City Commission Agenda Item

Meeting Date: July 7, 2026

From: Randy Frazer, City Manager

Item: Addendum No. 1 to Housing Inspection & Risk Assessment Services Agreement – 2025 CDBG Housing Rehabilitation Grant (SCKEDD)

Motion: A Resolution authorizing the City of Arkansas City to approve Addendum No. 1 to the Housing Inspection & Risk Assessment Services Agreement between the City of Arkansas City and the South-Central Kansas Economic Development District (SCKEDD), updating the inspection reimbursement schedule effective July 1, 2026. ***(Voice Vote)***

Background: In 2025, the City of Arkansas City entered into a Housing Inspection & Risk Assessment Services Agreement with the South-Central Kansas Economic Development District (SCKEDD) to provide inspection and environmental risk assessment services for the City's Community Development Block Grant (CDBG) Housing Rehabilitation Program.

SCKEDD has submitted Addendum No. 1 to the agreement to revise the reimbursement schedule for inspection and risk assessment services performed on or after **July 1, 2026**. The proposed revisions reflect updated reimbursement rates approved by the Kansas Department of Commerce and are intended to more accurately account for the increased costs of providing these specialized services, including travel, regulatory compliance, laboratory analysis, inspection time, and other operating expenses. The original agreement anticipated that inspection reimbursement rates could be modified if the approved fee schedule was revised.

Under the proposed addendum, several inspection and testing fees will increase, including:

Service	Current Fee	Proposed Fee
Housing Quality Standards (HQS) Inspection	$800	$1,200
Radon Gas Inspection	$500	$750
Lead-Based Paint Risk Assessment	$1,000	$1,500
Lead-Based Paint Clearance Examination	$300	$500
Demolition Inspection	$500	$1,000
Additional Site Visit	$100	$150
Additional Paint, Soil, Dust, or Water Samples	$300	$500
Additional XRF Paint Testing	$150	$300

The revised fee schedule applies **only to services performed on or after July 1, 2026**. Inspection services completed on or before June 30, 2026, will continue to be billed under the existing fee schedule. All other provisions of the original agreement remain unchanged.

Staff has reviewed the proposed addendum and recommends approval. The revised fees are eligible program costs under the City's CDBG Housing Rehabilitation Grant and will be paid from grant funds in accordance with grant requirements. Approval of the addendum will allow SCKEDD to continue providing required inspection and risk assessment services necessary for successful administration of the City's housing rehabilitation program.

Commission Options:

1. Approve the Resolution
2. Disapprove of the Resolution
3. Table the Resolution for further discussion

Fiscal Impact: The revised inspection fees are grant-eligible expenditures within the City's 2025 CDBG Housing Rehabilitation Grant. Costs will be paid from grant funds, and no additional General Fund appropriation is required.

Fund: Department: Expense Code:

☐ Included in budget ☒ Grant ☐ Bonds ☐ Other Not Budgeted

Attachments: Resolution and Addendum No. 1 to Inspections.

Approved for Agenda by:



Randy Frazer, City Manager