

**Agreement for Consultation Services
City of Bel Aire and Loyd Group, LLC.**

**This Agreement for Consultation Services is entered into By and Between the
Loyd Group, LLC an Independent Contractor, and The City of Bel Aire,
Kansas effective on this 1st Day of July, 2022.**

Based on Consultant's reputation, expertise, and experience advising public entities on financial audit and operational matters, the City of Bel Aire, hereinafter "Client" retains the Loyd Group, LLC., hereinafter "Consultant", to assist the City of Bel Aire in reviewing, producing findings, and making recommendations regarding financial equity and operational concerns within Chisolm Creek Utility Authority (CCUA).

1) **Scope of Services.** Parties agree that the Loyd Group will perform the services set forth below for the City of Bel Aire.

- a) Advise Client on project needs, gaps and industry performance standards related to financial accounting and auditing of CCUA
- b) Make findings regarding financial equity, operations expenditures & revenues, bonding and all other financial observations of CCUA.
- c) Perform necessary accounting procedures and calculations, relating to the above referenced project, until the project is completed.
- d) Preparation of reports and forms to be submitted to the City as necessary to prove the proper financial relationship between city records, bond documents and actual financial records of CCUA.
- e) Provide consultation on allowable expenses, bond document review & calculations and necessary documentation required to meet the bond covenants & agreements in place with CCUA.
- f) Review payment calculations and check these against substantiation provided by the City, Park City, other Professional Consultants, KDHE, and CCUA.
- g) Process reconciliation requests of data based on the engineer's calculations as they review the flow of the wastewater and water through CCUA.
- h) Work closely with City staff throughout the entire project to formulate/review a Project Implementation and Execution Plan. We

expect this to be a joint effort between City personnel and Consultant staff.

- i) Attend meetings that are project related, utilizing remote technology where possible.
- j) Assist the City in project related public hearings / meetings required throughout the entire project where Consultant may be required to explain various aspects of the audit and verification process. If a financial audit or agreed upon procedures engagement would be required to help with the verification process, that engagement letter would be captured in a separate engagement letter.
- k) Work closely with the City point-of-contact and the professional team selected to investigate the requirements of CCUA agreements in place and make findings and recommendations as necessary regarding those findings. Deliver written findings and any additional information as requested.
- l) Aid the professional team involved with this project and the City management with applicable financial laws, financial ordinances, and financial requirements in regards to reporting under the Kansas Municipal Audit and Accounting Guide (KMAAG) or Generally Accepted Accounting Principles (GAAP) and various other financial requirements under Federal, State and Local government regulations, ordinances or resolutions.
- m) Monitor evolving guidance and assist City staff in creating financial and performance improvements based on best practices and authoritative guidance available on a contemporaneous basis with potential agreements moving forward relating to CCUA and its involvement regarding wastewater disposal and water distribution.
- n) Parties understand time is of the essence. All services listed above are to be provided in a timely and efficient manner.
- o) Exclusions - In performing these services our Consultant role is strictly advisory in nature, Consultant will not:**

- Audit financial information and will not issue any form of assurance on it, including the Single Audit.
- Audit internal control or procedures nor issue any form of assurance on them.
- Identify ALL challenges and improvements that may exist or are needed; however, Consultant will provide the City

Administration with a report of our findings and identified solutions that come to Consultant attention in this engagement, if in Consultant's professional opinion it is material to the process and has a future benefit to the City.

- Identify ALL risk of material misstatements or detect material errors or fraud. However, Consultant will inform management of any material errors or fraud that comes to Consultant's attention during the process of consultation engagement.
- Perform services or make representations that could be perceived, by an informed party, as making managerial decisions.
- Make managerial decisions on behalf of City administration.
- Provide managerial approval or disallowance of ARPA fund expenditures, but will offer insights and recommendations to aid City governance in making decisions based on the authoritative guidance available.

2) **Payment for Services.** For Services performed, Client shall pay Consultant as follows:

- Monthly statements shall be submitted by Consultant to Client covering Services performed and expenses incurred during preceding month. Payment will be made within 30 days of receipt of statement.
- Statements will set forth: hours worked by each person, total hours worked and total labor billing, and a summary of expenses and charges. Upon request, documentation of reimbursable expenses included in the statement will be provided.
- Total payment for the Scope of Services described herein including is not to exceed Twenty Five Thousand Dollars, (\$25,000), which amount shall not be exceeded without prior written consent of Client.

3) **Changes.** Client shall have the right to make changes within the general scope of the services listed herein, upon execution of a mutually acceptable amendment or change order signed by both Parties.

4) Miscellaneous.

- a) **Engagement Record Request.** If requested, access to such engagement documentation will be provided under the supervision of Loyd Group, LLC personnel. Furthermore, upon request, Consultant may provide copies of selected engagement documentation to regulatory agencies or their designee. The regulatory agencies or their designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.
- b) **Expert Witness Fees.** In addition, both parties further agree that in the event Consultant or any of its employees or agents is called as a witness or requested to provide any information whether oral, written, or electronic in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that Client provided to Consultant, or any documents and work-papers prepared by Loyd Group, LLC in accordance with the terms of this agreement, Client agrees to pay any and all reasonable expenses, including fees and costs for Consultant time at the rates then in effect, as well as any legal or other fees that we incur as a result of such appearance or production of documents.
- c) **Dispute Resolution.** If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by a mutually agreed upon arbitrator, under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.
- d) **Entirety of Agreement.** This engagement embodies the entire agreement and understanding between the parties hereto and there are no promises, warranties, covenants, or conditions made by any of the parties except as herein expressly contained. The terms and conditions of this engagement shall be governed and construed in accordance with the laws of the State of Kansas and may only be modified in a writing signed by all the parties. Jurisdiction and venue of any dispute or cause of action arising out of or related to the subject-matter of this agreement shall lie in the State of Kansas and any litigation arising out of or related to the professional services rendered hereunder shall be brought in the State of Kansas.

- 5) **Termination.** This agreement shall automatically terminate one year from the effective date unless renewed by written agreement of parties. Services may be terminated at any time by Client or Consultant with ten (10) days' written notice. If so terminated, Client shall pay Consultant all amounts due for all services properly rendered and expenses incurred to the date of receipt of notice of termination.

D. Scot Loyd
D. Scot Loyd, The Loyd Group, OWNER

Jim Benage
Jim Benage, City of Bel Aire, MAYOR

ATTEST:

Melissa Krehbiel
Melissa Krehbiel, CITY CLERK

