



AGENDA
BASEHOR CITY COUNCIL
May 21, 2012, 7:00 p.m.
Basehor City Hall

1. **Roll Call** by Mayor David K. Breuer and Pledge of Allegiance
2. **Consent Agenda** (*Items to be approved by Council in one motion, unless objections raised*)
 - a. Approve April 16, 2012, Minutes
 - b. Approve Treasurer's Report
 - c. Approve City Prosecutor Agreement
 - d. Approve Employee Health Benefits Renewals
 - e. Approve Affinis Corporation Agreement

3. Call to Public

Members of the public are welcome to use this time to comment about any matter relating to City business that is listed on this Agenda. The comments that are discussed under "Call to Public" may or may not be acted upon by the Council during this meeting. There is a five-minute time limit. (Please wait to be recognized by the Mayor then proceed to the podium; state your name and address).

4. **Unfinished Business** - (*None at this time*)

New Business

5. Independent External Audit Approval
6. Consider Resolution Authorizing Issuance of General Obligation (GO) bonds for Wolf Creek Parkway improvements
7. Consider Resolution Adopting a Tax and Securities Compliance Procedure
8. City Council President Appointment
9. Chief of Police, Municipal Judge, City Clerk and City Treasurer Appointment
10. Planning Commission Appointments: Fred Farris and Terry Gall
11. Consider a Rezoning from "R-O", Suburban Residential District to "R-1", Single Family Residential District as submitted by Hubbel Family Trust
12. City Administrator's Report
13. Mayor's Report
14. Council Members Report
15. Executive Session (if needed)
16. Adjournment

Basehor City Council reserves the right to amend the agenda following its publication in the Basehor Sentinel newspaper. Citizens are encouraged to attend all public meetings. Updates to the agenda may be viewed at www.cityofbasehor.org



Basehor City Council Regular Meeting Minutes Basehor City Hall, April 16, 2012

1. Roll Call by Mayor David Breuer and Pledge of Allegiance

Mayor David K. Breuer called the meeting to order at 7:00 p.m. and led the audience in the Pledge of Allegiance.

Council Members present: Mayor David K. Breuer, Travis Miles, Richard Drennon, Vernon Fields

Staff Present: Interim City Administrator/Police Chief Lloyd Martley, City Attorney Shannon Marcano, City Engineer Mitch Pleak, City Superintendent Gene Myracle, City Clerk/Finance Director Corey Swisher

2. Mayoral Appointment of Two City Council Members

Miles motioned to approve the appointment for Ty Garver to fill David K. Breuer's City Council seat until April of 2013 with Drennon seconding. The motion passed unanimously, 3-0.

Swisher then swore Ty Garver in as a new City Council member.

Fields moved to approve the appointment of Brian Healy to fill the vacant seat of Dennis Mertz until April of 2013 with Miles seconding. The motion passed unanimously, 4-0.

Swisher then swore Brian Healy in as a new City Council member.

3. Swearing in of Two City Council Members

Mayor Breuer then called the meeting to order with all present and thanked the newest Council Members for their willingness to serve.

Council Members present: Mayor David K. Breuer, Travis Miles, Dick Drennon, Vernon Fields, Ty Garver and Brian Healy

4. Consent Agenda

- a. Approve 03.19.12 Minutes
- b. Approve Treasurer's Report
- c. Ordinance No. 608 – Code of Procedure
- d. Ordinance No. 609 – Establishing Meeting Time

- e. Approve \$15,000 Special Park Fund Budget Authority Increase
- f. Short Term Conditional Special Use Permit – Petting Zoo

Drennon moved to remove items c. and d. from the Consent Agenda with Fields seconding. The motion passed unanimously, 5-0. The items (both Ordinances) were later read during New Business as agenda items 10A. and 10B.

5. Call to Public

Jim Washington – 1901 N 160th St. – Expressed concern about the qualifications of Springsted Incorporated and their ability to serve as the City’s financial advisor.

Carol Washington – 1901 160th St. - Asked that the proposed City Council retreat be held at a location with no cost. She then requested that the date and time of City Council Work Sessions not be changed.

Elaine Bundy – 3121 N 156th Terr. – Stated she would like to discuss Field of Dreams improvement not realizing the improvements had been approved in the Consent Agenda. She then stated that a proposed City Council retreat should be held at the Basehor Community Library. She finished her comments by requesting that the date and time of City Council Work Sessions not be changed.

6. Unfinished Business

There was none.

New Business

7. Selection of Financial Advisor

Miles moved to allow the the Mayor to enter into a one year agreement with Springsted Incorporated for financial advisory services. The cost of services were not to exceed \$12,821. Healy seconded. Mayor asked for vote. The motion passed unanimously, 5-0.

8. Consider Preliminary Plat for Wolf Creek Junction 3rd Plat

Councilman Drennon motioned to approve the Preliminary Plat for Wolf Creek Junction, Ordinance No. 610. Councilman Fields seconded. Mayor asked for vote. The motion passed unanimously, 5-0.

9. Consider Final Plat for Wolf Creek Junction 3rd Plat

Miles moved to approve the final plat for Wolf Creek Junction 3rd Plat, Ordinance No. 611 including the Planning Commissions six recommendations with Drennon seconding. The motion passed unanimously, 5-0.

10. Establish a date for the City Council Retreat

Fields motioned to hold the City Council retreat on Thursday, May 3, 2012 from 8:00 a.m. until 5:00 p.m. at a location to be announced at a later date with Drennon seconding. The motion passed unanimously, 5-0.

10A. Ordinance 608 - Code of Procedure

Healy motioned to approve the Ordinance with Miles seconding. The motion passed unanimously, 5-0.

10.B Ordinance 609 Establishing Meeting Time

Miles motioned to approve the Ordinance with Garver seconding. The motion passed unanimously, 5-0.

11. City Administrator's Report

There was none.

12. Mayor's Report

There was none.

13. Council Members Report

Miles welcomed Ty Garver and Brian Healy to City Council.

Healy thanked the Mayor for the City Council appointment and stated he was grateful for the opportunity.

14. Executive Session

There was none.

15. Adjournment

Councilman Garver motioned to adjourn the meeting at 7:50 p.m. with Councilman Healy seconding. The motion passed unanimously, 5-0. There being no further discussion, the meeting was adjourned.

David K. Breuer, Mayor

Attest:

Corey Swisher, City Clerk



The City of Basehor

Date: May 21, 2012

To: Basehor Mayor & City Council
Lloyd Martley, Interim City Administrator

From: Corey Swisher, City Clerk/Finance Director

Re: April 2012 Treasurer's Report

The attached report contains the financial summaries of the revenue and expenditure activities of the City of Basehor for the month ending April 30, 2012.

One note: The Municipal Equipment Reserve Department shows an overage due to the arrival of Police Cruiser equipment in 2012 as opposed to 2011.

CITY OF BASEHOR

MAY 2012 FINANCIAL SNAPSHOT

Funds

Fund	Budget	Revenues	Expenditures	% Utilized
General	\$1,867,561	\$840,556	\$517,073	28%
Special Park	\$25,000	\$3,231	\$0	0%
Sewer	\$1,379,625	\$470,445	\$530,733	38%
Cedar Lake Maintenance	\$40,000	\$15,518	\$12,069	30%
Bond & Interest	\$702,234	\$691,222	\$114,620	16%
Solid Waste	\$280,897	\$96,903	\$38,556	14%
Special Highway	\$715,000	\$171,331	\$56,047	8%
Municipal Equipment Reserve	\$8,840	\$270	\$12,007	136%
Capital Improvement	\$0	\$24,208	\$0	100%
Employee Benefit	\$489,630	\$254,178	\$137,031	28%
LCSD#3	\$33,000	\$20,572	\$5,916	18%

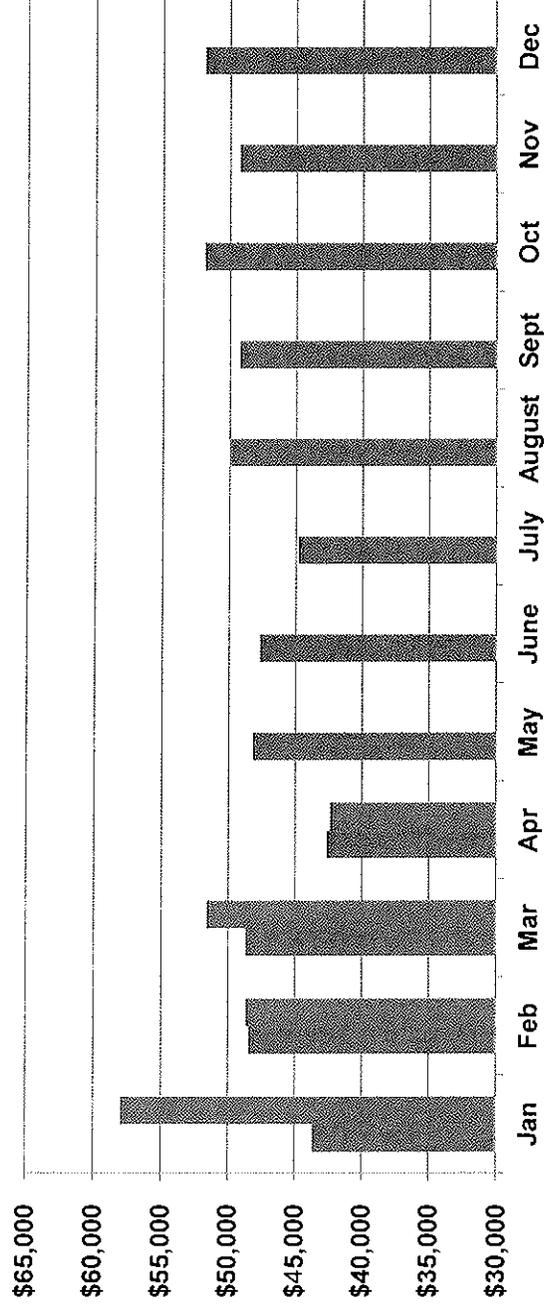
Department

Department	Budget	Expenditures	Remaining Balance	% Utilized
General				
Clerk	\$306,950	\$131,956	\$174,994	43%
Street	\$183,100	\$51,766	\$131,334	28%
Governing Body	\$44,614	\$27,038	\$17,576	61%
Police	\$771,650	\$207,902	\$563,748	27%
Facilities	\$131,775	\$42,810	\$88,965	32%
Administrator	\$141,600	\$8,693	\$132,907	6%
Park & Recreation	\$32,955	\$5,380	\$27,575	16%
Miscellaneous	\$85,518	\$0	\$85,518	0%
HR	\$16,000	\$6,600	\$9,400	41%
Planning	\$153,400	\$30,931	\$122,469	20%

MONTHLY SALES TAX COLLECTIONS 2008-2012

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Monthly Diff.</u> <u>'11 - '12</u>	<u>%</u> <u>Difference</u>	<u>2012 YTD</u>	<u>Diff. '11 - '12</u>	<u>%</u> <u>Difference</u>
Jan	43,516.85	43,726.32	44,933.16	43,677.78	57,962.61	14,284.83	32.7%	57,962.61	14,284.83	32.7%
Feb	46,544.07	49,937.92	59,338.25	48,453.55	48,668.43	214.88	0.4%	92,131.33	14,499.71	15.7%
Mar	46,125.81	59,417.29	44,064.14	48,692.52	51,596.39	2,903.87	6.0%	140,823.85	17,403.58	12.4%
Apr	41,298.70	41,900.26	46,686.51	42,633.11	42,372.82	-260.29	-0.6%	183,456.96	17,143.29	9.3%
May	44,634.80	41,070.02	47,865.00	48,186.99						
June	52,647.16	43,320.60	48,059.05	47,682.94						
July	47,720.81	46,612.85	43,151.43	44,834.43						
Aug	47,209.53	50,284.61	52,935.19	49,903.11						
Sept	50,855.51	52,550.48	52,062.71	49,250.84						
Oct	48,068.36	52,382.92	47,483.47	51,883.08						
Nov	43,264.92	47,111.87	44,789.92	49,270.35						
Dec	43,884.31	56,073.14	46,693.70	51,874.96						
	555,770.83	584,388.28	578,062.53	576,343.66	200,600.25					

2011-12 Month to Month Comparison



■ 2011 ■ 2012



SEWER FUND HIGHLIGHTS

For the Month of April 2012

MONTH	2011	2012	% DIFFERENCE
	SWR COUNT	SWR COUNT	
January	1679	1789	6.15%
February	1676	1792	6.47%
March	1679	1797	6.57%
April	1774	1799	1.39%
May	1781		
June	1779		
July	1778		
August	1781		
September	1774		
October	1777		
November	1770		
December	1776		
AVERAGE	1752	1794	

MONTH	2011	2012	% DIFFERENCE
	SWR BILLED	SWR BILLED	
January	\$80,781.73	\$89,188.63	10.41%
February	\$80,627.21	\$89,662.48	11.21%
March	\$80,471.02	\$88,970.52	10.56%
April	\$80,010.76	\$89,233.29	11.53%
May	\$90,216.49		
June	\$89,998.38		
July	\$89,284.06		
August	\$90,683.38		
September	\$91,270.81		
October	\$91,521.37		
November	\$86,644.10		
December	\$86,654.61		
TOTAL	\$1,038,163.92	\$357,054.92	10.93%

MONTH	2011	2012	% DIFFERENCE
	AVERAGE SWR BILL	AVERAGE SWR BILL	
January	\$48.11	\$49.85	3.61%
February	\$48.11	\$50.03	4.00%
March	\$47.93	\$49.51	3.30%
April	\$45.10	\$49.60	9.97%
May	\$50.65		
June	\$50.59		
July	\$50.22		
August	\$50.92		
September	\$51.45		
October	\$51.50		
November	\$48.95		
December	\$48.79		
AVERAGE	\$49.36	\$49.75	0.78%



SOLID WASTE FUND HIGHLIGHTS

For the Month of April 2012

MONTH	2011	2012	% DIFFERENCE
	SOLID WASTE COUNT	SOLID WASTE COUNT	
January	1,639	1,653	0.85%
February	1,635	1,655	1.21%
March	1,633	1,665	1.92%
April	1,638	1,672	2.03%
May	1,639		
June	1,642		
July	1,639		
August	1,639		
September	1,645		
October	1,647		
November	1633		
December	1639		
AVERAGE	1,639	1,661	

MONTH	2011	2012	% DIFFERENCE
	SOLID WASTE BILLED	SOLID WASTE BILLED	
January	\$16,413.01	\$23,276.77	29.49%
February	\$23,010.32	\$23,320.00	1.33%
March	\$22,959.12	\$23,379.98	1.80%
April	\$23,033.99	\$23,518.26	2.06%
May	\$23,040.15		
June	\$23,065.60		
July	\$23,017.69		
August	\$23,030.35		
September	\$23,112.81		
October	\$23,166.10		
November	\$23,016.61		
December	\$14,899.96		
TOTAL	\$261,765.71	\$93,495.01	

MONTH	2011	2012	% DIFFERENCE
	AVERAGE BILL	AVERAGE BILL	
January	\$10.01	\$14.08	28.91%
February	\$14.07	\$14.09	0.14%
March	\$14.06	\$14.04	-0.14%
April	\$14.06	\$14.07	0.07%
May	\$14.06		
June	\$14.05		
July	\$14.04		
August	\$14.05		
September	\$14.05		
October	\$14.07		
November	\$14.09		
December	\$14.06		
AVERAGE	\$13.72	\$14.07	

Check Register Report

Date: 05/03/2012

Time: 3:53 PM

Page: 1

City Of Basehor

BANK: First State Bank

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
First State Bank Checks							
19609	04/24/2012	VOID	4/24/2012	VOID	REPORT PRINTED ON CHECK	VOID	0.00
19610	04/24/2012	Printed		KS DEPT AG	KANSAS DEPT OF AGRICULTURE	WELL PERMIT FEE @ FOD FACILITY	50.00 ✓
19611	04/24/2012	Printed		MILES/TRA	TRAVIS MILES	DIRECT DEPOSIT-PAYROLL	94.35 ✓
19612	05/03/2012	Printed		ADVANCE IN	ADVANCE INSURANCE COMPANY	GROUP LTD/STD/ADD & LIFE INS	583.05
19613	05/03/2012	Printed		AFFINIS	AFFINIS CORP	DESIGN SVCS/AWC PKWY IMP	6,922.61
19614	05/03/2012	Printed		AFLAC	AFLAC	EMP CAFETERIA PLAN/APRIL 2012	890.52
19615	05/03/2012	Printed		ATMOS ENER	ATMOS ENERGY	GAS USAGE	130.86
19616	05/03/2012	Printed		BLUE CROSS	BLUE CROSS & BLUE SHIELD OF KS	GROUP MEDICAL INSURANCE	14,187.22
19617	05/03/2012	Printed		CITIZEN	CITIZENS SAVINGS & LOAN ASSOC	RIGHT OF WAY PYMT/158th & WC	23,525.00 ✓
19618	05/03/2012	Printed		CONS WATER	CONS RURAL WATER DISTRICT #1	WATER USAGE	388.51
19619	05/03/2012	Printed		DR & G	DR & G ENGINEERS	BRIDGE INSPECT-HOLLINGSWORTH	395.00
19620	05/03/2012	Printed		FASTENAL	FASTENAL COMPANY	4 BX OF WOOD SCREWS-PHILLIPS	91.10
19621	05/03/2012	Printed		FINDLEY	ROBERT FINDLEY	REIMB OVERPAYMENT	10.00
19622	05/03/2012	Printed		FORD/CHRIS	CHRIS FORD	YOUTH SPORTS REBATE X2	45.00
19623	05/03/2012	Printed		HARTFORD	HARTFORD RETIREMENT PLANS	401A/457 RETIREMENT CONTRIB	2,636.87
19624	05/03/2012	Printed		HR HAVEN	HR-HAVEN INC	MONTHLY HR RETAINER-MAY	500.00
19625	05/03/2012	Printed		KS MUNCINS	KANSAS MUNC INSURANCE TRUST	2011 WORK COMP INS PREM-ADDTL	3,838.00
19626	05/03/2012	Printed		KANSAS PAY	KANSAS PAYMENT CENTER	PAYROLL DIRECTED DEDUCTION	751.07
19627	05/03/2012	Printed		KS TREASUR	KANSAS STATE TREASURER	STATE MANDATED COURT FEES	796.50
19628	05/03/2012	Printed		KPF EFT	KPF EFT PROGRAM	POLICE RETIREMENT CONTRIB	4,747.82
19629	05/03/2012	Printed		LAND CO	LAND CO REAL ESTATE SVCS INC	PROF SVCS/LAND AQUISITION	3,456.25
19630	05/03/2012	Printed		LAWN TAMER	LAWN TAMERS	CONTRACT MOW/2917 N 156TH ST	75.00
19631	05/03/2012	Printed		MCAFEE HEN	MCAFEE HENDERSON SOLUTIONS	DESIGN SVCS/PEDESTRIAN TRAIL	10,242.80
19632	05/03/2012	Printed		MIDWEST PU	MIDWEST PUBLIC RISK	GROUP DENTAL INS/MAY	1,224.00
19633	05/03/2012	Printed		MIZE	MIZE HOUSER & COMPANY INC	AUDITING SVCS/FISCAL YEAR 2011	4,000.00
19634	05/03/2012	Printed		NAT SIGN	NATIONAL SIGN COMPANY INC	SAFETY BARRICADES/PWD WWTF	329.70
19635	05/03/2012	Printed		PITNEY RES	PITNEY BOWES RESERVE ACCT	REFILL POSTAGE METER	200.00
19636	05/03/2012	Printed		PRAY	WILLIAM E. PRAY	MUNICIPAL JUDGE SERVICES	300.00
19637	05/03/2012	Printed		PUMP & POW	PUMP & POWER EQUIPMENT, INC.	REBUILT FAIRBANKS MORSE 75 HP	9,075.00
19638	05/03/2012	Printed		REGISTER	REGISTER OF DEEDS	TAX/RECORDING FEE	185.74
19639	05/03/2012	Printed		SELECT IMA	SELECT IMAGING	FILE BOUND HOST FEE/MAY 2012	300.00
19640	05/03/2012	Printed		SPECTRA	SPECTRA	SAFETY GLASSES/PWD & WWTF	1,089.84
19641	05/03/2012	Printed		HEART BUIL	STEPHEN R MARSDEN	JANITORIAL SERVICE/APRIL 2012	387.00
19642	05/03/2012	Printed		VISION SER	VISION SERVICES PLAN	GROUP VISION INSURANCE	401.43
19643	05/03/2012	Printed		WESTAR GRP	WESTAR ENERGY	ELECTRICAL USAGE	9,525.67

34

Checks Total (excluding void checks):

101,355.91

[Signature] 5-4-12
 Lloyd Martley Date
 Interim City Administrator

[Signature] 05/04/12
 Corey Swisher Date
 City Clerk/Finance Director

[Signature] 5/3/12
 Kristi Olson Date
 Accounting Clerk

Check Register Report

Date: 04/20/2012

Time: 12:01 PM

Page: 1

City Of Basehor

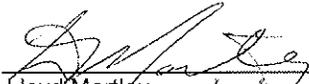
BANK: First State Bank

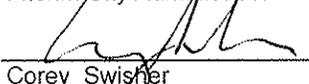
Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
First State Bank Checks							
19589	04/20/2012	Printed		ATMOS ENER	ATMOS ENERGY	GAS USAGE	445.99
19590	04/20/2012	Printed		BASEHOR AW	BASEHOR AWARDS & TROPHIES	(2) NAME PLATES/HEALY & GARVER	17.50
19591	04/20/2012	Printed		BRANDT FAB	BRANDT FABRICATING	4x3 INLET GRATE-STORM H20 PROJ	1,318.89
19592	04/20/2012	Printed		COMMERCE	COMMERCE PURCHASING CARD	CITYWIDE PURCH CARD CHARGES	47,438.51
19593	04/20/2012	Printed		FASTENAL	FASTENAL COMPANY	JIGSAW/PWD SHOP	458.85
19594	04/20/2012	Printed		HARTFORD	HARTFORD RETIREMENT PLANS	401/457 RETIREMENT CONTRIB	2,639.13
19595	04/20/2012	Printed		IDEAL LAWN	IDEAL LAWN & LANDSCAPE	MOW BASEHOR BLVD/3-26-12	45.00
19596	04/20/2012	Printed		JOHNSON CL	JOHNSON COUNTY GOVERNMENT	FACILITY FLOW SAMPLING/4-5-12	154.00
19597	04/20/2012	Printed		KANSAS PAY	KANSAS PAYMENT CENTER	PAYROLL DIRECTED DEDUCTION	751.07
19598	04/20/2012	Printed		KEOPKE	REBECCA & RON KEOPKE	YOUTH SPORTS REBATE	22.50
19599	04/20/2012	Printed		KPF EFT	KPF EFT PROGRAM	POLICE RETIREMENT CONTRIB	4,890.66
19600	04/20/2012	Printed		LEAGUE KM	LEAGUE OF KS MUNICIPALITIES	(6)CODE OF PROCEDURE BOOKS	31.50
19601	04/20/2012	Printed		LV SHERIFF	LEAVENWORTH COUNTY SHERIFF	JAIL BOARDING FEES	175.00
19602	04/20/2012	Printed		MERCHANT S	MERCHANT SERVICES GROUP	CITYWIDE CREDIT CARD FEES	169.26
19603	04/20/2012	Printed		SMITH VET	SMITH VETERINARY CLINIC INC	BOARDING- 2 DOGS/1 CAT	261.00
19604	04/20/2012	Printed		SPOTS OFF	SPOTS OFF LLC	CAR WASHES/POLICE	47.16
19605	04/20/2012	Printed		STATE IND	STATE INDUSTRIAL PRODUCTS	(5)GAL LIFTSTATION PRIMEZYME	217.07
19606	04/20/2012	Printed		WESTAR GRP	WESTAR ENERGY	ELECTRIC USAGE	5,624.24
19607	04/20/2012	Printed		WESTLAND C	WESTLAND CONSTRUCTION	(2) CULVERT TUBE REPLACE-MAPLE	390.00
19608	04/20/2012	Printed		WRIGHT EX	WRIGHT EXPRESS	MARCH 2012 FLEET FUEL CHARGES	3,835.22

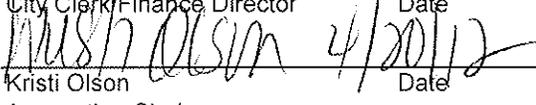
Total Checks: 20 Checks Total (excluding void checks): 68,932.55

Total Payments: 20 Bank Total (excluding void checks): 68,932.55

Total Payments: 20 Grand Total (excluding void checks): 68,932.55


 Lloyd Martley
 Interim City Administrator
 Date 4-23-12


 Corey Swisher
 City Clerk/Finance Director
 Date 04/20/12


 Kristi Olson
 Accounting Clerk
 Date 4/20/12

20.

City of Basehor
Agenda Item Cover Sheet

Consent Agenda Item c

Topic: City Prosecutor Agreement

Action Requested: Approve contractor agreement

Narrative: KiAnn McBratney was our previous City Prosecutor. She resigned her position in February 2012. Mike Kelly has been filling in as our prosecutor. Mike has been an attorney since 1980. He has served as a Municipal Judge, City Attorney and is currently the City Prosecutor for Tonganoxie. He has a BA from the University of Kansas and his Juris Doctorate from Washburn University.

Presented by: Chief Lloyd Martley

Administration Recommendation: Recommend the approval of the Independent Contractor Agreement between Mike Kelly and the City of Basehor to serve as our City Prosecutor.

Committee Recommendation:

Attachments: Independent Contractor Agreement

Projector needed for this item?

No

INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT is made as of the 21st day of May, 2012, by and between **THE CITY OF BASEHOR, KANSAS** (hereinafter "the City") and **Michael E. Kelly, J.D.**, 512 East Fourth Street, Tonganoxie, Kansas, 66007.

In consideration of the mutual covenants hereinafter set forth, the City and KELLY hereby agree as follows:

1. **Services.** The City hereby engages Mr. Kelly to provide to the City all prosecutorial legal services needed by the City, of whatever nature. Such services shall include those set forth in the Basehor City Code. Mr. Kelly agrees to perform the services in a timely, competent, and professional manner, and in accordance with all applicable laws, regulations, and ordinances, and the terms and conditions of this Agreement.
2. **Qualifications.** Mr. Kelly agrees that he will maintain his license and memberships to practice law in all Kansas State and Federal Courts, and will maintain professional liability insurance.
3. **Compensation.** In consideration of the agreements and provisions contained herein, the City agrees to pay Mr. Kelly \$85 per hour to perform any and all prosecutorial services on behalf of the City but such payment to Mr. Kelly shall not, in any event, be less than \$400 per month.
4. **Billing Statements.** Billing statements shall be sent to the City on a monthly basis itemizing services performed pursuant to this Agreement.
5. **Miscellaneous Expenses.** The City will reimburse Mr. Kelly for miscellaneous, out-of-pocket expenses, such as copies, postage, and other expenses directly related to his duties as prosecutor.
6. **Other Employment.** During the term hereof, Mr. Kelly is free to pursue other business interests and representation so long as such activities do not adversely affect his duties as City Prosecutor.
7. **Term and Termination.** This Agreement shall be effective retroactive to the date Mr. Kelly was appointed by the Mayor and approved by the Council. The Agreement shall continue thereafter for one year at the pleasure of the Governing Body. The Agreement shall be renewable for successive one year periods by appointment by the Mayor and approval by the Governing Body unless three-months' notice of non-renewal is given by either party. Three months before the renewal date, the parties will engage in good faith negotiation concerning the terms of the next one-year Agreement.

IN WITNESS WHEREOF, the parties, voluntarily and with full knowledge of the contents hereof, have executed this Agreement.

THE CITY OF BASEHOR, KANSAS:

By: _____
Mayor David Breuer, with consent of a
majority of the City Council

Michael E. Kelly:



The City of Basehor

May 21, 2012

To: All City of Basehor Employees

From: Administration

Ref: 2012-2013 Health Benefits

The City of Basehor renews employee health benefits (BCBS, Vision, STD/LTD and Dental) on July 1st each year. Any employee wanting to make benefit changes to their account may do so during the open enrollment period which will take place from June 1 to June 15. If you would like to make any changes please let me know during this time frame.

As expected there were slight increases to some of the 2012/2013 health benefit plans. The new rates are as follows and will become effective July 1, 2012.

- 1. Blue Cross Blue Shield – Option 1 with \$500 dollar deductible
 - a. No change for employees under the single plan
 - b. Employee/Spouse went up \$3.78 per pay period
 - c. Employee/Children went up \$5.81 per pay period
 - d. Family went up \$9.60 per pay period

This is an average health insurance increase of 4.5% while most cities similar to Basehor increased by an average of 9%.

- 2. Delta Dental
 - a. No change for employees under the single plan
 - b. Employee/Spouse, Employee/Children, Family went up \$1.00 per pay period.
- 3. Vision
 - a. No increase
- 4. STD/LTD
 - b. No increase

If you have any questions, please contact me directly at 724-3397.

Lloyd Martley
Interim City Administrator/Chief of Police

BCBS of Kansas - Health Ins. Triple Option 2012-2013 Effective 7/1/12

Option 1

Coverage	Invoice total per plan	Employer		Employee Deduction per pay	
		Responsibility	Employee Responsibility	Period	
Single	\$359.20	\$359.20	\$0.00	\$0.00	
Emp/Spouse	\$771.38	\$565.29	\$206.09	\$103.05	
Emp/Children	\$726.82	\$543.01	\$183.81	\$91.91	
Family	\$1,139.01	\$749.11	\$389.91	\$194.96	

Option 2

Coverage	Invoice total per plan	Employer		Employee Deduction per pay	
		Responsibility	Employee Responsibility	Period	
Single	\$344.39	\$344.39	\$0.00	\$0.00	
Emp/Spouse	\$739.54	\$541.97	\$197.58	\$98.79	
Emp/Children	\$696.67	\$520.53	\$176.14	\$88.07	
Family	\$1,091.82	\$718.11	\$373.72	\$186.86	

Option 3

Coverage	Invoice total per plan	Employer		Employee Deduction per pay	
		Responsibility	Employee Responsibility	Period	
Single	\$331.63	\$331.63	\$0.00	\$0.00	
Emp/Spouse	\$712.12	\$521.88	\$190.25	\$95.13	
Emp/Children	\$670.69	\$501.16	\$169.53	\$84.77	
Family	\$1,051.18	\$691.41	\$359.78	\$179.89	

Midwest Public Risk - Dental Premiums & Employee Deductions 2012-2013 Effective 7/1/12

Coverage	Invoice total per plan	Employer Responsibility	Employee Responsibility	Employee Deduction per pay Period
Single	\$33.00	\$33.00	\$0.00	\$0.00
Emp/Spouse	\$83.00	\$33.00	\$50.00	\$25.00
Emp/Children	\$83.00	\$33.00	\$50.00	\$25.00
Family	\$83.00	\$33.00	\$50.00	\$25.00

Vision Service Plan - Premiums & Employee Deductions 2012-2013 Effective 7/1/12

Coverage	Invoice total per plan	Employee		
		Employer Responsibility	Employee Responsibility	Deduction per pay Period
Single	\$12.48	\$12.48	\$0.00	\$0.00
Emp/Spouse	\$19.97	\$12.48	\$7.49	\$3.75
Emp/Children	\$20.38	\$12.48	\$7.90	\$3.95
Family	\$32.86	\$12.48	\$20.38	\$10.19



Summary of Dental Plan Benefits

MIDWEST PUBLIC RISK

Group #5226

Effective for July 1, 2012

Benefit % Paid

Maximum Contract Benefit Per Person:

The Maximum Benefit for all Covered Services for each Enrollee in any one Contract Year is: One Thousand Two Hundred Fifty Dollars (\$1,250.00). The Contract Year is July 1, 2012 through June 30, 2013.

*Preventive Plus - Benefits for exams, cleanings, x-rays and fluoride treatments do not apply to your individual benefit maximum.

**Healthy Benefits, Healthy Smile, Healthy You Patients who are pregnant, diabetic, have a suppressed immune system, have kidney failure or are undergoing dialysis, or have a history of periodontal therapy are eligible for up to two (2) additional cleanings per Contract year. To be eligible for the additional benefits you must complete a Self-Report form which can be found within the Subscriber Connection at www.deltadentalks.com or obtained by contacting Delta Dental of Kansas' customer service at 1-800-234-3375.

The Maximum Benefit for Orthodontic Services for each Enrollee is: One Thousand Two Hundred Fifty Dollars (\$1,250.00) during such person's lifetime. Payment for the Orthodontic Services shall not be included in determining the Maximum Benefit for each Contract Year.

Deductible Limitations

Coverage for diagnostic and preventive services is not subject to any deductible amount. For all other covered benefits, the Contract Year deductible is:

\$50 x 3

Dependent Ages

Dependents are covered to age twenty-six (26).

Delta Dental PPO	Premier	Non-participating		
			<u>DIAGNOSTIC & PREVENTIVE</u> (Not subject to deductible)	
100%	100%	100%	Diagnostic:	Includes the following procedures necessary to evaluate existing dental conditions and the dental care required: <ul style="list-style-type: none"> *<u>Oral examinations</u> -- two (2) per Contract year. *<u>Diagnostic x-rays</u> -- bitewing x-rays as required. *<u>Full mouth x-rays or panoramic x-rays</u> -- once (1) in any thirty-six (36) consecutive months.
100%	100%	100%	Preventive:	Provides for the following: <ul style="list-style-type: none"> *<u>Prophylaxis</u> (Cleanings) - (all types including periodontal maintenance), two** (2) per Contract year. *<u>Topical Fluoride</u> -- once (1) each Contract year for dependent children under age nineteen (19). *<u>Space Maintainers</u> -- once (1) in five (5) years for dependent children under age sixteen (16) and only for premature loss of primary molars (except for accidental injuries). *<u>Sealants</u> -- once (1) per tooth every five (5) years when applied only to permanent molars with no caries (decay) or restorations on the occlusal surface and with the occlusal surface intact.
100%	100%	100%	Ancillary:	Provides for emergency examinations by the Dentist for the relief of pain as needed.
100%	100%	100%	Brush Biopsy:	To detect oral cancer.
			<u>BASIC</u> (Subject to Deductible)	
85%	80%	80%	Oral Surgery:	Provides for simple and surgical extractions.
85%	80%	80%	Regular Restorative:	Provides amalgam (silver) restorations on molars; composite (white) resin restorations on front teeth.
85%	80%	80%	Endodontics:	Includes procedures for root canal treatments and root canal fillings.
85%	80%	80%	Periodontics:	a. Includes procedures for the treatment of diseases of the tissues supporting the teeth. b. Surgical periodontal procedures.
			<u>MAJOR</u> (Subject to Deductible)	
55%	50%	50%	Special Restorative:	Crowns, jackets, labial veneers, inlays and onlays when required for restorative purposes, once (1) in five (5) years.
55%	50%	50%	Prosthodontics:	Includes bridges, partial and complete dentures, including repairs and adjustments. A replacement will be covered only once (1) in five (5) years, but not during the first twelve (12) months of coverage.
55%	50%	50%	Oral Surgery:	Provides for oral surgery including pre and post-operative care, except for extractions covered under Basic Services.
			<u>ORTHODONTICS</u> (Subject to Deductible)	
50%	50%	50%	Orthodontics:	Includes orthodontic appliances and treatment, interceptive and corrective, for adults and dependent children.

This is a summary of benefits only and does not bind Delta Dental of Kansas to any coverage. Please refer to the Description of Dental Care Coverage for complete coverage information, including exclusions and limitations. Coverage as described in the employer group's Agreement to Provide Dental Benefits (contract) is binding on all parties and supersedes all other written or oral communications.

March 31, 2011



CITY OF BASEHOR
2620 N 155TH ST
BASEHOR, KS 66007-9250

DEAR MR MARK LOUGHRY:

At VSP Vision Care, we're focused on taking great care of you and your organization. Your satisfaction is our top priority. That's why your VSP plan that expires June 30, 2011 will automatically renew effective July 1, 2011, ensuring your members will continue to enjoy uninterrupted service.

From eyewear selection to provider locations, choice is important. That's why VSP Open AccessSM provides members the flexibility to use their VSP benefits at any location, including specialty optical boutiques or retail chains. While 95% of our members choose a VSP provider to maximize their benefit, we offer a generous reimbursement schedule for services from all other providers.

Group Name/Number:	CITY OF BASEHOR / 30014536
Renewal Period:	July 1, 2011 - June 30, 2013
Current Plan Frequency:	12 / 12 / 12
Current Copay:	\$25 Total
Current Rates:	\$13.19 / 21.10 / 21.54 / 34.72
Renewal Rates:	\$13.71 / 21.94 / 22.40 / 36.11

We are pleased to offer the following plan frequency and/or copay alternative to the current renewal:

Alternate Plan Frequency:	12 / 12 / 12
Alternate Copay:	\$10 Exam / \$25 Materials
Alternate Renewal Rates:	\$12.48 / 19.97 / 20.38 / 32.86

Should you choose to accept the renewal alternative or wish to explore additional options, your VSP representative shown below will be happy to assist you.

If you elect to renew your current plan, no further action is required. Please consider VSP your long-term partner in helping you maximize your benefit dollars. To learn more about other plans and ways you can enhance your coverage, please contact your VSP representative, Michelle Dolan, at (800) 852-7600.

Central Team

RATE COMPARISON FOR CITY OF BASEHOR

OPTION 1

<u>MONTHLY PREMIUMS:</u>	<u>EMPLOYEE</u>	<u>EMP/CH</u>	<u>EMP/SPOUSE</u>	<u>EMP/DEPS</u>
CURRENT PREMIUMS EFFECTIVE 7/01/11:	\$346.18	\$690.57	\$743.23	\$1,087.63
RENEWAL PREMIUMS EFFECTIVE 7/01/12:	<u>\$359.20</u>	<u>\$726.82</u>	<u>\$771.38</u>	<u>\$1,139.01</u>
Total Adjustment	\$13.02	\$36.25	\$28.15	\$51.38
% Adjustment	3.8%	5.2%	3.8%	4.7%

OPTION 2

<u>MONTHLY PREMIUMS:</u>	<u>EMPLOYEE</u>	<u>EMP/CH</u>	<u>EMP/SPOUSE</u>	<u>EMP/DEPS</u>
CURRENT PREMIUMS EFFECTIVE 7/01/11:	\$329.86	\$657.89	\$708.13	\$1,036.17
RENEWAL PREMIUMS EFFECTIVE 7/01/12:	<u>\$344.39</u>	<u>\$696.67</u>	<u>\$739.54</u>	<u>\$1,091.82</u>
Total Adjustment	\$14.53	\$38.78	\$31.41	\$55.65
% Adjustment	4.4%	5.9%	4.4%	5.4%

OPTION 3

<u>MONTHLY PREMIUMS:</u>	<u>EMPLOYEE</u>	<u>EMP/CH</u>	<u>EMP/SPOUSE</u>	<u>EMP/DEPS</u>
CURRENT PREMIUMS EFFECTIVE 7/01/11:	\$316.72	\$631.58	\$679.89	\$994.77
RENEWAL PREMIUMS EFFECTIVE 7/01/12:	<u>\$331.63</u>	<u>\$670.69</u>	<u>\$712.12</u>	<u>\$1,051.18</u>
Total Adjustment	\$14.91	\$39.11	\$32.23	\$56.41
% Adjustment	4.7%	6.2%	4.7%	5.7%

Premiums are based on an effective date of July 1, 2012 and contract counts of 12 Emp, 4 Emp/Ch, 2 Emp/Sp and 4 Emp/Depts. We reserve the right to re-evaluate should enrollment vary from the census.

Renewal Summary



1133 SW Topeka Blvd., Topeka KS 66629-0001
 FAX (785)290-0727 or Phone (800)530-5989

Date: April 1, 2012
 Presented to: City of Basehor
 BCBSKS rep: Lisa Toyne

Group number: 00097805

Renewal Month July	Current rate	Renewal rate Effective July 1, 2012	Rate guarantee
Basic Term Life	.13/1,000	.13/1,000	1 year
Basic AD&D	.03/1,000	.03/1,000	1 year
Short Term Disability	.22/\$10 unit	.22/\$10 unit	1 year
Long Term Disability	.27% of monthly covered payroll	.27% of monthly covered payroll	1 year

Quota Requirements – PLEASE FULLY COMPLETE QUESTIONS 1, 2, 3 and 4

1) Your group policy states "Actively at Work or Active Work means to be eligible to be insured, an eligible person must be actively at work performing all of the normal duties of his job at his usual place of employment and working at least the minimum number of hours each week that your group requires for this benefit. ... A Person is eligible to continue to be insured only while he continues on Active Work." This applies to owners, partners, shareholders and individual proprietors as well as regular employees.

Is anyone currently on the billing not **Actively at Work**? Yes No Please tell us who they are and why they are not actively working. _____

Failure to accurately report an insured's Active Work status may adversely affect a claim for life insurance.

2) What is the number of employees who have completed the company required waiting period and who regularly work your weekly requirement of 40 hours or more? _____ Coverage is not based on enrollment in a health coverage plan.

3) How many employees have rejected coverage by completing and submitting an AICK Waiver? _____

4) How many employees are enrolled in coverage with AICK? _____

Authorization

Is your business a (mark if applicable) - S Corporation Partnership Sole Proprietor LLC

The following disability definition applies to the business types shown above:

Monthly Rate of Basic Earnings for a sole proprietor, partners, members of a limited liability company taxable as a partnership under the federal income tax laws or shareholders in a S-Corporation means:

- 1) the monthly average of earnings reported as "net earnings from self-employment" for federal income tax purposes for the two tax year(s) just prior to the date of Disability, or over the number of calendar months of employment, if less than this period; and
- 2) contributions you make through a salary reduction agreement with the Employer to:
 - a) an Internal Revenue Code (IRC) Section 401(k), 403(b) or 457 deferred compensation arrangement;
 - b) an executive non-qualified deferred compensation arrangement; or
 - c) a salary reduction arrangement under an IRC Section 125 plan, for the same period as above.

Monthly rate of basic earnings does not include dividends, capital gains, and returns of capital.

Please reference your group policy for the exact provisions of your benefits and exclusions. A renewal is not a guarantee of coverage in the absence of timely payment of premium, non-compliance with policy provisions, or the number of insured lives increase or decrease by 10 percent or more. The information provided in the Quota Requirements section is true and complete to the best of my knowledge. I acknowledge inaccuracies in this information may result in termination of coverage. I understand that Advance Insurance Company of Kansas will rely on this information in accepting this renewal for coverage and I will promptly notify them of any changes herein.

Executive contact signature

Date signed

2 E

City of Basehor

Agenda Item Cover Sheet

Consent Agenda Item E

Topic: Affinis Contract for Corridor Management Projects.

Action Requested: Consider Resolution 2012-04, approving and authorizing the Mayor to execute an agreement between the City of Basehor, KS and Affinis Corporation regarding improvements on 155th and 158th Street in Basehor, KS

Narrative:

September 19, 2011, the City Council selected four projects to submit to the Kansas Department of Transportation (KDOT) for funding.

February 1, 2012, KDOT notified the City on the selection of 158th Street (US 24/40 to Wolf Creek Parkway) and 155th Street (US 24/40 to Wolf Creek Parkway).

March 19, 2012, the City Council approved the combination of 158th Street (US 24/40 to Wolf Creek Parkway) Project, 155th Street (US 24/40 to Wolf Creek Parkway) Project, and Wolf Creek Parkway (158th Street to 155th Street) Project. City Council also approved Affinis performing the design services for all three projects.

Presented by: Mitch Pleak, City Engineer

Administration Recommendation:

Staff recommends approving Resolution 2012-04.

Committee Recommendation:

Attachments:

5.1.12 Memo (1 page)

2.27.12 Memo (2 pages)

Resolution 2012-04 (32 pages)

Projector needed for this item? No

Memorandum

To: Mr. Mayor and City Council
CC: Chief Lloyd Martley
From: Mitch Pleak
Date: 5.1.12
Re: Affinis Contract for Corridor Management Projects.

September 19, 2011, the City Council selected four projects to submit to KDOT for funding.

February 1, 2012, KDOT notified the City on the selection of 158th Street (US 24/40 to Wolf Creek Parkway) and 155th Street (US 24/40 to Wolf Creek Parkway).

Both projects about the Wolf Creek Parkway Project (2011 KDOT selected). Since KDOT notification staff has reviewed the projects for cost savings. Per KDOT's funding stipulations, the City is responsible for all utility relocations, design, and acquisition costs. Staff finds it would be appropriate to request the projects to be combined for cost savings and public safety reasons.

March 19, 2012, the City Council approved the combination of 158th Street (US 24/40 to Wolf Creek Parkway) Project, 155th Street (US 24/40 to Wolf Creek Parkway) Project, and Wolf Creek Parkway (158th Street to 155th Street) Project. City Council also approved Affinis Corp. performing the design services for all three projects.

Enclosed is the contract for the additional work. As discussed on March 19, 2012, the contract for the Wolf Creek Parkway (158th to 155th) Project will be deducted \$20,565. The proposed contract is for \$195,446. The total additional design fee for the additional two projects and the combination of all three projects is \$174,881.

Memorandum

To: Mr. Mayor and City Council

CC: Chief Lloyd Martley

From: Mitch Pleak

Date: 2.27.12

Re: Discuss 2011 Kansas Department of Transportation (KDOT) Applications for Corridor Management Construction Projects.

September 19, 2011, the City Council selected four projects to submit to KDOT for funding. February 1, 2012, KDOT notified the City on the selection of 158th Street (US 24/40 to Wolf Creek Parkway) and 155th Street (US 24/40 to Wolf Creek Parkway).

Both projects abut the Wolf Creek Parkway Project (2011 KDOT selected). Since KDOT notification staff has reviewed the projects for cost savings. Per KDOT's funding stipulations, the City is responsible for all utility relocations, design, and acquisition costs. Staff finds it would be appropriate to request the projects to be combined for cost savings and public safety reasons.

If combined and let to one contractor, it would reduce traffic congestion during construction, provide continuity during construction phasing, reduce working days, and ultimately be safer to the public during construction.

Construction savings would include a reduction in unit prices due to the additional quantities, avoiding the removal of new infrastructure at each intersection abutting Wolf Creek Parkway and eliminate the possibility of relocating utilities twice. Staff has identified \$18,000 in savings regarding utility relocations if the projects were combined.

Wolf Creek Parkway is currently being designed by Affinis. Combining all projects into one, would require Affinis to design all projects and lump them into one set of construction documents. Staff also finds it would be cost effective to combine the projects from a design standpoint. The savings generated would be in the preliminary design and bidding/construction services. Affinis already obtains a portion of the survey needed for the 158th and 155th Street projects. Lumping the

projects would also require one bid letting instead of two or three separate bid lettings. The additional cost savings is estimated at \$50,000.

Staff has met with KDOT regarding the combination of the projects. KDOT supports the combination of the projects.

The table below represents total estimated costs for Wolf Creek Parkway, 155th Street, and 158th Street as one project. The additional design fee for 155th and 158th projects is \$174,881 (if the projects were combined into 1 project). The fee is based on an hourly fee per position.

Task	Cost
Construction	\$2,278,000.00
Right-of-way	\$158,000.00
Design*	\$311,609.00
Utility Relocation	\$288,000.00
Total	\$3,035,609.00
City	\$757,609.00
City Share (%)	25
KDOT	\$2,278,000.00

*\$20,565 will be deducted in the Wolf Creek Parkway contract.

The project costs will be paid out of the Consolidated Highway Fund.

Staff recommends combining 158th Street (US 24/40 to Wolf Creek Parkway) Project, 155th Street (US 24/40 to Wolf Creek Parkway) Project, and Wolf Creek Parkway (158th Street to 155th Street) Project. Staff also recommends Affinis perform the design services for all three projects.

RESOLUTION NO. 2012-04

A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THAT CERTAIN ENGINEERING/ARCHITECTURAL SERVICES AGREEMENT BY AND BETWEEN THE CITY OF BASEHOR, KANSAS AND AFFINIS CORPORATION REGARDING ENGINEERING AND ARCHITECTURAL SERVICES RELATED TO IMPROVEMENTS ON 155TH AND 158TH STREETS IN BASEHOR, KANSAS.

WHEREAS, the City of Basehor, Kansas wishes to enter into that certain Engineering/Architectural Services Agreement with Affinis Corporation, attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BASEHOR KANSAS:

Section 1. That the Governing Body approves and hereby authorizes the Mayor to execute the Engineering/Architectural Services Agreement, attached as Exhibit A.

Section 2. That this resolution shall become effective upon passage.

PASSED by the Governing Body this ____ day of May, 2012.

APPROVED by the Mayor this ____ day of May, 2012.

[SEAL]

David K. Breuer, Mayor

ATTEST:

Corey Swisher, City Clerk

APPROVED AS TO FORM:

Shannon M. Marcano, City Attorney

Exhibit A
Engineering/Architectural Services Agreement

To be attached.

ENGINEERING/ARCHITECTURAL SERVICES AGREEMENT

THIS AGREEMENT is made in Leavenworth County, Kansas, by and between the City of Basehor, Kansas, hereinafter "City," and Affinis Corporation, herein after "Consulting Engineer/Architect." City intends to construct an improvement project (hereinafter the "Project") in Basehor, Kansas, described as follows:

158th Street from US 24/40 to north of Wolf Creek Parkway and on 155th Street from US 24/40 Highway to north of Wolf Creek Parkway, approximately 1,750 feet total as a standard three-lane, collector street described in more detail in Exhibit A.

City hereby contracts with Consulting Engineer/Architect for the furnishing of professional engineering/architectural services in connection with the Project, for the furnishing of such engineering/architectural services more particularly described herein in consideration of the mutual covenants herein set forth. By executing this Agreement, the Consulting Engineer/Architect represents to City that Consulting Engineer/Architect is professionally qualified to do this Project and is licensed to practice engineering/architecture by all public entities having jurisdiction over Consulting Engineer/Architect and the Project.

SECTION I - DEFINITIONS

As used in this Agreement, the following terms shall have the meanings ascribed herein unless otherwise stated or reasonably required by the Agreement, and other forms of any defined words shall have a meaning parallel thereto.

"City" means the City of Basehor, Kansas.

"Consulting Engineer/Architect" means the company identified on pg. 1. Consulting Engineer/Architect shall employ for the services rendered herein, only those engineers, architects, landscape architects, and surveyors licensed by the Kansas State Board of Technical Professions.

"Construction Cost" means and includes the cost of the entire construction of the Project, including all supervision, materials, supplies, labor, tools, equipment, transportation and/or other facilities furnished, used or consumed, without deduction on account of penalties, liquidated damages or other amounts withheld from payment to the contractor or contractors, but such cost shall not include the Consulting Engineer/Architect's fee, or other payments to the Consulting Engineer/Architect and shall not include cost of land or rights-of-way and easement acquisition.

"Contract Documents" means those documents so identified in the Agreement for Construction for this Project, including all Engineering/Architectural Documents. All terms

defined in the General Conditions shall have the same meaning when used in this Agreement unless otherwise specifically stated or in the case of a conflict in which case the definition used in this Agreement shall prevail in the interpretation of this Agreement.

"Contract Time" means time for completion which is April 1, 2013.

"Engineering/Architectural Documents" means all documents required or reasonably implied by the nature of the Project, including, but not limited to, plans, specifications, drawings, tracings, designs, calculations, sketches, models and reports.

"Engineering/Architectural Services" means the professional services, labor, materials, supplies, testing, surveying, title work, inspection, if applicable, and all other acts, duties, and services required of Consulting Engineer/Architect under this Agreement together with such other services as City may require pursuant to the terms of this Agreement.

"Project" is as above described.

"Project Manager" means the person employed by City and designated to act as the City's representative for the Project.

"Right-of-Way" and "Easements" means and includes street, highway, or road right-of-way and any other land dedicated to or otherwise subject to public use.

"Subsurface Borings and Testing" means borings, probings and subsurface explorations, laboratory tests and inspections of samples, materials and equipment.

"Traffic Control Plan" means a specific plan that includes but is not limited to signage; application and removal of pavement markings; construction sequencing and scheduling; methods and devices for delineation and channelization; placement and maintenance of devices; traffic regulation; and inspection.

SECTION II - COMPENSATION

1. Total Fee: City agrees to pay Consulting Engineer/Architect an amount not to exceed One hundred ninety-five thousand, four hundred forty-six dollars (\$195,446.00), including reimbursables. The fee is based on the performance of the scope of services outlined in this Agreement, and shall be billed using hourly rates and equipment charges as set forth in Exhibit B attached herewith, plus direct expenses, such as in-house printing, mileage, etc. All work required to submit bid documents to KDOT for bidding approval shall be completed on or before April 1, 2013. Payment to Consulting Engineer/Architect shall not exceed the following percentages in each phase of the Project without prior written consent of City:

Preliminary Design Phase	64.4%
Final Design Phase	23.3%
Bidding Phase	3.8%
Construction Phase	<u>8.5%</u>
TOTAL	100.0 %

2. Reimbursable Expenses: The Consulting Engineer/Architect shall be reimbursed at the actual cost, not to exceed a total expense of \$10,838.00 for the following expenses: (a) expense of transportation in connection with the Project; (b) expenses in connection with authorized out-of-town travel; (c) long-distance communications; (d) expenses of printing and reproductions; (e) postage and facsimile transmissions; (f) expenses of renderings and models requested by City, (g) title company (O & Es); (h) geotechnical services; (i) environmental services; and (j) other costs as authorized by City.
3. Additional Services: Consulting Engineer/Architect shall provide, with City's concurrence, services in addition to those listed in Section III when such services are requested or authorized in writing by City. Prior to commencing any additional services, Consulting Engineer/Architect must submit a proposal outlining the additional services to be provided, estimation of total hours, completion date, and a maximum fee based upon the hourly rate schedule attached hereto as Exhibit B. Such services may include, but are not limited to, making computations and determinations of special assessments, making special trips requested by City other than those required by Section III, preparing changes in plans ordered by City or made necessary by causes beyond the control of Consulting Engineer/Architect, providing services necessitated in the event the Engineering/Architectural Services shall be suspended or abandoned, if such suspension or abandonment is not the result of a breach of this Agreement by the Consulting Engineer/Architect, and providing any other special services not otherwise covered by this Agreement which may be requested by City. Payment to Consulting Engineer/Architect, as compensation for these services, shall be in accordance with the hourly rate schedule attached as Exhibit B. Reimbursable expenses incurred in conjunction with additional services shall be paid separately and those reimbursable expenses shall be paid at actual cost. Records of reimbursable expenses and expenses pertaining to additional services shall be made available to City, if so requested.
4. Special Services: Consulting Engineer/Architect may be called on to serve as a consultant or witness in any litigation, arbitration, legal or administrative proceeding

arising out of this Project. Consulting Engineer/Architect shall not be paid extra by City if its appearance is to defend its professional Engineering/Architectural Services. Consulting Engineer/Architect shall not be paid extra by City to appear at eminent domain or appraiser's hearings necessary to acquire easements and right-of-way for the Project. If Consulting Engineer/Architect is requested, in writing, by City, to appear as a general witness, it will be paid its hourly fee as reflected on the hourly rate schedule attached hereto as Exhibit B.

5. Billing: Consulting Engineer/Architect shall bill City monthly for all completed services and reimbursable expenses. The bill submitted by Consulting Engineer/Architect shall itemize the services and reimbursable expenses for which payment is requested. City agrees to pay Consulting Engineer/Architect within thirty (30) days of approval by the Governing Body.
6. City's Right to Withhold Payment: In the event City becomes credibly informed that any representations of Consulting Engineer/Architect provided in its monthly billing, are wholly or partially inaccurate, City may withhold payment of sums then or in the future otherwise due to Consulting Engineer/Architect until the inaccuracy and the cause thereof, is corrected to City's reasonable satisfaction. In the event City questions some element of an invoice, that fact shall be made known to Consulting Engineer/Architect immediately. Consulting Engineer/Architect will help effect resolution and transmit a revised invoice, if necessary. Amounts not questioned by City shall be paid to Consulting Engineer/Architect in accordance with the contract payment procedures.
7. Progress Reports: A progress report must be submitted with each monthly pay request indicating the percentage of design tasks completed to date. This report will serve as support for payment to Consulting Engineer/Architect. Such report shall also be submitted to the Secretary of Transportation of the State of Kansas.
8. Change in Scope: For substantial modifications in authorized Project scope, and/or substantial modifications of drawings and/or specifications previously accepted by City, when requested by City and through no fault of Consulting Engineer/Architect, the Consulting Engineer/Architect shall be compensated for time and expense required to incorporate such modifications at Consulting Engineer/Architect's standard hourly rates per Exhibit B; provided, however, that any increase in total fee or Contract Time must be approved through a written change order. Consulting Engineer/Architect shall correct or revise any errors or deficiencies in its designs, drawings or specifications without additional compensation when due to Consulting Engineer/Architect's negligence or other actionable fault.

9. Change Orders: This Agreement may be amended to provide for additions, deletions and revisions in the Engineering/Architectural Services or to modify the terms and conditions thereof by either written amendment or by change order. The total fee and Contract Time may only be changed by a written change order approved by City. If notice of any change affecting the general scope of the Engineering/Architectural Services or provisions of this Agreement, including but not limited to, total fee or Contract Time, is a requirement of any insurance policy held by Consulting Engineer/Architect as a requirement of this Agreement, the giving of such notice shall be the Consulting Engineer/Architect's responsibility.

SECTION III - RESPONSIBILITIES OF CONSULTING ENGINEER/ARCHITECT

Consulting Engineer/Architect shall furnish and perform the various professional duties and services in all phases of the Project to which this Agreement applies as herein provided and which are required for the construction of the Project which services shall include:

A. PRELIMINARY DESIGN PHASE

1. Services: The services to be provided during this phase are set out in Exhibit A attached hereto and incorporated by reference.
2. Preliminary Design Documents: Consulting Engineer/Architect shall furnish the City six (6) copies of the preliminary design documents, unless otherwise noted in Exhibit A.
3. Preliminary Cost Estimate: Consulting Engineer/Architect shall furnish City an estimate of probable Construction Cost based on the preliminary design of the Project. Consulting Engineer/Architect's estimate of probable Construction Cost is to be made on the basis of Consulting Engineer/Architect's experience and qualifications and represent Consulting Engineer/Architect's best judgment as an experienced and qualified design professional, familiar with the construction industry.
4. Budget: Consulting Engineer/Architect shall advise City if, in its opinion, the amount budgeted for construction is not sufficient to adequately design and construct the improvement as requested prior to commencement of final design phase.

B. FINAL DESIGN PHASE

1. Services: The services to be provided during this phase are set out in Exhibit A attached hereto and incorporated by reference.
2. Final Design Documents: Consulting Engineer/Architect shall furnish City six (6)

copies, unless otherwise noted in Exhibit A, of the final design plans and shall also prepare the necessary plans and applications for permits for submission to and approval of local, county, state and federal authorities having proper jurisdiction as may be required for initiation, prosecution and construction of the Project.

3. Contract Documents: Consulting Engineer/Architect shall prepare contract agreement forms, final design plans, general conditions and supplementary conditions, bid forms, invitations to bid and instructions to bidders, all to be approved by the City, and assist in the preparation of other related documents, unless such documents are provided by City.
4. Final Cost Estimate: Consulting Engineer/Architect shall furnish City an estimate of probable Construction Cost based on final design. This estimate is commonly known as the "Engineer/Architect's Estimate" and will be used as the basis for construction contract award.
5. Budget: Consulting Engineer/Architect shall advise City if, in its opinion, the amount budgeted for the Project is not sufficient to cover all Project costs, including but not limited to, construction, right-of-way and easement acquisition, inspection and testing prior to bidding phase.

C. BIDDING PHASE

1. Services: The services to be provided during this phase are set out in Exhibit A attached hereto and incorporated by reference.
2. Bids Exceeding Cost Estimate: If all bids exceed Consulting Engineer/Architect's Final Cost Estimate, Consulting Engineer/Architect, at the request of City and for no additional cost, will prepare a report for City identifying why all the bids exceed the estimate. The City, in its sole discretion, has four (4) options if all bids exceed Consulting Engineer/Architect's estimate:(1) consider approval of an increase in the project cost; (2) authorize rebidding of the project; (3) terminate the Project and this Agreement; or (4) cooperate in revising the Project scope or specifications, or both, as necessary to reduce the construction cost. In the case of (4), Consulting Engineer/Architect, without additional charge to City, shall consult with City and shall revise and modify the drawings and specifications as necessary to achieve compliance with the Consulting Engineer/Architect's estimate.

D. CONSTRUCTION PHASE

1. In-house Administration and Inspection: It is understood that City will provide in-

house administration and inspection of the construction Agreement; however, Consulting Engineer/Architect shall consult with and advise City, when requested.

2. Services: The services provided during this phase are set out in Exhibit A attached hereto and incorporated herein.
3. Additional Drawings: If during construction, situations arise which require additional drawings or details, Consulting Engineer/Architect agrees to provide such additional drawings or details at no cost to City when the additional drawings or details are required to correct Consulting Engineer/Architect's errors or omissions or clarify Consulting Engineer/Architect's intent in the original design and preparation of construction drawings. If such situations occur through no fault of Consulting Engineer/Architect, or are beyond his/her control, both parties agree that hourly rates will be as stated in Exhibit B. Additional drawings shall be authorized through a change order.
4. Staking: Unless otherwise provided, staking shall be included in the bid specifications to be performed by the construction contractor.
5. Notice of Defects: If, based on Consulting Engineer/Architect's involvement during the construction phase, Consulting Engineer/Architect observes or otherwise becomes aware of any defect in the work, he shall give prompt written notice to City of such defects and their approximate location on the Project. However, Consulting Engineer/Architect shall not have control over or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions, inspections and programs in connection with the work, since these are solely the contractor's responsibility under the contract for construction. Consulting Engineer/Architect shall not be responsible for the contractor's schedules or failure to carry out the work in accordance with the Contract Documents. Consulting Engineer/Architect shall not have control over or charge of acts or omissions of the contractor, contractor's subcontractors, or their agents or employees.
6. Shop Drawings: Consulting Engineer/Architect shall review and take appropriate action on contractor's shop drawings and samples, and the results of tests and inspections and other data which each contractor is required to submit for the purposes of checking for compliance with the design concept and conformance with the requirements of the Contract Documents. Such review shall not extend to means, methods, sequences, techniques or procedures of construction, or to

safety precautions and programs incident thereto, unless an obvious deficiency exists wherein Consulting Engineer/Architect will advise City of such defect or deficiency so the same can be prevented.

7. Record Drawings: The Consulting Engineer/Architect shall prepare final plan drawings which reflect change orders, minor design changes and which include changes made in the field and which are marked on the construction plan set provided by the City. Because some of the data contained on the "Record Drawings" may be based on unverified information provided by others, the Consulting Engineer/Architect does not warrant the accuracy of information provided by others.

E. GENERAL DUTIES AND RESPONSIBILITIES

1. Responsibilities under the General Conditions of the Contract for Construction: In addition to the responsibilities herein set forth, Consulting Engineer/Architect agrees to be responsible for those matters identified in the General Conditions (Section V of this Agreement) as being responsibilities of the Consulting Engineer/Architect. Consulting Engineer/Architect specifically acknowledges receipt of a copy of the General Conditions and acceptance of the responsibilities as set forth therein.
2. Personnel: Consulting Engineer/Architect shall assign only qualified personnel to perform any service concerning the Project. At the time of execution of this Agreement, the parties anticipate that the following individual will perform as the project manager on this Project: Kristen Leathers. The City will be notified in writing immediately if this individual changes. As project manager on this Project, this person shall be the primary contact with the City's project manager and shall have authority to bind Consulting Engineer/Architect. So long as the individual named above remains actively employed or retained by Consulting Engineer/Architect, he/she shall perform the function of project manager on this Project.
3. Subsurface Borings & Material Testing: If tests, additional to those provided for in Exhibit A, are required for design, Consulting Engineer/Architect shall prepare specifications for the taking of the additional borings. Such subsurface borings and testing, as defined herein, shall be provided by Consulting Engineer/Architect or its subcontractors and compensated as an Additional Service, to be agreed upon on the Change Order.
4. Service By and Payment to Others: Any work authorized in writing by City and

performed by anyone other than Consulting Engineer/Architect or its subcontractors in connection with the proposed Project shall be contracted for and paid for by City directly to the third party or parties. In addition to payments for professional services, this may also include necessary permits, licenses, ownership certifications, materials testing, advertising costs, and other special tests or other work required or requested by City or Consulting Engineer/Architect which is not defined within the scope of services of Consulting Engineer/Architect. Fees for such extra work shall be subject to negotiation between City and the third party. Fees shall be approved prior to the execution of any extra work. Although Consulting Engineer/Architect may assist City in procuring such services of third parties, Consulting Engineer/Architect shall in no way be liable to either City or such third parties in any manner whatsoever for such services or for payment thereof.

5. Subcontracting of Service: Consulting Engineer/Architect shall not subcontract any of the Engineering/Architectural Services to be performed under this Agreement without first obtaining the written approval of City regarding the Engineering/Architectural Services to be subcontracted and the consulting firm or person proposed to accomplish the subcontracted portion of the Project. Unless otherwise stated in the written consent to subcontracting the Engineering/Architectural Services to be performed under this Agreement, no subcontract will release or discharge the Consulting Engineer/Architect from any obligation under this Agreement. Any person or firm proposed for subcontracting Engineering/Architectural Services under this Agreement shall maintain throughout the duration of the Agreement, insurance as provided in Section V. D. (8) herein, and shall additionally maintain Professional Liability insurance in a minimum amount of \$1,000,000 per claim and provide the City with certification thereof.
6. Endorsement: Consulting Engineer/Architect shall sign and seal all final plans, specifications, estimates and engineering data furnished by him/her. Any review or approval by City of any documents prepared by the Consulting Engineer/Architect, including but not limited to the plans and specifications, shall be solely for the purpose of determining whether such documents are consistent with City's construction program and intent and shall not be construed as approval of same by City. No review of such documents shall relieve Consulting Engineer/Architect of its responsibility for the accuracy, adequacy, fitness,

suitability and coordination of its work.

7. Inspection of Documents: Consulting Engineer/Architect shall maintain all Project records for inspection by City during the contract period and for three (3) years from the date of final payment.

SECTION IV - CITY OF BASEHOR RESPONSIBILITIES

1. Communication: City shall provide to Consulting Engineer/Architect information and criteria regarding City's requirements for the Project; examine and timely respond to Consulting Engineer/Architect's submissions; and give written notice to Consulting Engineer/Architect, who shall respond promptly, whenever City observes or otherwise becomes aware of any defect in the Engineering/Architectural Services.
2. Access: City will provide access for Consulting Engineer/Architect to enter public property, and private property when the City has authority to provide access.
3. Duties: City shall furnish and perform the various duties and services in all phases of the Project which are outlined and designated in Exhibit A as City's responsibility.
4. Program and Budget: City shall provide full information, including a program which shall set forth City's objectives, schedule, constraints, budget with reasonable contingencies, and other necessary design criteria.
5. Project Representative: City shall designate a Project Manager to represent City in coordinating this Project with Consulting Engineer/Architect, with authority to transmit instructions and define policies and decisions of City.

SECTION V - GENERAL PROVISIONS

A. TERMINATION

1. Notice: City reserves the right to terminate this Agreement in whole or in part either for cause or for its convenience and without cause or default on the part of Consulting Engineer/Architect, by providing ten (10) days' written notice of such termination to Consulting Engineer/Architect. Upon receipt of such notice from City, Consulting Engineer/Architect shall, at City's option as contained in the notice: (1) immediately cease all Engineering/Architectural Services; or (2) meet with City and, subject to City's approval, determine what Engineering/Architectural Services shall be required of Consulting Engineer/Architect in order to bring the Project to a reasonable termination in accordance with the request of City. Consulting Engineer/Architect shall also provide to City copies of all drawings and documents completed or partially

completed at the date of termination.

If City defaults on its obligation under this Agreement, Consulting Engineer/Architect must give written notice to the City and give the City an opportunity to cure. If the City does not cure within ten (10) days, Consulting Engineer/Architect is entitled to terminate this Agreement by providing ten (10) days' written notice.

2. Termination for Cause: If this Agreement is terminated by the City for cause, after notice to Consulting Engineer/Architect, City may take over the Engineering/Architectural Services and prosecute same to completion, by contract or otherwise. When Consulting Engineer/Architect's services have been so terminated, such termination shall not affect any rights or remedies of the City against Consulting Engineer/Architect then existing or which may later accrue. Similarly, any retention or payment of monies due Consulting Engineer/Architect shall not release Consulting Engineer/Architect from liability.
3. Compensation for Convenience Termination: If City shall terminate for its convenience as herein provided, City shall compensate Consulting Engineer/Architect for all Engineering/Architectural Services completed to date of its receipt of the termination notice and any additional Engineering/Architectural Services requested by City to bring the Project to reasonable termination. Compensation shall not include anticipatory profit or consequential damages, neither of which will be allowed.
4. Compensation for Cause Termination: If City shall terminate for cause or default on the part of Consulting Engineer/Architect, City shall compensate Consulting Engineer/Architect for the reasonable cost of Engineering/Architectural Services completed to date of its receipt of the termination notice. Compensation shall not include anticipatory profit or consequential damages, neither of which will be allowed. City also retains all its rights and remedies against Consulting Engineer/Architect including but not limited to its rights to sue for damages.
5. Incomplete Documents: Neither Consulting Engineer/Architect, nor its subconsultants shall be responsible for errors or omissions in documents which are incomplete as a result of an early termination under this Section; Consulting Engineer/Architect having been deprived of the opportunity to complete such documents and certify them as ready for construction.

B. DISPUTE RESOLUTION

City and Consulting Engineer/Architect agree that disputes relative to the Project should

first be addressed by negotiations between the parties. If direct negotiations fail to resolve the dispute, the party initiating the claim that is the basis for the dispute shall be free to take such steps as it deems necessary to protect its interests; provided, however, that notwithstanding any such dispute, Consulting Engineer/Architect shall proceed with the Engineering/Architectural Services as per this Agreement as if no dispute existed. The City shall withhold 10% of the monthly billing until the dispute is resolved, and shall continue to make the remainder of the payment for Consulting Engineer's/Architect's completed Services; and provided further that no dispute will be submitted to arbitration without both parties' express written consent.

C. OWNERSHIP OF ENGINEERING/ARCHITECTURAL DOCUMENTS

All engineering/architectural documents prepared in connection with this Project shall be the property of the Consulting Engineer/Architect, whether the Project for which they are made is executed or not, however, the Consulting Engineer/Architect will provide City a copy of all final documents, including but not limited to prints and reproductions. Reports, plans, specifications and related documents are Consulting Engineer/Architect's copyrighted instruments, and Consulting Engineer/Architect at his/her option may so identify them by appropriate markings. Provided that Consulting Engineer/Architect is paid in full for its services, then City may subsequently reuse these final documents without any additional compensation or agreement of Consulting Engineer/Architect, however, such reuse without written verification or adaptation by Consulting Engineer/Architect for the specific purpose intended by City shall be at City's sole risk and without liability or legal exposure to Consulting Engineer/Architect whatsoever. City does not take any responsibility for the reuse of documents by others.

D. INSURANCE

1. General

The Consulting Engineer/Architect shall maintain, throughout the duration of this Contract, insurance (on an occurrence basis unless otherwise agreed to) of such types and in at least such amounts as required herein. Professional Liability may be written on a "claims made" basis. Consulting Engineer/Architect shall provide certificates of insurance and renewals thereof on forms provided by the City or on forms acceptable to the City. The City shall be notified by receipt of written notice from the insurer or the Consulting Engineer/Architect at least thirty (30) days prior to material modification or cancellation of any policy listed on the Certificate.

2. Notice of Claim Reduction of Policy Limits

The Consulting Engineer/Architect, upon receipt of notice of any claim in connection with the Contract, shall promptly notify the City, providing full details

thereof, including an estimate of the amount of loss or liability.

The Consulting Engineer/Architect shall monitor and promptly notify the City of any reduction in limits of protection afforded under any policy listed in the Certificate (or otherwise required by the contract) if the Consulting Engineer/Architect's limits of protection shall have been impaired or reduced to such extent that the limits fall below the minimum amounts required herein. The Consulting Engineer/Architect shall promptly reinstate the original limits of liability required hereunder and shall furnish evidence thereof to the City.

3. General Liability

Limits -

General Aggregate:	\$ 500,000
Products / Completed Operations:	\$ 500,000
Personal & Advertising Injury:	\$ 500,000
Each Occurrence:	\$ 500,000

Policy MUST include the following conditions:

- a. Commercial General Form
- b. Explosion, Collapse & Underground
- c. Broad Form Contractual / Contractually Assumed Liability
- d. Independent Contractors
- e. Broad Form Property Damage
- f. Pollution Liability (Applicable only to contracts involving pollutants such as asbestos & lead abatement, sludge or other waste abatement, etc.)
- g. **Name City of Basehor as "Additional Insured"**

4. Automobile Liability

Policy shall protect the Consulting Engineer/Architect against claims for bodily injury and/or property damage arising out of the ownership or use of any owned, hired and/or non-owned vehicle.

Limits -

Each Accident, Combined Single Limits, Bodily Injury and Property Damage:

Same as General Liability

Policy MUST include the following condition:

Name City of Basehor as "Additional Insured"

5. Workers' Compensation

This insurance shall protect the Consulting Engineer/Architect against all claims under applicable state workers' compensation laws. The Consulting

Engineer/Architect shall also be protected against claims for injury, disease or death of its employees for which, for any reason, may not fall within the provisions of workers' compensation law. The policy limits shall not be less than the following:

Workers' Compensation: Statutory

Employers Liability -

Bodily Injury by Accident: \$ 100,000 Each Accident
Bodily Injury by Disease: \$ 500,000 Policy Limit
Bodily Injury by Disease: \$ 100,000 Each Employee

6. Professional Liability

The Consulting Engineer/Architect shall maintain throughout the duration of this Contract and for a three (3) year period thereafter, Professional Liability Insurance in an amount not less than One Million Dollars (\$1,000,000.00) per claim and annual aggregate.

7. Industry Ratings

The City will only accept coverage from an insurance carrier who offers proof that it:

- a. Is licensed to do business in the State of Kansas;
- b. Carries a Best's policyholder rating of A- or better; and
- c. Carries at least a Class VIII financial rating.

OR

Is a company mutually agreed upon by the City and Consulting Engineer/Architect.

8. Subconsultants' Insurance

If a part of the Agreement is to be sublet, the Consulting Engineer/Architect shall either:

- a. Cover all subconsultant in its insurance policies, or
- b. Require each subconsultant not so covered to secure insurance which will protect subconsultant against all applicable hazards or risks of loss as and in the minimum amounts designated.

Whichever option is chosen, Consulting Engineer/Architect shall indemnify and hold harmless the City as to damages, liabilities or costs, including reasonable attorney's fees, to the extent arising out of the acts or omissions of its subconsultants.

E. **INDEMNITY**

1. Definition: For purposes of indemnification requirements, the term "Loss" shall

have the meaning set forth as follows:

"Loss" means damage, liability or costs, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable attorney's fees and the cost of defense), for injury, including death, to person or persons or damages to or Loss of, property of person, firm or corporation, including the parties hereto, which to the extent arise out of or are connected with, negligent acts, errors or omissions of Consulting Engineer/Architect whether arising before or after the completion of the Engineering/Architectural Services required hereunder.

2. Indemnity: For purposes of this Agreement, Consulting Engineer/Architect hereby agrees to indemnify, defend and hold harmless the City and its employees and agents from damages or alleged damages caused or incurred as a result of the negligence or other fault of the Consulting Engineer/Architect, its affiliates, subsidiaries, employees, agents and subconsultants and their respective servants, agents and employees.

It is agreed as a specific element of consideration of this Agreement that this indemnity shall apply notwithstanding the joint, concurring or contributory or comparative fault or negligence of the City or any third party and, further notwithstanding any theory of law including, but not limited to, a characterization of the City's or any third party's joint, concurring or contributory or comparative fault or negligence as either passive or active in nature; provided, however, that the Consulting Engineer/Architect's obligation hereunder shall not include amounts attributable to the fault or negligence of the City or any third party for whom the Consulting Engineer/Architect is not responsible.

In the case of any claims against the City, its employees or agents indemnified under this Agreement, by an employee of the Consulting Engineer/Architect, its affiliates, subsidiaries, or subcontractor/assignees, the indemnification obligation contained in this Agreement shall not be limited by any limitation on amount or type of damages, compensation or benefits payable by or for the Consulting Engineer/Architect, its affiliates, subsidiaries, or subcontractor/assignees, under workers' compensation acts, disability benefit acts, or other employee benefit acts.

F. AFFIRMATIVE ACTION/OTHER LAWS

1. During the performance of this Agreement, the Consulting Engineer/Architect agrees that:
 - a. Consulting Engineer/Architect shall observe the provisions of the Kansas

Act Against Discrimination (K.S.A. 44-1001 et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, national origin, ancestry or age;

- b. in all solicitations or advertisements for employees, the Consulting Engineer/Architect shall include the phrase, "equal opportunity employer," or a similar phrase to be approved by the Kansas Human Rights Commission ("Commission");
- c. if the Consulting Engineer/Architect fails to comply with the manner in which the Consulting Engineer/Architect reports to the commission in accordance with the provisions of K.S.A. 44-1031 and amendments thereto, the Consulting Engineer/Architect shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the City;
- d. if the Consulting Engineer/Architect is found guilty of a violation of the Kansas Act Against Discrimination under a decision or order of the commission which has become final, the Consulting Engineer/Architect shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the City; and
- e. the Consulting Engineer/Architect shall include the provisions of subsections (a) through (d) in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.

The provisions of this section shall not apply to a contract entered into by a Consulting Engineer/Architect:

- who employs fewer than four employees during the term of such contract; or
- whose contracts with the City cumulatively total \$5,000 or less during the fiscal year of the City.

- 2. The Consulting Engineer/Architect further agrees that the Consulting Engineer/Architect shall abide by the Kansas Age Discrimination In Employment Act (K.S.A. 44-1111 et seq.) and the applicable provision of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) as well as all other federal, state and local laws, ordinances and regulations applicable to this project and to furnish any certification required by any federal, state or local governmental agency in connection therewith.

G. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, whether oral or written, covering the same subject matter. This Agreement may not be modified or amended except in writing mutually agreed to and accepted by both parties to this Agreement.

H. APPLICABLE LAW

This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Kansas.

I. ASSIGNMENT OF AGREEMENT

This Agreement shall not be assigned or transferred by Consulting Engineer/Architect without the written consent of the City.

J. THIRD PARTY BENEFICIARIES

Because of the Secretary of Transportation of the State of Kansas' (Secretary's) obligation to administer state funds, federal funds, or both, the Secretary shall be a third party beneficiary to this agreement between the City and the Consultant. This third party beneficiary status is for the limited purpose of seeking payment or reimbursement for damages and costs the Secretary or the City or both incurred or will incur because the Consultant failed to comply with its contract obligations under this Agreement or because of the Consultant's negligent acts, errors or omissions. Nothing in this provision precludes the City from seeking recovery or settling any dispute with the Consultant as long as such settlement does not restrict the Secretary's right to payment or reimbursement.

K. INDEPENDENT CONTRACTOR

The Consulting Engineer/Architect is an independent contractor and as such is not an agent or employee of the City.

L. WORK DELIVERABLE FORMAT

1. Project Drawings: Project drawings which are developed by Consulting Engineer/Architect through the use of a Computer Aided Drafting (CAD) System shall be made available to City by providing a Microsoft compatible compact disc. However, due to the potential that the information set forth on the electronic media (disk) can be modified by City, or City consultants, unintentionally or otherwise, Consulting Engineer/Architect shall remove all indices of its ownership, professional corporation name, seal, and/or involvement from each electronic display. For documentation purposes, two sets of an original electronic media (disk) and two (11" x 17" size or larger) duplicate hard copy sets will be prepared. One set will be given to City and one set will be retained by

Consulting Engineer/Architect. If City provides such electronic media (disk) to others for any purpose, City shall require the electronic media (disk) to be returned to City upon completion of such use. City recognizes that use of such electronic media (disk) will be at City's sole risk and without any liability risk or legal exposure by Consulting Engineer/Architect.

2. Project Documentation: All documentation provided to the City other than project drawings shall be furnished on a Microsoft compatible compact disc.
3. "Record" Drawings: Following construction, City will provide copies of changes and alterations made in the field during construction to Consulting Engineer/Architect to provide "record" drawings, unless Consulting Engineer/Architect has provided a floppy disk to City on which City can make changes. Consulting Engineer/Architect has the right to rely on the information provided by the City in preparing such documents, and shall have no independent duty to verify its accuracy.

M. FEDERAL LOBBYING ACTIVITIES

(Only applies to projects receiving federal funds via the City)

31 USCA Section 1352 requires all subgrantees, contractors, subcontractors and consultants who receive federal funds via City to certify that they will not use federal funds to pay any person for influencing or attempting to influence a federal agency or Congress in connection with the award of any federal contract, grant, loan or cooperative agreements. In addition, contract applicants, recipients and subrecipients must file a form disclosing any expenditures they make for lobbying out of non-federal funds during the contract period.

Necessary forms are available from the City's Project Manager and should be returned to City with other final contract documents. It is the responsibility of Consulting Engineer/Architect to obtain executed forms from any of its subcontractors who fall within the provision of the Code and to provide City with the same.

N. COVENANT AGAINST CONTINGENT FEES

Consulting Engineer/Architect warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for Consulting Engineer/Architect, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City may terminate this Agreement without liability or may, in its discretion, deduct from the Contract Price or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

O. COMPLIANCE WITH LAWS

Consulting Engineer/Architect shall abide by applicable federal, state and local laws, ordinances and regulations applicable to the Engineering/Architectural Services or the Project at the time Services are rendered. Consulting Engineer/Architect shall secure occupational and professional licenses and permits from public and private sources necessary for the fulfillment of his/her obligations under this Agreement.

P. TITLES, SUBHEADS AND CAPITALIZATION

Title and subheadings as used herein are provided only as a matter of convenience and shall have no legal bearing on the interpretation of any provision of this Agreement. Some terms are capitalized throughout this Agreement but the use of or failure to use capitals shall have no legal bearing on the interpretation of such terms.

Q. SEVERABILITY CLAUSE

Should any provision of this Agreement be determined to be void, invalid, unenforceable or illegal for whatever reason, such provision(s) shall be null and void; provided, however, that the remaining provisions of this Agreement shall be unaffected thereby and shall continue to be valid and enforceable.

R. EXECUTION OF CONTRACT

The parties hereto have caused this Agreement to be executed in triplicate this _____ day of _____ 2012.

Affinis Corporation

By



Authorized Signatory

Michael P. McKenna
Executive Vice President

CITY OF BASEHOR, KANSAS

David Bruer
Mayor

ATTEST

Corey Swisher

City Clerk

APPROVED AS TO FORM:

Shannon M. Marcano
City Attorney

EXHIBIT A
Basic Services and Other Matters

Scope of project: This project includes design, plans, and specifications to be used for construction of a **standard three-lane, collector street on 158th Street from US 24/40 to north of Wolf Creek Parkway and on 155th Street from US 24/40 Highway to the north of Wolf Creek Parkway, approximately 1,750 feet total.** These streets shall be combined with the Wolf Creek Parkway from 158th Street to 155th Street improvement project and shall be bid as one project.

General Design Requirements

All plan development stages shall be completed no later than the current project schedule's due dates, exclusive of delays beyond the consultant's control. The consultant shall submit progress reports to the City at monthly or at mutually agreed intervals in conformity with the official project schedule.

The consultant shall design the Project in conformity with the state and federal design criteria appropriate for the Project in accordance with the most recent version of the Manual on Uniform Traffic Control Devices (MUTCD), and the current version of the KDOT Standard Specifications for State Road and Bridge Construction with Special Provisions, and the current version of the Basehor Technical Specifications for Public and Private Improvements with Special Provisions, and KDOT Corridor Management Construction Project Guidelines with Special Provisions.

The Design plans shall be signed and sealed by the licensed professional engineer responsible for the preparation of the design plans. Geological investigations or studies shall be signed and sealed by the licensed Geologist responsible for the preparation of the geological investigations or studies. Rights of way descriptions shall be signed and sealed by the licensed land surveyor responsible for the preparation of the rights of way descriptions.

Task I. Preliminary Design

1.01 Data Collection.

- A. Attend pre-design meeting.
- B. Develop design criteria for the project; prepare design memorandum.
- C. Develop detailed design schedule. Submit copy to City. Include at least the following benchmarks:
 1. Survey complete.
 2. Data collection complete.
 3. Preliminary plans complete.
 4. Preliminary plans to all utilities.
 5. Field check complete.
 6. Legal descriptions to City.
 7. Public meeting.
 8. All other agency permit applications submitted.
 9. Final plans submitted for review.
 10. Project ready for bid.

D. Schedule and coordinate project activities with KDOT and the City (where applicable).

E. Field data collection:

1. Establish land corners.
2. Field surveys for a width of approximately 200 feet.
3. Contact utilities and field locate all utilities.
4. Low opening elevation of all existing structures.
5. Stream crossing elevation data, including historical high-water elevations where applicable.
6. Pictures of the project.

F. Ownership and abutting property information:

1. Secure plats
2. Obtain ownership information for 16 properties along the project corridor. The City shall approve the title company for ownership information investigations. The costs associated with ownership information investigations shall be paid by the Consulting Engineer to the title company. This cost shall be included in the total compensation fee as outlined in Section II of the Engineering/Architectural Services Agreement.
3. Collect record drawings on abutting projects and subdivisions.

G. The Consulting Engineer shall contract with a City approved geotechnical firm for sub-surface investigations and foundation recommendations. Pavement design or recommendations are not required. The costs associated with the work, including field staking boring locations and elevations, shall be paid by the Consulting Engineer to the geotechnical firm. This cost shall be included in the total compensation fee as outlined in Section II of the Engineering/Architectural Services Agreement.

H. With the City, determine the required lane configurations and traffic control along the project. Analyze the existing geometrics along the project and determine traffic control and/or geometric improvement recommendations as might be warranted.

I. Analyze the storm drainage needs along the project.

1. Determine watershed areas for all streams and basins draining onto the proposed roadway.
2. Determine ultimate development land uses for all watershed and sub-basin areas draining onto project.
3. Determine ultimate development 5-year, 25-year, and 100-year stormwater flows crossing or entering the proposed roadway.
4. Locate all storm drainage system discharges upstream from the project.

J. Prepare an analysis of the construction phasing and traffic control needs to maintain acceptable access to the existing land uses along the project corridor.

1.02 Prepare base map at a scale of 1:20 showing both contours at 1 foot intervals and property lines.

A. Develop preliminary plans:

1. Cover sheet.
2. Typical sections.
3. Pavement design
4. Subsurface drainage design
5. Surface drainage design
 - a. Drainage area maps.
 - b. Pavement spread calculations.
 - c. Inlet and other structure design calculations.
 - d. Hydraulic grade calculations.
6. Plan and Profile sheets
 - a. Plan scale =**1:20**
 - b. Profile scale H =**1:20**; V =**1:5**
7. Length of tapers and storage lanes for turn lanes.
8. Driveway profiles
9. Preliminary traffic control for construction plan sheets.
10. Preliminary street lighting.
 - a. Pole locations.
 - b. Define design parameters.
11. Traffic signal layout and design for 155th Street and US 24/40 intersection.
12. Preliminary pavement marking and signing.
13. Property lines and owner information.
14. Cross sections every 25 feet
15. Preliminary retaining wall elevation views as required.

1.03 Submit preliminary plans to the City and KDOT for review.

1.04 Submit preliminary plans to utility companies for their use in preparing for relocations.

1.05 Develop preliminary opinion of probable project costs itemized by unit of work, including right-of-way and contingency.

1.06 Submit preliminary plans and opinion of probable cost to City and KDOT for review.

1.07 Communicate with the City not less than bi-weekly as necessary in connection with such preliminary work. A total of eight (8) meetings are estimated.

1.08 Field Check to be performed with representatives of the Consulting Engineer, City, and KDOT at the project site with appropriate detailed plans.

1.09 Right-of-way and easements.

A. Describe right-of-way and easements necessary to complete project.

1. Furnish legal descriptions sealed by an RLS licensed in the state of

Kansas. Legal descriptions are also to be provided in a digital format compatible with Microsoft Word 7.0.

2. Furnish necessary title information.
3. Maps and sketches as follows:
 - a. Plan and profile pages showing all proposed takings.
 - b. Individual drawings of takings for each ownership including:
 - (1) Title block.
 - (2) Ownership boundaries.
 - (3) Existing rights-of-ways and easements.
 - (4) Proposed takings identified with text and graphically.
 - (5) Legend for taking type.
 - (6) Graphical scale and north arrow.
 - (7) Ownership information.
 - (8) Legal description of all takings.

B. The Consulting Engineer shall stake in the field the location of rights-of-way and/or easements prior to acquisition as requested by the City, and shall meet with appraisers to identify easement and right-of-way locations. A maximum of 18 hours for a 2-person survey crew shall be included.

1.10 Public Information:

A. Prepare for and attend one public meeting to explain the project to residents of the project area, and to receive public comments at a time and place arranged for by the City.

1. Prepare exhibits, including preliminary plans (showing right-of-way taking and easements).
2. Have persons available to explain the proposed work and to answer questions.

B. The Consulting Engineer will be available to meet with City staff and concerned property owners as directed by the City to discuss the project at any time throughout the project. Individual property owner meetings are not considered part of the Basic Scope of Services and shall be compensated as Extra Work as stipulated in Section II of this agreement.

1.11 Permitting.

A. Prepare the necessary plans and applications for permit submission to and approval of:

1. Leavenworth County.
2. State including but not limited to:
 - a. Kansas Division of Water Resources (KDWR) – Water Structures Permit
 - b. Kansas Department of Health and Environment (KDHE) – Land Disturbance Permit (NPDES)

Any additional permits or clearances, such as Section 4(f) Evaluation, Phase I Environmental or Historical/Cultural Surveys, and FEMA Map Revisions, are not

anticipated and therefore are not considered part of the Basic Scope of Services and shall be compensated as Extra Work as stipulated in Section II of this agreement. This scope assumes the project can be constructed under a USACE Nationwide Permit (NWP). An individual permit is not considered part of the Basic Scope of Services and shall be compensated as Extra Work as stipulated in Section II of this agreement.

1.12 Environmental Analysis

A. Prepare the necessary plans and applications for submission and approval of a Categorical Exclusion. Any other environmental analyses, such as an Environmental Assessment, Environmental Impact Study or Wetlands Analysis, are not anticipated and therefore are not considered part of the Basic Scope of Services and shall be compensated as Extra Work as stipulated in Section II of this agreement.

Task II. Final Design

2.01 Prepare detailed plans and specifications.

- A. Cover sheet.
- B. Typical sections.
- C. Pavement design
- D. Subsurface drainage design
- E. Surface drainage design
 - 1. Drainage area maps.
 - 2. Pavement spread calculations.
 - 3. Inlet and other structure design calculations.
- F. Plan and Profile sheets
 - 1. Plan scale = **1 :20**
 - 2. Profile scale H = **1 :20**; V = **1:5**
- G. Length of tapers and storage lengths for turn lanes
- H. Intersection details.
- I. Driveway profiles.
- J. Street lighting.
 - 1. Pole locations.
 - 2. Design parameters.
 - 3. Circuit information with includes control center locations.
- K. Traffic signal plans and details.
- L. Pavement marking and signing.
- M. Existing and proposed right-of-way limits.
- N. Property lines and owner information.

- O. Cross sections every 25 feet
- P. Retaining wall elevation views as required.
- Q. Traffic control plan and construction phasing including detour routing for each phase of the project.
- R. Location of existing utilities and underground facilities.
- S. Stormwater Pollution Prevention Plan (SWPP), including erosion and sediment control plans.
- T. Sanitary sewer plans.
- U. Project manual and technical specifications.
- 2.02 Schedule and attend utility coordination meetings as required. Add to preliminary plans.
- 2.03 Prepare a detailed opinion of probable cost.
 - A. Include an appropriate contingency.
 - B. Estimate time required to complete construction.
 - C. Provide input to the City regarding forms for:
 - 1. Proposals
 - 2. Construction contracts.
 - 3. Bonds.
- 2.04 Submit final plans to the City and KDOT for review.
- 2.05 At the completion of the project, furnish to the City the CAD drawings of the project in the Consulting Engineer's digital format and the bid documents in PDF format.
- 2.06 Furnish 5 copies of detailed plans and specifications.
 - A. Plan sets will be prepared in:
 - 1. 3 full size (22" x 34")
 - 2. 2 half size (11"x 17")
 - B. These plans are to be furnished at no additional cost, and are separate from those sold to prospective bidders.
- 2.07 Communicate with City not less than bi-weekly as necessary during preparation of detailed plans. A total of six (6) meetings are estimated.

Task III. Bidding

- 3.01 Prepare and provide plans and specifications to bidders at cost to recover expenses of duplication and handling.
- 3.02 Attend bid letting.
- 3.03 Consult with and advise the City as to the acceptability of substitute materials and equipment when substitution prior to the award of the contract is allowed in the bidding documents.
- 3.04 Consult with and advise the City as to the acceptability of subcontractors and

others proposed to do work by the general contractor.

- 3.05 Prepare written addenda to the bidding documents as required and or requested.
- 3.06 Assist the City in analyzing bids and making recommendation for award of the construction contract.
- 3.07 Prepare a bid tabulation in printed and MS Excel format.
- 3.08 Arrange for, attend, and prepare meeting minutes for a pre-bid conference.
- 3.09 Arrange for, attend, and prepare meeting minutes for a pre-construction conference with City representatives, the successful bidder, and utility companies.

Task IV. Construction Services

- 4.01 Be available for discussion and consultation during the construction phase, but construction observation will be the responsibility of the City of Basehor.
- 4.02 Review shop drawings and be available for consultation with the City during construction.
- 4.03 Prepare plan revisions as necessitated by conditions encountered in the field during construction, with the exception of traffic control plans.
- 4.04 Prepare final record drawings which reflect:
 - A. All change orders.
 - B. Minor design changes.
 - C. Changes made in the field by City representatives and are marked on the construction plan set.
 - D. Submit updated CAD drawings and TIFF images of the revised sheets.
- 4.05 Attend weekly construction progress meetings as directed by the City.
- 4.06 Provide the City with Before and After pictures of the project in printed and digital format.

Schedule:

The Consultant shall have construction documents for Wolf Creek Parkway (158th Street to 155th Street), 158th Street (US 24/40 to north of Wolf Creek Parkway) and 155th Street (US 24/40 to north of Wolf Creek Parkway) completed by April 1, 2013. The construction documents shall be submitted to KDOT for approval to advertise for bid. A detailed schedule is shown in Exhibit C.



PROJECT ESTIMATING SHEET
 15th Street US 24/40 to Control West Creek Parkway
 15th Street US 24/40 to Control West Creek Parkway
 (Supplement to West Creek Parkway Improvements)
 Boston, Kansas

Date: 2/26/09
 Client: Boulder, Kansas
 Prepared by: JELABE

TASKS	SE PROJ MANAGER	TRAFFIC ENGINEER	SR PROJ ENGINEER	DESIGN TECH	DESIGN TECH	CLERICAL SURVEYOR	REG LAND SURVEYOR	SURVEY TECH	SURVEY CREW	LABOR COSTS	OTHER DIRECT COSTS ITEM	TOTAL FEE
K Traffic signal Revised traffic planning	275.00	275.00	514.00	275.00	275.00	275.00	275.00	275.00	275.00	1,325.00		1,850.00
L Bid and proposal prep										1,900.00		1,900.00
M Bid and proposal review												
N Proposals and award information												
O Construction (5% fee)										4,170.00		4,170.00
P Right-of-way department										2,500.00		2,500.00
Q Traffic control and site preparation										2,500.00		2,500.00
R Existing traffic										1,300.00		1,300.00
S SUPER plan										1,300.00		1,300.00
T Station plan										2,450.00		2,450.00
U Inspection plan										2,850.00		2,850.00
V Utility coordination, any plan submitted										2,850.00		2,850.00
W Final GPC										2,850.00		2,850.00
X Plans submitted to City & KDOT										2,850.00		2,850.00
Y Provide CAD and PDF files of bid documents										2,850.00		2,850.00
Z Provide hard copies of bid documents (5)										2,850.00		2,850.00
AA Bi-weekly coordination with City (6)										2,850.00		2,850.00
Task# - Subtotal hours	29	19	16	14	14	14	14	14	14	295.7800		465.00
Task# - Subtotal cost	\$1,725.00	\$1,560.00	\$1,276.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$2,950.00		\$10,500.00
3181 (attach bid documents to binder)										200.00		200.00
3182 (attach bid opening)										200.00		200.00
3183 (attach bid opening)										200.00		200.00
3184 Review bid to award										200.00		200.00
3185 Prepare plans										200.00		200.00
3186 Analyze bids and provide recommendation										200.00		200.00
3187 Bid tabulation										200.00		200.00
3188 Provide bid documents										200.00		200.00
3189 Bid-structure presentation										200.00		200.00
Task# - Subtotal hours	14	6	31	3	6	6	6	6	6	7,250.00		7,350.00
Task# - Subtotal cost	\$1,370.00	\$1,140.00	\$1,770.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$7,250.00		\$10,500.00
CONSTRUCTION SERVICES												
401 Construction Office										3,500.00		3,500.00
402 Shop drawing review										2,000.00		2,000.00
403 Construction										2,500.00		2,500.00
404 Record keeping										2,500.00		2,500.00
405 Progress meetings (weekly, bi-weekly, & weekly)										5,100.00		5,100.00
406 Project photographs										200.00		200.00
Task# - Subtotal hours	3	6	60	40	35	4	6	6	6	3,000.00		3,000.00
Task# - Subtotal cost	\$1,130.00	\$1,140.00	\$1,200.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$15,000.00		\$16,500.00
Grand Total - Hours	55	41	151	40	53	35	35	35	35	3,000.00		3,000.00
Grand Total - Cost	\$14,190.00	\$12,860.00	\$10,120.00	\$148,000.00	\$48,445.00	\$2,730.00	\$1,920.00	\$4,573.00	\$8,310.00	\$181,600.00		\$181,600.00
	\$14,750.00	\$12,900.00	\$10,150.00	\$148,000.00	\$48,445.00	\$2,730.00	\$1,920.00	\$4,573.00	\$8,310.00	\$181,600.00		\$181,600.00

EXHIBIT C



City of Basehor, Kansas
 Wolf Creek Parkway (158th Street to 155th Street)
 158th Street (US 24/40 Highway to north of Wolf Creek Parkway)
 155th Street (US 24/40 Highway to north of Wolf Creek Parkway)

Rev. April 18, 2012

Proposed Project Schedule

Task	2012												2013												2014			
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.								
Notice to Proceed	*																											
Public meeting	*																											
Field surveys & base map																												
Preliminary/field check plans																												
KDOT review																												
Public meeting					*																							
Office check plans																												
KDOT review							6 wks																					
Easement documents																												
Easement acquisition																												
Utility coordination																												
Public meeting																												
Utility relocation																												
Final Plans																												
KDOT review																												
Bid Plans/Documents																												
KDOT Advise/Bidding Approval																												
Advise/Bidding																												
Award to contractor																												
Public meeting																												
KDOT Fiscal Year																												



* Meeting date (approx.)



Agenda Item: 5

Date: May 15, 2012

To: Mayor and City Council
Lloyd Martley, Interim City Administrator

From: Corey Swisher, City Clerk/Finance Director

Re: 2011 Independent Audit Review – Mize, Houser & Company, P.A.

Background:

K.S.A 75-1122 requires municipalities to have annual audits by licensed municipal public accountants or certified public accountants if the municipality has annual gross receipts over \$275,000 or has bonds outstanding of over \$275,000. The City of Basehor meets both of these criteria. Subsequently, the City engaged Mize, Houser & Company, P.A. to perform an independent external audit.

For the third year in a row the City has received an unqualified audit opinion.

An opinion is said to be unqualified when the auditor concludes that the financial statements give a true and fair representation in accordance with the financial reporting framework used for the preparation and presentation of the financial statements. An auditor gives an unqualified or clean opinion when they do not have any significant reservations in respect to matters contained in the financial statements. This type of report is issued by an auditor when the financial statements presented are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP), which means the City's financial condition, position, and operations are fairly presented in the financial statements.

An unqualified audit is the best type of report a municipality is able to receive from an external auditor.

An unqualified opinion indicates the following:

- (1) The Financial Statements have been prepared using GAAP which have been consistently applied;
- (2) The Financial Statements comply with relevant statutory requirements and regulations;
- (3) There is adequate disclosure of all material matters relevant to the proper presentation of the financial information subject to statutory requirements, where applicable;

(4) Any changes in the accounting principles or in the method of their application and the effects thereof have been properly determined and disclosed in the financial statements.

Staff Recommendation:

Approve FY 2011 independent external audit.

Action Requested of City Council:

Approve FY 2011 independent external audit.

Attachments:

FY 2011 Independent External Audit

CITY OF BASEHOR, KANSAS
FINANCIAL STATEMENTS
Year Ended December 31, 2011

CITY OF BASEHOR, KANSAS
Financial Statements
Year ending December 31, 2011

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report on the Financial Statements	1 - 2
Management's Discussion and Analysis	3 - 8
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet - Governmental Funds	11
Reconciliation of the Total Governmental Fund Balances to Net Assets of Governmental Activities	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures And Changes in Fund Balances with the Government-wide Statement of Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget	
General Fund	15 - 16
Consolidated Highway Fund	17
Capital Improvements Reserve Fund	18
Employee Benefit Fund	19
Statement of Net Assets - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22 - 23
Notes to the Financial Statements	24 - 43



MIZE HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Mayor and City Council
City of Basehor, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Basehor, Kansas, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the "Kansas Municipal Audit Guide." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Basehor, Kansas, at December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Consolidated Highway Fund, Capital Improvements Reserve Fund and the Employee Benefit Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and schedule of funding progress on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

www.mizehouser.com ■ mhco@mizehouser.com

534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f
534 S Kansas Ave, Suite 400 ■ Topeka, KS 66603-3454 ■ 785.234.5573 p ■ 785.234.1037 f
7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f
120 E Ninth ■ Lawrence, KS 66044-2682 ■ 785.842.8844 p ■ 785.842.9049 f
900 Massachusetts, Suite 301 ■ Lawrence, KS 66044-2868 ■ 785.749.5050 p ■ 785.749.5061 f

CITY OF BASEHOR, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2011 Unaudited

Our discussion and analysis of the City of Basehor, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2011.

Financial Highlights

- The Government-wide net assets totaled \$16.1 million at the end of the current fiscal year.
- The Government-wide unrestricted current assets exceed the current liabilities by \$4.3 million, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2011 totaled \$29.9 million.
- During the year ended December 31, 2011, the City's total revenues (which include charges for services, local taxes, and state and federal aid) exceeded total expenses by \$.5 million.
- The City's total indebtedness decreased by \$1 million.
- The City's net capital assets decreased \$1.4 million in the current fiscal year.

Using This Financial Report

This annual report consists of two distinct series of financial statements: government-wide and funds. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for both governmental and business-type activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds.

Reporting on the City as a Whole (Government Wide)

Statement of Net Assets and the Statement of Activities

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Assets and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net assets and current year change in those net assets. The change in net assets is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

CITY OF BASEHOR, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011
Unaudited

The City as a Whole

Government-Wide Assets

The Statement of Net Assets provides the financial position of the City as a whole. The following is a summary of the City's Statement of Net Assets as of December 31, 2011:

City of Basehor
Condensed Statement of Net Assets
December 31, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current assets	\$ 6,308,209	\$ 5,675,766	\$ 904,810	\$ 783,146	\$ 7,213,019	\$ 6,458,912
Net capital assets	<u>11,106,103</u>	<u>11,794,564</u>	<u>18,838,629</u>	<u>19,521,750</u>	<u>29,944,732</u>	<u>31,316,314</u>
Total assets	<u>\$ 17,414,312</u>	<u>\$ 17,470,330</u>	<u>\$ 19,743,439</u>	<u>\$ 20,304,896</u>	<u>\$ 37,157,751</u>	<u>\$ 37,775,226</u>
Current liabilities	\$ 1,964,073	\$ 2,184,331	\$ 958,955	\$ 955,068	\$ 2,923,028	\$ 3,139,399
Noncurrent liabilities	<u>7,997,118</u>	<u>8,336,234</u>	<u>10,181,444</u>	<u>10,771,332</u>	<u>18,178,562</u>	<u>19,107,566</u>
Total liabilities	<u>\$ 9,961,191</u>	<u>\$ 10,520,565</u>	<u>\$ 11,140,399</u>	<u>\$ 11,726,400</u>	<u>\$ 21,101,590</u>	<u>\$ 22,246,965</u>
Net Assets:						
Invested in capital assets, net of debt	\$ 2,842,681	\$ 3,205,244	\$ 7,816,878	\$ 8,141,245	\$ 10,659,559	\$ 11,346,489
Restricted for:						
Debt Service	404,894	37,043	-	-	404,894	37,043
Unrestricted	<u>4,205,546</u>	<u>3,707,478</u>	<u>786,162</u>	<u>437,251</u>	<u>4,991,708</u>	<u>4,144,729</u>
Total net assets	<u>\$ 7,453,121</u>	<u>\$ 6,949,765</u>	<u>\$ 8,603,040</u>	<u>\$ 8,578,496</u>	<u>\$ 16,056,161</u>	<u>\$ 15,528,261</u>

The assets of the City are classified as current assets and capital assets. Cash and investments and accounts receivable are the largest current assets. These are assets that are available to provide resources for the near-term operations of the City. Capital assets are used in the operations of the City. These assets include land, buildings, improvements other than buildings, machinery and equipment, and infrastructure.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued liabilities, and current portion of long-term obligations. Current assets exceed current liabilities by \$4.3 million, representing the City's ability to meet current obligations when due.

The City has \$19.3 million in long-term debt, consisting of general obligation bonds, temporary notes, loans, and capital leases payable, of which \$1.2 million is due within the next fiscal year.

The City had total assets at December 31, 2011, totaling \$37.2 million. The total assets of the City exceeded the total liabilities by \$16.1 million. Net assets invested in capital assets, net of related debt, totaled \$10.7 million, restricted net assets totaled \$.4 million and unrestricted net assets totaled \$5.0 million.

CITY OF BASEHOR, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2011

Unaudited

Governmental Activities increase the net assets by \$.3 million. Business-type activities increased the net assets by \$.2 million. The key elements in the Governmental Activities increases are limited spending and a more robust economy. The key element in the Business-type activities increases is an increase in customers of both utilities.

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources.

Total fund balances at December 31, 2011 for the governmental funds totaled \$4.8 million. Total unassigned fund balances at December 31, 2011 totaled nearly \$.4 million, of which \$.4 million was attributable to the General Fund. The remainder of fund balance includes; \$.4 million of restricted fund balance to indicate that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations; \$4.0 million of assigned fund balance to indicate amounts that are constrained by the City management to be used for specific purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$.4 million, which represents all of the total fund balance. The increase in the General Fund's fund balance was \$.2 million.

The Consolidated Highway Fund is used to account for road and highway projects. At the end of the current fiscal year, assigned fund balance of the consolidated highway fund was \$2 million, which represents all of the total fund balance. The increase in the fund's fund balance was \$.1 million.

The Capital Improvements Reserve Fund is used to account for capital improvement projects. At the end of the current fiscal year, assigned fund balance of the capital improvements reserve fund was \$1.3 million, which represents all of the total fund balance. The increase in the fund's fund balance was \$53,710.

The Employee Benefit Fund is used to account for employee benefits. At the end of the current fiscal year, assigned fund balance of the employee benefit fund was \$48,282, which represents all of the total fund balance. The increase in the Fund's fund balance was \$48,282.

The Debt Service Fund is used to accumulate tax revenues and other revenues for the payment of principal and interest on general long-term debt.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Solid Waste Utility Fund at the end of the year amounted to \$96,034 and the unrestricted net assets of the Sewer Fund at the end of the year amounted to \$.7 million. The total change in the two funds was [\$6,336] and \$238,372 respectively.

General Fund Budgeting Highlights

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The City's final General Fund budget was \$2,048,180, the same as the original published budget. The revenues were more than budgetary estimates by \$82,362 and the expenditures were less than budgetary estimates by \$338,102.

CITY OF BASEHOR, KANSAS

STATEMENT OF NET ASSETS

December 31, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Primary Government Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,761,408	\$ 795,114	\$ 5,556,522
Receivables:			
Taxes	1,474,631	-	1,474,631
Municipal court	53,926	-	53,926
Other	18,244	109,696	127,940
Total current assets	<u>6,308,209</u>	<u>904,810</u>	<u>7,213,019</u>
Noncurrent assets:			
Nondepreciable capital assets:			
Land	135,837	-	135,837
Depreciable capital assets:	18,992,224	28,628,354	47,620,578
Less: accumulated depreciation	<u>[8,021,958]</u>	<u>[9,789,725]</u>	<u>[17,811,683]</u>
Total noncurrent assets	<u>11,106,103</u>	<u>18,838,629</u>	<u>29,944,732</u>
Total assets	<u>\$ 17,414,312</u>	<u>\$ 19,743,439</u>	<u>\$ 37,157,751</u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ 29,048	\$ 753	\$ 29,801
Accrued liabilities	30,198	3,940	34,138
Accrued interest payable	46,422	102,876	149,298
Deferred revenue	1,474,631	-	1,474,631
Compensated absences payable	52,239	11,079	63,318
Current portion of general obligation bonds payable	275,900	84,100	360,000
Current portion of loans payable	55,635	756,207	811,842
Total current liabilities (payable from current assets)	<u>1,964,073</u>	<u>958,955</u>	<u>2,923,028</u>
Noncurrent liabilities:			
Net other post employment benefit obligation	8,931	-	8,931
Capital lease payable	56,300	-	56,300
General obligation bonds payable	3,201,300	768,700	3,970,000
Temporary notes payable	3,460,000	-	3,460,000
Loans payable	1,270,587	9,412,744	10,683,331
Total noncurrent liabilities	<u>7,997,118</u>	<u>10,181,444</u>	<u>18,178,562</u>
Total liabilities	<u>\$ 9,961,191</u>	<u>\$ 11,140,399</u>	<u>\$ 21,101,590</u>
Net Assets			
Invested in fixed assets, net of related debt	\$ 2,842,681	\$ 7,816,878	\$ 10,659,559
Restricted for:			
Debt service	404,894	-	404,894
Unrestricted	<u>4,205,546</u>	<u>786,162</u>	<u>4,991,708</u>
Total net assets	<u>\$ 7,453,121</u>	<u>\$ 8,603,040</u>	<u>\$ 16,056,161</u>

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

	Net [Expenses] Revenue and Changes in Net Assets					
	Program Revenues			Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:						
General government	\$ 1,210,855	\$ -	\$ -	\$ [1,210,855]	\$ -	\$ [1,210,855]
Public safety	738,989	175,205	-	[563,784]	-	[563,784]
Public works	534,874	77,033	15,722	[442,119]	-	[442,119]
Culture and recreation	70,120	-	-	[70,120]	-	[70,120]
Infrastructure depreciation	741,840	-	-	[741,840]	-	[741,840]
Interest on long-term debt	242,488	-	-	[242,488]	-	[242,488]
Total governmental activities	<u>3,539,166</u>	<u>252,238</u>	<u>15,722</u>	<u>[3,271,206]</u>	<u>-</u>	<u>[3,271,206]</u>
Business-type activities:						
Sewer Utility	1,408,844	1,531,875	84,630	-	207,661	207,661
Solid Waste Utility	254,628	259,232	-	-	4,604	4,604
Total business-type activities	<u>1,663,472</u>	<u>1,791,107</u>	<u>84,630</u>	<u>-</u>	<u>212,265</u>	<u>212,265</u>
Total primary government	<u>\$ 5,202,638</u>	<u>\$ 2,043,345</u>	<u>\$ 100,352</u>	<u>[3,271,206]</u>	<u>212,265</u>	<u>[3,058,941]</u>
General Revenues:						
Property taxes levied for						
General purposes				1,408,317	-	1,408,317
Debt service				1,005,669	-	1,005,669
Franchise tax				212,838	-	212,838
Liquor tax				19,822	-	19,822
Sales tax				576,272	-	576,272
Motor vehicle tax				157,942	-	157,942
Excise tax				26,277	-	26,277
Miscellaneous tax				117,503	-	117,503
Investments earnings				5,811	812	6,623
Miscellaneous				55,578	-	55,578
Transfers, net				[18,959]	18,959	-
Total general revenues				<u>3,567,070</u>	<u>19,771</u>	<u>3,586,841</u>
Change in net assets				<u>295,864</u>	<u>232,036</u>	<u>527,900</u>
Net assets - beginning				6,949,765	8,578,496	15,528,261
Prior period adjustment				<u>207,492</u>	<u>[207,492]</u>	<u>-</u>
Net assets - beginning, restated				<u>7,157,257</u>	<u>8,371,004</u>	<u>15,528,261</u>
Net assets - ending				<u>\$ 7,453,121</u>	<u>\$ 8,603,040</u>	<u>\$ 16,056,161</u>

The notes to the financial statements are an integral part of this statement

Employee Benefit	Bond and Interest	Other Governmental Funds	Total Governmental Funds
\$ 48,282	\$ 404,894	\$ 578,846	\$ 4,761,408
427,999	101,288	-	1,474,631
-	-	-	53,926
-	-	-	18,244
<u>\$ 476,281</u>	<u>\$ 506,182</u>	<u>\$ 578,846</u>	<u>\$ 6,308,209</u>

\$ -	\$ -	\$ -	\$ 29,048
-	-	-	30,198
427,999	101,288	-	1,474,631
<u>427,999</u>	<u>101,288</u>	<u>-</u>	<u>1,533,877</u>

-	404,894	-	404,894
48,282	-	578,846	3,991,409
-	-	-	378,029
<u>48,282</u>	<u>404,894</u>	<u>578,846</u>	<u>4,774,332</u>
<u>\$ 476,281</u>	<u>\$ 506,182</u>	<u>\$ 578,846</u>	<u>\$ 6,308,209</u>

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES

December 31, 2011

Total Governmental Fund Balances \$ 4,774,332

Amounts reported for governmental activities in the
statement of net assets are different because

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds

The cost of capital assets is	19,128,061	
Accumulated depreciation is	<u>[8,021,958]</u>	11,106,103

Long-term liabilities, including bonds payable, are not due and payable in
the current period and therefore are not reported as liabilities in the funds.
Long term liabilities at year end consist of:

General obligation bonds payable	3,477,200	
Temporary notes payable	3,460,000	
Loans payable	1,326,222	
Lease payable	56,300	
Net other post employment benefit obligation	8,931	
Interest payable	46,422	
Compensated absences payable	<u>52,239</u>	<u>[8,427,314]</u>

Net Assets of Governmental Activities \$ 7,453,121

Employee Benefit	Bond and Interest	Other Governmental Funds	Total Governmental Funds
\$ 452,084	\$ 162,249	\$ 12,049	\$ 2,681,220
-	15,722	-	15,722
-	843,420	-	843,420
-	-	32,401	77,033
-	-	-	175,205
40	485	950	5,811
-	-	5,062	55,578
<u>452,124</u>	<u>1,021,876</u>	<u>50,462</u>	<u>3,853,989</u>
466,983	-	-	1,193,840
-	-	-	208,586
-	-	-	59,471
-	-	-	695,327
-	-	210,480	455,777
-	325,898	-	325,898
-	246,027	-	246,027
<u>466,983</u>	<u>571,925</u>	<u>210,480</u>	<u>3,184,926</u>
<u>[14,859]</u>	<u>449,951</u>	<u>[160,018]</u>	<u>669,063</u>
63,141	-	69,518	132,659
-	[82,100]	-	[151,618]
<u>63,141</u>	<u>[82,100]</u>	<u>69,518</u>	<u>[18,959]</u>
<u>48,282</u>	<u>367,851</u>	<u>[90,500]</u>	<u>650,104</u>
-	37,043	461,854	3,916,736
-	-	207,492	207,492
-	37,043	669,346	4,124,228
<u>\$ 48,282</u>	<u>\$ 404,894</u>	<u>\$ 578,846</u>	<u>\$ 4,774,332</u>

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2011

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 1,609,943	\$ -	\$ 1,609,943	\$ 1,448,182	\$ 1,448,182	\$ 161,761
Licenses and permits	44,632	4,307	48,939	38,400	38,400	10,539
Fines, forfeitures and penalties	175,205	[19,258]	155,947	195,000	195,000	[39,053]
Use of money and property	599	-	599	-	-	599
Federal grant	-	-	-	42,000	42,000	[42,000]
Miscellaneous	50,516	-	50,516	60,000	60,000	[9,484]
Total Revenues	1,880,895	[14,951]	1,865,944	1,783,582	1,783,582	82,362
Expenditures:						
General Administration:						
Personal services	359,177	-	359,177	402,900	402,900	43,723
Contractual services	274,292	-	274,292	372,670	372,670	98,378
Commodities	25,400	-	25,400	102,950	102,950	77,550
Capital outlay	18,307	-	18,307	17,500	17,500	[807]
	677,176	-	677,176	896,020	896,020	218,844
Public Safety						
Personal services	583,847	-	583,847	653,000	653,000	69,153
Contractual services	62,880	-	62,880	76,150	76,150	13,270
Commodities	47,915	-	47,915	51,200	51,200	3,285
Capital outlay	685	-	685	19,000	19,000	18,315
	695,327	-	695,327	799,350	799,350	104,023
Highways and Streets						
Personal services	125,704	-	125,704	123,500	123,500	[2,204]
Contractual services	69,051	-	69,051	69,450	69,450	399
Commodities	12,319	-	12,319	11,700	11,700	[619]
Capital outlay	1,512	-	1,512	9,800	9,800	8,288
	208,586	-	208,586	214,450	214,450	5,864
Culture and recreation						
Personal services	6,269	-	6,269	5,400	5,400	[869]
Contractual services	8,376	-	8,376	1,300	1,300	[7,076]
Commodities	1,272	-	1,272	12,750	12,750	11,478
Capital outlay	43,554	-	43,554	40,000	40,000	[3,554]
	59,471	-	59,471	59,450	59,450	[21]

CITY OF BASEHOR, KANSAS

CONSOLIDATED HIGHWAY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2011

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 392,666	\$ -	\$ 392,666	\$ 437,320	\$ 437,320	\$ [44,654]
Use of money and property	<u>2,256</u>	<u>-</u>	<u>2,256</u>	<u>3,000</u>	<u>3,000</u>	<u>[744]</u>
Total Revenues	<u>394,922</u>	<u>-</u>	<u>394,922</u>	<u>440,320</u>	<u>440,320</u>	<u>[45,398]</u>
Expenditures:						
Commodities	24,313	-	24,313	50,000	50,000	25,687
Capital outlay	245,297	-	245,297	1,205,000	1,205,000	959,703
Contractual	<u>25,368</u>	<u>-</u>	<u>25,368</u>	<u>26,000</u>	<u>26,000</u>	<u>632</u>
Total Expenditures	<u>294,978</u>	<u>-</u>	<u>294,978</u>	<u>1,281,000</u>	<u>1,281,000</u>	<u>986,022</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	99,944	-	99,944	<u>\$ [840,680]</u>	<u>\$ [840,680]</u>	<u>\$ 940,624</u>
Fund Balance, January 1	<u>1,920,341</u>	<u>-</u>	<u>1,920,341</u>			
Fund Balance, December 31	<u>\$ 2,020,285</u>	<u>\$ -</u>	<u>\$ 2,020,285</u>			

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

EMPLOYEE BENEFIT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2011

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 452,084	\$ -	\$ 452,084	\$ 436,014	\$ 436,014	\$ 16,070
Use of money and property	<u>40</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>40</u>
Total Revenues	<u>452,124</u>	<u>-</u>	<u>452,124</u>	<u>436,014</u>	<u>436,014</u>	<u>16,110</u>
Expenditures:						
Personal services	<u>466,983</u>	<u>-</u>	<u>466,983</u>	<u>499,155</u>	<u>499,155</u>	<u>32,172</u>
Total Expenditures	<u>466,983</u>	<u>-</u>	<u>466,983</u>	<u>499,155</u>	<u>499,155</u>	<u>32,172</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>[14,859]</u>	<u>-</u>	<u>[14,859]</u>	<u>[63,141]</u>	<u>[63,141]</u>	<u>48,282</u>
Other Financing Sources [Uses]:						
Transfers in	<u>63,141</u>	<u>-</u>	<u>63,141</u>	<u>63,141</u>	<u>63,141</u>	<u>-</u>
Total Other Financing Sources [Uses]	<u>63,141</u>	<u>-</u>	<u>63,141</u>	<u>63,141</u>	<u>63,141</u>	<u>-</u>
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	<u>48,282</u>	<u>-</u>	<u>48,282</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,282</u>
Fund Balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>			
Fund Balance, December 31	<u>\$ 48,282</u>	<u>\$ -</u>	<u>\$ 48,282</u>			

CITY OF BASEHOR, KANSAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	Business-Type Activities: Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Operating revenues:			
Charges for services	\$ 1,531,875	\$ 259,232	\$ 1,791,107
Special assessments	84,630	-	84,630
Total operating revenues	<u>1,616,505</u>	<u>259,232</u>	<u>1,875,737</u>
Operating expenses:			
Personnel	124,530	19,671	144,201
Contractual	162,347	231,601	393,948
Commodities	18,260	2,998	21,258
Capital outlay	6,353	358	6,711
Depreciation	801,162	-	801,162
Total operating expenses	<u>1,112,652</u>	<u>254,628</u>	<u>1,367,280</u>
Operating income [loss]	<u>503,853</u>	<u>4,604</u>	<u>508,457</u>
Nonoperating revenues [expenses]:			
Interest on long term debt	[296,192]	-	[296,192]
Interest earned	667	145	812
Total nonoperating revenues [expenses]	<u>[295,525]</u>	<u>145</u>	<u>[295,380]</u>
Income [loss] before transfers	<u>208,328</u>	<u>4,749</u>	<u>213,077</u>
Transfers from [to] other funds			
Transfers in	82,100	-	82,100
Transfers out	[52,056]	[11,085]	[63,141]
Total transfers	<u>30,044</u>	<u>[11,085]</u>	<u>18,959</u>
Change in net assets	<u>238,372</u>	<u>[6,336]</u>	<u>232,036</u>
Net assets, January 1	8,476,126	102,370	8,578,496
Prior period adjustment	[207,492]	-	[207,492]
Net assets, January 1, restated	<u>8,268,634</u>	<u>102,370</u>	<u>8,371,004</u>
Net assets, December 31	<u>\$ 8,507,006</u>	<u>\$ 96,034</u>	<u>\$ 8,603,040</u>

The notes to the financial statements are an integral part of this statement

CITY OF BASEHOR, KANSAS

STATEMENT OF CASH FLOWS - CONTINUED
 PROPRIETARY FUNDS

For the Year Ended December 31, 2011

	Business-Type Activities:		
	Enterprise Funds		Total
	Sewer Utility	Solid Waste Utility	Enterprise Funds
Reconciliation of Operating Net Income to Net Cash Provided by Operating Activities:			
Operating income [loss]	\$ 503,853	\$ 4,604	\$ 508,457
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	801,162	-	801,162
Change in assets and liabilities:			
[Increase] decrease in accounts receivable	[29,137]	[8,141]	[37,278]
Increase [decrease] in accounts payable	[6,744]	-	[6,744]
Increase [decrease] in compensated absences/accrued payroll	4,312	[1,241]	3,071
Total Adjustments	769,593	[9,382]	760,211
Net Cash Provided by [Used in] Operating Activities	\$ 1,273,446	\$ [4,778]	\$ 1,268,668

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)*

The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, APB Opinions, and ARBs.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City has elected to report all funds as major and reports the following major governmental funds:

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

The consolidated highway fund is used to account for road and highway projects.

The capital improvements reserve fund is used to account for capital improvement projects.

The employee benefit fund is used to account for employee benefits.

The bond and interest fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental.

The City reports the following major proprietary funds:

The sewer utility fund is used to account for the activities of the City's wastewater operations.

The solid waste utility fund is used to account for the activities of the City's refuse operations.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Assets, Liabilities and Equity (Continued)*

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment of the City, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50 - 100
Other equipment	5 - 20
Vehicles	6 - 10
Infrastructure	30 - 75

4. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off. Paid time off earned but unused at termination (if a two-week notice is given) is paid to the employees at their current rate of pay.

Vested or accumulated paid time off that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the government fund financial statements that will pay it. Vested or accumulated paid time off of the business-type funds and government wide financial statements are recorded as an expense and liability of those funds as the benefits accrue to employees.

The General Fund and Sewer Utility Fund have been used in prior years to liquidate the liability for compensated absences.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

9. Fund Balance Reserves

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city council. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds						
	General	Consolidated Highway	Capital Improvements Reserve	Employee Benefit	Bond and Interest	Other Governmental Funds	Total Governmental Funds
Fund Balances:							
Restricted for:							
Debt retirement	\$ -	\$ -	\$ -	\$ -	\$ 404,894	\$ -	\$ 404,894
Assigned for:							
Street project construction	-	2,020,285	-	-	-	-	2,020,285
Capital improvements	-	-	1,343,996	-	-	135,725	1,479,721
Employee benefits	-	-	-	48,282	-	-	48,282
Culture and recreation	-	-	-	-	-	121,308	121,308
Equipment outlay	-	-	-	-	-	321,813	321,813
Unassigned:	<u>378,029</u>	-	-	-	-	-	<u>378,029</u>
Total Fund Balances	<u>\$ 378,029</u>	<u>\$ 2,020,285</u>	<u>\$ 1,343,996</u>	<u>\$ 48,282</u>	<u>\$ 404,894</u>	<u>\$ 578,846</u>	<u>\$ 4,774,332</u>

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds						Total Governmental Funds
	General Fund	Consolidated Highway Fund	Capital Improvements Reserve Fund	Employee Benefit Fund	Bond and Interest Fund	Other Governmental Funds	
GAAP FUND BALANCE							
December 31, 2011	\$ 378,029	\$ 2,020,285	\$ 1,343,996	\$ 48,282	\$ 404,894	\$ 578,846	\$ 4,774,332
Unreserved fund balances not subject to the Kansas budget law:							
Special Police Fund	-	-	-	-	-	[542]	[542]
Basehor Town Center Project Fund	-	-	-	-	-	[69,462]	[69,462]
Wolf Creek Project Fund	-	-	-	-	-	[46,540]	[46,540]
Glenwood Sewer Maintenance Fund	-	-	-	-	-	[9,403]	[9,403]
Adjustments:							
Municipal court receivable	[53,926]	-	-	-	-	-	[53,926]
Other receivable	[18,244]	-	-	-	-	-	[18,244]
Total deductions	[72,170]	-	-	-	-	[125,947]	[198,117]
BUDGETARY FUND BALANCE							
December 31, 2011	\$ 305,859	\$ 2,020,285	\$ 1,343,996	\$ 48,282	\$ 404,894	\$ 452,899	\$ 4,576,215

CITY OF BASEHOR, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2011

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. *Restatement of Equity (Continued)*

After the close of the prior year, it was realized that the due to and due from recorded between the Sewer Utility Fund and the Basehor Town Center Project Fund should have been eliminated. Sewer infrastructure assets had been paid for through proceeds recorded in the Basehor Town Center Project Fund, thereby eliminating the due to and due from between the two funds. The equity in the two funds was properly restated as follows:

	Other Governmental <u>Funds</u>	Sewer Utility <u>Fund</u>
Fund Balance - Beginning	\$ 461,854	\$ 8,476,126
Prior Period Adjustments:		
Due to/from	<u>207,492</u>	<u>[207,492]</u>
Fund Balance - Beginning, Restated	<u>\$ 669,346</u>	<u>\$ 8,268,634</u>

III. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

The City's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or an adjoining county in which the City is located and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statutes require that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes or the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the US government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in K.S.A. 10-131.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/11</u>
City governmental activities:				
Capital assets, not being depreciated				
Land	\$ 135,837	\$ -	\$ -	\$ 135,837
Construction in progress	2,021,451	15,230	2,036,681	-
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipment	<u>16,847,381</u>	<u>2,144,843</u>	<u>-</u>	<u>18,992,224</u>
Total capital assets	<u>19,004,669</u>	<u>2,160,073</u>	<u>2,036,681</u>	<u>19,128,061</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipment	<u>7,210,105</u>	<u>811,852</u>	<u>[1]</u>	<u>8,021,958</u>
Total accumulated depreciation	<u>7,210,105</u>	<u>811,852</u>	<u>[1]</u>	<u>8,021,958</u>
Governmental activities capital assets, net	<u>\$ 11,794,564</u>	<u>\$ 1,348,221</u>	<u>\$ 2,036,682</u>	<u>\$ 11,106,103</u>
Business-type activities:				
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipment	<u>\$ 28,510,313</u>	<u>\$ 118,041</u>	<u>\$ -</u>	<u>\$ 28,628,354</u>
Total capital assets	<u>28,510,313</u>	<u>118,041</u>	<u>-</u>	<u>28,628,354</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipment	<u>8,988,563</u>	<u>801,162</u>	<u>-</u>	<u>9,789,725</u>
Total accumulated depreciation	<u>8,988,563</u>	<u>801,162</u>	<u>-</u>	<u>9,789,725</u>
Business-type activities capital assets, net	<u>\$ 19,521,750</u>	<u>\$ [683,121]</u>	<u>\$ -</u>	<u>\$ 18,838,629</u>

CITY OF BASEHOR, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2011

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

	<u>Date of Issuance</u>	<u>Date of Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
<u>Governmental Activities</u>					
Improvements, Series 2004	01/15/04	09/01/19	3.25-4.35%	\$ 3,415,000	\$ 2,105,000
Improvements, Series 2005	08/15/05	09/01/25	3.65-5.25%	<u>2,840,000</u>	<u>2,225,000</u>
				<u>\$ 6,255,000</u>	<u>\$ 4,330,000</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 360,000	\$ 173,346	\$ 533,346
2013	370,000	159,540	529,540
2014	385,000	144,600	529,600
2015	395,000	130,230	525,230
2016	410,000	114,903	524,903
2017-2021	1,645,000	327,115	1,972,115
2022-2025	<u>765,000</u>	<u>80,155</u>	<u>845,155</u>
Total	<u>\$ 4,330,000</u>	<u>\$ 1,129,889</u>	<u>\$ 5,459,889</u>

Temporary Notes. The City issued temporary notes in the amount of \$3,460,000 to provide temporary funds for the acquisition and construction of major capital facilities. The interest rate on the notes is 1.00% with a final maturity of September 1, 2012. The City plans to issue general obligation bonds to refund the temporary notes.

CITY OF BASEHOR, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

The following displays annual debt service requirements to maturity for this KDHE loan for the full proceeds amount:

<u>Year Ending December 31,</u>	<u>State Agency Loan</u>
2012	\$ 371,395
2013	371,395
2014	371,395
2015	371,395
2016	371,395
2017-2021	1,856,974
2022-2026	1,856,974
2027-2030	<u>1,299,882</u>
Total principal and interest	6,870,803
Less: interest	<u>1,545,862</u>
Total principal	<u>\$ 5,324,941</u>

The Kansas Department of Transportation and the City has entered into an agreement for an additional loan. The City intends to make principal and interest payments on the loans from tax revenue. The loan will be for \$1,500,000. This loan had an outstanding balance of \$1,326,222 at December 31, 2011. The City will retire this loan with semi-annual payments through August 2029. The following displays annual debt service requirements to maturity for this KDOT loan for the full proceeds amount:

<u>Year Ending December 31,</u>	<u>State Agency Loan</u>
2012	\$ 115,668
2013	115,668
2014	115,668
2015	115,668
2016	115,668
2017-2021	578,339
2022-2026	578,339
2027-2029	<u>347,004</u>
Total principal and interest	2,082,022
Less: interest	<u>635,439</u>
Total principal	<u>\$ 1,446,582</u>

CITY OF BASEHOR, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2011

IV. OTHER INFORMATION (Continued)

C. *Retirement Plans*

All employees employed by the City are entitled to enroll at the City Council's discretion, in a Deferred Compensation Plan, offered by Hartford or such other insurance company as may offer a plan approved by the Kansas Legislature pursuant to K.S.A. 75-5522 et seq. and K.S.A. 75-5529 et seq. For an employee who is employed full time, the City shall contribute to the Plan an amount as specified according to the current maximum contribution to old age Social Security benefits. The payroll for employees covered by the Plan was \$713,070. Total gross payroll was \$1,211,299. The contribution for the year ending December 31, 2011 was \$12,008 from employees and \$69,032 from employer representing 13.58% of covered payroll, respectively.

The City participates in the Kansas Police and Firemen's Retirement System (KP&F) which is part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KP&F provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KP&F issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to Kansas Public Employees Retirement System (KPERs); 611 South Kansas Avenue, Topeka, KS 66603.

K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KP&F is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KP&F uniform participating employer rate established for fiscal years beginning in 2011 is 14.57%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City contributions to KP&F for the years ending December 31, 2011, 2010 and 2009 were \$73,019, \$66,374, and \$68,982, respectively equal to the required contribution for each year.

D. *Interfund Transfers*

A reconciliation of all operating transfers by fund type for 2011 follows:

	<u>In</u>	<u>Out</u>
Major Funds:		
General	\$ -	\$ 69,518
Employee Benefit	63,141	-
Other Governmental Funds	69,518	-
Sewer Utility	82,100	52,056
Solid Waste Utility	-	11,085
Bond and Interest	-	82,100
	<u>\$ 214,759</u>	<u>\$ 214,759</u>

The City uses interfund transfers to share administrative costs between funds.

CITY OF BASEHOR, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

IV. OTHER INFORMATION (Continued)

F. *Postemployment Healthcare Plan (Continued)*

The following table shows the components of the City's annual OPEB cost for the Plan for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation to the Plan:

Annual required contribution	\$ 3,285
Interest on Net OPEB Obligation	233
Adjustment to Annual Required Contribution	<u>[419]</u>
Annual OPEB cost (expense)	3,099
Benefit payments	<u>-</u>
Change in net OPEB obligation	3,099
Net OPEB obligation - beginning of year	<u>5,832</u>
Net OPEB obligation - end of year	<u>\$ 8,931</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended December 31, 2011 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB Cost <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
December 31, 2009	\$ 2,859	\$ -	\$ 2,859
December 31, 2010	2,973	-	5,832
December 31, 2011	3,099	-	8,931

Funding Status and Funding Progress. As of the year ended December 31, 2011, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$11,407 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,407. The covered payroll (annual payroll of active employees covered by the plan) was \$1,020,641, and the ratio of the UAAL to the covered payroll was 1.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multiyear trend information about whether the actuarial value of plan assets (if any) are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the year ended December 31, 2011, the most recent actuarial valuation date, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 11% initially, reduced by decrements to an ultimate rate of 5% after six years. The UAAL is being amortized as a level dollar over an open thirty-year period.

CITY OF BASEHOR, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2011

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and cash equivalents	\$ 443,121	\$ 135,725	\$ 578,846
Total assets	\$ 443,121	\$ 135,725	\$ 578,846
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	-	-	-
 Fund balance:			
Assigned	443,121	135,725	578,846
Total fund balance [deficit]	443,121	135,725	578,846
 Total liabilities and fund balances	 \$ 443,121	 \$ 135,725	 \$ 578,846

CITY OF BASEHOR, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2011

	Special Parks and Recreation	Municipal Equipment Reserve	Special Police	Totals
ASSETS				
Cash and cash equivalents	\$ 121,308	\$ 321,271	\$ 542	\$ 443,121
Total assets	\$ 121,308	\$ 321,271	\$ 542	\$ 443,121
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
 Fund balance:				
Assigned	121,308	321,271	542	443,121
Total fund balance [deficit]	121,308	321,271	542	443,121
Total liabilities and fund balances	\$ 121,308	\$ 321,271	\$ 542	\$ 443,121

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 December 31, 2011

	Cedar Lakes Maintenance	Basehor Town Center Project	Wolf Creek Project	Glenwood Sewer Maintenance	Totals
ASSETS					
Cash and cash equivalents	\$ 10,320	\$ 69,462	\$ 46,540	\$ 9,403	\$ 135,725
Total assets	<u>\$ 10,320</u>	<u>\$ 69,462</u>	<u>\$ 46,540</u>	<u>\$ 9,403</u>	<u>\$ 135,725</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance:					
Assigned	<u>10,320</u>	<u>69,462</u>	<u>46,540</u>	<u>9,403</u>	<u>135,725</u>
Total fund balance [deficit]	<u>10,320</u>	<u>69,462</u>	<u>46,540</u>	<u>9,403</u>	<u>135,725</u>
 Total liabilities and fund balances	 <u>\$ 10,320</u>	 <u>\$ 69,462</u>	 <u>\$ 46,540</u>	 <u>\$ 9,403</u>	 <u>\$ 135,725</u>

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 11,742	\$ -	\$ 11,742	\$ 8,000	\$ 8,000	\$ 3,742
Licenses, permits and fees	3,000	-	3,000	2,000	2,000	1,000
Use of money and property	<u>162</u>	<u>-</u>	<u>162</u>	<u>250</u>	<u>250</u>	<u>[88]</u>
Total Revenues	<u>14,904</u>	<u>-</u>	<u>14,904</u>	<u>10,250</u>	<u>10,250</u>	<u>4,654</u>
Expenditures:						
Capital outlay	<u>60,400</u>	<u>-</u>	<u>60,400</u>	<u>67,500</u>	<u>67,500</u>	<u>7,100</u>
Total Expenditures	<u>60,400</u>	<u>-</u>	<u>60,400</u>	<u>67,500</u>	<u>67,500</u>	<u>7,100</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	[45,496]	-	[45,496]	<u>\$ [57,250]</u>	<u>\$ [57,250]</u>	<u>\$ 11,754</u>
Fund Balance, January 1	<u>166,804</u>	<u>-</u>	<u>166,804</u>			
Fund Balance, December 31	<u>\$ 121,308</u>	<u>\$ -</u>	<u>\$ 121,308</u>			

See independent auditor's report on the financial statements

CITY OF BASEHOR, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2011

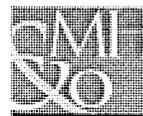
	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 162,249	\$ -	\$ 162,249	\$ 148,186	\$ 148,186	\$ 14,063
Intergovernmental	15,722	-	15,722	-	-	15,722
Special assessments	843,420	-	843,420	532,354	532,354	311,066
Use of money and property	485	-	485	-	-	485
Total Revenues	<u>1,021,876</u>	<u>-</u>	<u>1,021,876</u>	<u>680,540</u>	<u>680,540</u>	<u>341,336</u>
Expenditures:						
Debt service:						
Principal	325,898	-	325,898	403,418	403,418	77,520
Interest	246,027	-	246,027	324,071	324,071	78,044
Total Expenditures	<u>571,925</u>	<u>-</u>	<u>571,925</u>	<u>727,489</u>	<u>727,489</u>	<u>155,564</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>449,951</u>	<u>-</u>	<u>449,951</u>	<u>[46,949]</u>	<u>[46,949]</u>	<u>496,900</u>
Other Financing Sources [Uses]:						
Transfers [out]	<u>[82,100]</u>	<u>-</u>	<u>[82,100]</u>	<u>-</u>	<u>-</u>	<u>[82,100]</u>
Total Other Financing Sources [Uses]	<u>[82,100]</u>	<u>-</u>	<u>[82,100]</u>	<u>-</u>	<u>-</u>	<u>[82,100]</u>
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	367,851	-	367,851	<u>\$ [46,949]</u>	<u>\$ [46,949]</u>	<u>\$ 414,800</u>
Fund Balances, January 1	<u>37,043</u>	<u>-</u>	<u>37,043</u>			
Fund Balances, December 31	<u>\$ 404,894</u>	<u>\$ -</u>	<u>\$ 404,894</u>			

CITY OF BASEHOR, KANSAS

SOLID WASTE UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET ASSETS - ACTUAL AND BUDGET
For the Year Ended December 31, 2011

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues						
Charges for services	\$ 259,232	\$ [8,141]	\$ 251,091	\$ 196,000	\$ 196,000	\$ 55,091
Use of money and property	145	-	145	100	100	45
Total revenues	<u>259,377</u>	<u>[8,141]</u>	<u>251,236</u>	<u>196,100</u>	<u>196,100</u>	<u>55,136</u>
Expenditures						
Personnel	19,671	905	20,576	27,980	27,980	7,404
Contractual	231,601	-	231,601	164,100	235,235	3,634
Commodities	2,998	-	2,998	5,700	5,700	2,702
Capital outlay	358	-	358	-	-	[358]
Total expenditures	<u>254,628</u>	<u>905</u>	<u>255,533</u>	<u>197,780</u>	<u>268,915</u>	<u>13,382</u>
Operating income [loss]	<u>4,749</u>	<u>[9,046]</u>	<u>[4,297]</u>	<u>[1,680]</u>	<u>[72,815]</u>	<u>68,518</u>
Other Financing Sources [Uses]:						
Transfer [out]	<u>[11,085]</u>	<u>-</u>	<u>[11,085]</u>	<u>[11,085]</u>	<u>[11,085]</u>	<u>-</u>
Total Other Financing Sources [Uses]	<u>[11,085]</u>	<u>-</u>	<u>[11,085]</u>	<u>[11,085]</u>	<u>[11,085]</u>	<u>-</u>
Change in net assets	[6,336]	[9,046]	[15,382]	\$ [12,765]	\$ [83,900]	\$ 68,518
Net assets, January 1	<u>102,370</u>	<u>[13,995]</u>	<u>88,375</u>			
Net assets, December 31	<u>\$ 96,034</u>	<u>\$ [23,041]</u>	<u>\$ 72,993</u>			



MIZE HOUSER
COMPANY_{PA.}

Mayor and City Council
City of Basehor, Kansas

In planning and performing our audit of the financial statements of Basehor, Kansas, as of and for the year ended December 31, 2011, we considered the City's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on internal control.

However, during our audit, we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. This letter does not affect our report dated May 11, 2012, on the financial statements of the City of Basehor, Kansas.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and suggestions with various City personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform an additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

1. During the audit we noted that supporting documentation is not attached to client prepared journal entries. We recommend that each journal entry have supporting documentation attached to the entry. We also recommend that an individual independent of the journal entry process review a complete general ledger system generated list of journal entries and compare the journal entry support to the listing. Each journal entry should be signed off as approved by the independent staff member.
2. During the audit, we noted that transfers are periodically done between two bank accounts. In the transfer process, one staff member reviews the accounts and authorizes the transfer with the bank. The bank does not confirm this transfer authorization with a staff member independent of the transfer authorization. We recommend that the City require the bank confirm the transfer authorization with an employee independent of the transfer authorization process.
3. During our audit, we noted that the approval procedure for the monthly bank reconciliation should include the review and approval of the bank reconciliation by the finance director. Per our discussions with staff, it was noted that the finance director reviews and approves the bank reconciliations. However, the bank reconciliations did not indicate this approval process. We recommend that the bank reconciliations include a preparer signature and date and a reviewer signature and date to properly document the preparation and review process.

www.mizehouser.com ■ mhco@mizehouser.com

534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f
534 S Kansas Ave, Suite 400 ■ Topeka, KS 66603-3454 ■ 785.234.5573 p ■ 785.234.1037 f
7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f
120 E Ninth ■ Lawrence, KS 66044-2682 ■ 785.842.8844 p ■ 785.842.9049 f
900 Massachusetts, Suite 301 ■ Lawrence, KS 66044-2868 ■ 785.749.5050 p ■ 785.749.5061 f

4. We recommend that an individual independent of the utility billing process review and approve the adjustment report generated from the utility system periodically. Part of this review process should include documenting the initials of the reviewer and date of the review on the adjustment reports.

This report is intended for the use of the mayor, city council and other members of management of Basehor, Kansas and should not be used by anyone other than these specified parties.

Ming, Houser & Company

May 11, 2012



Agenda Item: 6

Date: May 15, 2012

To: Mayor and City Council
Lloyd Martley, Interim City Administrator

From: Corey Swisher, City Clerk/Finance Director

Re: Resolution 2012-07 – Resolution authorizing the issuance of general obligation bonds for the purpose of paying costs related to Wolf Creek Parkway

Background:

This Resolution is the second step in obtaining authority under State law to refinance the Kansas Department of Transportation (KDOT) loan to achieve interest cost savings to the City. On May 7, the Basehor City Council took the first step to refinance the KDOT loans and approved Ordinance No. 615 which designated Wolf Creek Parkway as a main trafficway. This Resolution gives the City authority under state law to refinance improvements to Wolf Creek Parkway with the proceeds of General Obligation bonds.

Refinancing this KDOT Loan to a GO Bond will have no impact on the existing Transportation Development District (TDD). Upon creation of a TDD by a municipality, the revenue generated by TDD special assessments or sales tax under Kansas law may pay the costs of transportation infrastructure improvements in and around the new development.

The current KDOT loan is currently being paid for out of the City's Bond and Interest Fund. To date the TDD sales tax has not generated sufficient revenue to cover the debt obligation. Any TDD sales tax expires after sufficient sales tax has been received to pay the cost of the project or no later than the date the bonds issued to finance such project or refunding bonds issued therefore mature. Due to favorable conditions in the current debt market, refinancing the existing loan could provide the City with significant savings.

Staff Recommendation:

Approve Resolution 2012-07.

Action Requested of City Council:

Approve Resolution 2012-07.

Attachments:

Resolution 2012-07

RESOLUTION NO. 2012-07

A RESOLUTION AUTHORIZING THE IMPROVEMENT OF A MAIN TRAFFICWAY WITHIN THE CITY OF BASEHOR, KANSAS; AND PROVIDING FOR THE PAYMENT OF THE COSTS THEREOF.

WHEREAS, K.S.A. 12-687 provides that the governing body of any city shall have the power to improve or reimprove or cause to be improved or reimproved, any main trafficway or trafficway connection designated and established under the provisions of K.S.A. 12-685 *et seq.* (the "Act"), and such improvement or reimprovement may include grading, regrading, curbing, recurbing, guttering, reguttering, paving, repaving, macadamizing, remacadamizing, constructing, reconstructing, opening, widening, extending, rounding corners, straightening, relocating, building any necessary bridges and approaches thereto, viaducts, overpasses, underpasses, culverts and drainage, trafficway illumination, traffic control devices, pedestrian ways, or other improvements or any two or more of such improvements or reimprovements and the acquisition of right-of-way by purchase or condemnation when necessary for any of such purposes; and

WHEREAS, the Act provides that all costs of improvements or reimprovements authorized thereunder, including acquisition of right-of-way, engineering costs, and all other costs properly attributable to such projects, shall be paid by the city at large and may be funded, among others, by the issuance of general obligation bonds; and

WHEREAS, the governing body of the City of Basehor, Kansas (the "City"), on May 7, 2012 has by Ordinance No. 615 designated Wolf Creek Parkway within the City as a main trafficway, as provided by and under the authority of the Act; and

WHEREAS, said governing body has previously improved Wolf Creek Parkway from 150th Street to 153rd Street (the "Project") and hereby finds and determines that it is necessary and desirable to provide for the paying and refinancing of the costs thereof by the issuance of general obligation bonds, all as provided by and under the authority of the Act.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BASEHOR, KANSAS:

Section 1. Project Authorization. It is hereby deemed and declared to be necessary to improve or reimprove the Project under the authority of the Act.

Section 2. Financing Authority. The estimated costs of the Project, including construction, engineering fees, acquisition of right-of-way and easements, contingencies and administrative expenses is \$1,500,000. The costs of the Project, interest on interim financing and associated financing costs shall be payable from the proceeds of general obligation bonds of the City issued under authority of the Act (the "Bonds").

Section 3. Reimbursement. The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of this Resolution, pursuant to Treasury Regulation §1.150-2.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

ADOPTED AND APPROVED by the governing body of the City of Basehor, Kansas, on May 21, 2012.

(Seal)

David K. Breuer, Mayor

ATTEST:

Corey Swisher, City Clerk



Agenda Item: 7

Date: May 15, 2012

To: Mayor and City Council
Lloyd Martley, Interim City Administrator

From: Corey Swisher, City Clerk/Finance Director

Re: Resolution 2012-06 – Compliance Procedure

Background:

During the summer of 2008 the City of Basehor issued two year General Obligation Temporary Notes to finance the Basehor Boulevard (\$2,825,000) and 155th Street (\$937,500) Benefit District improvements.

In 2010, the City refinanced those temporary notes for an additional two years. In August of 2012, the City will need to secure permanent General Obligation financing for the debt.

This Resolution and the accompanying Tax and Securities Compliance procedure are necessary to comply with new Internal Revenue Service directives regarding the issuance of tax-exempt debt. A memo from Gilmore & Bell (bond counsel) provides additional background regarding why the Procedure is necessary and the new requirements that the City will need to follow to comply with federal tax and securities laws applicable to the City's debt.

Staff Recommendation:

Approve Resolution 2012-06.

Action Requested of City Council:

Approve Resolution 2012-06.

Attachments:

1. Memorandum Describing the Procedure and Why it is Necessary
2. Tax and Securities Compliance Procedure
3. Resolution 2012-06

MEMORANDUM

TO: CITY OF BASEHOR

FROM: GINA RIEKHOF, GILMORE & BELL, P.C.

DATE: MAY 14, 2012

RE: TAX AND SECURITIES COMPLIANCE PROCEDURE

For several years IRS officials have expressed concern that state and local governments do not have adequate written procedures to ensure that ongoing federal tax requirements are met after the closing of a bond issue. If bond proceeds are not invested or if financed facilities are not used in a manner permitted by tax law, interest on the bonds is not tax-exempt, and the investor could incur a significant federal income tax liability.

The IRS recently published an article that clarifies its expectations and describes minimum post-issuance tax compliance standards for all issuers of tax-exempt debt. The full article appears on the IRS website at <http://www.irs.gov/taxexemptbond/article/0,,id=243503,00.html>. A copy of the article is attached to this memo.

In the article, the IRS strongly suggests that issuers adopt a comprehensive set of tax compliance procedures that will govern all of the issuer's tax-exempt debt, rather than attempting to follow the tax compliance procedures mandated by the federal tax certificate or tax compliance agreement relating to each specific bond issue.

The article also outlines key characteristics that should be included in a bond issuer's written tax compliance procedures:

- Due diligence review at regular intervals;
- Identifying the official or employee responsible for review;
- Training of the responsible official/employee;
- Retention of adequate records to substantiate compliance (e.g., records relating to expenditure of proceeds);
- Procedures reasonably expected to timely identify noncompliance; and
- Procedures ensuring that the issuer will take steps to timely correct noncompliance

Gilmore & Bell recommends that all issuers adopt and follow written procedures that cover each of the "key characteristics" described by the IRS in its article.

To assist the City in adopting a written procedure, we have prepared the attached Tax and Securities Compliance Procedure, which addresses each of these key characteristics outlined by the IRS. The Procedure also addresses the City's need to comply with Federal securities laws.

With some limited exceptions, the Procedure generally requires the same actions to be taken by the City as are required by the existing federal tax certificates and continuing disclosure instructions governing the City's outstanding bonds. Here is a summary of the actions required by the Procedure:

<p align="center">Actions Currently Required by Federal Tax Certificates/Continuing Disclosure Undertakings or Independently Undertaken by City, Also Required by Procedure</p>	<p align="center">New Actions Required by Procedure</p>
<ul style="list-style-type: none"> ▪ City consultation with finance professionals as necessary to comply with tax law ▪ Training for staff to ensure knowledge of tax law ▪ Maintain appropriate records for each bond issue, including documentation of expenditures and investment of bond proceeds ▪ Adopt an Intent Resolution for reimbursement of any expenditures with proceeds of tax-advantaged bonds ▪ Consult with Bond Counsel to make appropriate provisions for the funding and reimbursement of costs and expenditures ▪ Maintain a Tax Compliance Agreement for each issuance of tax-advantaged bonds; consult with Bond Counsel to clarify meaning of any unclear provisions ▪ Prepare preliminary cost allocation of assets to be financed with tax-advantaged bonds, prior to the issuance of bonds ▪ Track investment and expenditure of bond proceeds ▪ Prepare a written final allocation of bond proceeds to specific assets; work with Bond Counsel regarding any required special allocation ▪ Comply with all tax rules related to investment and expenditure of bond proceeds and use of bond-financed assets during entire life of bond issue ▪ Calendar reminders for any required arbitrage rebate computations ▪ Monitor investment of bond proceeds and provide investment records to rebate analyst on a timely basis; have rebate or yield 	<ul style="list-style-type: none"> ▪ Identify a specific person (a Bond Compliance Officer) responsible for coordinating tax and securities law compliance ▪ Bond Compliance Officer reports at least annually to Board status of implementation of Procedure and any recommended changes or amendments to Procedure ▪ Bond Compliance Officer completes Annual Compliance Checklist to formally document City's review of bond-financed facilities and compliance with tax rules during entire life of bond issue ▪ Include form of Annual Compliance Checklist in the Tax Compliance Agreement for each bond issue (Bond Counsel will prepare); update/finalize form after written final allocation of bond proceeds is prepared ▪ Direction to use IRS Voluntary Closing Agreement Program if noncompliance with tax rules is discovered

<p>reduction computations performed and pay any rebate liability</p> <ul style="list-style-type: none">▪ Know annual reporting requirements contained in Continuing Disclosure Undertakings▪ File annual report with EMMA per requirements of Continuing Disclosure Undertakings▪ File material event notices with EMMA as necessary	
--	--

We are happy to review with you any specific provisions of the Procedure or the City's current Federal Tax Certificates and Continuing Disclosure Instructions to answer any questions regarding these requirements.

TEB Post-Issuance Compliance: Some Basic Concepts



TEB Post-Issuance Compliance: Some Basic Concepts

Tax Exempt Bonds (TEB) focuses on providing participants in the municipal bond industry with quality service to assist issuers and conduit borrowers in understanding their tax responsibilities. As part of that service, TEB is providing the following basic information for issuers of tax-advantaged bonds with respect to their post-issuance compliance requirements. Issuers may use this basic information to establish due diligence practices to monitor tax compliance throughout the period that their bonds are outstanding. However, issuers may not cite this basic information as an authoritative source. TEB recommends that issuers review this basic information in consultation with their counsel.

Generally

Tax-advantaged bonds (tax-exempt, tax credit, and direct pay) are bonds that receive preferential tax treatment. These bonds, issued by or on behalf of state and local governments, are subject to applicable federal tax requirements both at the time of issuance and for so long as the bonds remain outstanding. An issuer or other party's failure to comply with any applicable federal tax requirement with respect to tax-advantaged bonds jeopardizes the preferential tax status of those bonds.

Compliance with certain applicable federal tax requirements normally occurs at the closing of the bond transaction, while other federal tax requirements require on-going monitoring after the issuance of the bonds. Issuance related requirements include filing a Form 8038 series information return (8038, 8038-G, 8038-GC, 8038-B, or 8038-TC) and the issuer having reasonable expectations of on-going post-issuance compliance. Additional issuance related requirements might include volume cap allocation limits and public approval of the bond issue.

Post-issuance federal tax requirements generally fall into two categories: (1) qualified use of proceeds and financed property; and (2) arbitrage yield restriction and rebate. Qualified use requirements require monitoring of the various direct and indirect uses of bond-financed property over the life of the bonds and calculations of the percentage of nonqualified uses. Arbitrage requirements also require monitoring over the life of the bonds to determine whether both the yield on investments acquired with bond proceeds are properly restricted and whether the issuer must file Form 8038-T to pay a yield reduction payment and/or rebate payment.

Some federal tax requirements that are generally issuance related might require some level of post-issuance due diligence monitoring. For example, adjustments to the determination of issue price for federal tax purposes can affect compliance with volume cap allocation, arbitrage yield restriction, and other federal tax requirements. Similarly, some level of post-issuance monitoring may be required to determine compliance with the issuance costs limitations applicable to qualified private activity bonds.

Importance of Post-Issuance Compliance

The on-going nature of post-issuance compliance requirements applicable to tax-advantaged bonds requires issuers to actively monitor compliance throughout the entire period their bonds remain outstanding. This due diligence will significantly improve the issuer's ability to identify noncompliance and prevent violations from occurring, or timely correct identified violations (when prevention is not possible), to ensure the continued tax-advantaged status of the bonds.

Written Procedures for Monitoring Compliance

Issuers should adopt written procedures, applicable to all bond issues, which go beyond reliance on tax certificates included in bond documents provided at closing. Sole reliance on the closing bond documents may result in procedures insufficiently detailed or not incorporated into an issuer's operations. Written procedures should contain certain key characteristics, including making provision for:

- Due diligence review at regular intervals;
- Identifying the official or employee responsible for review;
- Training of the responsible official/employee;
- Retention of adequate records to substantiate compliance (e.g., records relating to expenditure of proceeds);
- Procedures reasonably expected to timely identify noncompliance; and
- Procedures ensuring that the issuer will take steps to timely correct noncompliance.

The goal of establishing and following written procedures is to identify and resolve noncompliance, on a timely basis, to preserve the preferential status of tax-advantaged bonds. Generally, an issuer that has established and followed comprehensive written procedures to promote post-issuance compliance is less likely, than an issuer that does not have such procedures, to violate the federal tax requirements related to its bonds.

How Does the IRS Promote Post-Issuance Compliance?

TEB administers a Voluntary Closing Agreement Program (TEB VCAP) to assist issuers in resolving federal tax violations related to their bonds as described in Notice 2008-31 and IRM section 7.2.3.

Generally, an issuer will receive more favorable resolution terms under TEB VCAP than for the same tax

TEB Post-Issuance Compliance: Some Basic Concepts

The Advisory Committee on Tax Exempt and Government Entities (ACT) issued several reports related to post-issuance compliance. Specific ACT recommendations on post-issuance compliance procedures are included in an exhibit to its June 2007 report.

Page Last Reviewed or Updated: August 11, 2011

City of Basehor, Kansas
TAX AND SECURITIES COMPLIANCE PROCEDURE
Dated as of May 21, 2012

TAX AND SECURITIES COMPLIANCE PROCEDURE

TABLE OF CONTENTS

	Page
ARTICLE I	
DEFINITIONS	
Section 1.1. Definitions	1
ARTICLE II	
PURPOSE AND SCOPE	
Section 2.1. Purpose of Compliance Procedure.....	3
Section 2.2. Scope of Compliance Procedure; Conflicts	4
Section 2.3. Amendments and Publication of Compliance Procedure	4
ARTICLE III	
BOND COMPLIANCE OFFICER; TRAINING	
Section 3.1. Bond Compliance Officer Duties.....	4
Section 3.2. Training.....	4
ARTICLE IV	
TAX-EXEMPT BONDS CURRENTLY OUTSTANDING	
Section 4.1. Tax-Exempt Bonds Covered by Article IV Procedures	5
Section 4.2. Tax-Exempt Bond File.....	5
Section 4.3. Annual Compliance Checklists.....	5
Section 4.4. Correcting Prior Deficiencies in Compliance	5
ARTICLE V	
COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BOND ISSUES	
Section 5.1. Application	5
Section 5.2. Prior to Issuance of Tax-Exempt Bonds	5
Section 5.3. Accounting and Recordkeeping.....	6
Section 5.4. Final Allocation of Bond Proceeds	6
ARTICLE VI	
ONGOING MONITORING PROCEDURES	
Section 6.1. Annual Compliance Checklist	7
Section 6.2. Arbitrage and Rebate Compliance.....	7
ARTICLE VII	
CONTINUING DISCLOSURE	
Section 7.1. Disclosure, Generally.....	8
Section 7.2. Annual Disclosure Filings	8
Section 7.3. Material Event Disclosure Filings	8
Exhibit A List of Tax-Exempt Bonds Covered by this Compliance Procedure	
Exhibit B List of Taxable and Tax-Exempt Bonds Subject to Continuing Disclosure Undertakings	

TAX AND SECURITIES COMPLIANCE PROCEDURE

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“**Annual Compliance Checklist**” means a questionnaire and/or checklist described in **Section 6.1** hereof that is completed each year for the Tax-Exempt Bonds.

“**Annual Report**” means the Issuer’s audited financial statements (or unaudited financial statements as permitted by the Continuing Disclosure Undertaking for the Tax-Exempt Bonds) and certain other financial information and operating data required to be filed annually with the MSRB for the Tax-Exempt Bonds.

“**Bond Compliance Officer**” means the Issuer’s Finance Director/City Clerk or, if the position of Finance Director/City Clerk is vacant, the person filling the responsibilities of the Finance Director/City Clerk for the Issuer.

“**Bond Counsel**” means a law firm selected by the Issuer to provide a legal opinion regarding the tax status of interest on the Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Issuer on matters referenced in this Compliance Procedure.

“**Bond Restricted Funds**” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

“**Bond Transcript**” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Compliance Procedure**” means this Tax and Securities Compliance Procedure.

“**Continuing Disclosure Undertaking**” means the Continuing Disclosure Agreement(s), Continuing Disclosure Undertaking(s), Continuing Disclosure Instructions or other written certification(s) and agreements of the Issuer setting out covenants for satisfying the Issuer’s requirements for providing information to the MSRB pursuant to SEC Rule 15c2-12 on an ongoing basis for one or more Tax-Exempt Bond issues.

“**Cost**” or “**Costs**” means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project or costs of issuing Tax-Exempt Bonds for a Project.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Final Written Allocation**” means the Final Written Allocation of Tax-Exempt Bond proceeds prepared pursuant to **Section 5.4** of this Compliance Procedure.

“**Financed Assets**” means that part of a Project treated as financed with Tax-Exempt Bond proceeds as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Issuer and the Tax Compliance Agreement for the Tax-Exempt Bonds.

“**Governing Body**” means the City Council of the Issuer.

“**Intent Resolution**” means a resolution of the Issuer stating (1) the intent of the Issuer to finance all or a portion of the Project, (2) the expected maximum size of the financing and (3) the intent of the Issuer to reimburse Costs of the Project paid by the Issuer from proceeds of the Tax-Exempt Bonds.

“**IRS**” means the Internal Revenue Service.

“**Issuer**” means the City of Basehor, Kansas.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**Placed In Service**” means that date (as determined by the Bond Compliance Officer) when the Project is substantially complete and in operation at substantially its design level.

“**Project**” means all tangible or intangible property financed in whole or in part with Tax-Exempt Bonds that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within a one-year period of each other.

“**Rebate Analyst**” means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

“**Regulations**” means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

“**Tax Compliance Agreement**” means the Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Issuer setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

“**Tax-Exempt Bonds**” means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer or another political subdivision or government instrumentality, the proceeds of which are to be loaned or otherwise made available to the Issuer, and the interest on which is excludable from gross income for federal income tax purposes or is subject to other advantages, requirements or limitations of the Code and Regulations or any other United States laws related to taxation. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of May 21, 2012, is attached as **Exhibit A**.

“**Tax-Exempt Bond File**” means documents and records which may consist of paper and electronic medium, maintained for the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution.
- (b) Bond Transcript.

- (c) Final Written Allocation and/or all available accounting records related to the Project showing expenditures allocated to the proceeds of the Tax-Exempt Bonds and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.
- (e) Forms 8038-T together with proof of filing and payment of rebate.
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
 - (1) bid solicitation, bid responses, certificate of broker;
 - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 - (3) copies of the investment agreement and any amendments.
- (g) Any item required to be maintained by the terms of the Tax Compliance Agreement involving the use of the Project or expenditures related to tax compliance for the Tax-Exempt Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript.
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript.
- (j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP).
- (k) Any available questionnaires or correspondence substantiating the use of the Project in accordance with the terms of the Tax Compliance Agreement for the Tax-Exempt Bonds.
- (l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) Issuer's Use of Tax-Exempt Bonds. The Issuer uses Tax-Exempt Bonds to fund Costs of a Project. The Issuer understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Project financed by the Tax-Exempt Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project.

(b) IRS Recommends Separate Written Procedures. The Issuer recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) Continuing Disclosure Undertaking. The Issuer is required under the Continuing Disclosure Undertaking to provide disclosures of certain financial information and operating data and to file notices of certain material events to the marketplace to facilitate informed secondary market trading

in certain taxable and Tax-Exempt Bonds issued by the Issuer. A list of all taxable and Tax-Exempt Bonds outstanding and subject to Continuing Disclosure Undertakings as of May 21, 2012, is attached as **Exhibit B**.

(d) Issuer Commitment. The Issuer is committed to full compliance with the federal tax and securities law requirements for all of its outstanding and future taxable and tax-exempt financings. This Compliance Procedure is adopted by the Governing Body to comply with the IRS and Securities and Exchange Commission directives and to improve tax and securities law compliance and documentation.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Tax-Exempt Bonds currently outstanding and all Tax-Exempt Bonds issued in the future. This Compliance Procedure also applies to any taxable securities currently outstanding and issued in the future that are subject to a Continuing Disclosure Undertaking. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement, the Continuing Disclosure Undertaking or any other specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement, Continuing Disclosure Undertaking or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Issuer in the Tax Compliance Agreement will be noted by the Bond Compliance Officer and incorporated into the Annual Compliance Checklist.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time to time by the Governing Body. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Issuer.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with other employees that use the Project to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Governing Body as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training. When appropriate, the Bond Compliance Officer and/or other employees of the Issuer under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding tax-exempt financing that are relevant to the Issuer. At the time the individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the outgoing Bond Compliance Officer is responsible for training the incoming individual acting as Bond Compliance Officer to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV

TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 4.1. Tax-Exempt Bonds Covered by Article IV Procedures. This Article IV applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on **Exhibit A**.

Section 4.2. Tax-Exempt Bond File. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on **Exhibit A**.

Section 4.3. Annual Compliance Checklists. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will work with Bond Counsel and/or legal counsel to the Issuer and cause Annual Compliance Checklists to be completed for all outstanding Tax-Exempt Bonds and will follow the procedures specified in Article VI to complete the Annual Compliance Checklists and thereafter include each completed Annual Compliance Checklist in the Tax-Exempt Bond File.

Section 4.4. Correcting Prior Deficiencies in Compliance. In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on **Exhibit A**, the Bond Compliance Officer will follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BOND ISSUES

Section 5.1. Application. This Article V applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Tax-Exempt Bonds.

(a) Intent Resolution. The Governing Body will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of the authorizing resolution or ordinance, the Governing Body may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Issuer's costs and expenses incurred to implement this Compliance Procedure.

(c) Tax Compliance Agreement. For each issuance of Tax-Exempt Bonds, a Tax Compliance Agreement will be signed by the Bond Compliance Officer. The Tax Compliance

Agreement will (1) describe the Project and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, require a Final Written Allocation, and (4) contain a form of the Annual Compliance Checklist for the Tax-Exempt Bonds. The Bond Compliance Officer will confer with Bond Counsel and the Issuer's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each issuance of Tax-Exempt Bonds, the Bond Compliance Officer in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project. The preliminary cost allocation plan will identify the assets and expected costs for the Project, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Tax-Exempt Bonds (the "Financed Assets") and the portions, if any, expected to be financed from other sources.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

Section 5.3. Accounting and Recordkeeping.

(a) Accounting for New Money Projects. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project. Where appropriate, the Bond Compliance Officer may use accounts established as part of the Issuer's financial records for this purpose. In recording Costs for the Project, the Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

(b) Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Exempt Bonds.

(c) Tax-Exempt Bond File. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File. The Annual Reports, other reports and notices of certain material events filed by the Issuer with the MSRB will be publicly available on EMMA and need not be separately maintained in the Tax-Exempt Bond File.

Section 5.4. Final Allocation of Bond Proceeds.

(a) Preparation of Final Written Allocation; Timing. The Bond Compliance Officer is responsible for making a written allocation of proceeds of Tax-Exempt Bonds to expenditures and identifying the Financed Assets. This process will be memorialized in the Final Written Allocation. For

a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Tax-Exempt Bond proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project has been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Bond Compliance Officer will work with Bond Counsel to prepare and/or document the Final Written Allocation for the Project financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money of the Issuer to the Costs of the Project. If no special allocation is required or recommended, the Bond Compliance Officer will allocate Costs of the Project to the proceeds of the Tax-Exempt Bonds in accordance with the Issuer's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project, (2) the percentage of the cost of the Project financed with proceeds of the Tax-Exempt Bonds (sale proceeds plus any investment earnings on those sale proceeds), (3) the Project's Placed in Service date, (4) the estimated economic useful life of the Project, and (5) any special procedures to be followed in completing the Annual Compliance Checklist (e.g., limiting the Annual Compliance Checklist to specific areas of the Project that the Final Written Allocation or the Tax Compliance Agreement treats as having been financed by Tax-Exempt Bonds).

(c) Finalize Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Annual Compliance Checklist contained in the relevant Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Annual Compliance Checklist.

(d) Review of Final Written Allocation and Annual Compliance Checklist. Each Final Written Allocation and Annual Compliance Checklist will be reviewed by legal counsel to the Issuer or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VI

ONGOING MONITORING PROCEDURES

Section 6.1. Annual Compliance Checklist. An Annual Compliance Checklist will be completed by the Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 4.4** hereof to remediate the non-compliance.

Section 6.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst

on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ARTICLE VII

CONTINUING DISCLOSURE

Section 7.1. Disclosure, Generally. The Issuer has entered into Continuing Disclosure Undertakings with respect to certain securities issued by the Issuer. This Article VII applies to all Continuing Disclosure Undertakings entered into by the Issuer prior to, on and after the date of the Compliance Procedure. A list of all taxable and Tax-Exempt Bonds outstanding and subject to Continuing Disclosure Undertakings as of May 21, 2012, is attached as **Exhibit B**.

Section 7.2. Annual Disclosure Filings. For each issuance of securities that is subject to a Continuing Disclosure Undertaking, the Bond Compliance Officer will review the Continuing Disclosure Undertaking to determine the financial information and operating data required to be included in the Annual Report to be filed by the Issuer with the MSRB on EMMA. The Bond Compliance Officer will cause the Annual Report to be filed with the MSRB on EMMA within the time limits provided in the Continuing Disclosure Undertaking for the securities.

Section 7.3. Material Event Disclosure Filings. For each outstanding issue of securities that is subject to a Continuing Disclosure Undertaking, the Bond Compliance Officer will review the Continuing Disclosure Undertaking to determine the “material events” that require prompt notice to be filed with the MSRB.

After obtaining actual knowledge of the occurrence of any event that the Bond Compliance Officer believes may constitute an event requiring disclosure, the Bond Compliance Officer will contact Bond Counsel to determine if notice of the event is required to be given to the MSRB under the Continuing Disclosure Undertaking. If it is determined that notice should be provided to the MSRB or is required to be provided to the MSRB by the Continuing Disclosure Undertaking, the Bond Compliance Officer will cause the appropriate notice to be filed with the MSRB on EMMA within 10 business days after the occurrence of the event or as otherwise directed by Bond Counsel.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF BASEHOR, KANSAS
MAY 21, 2012

EXHIBIT A

LIST OF TAX-EXEMPT BONDS COVERED BY THIS COMPLIANCE PROCEDURE

(updated as of May 21, 2012)

<i>Issue Date</i>	<i>Original Principal Amount</i>	<i>Title of Issue</i>	<i>Final Maturity</i>
08-24-10	\$3,460,000.00	GO Temporary Notes, Series 2010-1	09-01-12
08-31-05	2,840,000.00	GO Bonds, Series 2005	09-01-25
01-29-04	3,415,000.00	GO Refunding and Improvement Bonds, Series 2004	09-01-14

EXHIBIT B

LIST OF SECURITIES SUBJECT TO CONTINUING DISCLOSURE UNDERTAKINGS

(updated as of May 21, 2012)

<i>Issue Date</i>	<i>Original Principal Amount</i>	<i>Title of Issue</i>	<i>Final Maturity</i>
08-24-10	\$3,460,000.00	GO Temporary Notes, Series 2010-1	09-01-12
08-31-05	2,840,000.00	GO Bonds, Series 2005	09-01-25
01-29-04	3,415,000.00	GO Refunding and Improvement Bonds, Series 2004	09-01-14

RESOLUTION NO. 2012-06

**A RESOLUTION ESTABLISHING A TAX AND SECURITIES
COMPLIANCE PROCEDURE FOR THE CITY OF BASEHOR,
KANSAS.**

WHEREAS, the City of Basehor, Kansas (the "City") is a duly organized and existing municipal corporation under the laws of the State of Kansas, and is a city of the third class; and

WHEREAS, from time to time the City issues notes, bonds and other obligations, the interest on which is exempt from federal income taxation ("Tax-Advantaged Bonds"); and

WHEREAS, the Internal Revenue Service (the "IRS") has stated that all issuers of Tax-Advantaged Bonds should have a separate written policy and procedure regarding ongoing compliance with the federal tax requirements for Tax-Advantaged Bonds; and

WHEREAS, the City has entered into certain continuing disclosure undertakings with respect to taxable and tax-advantaged notes, bonds and other obligations issued by the City, in order to allow the underwriters for such obligations to comply with federal securities laws; and

WHEREAS, the City is committed to full compliance with the Tax-Advantaged Bond requirements for all of its outstanding and future tax-advantaged financings, and the City is further committed to full compliance with the continuing disclosure undertakings that the City has issued and will issue in the future; and

WHEREAS, the Governing Body desires to memorialize its commitment to the aforementioned requirements and comply with the IRS directive and with its continuing disclosure undertakings by adopting a Tax and Securities Compliance Procedure in substantially the form attached hereto as *Exhibit A* (the "Compliance Procedure").

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BASEHOR, KANSAS, AS FOLLOWS:

Section 1. Approval of the Compliance Procedure. The governing body of the City hereby approves the Compliance Procedure.

Section 2. Further Authority. The Mayor, City Manager, City Attorney, City Clerk, Finance Director and other appropriate officers and agents of the City are hereby authorized and directed to take such action, expend such funds and execute such documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and the provisions of the Compliance Procedure.

Section 3. Effective Date. This Resolution shall be in full force and effect following its adoption by the governing body of the City.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the governing body of the City of Basehor, Kansas, this 21st day of May, 2012.

CITY OF BASEHOR, KANSAS

By: _____
David K. Breuer, Mayor

(SEAL)

ATTEST:

Corey Swisher, City Clerk



City of Basehor Agenda Item Cover Sheet

Agenda Item No. 9

Topic:

Appointment of Chief of Police, Municipal Court Judge and City Clerk and City Treasurer.

Action Requested:

Approve appointment of:

Police Chief – Lloyd Martley
Municipal Court Judge – William Pray
City Clerk – Corey Swisher
Treasurer – Corey Swisher

Narrative:

Basehor City Code requires these four positions be appointed annually.

Presented by:

Police Chief/Interim City Administrator, Lloyd Martley

Administration Recommendation:

Recommend approval as presented.

Committee Recommendation:

Attachments:

None

City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 11

Topic: Rezone request for 2932 N. 156th Street from “R-O” Suburban Residential District to “R-1” Single Family Residential District.

Action Requested: Consider Ordinance 614, approving the rezoning of 2932 N. 156th Street from “R-O” to “R-1”.

Narrative:

The applicant is requesting a zoning change to split the existing lot into 2 lots. The property consists of 0.53 acres. Per “R-O” zoning, the minimum lot area is 1 acre. If the rezoning is approved, the proposed lots will meet the minimum lot area of 10,000 square feet.

April 3, 2012, the Planning Commission held a public hearing and approved (4-0) the zoning change to “R-1” Single Family Residential District. The Planning Commission also approved the lot split with the condition that the City Council must approve the rezoning request.

Presented by: Mitch Pleak, City Engineer

Administration Recommendation:

Staff recommends approving Ordinance 614.

Committee Recommendation:

Attachments:

Ordinance 614 (2 pages)

5.1.12 Staff Report (7 pages)

Projector needed for this item? No

Ordinance No. 614

AN ORDINANCE APPROVING THE REZONING OF CERTAIN PROPERTY LOCATED AT 2932 NORTH 156TH STREET IN BASEHOR, LEAVENWORTH COUNTY, KANSAS FROM SUBURBAN RESIDENTIAL DISTRICT (“R-0”) TO SINGLE FAMILY RESIDENTIAL DISTRICT (“R-1”); AND AMENDING THE OFFICIAL ZONING MAP OR MAPS OF THE CITY TO REFLECT SUCH REZONING, ALL PURSUANT TO THE ZONING ORDINANCE OF THE CITY.

WHEREAS, under the Zoning Ordinance of the City of Basehor, Kansas, the Governing Body of the City of Basehor, Kansas, is given the power to amend or change the zoning on certain property within the corporate boundaries of the City of Basehor, Kansas; and

WHEREAS, the owner of property at 2932 North 156th Street made application to rezone the property from Suburban Residential District (“R-0”) to Single Family Residential District (“R-1”); and

WHEREAS, after due and lawful notice, the Planning Commission held a public hearing on April 3, 2012 and made a recommendation for the rezoning of the property from R-0 to R-1; and

WHEREAS, the Planning Commission’s recommendation was presented to the Governing Body on May 21, 2012.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF BASEHOR, KANSAS:

Section 1: That pursuant to Article 18 of the Basehor Zoning Ordinance, the following described property be rezoned from R-O to R-1:

A tract of land in the Northeast ¼ of Section 34, in Township 10 South, of Range 22 East of the 6th P.M., (City of Basehor, Leavenworth County, Kansas) described as follows: Beginning at a point 25 feet North of the Northeast corner of Lot 1, in Block 6, in the Third Addition to Basehor, thence North 176.5 feet, thence West 132 feet, thence South 176.5 feet, the East 132 feet to the place of beginning.

Section 2: That this ordinance shall take effect and be enforced from and after its publication once in the official city newspaper.

PASSED by the City Council this 21st day of May, 2012.

APPROVED by the Mayor this 21st day of May, 2012.

SEAL

David K. Breuer, Mayor

ATTEST:

Corey Swisher, City Clerk

APPROVED AS TO FORM:

Shannon M. Marcano, City Attorney

Staff Report

Date: May 1, 2012

Subject: Consideration of Rezoning from "R-O", Suburban Residential District to "R-1", Single Family Residential District as submitted by Hubbel Family Trust located at 2932 N. 156th Street.

GENERAL INFORMATION

Applicant: Hubbel Family Trust

Owner: Hubbel Family Trust

Address: 2932 N. 156th Street
Basehor, KS 66007

Engineer: NA

SITE INFORMATION

Location: 2932 N. 156th Street

Current Zoning: "R-O" Suburban Residential District

PROJECT BACKGROUND

The applicant on February 13, 2012, had requested a lot split located at 2932 N. 156th Street. The property is currently zoned "R-O". Per the zoning regulations for "R-O" zoning, the minimum lot area is one (1) acre. The existing lot size is 0.53 acres and does not meet "R-O" zoning requirements. The applicant has requested the lot split to create two (2) residential lots for single-family homes. One (1) single-family home exists on the property. Access to the property is available off of 156th Street.

STAFF ANALYSIS

FACTORS FOR CONSIDERATION:

- 1. Character of the Immediate Area** – The immediate area consists of "R-O" Suburban Residential District, "R-1" Single Family Residential District, and "R-2" Two Family Residential District.
- 2. The Zoning and Uses of the Property Nearby** – The zoning and uses of the adjacent properties are as follows:

	<u>Zoning</u>	<u>Use</u>
North:	"R-1"	Single Family
South:	"R-1"	Single Family
East:	"R-1"	Single Family
West:	"R-O"	Suburban Residential

3. **The Suitability of the Subject Project for the uses to which it has been Restricted –** The project will create an additional single family lot.
4. **The Extent to which Removal of the Restrictions will Detrimentally Effect Nearby Property –** Rezoning the property will enable the property owner to create an additional single family lot in a neighborhood that is primarily single family. The rezoning will not impact the remaining surrounding properties.
5. **The length of Time the Property has Remained Vacant as zoned –** The property is not vacant and maintains a single family home.
6. **The relative Gain to the Public Health, Safety, and Welfare by the Destruction of the Value of a Protesting Citizen as Compared to the Hardship Imposed upon the Individual Landowners –** “R-1” zoning is more restrictive then “R-O” zoning. The majority of the surrounding properties are zoned “R-1”. Approval of the application will not have a negative impact to the surrounding property owners.
7. **The Conformance of the Requested Rezoning to the Duly Adopted Comprehensive Plan –** The proposed density is a Low Density Residential (LDR). Per the Comprehensive Plan (Page 34): *LDR neighborhoods are typically located away from major shopping centers and major thoroughfares, such as Highway 24; however they still remain connected to these services with convenient access and interconnect roadway systems. LDR neighborhoods are within walking distance to community facilities and services that will be utilized by residents of the neighborhood, including schools, parks, and other community facilities.*

Recommendation by Planning Staff

April 3, 2012, the Planning Commission held a public hearing and approved (4-0) the rezoning request from “R-O” to “R-1” zoning. Staff finds no hardships to the general welfare of the surrounding property owners with the zoning request. Staff recommends approval of the zoning request from “R-O” to “R-1” zoning.

Leavenworth County, KS



Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.

Map Scale
1 inch = 239 feet

Affidavit in Proof of Publication

STATE OF KANSAS
Leavenworth County

(Published in the Basehor Sentinel, Thursday, March 8, 2012)

PUBLIC HEARING NOTICE
CITY OF BASEHOR
PLANNING COMMISSION

Erika Gray of the Legal Dept. of the Basehor Sentinel being first duly sworn, deposes and says:

Notice is hereby given that the Planning Commission of the City of Basehor, Kansas, will hold a public hearing on Tuesday, April 3, 2012, at 7:00 PM, in the meeting room of City Hall, located at 2620 N. 155th Street, Basehor, Kansas, to consider a change of zoning at 2932 N. 156th Street for the Hubbel Family Trust. The property is currently zoned R-O, Suburban Residential District. The proposed zoning is R-1, Single Family Residential District. The property description is:

That this weekly newspaper printed in the State of Kansas, and published in and of general circulation in Leavenworth County, Kansas, with a general paid circulation on a weekly basis in Leavenworth County, Kansas, and that said newspaper is not a trade, religious or fraternal publication, and which newspaper has been admitted to the mails as periodicals class matter in said County, and that a notice of which is hereto attached, was published in the regular and entire issue of the Basehor Sentinel

A tract of land in the Northeast 1/4 of Section 34, in Township 10 South, of Range 22 East of the 6th P.M., (City of Basehor, Leavenworth County, Kansas) described as follows: Beginning at a point 25 feet North of the Northeast corner of Lot 1, in Block 6, in the Third Addition to Basehor, thence North 176.5 feet, thence West 132 feet, thence South 176.5 feet, the East 132 feet to the place of beginning.

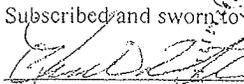
Said newspaper is published weekly 52 weeks a year; has been so published continuously and uninterruptedly in said county and state for a period of more than one year prior to the first publication of said notice and been admitted at the post office of Basehor in said County as second class matter.

All persons who desire to comment for or against said application are invited to appear at the time and place mentioned above. Copies of the application and full legal description are available for review during normal business hours at Basehor City Hall. Questions about the application may be directed to Mitch Pleak, City Engineer at 913-724-1370.

PLANNING COMMISSION
CITY OF BASEHOR, KANSAS

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks the first publication thereof being made as aforesaid on 03/08/2012 with publications being made on the following dates:

03/08/2012


Subscribed and sworn to before me this 28th day of March, 2012

Notary Public

My Appointment expires:



Publication Charges	\$39.00
Notary And Affidavit	\$0.00
Additional Copies	\$0.00
	<hr/>
	\$39.00