

ITEM(S) TO BE CONSIDERED UNDER:

- Consent Item   
  Old Business   
  New Business   
  Other  
 (Committee Reports)

FOR COUNCIL MEETING DATED:	January 11, 2010
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STAFF MAKING REQUEST:	C. James Ervin, Town Manager
BRIEF SUMMARY OF REQUEST:	<p>The Finance and Human Services Committee met on January 4, 2010 to consider the request by Rising Opportunities, Inc. and Piedmont Community Services for the Town to serve as the financial backer of 25% of a \$60,000 loan.</p> <p>The committee also considered Rising Opportunities' request for the \$7,000 set aside for Goodwill Industries of the Valleys, Inc.</p> <p>Attached is a memorandum to the Mayor and Town Council from the Town Manager outlining the committee's recommendation for Council to consider.</p>
ACTION NEEDED:	To either approve or deny the recommendation(s) of the Finance & Human Services Committee.

Attachment(s): Yes

<b>FOLLOW-UP ACTION:</b> (To be completed by Town Clerk)	<b>GIVEN TO (DEPT. HEAD)</b> (To be completed by Town Clerk)
<b>COMPLETED ACTION:</b> (To be filled in by Town Clerk) (To be completed by Department Head)	<b>GIVEN TO TOWN CLERK:</b> (To be completed by Department Head)
<b>DATE COMPLETED AND ACTION TAKEN:</b>	<b>DATE GIVEN TO TOWN CLERK:</b>

## MEMORANDUM

**DATE:** January 5, 2010  
**TO:** Mayor & Town Council  
**FROM:** C. James Ervin, Town Manager *CJE*  
**RE:** Finance & Human Services Committee Recommendation

The Finance and Human Services Committee met on January 5, 2010 to consider the request by Rising Opportunities, Inc. and Piedmont Community Services for the Town to serve as the financial backer of 25% of a \$60,000 loan.

The attached draft contract was presented to the committee which had been negotiated between the four parties involved. The committee recommended approval of the contract.

The committee also considered Rising Opportunities' request for the \$7,000 set aside for Goodwill Industries of the Valleys, Inc. The committee recommended that the request be taken up when next year's budget is being developed.

CJE/phk

Cc: Linda Woody, Finance Director

Attachment

## CONTRACT

THIS CONTRACT dated as of \_\_\_\_\_, 2010, by and between Piedmont Community Services, Rising Opportunities, Inc, hereinafter referred to as Rising Opportunities, Parties of the first part, and The Town of Rocky Mount, Virginia, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as "Rocky Mount" and Franklin County, Virginia, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as "Frankly County", Parties of the second part.

### WITNESSETH:

WHEREAS, Franklin County, Rocky Mount, and Piedmont Community Services support Rising Opportunities in their effort to operate day support services for the benefit of the citizens of Franklin County and Rocky Mount;

WHEREAS, Rising Opportunities must secure a license from the Virginia Department of Behavioral Health & Intellectual Disabilities Services to commence and operate such services; and

WHEREAS, a requirement to apply for such license is evidence of at least 90 days of operating funds, equivalent to \$60,000.

NOW THEREFORE, the parties do hereby agree as follows:

1. Piedmont Community Services will make available to Rising Opportunities, up to \$60,000 to be used for implementation of day support services;
2. Upon the effective date of this contract, Piedmont Community Services will provide sufficient written documentation on the availability of the required \$60,000 start-up funds;
3. Rising Opportunities, will seek license by the Virginia Department of Behavioral Health & Intellectual Disabilities Services within 90 days of the date of this contract;
4. Rising Opportunities, will repay to Piedmont Community Services the full amount borrowed with payments commencing 24 months from the date of initial draw. The full amount borrowed shall be repaid to Piedmont Community Services within 48 months of the initial draw. Payments shall be equal monthly amounts of one-twenty fourth of the total amount borrowed.
5. In the event that Rising Opportunities does not repay the full amount borrowed to Piedmont Community Services within 48months from the date of the initial draw, Rocky Mount agrees to pay Piedmont Community Services 25% of the remaining outstanding balance, up to a maximum amount of \$15,000. The outstanding balance will be the amount borrowed less the amount repaid at the date of the request of Piedmont Community Services. Rocky Mount shall make full payment within 30 days from the

date of notice of default of Rising Opportunities. Rocky Mount's payment under this contract is subject to future appropriations from the Rocky Mount Town Council.

6. In the event that Rising Opportunities does not repay the full amount borrowed to Piedmont Community Services within 48 months from the date of the initial draw, Franklin County agrees to pay Piedmont Community Services 75% of the remaining outstanding balance, up to a maximum amount of \$45,000. The outstanding balance will be the amount borrowed less the amount repaid at the date of the request of Piedmont Community Services. Franklin County shall make full payment within 30 days from the date of notice of default of Rising Opportunities. Franklin County's funding is subject to future appropriations from the Franklin County Board of Supervisors.

7. Rising Opportunities shall make quarterly financial reports to Rocky Mount, Franklin County, and Piedmont Community Services. Rising Opportunities, shall present an audit each year of operation to Rocky Mount, Franklin County, and Piedmont Community Services until the amount borrowed has been repaid. Rising Opportunities, shall adopt a budget for each year of their operation with input from Rocky Mount, Franklin County, and Piedmont Community Services.

8. In the event of default by Rising Opportunities and repayment by Rocky Mount and Franklin County, the amount repaid by Rocky Mount and Franklin County will constitute a debt owed to Rocky Mount and Franklin County by Rising Opportunities and Rising Opportunities agrees to repay that debt to Rocky Mount and Franklin County including all reasonable charges and fees for the collection thereof.

9. To the extent permitted by law, Rising Opportunities, Inc. agrees to indemnify and hold Piedmont Community Services, Rocky Mount, and Franklin County harmless from and against all liabilities that Piedmont Community Services, Rocky Mount and Franklin County may incur in connection with this contract. Nothing herein contained shall be construed as Rocky Mount and / or Franklin County assuming any responsibility taken or attempted by Piedmont Community Services or Rising Opportunities except as related to the \$60,000 sum as herein specifically referenced.

10. Entire Agreement: This Contract constitutes the entire agreement between the parties with respect to the subject mater hereof. This Contract may be amended or modified only be a writing signed by Piedmont Community Services, Rising Opportunities, Rocky Mount and Franklin County.

PIEDMONT COMMUNITY SERVICES

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By:  
Title:

STATE OF VIRGINIA )  
 ) to – wit:  
CITY/COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2010, by \_\_\_\_\_, \_\_\_\_\_ of Piedmont Community Services.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

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TOWN OF ROCKY MOUNT, VIRGINIA

\_\_\_\_\_  
By: Steven C. Angle  
Mayor  
Town of Rocky Mount

Approved as to form:

\_\_\_\_\_  
John T. Boitnott, Town Attorney

STATE OF VIRGINIA )  
 ) to – wit:  
CITY/COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2010, by Steven C. Angle, Mayor of the Rocky Mount Town Council.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

FRANKLIN COUNTY, VIRGINIA

By: Charles Wagner  
Chairman, Franklin County  
Board of Supervisors

Approved as to form:

B. James Jefferson, County Attorney

STATE OF VIRGINIA )  
 ) to - wit:  
CITY/COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2010, by Charles Wagner, Chairman of the Franklin County Board of Supervisors.

Notary Public

My commission expires: \_\_\_\_\_

RISING OPPORTUNITIES, INC.

By:  
Title:

STATE OF VIRGINIA )  
 ) to - wit:  
CITY/COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2010, by \_\_\_\_\_, \_\_\_\_\_ of Rising Opportunities, Inc.

Notary Public

My commission expires: \_\_\_\_\_