

**RESOLUTION 20-152**

**A RESOLUTION OF THE CITY OF PANAMA CITY BEACH, FLORIDA, APPROVING AN AGREEMENT WITH RAFTELIS FINANCIAL CONSULTANTS, INC. TO UNDERTAKE AN IMPACT FEE EVALUATION FOR \$13,890.**

**BE IT RESOLVED** that the appropriate officers of the City are authorized to accept and deliver on behalf of the City that certain Agreement to Provide Utility Consulting Services between the City and Raftelis Financial Consultants, Inc., regarding the performance of an impact fee evaluation in the amount of Thirteen Thousand, Eight Hundred Ninety Dollars (\$13,890.00), in substantially the form attached and presented to the Council today, with such changes, insertions or omissions as may be approved by the City Manager and whose execution shall be conclusive evidence of such approval.

**THIS RESOLUTION** shall be effective immediately upon passage.

**PASSED** in regular session this 13<sup>th</sup> day of August, 2020.

**CITY OF PANAMA CITY BEACH**

By:   
MARK SHELDON, Mayor

**ATTEST:**

  
JO SMITH, Interim City Clerk

July 31, 2020

Mr. Albert E. Shortt, P.E.  
City Engineer/Utilities Director  
City of Panama City Beach  
110 S. Arnold Road  
Panama City Beach, FL 32413

**Subject: Agreement to Provide Utility Consulting Services**

Dear Mr. Shortt:

Raftelis Financial Consultants, Inc. ("Raftelis") is pleased to provide this agreement to the City of Panama City Beach (the "City") to provide utility rate and financial consulting services on behalf of the City's Utility Department (the "Utility Department"). Based on our discussions, Raftelis will assist the City in reviewing the City's Water and Wastewater System Impact Fees. Based on our understanding of the needs of the City, we propose the following:

### **SCOPE OF SERVICES**

The scope of services to be performed by Raftelis is the review and update of the Water and Wastewater System Impact Fees charged to new development. Recent growth within the utility service area and developments planned for the near future will necessitate the expansion of wastewater treatment facilities and the bulk water transmission and sewer collection mains in order provide service capacity required by such new development. The review and update of the Water and Wastewater System Impacts fees will help ensure that the appropriate cost of expanding the utility system capacity is recovered from new growth. The specific tasks associated with the project scope are included in Attachment A.

### **PROJECT TEAM AND BILLING RATES**

With respect to the performance of this engagement, Mr. Henry Thomas will be the project manager and primary contact between the Raftelis and the City. Other analysts and administrative personnel may also be utilized during the course of the engagement as needed. Attachment B, which is made a part of this Agreement, summarizes the direct labor hourly billing rates which will be used by Raftelis to bill for the rate and financial consulting services provided to the City relative to the project.

### **COMPENSATION AND BILLING**

Based on the scope of services to be provided to the City as set forth in Attachment A, Raftelis proposes to bill the City for services rendered on a not-to-exceed basis in the amount of \$13,890 based on the direct hourly labor billing rates as identified in Attachment B and the estimated amount of labor hours required to complete the project.. The costs incurred by Raftelis for any

indirect costs such as telephone, reproduction, printing, and travel charges, if any, will be billed to the City based on actual cost or on the standard unit cost rates as summarized on Attachment B. The project labor hours and cost estimate are included in Attachment C. The compensation under this Agreement is proposed to be billed monthly based on the actual labor hours furnished times the direct hourly billing rates plus any indirect costs incurred during the month. While the need for additional services is not anticipated for this project the amounts billed will not exceed the amount set forth above without the prior written consent of the City based on any additional services to be provided.

Upon receipt of the executed copy, Raftelis will consider this as notification to proceed and will initiate the project, which is expected to be completed on the same schedule as the City's on-going Water and Wastewater System Rate Study currently being conducted by Raftelis.

**TERMS AND CONDITIONS**

Standard terms and conditions, that are made part of this Agreement, are set forth in Attachment D.

We appreciate the opportunity to submit this Agreement to the City to provide utility consulting services on behalf of the City's Utility Department. We have enclosed two (2) originals of the Agreement for providing consulting services for the City's authorization. Upon execution of this Agreement, please return one (1) original to Raftelis; the other original is for the City's files. We look forward to working with the City and you in the near future.

Very truly yours,  
**Raftelis Financial Consultants, Inc.**

ACCEPTED BY:  
**City of Panama City Beach, Florida**

\_\_\_\_\_  
Henry L. Thomas  
Vice President

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

HLT/dlc  
Attachments

**ATTACHMENT A**

**CITY OF PANAMA CITY BEACH, FLORIDA**

**WATER AND WASTEWATER SYSTEM IMPACT FEES ANALYSIS**

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**SCOPE OF SERVICES**

The scope of services to be performed by Raftelis Financial Consultants, Inc. ("Raftelis") on behalf of the City's water and wastewater utility system (the "System") is to review and update the impact fees for the City's water and wastewater systems to ensure that such fees recover the capacity-related capital costs associated with providing utility service to new development. The following is a summary of the tasks to be performed for the project:

**Task 1: Data Gathering and Review**

A detailed data request will be prepared for the City to compile specific information relative to the existing and future utility fixed assets in-service, including the capacity of such assets available to serve to new development. Raftelis will prepare a written data request and will interview staff members to collect capital and planning documentation as well as other relevant information needed to perform the impact fee study. Information to be obtained will include current fixed asset data, current capital improvement plans of each utility system, inventory of existing facilities as it relates to capacity and utilization, customer level of service and statistical information, and other related information.

**Task 2: Evaluation of Existing Fixed Assets**

Raftelis will evaluate existing facility costs with capacity available to provide utility service to future service area growth. Raftelis will functionalize the cost of utility assets to the service categories (e.g., treatment, transmission, etc.) in order to develop the proposed capacity charges.

**Task 3: Review of Capital Improvement Program**

Raftelis will review the City's water, wastewater and reclaimed water capital improvement plan and capacity additions necessary to serve growth and incorporate the capital improvement plan into the fee analysis. Raftelis will work with City staff to identify capital expenditures that: i) are allocable to new development or growth within the identified capital planning horizon; ii) serve to upgrade or enhance utility plant that has remaining capacity allocable to growth; and iii) are for renewals and replacements of assets associated with serving existing customers and capacity.

**Task 4: Review of Levels of Service and Capacity Analysis**

Based on existing level of service ("LOS") standards and constructed plant capacity, an analysis of the City's existing and projected ERC requirements will be conducted. This analysis is necessary to evaluate the capacity utilization of the water and wastewater facilities from both an existing and prospective capital facility standpoint.

**Task 5: Impact Fee Comparison**

A comparison of the individual water and wastewater impact fees, in both terms of the level of the fee charged and the basis for application of the fee to new development, for neighboring utilities will be prepared. This task will be performed concurrent with the capacity charges.

**Task 6: Design of Water and Wastewater Impact Fees**

Based on the LOS standards and the identified capital costs associated with providing service to new development, Raftelis will develop proposed capacity charges for water and wastewater service for the City. The fees will be developed recognizing the reservation and utilization of capacity by an equivalent residential customer (e.g., single-family residential).

**Task 7: Review of Impact Fee Resolution**

Raftelis will provide assistance to the City staff and legal counsel in the review of the impact fee resolution. Raftelis will review the draft resolution for consistency with the study results including the proposed impact fees.

**Task 8: Report Preparation and Presentation**

Raftelis will prepare: i) a report documenting our assumptions, analyses, and primary data sources; and ii) a briefing document to summarize the study results. Raftelis participate two (2) meetings to review the results with City staff. The findings, conclusions and recommendations will be to the City Council. In conjunction with the Water and Wastewater Rate study currently being conducted for the City.

**CITY STAFF ASSISTANCE**

The following is a list of the tasks anticipated to be performed by the staff of the City to assist Raftelis in providing the services on a timely basis:

1. The gathering of specific customer, operational and facility data and information;
2. Assistance with compiling data if not in a usable format in the general records and reports of the City;
3. Assistance in the formulation of policy or strategy decisions;
4. Assistance in the public relations program and scheduling of meetings to review results; and
5. General review and comments on the results of our analyses and reports to the City.

**(Remainder of page intentionally left blank)**

**ADDITIONAL SERVICES**

Although not anticipated at this time, the City may request additional services by Raftelis. The cost of performing such additional services will be based upon the actual hours involved in providing the services and Raftelis' current schedule of direct labor rates. Examples of such additional services include, but are not limited to, the following:

1. Requests for updated analyses and/or additional capacity fee scenarios after substantial completion of the work; and
2. Requests for additional reports, correspondence or presentations and/or the attendance of additional public meetings.

**(Remainder of page intentionally left blank)**

ATTACHMENT B

CITY OF PANAMA CITY BEACH, FLORIDA  
WATER AND WASTEWATER SYSTEM IMPACT FEE UPDATE

SCHEDULE OF DIRECT LABOR HOURLY RATES AND INDIRECT COST RATES

DIRECT LABOR HOURLY RATES

Project Team Title	Direct Labor Hourly Rates [*]
Principal/Vice President	\$225.00
Associate	\$200.00
Managing Consultant	\$185.00
Supervising Consultant	\$170.00
Senior Consultant	\$160.00
Rate Consultant	\$150.00
Consultant	\$140.00
Senior Rate Analyst	\$125.00
Rate Analyst	\$110.00
Analyst	\$100.00
Assistant Analyst	\$ 90.00
Administrative	\$ 80.00

[\*] Direct labor hourly rates effective twelve months after the date of execution of the Agreement; rates will be adjusted by not more than the net percentage change (but not less than 0%) in the Consumer Price Index – Urban Consumers per annum (rounded to the nearest dollar) or as mutually agreed between parties for invoices rendered after each anniversary date of each year thereafter until project completion or termination of the Agreement between the parties.

STANDARD COST RATES

Expense Description	Standard Rates [*]
Mileage Allowance – Personal Car Use Only	IRS Standard Mileage Rate
Reproduction (Black and White) (In-House)	\$0.05 per Page
Reproduction (Color) (In-House)	\$0.25 per Page
Reproduction (Contracted)	Actual Cost
Computer Time	\$0.00 per Hour
Telephone Charges	Actual Cost
Delivery Charges	Actual Cost
Lodging/Other Travel Costs	Actual Cost
Meals	Not-to-Exceed per Raftelis Employee: \$8.00 – Breakfast \$12.00 – Lunch \$25.00 – Dinner
Subconsultant Services	Actual Cost plus 5.0%
Other Costs for Services Rendered	Actual Cost

[\*] Standard cost rates effective twelve months after the date of execution of the Agreement; where applicable, rates will be adjusted by not more than the net percentage change (but not less than 0%) in the Consumer Price Index – Urban Consumers per annum (rounded to the nearest dollar) or as mutually agreed between parties for invoices rendered after each anniversary date of each year thereafter until project completion or termination of the Agreement between the parties. Any Standard Rate adopted by policy by Client will be substituted for the rates shown above.

ATTACHMENT C

City of Panama City Beach, Florida  
Project Cost Estimate for Water and Wastewater Utility Impact Fee Study

Line No.		Principal/ Vice President	Senior Consultant	Senior Rate Analyst	Admin.	Totals
	<b>Project Billing Rates (\$/Hr.)</b>	\$225.00	\$160.00	\$125.00	\$80.00	
1	Task 1 - Data Request and Review	1	4	4	2	11
2	Task 2 - Evaluation of Existing Fixed Assets	2	2	16	0	20
3	Task 3 - Review of Capital Improvements Program	2	4	8	0	14
4	Task 4 - Review of Level of Service and Capacity Analysis	4	4	0	0	2
5	Task 5 - Impact Fee Comparison	0	0	2	0	2
6	Task 6 - Design of Water and Wastewater Impact Fees	2	4	8	0	2
7	Task 7 - Review of Water and Wastewater Impact Fee Resolution	2	0	0	0	2
8	Task 8 - Report Preparation and Presentation	2	8	2	6	18
9	Project Management	2	0	0	2	4
10	Total Hours	17	26	40	10	71
11	Direct Labor Cost	\$3,825	\$4,160	\$5,000	\$800	\$13,785
	<b>Allowance for Indirect Costs</b>					
12	Miscellaneous (Phone\Postage\Reproduction\Other)					\$105
13	Travel Expenses (Car Rental, Gas, Tolls, etc.)					-
14	Total Allowance for Indirect Costs					\$105
15	<b>Total Project Cost</b>					<b>\$13,890</b>



**I. SCOPE**

Raftelis Financial Consultants, Inc. ("Raftelis") agrees to perform the professional consulting services described in the agreement (the "Work") that incorporates these standard terms and conditions. Unless modified in writing by the parties hereto, the duties of Raftelis shall not be construed to exceed those services specifically set forth in the agreement. These terms and conditions and the agreement, when executed by the Client, shall constitute a binding agreement on both parties (hereinafter the "Agreement").

**II. COMPENSATION**

The Client, as defined in the agreement, agrees to pay for the services as billed within thirty (30) days of receiving the invoice. Amounts paid after thirty (30) days may be subject to interest charges, not to exceed a monthly compound rate of one percent (1.0%) applied to the delinquent unpaid balance.

Time-related charges will be made in accordance with the billing rate referenced in the agreement. Other indirect expenses and subcontractor services, if any, will be billed in accordance with the standard unit cost rates as referenced in the agreement or, if no reference is provided, at the actual cost as incurred by Raftelis.

**III. RESPONSIBILITY**

Raftelis is employed to render a professional service only, and any payments made by Client are compensation solely for such services rendered and recommendations made in carrying out the Work. Raftelis shall perform analyses, provide opinions, make factual presentations, and provide professional advice and recommendations. Raftelis does not expressly warrant or guarantee its services.

**IV. RELIANCE UPON INFORMATION PROVIDED BY OTHERS**

If Raftelis' performance of services hereunder requires Raftelis to rely on information provided by other parties (excepting Raftelis' subcontractors), Raftelis shall not independently verify the validity, completeness or accuracy of such information unless otherwise expressly engaged to do so in writing by Client.

**V. INSURANCE**

Raftelis shall maintain during the life of the agreement the following minimum insurance:

1. Commercial general liability insurance, including hired and non-owned automobiles, with the following limits:

Each Occurrence	\$1,000,000
Damage to Rented Premises (Each Occurrence)	\$500,000
Medical Expense (Any one person)	\$15,000
Personal and Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products – Completed / Operation General Aggregate	\$2,000,000

2. Statutory worker's compensation and employers' liability insurance as required by state law.
3. Professional liability insurance at a limit of liability of not less than \$5,000,000 aggregate.

**VI. SUBCONTRACTS**

Unless specifically specified in the Agreement, Raftelis shall be entitled, to the extent determined to be appropriate by Raftelis, to subcontract any portion of the Work to be performed under this Agreement.

**VII. ASSIGNMENT**

These terms and conditions and the agreement to which they are attached are binding on the heirs, successors, and assigns of the parties hereto. This agreement may not be assigned by Client or Raftelis without prior, written consent of the other.

**VIII. INTEGRATION**

These terms and conditions and the agreement to which they are attached represent the entire understanding of Client and Raftelis as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. The agreement may not be modified or altered except in writing signed by both parties.

**IX. JURISDICTION**

This agreement shall be administered and interpreted under the laws of the State of Florida. Jurisdiction of litigation arising from the agreement shall be in that state.

**X. SEVERABILITY**

If any part of the Agreement is found unenforceable under applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall be in full force and effect.

**XI. FORCE MAJEURE**

Raftelis shall not be responsible for delays in performing the scope of services that may result from causes beyond the reasonable control or contemplation of Raftelis. Raftelis will take reasonable steps to mitigate the impact of any force majeure.

**XII. NO BENEFIT FOR THIRD PARTIES**

The services to be performed by Raftelis hereunder are intended solely for the benefit of Client, and neither right nor benefit is conferred on, nor any contractual relationship intended or established with any person or entity not a party to this Agreement. No such person or entity shall be entitled to rely on Raftelis' performance of its services hereunder.

**XIII. WORK PRODUCT**

Raftelis and Client recognize that Raftelis' Work product submitted in performance of this Agreement is intended only for the Client's benefit and use. Change, alteration, or reuse on another project by Client shall be at Client's sole risk, and Client shall hold harmless and indemnify Raftelis against all losses, damages, costs, and expenses, including attorneys' fees, arising out of or related to any such unauthorized change, alteration, or reuse.

**XIV. SUSPENSION OF WORK**

Client may suspend, in writing, all or a portion of the Work under the agreement in the event unforeseen circumstances beyond Client's control

make normal progress of the Work impossible. Raftelis may request that the Work be suspended by notifying Client, in writing, of circumstances that are interfering with the normal progress of Work. Raftelis may suspend Work on the project in the event Client does not pay invoices when due. Raftelis shall be compensated for its reasonable expenses resulting from such suspension including mobilization and demobilization. The time for completion of the Work shall be extended by the number of days Work is suspended. In the event that the period of suspension exceeds 90 days, the terms of the agreement are subject to renegotiation and both parties are granted the option to terminate Work on the suspended portion of the project.

**XV. TERMINATION OF WORK**

Client may terminate all or a portion of the Work covered by the agreement for its convenience. Either party may terminate Work if the other party fails to perform in accordance with the provisions of the agreement. Termination of the agreement is accomplished by 15 days prior written notice from the party initiating termination to the other. Notice of termination shall be delivered by certified mail with receipt for delivery returned to the sender.

This agreement may be terminated by Raftelis: a) for cause, if Client breaches this Agreement through no fault of Raftelis and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Raftelis has given written notice of the alleged breach to Client; or b) upon five days' notice if Work under this Agreement has been suspended by either Client or Raftelis in the aggregate for more than ninety (90) days.

In the event of termination, Raftelis shall perform such additional Work as is necessary for the orderly filing of documents and closing of the project. The time spent on such additional Work shall not exceed five percent (5%) of the time expended on the terminated portion of the project prior to the effective date of termination. Raftelis shall be compensated by the client for Work actually performed prior to the effective date of termination plus the Work required for filing and closing as described in this Article.

**XVI. NOTICES**

All notices required under this Agreement shall be by personal delivery, facsimile or mail to the Raftelis Project Manager and to the person signing the Agreement on behalf of the Client and shall be effective upon delivery to the address stated in the Agreement.

CUSTODIAN OF PUBLIC RECORDS AT  
850.233.5100, [mjbossert@pcb.gov](mailto:mjbossert@pcb.gov), 110 S.  
Arnold Road, Panama City Beach, FL 32413.

**XVII. PUBLIC RECORDS**

The City is a public agency subject to the Florida Public Records Law expressed in Chapter 119, Florida Statutes. Accordingly, to the extent that it is determined that Raftelis is acting on behalf of City as provided under Section 119.011(2), Raftelis agrees to also comply with that law, specifically including to:

- A. Keep and maintain public records that ordinarily and necessarily would be required by the City in order to perform the service.
- B. Upon request of the City, provide the public with access to public records on the same terms and conditions that the City would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law, or provide the City with a copy of the requested records.
- C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the Consultant does not transfer the records to the City.
- D. Meet all requirements for retaining public records and transfer, at no cost, to the City all public records in possession of the contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the City in a format that is compatible with the information technology systems of the City.

IF RAFTELIS HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO RAFTELIS' DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE