

# **PROFESSIONAL SERVICES CONTRACT**

## **For Financial and Administrative Services**

This Contract is entered into this \_\_\_\_ day of \_\_\_\_\_, 2024 by and with Life, Liberty, and the Pursuit, Inc. d.b.a. Practical Accounting Solutions, P.O. Box 96, Athol, Idaho, 83801, herein referred to as the "CONSULTANT", and the City of Dalton Gardens, 6360 N. 4<sup>th</sup> Street, Dalton Gardens, ID 83815, herein referred to as the "CITY,"

Witnesseth:

**WHEREAS**, the CITY wishes to retain the services of the CONSULTANT to assist in providing administrative, consulting, and financial services, to its corporation,

**NOW, THEREFORE**, the parties hereto do mutually understand and agree as follows:

**1. ENGAGEMENT OF CONSULTANT.** CITY agrees to engage the CONSULTANT, and the CONSULTANT agrees to provide the services described in Attachment A "Scope of Services" in order to provide administrative, consulting, and financial services to CITY.

**2. EMPLOYEE-EMPLOYER RELATIONSHIP.** The contracting parties warrant by their signature that no employer-employee relationship is established between CITY and the CONSULTANT by the terms of this contract. It is understood by the parties hereto that the CONSULTANT is an independent contractor and as such neither it nor its employees or sub-contractors, if any, are employees of CITY for purposes of tax, retirement system, or social security (FICA) withholding.

**3. EFFECTIVE DATE AND TIME OF PERFORMANCE.** This Contract takes effect on March 20, 2024 and shall continue until September 30, 2024, after which the Contract shall be renegotiated. Either the CONSULTANT or CITY may sever the agreement with fourteen (14) days written notice to the other party, by mailing to the addresses listed above.

**4. SCOPE OF SERVICES.** The CONSULTANT will provide administrative, consulting, and financial services to CITY as set forth in the Scope of Services (Attachment A), which by this reference is made a part hereof.

**5. COMPENSATION.** For the completion of administrative, consulting, and financial services to be provided as discussed in Attachment A, it is estimated that PAS will spend approximately 20 hours a week to be divided between short-term and long-term goals, as designated in Attachment A. PAS compensation will be \$50/hour for bookkeeping/administrative work and \$75.00/hour for financial planning work. This is an estimated average monthly amount of about \$4,300 but monthly billing will reflect only hours worked. Services provided that are not covered in this agreement, such as management services, which are outlined below, will be billed separately at \$75.00 per hour after written authorization from the CITY. It is expressly recognized that for the first 6-8 weeks of this contract, about 4-8 hours of work per week can be performed

with the expectation that by the end of May of 2024, the routine 20 hours will be scheduled and performed, as applicable.

**6. CONFLICT OF INTEREST.** The CONSULTANT warrants that it presently has no interest and will not acquire any interest, direct or indirect, governed by CITY, which would conflict in any manner or degree with the performance of its services hereunder. The CONSULTANT further covenants that, in performing this Contract, it will not assign any employee who has any such interest to perform the work as outlined on Attachment A. Should any conflict of interest arise during the performance of this contract, it will be disclosed and managed according to the wishes of the parties. If a conflict of interest is not resolved to the satisfaction of the agency, the contract may be terminated without further notice.

**7. ASSIGNABILITY OF CONTRACT.** This Contract contains the entire agreement between the parties, and no statements, promises, or inducements made by either party, or agents of either party, which are not contained in the written Contract, are valid or binding. This Contract may not be enlarged, modified or altered except upon written agreement signed by both parties hereto. The CONSULTANT may not subcontract or assign its rights (including the right to compensation) or duties arising hereunder without the prior written consent of CITY. All of the terms and conditions of this Contract will bind any subcontractor or assignee should written permission by CITY be granted. Currently the only contractor retained by CONSULTANT is Austin Consulting, of which this arrangement is expressly authorized by CITY upon execution of this contract.

**8. CONSTRUCTION AND VENUE.** This Contract will be construed under and governed by the laws of the State of Idaho. In the event of litigation concerning it, venue is the First Judicial District in and for the county of Kootenai, State of Idaho.

**9. INDEMNIFICATION.** CITY waives any and all claims and recourse against the CONSULTANT, including the right of contribution for loss and damage to persons or property arising from, growing out of, or in any way connected with or incident to CITY's performance of this Contract except for liability arising out of concurrent or sole negligence of the CONSULTANT or its officers, agents or employees. Further, the CONSULTANT will indemnify, hold harmless, and defend CITY against any and all claims, demands, damages, costs, expenses or liability arising out of the CONSULTANT's performance of this Contract except for liability arising out of the concurrent or sole negligence of CITY or its officers, agents or employees.

**10. LEGAL FEES.** In the event either party incurs legal expenses to enforce the terms and conditions of this Contract, the prevailing party is entitled to recover reasonable attorney's fees and other costs and expenses, whether the same are incurred with or without suit.

**11. SPECIAL WARRANTY.** The CONSULTANT warrants that nothing of monetary value has been given, promised or implied as remuneration or inducement to enter into this contract. The CONSULTANT further declares that no improper personal, political or social activities have been used or attempted in an effort to influence the outcome of the competition, discussion, or

negotiation leading to the award of this contract. Any such activity by the CONSULTANT shall make this contract null and void.

**12. ATTACHMENT.** Attachment A "Scope of Services" is attached hereto, which by this reference is made a part thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Contract.

City of Dalton Gardens

Life, Liberty, and the Pursuit, Inc.  
d.b.a. Practical Accounting Solutions

BY: \_\_\_\_\_  
Curt Jernigan, Mayor

BY: \_\_\_\_\_  
Stephanie Mueller, President and Owner

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

## **ATTACHMENT A**

### **Scope of Services**

Practical Accounting Solutions, as CONSULTANT, will provide the following services:

- CONSULTANT anticipates providing approximately 20 hours per week to be performed primarily on-site and a few off-site hours, as appropriate, and the CONSULTANT shall be granted a work space in the CITY office for times to be mutually agreed upon by CONSULTANT and CITY staff.
- These hours will be scheduled to ensure all responsibilities outlined below are handled in a timely manner. All hours for all staff and contracted members and all activities will be clearly shown on the monthly invoice, at the correlated rates.
- Hard costs, if any, will either be purchased directly by the CITY and provided to CONSULTANT or CONSULTANT will purchase and seek reimbursement from the CITY with supporting receipts with the monthly billing for services rendered.
- Email addresses and telephone numbers for customer service and communications with the Board, Vendors, and staff are to be maintained and paid for by CITY.

The following activities fall under the bookkeeping/administrative rate of \$50.00/hour, for approximately 16-20 hours per week:

- Accounts Payable, including providing an invoice approval list for CITY approval each month with the checks to be issued, securing W9's from vendors, as appropriate, and handling requests from contractors. The invoices will be coded to the applicable accounts, by fund, and in consideration of the approved budget.
- Provide tracking of all contractors and construction projects for budgets and for addition to CITY's record of capital assets for all fund types in the annual audit.
- Accounts Receivable, including an aging analysis of receivables, and reporting on income realized during the prior month, by fund, and in consideration of the approved budget.
- Payroll services will be performed by the CITY but oversight and assistance from CONTRACTOR may be requested to include actions such as verification of CITY employee timesheets as applicable for coding to fund accounting and in accordance with the budget.
- Fund accounting, as required by Idaho Code.
- All accounting records as required by Idaho Code, including a Profit and Loss Statement/Statement of All Receipts and Disbursements with budget comparison and Balance Sheets, both monthly and quarterly.
- Monitoring of long-term debt payments including tracking and all reporting as called for by debt holder and Idaho Code, ensuring transactions are correctly booked in CITY accounting software.
- Provide support to CITY staff for any Public Records Requests per Idaho Code.

- General administrative tasks such as communications, scheduling, and organizing with City Council, staff, vendors, contractors, and accounting company.
- Any other responsibilities necessary for ensuring financial reporting and smooth administrative functioning as may be requested by CITY, with specific attention to enacting separation of duties and check/balance procedures that facilitate both transparency and ease of use by CITY staff.

The following activities fall under the financial planning rate of \$75.00/hour, for approximately 0-4 hours per week:

- Review of Internal Controls for adequate separation of duties, approval authority, and accuracy to current procedures.
- Develop the annual budget first as a preliminary budget for CITY consideration and then followed by a public hearing for its timely adoption.
- Provide support to CITY staff for the timely completion and submission of the L2 Report to the County for annual levy rate assessment.
- Identification of future capital projects and the forecasting and seeking of source of funds, in consideration of annual budgets.
- Identification of short-lived assets and the forecasting of replacement schedule for annual budgeting purposes.
- Coordination of annual audit with the CITY's auditor, ensuring the CITY is in compliance with Generally Accepted Accounting Principles (GAAP).
- Compilation and submission of annual financial reports to State Controller's Office.
- CONSULTANT will work directly with the CITY's CPA to ensure both parties have what they need to conduct their job in a timely manner.
- Submitting grant funding request documentation and tracking all funds (as applicable).

Other services available to the CITY that are **not** included in this contract are listed below. They would be billed out at a rate of \$75.00/hour following written approval from CITY:

- Guidance on the financing of debt, the solicitation of grants and their administration and any other requests requiring the expertise of staff trained for that purpose.
- Create and maintain CITY's Accounting/Bookkeeping Manual for routine changes in policies and procedures to provide sustainable and smooth operations.
- City Council meeting support, including preparation and distribution of Agendas and Minutes and the hosting of electronic meeting format such as Zoom or Teams, to maintain off-site access to the public.
- Routine and timely maintenance of the CITY website, including posting Agendas, Minutes, reports, and notices.
- Any other responsibilities necessary for ensuring financial performance, reporting and smooth administrative functioning that may be requested not specifically outlined above.