



COUNCIL AGENDA STATEMENT

Meeting Date: September 10, 2019  
To: Honorable Mayor & Members of the City Council  
From: Daniel Saus, Utilities Director  
Through: Charles Lindsey, City Manager

Agenda Item: **Resolution 2019-87**, Approving Professional Services Agreement With Raftelis Financial Consultants, Inc., For The Preparation Of Annual Utility Financial Analysis And Related Services In An Amount Not To Exceed \$50,000; Authorizing The City Manager To Execute All Necessary Documents On Behalf Of The City And Expend Budgeted Funds; And Providing An Effective Date

BACKGROUND & JUSTIFICATION:

The proposed professional services agreement for with Raftelis Financial Consultants, Inc. (Raftelis) will provide the expertise of Mr. Tony Hairston for the preparation of the utility financial analysis and related services during the coming fiscal years 2020-2022. The current agreement expires on September 30, 2019.

Mr. Tony Hairston has been the City’s lead contributor for the financial planning for the wastewater and stormwater utilities as well as the capital program. In 2012, the City engaged Raftelis for these financial services with Mr. Hairston as the project manager.

Therefore, the resolution will approve a professional services agreement for three years with Raftelis and authorize the City Manager to enter into the attached professional services agreement for an amount not to exceed \$50,000 per year.

CONSISTENCY CHECKLIST:

Yes No

- |                          |       |       |
|--------------------------|-------|-------|
| 1. Comprehensive Plan    | _____ | _____ |
| 2. Other – Sewer Mandate | _____ | _____ |

FISCAL NOTE:

Funding for this agreement is included in the proposed FY20 Wastewater utility budget, and funding for FY21 and FY22 services will have to be appropriated during future budget approval processes.

RECOMMENDATION:

Approval of Resolution

**CITY OF MARATHON, FLORIDA  
RESOLUTION 2019-87**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH RAFTELIS FINANCIAL CONSULTANTS, INC. FOR THE PREPARATION OF ANNUAL UTILITY FINANCIAL ANALYSIS AND RELATED SERVICES IN AN AMOUNT NOT TO EXCEED \$50,000.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE PROFESSIONAL SERVICES AGREEMENT ON BEHALF OF THE CITY AND EXPEND BUDGETED FUNDS; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, pursuant to Resolution 2003-134, the City Council of the City of Marathon, Florida (the “City”), adopted Purchasing Policies and Procedures after determining that it was fiscally prudent and in the best interests of the City’s residents for the City to adopt policies and procedures for City employees and officials regarding the purchasing and acquisition of contractual services, equipment, goods, professional services and other similar types of services; and

**WHEREAS**, the City wishes to approve a three (3) year term professional services agreement with Raftelis Financial Consultants, Inc. (“Raftelis”) for the preparation of Annual Utility Financial Analysis and Related Services (the “Professional Services Agreement”) in an annual amount not to exceed \$50,000 with a term extension of up to two (2) years, and finds that the Professional Services Agreement, hereto attached as Exhibit A, is exempt from the City’s purchasing policies and procedures because of the specialized professional services Raftelis will be providing.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:**

**Section 1.** The above recitals are true and correct and are incorporated herein by this reference.

**Section 2.** The City Council finds that the Professional Services Agreement between the City and Raftelis, for the preparation of the Annual Utility Financial Analysis and Related services, is exempt from the City’s purchasing policies and procedures because of the specialized professional services Raftelis will be providing.

**Section 3.** The City Manager is authorized to execute the Professional Services Agreement between the City and Raftelis, in substantially the same form and format as attached hereto as Exhibit “A,” on behalf of the City and expend budgeted funds.

**Section 4.** This resolution shall take effect immediately upon its adoption.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 10<sup>TH</sup> DAY OF SEPTEMBER, 2019.**

**THE CITY OF MARATHON, FLORIDA**

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**John Bartus, Mayor**

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

**ATTEST:**

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Diane Clavier, City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGALITY FOR THE USE  
AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:**

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David Migut, City Attorney

**EXHIBIT “A”**

**PROFESSIONAL SERVICES AGREEMENT BETWEEN  
THE CITY OF MARATHON  
AND  
RAFTELIS FINANCIAL CONSULTANTS, INC.**

**THIS AGREEMENT** is made between **Raftelis Financial Consultants, Inc.** (hereinafter the “Consultant”), and the **City of Marathon, Florida**, (hereinafter the “City”).

**WHEREAS**, the Consultant and City, through mutual negotiation, have agreed upon a scope of services, schedule, and fee for Utility Rate and Financial Consulting Services (the “Project”); and

**WHEREAS**, the City desires to engage the Consultant to perform the services specified below.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the Consultant and the City agree as follows.

1. **Scope of Services/Deliverables**

- 1.1 The Consultant shall furnish professional services to the City as set forth in the Scope of Services for the Project as specified in Exhibit “A,” attached to this Agreement.
- 1.2 The "Scope of Services" includes a project schedule for the Project, which includes a breakdown of tasks, timeline and deliverables to the City.

2. **Term/Commencement Date**

- 2.1 This Agreement shall become effective upon execution by both parties and shall remain in effect through September 30, 2022, unless earlier terminated in accordance with Paragraph 8. The City Manager may extend the term of this Agreement up to an additional two (2) years by written notice to the Consultant.
- 2.2 Consultant agrees that time is of the essence and Consultant shall complete each deliverable for the Project within the timeframes set forth in the project schedule, unless otherwise modified in a mutually agreeable manner.

3. **Compensation and Payment**

- 3.1 The City shall pay to Consultant the sum not to exceed \$50,000 per fiscal year, which includes professional fees and direct reimbursable expenses incurred in performing the scope of services, as outlined in Exhibit “A.” The parties understand that this sum is based upon the scope of work contained herein at Consultant’s current standard hourly rate schedule included in Exhibit “B.” Any expansion of the scope of work by the City shall involve the discussion of additional fees by both parties.

- 3.2 The Consultant shall invoice the City upon the completion of each task or deliverable in accordance with the project schedule or on a monthly basis if the project schedule does not otherwise specify.
- 3.3 The City shall pay Consultant in accordance with the Florida Prompt Payment Act.
- 3.4 If a dispute should occur regarding an invoice submitted, the City Manager may withhold payment of the disputed amount and may pay to the Consultant the undisputed portion of the invoice. Upon written request of the Finance Director, the Consultant shall provide written documentation to justify the invoice. Any compensation disputes shall be decided by the City Manager whose decision shall be final.

4. **Subconsultants**

- 4.1 The Consultant shall be responsible for all payments to any subconsultants and shall maintain responsibility for all work related to the Project.
- 4.2 Any subconsultants used on the Project must have the prior written approval of the City Manager or his designee.

5. **City's Responsibilities**

- 5.1 Furnish to Consultant, at the Consultant's written request, all available maps, plans, existing studies, reports and other data pertinent to the services to be provided by Consultant, in possession of the City.
- 5.2 Arrange for access to and make all provisions for Consultant to enter upon real property as required for Consultant to perform services as may be requested in writing by the Consultant.

6. **Consultant's Responsibilities**

- 6.1 The Consultant shall exercise the same degree of care, skill and diligence in the performance of the Project as is ordinarily provided by a financial consultant under similar circumstances. If at any time during the term of this Agreement or within one year from the completion of the Project, it is determined that the Consultant's deliverables are incorrect, defective or fail to conform to the Scope of Services of the Project, upon written notification from the City Manager, the Consultant shall, at Consultant's sole expense, immediately correct the work.

7. **Conflict of Interest**

- 7.1 To avoid any conflict of interest or any appearance thereof, Consultant shall not, for the term of this Agreement, represent any private sector entities (developers, corporations, real estate investors, etc.), with regard to any stormwater or wastewater issues in the City.

8. **Termination**

- 8.1 The City Manager without cause may terminate this Agreement upon thirty (30) days written notice to the Consultant, or immediately with cause.
- 8.2 Upon receipt of the City's written notice of termination, Consultant shall stop work on the Project unless directed otherwise by the City Manager or his designee.
- 8.3 In the event of termination by the City, the Consultant shall be paid for all work accepted by the City Manager up to the date of termination, provided that the Consultant has first complied with the provisions of Paragraph 8.4.
- 8.4 The Consultant shall transfer all books, records, reports, working drafts, documents, maps, and data pertaining to the Project to the City, in a hard copy and electronic format within 14 days from the date of the written notice of termination or the date of expiration of this Agreement.

9. **Insurance**

The Consultant shall secure and maintain throughout the duration of this Agreement insurance of such type and in such amounts as required by the City Manager. The underwriter of such insurance shall be qualified to do business in the State of Florida and have agents upon whom service of process may be made in the State of Florida. If requested by the City Manager, the insurance coverage shall be primary insurance with respect to the City, its officials, employees, agents and volunteers. The insurance coverages shall include a minimum of:

- 9.1 Worker's Compensation and Employer's Liability Insurance. If applicable, coverage to apply for all employees at minimum statutory limits as required by Florida Law.
- 9.2 Comprehensive Automobile and Vehicle Liability Insurance. Motor vehicle liability insurance, including applicable no-fault coverage, with limits of liability of not less than \$1,000,000 per occurrence, combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage shall include all non-owned vehicles, and all hired vehicles.
- 9.3 Commercial General Liability. If applicable, commercial general liability coverage with limits of liability of not less than \$1,000,000 per occurrence combined single limit for Bodily Injury Liability and Property Damage Liability.
- 9.4 Professional Liability: The Consultant shall furnish professional liability errors and omissions insurance coverage in an amount not less than \$1,000,000.
- 9.5 Certificates of Insurance shall be provided to the City at the time of execution of this Agreement and certified copies provided if requested. Each policy certificate shall be endorsed with a provision that not less than thirty (30) calendar days' written notice shall be provided to the City before any policy or coverage is cancelled or restricted.

10. **Nondiscrimination**

10.1 During the term of this Agreement, Consultant shall not discriminate against any of its employees or applicants for employment because of their race, color, religion, sex, or national origin, and will abide by all Federal and State laws regarding nondiscrimination

11. **Attorneys' Fees and Waiver of Jury Trial**

11.1 In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs, including the fees and expenses of any paralegals, law clerks and legal assistants, and including fees and expenses charged for representation at both the trial and appellate levels.

11.2 In the event of any litigation arising out of this Agreement, each party hereby knowingly, irrevocably, voluntarily and intentionally waives its right to trial by jury.

12. **Indemnification**

12.1 Consultant shall defend, indemnify, and hold harmless the City, its officers, agents and employees, from and against any and all demands, claims, losses, suits, liabilities, causes of action, judgment or damages, arising out of, related to, or any way connected with Consultant's negligent performance or non-performance of any provision of this Agreement including, but not limited to, liabilities arising from contracts between the Consultant and third parties made pursuant to this Agreement. Consultant shall reimburse the City for all its expenses including reasonable attorneys' fees and costs incurred in and about the defense of any such claim or investigation, and for any judgment or damages arising out of, related to, or in any way connected with Consultant's performance or non-performance of this Agreement.

12.2 The provisions of this section shall survive termination of this Agreement.

13. **Notices/Authorized Representatives**

13.1 Any notices required by this Agreement shall be in writing and shall be deemed to have been properly given if transmitted by hand-delivery, by registered or certified mail with postage prepaid return receipt requested, or by a private postal service, addressed to the parties (or their successors) at the following addresses:

For the City: Charles Lindsey, City Manager  
City of Marathon, Florida  
9805 Overseas Highway  
Marathon, FL 33050

With a Copy to: David Migut  
City Attorney  
City of Marathon, Florida  
9805 Overseas Highway  
Marathon, FL 33050

For The Consultant: Anthony Hairston  
Vice President  
Raftelis Financial Consultants, Inc.  
341 N. Maitland Ave., Suite 300  
Maitland, Fl 32751

14. **Governing Law**

14.1 This Agreement shall be construed in accordance with and governed by the laws of the State of Florida. Exclusive venue for any litigation arising out of this Agreement shall be in Monroe County, Florida, Middle Keys Division of the Circuit Court, or the Southern District of Florida.

15. **Entire Agreement/Modification/Amendment**

15.1 This writing contains the entire Agreement of the parties and supersedes any prior oral or written representations. No representations were made or relied upon by either party, other than those that are expressly set forth herein.

15.2 No agent, employee, or other representative of either party is empowered to modify or amend the terms of this Agreement, unless executed with the same formality as this document.

16. **Ownership and Access to Records and Audits**

16.1 All records, books, documents, maps, data, deliverables, papers and financial information (the "Records") that result from the Consultant providing services to the City under this Agreement shall be the property of the City.

16.2 The City Manager or his designee shall, during the term of this Agreement and for a period of three (3) years from the date of termination of this Agreement, have



access to and the right to examine and audit any Records of the Consultant involving transactions related to this Agreement.

16.3 The City may cancel this Agreement for refusal by the Consultant to allow access by the City Manager or his designee to any Records pertaining to work performed under this Agreement that are subject to the provisions of Chapter 119, Florida Statutes.

17. **Nonassignability**

17.1 This Agreement shall not be assignable by Consultant unless such assignment is first approved by the City Manager. The City is relying upon the apparent qualifications and personal expertise of the Consultant, and such firm's familiarity with the City's area, circumstances and desires.

18. **Severability**

18.1 If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

19. **Independent Contractor**

19.1 The Consultant and its employees, volunteers and agents shall be and remain independent contractor and not agents or employees of the City with respect to all of the acts and services performed by and under the terms of this Agreement. This Agreement shall not in any way be construed to create a partnership, association or any other kind of joint undertaking, enterprise or venture between the parties.

20. **Compliance with Laws**

20.1 The Consultant shall comply with all applicable laws, ordinances, rules, regulations, and lawful orders of public authorities relating to the Project.

21. **Waiver**

21.1 The failure of either party to this Agreement to object to or to take affirmative action with respect to any conduct of the other which is in violation of the terms of this Agreement shall not be construed as a waiver of the violation or breach, or of any future violation, breach or wrongful conduct.

22. **Survival of Provisions**

22.1 Any terms or conditions of this Agreement that require acts beyond the date of the term of the Agreement, shall survive termination of the Agreement, shall remain in full force and effect unless and until the terms or conditions are completed and shall be fully enforceable by either party.

23. **Prohibition Of Contingency Fees**

23.1 The Consultant warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this Agreement, and that it has not paid or agreed to pay any person(s), company, corporation, individual or firm, other than a bona fide employee working solely for the Consultant, any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.

24. **Counterparts**

24.1 This Agreement may be executed in several counterparts, each of which shall be deemed an original and such counterpart shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the parties execute this Agreement on the respective dates under each signature: The City, signing by and through its City Manager, attested to by its City Clerk, duly authorized to execute same and by Consultant by and through its Director of Florida Operations, whose representative has been duly authorized to execute same.

Attest:

CITY OF MARATHON

\_\_\_\_\_  
Diane Clavier, City Clerk

By: \_\_\_\_\_  
Charles Lindsey, City Manager

Date: \_\_\_\_\_

WITNESS

CONSULTANT  
Raftelis Financial Consultants, Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT “A”**

### **SCOPE OF SERVICES**

#### **Project**

Raftelis Financial Consultants, Inc. (Consultant) shall maintain and update the City’s Wastewater and Stormwater Financial Forecast and provide associated professional services with regard to utility rate, financial policy, and data management services. Services will be provided as requested from City staff from time to time as described herein.

#### **Scope of Services**

1. Data Acquisition and Review – Consultant will coordinate with City staff to obtain current and recent wastewater and stormwater financial data, including customer billing data, assessment data, capital expenditures, loan accruals, loan documents, and other pertinent information in order to complete the financial analysis as enumerated herein.
2. Wastewater and Stormwater Assessment Revenue Analysis – This task includes a review of recently assessed parcels as a basis for future revenue projections.
3. Wastewater Customer Billing and Revenue Analysis – This task includes current and recent customer trends (EDUs, customers, and usage) and a revenue projection based on various rate scenarios. This task will consider the remaining connection schedule and any future development projections available from the City.
4. Capital Funding Analysis – Consultant will review the City’s capital expenditure schedules to date and projected remaining capital expenditures.
5. Summary of Existing and Projected Debt Service Obligations – Consultant will review and summarize the City’s existing debt service along with future debt service schedules based on estimated loan terms and other information provided by the City and its financial advisor.
6. Projection of Operating Expenses – Consultant will review the year-to-date expenditure trends and project operating expenses on a budget line-item basis. Individual projections for the wastewater and stormwater systems will be provided.
7. Revenue Sufficiency and Debt Service Analysis – A five-year revenue sufficiency and debt service analysis will be completed based on the forecast of wastewater and stormwater revenues. Any projected system-wide adjustments to rates will be identified. As needed, specific rate structure adjustments will be evaluated (e.g., wastewater base charges, volume charges, volume charge caps, miscellaneous charges, etc.).
8. Documentation and Correspondence – Consultant will summarize the results in periodic memorandum and reports as required.

9. Wastewater and Stormwater Data Services – This task includes ad hoc reporting and data analysis relative to reconciliation activities with FKAA billing data, non-ad valorem assessments, property assessor records, and other data sources.

**Meetings**

Webinars and on-site meetings will be scheduled as needed with approval from City.

**Project Phasing and Not-to-Exceed Budget**

The scope of services outlined above will be completed in the following phases with associated budget amounts shown below. The project schedule is contingent on the City’s Notice-to-Proceed date, data availability, and ongoing City project schedule requirements:

Project Phase	Description	Not to Exceed
I. Data Collection and Project Management (includes Task 1)	Data collection and review of utility policies, data collection, project schedule, and objectives. Completion: Monthly project management; data collection as needed.	\$1,500
II. Customer Analysis (includes Tasks 2 and 3)	Wastewater customer billing analysis and revenue forecast. Completion in January and July each year based on City actual schedule (2 updates included)	\$6,000
III. Capital and R&R Funding Analysis (includes Tasks 4 and 5)	Five-year capital finance plan, renewal & replacement funding plan, debt service projections, and assessment projections (2 updates included, anticipated to be minimal updates).	\$5,500
IV. Financial Forecast (includes Tasks 6 through 8)	Five-year operating expense projections, revenue requirement projections, revenue sufficiency analysis, debt service coverage analysis, and financial forecast report. Completion in January and July each year based on City actual schedule (2 updates included).	\$9,500
V. Wastewater and Stormwater Database Review (includes Task 9)	Reconciliation of FKAA billing data to City customer data records; preliminary (test) review of stormwater impervious area records.	\$12,500
VI. Assist City with Other Utility Financial Issues and Policies (Tasks as to be assigned by City)	During the course of the project, City staff may request additional support regarding specific utility policy issues and specific analysis such as plant capacity utilization analysis, contract operation review, annual	\$15,000

	budget review, CSM policy, reclaimed water policy, etc.	
	Annual Project Budget*	\$50,000

\* Annual Project Budget reflects Not-to-Exceed amounts related to financial rate and utility consulting services on a fiscal year basis.

Compensation shall be based on actual time and materials utilized billed on a monthly basis and not-to-exceed the total project budget.

**EXHIBIT “B”**

**2019/2020 BILLING RATES**

<b><u>Position</u></b>	<b><u>Hourly Billing Rate [1] / Official Rates 2019</u></b>
Vice President	\$295
Senior Manager	\$265
Manager	\$240
Director of Data Services	\$240
Principal Consultant	\$225
Senior Consultant	\$210
Consultant	\$185
Associate	\$155
Analyst	\$110
Administration	\$80
Technology Expense	\$10 [2]

[1] Hourly billing rates effective through September 30, 2020; rates will be adjusted by not more than three percent (3%) per annum (rounded to the nearest dollar) or as mutually agreed between parties for services rendered after October 1 of each year thereafter. Such adjustments shall not affect the Project budget as set forth herein, without mutual consent of both parties.

[2] Technology/Communications Expense – This is an hourly fee charged monthly for each hour worked on the Project to recover telephone, facsimile, computer, postage/overnight delivery, conference calls, electronic/computer (i.e. WebEx, GoToMeetings), photocopies, etc. This charge is in lieu of direct billing for such costs that will occur during the course of the Project.