



September 30, 2024

Mr. Geovanne Neste
Finance Director
City of Hallandale Beach
4000 S. Federal Highway
Hallandale Beach, FL 33009

Subject: **Addendum to Bond Feasibility Report and Water and Wastewater Utility Rate Study (Piggyback Agreement City of Daytona Beach General Services Contract No. 19632) – Requests for Additional Funding**

Dear Mr. Neste:

As you are aware, Raftelis Financial Consultants, Inc. (Raftelis) has been working to complete a Bond Feasibility Report and a Utility Rate Study for the City of Hallandale Beach (the “City”). Regarding the Bond Feasibility Report, while we have been making every effort to perform our consulting services within the confines of our previously amended budget for this study, we have materially exceeded the budget for the Bond Feasibility Report as a result of additional delays in the project, having to spend additional time updating our analyses, developing additional report drafts (we just finished preparing draft #9), and attending more calls/virtual meetings than anticipated in the project scope. This project was initiated in April 2022 and is not yet completed as a result of these issues. The primary reasons for the additional hours spent on the projects due to these delays were as follows:

- 1) The need to update our financial forecast model and feasibility report documents due to multiple iterations of material changes to the City’s multi-year capital plan and financing assumptions.
- 2) The need to update our financial forecast model due to delays that resulted in the need to update the historical operating results to include Fiscal Year 2023.
- 3) As a result of the numerous updates the project required attendance of additional review meetings and planning calls that were not contemplated in the original or amended scope of services.

Because of the additional analytical time required to revise our financial forecast model as well as additional virtual meetings / calls that were not contemplated in our original cost estimate, and the anticipated time to complete the final feasibility report we are respectfully requesting an increase of \$50,900 to our Bond Feasibility Report (R-0853FL22.03) contract budget. This request would increase the total project budget to \$139,098 and could be itemized as follows:

Summary of Requested Adjustments for R-0853FL22.03	
Description	Amount – Raftelis Contract
Bond Feasibility Report	\$48,198.00
Amendment #1	40,000.00
Amendment #2 (Current Request)	<u>50,900.00</u>
Total Project	\$139,098.00

It should be noted that the \$50,900 includes the current project overage to date as well as costs associated with finalizing the project based on the current assumptions. The tasks related to finalizing the project are detailed in Exhibit 1 below.

Exhibit 1					
Bond Study Project Budget					\$ 88,190.00
Billed to Date 9-20-2024 Through Draft #9					<u>\$ 120,167.50</u>
Current Project Overage					\$ 31,977.50
<u>Hours to Complete Bond Feasibility Study</u>					
Task	Principal	Managing Consultant	Administrative	Total	
<u>Time to Complete Study (Current Assumptions)</u>					
Draft #9 Follow Ups	2	4	2	8	
Final Report	8	8	8	24	
Add Bonds Test	8	8	0	16	
Certificate	1	2	2	5	
Calls	12	12	0	24	
Misc. Proj. Management	8	8	2	18	
Total Hours	39	42	14	95	
Hourly Rate	\$250	\$195	\$70	\$199.16	
Est. Cost to Complete	\$9,750	\$8,190	\$980	\$18,920	\$18,920.00
Total Cost to Complete Plus Current Overage					<u>\$50,897.50</u>
Rounded Total					\$50,900.00

Additionally, we are also respectfully requesting \$25,800 in additional funding related to the ongoing Utility Rate Study phase 2 related activities (project R-00853FL22.01) due to significant additional analytical time spent analyzing additional years of customer billing records, development of multiple rate design scenarios, and planned attendance of additional virtual and future onsite working sessions and presentations not originally contemplated in the prior scope as well as the project tasks to finish out the study. This request could be itemized as follows.

Summary of Requested Adjustments for R-0853FL22.01	
Description	Amount – Raftelis Contract
Rate Study and Phase 2 Activities	\$50,000.00
Amendments #1& #2	40,150.00
Amendment #3 (Current Request)	<u>25,800.00</u>
Total Project	\$115,950.00

The tasks related to finalizing the phase 2 project are detailed in Exhibit 2 on the next page.

Exhibit 2					
<u>Hours to Complete Phase 2 Related Activities</u>					
Task	Principal	Managing Consultant	Administrative	Total	
<u>Time to Complete Study (Current Assumptions)</u>					
1 Onsite Working Session	12	12	4	28	
Virtual Working Sessions	6	6	0	12	
Analysis Finalization	8	8	0	16	
Phase 2 Rate Study and Impact Fee Report	4	16	8	28	
1 Public Presentation	12	12	2	26	
Misc. Proj. Management	8	8	2	18	
Total Hours	50	62	16	128	
Hourly Rate	\$250	\$195	\$70	\$200.86	
Est. Cost to Complete	\$12,500	\$12,090	\$1,120	\$25,710	\$25,710.00
Rounded Total					\$25,800.00

It should be noted that the Stormwater Utility Rate Study (R-0853FL22.02) has been completed and just these remaining two tasks (noted above) remain.

Schedule of direct labor rates and standard cost rates to be used for billing purposes for both of these contract amendments can be found in their original respective agreements and are also listed below as follows.

DIRECT LABOR RATES

Project Team Title	Direct Labor Hourly Rates
Principal / Project Manager	\$250.00
Associate	\$210.00
Managing Consultant	\$195.00
Principal Consultant	\$175.00
Supervising Consultant	\$155.00
Senior Consultant	\$135.00
Rate Consultant	\$125.00
Consultant	\$115.00
Senior Rate Analyst	\$105.00
Rate Analyst	\$ 90.00
Analyst	\$ 75.00
Assistant Analyst	\$ 60.00
Clerical and Administrative	\$ 70.00

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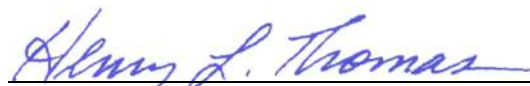
STANDARD COST RATES

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 Expenses (Airfare, Car Rental, Parking, Taxi, etc.)	Actual Cost
Meals – per Employee	Standard per Diem Rates as Established by Florida Statutes 112.061 for Class C Travel for Breakfast, Lunch, and Dinner
Sub-consulting Services	Actual Cost
Other Costs for Services Rendered	Actual Cost

We appreciate the City’s consideration of our requests for additional funding. If these requests meets your approval, please notify us by signing below. Please return a signed copy to Raftelis and upon receipt of the signed agreement we will consider the receipt of the executed addendum by the City as our authorization to send additional invoices. In the meantime, if you have any questions with our requests for additional funding, please do not hesitate to give me a call.

Very truly yours,
Raftelis Financial Consultants, Inc.

ACCEPTED BY:
City of Hallandale Beach, Florida


 Henry L. Thomas
 Vice President

 Name

 Title Date