

**MEMORANDUM OF UNDERSTANDING BETWEEN
CHARLOTTE COUNTY AND CITY OF NORTH PORT
FOR UTILITY PAYMENT CHECK PROCESSING**

This Memorandum of Understanding ("MOU") is made and entered into this 13th day of September, 2010, by and between Charlotte County, a political subdivision of the State of Florida ("COUNTY"), and City of North Port, Florida ("CITY"), collectively referred to as the "PARTIES."

WITNESSETH:

WHEREAS, both COUNTY and CITY are authorized to enter into interlocal Memorandum of Understandings, pursuant to Chapter 163, Florida Statutes; and

WHEREAS, COUNTY and CITY each own and operate public water supply treatment and distribution systems which provide service to their respective customers; and

WHEREAS, COUNTY and CITY wish to establish an arrangement for COUNTY to provide a service designed to facilitate the receipt and processing of paper accounts receivable remittances.

NOW, THEREFORE, for and in consideration of the mutual covenants and premises contained herein, the PARTIES hereby agree as follows:

1. **PURPOSE.** COUNTY will establish one United States Post Office Box in CITY's name. On each business day after the United States Post Office Box been established and upon execution of this Memorandum of Understanding, COUNTY will process the checks, drafts and money orders (all of which are referred to as "items") received in the United States Post Office Box in accordance with CITY instructions as written to COUNTY and in effect at the relevant time and send CITY deposit advices for those items.

(a) **Automated Processing System.** COUNTY processes items through the use of automated systems. CITY is to design the remittance documents (which are referred to as "coupons") to include supporting documentation containing the information required for COUNTY to identify and validate items for automated processing. COUNTY will test the performance of CITY'S coupons and will only begin providing this service upon the satisfactory completion of the test.

(b) **Items With Coupons.** COUNTY will process items that are accompanied by coupons automatically for deposit into the relevant account as identified on the coupon. COUNTY will not inspect these items for payee name, drawer signature, date, or for items and/or accompanying correspondence containing "payment in full" or other similar payment dispute language. COUNTY will not assume any liability for processing or depositing items without inspecting them for issues relating to any of these attributes.

(c) **Items Without Coupons.** Items that are not accompanied by coupons will be forwarded by COUNTY to CITY.

(d) **Endorsement.** COUNTY will endorse items for deposit with CITY'S standard endorsement and deposit them into the relevant account specified by CITY.

(e) **Stop File.** CITY may give COUNTY a file of items that CITY does not want COUNTY to process. CITY's file must be in the format and contain the information that COUNTY separately provides to CITY from time to time with respect to each item that CITY does not want COUNTY to process and CITY must provide the list at least 24 hours before the items in question are received. COUNTY will make a good faith effort to stop processing items described in CITY'S file and return them to CITY, but COUNTY will not assume liability if COUNTY processes any such item. COUNTY is not able to stop processing an item once it has been transferred to COUNTY's Cash Room.

(f) **Forwarding Items.** If CITY receives an item that should have been delivered to the United States Post Office Box, CITY may forward it to the United States Post Office Box. COUNTY will process all such items, as set forth in this Memorandum of Understanding, automatically and without inspecting them.

(g) **Cash and Other Property.** Any property, cash or other items received in the United States Post Office Box will be sent to CITY. COUNTY will use reasonable care in handling, processing, and accounting for cash received pursuant to this Memorandum of Understanding.

(h) **Data Files.** COUNTY will make a data file regarding the items processed that day available to CITY through COUNTY's on-line services. The data file will be in the format and will contain the

information as shown as Addendum 1 to this Memorandum of Understanding, attached hereto and incorporated herein by reference. COUNTY will make the information available on each business day by 9:00 p.m.

2. **BANK ACCOUNTS.** All funds received are to be transferred to one CITY-designated bank account as specified by CITY.

3. **REMITTANCE MATERIALS.** COUNTY will destroy the coupons and checks approximately 60 days after receipt. Electronic copies of remittance materials will be maintained per the requirements of applicable Florida Statutes and will be made available to CITY upon CITY's written request. COUNTY will return any correspondence and other materials received in the United States Post Office Box to CITY.

4. **RETURN ITEMS.** Returned items will be forwarded to CITY for processing.

5. **TERMINATION.** If this service or Memorandum of Understanding is terminated, COUNTY will complete the processing of items received prior to the termination date. For a period of ninety days (90) after the termination date, COUNTY will forward all United States Post Office Box remittances to CITY, or as CITY may otherwise direct in writing. After that time, COUNTY shall close the United States Post Office Box and have all items forwarded to an address designated by CITY.

6. **PRICE.** COUNTY's charges to CITY for COUNTY's services and costs will be charged per Addendum II under this Memorandum of Understanding, attached hereto and incorporated herein by reference. Any increases in COUNTY's costs, with the exception of the annual increase of five percent (5%) each year for annual maintenance fees, remittance transactional fees, and return check processing, will be communicated to CITY prior to the first day of March in subsequent renewal terms and will be directly passed through to CITY.

7. **BILLING AND PAYMENT.** COUNTY shall bill CITY on the first business day of the month for all items processed during the previous month. Invoices must be submitted to CITY on a form approved by CITY. Price shall be net and all invoices payable according to the Florida Local Government Prompt Payment Act (Ch. 218, Florida Statutes). Bills not paid within forty-five (45) days of receipt shall

be deemed delinquent and shall be assessed a one and one-half percent (1½%) per month late charge. CITY shall pay all costs, including a reasonable attorney's fee, which may be incurred by COUNTY in collecting any delinquent charges. COUNTY, in addition to any other available remedies, after five (5) days advance written notice, may terminate the service in the event CITY fails to pay all or a portion of a bill for more than twenty (20) days after said bill becomes delinquent.

8. **NOTICES.** In the event either party hereunder desires or is required to provide any notice to the other party, the party desiring or required to provide such notice shall provide it in writing, and hand-deliver it to the other party at the address listed below, or send it by U.S. Certified Mail, return receipt requested, postage prepaid, to the other party at the address listed below:

If to COUNTY: Charlotte County Utilities
 Business Service Manager
 25550 Harborview Drive
 Port Charlotte, FL 33980

If to CITY: Utilities Director
 City of North Port
 6644 West Price Blvd
 North Port, FL 34291

9. **AMENDMENT TO THIS MEMORANDUM OF UNDERSTANDING.** This Memorandum of Understanding may be amended only by written consent of both PARTIES.

10. **EXECUTION.** This Memorandum of Understanding shall be executed in duplicate, with each duplicate considered an original.

11. **DISCLAIMER OF THIRD PARTY BENEFICIARIES.** This Memorandum of Understanding is solely for the benefit of the PARTIES to this Memorandum of Understanding. No right or cause of action shall accrue upon or by reason hereof inure to or for the benefit of any third party.

12. **ASSIGNMENT.** This Memorandum of Understanding shall be binding on the PARTIES, their representatives, successors and assigns. Neither party shall assign this Memorandum of Understanding or the rights or obligations hereof to any other person or entity without the prior written consent of the other party.

13. **INDEMNIFICATION.** Neither party shall indemnify the other party. Each party acknowledges that its legal remedy shall proceed according to Chapter 164, Florida Statutes.

14. **DISPUTES.** Any dispute involving litigation between COUNTY and CITY is subject to all provisions of Chapter 164, Florida Statutes. Exclusive venue for any action arising out of this Memorandum of Understanding shall be in the state courts having jurisdiction within Charlotte County, Florida.

15. **SEVERABILITY.** If any part of this Memorandum of Understanding is found invalid or unenforceable by any court, such invalidity or unenforceability shall not affect the other parts of the Memorandum of Understanding, if the rights and obligations of the PARTIES contained herein are not materially prejudiced and if the intentions of the PARTIES continue to be effected.

16. **APPLICABLE LAW.** This Memorandum of Understanding and the provisions contained herein shall be construed, controlled and interpreted according to the laws of the State of Florida.

17. **COOPERATION.** Both PARTIES to this Memorandum of Understanding shall cooperate fully in the execution of any and all other documents and in the completion of any additional actions that may be necessary or appropriate to give full force and effect to the terms and to the intent of this Memorandum of Understanding.

18. **TERM, RENEWAL AND EFFECTIVE DATE.** The term of this Memorandum of Understanding shall be one (1) year. This Memorandum of Understanding shall automatically be extended from year to year after the initial term, unless one party notifies the other in writing not less than 180 days in advance of October 1st in the year in which termination of this Memorandum of Understanding is desired. It is expressly understood by CITY and COUNTY that funding for any successive fiscal years of this Memorandum of Understanding is contingent upon appropriation of monies by CITY's Commissioners. In the event that funds are not available or appropriated, CITY reserves the right to terminate this Memorandum of Understanding. CITY will be responsible for payment of any outstanding invoices and work completed by COUNTY prior to such termination. This Memorandum of Understanding shall take effect on October 1, 2010.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the PARTIES hereto have executed this Memorandum of Understanding for the purpose herein expressed.

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

By: Robert Starr

Robert Starr, Chairman

ATTEST:

Barbara T. Scott, Clerk Of Circuit
Court and Ex-Officio Clerk to the
Board of County Commissioners

By: Anne L. Pfahler

Deputy Clerk

8-10-10

AGR 2010-030

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

Janette S. Knowlton
Janette S. Knowlton, County Attorney MB
LR #10-944

ATTEST:

Helen M. Raimbeau
HELEN M. RAIMBEAU, MMC
CITY CLERK

CITY OF NORTH PORT, FLORIDA

David J. Garofalo, Sr.
DAVID J. GAROFALO, SR.,
COMMISSION CHAIR

Approved as to form and correctness:

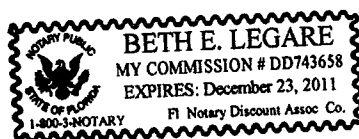
Robert K. Robinson
ROBERT K. ROBINSON
CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this 15th day of September 2010 by the Commission Chair of THE CITY OF NORTH PORT, FLORIDA, on behalf of THE CITY OF NORTH PORT. He/She is personally known to me and did not take an oath.



AFFIX SEAL

Beth E. Legare
Notary Public



Addendum I

Lockbox Coupon and Data File

	NORTH PORT UTILITIES				Service & 24 hour emergency: 941-240-8000 Billing inquiries: 941-429-7122	
	SERVICE ADDRESS				DUE DATE APPLIES TO CURRENT CHARGES ONLY	
	3825 FAIRWAY DR				ALL OTHER AMOUNTS DUE IMMEDIATELY	
	ACCOUNT NUMBER	CYCLE	BILL DATE			
62695-163732	04-26	5/07/10	6/04/10			
Total Current Charges				65.47		
*Balance Forward				.00		
Total Amount Due				65.47		
						
GAETANO PARILLO JR 3825 FAIRWAY DR NORTH PORT FL 34287-6138						
						H₂O PROGRAM DONATION: <input type="checkbox"/> \$1 <input type="checkbox"/> \$5 <input type="checkbox"/> \$10 <input type="checkbox"/> OTHER \$ _____ Benefits North Port utility customers in need of assistance with their water bills.
						Applied Amount \$ _____ AMOUNT ENCLOSED Pay online at: www.cityofnorthport.com or make checks payable to: North Port Utilities
						<input type="checkbox"/> Check here for a change of address on the reverse side
						000062695000163732000000065478 A1: 9 digits A2: 9 digits \$1: 11 digits

Copy of existing payment coupon.

Information to be read from the coupon.

Towards the bottom right area of the coupon is the information for Customer Number (A1), Location ID (A2), and Amount Due (\$1).

The amount applied is located on the line labeled AMOUNT ENCLOSED.

Other areas:

If the box is checked for a change of address, continue to process to check as normal plus send the coupon to the City of North Port in order for the customer account to be updated.

If any areas in the H₂O Program Donation is marked, do not process the coupon and check. Instead send both to the City of North Port for processing.

Data Dictionary for lockbox file.

File is fixed length. 80 characters per row.

Header record – 1 record per file, must be line 1

Header Record	Length	Value	Just	Fill
Record Type	1	"H"		
Family Name	18	"City of North Port"		
File Transmission Date	6	MMDDYY		
Filler	55	Fill		Space
Total	80			

Detail records – 1 record per stub

Stub Detail	Length	Value	Just	Fill
Record ID	1	"D"		
Customer Number	9	A1 from stub (xxxxxxxxx)	R	Zero

RT Number (Location ID)	9	A2 from stub (xxxxxxxxx)	R	Zero
Amount Due	11	\$1 from stub		
Applied Amount	9	Applied Amount	R	Zero
Filler	41			Space
Total	80			

Footer record – at the end of the file

File Trailer	Length	Value	Just	Fill
Record Type	1	"T"		
Number of detail records in file	6	# of detail records in file	R	Zero
Trailer Amount	10	Total value of all Applied Amounts	R	Zero
Filler	63			Space
Total	80			

Partial sample

HCity of North Port062110

D00000#####00000605200000005435000005435
D00000#####00000257200000007075000007075
D00000#####00004405600000003728000001770
D00000#####00000252600000004615000004615
D00000#####00015128800000006251000006251
D00000#####00006124400000006547000006547
D00000#####00008670800000004107000004107
D00000#####00015284000000003795000003795

...

...

D00000#####00010594400000002665000002665
D00000#####00010594000000002041000002041
T0004880003712251

End of partial sample

Note: Customer Number value has been replaced with #####.

Addendum II Pricing

CITY OF NORTH PORT – Utility Bill Remittance processing fees – Year 1(1)

Description	A. (2)Estimated Monthly Volume in units	B. Price per unit	C. Estimated monthly fee A * B	D. Estimated Annual fees of monthly costs	E. One time Cost 1 st year only	Estimated total annual price (fixed or C*12)
Staffing Fees	1 hrs	\$50	\$50	\$ 600		\$ 500
Software, installation/training					\$5,300	\$5,300
Annual maintenance fee				\$1,500		\$1,500
Remittance transactional fee – per unit	4670	.1637	\$ 765	\$9,180		\$9,180
Return check processing	11	2.90	\$ 31.90	\$ 383		\$ 383
Cost for County access to CITY software						To be borne by CITY
Check processor (hardware)					\$3,397	\$3,397
Post office Box				\$ 180		\$ 180
Estimated annual				\$11,843	\$8,697	\$20,540

(1) A 5% increase in staffing fees, cost per unit, annual maintenance fees, return check processing will be added to original price for renewal year

(2) Where price per unit is provided, the actual volume of units will be billed. Estimates are provided as a guide.