



Sedgwick County...
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Sedgwick County

525 North Main Street 3rd
Floor
Wichita, KS 67203

Legislation Text

File #: 17-711, **Version:** 1

Contract with the City of Wichita to Provide Payment Processing Services Related to City Water/Sewer Tap Funds Through MABCD.

Recommended Action: Approve the agreement and authorize Chairman to sign.

Background: Prior to and following the formation of the Metropolitan Area Building and Construction Department (MABCD) in 2013, the City has charged fees outside of the MABCD fee structure to connect new buildings to the City water/sewer services. Once MABCD was formed, the City continued to charge these fees and the City received the payments through MABCD while the City still controlled the finances of the MABCD. However, beginning January 2017, the County assumed control of the finances of MABCD. This left the City without a method to acquire the funds for the water/sewer taps because the money is collected by MABCD without a way to release the money to the City. To date MABCD has retained roughly \$1.6 million dollars in City water/sewer tap fees that it cannot move or use.

This agreement is meant to alleviate the issue. It provides for the monthly transfer of water/sewer tap fees from the County to the City minus the third-party fees that accompany debit and credit card transactions.

Alternatives: Not to approve the agreement.

Financial Considerations: No additional budget authority is being requested. To date, this revenue has been posted to the County's financials. Going forward, this revenue will not be posted to the County's financials, but will be operated through an account that will allow the revenue to flow through to the City without impacting the County's revenues or expenses. This will cause a decrease in year-to-date revenues received in the County General Fund, when the year-to-date postings are moved to the new pass-through account. Under the agreement, the County will retain a portion of the revenue to offset third party fees, defined as merchant service fees assessed against the County to process water/sewer tap fees paid by credit or debit card.

Estimated Revenue: none.

Term: Ten (10) years, although either party may cancel with 90 days' notice.

Legal Considerations: The authority for this action is K.S.A. 12-2908 and a simple majority vote is needed.

Policy Considerations: n/a