

## REQUEST FOR COUNCIL ACTION

<b>DATE:</b>	<b>TITLE:</b>
June 19, 2012	FAILURE TO FILE ANNUAL REPORT
<b>ORIGINATING DEPARTMENT:</b>	<b>TYPE OF ACTION:</b>
Administration	<input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION
	<input checked="" type="checkbox"/> FORMAL ACTION <input type="checkbox"/> OTHER

### RECOMMENDATION:

I recommend that the Council approve the attached notice.

### FISCAL NOTE:

- There is no direct cost associated with this item.

### DISCUSSION:

Two years ago, Congress passed the Dodd-Frank Bill that requires cities that have issued debt to file an annual audit with the federal government by July 1<sup>st</sup> of each year. The City of Beloit will not meet that deadline because our annual audit will not be completed until the end of June. Therefore, the City of Beloit must file this notice with the federal government. Once we receive our audit, we will file it with the federal government. There is no penalty for filing the audit past the deadline.

Respectfully submitted,

Glenn Rodden  
City Administrator

**EXHIBIT A**

**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

**Name of Issuer:** City of Beloit, Kansas

**Name of Bond Issue:** \$1,140,000 General Obligation Bonds (Water Line Replacement Improvements), Series 2011-A, dated September 8, 2011

**Name of Obligated Person:** City of Beloit, Kansas

**Date of Issuance:** September 8, 2011

**NOTICE IS GIVEN** that the City of Beloit, Kansas (the "Issuer") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Instructions dated as of September 8, 2011. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

**Dated:** \_\_\_\_\_

**CITY OF BELOIT, KANSAS**

By \_\_\_\_\_  
Mayor

\_\_\_\_\_  
Cooper Malone McClain, Inc.,  
as Dissemination Agent

## REQUEST FOR COUNCIL ACTION

<b>DATE:</b>	<b>TITLE:</b>
June 19, 2012	Airport Engineering Services
<b>ORIGINATING DEPARTMENT:</b>	<b>TYPE OF ACTION:</b>
Administration	<input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION
	<input checked="" type="checkbox"/> FORMAL ACTION <input type="checkbox"/> OTHER

### RECOMMENDATION:

I recommend that the Council approve the enclosed contract with Alfred Benesch for engineering and project management services for our runway extension project.

### FISCAL NOTE:

- The cost of this item is \$79,510. The FAA will pay 90 percent of that total project costs (\$71,559) and the City of Beloit will pay 10 percent (\$7,951).
- Funding for this type of item is available in our capital improvement fund.

### DISCUSSION:

If this contract is approved, the plan is to bid this project in July and begin construction in August or early September.

Respectfully submitted,

Glenn Rodden  
City Administrator



Alfred Benesch & Company  
3226 Kimball Avenue  
Manhattan, KS 66503-2157  
www.benesch.com  
P 785-539-2202  
F 785-539-2393

June 5, 2012

Glenn Rodden  
City Administrator  
City of Beloit, KS  
119 N. Hersey Ave.  
Beloit, KS 67420

REFERENCE: Moritz Memorial Airport, Beloit KS  
Runway 17/35 Extension – Grading  
AIP No. 3-20-0008-10  
Construction Administration & Engineering Scope of Services

Dear Mr. Hadel:

Alfred Benesch & Company (Benesch) is pleased to submit this scope and fee to provide bidding and construction administration services for the Moritz Memorial Airport Runway Extension Grading Project. Should you find the attached scope of services and fee structure acceptable, please sign and return one copy of the attached Consulting Services agreement to our office. Once we receive written approval, Benesch will immediately proceed with the advertising and bidding of your project in accordance with FAA approval.

Should you have any questions or comments regarding the attached scope of services, please do not hesitate to contact me. I can be contacted at the Benesch Manhattan Office at (785) 539-2209.

Sincerely,

ALFRED BENESCH & CO.

Brad J. Waller, P.E.  
Vice President, Kanas Division Manager





**CONSULTING SERVICES AGREEMENT**

CLIENT	City of Beloit, Kansas	Project Name	Runway 17/35 Extension - Grading
Address	119 N. Hersey Ave.	Construction Administration	
	Beloit, KS 67420	Project Location: Moritz Memorial Airport - Beloit, KS	
Telephone	785.738.3551		
Client Contact	Glenn Rodden	Consultant PM	Brad Waller
Client Job No.		Consultant Job No.	

This AGREEMENT is made by and between the City of Beloit, hereinafter called "CLIENT," and Alfred Benesch & Company, hereinafter called "CONSULTANT", for professional consulting services as specified herein. CONSULTANT agrees to provide CLIENT with requested consulting services more specifically described as follows (or shown in Attachment A):

See Attachment A

The GENERAL CONDITIONS and the following Attachments are hereby made a part of the AGREEMENT:

- Attachment A: Scope of Services and Fee Estimate
  - Attachment B: Schedule of Unit Billing Rates
  - Attachment C: \_\_\_\_\_
- or
- Exhibit A: Work Authorizations specifying Method of Payment, Scope, and Fee

By signing this AGREEMENT, CLIENT acknowledges that it has read and fully understands this AGREEMENT and all attachments thereto. CLIENT further agrees to pay CONSULTANT for services described herein upon receipt of invoice by CLIENT for the CONSULTANT's estimated fee as described below:

- BY LUMP SUM: \$74,170.
- BY TIME AND MATERIALS: \$5,340.
- BY OTHER PAYMENT METHOD (See Attachment \_\_\_\_\_): \$\_\_\_\_\_.
- AS SHOWN ON SERIALLY NUMBERED WORK AUTHORIZATIONS USING EXHIBIT A

IN WITNESS WHEREOF, the parties hereto have made and executed this AGREEMENT:

<b>CLIENT</b>	<b>ALFRED BENESCH &amp; COMPANY</b>
BY: _____	BY: <u>Bradley J. Waller</u>
AUTHORIZED REPRESENTATIVE	AUTHORIZED REPRESENTATIVE
DATE: _____, 20____	DATE: <u>June 5</u> , 20 <u>12</u>
TITLE: _____	TITLE: <u>Kansas DM</u>
	BENESCH OFFICE: <u>Manhattan</u>
	ADDRESS: <u>3226 Kimball</u>
	<u>Manhattan, KS</u>
	<u>66503</u>

**PLEASE SIGN AND RETURN ONE COPY TO ALFRED BENESCH & COMPANY (ADDRESS ABOVE).**

## GENERAL CONDITIONS

### SECTION I - SERVICES BY CONSULTANT

#### 1.1 General

CONSULTANT shall provide services under this AGREEMENT only upon request of the CLIENT, and only to the extent defined and required by the CLIENT. These services may include the use of outside services, outside testing laboratories, and special equipment.

Attachments to this AGREEMENT are as follows:

ATTACHMENT A: Scope of Services and Fee Estimate

ATTACHMENT B: Schedule of Unit Billing Rates.

ATTACHMENT C: Other Attachments, if any.

or

EXHIBIT A: Work Authorization specifying the Method of Payment, Scope, and Fee.

#### 1.2 Scope of Services and Fees

The services to be performed by CONSULTANT and the associated fee are attached hereto and made a part of this AGREEMENT as ATTACHMENT A or using EXHIBIT A, serially numbered Work Authorizations, and shall be performed by the CONSULTANT in accordance with the CLIENT's requirements. It is mutually understood that CONSULTANT'S fee is not a firm contractual amount except the total fee by the CONSULTANT shall not be exceeded unless authorized in writing by the CLIENT. The intent of the Scope of Services is to identify the services to be provided by CONSULTANT. However, it is specifically understood that by written notice to CONSULTANT, CLIENT can decrease or, with concurrence of CONSULTANT, increase the Scope of Services.

### SECTION II - PAYMENTS TO CONSULTANT

#### 2.1 Method of Payment

Payment for CONSULTANT'S personnel services and direct expenses shall be based on the Method of Payment which is identified on the signature page to this AGREEMENT or using EXHIBIT A, serially numbered Work Authorizations, attached hereto, and made a part of this AGREEMENT.

#### 2.2 Payment for Personnel Services

##### 2.2.1 Payment

Payment for the services rendered by CONSULTANT'S personnel shall be based on the hours of chargeable time and in accordance with CONSULTANT'S Schedule of Unit Rates, which is identified, attached hereto, and made a part of this AGREEMENT as ATTACHMENT B.

##### 2.2.2 Chargeable Time

Chargeable time for CONSULTANT'S personnel is that portion of their time devoted to providing services requested by CLIENT. Chargeable time for field personnel located away from CONSULTANT'S office for more than one week is a minimum of eight hours per day and five days per calendar week, except for federally declared legal holidays or during an employee's sick leave or vacation time. Travel time from CONSULTANT'S office to an assigned work site, and return to CONSULTANT'S office, is chargeable time; or if more economical for CLIENT, CONSULTANT shall lodge its personnel overnight near the work site in lieu of traveling back to CONSULTANT'S office at the end of each work day.

##### 2.2.3 Overtime Rates

The basis for payment to CONSULTANT for each hour worked in excess of forty (40) hours in any calendar week shall be the applicable hourly rate as specified in ATTACHMENT B.

#### 2.3 Payment for Direct Expenses

##### 2.3.1 Payment

For Direct Expenses incurred by CONSULTANT, payment to CONSULTANT by the CLIENT shall be in accordance with CONSULTANT'S Schedule of Unit Rates, which is identified, attached to, and made a part of this AGREEMENT as ATTACHMENT B.

##### 2.3.2 Direct Expenses

For the purposes of this AGREEMENT, Direct Expenses to be contracted and managed by CONSULTANT and payable by CLIENT to CONSULTANT shall include: Outside Services including the services and reimbursable expenses for firms other than CONSULTANT which are necessary for the work the CONSULTANT is directed to perform; Laboratory Tests and related reports necessary for the work the CONSULTANT is directed to perform, either by the CONSULTANT or by an outside service for the CONSULTANT; Special Equipment expenses including the costs of the CONSULTANT locating, acquiring, leasing, or renting any equipment or facilities not currently owned, leased, or rented by CONSULTANT at the time of the request for services which are necessary to enable CONSULTANT to provide the services requested; vehicles furnished by CONSULTANT for CONSULTANT'S authorized travels and for CONSULTANT'S field personnel; Per Diem expense or actual costs of maintaining CONSULTANT'S field personnel on or near the Project site, for each day of field assignment away from CONSULTANT'S office; and Other Direct Expenses associated with all services provided hereunder and identified in ATTACHMENT B.

#### 2.4 Payment Conditions

##### 2.4.1

CONSULTANT shall submit monthly invoices for all personnel services and direct expenses under this AGREEMENT and a final invoice upon completion of services.

##### 2.4.2

Invoices are due and payable upon receipt by CLIENT. Interest at a rate of 1.5% per month, or the maximum allowed by law, will be charged on all past due amounts starting thirty (30) days after date of invoice. Payments will first be credited to interest and then to principal.

##### 2.4.3

In the event of a disputed or contested invoice, only that portion so contested will be withheld from payment and the CLIENT will pay the undisputed portion. No interest will accrue on any reasonably contested portion of the invoice until mutually resolved.

##### 2.4.4

If CLIENT fails to make payment in full to CONSULTANT within sixty (60) days after the date of the undisputed invoice, CONSULTANT may, after giving seven (7) days' written notice to CLIENT, suspend services under this AGREEMENT until paid in full, including interest. CONSULTANT shall have no liability to CLIENT for delays or damages caused by such suspension of services. CLIENT agrees to pay all costs of collection, including reasonable attorney's fees, incurred by CONSULTANT as a result of CLIENT'S failure to make payments in accordance with this AGREEMENT.

**2.4.5** The billing rates specified in ATTACHMENT B for subsequent years shall be adjusted annually in accordance with CONSULTANT's costs of doing business, subject to CLIENT's review and concurrence.

### **SECTION III - Term of Agreement**

#### **3.1 Term**

CONSULTANT's obligations to perform under this AGREEMENT shall extend from the date of execution until terminated by either party.

#### **3.2 Abandonment of Work**

CLIENT shall have the absolute right to abandon any work requested hereunder or to change the general scope of the work at any time, and such action on its part shall in no event be deemed a breach of contract.

#### **3.3 Termination of AGREEMENT**

This AGREEMENT may be terminated for convenience on thirty (30) days' written notice or for cause if either party fails substantially to perform through no fault of the other and does not commence and make a continuing effort to effect correction of such non-performance within seven (7) days of written notice.

#### **3.4 Payment for Work Upon Abandonment or AGREEMENT Termination**

If CLIENT abandons requested work or terminates this AGREEMENT, CONSULTANT shall be paid on the basis of work completed to the date of abandonment or effective date of termination. CONSULTANT shall perform no activities other than reasonable wrap-up activities after receipt of notice of abandonment or termination. Payment for the work shall be as established under Section II.

### **SECTION IV - General Considerations**

#### **4.1 Assignment and Responsibility for Personnel**

**4.1.1** The assignment of personnel and all phases of the undertaking of the services which CONSULTANT shall provide hereunder shall be subject to the oversight and general guidance of CLIENT.

**4.1.2** While upon the premises of CLIENT or property under its control, all employees, agents, and subconsultants of CONSULTANT shall be subject to CLIENT's rules and regulations respecting its property and the conduct of its employees thereon.

**4.1.3** However, it is understood and agreed that in the performance of the work and obligations hereunder, CONSULTANT shall be and remain an independent Consultant and that the employees, agents or subconsultants of CONSULTANT shall not be considered employees of or subject to the direction and control of CLIENT. CONSULTANT shall be responsible for the supervision and performance of all subconsultants which are to perform hereunder.

#### **4.2 Insurance**

**4.2.1** CONSULTANT shall furnish CLIENT a certificate of insurance upon request showing amounts and types of insurance carried by CONSULTANT, which certificate shall contain a commitment by the Insurance Company that during the time any work is being performed by CONSULTANT under this AGREEMENT it will give CLIENT ten (10) days' advance notice of cancellation or change in the insurance coverage shown on such certificates.

#### **4.3 Successors and Assigns**

**4.3.1** CLIENT and CONSULTANT each binds itself and its partners, successors, executors, administrators, assigns, and legal representatives to the other party to this AGREEMENT and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this AGREEMENT.

**4.3.2** Neither CONSULTANT nor CLIENT shall assign or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this AGREEMENT without the written consent of the other party, except as stated in paragraph 4.3.1 and except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this AGREEMENT. Nothing contained in this paragraph shall prevent CONSULTANT from employing such independent consultants, associates, and subconsultant's as it may deem appropriate to assist in the performance of services hereunder.

**4.3.3** Nothing herein shall be construed to give any rights or benefits hereunder to any one other than CLIENT and CONSULTANT except as otherwise provided herein.

#### **4.4 Compliance with Law**

**4.4.1** CONSULTANT shall comply with, and cause its subconsultants to comply with, applicable Federal, state, and local laws, orders, rules, and regulations relating to the performance of the services CONSULTANT is to perform under this AGREEMENT.

**4.4.2** Neither the CONSULTANT nor the CONSULTANT's agents or employees shall discriminate against any employee or applicant for employment to be employed in the performance of this AGREEMENT with respect to hiring, tenure, terms, conditions, or privileges of employment, because of race, color, religion, sex, or national origin.

#### **4.5 Ownership and Reuse of Documents**

**4.5.1** All drawings, specifications, test reports, and other materials and work products which have been prepared or furnished by CLIENT prior to this AGREEMENT shall remain CLIENT's property. CLIENT shall make available to CONSULTANT copies of these materials as necessary for the CONSULTANT to perform the services requested hereunder.

**4.5.2** All drawings, specifications, test reports, and other materials and work products, including computer aided drawings, designs, and other data filed on electronic media which will be prepared or furnished by CONSULTANT (and CONSULTANT's independent professional associates and subconsultants) under this AGREEMENT, are instruments of service in respect to the Project and CONSULTANT shall retain an ownership and property interest therein whether or not the Project is completed. CLIENT may make and retain copies for information and reference in connection with the use and the occupancy of the Project by CLIENT and others; however, such documents are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the Project or on any other project. Further, CONSULTANT makes no warranty as to the compatibility of computer data files with computer software and software releases other than that used by CONSULTANT in performing services herein, and to the condition or availability of the computer data after an acceptance period of thirty (30) days from delivery to

CLIENT. Any reuse without written verification or adaptation by CONSULTANT for the specific purpose intended will be at CLIENT's sole risk and without liability or legal exposure to CONSULTANT or to CONSULTANT's independent professional associates or subconsultants, and CLIENT shall indemnify and hold harmless CONSULTANT and CONSULTANT's independent professional associates and subconsultants from all claims, damages, losses, and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle CONSULTANT to further compensation at rates to be agreed upon by CLIENT and CONSULTANT.

#### **4.6 Severability**

If any of the provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this AGREEMENT shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

#### **4.7 Location of Underground Utilities**

It shall be the CLIENT's responsibility to locate and physically mark all underground utilities and structures which lie within the work area prior to the start of subsurface investigations. If the CLIENT elects not to assume this responsibility, CLIENT shall notify CONSULTANT and shall compensate CONSULTANT for all costs associated with locating and physically marking said underground utilities and structures according to CONSULTANT's project billing rates, over and above the estimated project fee. CLIENT shall indemnify and hold CONSULTANT harmless from any damages and delays resulting from unmarked or improperly marked underground utilities and structures. For reasons of safety, CONSULTANT will not begin work until this has been accomplished.

#### **4.8 Subsurface Investigations**

In soils, foundation, groundwater, and other subsurface investigations, the actual characteristics might vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that could affect Project cost and/or execution. These conditions and cost/execution effects are not the responsibility of the CONSULTANT.

#### **4.9 CONSULTANT's Personnel at Project Site**

**4.9.1** The presence or duties of the CONSULTANT personnel at a Project site, whether as onsite representatives or otherwise, do not make the CONSULTANT or its personnel in any way responsible for those duties that belong to the CLIENT and/or the construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the project documents and any health or safety precautions required by such construction work. The CONSULTANT and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or

safety deficiencies of the construction contractor or other entity or any other persons at the site except CONSULTANT's own personnel.

**4.9.2** The presence of CONSULTANT's personnel at a construction site is for the purpose of providing to CLIENT a greater degree of confidence that the completed work will conform generally to the project documents and that the integrity of the design concept as reflected in the project documents has been implemented and preserved by the contractor(s). CONSULTANT neither guarantees the performance of the contractor(s) nor assumes responsibility for contractor(s)' failure to perform their work in accordance with the project documents.

#### **4.10 Opinions of Cost, Financial Considerations, and Schedules**

In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the Project, the CONSULTANT has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions. CONSULTANT's opinions of probable Total Project Costs and Construction Costs provided for herein as appropriate are made on the basis of CONSULTANT's experience and qualifications and represent CONSULTANT's judgments as an experienced and qualified professional consultant familiar with the construction industry. CONSULTANT makes no warranty that the CLIENT's actual Total Project or Construction Costs, financial aspects, economic feasibility, or schedules will not vary from the CONSULTANT's opinions, analyses, projections, or estimates. If CLIENT wishes greater assurance as to any element of the Total Project or Construction cost, feasibility, or schedule, CLIENT will employ an independent cost estimator, contractor, or other appropriate advisor.

#### **4.11 Disposition of Samples and Equipment**

##### **4.11.1 Disposition of Samples**

No samples and/or materials will be kept by CONSULTANT longer than thirty (30) days after submission of the final report unless agreed otherwise.

##### **4.11.2 Hazardous or Potentially Hazardous Samples and Materials**

In the event that samples and/or materials contain or are suspected to contain substances or constituents hazardous or detrimental to health, safety, or the environment as defined by federal, state, or local statutes, regulations, or ordinances, CONSULTANT will, after completion of testing, return such samples and materials to CLIENT, or have the samples and materials disposed of in accordance with CLIENT's directions and all applicable laws. CLIENT agrees to pay all costs associated with the storage, transportation, and disposal of samples and materials. CLIENT recognizes and agrees that CONSULTANT at no time assumes title to said samples and materials, and shall have no responsibility as a handler, generator, operator, transporter, or disposer of said samples and materials.

##### **4.11.3 Contaminated Equipment**

All laboratory and field equipment contaminated in CONSULTANT's performance of services will be cleaned at CLIENT's expense. Contaminated consumables will be disposed of and replaced at CLIENT's expense. Equipment (including tools) which cannot be reasonably decontaminated shall become the property and responsibility of CLIENT. At CLIENT's expense, such equipment shall be delivered to CLIENT, or disposed of in the same manner specified in 4.11.2 above. CLIENT agrees to pay CONSULTANT the fair market value of any

such equipment which cannot reasonably be decontaminated and is delivered to CLIENT pursuant to this AGREEMENT.

#### **4.12 Discovery of Unanticipated Pollutant and Hazardous Substance Risks**

**4.12.1** If CONSULTANT, while performing the services, discovers pollutants and/or hazardous substances that pose unanticipated risks, it is hereby agreed that the scope of services, schedule, and the estimated cost of CONSULTANT's services will be reconsidered and that this AGREEMENT shall immediately become subject to renegotiation or termination.

**4.12.2** In the event that the AGREEMENT is terminated because of the discovery of pollutants and/or hazardous substances posing unanticipated risks, it is agreed that CONSULTANT shall be paid for its total charges for labor performed and reimbursable charges incurred to the date of termination of this AGREEMENT, including, if necessary, any additional labor or reimbursable charges incurred in demobilizing.

**4.12.3** CLIENT also agrees that the discovery of unanticipated pollutants and/or hazardous substances may make it necessary for CONSULTANT to take immediate measures to protect health and safety. CONSULTANT agrees to notify CLIENT as soon as practically possible should unanticipated pollutants and/or hazardous substances be suspected or encountered. CLIENT authorizes CONSULTANT to take measures that in CONSULTANT's sole judgment are justified to preserve and protect the health and safety of CONSULTANT's personnel and the public. CLIENT agrees to compensate CONSULTANT for the additional cost of taking such additional precautionary measures to protect employees' and the public's health and safety. This section is not intended to impose upon CONSULTANT any duties or obligations other than those imposed by law.

### **SECTION V - Professional Responsibility**

#### **5.1 Performance of Services**

CONSULTANT will strive to perform services under this AGREEMENT in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, express or implied, and no warranty or guarantee is included or intended in this AGREEMENT, or in any report, opinion, document, or otherwise.

#### **5.2 Limitation of Liability**

CLIENT and CONSULTANT agree to allocate certain of the risks so that, to the fullest extent permitted by law, CONSULTANT's total liability to CLIENT is limited to \$50,000 or CONSULTANT's fee, whichever is greater, this being the CLIENT's sole and exclusive remedy for any and all injuries, damages, claims, losses, expenses, or claim expenses (including attorney's fees) arising out of this AGREEMENT from any cause or causes. Such causes include, but are not limited to, CONSULTANT's negligence, errors, omissions, strict liability, breach of contract, or breach of warranty. CLIENT understands that dollar limits higher than that indicated above are available. If CLIENT wishes to discuss these other limits and their impact on CONSULTANT's fee, CLIENT should contact CONSULTANT prior to executing this AGREEMENT.

#### **5.3 No Special or Consequential Damages**

CLIENT and CONSULTANT agree that to the fullest extent permitted by law CONSULTANT shall not be liable to CLIENT for any special, indirect, or consequential damages whatsoever, whether caused by CONSULTANT's negligence, errors, omissions, strict liability, breach of contract, breach of warranty, or other cause or causes.

#### **5.4 Indemnification**

To the fullest extent permitted by law, CLIENT agrees to defend, indemnify, and hold CONSULTANT, its agents, subconsultants, and employees harmless from and against any and all claims, damages, losses and expenses, defense costs including attorneys' fees, and court arbitration costs and other liabilities arising out of or resulting from, wholly or in part, the performance of CONSULTANT's services hereunder, including the transport or disposal of hazardous samples or contaminated equipment by CONSULTANT on behalf of CLIENT, or the presence, release, or threatened release of asbestos, hazardous substances, or pollutants on or from the project property; provided that CLIENT shall not indemnify CONSULTANT against liability for damages or expenses to the extent caused by the negligence of CONSULTANT, its agents, subcontractors, or employees.

#### **5.5 No Third Party Beneficiaries**

CLIENT and CONSULTANT expressly agree that AGREEMENT does not confer upon any third party any rights as beneficiary to this AGREEMENT. CONSULTANT accepts no responsibility for damages, if any, suffered by any third party as the result of a third party's use of the work product, including reliance, decisions, or any other action taken based upon it.

CLIENT agrees that CONSULTANT's services and work products are for the exclusive present use of CLIENT. CLIENT agrees that CONSULTANT's compliance with any request by CLIENT to address or otherwise release any portion of the work product to a third party shall not modify, rescind, waive, or otherwise alter provisions of this AGREEMENT nor does it create or confer any third party beneficiary rights on any third party.

### **SECTION VI - Governing Law**

This AGREEMENT is to be governed by the laws of the State of Illinois.

**ATTACHMENT A  
SCOPE OF SERVICES  
FOR  
RUNWAY 17/35 EXTENSION – GRADING CONSTRUCTION ADMIN  
AT THE  
MORITZ MEMORIAL AIRPORT  
BELOIT, KANSAS**

Airport Improvement Program (AIP) Project No. 3-20-0008-10

**PHASE 1: BIDDING SERVICES**

Under this phase of the contract the Consultant will assist the Sponsor in advertising and securing bids. The Consultant agrees to provide the following services. Advertising costs are included in the Benesch fee.

- a. Provide sufficient copies of the approved plans and specifications to permit advertising and bidding. Copies of the documents may be furnished to prospective bidders at a cost fixed by the Consultant.
- b. Host a pre-bid conference and answer questions that arise during the bidding process. Addenda will be completed as required. Benesch will submit a formal report of the conference discussions.
- c. Attend the bid opening, open bids, answer any questions that come up, tabulate and analyze bid results, evaluate bidders and furnish a letter of recommendation regarding the award of a construction contract.
- d. Assist the Sponsor with the submission of documents necessary to obtain construction contract approval.
- e. After appropriate approval, prepare all contract documents necessary for the project including bonds, insurance, contracts, drawings, etc. Bind the contract documents with the specifications and provide one bound set each to the Consultant, and the Sponsor.
- f. Assist the Sponsor in preparing the FAA Grant application and associated “kick-off” paperwork to satisfy FAA requirements.

## **PHASE 2: CONSTRUCTION ADMINISTRATION (INCLUDES OBSERVATION)**

Under this phase the Consultant agrees to perform the following services.

- a. Provide consultation and advice to the Sponsor during all construction phases.
- b. Assign a Project Engineer to the project who will periodically observe work in progress, review test reports and provide weekly calendar day, construction progress and testing reports to the Sponsor and FAA. The Consultant will provide written confirmation that all performance tests required by the specifications were conducted and met or exceeded the specifications.
- c. Submit a Construction Observation Program. The Consultant will comply with FAA Central Region AIP Guide No. 1030 – Construction Management Program.
- d. Participate in a pre-construction conference and submit a formal report of the conference discussions.
- e. Provide horizontal and vertical control for use by the Contractor as required under the project General Provisions, paragraph 50-06. At a minimum, two sets of control monuments will be provided. The Contractor will be responsible for construction staking. Consultant will provide spot checks of grades selected by the Engineer.
- f. Provide full time on-site construction observation during all phases of construction.
- g. Review and approve shop and erection drawings and all materials data submitted by construction contractors for compliance with design concepts.
- h. Prepare and negotiate change orders and supplemental agreements, according to the latest (as of contract date) FAA Central Region AIP Guide No. 1080-Contract Modifications, prepare independent cost analyses, and obtain prior approvals from the Sponsor and FAA.
- i. Determine amounts owed to construction contractors and process financial documents (pay estimates). Consultant's review of construction contractor's work for the purpose of recommending payment does not impose on the Consultant responsibility to supervise, direct, or control such work or for the means, techniques, sequences, or procedures of construction or programs incident thereto.
- j. Arrange and conduct final inspections. Submit a summary of test results and a quality control report complete with checklists, performance test results, pay factor adjustments, etc.
- k. Perform field interview and record results of inquiries regarding wages paid to construction workers.

1. Prepare as-built construction plans and a final construction report that addresses pertinent sections of the latest (as of contract date) FAA Central Region AIP Guide No. 1610-Development Project Closeout.

This phase will be considered complete when the Sponsor and FAA have accepted the construction reports and final payment has been received by the Contractor for the Base Bid.

### **PHASE 3: PROJECT MANAGEMENT**

This phase involves all management necessary to insure the project phases are completed appropriately. This task also involves the QC/QA process, project coordination, and all administrative support necessary throughout the project.

### **PHASE 4: PROJECT CLOSEOUT**

This phase shall include the preparation and submittal of project close-out documentation to FAA as required in the FAA AIP Sponsor Guide Section 1610. All documentation shall be submitted to FAA within 90 days from the project completion with the assistance of City staff. Final closeout documents shall be provided to FAA prior to the consultant's final pay request. As-constructed conditions for this project will be addressed in the Airport Master Plan update to be completed by the Consultant for the Sponsor.

### **FEES AND CHARGES**

The City of Beloit agrees to pay Benesch for the services described in this scope of services as follows:

Phase 1: Bidding Services: Payment for Bidding Services shall be the Not-to-Exceed amount of \$6,800.00 shown on Attachment B, attached and made a part hereto.

Phase 2: Construction Administration (Includes Observation): Payment for Construction Administration shall be the Not-to-Exceed amount of \$52,500.00 of regular time and a Not-to-Exceed amount of \$8,870 of overtime shown on Attachment B, attached and made a part hereto.

Phase 3: Project Management: Payment for Project Management shall be the Not-to-Exceed amount of \$6,000.00 shown on Attachment B, attached and made a part hereto.

Phase 4: Project Closeout: Payment for Project Closeout shall be the Lump Sum amount of \$5,340.00 shown on Attachment B, attached and made a part hereto.



## REQUEST FOR COUNCIL ACTION

<b>DATE:</b>	<b>TITLE:</b>
June 19, 2012	NEIGHBORHOOD REVITALIZATION
<b>ORIGINATING DEPARTMENT:</b>	<b>TYPE OF ACTION:</b>
Administration	<input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION
	<input checked="" type="checkbox"/> FORMAL ACTION <input type="checkbox"/> OTHER

### RECOMMENDATION:

I recommend that the Council approve the attached Neighborhood Revitalization Inter-local Agreement.

### FISCAL NOTE:

- There is no direct cost associated with this item.

### DISCUSSION:

This is an inter-local agreement between the City of Beloit and other cities in Mitchell County to continue participating in the Neighborhood Revitalization program until 2014.

Respectfully submitted,

Glenn Rodden  
City Administrator

# **Neighborhood Revitalization Plan**

## **Purpose and Factual Findings**

This plan is intended to promote the revitalization of the area of the City of Beloit through the rehabilitation, conservation or redevelopment of the area in order to protect the public health, safety or welfare of the residents of the county. More specifically, certain incentives will be used for the acquisition and/or the removal of abandoned structures and a tax rebate incentive will be available for certain improvements within the area.

In accordance with the provisions of K.S.A. 12-17,133 et seq., the City Council has held a public hearing and considered the existing conditions and alternatives with respect to the designated area, the criteria and standards for a tax rebate and the necessity for interlocal cooperation among the other taxing units. Accordingly the council has carefully reviewed, evaluated and determined the area meets one or more of the conditions to be designated as a "neighborhood revitalization area/dilapidated structure".

### **Part 1**

#### **Legal description of Neighborhood Revitalization Area**

### **Part 2**

#### **Appraised Valuation of Real Property**

The appraised valuation of the real estate contained in the Area is listed as follows for each parcel, for land and building value separately;

### **Part 3**

#### **Listing Participating Owners of Record in Area**

Each participating owner of record of each parcel of land is listed together as follows with the corresponding address:

### **Part 4**

- A. Existing Zoning Classifications and Boundaries
- B. Existing and Proposed Land Uses

**Part 5**  
**Capital Improvements Planned for the Area**

Include:

- Public Safety
- Transportation
- Parks and Recreation
- Sewage
- Utilities

**Part 6**  
**Property Eligible for a Tax Rebate**

Residential Property:

1. Rehabilitation, alterations and additions to any existing residential structure, including the alteration of a single-family home into a multi-family dwelling, shall be eligible.
2. Construction of new residential structures, including the conversion of all or part of a non-residential structure into a residential structure, shall be eligible.
3. Eligible residential property may be located anywhere in the neighborhood revitalization area.

Commercial/Industrial Property:

1. Rehabilitation, alterations and additions to any existing commercial structure used for retail, office, manufacturing, warehousing, institutional or other commercial or industrial purposes shall be eligible.
2. Construction of new commercial structures, including the conversion of all or part of a non-commercial structure into a commercial structure, used for retail, office, manufacturing, warehousing, institutional or other commercial or industrial purposes shall be eligible.
3. Improvements to existing or construction of new structures used for public utility or railroad purposes shall not be eligible.
4. Eligible commercial or industrial property may be located anywhere in the neighborhood revitalization area.

**Part 7**  
**Criteria for Determination of Eligibility**

1. Construction of an improvement must have been commenced on or after \_\_\_\_\_, the effective date of enactment of the tax rebate program.
2. An application for rebate must be filed within 60 days of the issuance of a building permit, where permits are required.
3. The minimum investment shall be \$10,000 (and must also reflect a \$10,000 increase in value) for residential, commercial and industrial property.
4. Property eligible for tax incentives under any other program adopted pursuant to statutory or constitutional authority shall be eligible to submit only one application per project.

**Part 8**  
**Contents of Application for Tax Rebate**

A. General Information

1. Owner's Name
2. Owner's Mailing Address
3. School District No.
4. Parcel ID No.
5. Building Permit No.
6. Address of Property
7. Legal Description of Property
8. Day Phone Number
9. Proposed Property Use
10. Improvements
11. Estimated Date of Completion
12. Estimated Cost of Improvements
13. Proof of Historical Register Listing
14. List of Buildings Proposed to be or actually demolished
15. If Residential Rental Property, a list of tenants occupying the building when purchased (or present tenants if unknown) date of tenant occupancy or relocation
16. County Appraiser's Statement of Appraised Valuation

Commencement of Construction

1. Date of commencement of construction.
2. Estimated date of completion of construction

B. Status of Construction/Completion

1. Incomplete project as of January 1 following commencement.
2. Complete project as of January 1 following commencement
3. County Treasurers Statement of Tax Status
4. Code Enforcement Officer's Statement of Application confirmation for Tax Rebate

**Part 9**  
**Procedure for Submission of an Application**

1. The Applicant shall obtain an application for Tax Rebate from the County Clerk's office.
2. The applicant shall complete and sign Part I of the application and file the original with the County Clerk within 60 days following issuance of a building permit, if required by code.
3. The application shall be forwarded to the Mitchell County Appraiser's Office for determination of the existing appraised valuation of the improvements.
4. Upon completion by the Appraiser's office the application will be returned to the applicant. The applicant shall certify the status of the improvement project as of January 1 following the commencement of the construction by completing and signing Part II of the application. The applicant shall file the application with the appraiser's office on or before December 1, preceding the commencement of the tax rebate period.
5. On or about January 1, the County Appraiser shall conduct an on-site inspection of the construction project and determine the new valuation of the real estate and shall complete his or her portion of the application and shall report the new valuation to the County Clerk by June 15. The tax records on the project shall be revised by the County Clerk's office.
6. Upon determination by the Appraiser's office that the improvements meet the criteria for rebate and by the Treasurers office that the taxes and assessments on the property are not delinquent, the County Commission shall certify that the project and application does or does not meet the requirements for a tax rebate and shall notify the applicant and the County Clerk's office of the rebate percentage due for each year of the rebate period.
7. Upon the payment, in full, of the real estate tax for the subject property for the initial and each succeeding tax year extending through the specified rebate period, a tax rebate shall be made to the applicant. The tax rebate shall be made within 30 days following the date of tax distributions by the Mitchell County Treasurer. The tax rebate shall be made from the Neighborhood Revitalization Fund established by the Mitchell County Commissioners.
8. The County Clerk shall inform the County Commission 30 days prior to the expiration of the final rebate period for each property receiving a tax rebate.



# Neighborhood Revitalization Adopting Ordinance

Ordinance No. \_\_\_\_\_

AN ORDINANCE ADOPTING A NEIGHBORHOOD REVITALIZATION PLAN AND DESIGNATING A NEIGHBORHOOD REVITALIZATION AREA.

WHEREAS, the City Council of Beloit, Kansas pursuant to the authority provided in K.S.A. 12-17,114 et seq. wishes to adopt a plan to assist the revitalization of certain designated areas of Beloit; and

WHEREAS, the City Council of Beloit, Kansas pursuant to public notice did hold a public hearing on \_\_\_\_\_, \_\_\_\_\_ to hear and consider public comment on the Neighborhood Revitalization Plan.

NOW, THEREFORE, BE IT ORDAINED

Section 1. Neighborhood Revitalization Plan. That the City Council does hereby adopt the Neighborhood Revitalization Plan, attached herein, labeled Exhibit A and incorporated by reference as if fully set forth herein.

Section 2. Designation of Neighborhood Revitalization Area. That the City Council hereby designates the real property described in Part 1 of the Neighborhood Revitalization Plan as the Neighborhood Revitalization Area, finds that the following conditions exist within the Area: 1) a predominance of buildings which, by reason of dilapidation or obsolescence, are detrimental to public health, safety and welfare; 2) a substantial number of deteriorating structures which impair the sound growth of the county, retards the provision of housing and constitutes an economic liability and 3) a predominance of buildings which, by reason of age, history or architecture, are significant and should be restored to productive use, and finds that the rehabilitation, conservation and redevelopment of said area is necessary to protect the health, safety and welfare of the residents of the county.

Section 3. That this ordinance shall be in full force and effect upon publication in the official county newspaper. Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Chairman

ATTEST: \_\_\_\_\_  
City Clerk

## Neighborhood Revitalization Interlocal Agreement

THIS INTERLOCAL AGREEMENT (hereinafter referred to as Agreement) entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between the City of Beloit a duly organized municipal corporation hereinafter referred to as "City" and the County of Mitchell, Kansas hereinafter referred to as "County".

WHEREAS, K.S.A. 12-2904 allows public agencies to enter into interlocal agreements to jointly perform certain functions including economic development; and

WHEREAS, K.S.A. 12-17, 114 et seq. provides a program for neighborhood revitalization and further allows for the use of interlocal agreements between municipalities to further neighborhood revitalization; and

WHEREAS, it is the desire and intent of the parties to hereto to provide the maximum economic development incentive as provided for in K.S.A. 12-17, 119 by acting jointly.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. The parties agree to adopt a neighborhood revitalization plan as contained in Exhibit A, attached hereto and incorporated by reference as if fully set forth herein. The parties further agree the neighborhood revitalization plan as adopted will not be amended without approval of the parties except as may be necessary to comply with applicable state law or regulation.
2. The parties further agree that the County shall administer the neighborhood revitalization plan as adopted by each party on behalf of the signatory parties. The county shall create a neighborhood revitalization fund pursuant to K.S.A. 12-17, 118 for the purpose of financing the redevelopment and to provide rebates. Any increment in property taxes received by the City, the County, and the resulting from qualified improvements to property pursuant to the neighborhood revitalization plan shall be credited to the County's neighborhood revitalization fund.
3. This agreement shall expire October 1, 2014. The parties agree to undertake a review of the neighborhood revitalization plan on or before October 1, 2014 to determine any needed modifications to the neighborhood revitalization plan and participation in a new interlocal agreement. The parties agree that any party may terminate this agreement prior to October 1, 2014 by providing thirty (30) day advance notice provided however any applications for tax rebate submitted prior to termination shall, if approved, be considered eligible for the duration of the rebate period.

IN WITNESS WHEREOF, the parties have hereto executed this agreement as of the day and year first above written.

City of Beloit, Kansas

\_\_\_\_\_  
/s/ Mayor

ATTEST:

\_\_\_\_\_  
/s/ City Clerk

County of Mitchell, Kansas

By \_\_\_\_\_  
/s/ County Commission Chairman

ATTEST:

\_\_\_\_\_  
/s/ County Clerk

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2012 by the Attorney General of the State of Kansas.

Kansas Attorney General

By \_\_\_\_\_  
/s/ Assistant Attorney General

PUBLIC BUILDING COMMISSION SPECIAL MEETING MINUTES  
AUGUST 23, 2011

The Public Building Commission met in special meeting on August 23, 2011 in the Council Chambers. Commissioner James Crowley called the meeting to order at 7:07 pm. Those in attendance were James Crowley and Tom Naasz.

A motion was made by Commissioner Crowley seconded by Commissioner Naasz to approve Resolution 2-2011 Authorizing the Issuance of Revenue Bonds. Resolution 2-2011 Authorizing the Issuance of Revenue Bonds with interest rates for the following years: 1.000% 2013, 1.250% 2014, 1.750% 2015, 2.250% 2016, 2.500% 2017, 2.750% 2018, 3.000% 2019, 3.200% 2020, 3.400% 2021, 3.600% 2022, 4.500% 2023, 4.500% 2024, 4.500% 2025, 4.500% 2026, 0.000% 2026, 5.000% 2027, 5.000% 2028, 5.000% 2029, 5.000% 2030, 5.000% 2031, 5.000% 2032. The average cost of the bond issuance is 4.4717580%. Motion carried 2-0.

A motion to adjourn the meeting was made by Councilor Naasz and seconded by Councilor Crowley. Motion passed 2-0. The meeting ended at 7:36 p.m.

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President

ATTEST:

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Secretary

## REQUEST FOR PUBLIC BUILDING COMMISSION ACTION

<b>DATE:</b>	<b>TITLE:</b>
June 19, 2012	FAILURE TO FILE ANNUAL REPORT
<b>ORIGINATING DEPARTMENT:</b>	<b>TYPE OF ACTION:</b>
Administration	<input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input checked="" type="checkbox"/> FORMAL ACTION <input type="checkbox"/> OTHER

### RECOMMENDATION:

I recommend that the Public Building Commission approve the attached notice.

### FISCAL NOTE:

- There is no direct cost associated with this item.

### DISCUSSION:

The PBC is required to approve this this notice because the PBC issued the bonds for the new city aquatic center. The city will file its annual report with the federal government when it arrives in late June.

Respectfully submitted,

Glenn Rodden  
City Administrator

**EXHIBIT A**

**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

**Name of Issuer:** Beloit Public Building Commission, Beloit, Kansas  
**Name of Bond Issue:** \$4,435,000 Revenue Bonds (Swimming Pool Project), Series 2011, dated September 15, 2011  
**Name of Obligated Person:** Beloit Public Building Commission, Beloit, Kansas  
**Date of Issuance:** September 15, 2011

**NOTICE IS GIVEN** that the Beloit Public Building Commission, Beloit, Kansas (the "Issuer") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Instructions dated as of September 15, 2011. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

**Dated:** \_\_\_\_\_

**BELOIT PUBLIC BUILDING COMMISSION  
BELOIT, KANSAS**

By \_\_\_\_\_  
President

\_\_\_\_\_  
Cooper Malone McClain, Inc.,  
as Dissemination Agent

## ITEMS FOR COUNCIL DISCUSSION

<b>DATE:</b>	<b>TITLE:</b>
June 19, 2012	WORK SESSION DISCUSSION

### DISCUSSION:

Items for discussion at your June 19, 2012 Work Session will include the following:

#### A. Impact Fees, Tap Fees, and Franchise Fees

Every year, the City of Beloit adopts a resolution setting fees for various services (impact fees, tap fees, etc.), but we do not collect those fees. In addition, the city charges its own utilities a franchise fee (8% on electric, 3.5% on water and 2.25% on wastewater), but the city does not pass through those charges to the customer. City staff is recommending that the council consider collecting fees as part of the annual budget process.

Attached is an analysis of impact and franchise fees done by Water and Wastewater Director Kendal Francis for his department.

Respectfully submitted,

Glenn Rodden  
City Administrator

215 S. Chestnut  
P O Box 567  
Beloit, Kansas 67420



Tel No (785) 738-2275  
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beloitplants@nckcn.com

**TO:** Glenn Rodden, City Administrator  
**FROM:** Kendal Francis, Director of Water / Wastewater Operations  
**RE:** Franchise Fees  
**DATE:** June 14, 2012

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As you are aware, the water and wastewater utilities are assessed a franchise fee of 3.5% and 2.25% respectively. Those fees are currently not recouped by either utility. This results in substantial amounts of lost revenue, which in turn leads to reduced operating capital and depleted cash reserves. This is not sound business practice.

I expect my departments to be fiscally conservative and I believe we have been good stewards of City monies. I have made every effort to reduce spending in both utilities, including eliminating 2 full-time positions, 1 in water and 1 in wastewater. However, further reductions would be detrimental to operations. I believe it is necessary and appropriate to increase revenue.

Therefore, I am requesting that we implement franchise fees in 2 phases for both the water and wastewater utilities. I recommend that we immediately implement a 1.75% franchise fee for water and a 1.25% franchise fee for wastewater. I further recommend that another 1.75% fee be added to water and 1% to wastewater beginning January 1, 2013.

Please see the accompanying Excel spreadsheet that outlines how the franchise fee would affect a customer's bill, and shows a summary of actual franchise fee expenditures since 2007.

The following are the anticipated revenues:

Water: 2012 - \$8,250    Wastewater: 2012 - \$5,300  
          2013 - \$35,000                    2013 - \$19,000

Thank you for your consideration of this matter.

## **Impact Fee Study**

The purpose of my analysis was to review the existing impact fees and make recommendations as to the level of charges that should reasonably be in effect consistent with:

1. The fixed assets installed by the City; and
2. The capital expenditure requirements identified in the water and wastewater utilities' 5-year Capital Improvement Plan (CIP).

At the outset of the review, it was determined that the proposed impact fees should meet a number of goals and objectives. These goals and objectives deal primarily with criteria related to fee sufficiency and level. Specifically, the major objectives considered in this study included:

- ◆ Existing customers, to the extent practical, should not finance or be impacted by the cost of financing and constructing water and wastewater infrastructure to serve new growth;
- ◆ The water impact fees should be sufficient to fund the allocable cost of the identified capital requirements associated with providing water production; treatment and transmission service to new development;
- ◆ The wastewater impact fees should be sufficient to fund the allocable cost of the identified capital requirements associated with providing wastewater transmission, treatment and disposal service to new development;
- ◆ The impact fees should not be used to fund deficiencies in the capital needs of the water and wastewater utility systems (i.e., no expenditures for renewal and replacement or upgrade of facilities allocable to existing customers);
- ◆ The impact fees should be based upon reasonable level of service standards that meet the needs of the City, should be indicative of the criteria used for long-term infrastructure planning, and should be consistent with industry standards;
- ◆ The proposed impact fees should be based on cost of service (full cost recovery) principles;

The proposed water and wastewater impact fees presented in this report have been structured to meet these objectives. The fees I calculated during the course of my analyses were based on the recovery of capital-related costs that have been incurred and which have available capacity to serve new development as well as costs anticipated to be incurred by the City during the projection period.

Based on my review, I recommend that the City reactivate the impact fees at their previous levels of \$350 for water and \$400 for wastewater for the remainder of 2012. I further recommend, that in January 2013, the City adjust the impact fees to reflect the actual impact of new water and wastewater services to their respective systems.

**DEFINITIONS:**

MGD – Million Gallons Day  
gpd – Gallons per Day  
ERC – Equivalent Residential Connection

**CALCULATIONS:**

**Water**

Capacity = 1.5 MGD

Peaking Factor (Engineering Constant) = 1.2

Treatment Capacity = (Capacity / Peaking Factor) = 1.25 MGD

Average daily flow = 553,000 gpd. (Monthly avg. – 2011)

# of connections = 1846 (March 2012)

Level of service per ERC (avg. daily flow / connections) = 300 gpd.

# of ERC served by Capacity (Capacity/ERC) = 4166

Cost of facilities (Plant, Intake, Towers, Pre-sedimentation, Clarifier) = \$

Cost of facilities / # of ERC = \$4,000,000 / 4166 = \$960

Cost of CIP (Electrical upgrades, Pump upgrades, Intake station power) = \$300,000

Cost of CIP / # of ERC = \$72

Water Impact Fee = \$1032

**Wastewater**

Capacity = 2.2 MGD

Peaking Factor (Engineering Constant) = 1.3

Treatment Capacity (Capacity / Peaking Factor) = 1.69MGD

Average daily flow = 384,000 gpd. (Monthly avg. - 2011)

# of connections = 1728 (March 2012)

Level of service per ERC (avg. daily flow / connections) = 222 gpd.

# of ERC served by Capacity (Capacity/ERC) = 7613

Cost of facilities (Plant & 8 lift stations) = \$8,010,520

Cost of facilities / # of ERC = \$8,010,520 / 7613 = \$1052

Cost of CIP = (Replace #4 Lift Station, Guzzler Truck, Process pumps) = \$450,000

Cost of CIP / # of ERC = \$59

Wastewater Impact Fee = \$1,111

**FRANCHISE FEES**

<b>Water</b>							
Usage	Base Rate	Cost Per 1000 gals.	Total	Franchise Fee	Monthly Increase	Franchise Fee	Monthly Increase
3,500	\$ 19.78	\$ 4.00	\$ 33.78	1.75%	\$ 0.59	3.5%	\$ 1.18
5,000	\$ 19.78	\$ 4.00	\$ 39.78	1.75%	\$ 0.70	3.5%	\$ 1.39
7,500	\$ 19.78	\$ 4.00	\$ 49.78	1.75%	\$ 0.87	3.5%	\$ 1.74
10,000	\$ 19.78	\$ 4.00	\$ 59.78	1.75%	\$ 1.05	3.5%	\$ 2.09
12,500	\$ 19.78	\$ 4.00	\$ 69.78	1.75%	\$ 1.22	3.5%	\$ 2.44
15,000	\$ 19.78	\$ 4.00	\$ 79.78	1.75%	\$ 1.40	3.5%	\$ 2.79
<b>Sewer</b>							
Usage	Base Rate	Cost Per 1000 gals.	Total	Franchise Fee	Monthly Increase	Franchise Fee	Monthly Increase
3,500	\$ 15.69	\$ 4.15	\$ 30.22	1.25%	\$ 0.38	2.25%	\$ 0.68
5,000	\$ 15.69	\$ 4.15	\$ 36.44	1.25%	\$ 0.46	2.25%	\$ 0.82
7,500	\$ 15.69	\$ 4.15	\$ 46.82	1.25%	\$ 0.59	2.25%	\$ 1.05
10,000	\$ 15.69	\$ 4.15	\$ 57.19	1.25%	\$ 0.71	2.25%	\$ 1.29
12,500	\$ 15.69	\$ 4.15	\$ 67.57	1.25%	\$ 0.84	2.25%	\$ 1.52
15,000	\$ 15.69	\$ 4.15	\$ 77.94	1.25%	\$ 0.97	2.25%	\$ 1.75

**Franchise Fee Expenditures (2007-Current)**

<b>Water</b>			<b>Wastewater</b>		
Year	Fees		Year	Fees	
2012	\$ 34,500.00	Budgeted	2012	\$ 19,000.00	Budgeted
2011	\$ 33,949.25	Actual	2011	\$ 19,156.02	Actual
2010	\$ 34,580.05	Actual	2010	\$ 18,647.26	Actual
2009	\$ 27,740.27	Actual	2009	\$ 14,258.39	Actual
2008	\$ 27,061.56	Actual	2008	\$ 15,181.00	Actual
2007	\$ 26,002.83	Actual	2007	\$ 15,633.00	Actual
<b>Total</b>	<b>\$ 183,833.96</b>		<b>Total</b>	<b>\$ 101,875.67</b>	