitted before any work will begin. Any failure by you to submit such signed releases shall discharge SLWA from its obligations to complete any work for which such releases are required. To obtain a release, please call 866-922-9006.*
3. This Home Service Contract starts thirty (30) days after the enrollment date noted on the cover page, unless otherwise noted and disclosed, and continues thereafter so long as you make timely payments. This Home Service Contract may be canceled for nonpayment. Your account must be in good, current standing to receive any service, repair or replacement under this program.
4. This Home Service Contract **DOES NOT COVER:**
 - (a) any insurable risk or any property covered by a contract of insurance;
 - (b) water lines or property for which the manufacturer has publicly acknowledged, or a court has ruled, were inherently defective and for which subrogation or claim against said manufacturer may yet exist. If SLWA services, repairs or replaces any such water lines under such circumstance, you agree to assign your claim or subrogation rights to SLWA;
 - (c) water lines connected to wells, cisterns, or water systems that are not connected to a water company system;
 - (d) repairs of meter vaults;
 - (e) water systems for sprinklers, pools, hot tubs, and/or other outdoor systems;
 - (f) the cost of repairing or replacing a meter(s) that is not being relocated as a means of repairing or replacing your water supply line;
 - (g) anything other than broken or leaking water supply lines;
 - (h) updating and/or moving non-leaking lines to meet code, law, or ordinance requirements, or to satisfy directives of the water company or others;
 - (i) damage to or leaks caused directly or indirectly by you, a third party, natural disasters, acts of God or any insurable causes;
 - (j) restoration of private sidewalks not located in a public easement. Also, restoration of public sidewalks located in public easements but not required by the work permit;
 - (k) any pre-existing or consequential damage from the water line failure (SLWA retains the right to inspect the water line for damage after you enroll and you agree that SLWA contractors shall have the right to come on to your property to conduct such inspections or to service, repair or replace your water service line under the Service Program);



TERMS, LIMITATIONS AND EXCLUSIONS OF THE
SERVICE LINE WARRANTIES OF AMERICA ("SLWA")

EXTERNAL WATER LINE

SERVICE, REPAIR, OR REPLACEMENT PROGRAM ("SERVICE PROGRAM")

- (l) service lines owned by any utility or connected to a commercial facility or a mobile home. **If you own a condominium home please call toll free, 866-922-9006 for further enrollment information.**
5. Whether a covered line is to be serviced, repaired or replaced is entirely within the discretion of SLWA. If your water supply line is buried or embedded in concrete, every reasonable effort will be made to avoid cutting through a slab, which may require relocating your water meter as a means of repair or replacement.
 6. After a water line is repaired or replaced, SLWA will test the affected area for leaks and provide basic site restoration service to the affected area limited to filling in holes, mounding (to allow for settling), raking and seeding. If slab cutting is necessary to repair or replace a broken water line, the resulting trench will be filled. This Home Service Contract does not provide for replacement of any floor covering or affected area (e.g. concrete, carpet, hard wood, marble, ceramic tile, dry wall, paint, plaster or wallpaper etc.). Restoration does not include replacing trees or shrubs or repairing private paved and/or concrete surfaces or structures in your yard.
 7. You have thirty (30) days from the date you enroll in the Service Program to cancel and receive a full refund of any payment you have made. You may cancel the Service Program at any time, and you will be reimbursed the pro rata share of any amount you paid for any portion of the Service Program period subject to cancellation, less any costs paid towards a claim filed on your account; provided, however, SLWA may not pay any refund which is less than \$6.00, unless requested by you. A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited to you by SLWA within forty-five (45) days after cancellation.
 8. SLWA may modify the Service Program by giving you thirty (30) days' written notice and may terminate the Service Program by providing ninety (90) days' written notice for any reason. SLWA also may cancel this Home Service Contract at any time, without prior notice for the following reasons: (a) failure to pay the monthly contract fee when due, (b) discovery of fraud or material misrepresentation by you in obtaining this Home Service Contract or in presenting a claim for service hereunder, or (c) a substantial breach of duties by you relating to the covered items within this Home Service Contract or its use. If SLWA cancels the program for reasons other than nonpayment, you will be reimbursed the pro rata share of any amount you paid for any portion of the Service Program period subject to cancellation.
 9. By enrolling, you represent that you are not aware of any existing leaks or current damage to your water line.
 10. The charges for the Service Program will be sent to you on an individual invoice.
 11. You may not assign or transfer this Home Service Contract or otherwise dispose of your rights and obligations under this Home Service Contract to another person or to another home or property.
 12. Obligations of SLWA under this Home Service Contract are backed by the full faith and credit of SLWA, and are not guaranteed by a service contract reimbursement insurance policy. **THIS IS NOT A CONTRACT OF INSURANCE.**

Service Line Warranties of America
is a private brand name owned and operated by
UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

11 Grandview Circle Suite 100

Canonsburg, PA 15317-9840

Phone: 866-922-9006

Web Site: www.utilitylineprotection.com

IMPORTANT: Please retain this document for your records. It is the official copy of your Home Service Contract.



TERMS, LIMITATIONS AND EXCLUSIONS OF THE
SERVICE LINE WARRANTIES OF AMERICA ("SLWA")

EXTERNAL SEWER LINE

SERVICE, REPAIR OR REPLACEMENT PROGRAM ("SERVICE PROGRAM")

1. This Home Service Contract covers the service, repair or replacement of a broken single underground sewer line serving your home that fails due to normal wear and tear. This Home Service Contract runs from the utility's main sewer line to the internal point of entry to your home, including a main sewer line which may be buried or embedded in a concrete slab under your home. Please note that our approved contractors must have safe access to, and safe working conditions at and around the work area. This Home Service Contract is limited to \$4,000 per occurrence, plus an additional \$4,000 for public street cutting, if necessary. This Home Service Contract covers only the home listed on the cover page.
2. **To initiate a service call under this Service Program, you must call SLWA, toll free at 866-922-9006 (assistance available 24/7) before any work is performed.** We answer calls 24 hours a day, 7 days a week. If your case represents an emergency, please state so to our Customer Service Representative.
 - All work must be performed by an authorized SLWA contractor. This Service Program does not cover work performed by a non-SLWA contractor.
 - *If you reside in a Duplex or other Multi Family structure and do not own the entire structure, it will be your responsibility to provide SLWA with a signed release from all other home owners for any internal work which may affect their portion of the structure. This release must be signed and submitted before any work will begin. Any failure by you to submit such signed releases shall discharge SLWA from its obligations to complete any work for which such releases are required. To obtain a release form call 866-922-9006.*
3. This Home Service Contract starts thirty (30) days after the enrollment date noted on the cover page, unless otherwise noted and disclosed, and continues thereafter so long as you make timely payments. This Home Service Contract may be canceled for nonpayment. Your account must be in good, current standing to receive any service, repair or replacement under this program.
4. This Home Service Contract **DOES NOT COVER:**
 - (a) any insurable risk or any property covered by a contract of insurance;
 - (b) sewer lines or property for which the manufacturer has publicly acknowledged, or a court has ruled, were inherently defective and for which subrogation or claim against said manufacturer may yet exist. If SLWA services, repairs or replaces any such sewer lines under such circumstance, you agree to assign your claim or subrogation rights to SLWA;
 - (c) any sewer line not connected to a public sewer system, including a septic system, leach field, etc.;
 - (d) any sewer line not owned by you or damage related to the backup of sewers and drains caused by the utility's main sewer line;
 - (e) any sewer line connected to a lift station;
 - (f) any branch line or any storm-water line connected to the sewer line or the utility's main sewer line;
 - (g) updating and/or moving non-leaking lines to meet code, law, or ordinances or to satisfy directives of the sewer utility company or others;
 - (h) damage to a sewer line that is caused directly or indirectly by you, a third party, natural disasters, acts of God, or by any insurable causes;
 - (i) any pre-existing or consequential damage from the sewer line failure (SLWA retains the right to inspect the sewer line for damage after you enroll and you agree to permit SLWA contractors to come on to your property to conduct such inspections or to service, repair or replace your sewer line under the Service Program);
 - (k) service lines owned by any utility or connected to a commercial facility or a mobile home. **If you own a condominium home please call toll free, 866-922-9006 for further enrollment information.**
5. Whether a covered sewer line is to be serviced, repaired or replaced is entirely within the discretion of SLWA. If your sewer line is buried or embedded in concrete, every reasonable effort will be made to avoid cutting through a slab, which may require relocating your sewer line as a means of repair or replacement.



**TERMS, LIMITATIONS AND EXCLUSIONS OF THE
SERVICE LINE WARRANTIES OF AMERICA ("SLWA")**

EXTERNAL SEWER LINE

SERVICE, REPAIR OR REPLACEMENT PROGRAM ("SERVICE PROGRAM")

6. After a sewer line is repaired or replaced, SLWA will test the affected area for leaks and provide basic site restoration service to the affected area limited to filling in holes, mounding (to allow for settling), raking and seeding. If slab cutting is necessary to repair or replace a broken sewer line, the resulting trench will be filled. This Home Service Contract does not provide for replacement of any floor covering or affected area (e.g. concrete, carpet, hard wood, marble, ceramic tile, dry wall, paint, plaster or wallpaper etc.). Restoration does not include replacing trees or shrubs or repairing private paved and/or concrete surfaces or structures in your yard.
7. You have thirty (30) days from the date you enroll in the Service Program to cancel and receive a full refund of any payment you have made. You may cancel the Service Program at any time, and you will be reimbursed the pro rata share of any amount you paid for any portion of the Service Program period subject to cancellation, less any costs paid towards a claim filed on your account; provided, however, SLWA may not pay any refund which is less than \$6.00, unless requested by you. A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited to you by SLWA within forty-five (45) days after cancellation.
8. SLWA may modify the Service Program by giving you thirty (30) days' written notice and may terminate the Service Program by providing ninety (90) days' written notice for any reason. SLWA also may cancel this Home Service Contract at any time, without prior notice for the following reasons: (a) failure to pay the monthly contract fee when due, (b) discovery of fraud or material misrepresentation by you in obtaining this Home Service Contract or in presenting a claim for service hereunder, or (c) a substantial breach of duties by you relating to the covered items within this Home Service Contract or its use. If SLWA cancels the program for reasons other than nonpayment, you will be reimbursed the pro rata share of any amount you paid for any portion of the Service Program period subject to cancellation.
9. By enrolling, you represent that you are not aware of any existing leaks or current damage to your sewer line.
10. The charges for the Service Program will be sent to you on an individual invoice.
11. You may not assign or transfer this Home Service Contract or otherwise dispose of your rights and obligations under this Home Service Contract to another person or to another home or property.
12. Obligations of SLWA under this Home Service Contract are backed by the full faith and credit of SLWA and are not guaranteed by a service contract reimbursement insurance policy. **THIS IS NOT A CONTRACT OF INSURANCE.**

**Service Line Warranties of America
is a private brand name owned and operated by
UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.**

11 Grandview Circle, Suite 100

Canonsburg, PA 15317-9840

Phone: 866-922-9006

Web Site: www.utilitylineprotection.com

IMPORTANT: Please retain this document for your records. This is the official copy of your Home Service Contract.

MEETING DATE:	FEBRUARY 7, 2012
DEPARTMENT:	PUBLIC WORKS
PREPARED BY:	STEPHEN PAYNE
DEPT. DIR. APPROVAL:	_____
CITY ADM. APPROVAL:	_____
PRESENTED BY:	STEPHEN W. PAYNE

AGENDA ITEM SUMMARY REPORT
“NEXGEN” BELOW GRADE SLIDER BED FEED CONVEYOR

ACTION:

Staff requests that the Mayor and Council authorize the Mayor to sign the attached proposal/Contract and authorize the staff to utilize funds from the Recycling Center Building for the purpose of purchasing a “Nexgen” below grade slider bed feed Conveyor. The equipment will cost \$17,950 to purchase and \$2,719 for shipping.

SUMMARY:

During the review of the 2011-2012 Budget for Solid Waste Division, the Council approved the expenditure of \$110,000 for modifying the old Comstock Building into a useable space for the Recycling Division. To date, all of the old siding and roofing has been removed, asbestos materials have been removed from the site, the building has been re-sided, a new roof installed, all of the framing materials have been purchased for the new interior and the framing of offices has begun. City staff has been able to complete most of the required renovations and thus the division has realized considerable savings on the project. Expenditure to date has totaled \$21,372.44.

Staff would like to be able to use the savings realized on the project to further improve the recycling process. Staff would like to purchase a “Nexgen” below grade slider bed feed conveyor. This will enable a more cost effective and timely way to address recyclables. Currently, cardboard materials are mechanically collected from around the City and then brought to the shop and end dumped at the entrance door. The cardboard materials then have to be collected by hand or with a Bobcat and then piled into the baler. If we were able to purchase and install the below grade slider bed feed conveyor, staff could slide the materials along the floor right into the baler. This would noticeably increase efficiencies and allow for the more timely collection of cardboard materials around the City.

FISCAL IMPACT

The Recycling Center Building Project was budgeted for an expense of \$110,000. The improvements to the building and the purchase and installation of the below grade slider bed feed conveyor, if authorized, will not cost any more than has been budgeted for expenditure. The equipment will cost \$17,950 to purchase and \$2,719 for shipping. The contract calls for 30% down with the order, 60% prior to shipping and 10% at net completion. The company has agreed to allow the City to use a PO and to pay within a set time frame after approval.

ALTERNATIVES

1. Deny the staff request to purchase a below grade slider bed feed conveyor and budget for the expense in another fiscal year.
2. Approve the staff request to purchase a below grade slider bed feed conveyor.

AGENDA ITEM NO. _____

RECOMMENDATION

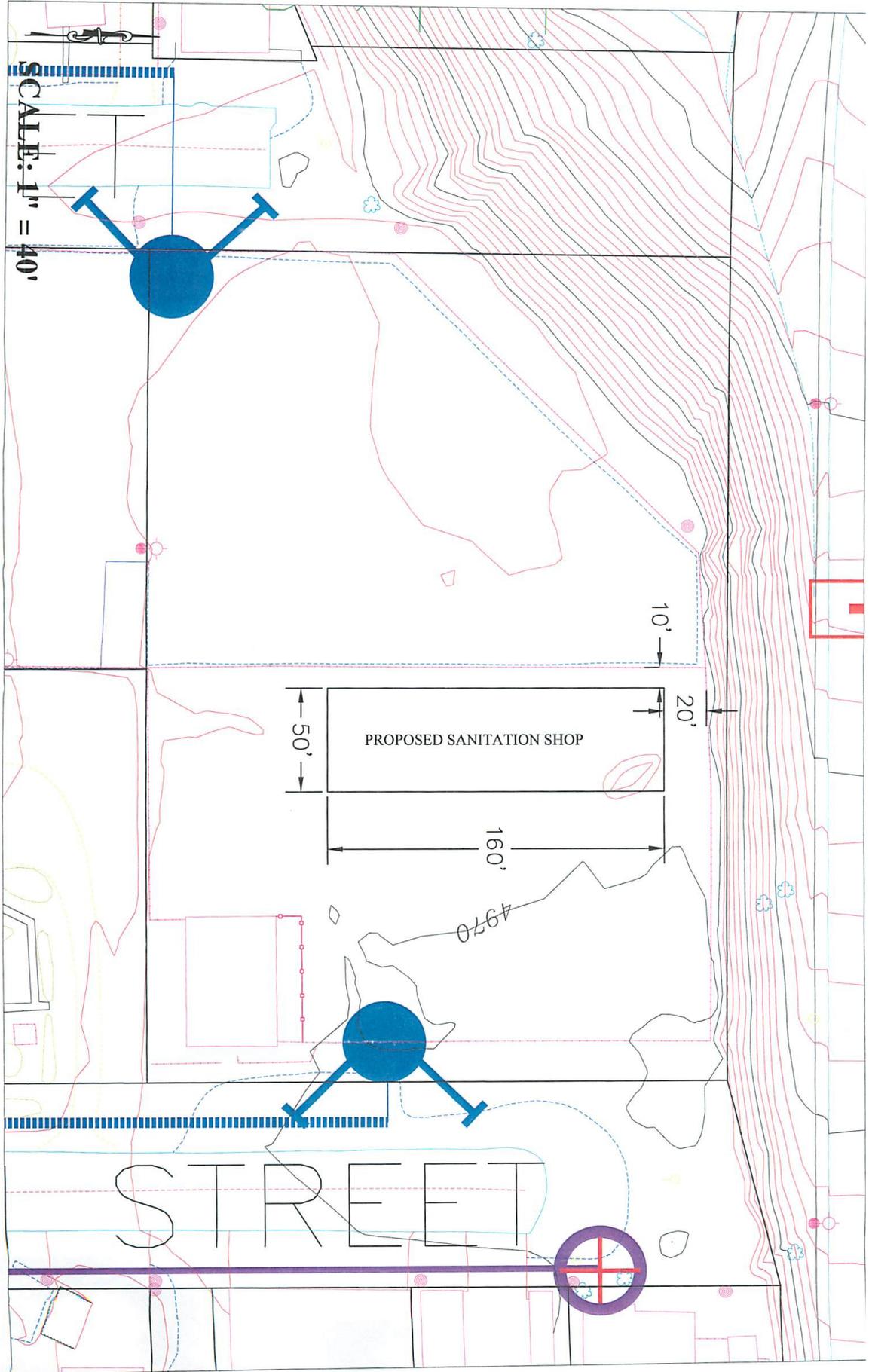
Staff recommends that the Mayor and Council authorize the purchase of the “Nexgen” below grade slider bed feed conveyor.

ATTACHMENTS

1. Proposal/Contract
2. Interior Building Layout

AGENDA & SUMMARY REPORT TO:

N/A



SCALE: 1" = 40'

PROPOSED SANITATION SHOP

STREET

4970

50'

160'

20'

10'

Memorandum

To: Steve Payne, Public Works Director

CC:

From: Keith Viles, Water Systems/Sanitation Superintendent

KV.

Date: 1/17/2012

Re: 'Nexgen' Below Grade Slider Bed Feed Conveyor

Pursuant to our conversation regarding the above mentioned conveyor for the horizontal baler we currently have in service at our Recycling Center I have attached a quote from Nexgen Baling Systems in the amount of \$17,950.00. In addition there would be a shipping fee of \$2719.00 for a total of \$20,669.00.

I propose to use funds from Solid Waste, Buildings account, 52-530-5145, for this purchase. This account has an approximate balance of \$82,833.15 with an undetermined amount required for completion of the building renovation at 531 15th Street. It is not likely that purchasing this piece of equipment from this account will leave us with a deficit following the completion of the building renovation.

If you would like to further discuss the above please let me know.

CONFIDENTIAL



NEXGEN BALING SYSTEMS

P.O. Box 1798 - Hwy. 9 / Vernon, AL. 35592 / Phone: (205) 695-9105 / Fax: (205) 695-7250

PROPOSAL / CONTRACT

City of Cody, WY.
Sanitation Department
Cody, WY.

January 27, 2012
Phone: (307) 587-2958
Attn: Keith Viles

'NEXGEN' BELOW GRADE SLIDER BED FEED CONVEYOR

(As reflected in Drawing # 56775 shown for visual aid only)

INCLUDED FEATURES & OPTIONS:

- * Slider Bed Conveyor model # SB-M-48-20-200-13-AG-B-35-3-VFD
- * 48" wide x 20' long with below grade hopper
- * PVC 200 belt with vulcanized rubber cleats
- * 111 1/2" high head shaft to feed existing Gemini Baler
- * 1-3 HP motor, 230/460V
- * Transition hopper between existing baler and new conveyor
- * Steel hinged conveyor pit plates
- * Painted Medium Blue

SYSTEM TOTAL.....\$17,950.00

- ** Requires using existing baler control panel with conveyor controls, relay & motor starter.
- ** Price does not include any applicable taxes, electrical service or connections, freight, delivery, or installation.
- ** Warranty: 1 year parts & labor, 5 years structural
- ** Delivery: 8 – 10 Weeks
- ** Terms: Net 30 Days
- ** FOB: Vernon, AL. (1/2 truckload of freight from factory to Cody, WY. \$2,719.00)

Contract Acceptance

This order is subject to terms and conditions enclosed in your proposal. All prices are good for 30 days after the date shown below.

NEXGEN Baling Systems:

Client:

By: *Gary Krumwiede*

By: _____

Dated: January 27, 2012

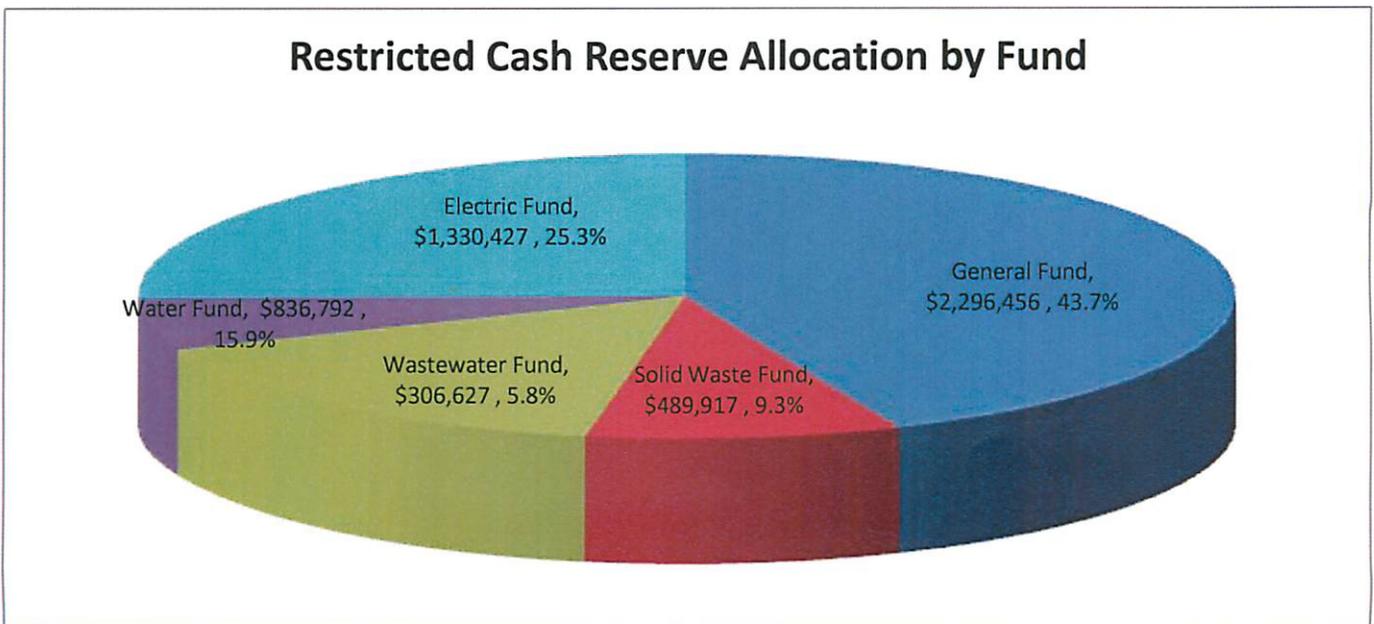
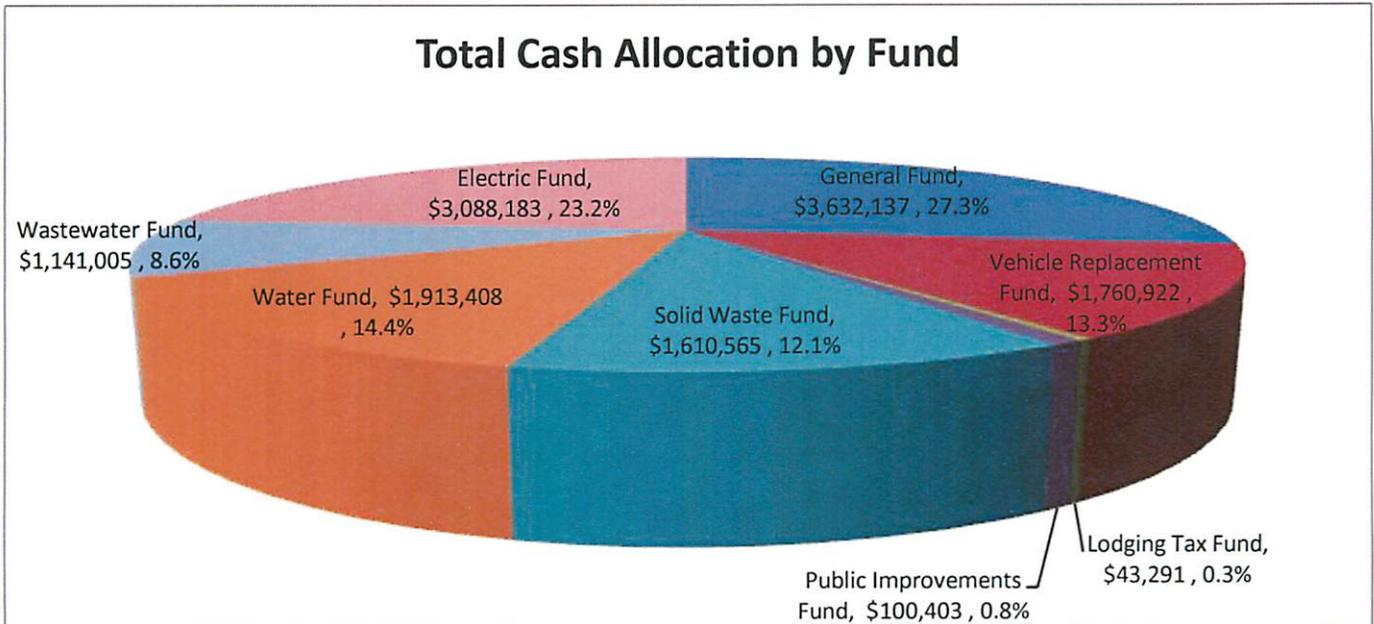
Dated: _____

City of Cody Mid-Year Budget Update

For the 6 Months ended December 2011

CASH & INVESTMENTS

As of December 31st the City had \$13,289,914 on deposit. Of this amount \$5,260,219 was designated for restricted cash reserves. The restricted cash reserves in the Electric fund is \$1,017,386 less than projected in the budget because the Council authorized lowering the reserve balance from 90 days to 51 days to fund the 2AB expansion project. The following chart shows the cash allocations by fund:

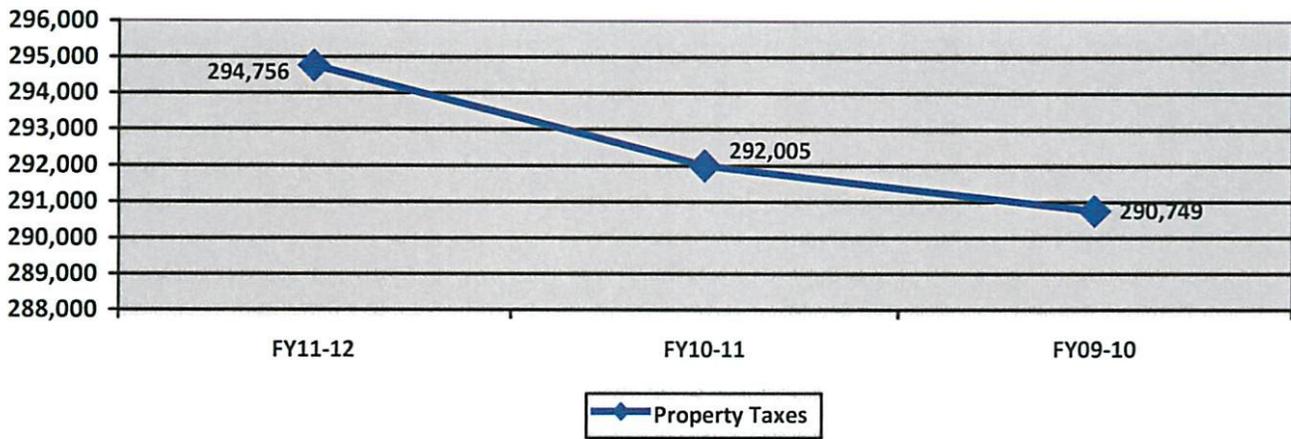


GENERAL FUND

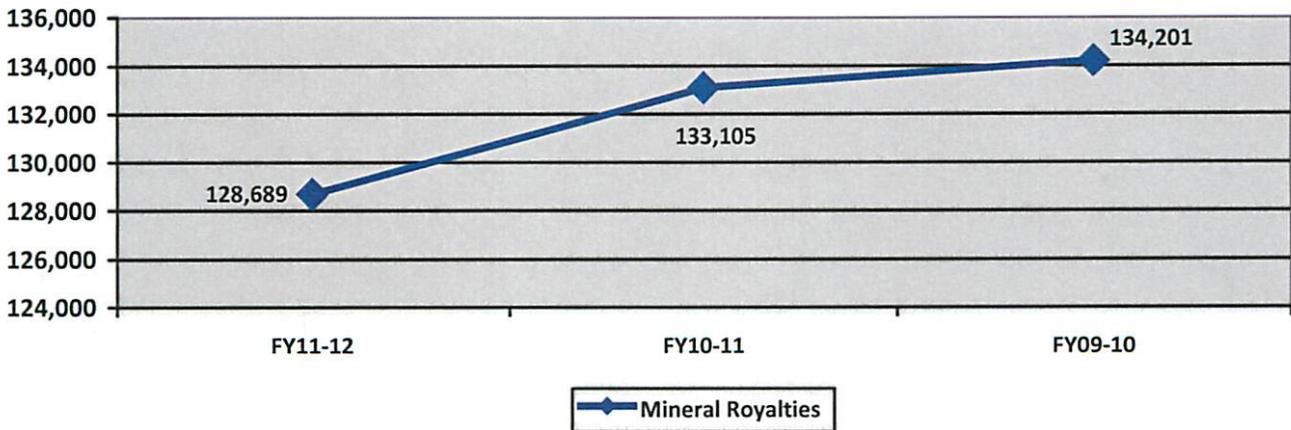
Revenue

As of December 31st 50% of the budget year had elapsed. Total revenue in the General Fund was at 58% of budget as of mid-year. Several of the City’s revenue sources can fluctuate significantly during the year and impact the operating budget. Below is a brief summary of these revenue sources and their current status:

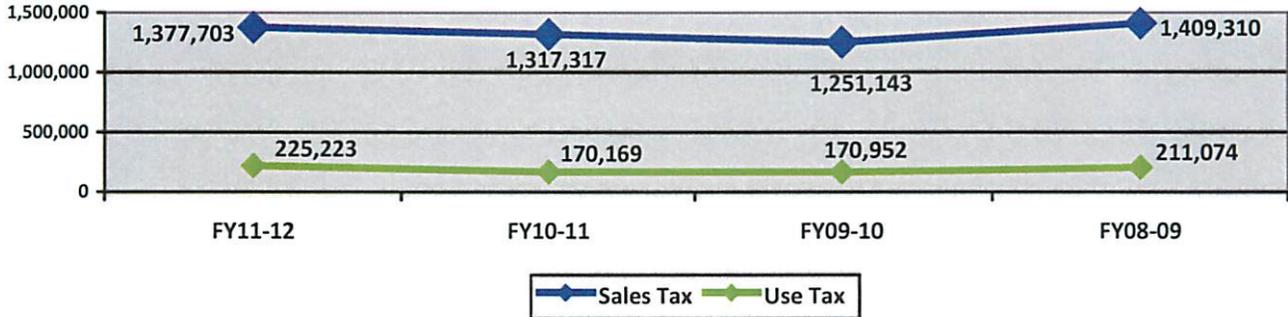
Property Taxes – The City has received \$294,756 in property taxes through December, accounting for 54% of the amount budgeted. The majority of our payments from the County are received between November – January and again in May-June. Collections through December show an increasing trend over the past four years of approximately 1.3%.



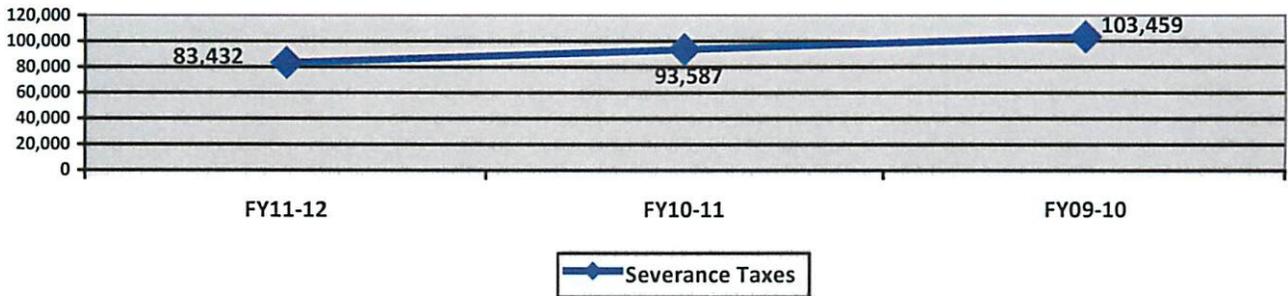
Mineral Royalties– Mineral royalties received by the State are distributed quarterly to cities and towns using a base plus population formula. The City has received \$128,689 in mineral royalties through December, accounting for 27% of the amount budgeted. The City receives distributions in January, April, June and October so a low percentage at this point in the year is normal. Collections to date for FY11-12 are consistent compared to the same period in FY10-11. Because of the formula used for distribution the City’s collections each year are fairly consistent however collections for FY11-12 through December 31st are running about 4% below prior years.



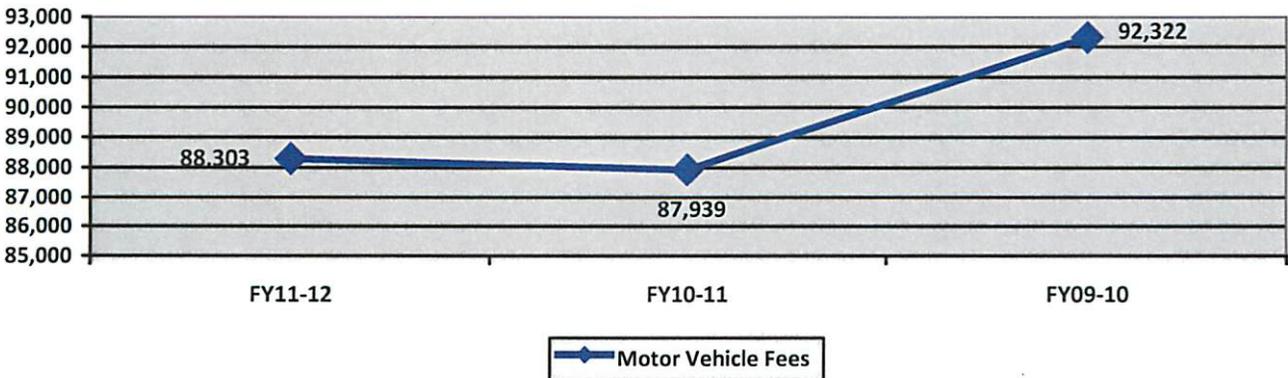
Sales & Use Taxes – The City has received \$1,377,703 in sales tax and \$225,223 in use taxes through December. Sales tax collections are running approximately 61% of budget and use taxes are running at approximately 65% of budget. The past few years the City has experienced a decline in sales and use tax revenue however they appear to be rebounding and are higher than expected at this point in the year. Revenues in this category are slowing returning to the highs the City experienced in FY08-09 and earlier.



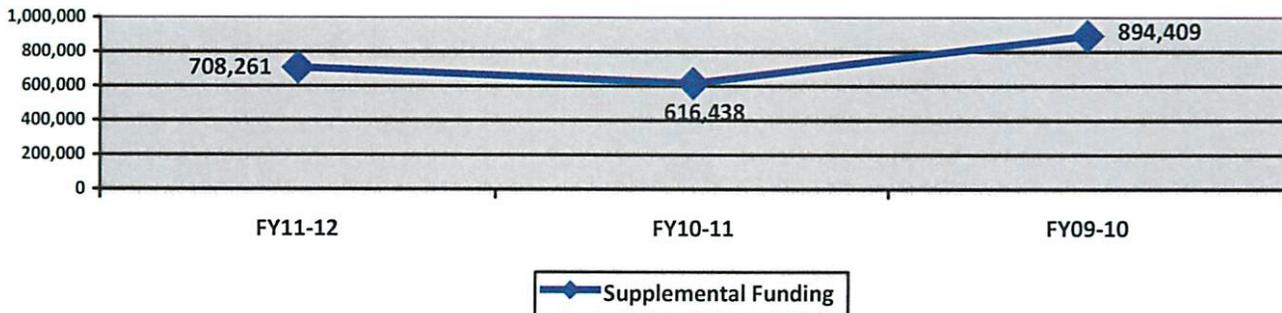
Severance Taxes – The City has received \$83,432 in severance taxes through December, accounting for 23% of the amount budgeted. The City receives distributions in January, April, June, October and September so a low percentage at this point in the year is normal. Severance taxes are derived from a share of the State taxes imposed on the extraction of natural resources and the distribution is based on the January CREG report for the base estimate and the distribution formula is based on population. Because of the formula used for distribution the City’s collections each year can fluctuate and collections for FY11-12 through December 31st are running about 24% below prior years.



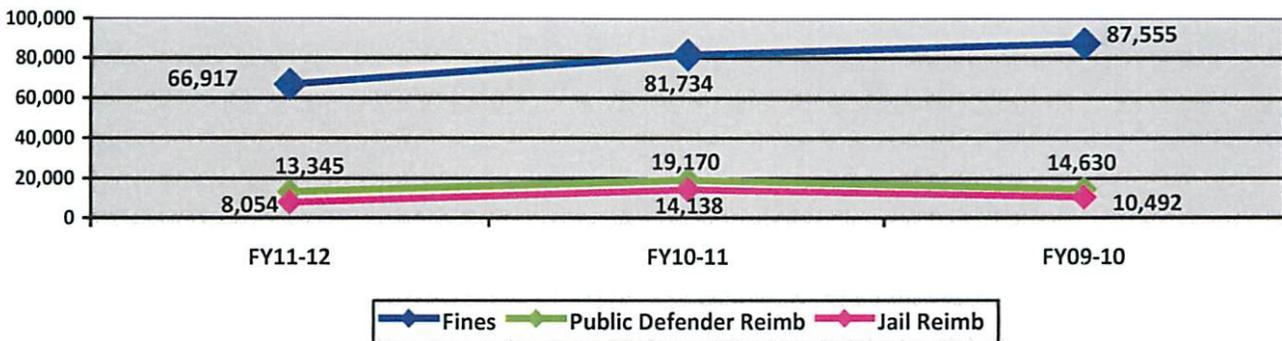
Motor Vehicle Fees – The City has received \$88,303 in motor vehicle fees through December, accounting for 67% of the amount budgeted. The City receives two payments per year; one in October and one in January. Collections remain fairly consistent however there was a spike in FY09-10 due to the Federal cash-for-clunkers program which increased new car sales during that period.



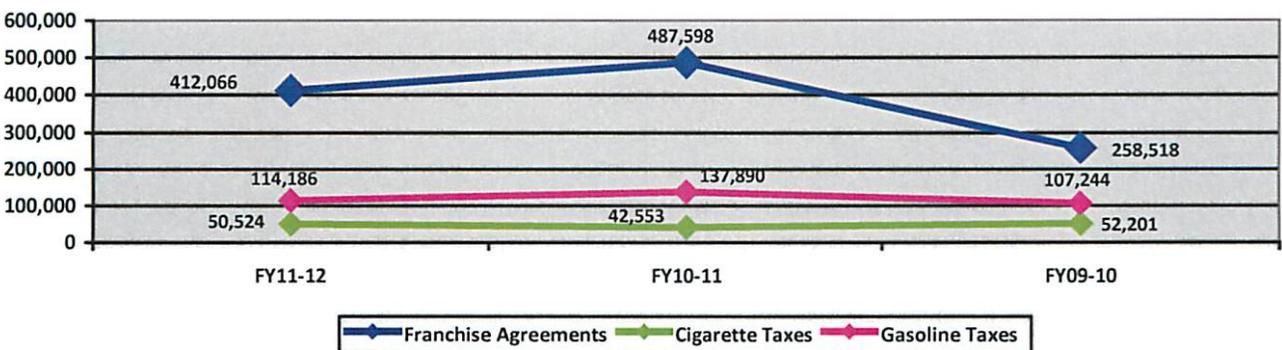
State Supplemental Funding – The City has received \$708,261 in supplemental funding through December, accounting for 100% of the amount budgeted. The City receives one annual distribution in August. The supplemental funding is up by approximately 14% from last fiscal year due to the increase in appropriation from the State; however it is still 26% less than the amount received in FY09-10. According to WAM it seems quite likely that direct distribution funds will be less, perhaps significantly less, than the past two years. However, it is also quite likely that local consensus funds will be available for major maintenance on streets and buildings and other large assets.



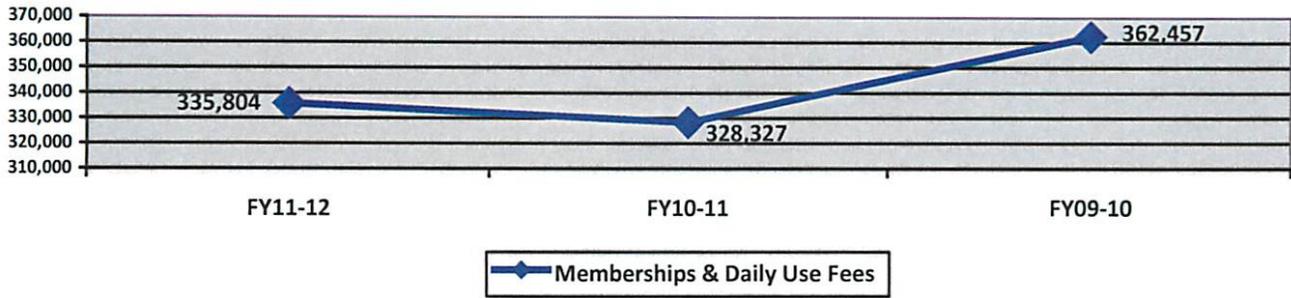
Court Fines & Reimbursements – The City has received \$88,316 in court fines and reimbursements through December, accounting for 40% of the amount budgeted. As the following chart shows collections for court fines and reimbursements have been fluctuating and declining over the past few years. The collection of court fines and reimbursements has been an ongoing concern for the City and has been the subject of annual analysis to review options for increasing collections in this area. As the following chart shows collections for court fines alone is down nearly 31% from FY09-10. This issue will be discussed as a separate topic during the mid-year review.



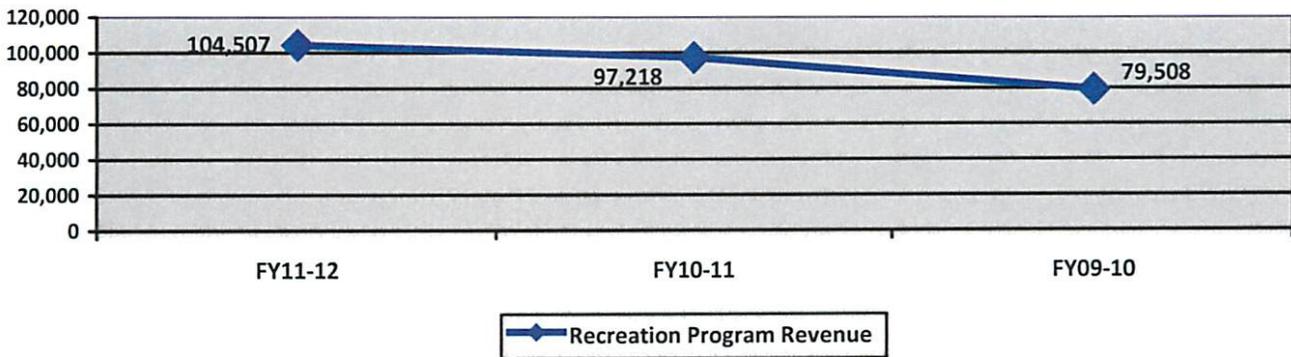
Other Taxes – The City also receives taxes for franchise agreements, cigarette taxes, and gasoline taxes which account for \$576,776 in revenue received through December 31st. This amount is at approximately 47% of budget. Cigarette and gasoline taxes are fairly consistent; franchise fees have fluctuated due to changes in the assessment of fees on City owned utilities, particularly in the Electric Department. Fees went from 2% in FY09-10 to 5% in FY10-11 then down to 3% in FY11-12.



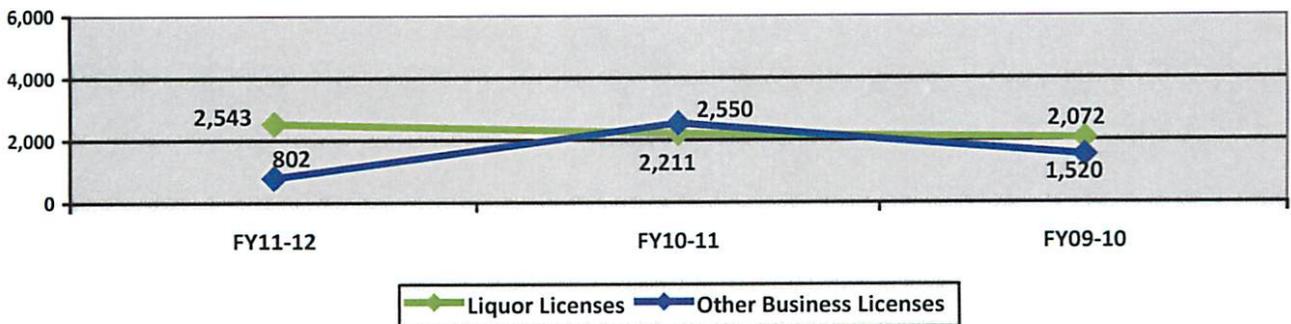
Recreation Center Memberships – The City has received \$335,804 in membership revenue through December, accounting for 47% of the amount budgeted. In FY10-11 the Council approved a 10% fee increase for non-charter memberships to help offset the General Fund subsidy to the facility. Charter member fees remain at the same levels as when they were created in 2001. Membership revenue has dropped approximately 8% compared to December of FY09-10.



Recreation Program Revenue – The City has received \$104,507 in program revenue through December, accounting for 47.9% of the amount budgeted. Program revenue has continued to increase in part due to new programs and increased enrollment. During the budget process a cost of service study for program revenue was requested by the Council and will be discussed as a separate topic during the mid-year review.

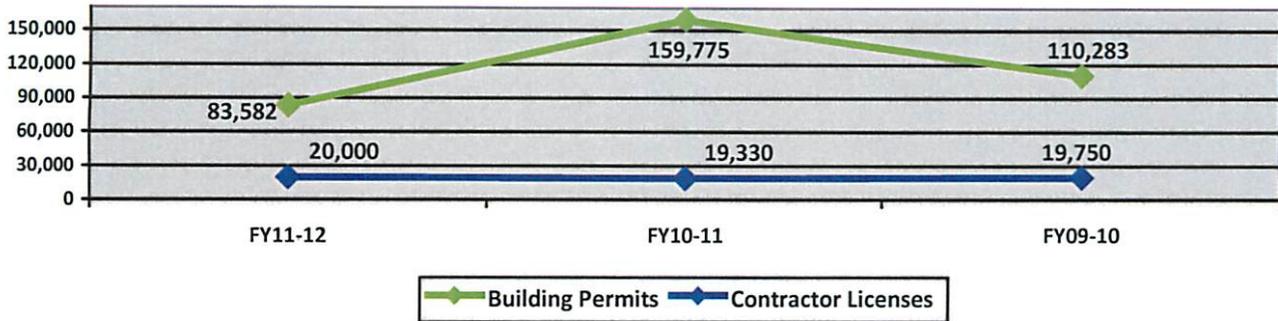


Licenses & Permits – The City receives revenue from various licenses and permits such as liquor licenses, taxi licenses, pawnbroker licenses, transient merchant licenses, building permits, and contractor licenses. These revenue sources account for \$106,927 of the revenue received through December 31st which is approximately 47% of revenue budgeted for this fiscal year.

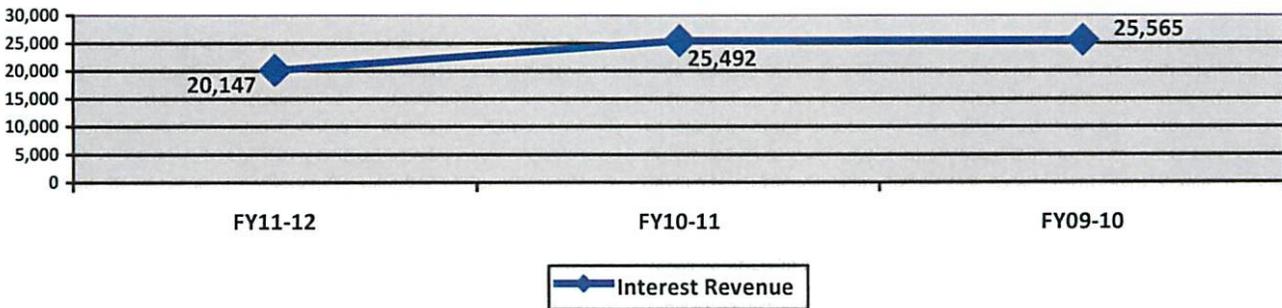


Building permits are lower at this point in FY11-12 than the prior fiscal year due to a couple of reasons:

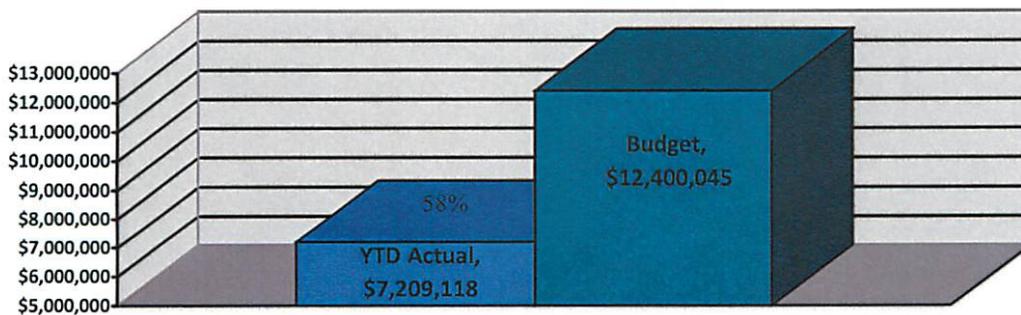
- In the prior fiscal year permits had been issued by Dec 31st for several major projects including West Park Hospital and the Ivy Inn.
- Upcoming large projects which are expected to be permitted later this fiscal year include Summit Housing and the Hampton Inn.



Interest Revenue – The City receives interest revenue on accounts held at Wells Fargo Bank under a repurchase agreement. The current interest rate is 1.125% and is in effect until June 30, 2012. At that time the current banking agreement expires unless the City opts to renew the current agreement. A committee has been formed to explore the options of either extending the current agreement or issuing an RFP for banking services. The City has received \$20,147 in interest revenue in the General Fund through December 31st which is approximately 40% of budget. Interest revenue is down slightly compared to this time last fiscal year. Interest revenue is recorded based on the monthly cash balances in each fund and can earnings can fluctuate depending on revenues and expenditures occurring during the period.



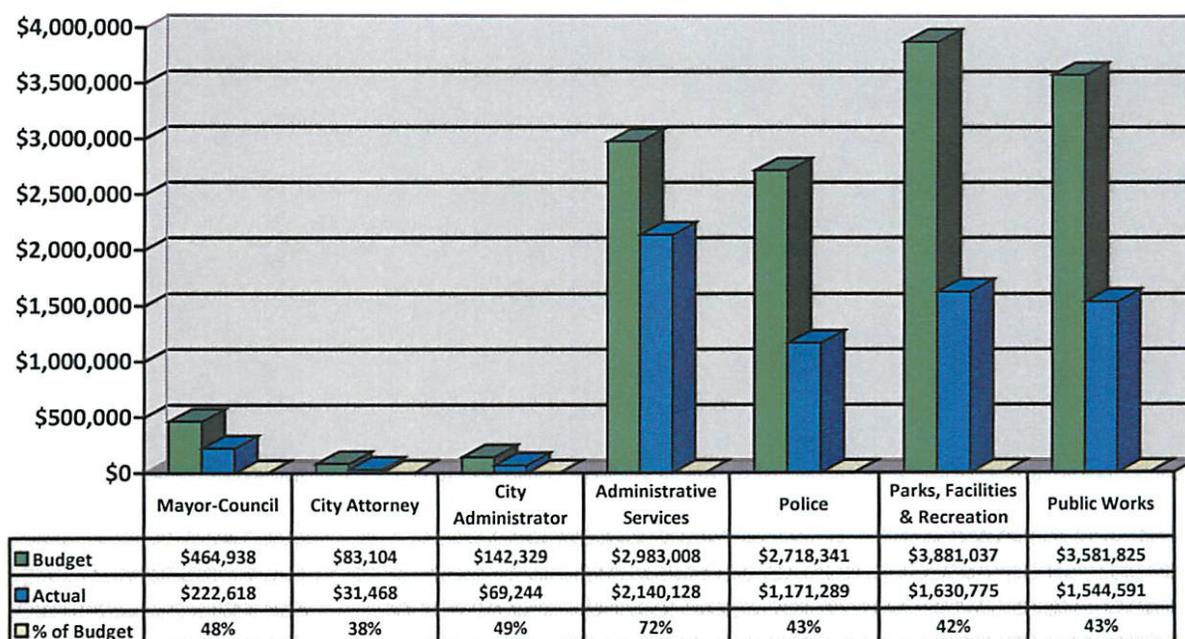
Overall General Fund Revenue Budget to Actual Comparison



Expenditures

As of December 31st 50% of the budget year had elapsed. Total expenditures in the General Fund were at 49.2% of budget as of mid-year. The following chart shows budget-to-actual comparisons by division:

General Fund Expenditures by Division Budget-to-Actual Comparison



Mayor-Council – As of December 31st expenditures in this division were at 48% of budget, which is on-target with mid-year expectations and comparable to the same period in FY10-11.

City Attorney – As of December 31st expenditures in this division were at 38% of budget, which is slightly lower than expected at mid-year but comparable to the same period in FY10-11.

City Administrator – As of December 31st expenditures in this division were at 49% of budget which is on-target with mid-year expectations and comparable to the same period in FY10-11.

Administrative Services – As of December 31st expenditures in this division were at 72% of budget. There are several reasons this department is higher than the percent-of-year expenditures:

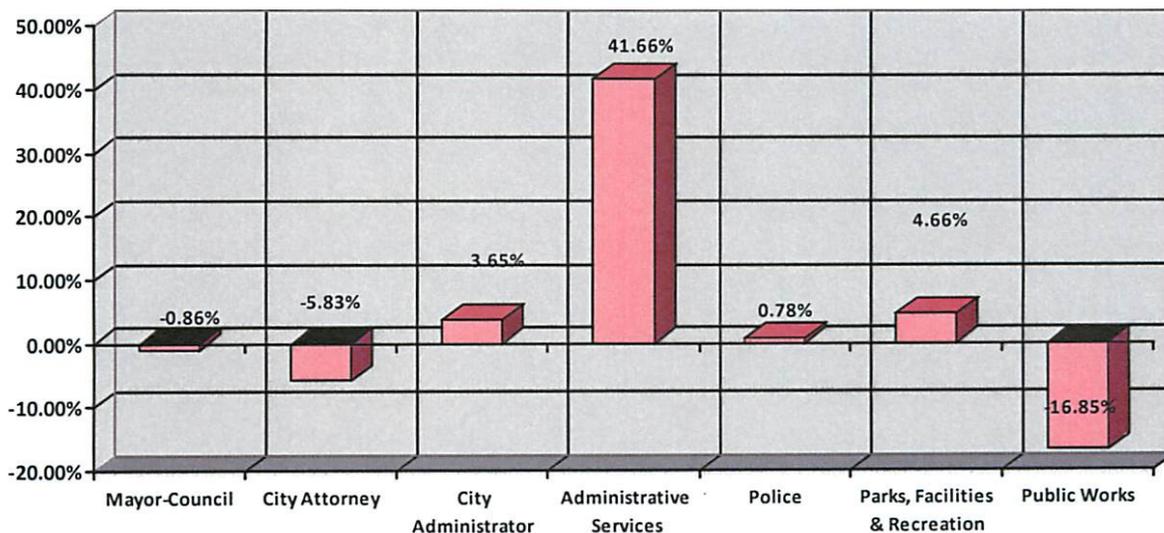
- The Eleutian Grant project is nearly completed at 92% of budget
- The property taxes and liability/property insurance expenses have already been paid for the full fiscal year and are at 100% of budget
- The banking fees line item is at 98% of budget. This is a result of the delayed implementation of the Xpress Bill Pay program. During the budget process the estimated savings were based on implementing the Xpress Bill Pay conversion as of July 1. The conversion was delayed due to the lengthy negotiations on the contracts which pushed the implementation date to November 1st. In addition, the Intellipay program was left in place for half of November to allow our customers time to switch to the new online bill pay system and avoid interruption to their automatic payments. We anticipate the total cost of banking fees will be approximately \$49,000, instead of the \$25,758 which was budgeted. If the City had continued with the Intellipay program the fees for FY11-12 would have been around \$57,000 so the City will still realize savings with the change in providers. In reviewing the department's budget it appears that there will not be enough savings in other areas to cover the additional amount therefore we will be proposing a budget amendment in February.

Police Department – As of December 31st expenditures in this division were at 43% of budget. This is slightly lower than the percent of year elapsed and is mainly due to lower expenditures in the Homeland Security and JAG grants at this point in the year and unrecorded depreciation expense.

Parks, Facilities & Recreation – As of December 31st expenditures in this division which includes Parks, Public Facilities and the Recreation Center were at 42% of budget. This is slightly lower than the percent of year elapsed and is mainly due to unrecorded depreciation expense and unexpended grant funds for the Vietnam Memorial project.

Public Works – As of December 31st expenditures in this division which includes Engineering, Building Inspection, Streets, Vehicle Maintenance and Public Transportation were at 43% of budget which is slightly lower than the percent of year elapsed. This is mainly due to unrecorded depreciation expense and unexpended funds for the Master Plan and Safe Routes to Schools grants.

The chart below shows the changes in FY11-12 expenditures by division compared to the same period in FY10-11:

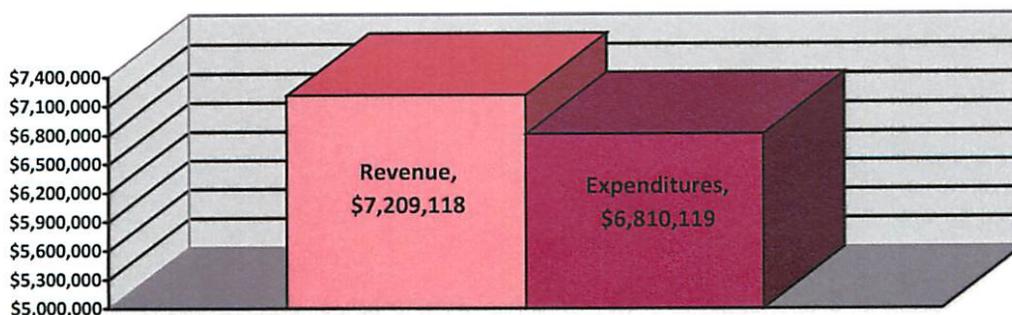


The most significant changes occurred in Administrative Services and Public Works:

- In Administrative Services the increase between fiscal years is due to the Eleutian Technologies grant.
- In Public Works the decrease between fiscal years is due to the completion of the Sheridan Avenue project.

Overall, FY11-12 expenditures in the General Fund are comparable to FY10-11 and there is approximately \$400,000 in surplus of revenues over expenditures at mid-year.

Summary of General Fund Revenue Compared to Expenditures



ENTERPRISE FUNDS

SOLID WASTE FUND

Revenue

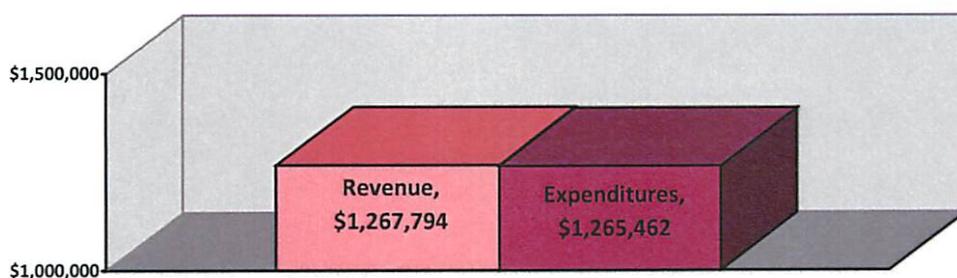
Revenues in the Solid Waste Fund are currently at 51% of budget through December. Two reasons for the slightly higher percent of year revenue are:

- Interest revenue is higher than projected for this point in the year coming in at 59% of budget. This is due mainly unexpended funds for the Recycling Building project which is only at 19% of budget as of December 31st. Since some of the work has been performed by City staff the total expenditures are expected to be less than budgeted.
- Increased revenues from recycling operations coming in at 70% of budget. This is due to higher prices the City has been receiving so far this fiscal year on cardboard. Since market price for recyclable materials fluctuates significantly it is difficult to tell if this trend will continue.

Expenditures

Overall expenditures in the Solid Waste Fund were at 47% of budget as of this date. The majority of the difference is due to unrecorded depreciation expense and the recycling building project which is not yet complete.

Summary of Solid Waste Fund Revenue Compared to Expenditures



WATER FUND

Revenue

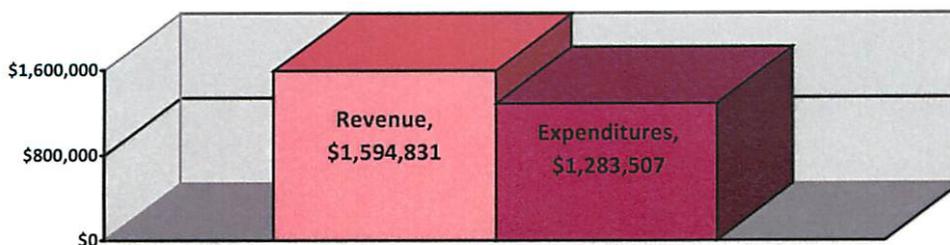
Revenues in the Water Fund are currently at 54% of budget through December. Several reasons for the slightly higher percent of year revenue are:

- The budgeted transfer from the SID funds resulting from the Palser Property payoff has been completed.
- Billings from hydrant meters are now being done monthly instead of at the time the meters are returned.
- Interest revenue is at 57% of budget due to unexpended funds for capital projects.
- Tap fees and water crane sales are higher than projected for this point in the year coming in at 79% and 59% respectively.

Expenditures

Overall expenditures in the Water Fund were at 39% of budget as of this date. This is mainly due to unrecorded depreciation expense and the Spirit Mountain Subdivision Rehabilitation and Skyline/West Strip water line projects which have not been started yet.

Summary of Water Fund Revenue Compared to Expenditures



Water Fund Debt Service

During the FY11-12 budget process the Council briefly discussed the outstanding debt in the water fund and the benefits to paying off all or part of the debt. Below is a chart showing the payoff amounts and estimated interest savings based on a payoff date on or before the next loan due date.

Loan	Principal & Accrued Interest Payoff	Estimated Early Payoff Date	Scheduled Payoff Date	Water Fund
				Estimated Interest Savings
WWDC Valley View Water Upgrade	\$ 104,498	06/01/2012	12/01/2018	\$ 10,214
WY Bank & Trust Water Bonds	\$ 401,202	06/01/2012	12/01/2019	\$ 99,396
SLIB DWSRF Bleistein Project	\$ 93,312	06/01/2012	06/01/2024	\$ 15,462
TOTALS	\$ 599,012			\$ 125,072

Option 1 – payoff all debt service
Savings of \$125,072 in interest

Option 2 – payoff only WWDC loan
Savings of \$10,214 in interest

Option 3 – payoff only bonds
Savings of \$99,936 in interest

Option 4 – payoff only DWSRF loan
Savings of \$15,462 in interest

Option 5 payoff WWDC and DWSRF loans
Savings of \$25,676 in interest

Impact on Cash Balances

	Current	Option 1	Option 2	Option 3	Option 4	Option 5
PROJECTED ENDING UNRESTRICTED CASH estimated as of 6/30/12	\$ 883,893	\$ 284,881	\$ 779,395	\$ 482,691	\$ 790,581	\$ 686,083
Restricted - Cash Reserves	\$ 836,792	\$ 836,792	\$ 836,792	\$ 836,792	\$ 836,792	\$ 836,792
TOTAL PROJECTED CASH BALANCE	\$1,720,685	\$1,121,673	\$1,616,187	\$1,319,483	\$1,627,373	\$1,522,875
Change in Cash from Current Budget		(\$599,012)	(\$104,498)	(\$401,202)	(\$93,312)	(\$197,810)

While Option 1 provides the greatest benefit in interest savings, it would be staff's recommendation that if the Council wants to reduce the debt service in this fund Option 3 would provide the greatest benefit in interest savings while still maintaining sufficient available cash to fund a grant match for the water tank project which is planned in the next two years.

WASTEWATER FUND

Revenue

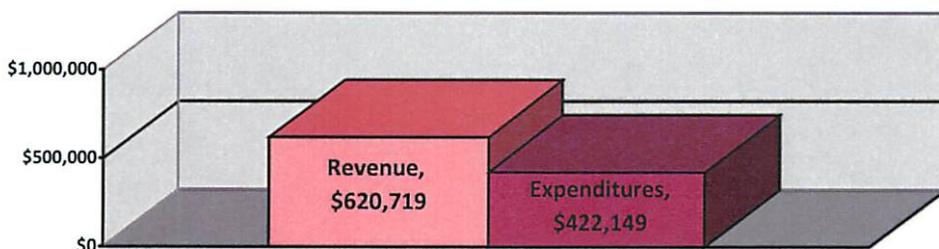
Revenues in the Wastewater Fund are currently at 51% of budget through December. Several reasons for the slightly higher percent of year revenue are:

- The budgeted transfer from the SID funds resulting from the Palser Property payoff has been completed.
- RV dump revenue is higher at this point in the year coming in at 86% of budget.
- Interest revenue is at 77% of budget due to unexpended funds for capital projects and capital equipment purchases.

Expenditures

Overall expenditures in the Wastewater Fund were at 33% of budget at mid-year. This is mainly due to unrecorded depreciation expense as well as capital equipment purchases and several sewer relining projects which have not yet been completed.

Summary of Wastewater Fund Revenue Compared to Expenditures



ELECTRIC FUND

Revenue

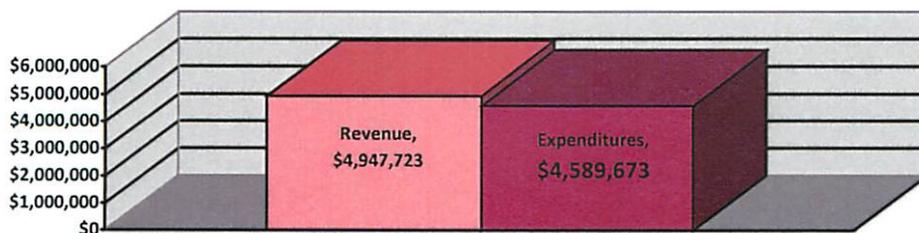
Revenues in the Electric Fund are currently at 41% of budget through December. Revenue appears to be much lower at this point in the year than it really is due to the WMPA loan for \$1.7 million which was budgeted and will not be pursued. Not including the amount budgeted for the WMPA loan actual revenues are approximately 48% of budget. A couple of revenue items are actually higher than expected for this point in the year:

- Interest revenue is coming in at 52% of budget mainly due to the 2AB project which has just been started.
- The City received \$32,600 in auction revenue from the sale of two substation transformers.

Expenditures

Overall expenditures in the Electric Fund were at 36% of budget at mid-year. Expenditures are lower than the percent of year that has elapsed mainly due to unrecorded depreciation expense and the 2AB project which has just started. In January, the City will experience an increase to wholesale electric rates. A rate increase is being passed on to customers starting in February however the City will absorb approximately \$100,000 in costs incurred in January.

Summary of Electric Fund Revenue Compared to Expenditures



OTHER FUNDS

VEHICLE REPLACEMENT FUND

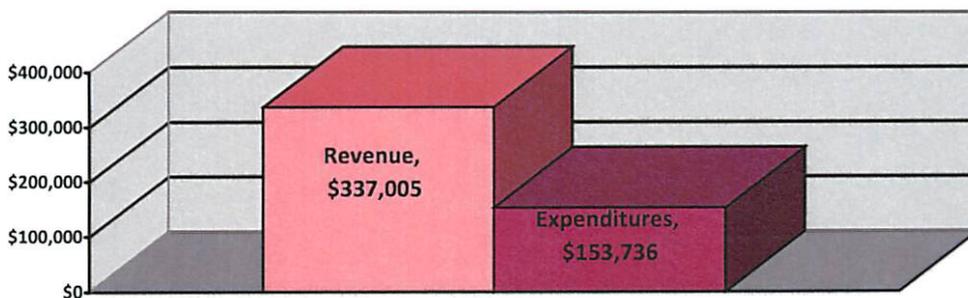
Revenue

Revenues in this fund are derived from interest earnings and transfers from other funds. As of December, revenue was at 50% of budget, which is right on target for mid-year.

Expenditures

Expenditures in this fund consist completely of the purchase of new vehicles and equipment to be used in the General and Enterprise funds. Overall expenditures in this fund were at 34% of budget at mid-year. Vehicles and equipment are purchased throughout the year therefore the budget-to-actual numbers can fluctuate depending on the timing of these purchases.

Summary of Vehicle Replacement Fund Revenue Compared to Expenditures



LODGING TAX FUND

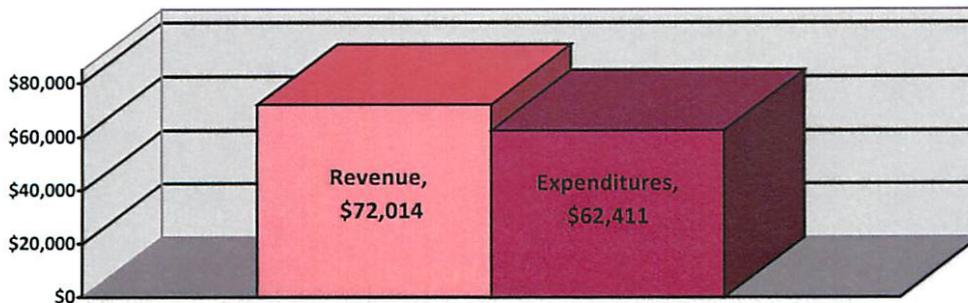
Revenue

Lodging tax revenues are ahead of projections and the City has already received 79% of the budget as of December. Because of the Department of Revenue’s distribution process lodging tax receipts are received two months behind the actual month of collection (for example: October collections are received by the City in December).

Expenditures

Overall expenditures in the Lodging Tax Fund were at 50% as of December. There are only two expenditures out of the Lodging Tax fund this year; the ice cream social and an operating transfer to the General Fund. The ice cream social was fully expensed in August and the operating transfer is processed in 12 equal monthly installments throughout the year.

Summary of Lodging Tax Fund Revenue Compared to Expenditures



PUBLIC IMPROVEMENTS FUND

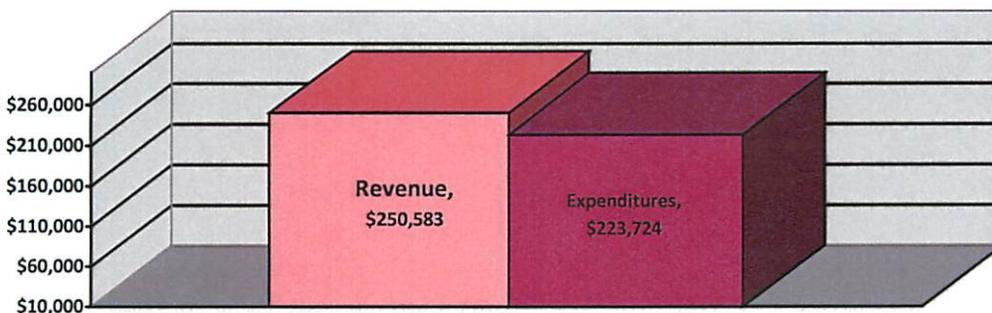
Revenue

The current revenue sources in this fund are interest earnings and grants which were at 70% of budget as of December. The City has received full funding on the grant for the Veteran’s Park.

Expenditures

Projects budgeted for FY11-12 in this fund include the Dog Park, Ted Ebert Trail & Shelter, Canal Park/Library Trail, Streetscape Project, Veterans’ Park and the Bob Moore Parking Lot. Expenditures are at 52% of budget as of December 31st, which is mainly due to the Veteran’s Park project being at 89% of budget.

Summary of Public Improvements Fund Revenue Compared to Expenditures



SUMMARY

Overall, the City’s finances are well positioned at the mid-year point of FY11-12. Fund revenues are improving compared to previous years and the continued prudent planning and conservative budgeting by the departments and City Council will help the City’s future ability to maintain a sustained level of public service.