



# Staff Report

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**Agenda Item:** Financial Services Agreement – Approval of a financial services agreement between the Verde River Basin Partnership and the Town of Clarkdale.

**Sponsored By:** Doug Von Gausig, Mayor

**Staff Contact:** Carlton Woodruff, Finance Director

**Meeting Date:** March 11, 2008

**Background:** The Town of Clarkdale is a Charter Member of the Verde River Basin Partnership (VRBP) which operates under Federal Public Law 102-103. The Town is being requested to collect funds for the VRBP, deposit those funds into an account, disburse funds as directed, provide accounting for said funds, and the VRBP will reimburse the Town of Clarkdale for direct expenses incurred in the handling of these funds.

**Recommendation:** Staff recommends approval of this Financial Services Agreement between the Town of Clarkdale and Verde River Basin Partnership.

FINANCIAL SERVICES AGREEMENT  
BETWEEN  
THE TOWN OF CLARKDALE, ARIZONA  
AND  
THE VERDE RIVER BASIN PARTNERSHIP

THIS AGREEMENT, made and entered into by and between the TOWN OF CLARKDALE, a municipal corporation of the State of Arizona, and the VERDE RIVER BASIN PARTNERSHIP, an Arizona partnership, ("Partnership").

The Town of Clarkdale (hereinafter, "Clarkdale") and the Verde River Basin Partnership (hereinafter, "Partnership") hereby enter into this Agreement for Financial Services as set forth below:

RECITALS

WHEREAS, the Partnership is an organization operating under federal Public Law 102-103; and,

WHEREAS, Clarkdale and The Partnership recognize the need to approach water management issues on a regional basis; and,

WHEREAS, Clarkdale is a Charter Member of the Partnership; and,

WHEREAS, the Parties recognize that in order to better serve the interests of both the Partnership and Clarkdale, as well as the other members of the Partnership, the Partnership should have assistance for financial transactions of the Partnership; and

Whereas, Clarkdale recognizes a direct benefit to its citizens from participation in and assisting the Partnership, and that such benefit is deemed to be good and valid consideration for this Agreement; and,

Whereas, the Partnership acknowledges that the services of Clarkdale as outlined herein provide substantial benefit to its partners and its activities,

THEREFORE, the Parties agree that Clarkdale will provide Financial Services for the Partnership in matters involving the collection and disbursement of funds, as follows:

1. **Collection of revenues.** Clarkdale will receive, at the direction of the Partnership, funds from various sources. Upon receipt of such funds, Clarkdale shall deposit them and deal with those funds in accordance with this Agreement.

2. **Deposit and safekeeping of collected funds.** Clarkdale will deposit any funds received for the Partnership into a bank account or accounts suitable to Clarkdale and agreed to by the Partnership, in writing.
3. **Disbursal of fund on behalf of the Partnership.** Clarkdale will, from time to time as necessary, disburse funds to recipients as directed in writing by the Partnership, by logistical means suitable to Clarkdale and the recipient and the Partnership. Funds will be disbursed only upon approval by the Partnership in the manner indicated below.
4. **Accounting for funds.** Clarkdale will maintain accounts on any funds received, in accordance with standard acceptable accounting procedures and practices and held and disbursed on behalf of the Partnership. These accounts will be available for review to authorized representatives of the Partnership as specified below, upon request and in a timely fashion. Clarkdale will also audit and balance the Partnership's accounts as necessary in accordance with standard acceptable accounting procedures and practices. Clarkdale, at least once each three (3) months, or upon request from an authorized representative of the Partnership, will prepare and transmit, either electronically or by mail, a complete accounting of the Partnership's account(s) to the Partnership.
5. **Reimbursement of Clarkdale's Expenses.** Upon request by Clarkdale, the Partnership shall reimburse Clarkdale for legitimate direct expenses such as postage, shipping, or other expenses incurred by Clarkdale as a result of its performance as outlined above. Such expenses shall not include any expenses of the Town for the time Clarkdale or its staff spends on any duties associated with this Agreement. The Partnership may authorize Clarkdale to withdraw such reimbursement directly from the Partnership's accounts, or it may issue a check or other instrument to make said payments.
6. **Authorization from the Partnership to Disburse Funds.** The Partnership shall issue requests for payment to Clarkdale in a manner acceptable to Clarkdale and the Partnership. Such manner shall be defined in writing via letter or other memorandum and shall be incorporated by reference into this Agreement. These requests must be signed by the Chair of the Coordinating Committee of the Partnership and one other Coordinating Committee member of the Partnership.
7. **Authorization for other Partnership requests.** The Partnership shall issue other requests regarding its accounts to Clarkdale in writing and signed by any two members of the Partnership Coordinating Committee.
8. **Release and Indemnification.** The Partnership, in consideration of the assistance provided herein by Clarkdale, hereby releases and indemnifies Clarkdale from any liability whatsoever arising out of this Agreement, except in the event that Clarkdale does not perform as set forth herein.

9. **Dispute Resolution.** If a dispute arises out of or relates to this Agreement, or breach thereof, and if the dispute cannot be settled through negotiation, the Parties agree first to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute resolution procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) working days, either Party may request the presiding judge of the Superior Court of Yavapai County to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.
  
10. **Authorization.** Each of the signatories below warrants that both have been duly authorized to execute this Agreement by formal legal action of its governing Board or Council, and that this Agreement constitutes a valid and legally enforceable commitment by each of the Parties.
  
11. **Modifications.** Any modification of this Agreement shall be in writing, signed by the duly authorized representatives of the Parties. All prior understandings of how this Agreement shall be implemented are incorporated in this writing, including all informal discussions, oral understandings and other implied or explicit agreements.
  
12. **Conflicts of Interest.** As of the date of this Agreement, the Mayor of Clarkdale serves as the Chairman of the Partnership, and Clarkdale is one of the members of the Partners. Both Parties waive any claim of conflict of interest arising out of this Agreement.
  
13. **Term and Effective Date.** This Agreement shall remain in full force and effect until cancelled by either Party in writing to the other.
  
14. **Authority to Execute.** Each Party confirms that the signatories herein have been fully authorized to sign this Agreement. A true copy of the minutes of each Party's governing body shall be provided to the other Party prior to execution of this Agreement.

IN WITNESS WHEREOF, this Agreement is executed on the date and year below written. It shall become effective on the date both Parties have signed.

VERDE RIVER BASIN PARTNERSHIP

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

Date: \_\_\_\_\_

TOWN OF CLARKDALE

By: \_\_\_\_\_  
Jerry Wiley, Vice Mayor

Date: \_\_\_\_\_

APPROVED AS TO FORM:

Boyle, Pecharich, Cline, Whittington & Stallings, PLLC

By: \_\_\_\_\_  
Robert S. Pecharich, Esq.  
Town Attorneys

Date: \_\_\_\_\_