Agenda

Basehor City Council
Work Session
July 2, 2012 7:00 p.m.
Basehor City Hall

1. Employee Salary Range Review
2. 2013 Operating Budget Introduction
3. Discuss Utility Rate Study
4. Discuss Pinehurst Roundabout Renovation
5. Online Utility Billing Update
6. Discuss 2804 N 155th Street Rezoning Request
7. Leavenworth County Sewer District No. 3 Annexation Follow Up
8. Discuss KDOT Reimbursement Agreement (155th & 158th Streets)
9. Discuss 2012 Pavement Management Plan
10. Executive Session; if Needed

Per K.S.A. 75-438 the City Council Meeting agenda is available for review at Basehor City Hall, 2620 North 155th Street.

The City of Basehor

Date: July 2, 2012

To: Governing Body

From: Lloyd Martley, Interim City Administrator

Ref: Proposed 2013 Wage Plan

The City of Basehor's compensation pay plan is currently structured under policy adopted by Council with seven ranges and ten incremental steps. The current plan has a 2.5% increase every other year built into it with approval of Council.

Council directed staff to look at creating a compensation plan that would do away with the current step plan. I have created a wage plan with 12 ranges which divides the staff into categories based on job types with eight performance based steps with minimum and maximum rates of pay for each step and range. The salary structure of the plan is based off of the 2011, salary survey of local governments conducted by the Mid-America Regional Council and a independent survey of 11 cities which included Bonner Springs, Edwardsville, Eudora, Kansas City, Kansas, Lansing, Lawrence, Leavenworth, Olathe, Overland Park, Shawnee and Tonganoxie all of which we compete with for employees.

The proposed 2013 pay plan includes a two percent cost of living increase for all employees which would become effective the first pay period in that year. The plan also reflects hourly adjustments for several positions based on salary surveys conducted which will help make City wages more competitive with surrounding cities that we often compete with for employees. The maximum budgetary impact assuming twelve months of full employment would be approximately $94,000. The proposed pay plan is designed to allow for cost of living increases and performance based increases as authorized by Council. In 2013, staff will implement the process of providing employee performance reviews to be used for possible merit based increases in 2014 as approved by Council. In the near future staff will bring forward a proposed employee performance evaluation system for Council reviews.

		12/31/12 Hourly	Hourly Adjust	2013 Hourly 2%	2013 Salary
100% Gov Body	Mayor-PT	N/A			$5,200
100% Gov Body	City Council-PT	N/A			$13,000
95% Admin 5% SW	City Administrator-FT	$43.27		$43.27	$90,002
95% Admin 5% SW	Finance Director-FT	$31.75		$32.39	$67,361
95% Admin 5% SW	Accounting Clerk-FT	$18.45	$1.00	$19.84	$41,265
100% Admin	Admin Asst-PT	$14.94		$15.24	$21,715
100% Admin	Assistant Admin. Stipend				$7,500
100% Police	Chief of Police-FT	$32.39		$33.04	$68,719
100% Police	Lieutenant-FT	$25.55	$1.00	$27.08	$56,328
100% Police	Police Sergeant-FT	$21.99	$1.00	$23.45	$48,776
100% Police	Police Sergeant-FT	$19.93	$2.25	$22.62	$47,057
100% Police	Police Officer-FT	$18.03	$0.50	$18.90	$39,313
100% Police	Police Officer-FT	$16.34	$1.00	$17.69	$36,789
100% Police	Police Officer-FT	$17.17	$1.00	$18.53	$38,549
100% Police	Police Officer-FT	$15.94	$0.60	$16.87	$35,091
100% Police	Police Officer-FT	$16.34	$1.00	$17.69	$36,789
100% Police	Police Officer-FT	$16.75	$1.00	$18.11	$37,658
100% Police	Police Officer-FT	$16.75	$1.00	$18.11	$37,658
100% Police	Police Officer-FT	$16.75	$1.00	$18.11	$37,658
100% Police	Police-Court Clerk-FT	$16.89	$0.50	$17.74	$36,895
100% Police	Police-Court Clerk-FT	$14.77	$1.00	$16.09	$33,458
100% Police	Animal Control Officer-PT	$16.30		$16.63	$23,775
100% P&Z	City Engineer-FT	$31.49		$32.12	$66,809
100% P&Z	Building/Code Inspector-FT	$23.66		$24.13	$50,197
50% PW 10% SW 40% WWT	City Superintendent-FT	$34.20		$34.88	$72,559
95% Street 5% SW	SR Maintenance Worker-FT	$16.72	$1.00	$18.07	$37,595
95% Street 5% SW	Maintenance Worker-FT	$11.94	$1.00	$13.20	$27,454
95% Street 5% SW	Maintenance Worker I-FT	$13.18	$1.00	$14.46	$30,084
100% WWT	SR Wastewater Operator-FT	$20.02	$1.00	$21.44	$44,596
100% WWT	Wastewater Operator-FT	$15.61	$0.50	$16.43	$34,179
50% WWT 50% SW	Assistant City Clerk-FT	$16.71	$1.00	$18.06	$37,574
100% Park	Park Seasonal Employee	$10.63		$10.84	$4,825
	All Departments Over Time				$52,400
				$615.02	$1,318,827

City of Bashor

2013
Pay Scale

06/25/2012

Range	Title	Step 1 Minimum	Step 2		Step 3		Step 4		Step 5		Step 6		Step 7		Step 8 Maximum
1	Mayor	$5,200.00													$5,200.00
	Council Members	$2,600.00													$2,600.00
	Assistant City Admin.	$7,500.00													$7,500.00
2	Seasonal employment (PT)	$10.37	$10.68	$11.00	$11.33	$11.67	$12.02	$12.38	$12.75	$13.14	$13.53	$13.94	$14.35	$14.79	$15.23
3	Maintenance Worker	$12.24	$12.61	$12.99	$13.37	$13.78	$14.19	$14.62	$15.05	$15.51	$15.97	$16.45	$16.94	$17.45	$17.97
	Wastewater Operator I														
4	Police/Court Clerk	$13.61	$14.02	$14.44	$14.87	$15.32	$15.78	$16.25	$16.74	$17.24	$17.76	$18.29	$18.84	$19.40	$19.99
	Administrative Asst. (PT)														
5	Animal Control Officer	$16.70	$17.20	$17.72	$18.25	$18.80	$19.36	$19.94	$20.54	$21.16	$21.79	$22.44	$23.12	$23.81	$24.52
	Police Officer II (0 to 5 years)														
	Asst. City Clerk/Utility Billing														
	Wastewater Operator II														
	Maintenance Worker Supvr.														
6	Police Officer III (5 years and up)	$18.53	$19.09	$19.66	$20.25	$20.86	$21.48	$22.13	$22.79	$23.47	$24.18	$24.90	$25.65	$26.42	$27.21
	Accounting Clerk														
	Wastewater Operator Supvr.														
	Building/Code Inspector														
7	Police Sergeant	$22.61	$23.29	$23.99	$24.71	$25.45	$26.21	$27.00	$27.81	$28.64	$29.50	$30.39	$31.30	$32.24	$33.20
	Lieutenant/Detective														
8	City Clerk/Finance Director	$28.55	$29.41	$30.29	$31.20	$32.13	$33.10	$34.09	$35.11	$36.17	$37.25	$38.37	$39.52	$40.71	$41.93
9	Planning Director	$32.12	$33.08	$34.08	$35.10	$36.15	$37.24	$38.35	$39.50	$40.69	$41.91	$43.17	$44.46	$45.80	$47.17
10	Chief of Police	$31.56	$32.51	$33.48	$34.49	$35.52	$36.59	$37.68	$38.81	$39.98	$41.18	$42.41	$43.69	$45.00	$46.35
11	City Superintendent	$32.54	$33.52	$34.52	$35.56	$36.62	$37.72	$38.85	$40.02	$41.22	$42.46	$43.73	$45.04	$46.39	$47.79
12	City Administrator	Contract													

Approved and adopted by Council

David K. Breuer, Mayor

CITY	CHIEF OF POLICE		LIEUTENANT DET		SERGEANT		POLICE OFFICER						POLICE CLERK		POLICE/COURT CLERK		ASSISTANT CITY CLERK UTILITY BILLING CLERK		ACCOUNTING CLERK		SUPERVISOR PUBLIC WORKS		PUBLIC W
							POLICE I		POLICE II		POLICE III												PW
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	M
Basehor	$26.58	$33.19	$20.97	$26.19	$18.50	$23.10	_	_	$15.44	$19.28	$15.94	$19.91	$11.82	$14.77	$14.21	$17.75	$15.52	$19.38	$15.91	$19.87	$15.91	$19.8	
Bonner Springs	$31.56	$47.37	$26.12	$39.19	$22.18	$30.00	$16.80	$22.73	$18.35	$24.85	$21.17	$28.71	$12.24	$16.52	$15.96	$21.59	$15.96	$24.59	$15.96	$21.59	$20.21	$27.3	
Edwardsville	NA	NA	$34.67	$48.00	$25.73	$28.95	_	_	$18.95	$22.63	$23.34	$26.67	$14.85	$20.55	$17.19	$23.79	NA	NA	NA	NA	NA	NA	
Eudora	$33.66	$42.02	NA	NA	$24.00	$35.00	$19.00	$23.75	$24.00	$28.00	$28.00	$35.00	–	–	$16.00	$16.78	$13.00	$14.50	$15.00	$20.00	NA	NA	
Kansas City	_	$57.71	NA	NA	$19.43	$34.16	_	_	$19.43	$34.17	_	_	$14.50	$19.38	$14.90	$17.61	NA	NA	$17.26	$25.93	$16.04	$22.9	
Lansing	$23.82	$36.03	$19.62	$29.67	$16.11	$24.37	_	_	$13.49	$20.40	_	_	$12.96	$19.19	$16.78	$20.98	$13.00	$18.12	$16.11	$24.37	$17.43	$26.3	
Lawrence	$37.47	$56.04	NA	NA	$29.76	$44.51	_	_	$19.95	$33.51	_	_	$13.51	$20.21	$13.51	$20.21	$13.51	$20.21	$15.13	$22.63	$18.98	$36.9	
Leavenworth	$37.05	$55.58	$21.43	$32.13	$19.41	$29.11	_	_	$15.92	$26.37	_	_	NA	NA	$13.81	$20.71	NA	NA	$13.07	$19.60	$17.50	$26.2	
Olathe	$50.72	$79.33	$26.14	$40.88	$32.18	$34.80	_	_	$18.50	$31.36	_	_	NA	NA	$12.23	$21.17	NA	NA	$15.27	$23.88	$23.74	$31.1	
Overland Park	_	$73.07	NA	NA	$28.18	$39.07	_	_	$20.66	$34.55	_	_	NA	NA	$16.39	$24.59	$22.33	$33.49	$17.61	$26.41	$13.08	$19.6	
Shawnee	$48.74	$70.67	$34.35	$50.80	$26.18	$38.76	$17.63	$26.11	$19.95	$29.54	$22.02	$32.61	$15.20	$22.51	$15.20	$22.51	$15.58	$23.07	NA	NA	NA	NA	
Tonganoxie	$28.06	$38.68	$22.46	$30.97	$20.86	$28.76	_	_	$16.70	$23.03	_	_	$12.42	$17.12	$15.51	$21.38	$12.42	$17.12	NA	NA	$20.86	$28.7	
OVER ALL WAGE COMPARESON	$35.30	$53.61	$25.72	$37.23	$23.55	$32.55	$17.81	$24.20	$18.45	$27.31	$22.10	$28.58	$13.44	$18.79	$15.14	$20.76	$15.17	$21.30	$15.71	$22.70	$18.20	$26.3	
2013 BASEHOR AVG WAGE PLAN	$31.56	$47.34	$22.61	$39.38	$22.61	$39.38	$16.70	$25.05	$18.53	$27.53	_	_	_	_	$13.61	$20.42	$16.70	$25.05	$18.53	$27.53	$16.70	$25.0	

The City of Basehor

Date: June 28, 2012

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

From: Corey Swisher, City Clerk/Finance Director

Re: 2013 Operating Budget Introduction and Discussion

Background:
The Basehor City Council will be asked to approve the 2013 Budget Document in August 2012. As such it is appropriate to begin the budget review process. Council is currently being asked to review, familiarize and evaluate the City's various funds, cash positions, revenue sources and trends.

City Council Priorities:

The Governing Body and City staff conducted a planning retreat early in May of 2012. The following assumptions and priorities were identified and directed to be incorporated into the 2013 Budget:

- Construct a sound budget using conservative revenue estimates.
- Control expenses and maintain a level mill levy.
- Maintain quality public safety services.
- Promote economic development within the City.
- Continue infrastructure improvements which will preserve and enhance property values.
- Provide fair compensation and benefits to City staff.

The budget process begins by forecasting the revenues expected to be received in the upcoming fiscal year. By estimating the amount of money coming in, the City knows what it has to work with. After revenues have been projected, decisions about expenditures can be made. The City currently finds itself in a very strong financial position. Revenues are predominantly exceeding expectations and cash balances are very strong.

Current Cash and Revenue Positions:

Cash Balances:
The City's 2012 beginning Fund cash balances were very encouraging. The General Fund's 2012 beginning cash balance represented 15% of budgeted expenditures whereas that number in 2011 was nine percent. Entering the budgeting process all of the City's Funds maintain healthy balances. It is believed that the gradual recovery of the economy has helped stabilize property tax and special assessment collections. The City's Solid Waste Fund did see a negative year over year difference due to increased solid waste and recycling costs as well as updated labor

allocation expenses. It is critical that adequate fund balance reserves are kept to meet unexpected operating or capital demands and to cover any unanticipated revenue shortfalls. *(Please see attached 2011 Audit Management Discussion and Analysis.)*

BEGINNING ANNUAL CASH BALANCE BY FUND

Fund	2010 Actual	2011 Actual	2012 Budget	2012 Actual	% diff. b/n Budget & Actual
General	$419,077	$155,776	$172,333	$314,079	45%
Special Parks and Recreation	$159,898	$166,804	$121,554	$121,307	0%
Consolidated Highway	$1,726,181	$1,920,341	$1,294,201	$2,020,285	36%
Capital Improvement	$1,346,875	$52,023	$1,256,286	$1,343,996	7%
Municipal Equipment Reserve	$286,227	$321,272	$320,722	$321,272	0%
Bond and Interest	$81,613	$35,043	$61,741	$404,894	85%
Sewer	$464,249	$404,640	$560,541	$717,426	22%
Solid Waste	$71,534	$88,375	$98,602	$72,993	-35%
Cedar Lake Maintenance	$23,442	$26,689	$9,209	$10,321	11%
Employee Benefit	$0	$1	$1,392	$48,282	97%
	$4,579,096	$3,170,964	$3,896,581	$5,374,855	28%

Ad Valorem Tax:
For the second time in as many years the City has experienced a slight reduction in valuation. The preliminary 2013 valuation fell 1.669% from the finalized 2012 valuation. If the City's mill levy were to remain the same in 2013, $24,607 less in ad valorem property tax would be generated. The City continues to grow at one of the fastest rates in the Kansas City metropolitan area however stagnating property values along with the City's Neighborhood Revitalization Programs (NRP) generally negate the impact of new construction on the City's valuation. Ad Valorem Property tax will account for 46% of the City's General Fund revenue in 2012. *(Please see attached County Clerk preliminary valuation and NRP informational brochure.)*

Sales and Use Tax:
The City's sales tax collections continue to be very encouraging. The City's sales tax collections are currently tracking ten percent ahead of the amount collected last year. If collections continue on the current pace approximately $60,000 more could be in collected in 2012 than in 2011. The City is required to use 50% of all sales tax collections for infrastructure. As such fifty percent of sales tax collections are receipted into the General Fund and the other 50% is distributed between the Consolidated Highway and the Capital Improvements Funds. The City has not yet determined the sustained impact of the new Wolf Creek retailer on the City's overall collections. The new retailer is however generating Transportation Development District sales tax. $4343 has been collected year-to-date. This .75% additional sales tax is used to offset the construction costs and debt service for Wolf Creek Parkway. This tax was originally intended to offset the costs for the entire project. That scenario has yet to come to fruition. However current and future TDD collections will reduce the City's current reliance on strictly ad valorem tax to service this debt. Sales tax will account for nine percent of General Fund Revenue in 2012. *(Please see attached sales tax collections information sheet.)*

Franchise Fees:
Franchise fee collection is tracking normally year-to-date. No significant budget variances are anticipated. Most Kansas cities receive franchise fees or payments from privately owned utilities (electric, natural gas, television, cable, etc.) operating within the city limits. Franchise fees can be considered rent for the use of the City's right-of-way. It is common for cities to receive from 2% to 5% of utility gross receipts. Franchise Fees will account for approximately ten percent of General Fund revenue in 2012.

Court Fines:
Court fine collection is tracking approximately 12% behind budget. It is not expected that this will be problematic. Court fines account for approximately ten percent of General Fund revenue in 2012.

Budget Format and Fund Explanations:

The use of fund accounting is one of the major differences between governmental and commercial accounting. It requires separate record keeping for each individual fund. Each fund operates as a self-contained entity with its own revenue sources, expenses, assets, liabilities and fund balance. Even though the actual cash is contained in one bank account, "separate accounting" is kept of all funds.

According to state law, the budget must be balanced for each fund. The final budget adopted by the City Council must be a balanced budget, where total resources equal total obligations. The State Budget Law prohibits a budget which projects spending in excess of available resources. The Budget Law further prohibits unappropriated balances in funds supported by general tax levies.

Separate funds are maintained for specific purposes and projects in accordance with state law, the State Division of Accounts and Reports, Department of Administration, bond covenants, tax levies, commitments for grants and ordinances and resolutions passed by the City Council.

General Fund:
The General Fund is the primary operating fund for any city as it is available for any legally authorized purpose except those required to be accounted for in another fund. The General Fund's primary revenue source is ad valorem property tax. This is a general tax on all real and personal property not exempt from taxation by law. It is sometimes called an "ad valorem" tax, meaning that the tax is based on the value of the property.

Bond & Interest Fund:
The Bond & Interest Fund is used to account for the payment of interest and principal on long term general obligation debts. This fund's primary revenue sources are special assessments and ad valorem property tax.

Employee Benefit Fund:
KSA 12-16,102 authorizes the establishment of an employee benefit fund. This Fund is utilized to account for employee benefit and is supported by ad valorem property tax.

Consolidated Highway Fund:
The Consolidated Highway Fund is used for street maintenance and repair, the pavement management plan, as well as salt and sand. Sales tax and gas tax are the primary resources for the fund. The gas tax is derived from a state tax on motor vehicle fuel and special fuel sales. The tax is apportioned to the County and cities based on statutory formulas. The cities portion is

determined on a per capita basis. This Fund is used to pay for the annual pavement improvement program and will be used to provide matching resources for the City's three KDOT grants.

Special Park and Recreation Fund:
This Fund is used to account for parks and recreation expenditures funded from the State liquor tax receipts and City Parkland fees. The State levies a 10% surtax on the sale of all alcoholic beverages sold by any club, caterer, or drinking establishment. 70% of the taxes paid within City limits are returned to the respective cities & must be divided between the General and Special Parks & Recreation Funds. This fund is dedicated for the purchase, establishment, maintenance or expansion of park and recreational services, programs, and facilities. This Fund has been the primary resource for the recent Field of Dreams Improvements.

Capital Improvement Fund:
This Fund is used to account for resources that are used for acquiring or significantly improving capital facilities (roads, sidewalks, buildings, etc.). This Fund is anticipated to serve as the resource for the purchase or construction of a new Basehor Municipal Building (City Hall).

Cedar Lake Maintenance Fund:
The Cedar Lake Maintenance Fund is to be used for expenses related to ongoing sewer operations in the Cedar Lake Estates sewer district. Property owners in the district pay special assessments to provide resources for the Fund.

Leavenworth County Sewer District No. 3 Maintenance Fund:
The Sewer District #3 Maintenance Fund is to be used for expenses related to maintenance in the sewer district. This is a new fund for 2012 as the City has absorbed this district from Leavenworth County as part of a Kansas Department of Health & Environment (KDHE) mandated connection project. Property owners in the district pay special assessments to provide resources for the Fund.

Municipal Equipment Replacement Fund (MERF):
Kansas statutes provide that any Governing Body of any city may provide, by adoption of an Ordinance, for a Municipal Equipment Reserve Fund to finance the acquisition of equipment. Moneys may be budgeted and transferred to such fund from any source which may be lawfully utilized for such purposes, including equipment use charges on the various departments and agencies of the City to finance new and replacement equipment. Transfers to this Fund are calculated based on the Fleet Replacement Schedule with each Fund covering its own projected depreciation. The City currently makes transfers money from the General Fund into the MERF. Transfers to this Fund from the Sewer Fund were discontinued in 2011.

Solid Waste Fund:
All residences within City limits are required to utilize City provided solid waste and single stream recycling. These services are provided through a contract with Deffenbaugh Industries (through December 31, 2014). This Fund is used to account for the management of those operations. It is classified as an enterprise fund rendering services on a user charge basis.

Sewer Fund:
The Sewer Fund accounts for revenues and expenses related to the provision of sanitary sewer services to City residents and customers in adjacent areas. It is classified as an enterprise fund rendering services on a user charge basis.

Action Requested of Council:

Review cash positions, revenue estimates along with the various funds and ask questions.

Attachments:

2013 Budget Calendar
Kansas Municipal Sourcebook – Public Budgeting
2011 Independent External Audit Management Discussion and Analysis
2013 Leavenworth County Clerk Preliminary Valuation
Valuation History
Mill Levy History
NRP informational brochure
YTD Sales Tax Report
YTD Financial Snapshot
2013 General Fund Revenue Estimates

City of Basehor
2013 Operating Budget Preparation Calendar

Date	Scheduling Item
May 3, 2012	City Council Planning Retreat
June 1, 2012	Budget Documents Provided to the Department Heads
June 15, 2012	DEADLINE: Department Budget Requests Due to Finance Director
Third Week in June	City Administrator Budget Reviews with Department Heads
By July 1, 2012	Receive Assessed Valuation from County Clerk *The County Clerk shall include such assessed valuations in the applicable taxing districts with all other assessed valuations in those taxing districts and on or before **July 1** notify the appropriate officials of each taxing district within the county of the assessed valuation estimates to be utilized in the preparation of budgets for ad valorem tax purposes (K.S.A. 79-5a27).*
July 2, 2012	2013 City Council Budget Work Session
July 18, 2012	Regular Meeting: Set Budget Public Hearing Date as August 20, 2012
July 19, 2012	Send *Notice of Public Hearing* to *Basehor Sentinel* *The governing body shall give at least **10 days' notice** of the time and place of the meeting by publication in a weekly or daily newspaper of the county having a general circulation therein (K.S.A. 79-2929).*
August 6, 2012	2013 City Council Budget Work Session
August 20, 2012	Regular Meeting - Conduct Public Hearing: Approve 2013 Proposed Budget *The hearing herein required to be held upon all budgets by all taxing subdivisions or municipalities of the state shall be held **not less than ten (10) days** prior to the date on which they shall certify their annual levies to the county clerk as required by law (K.S.A. 79-2933).*
By August 25, 2012	Submit Approved 2013 Budget to Leavenworth County Clerk *Each year the governing body of any city, the trustees of any township, the board of education of any school district and the governing bodies of all other taxing subdivisions shall certify, on or before **August 25,** to the proper county clerk the amount of ad valorem tax to be levied (K.S.A. 79-1801).* *Where action has been taken under any statute to **increase the amount of tax to be levied** authorized by law, a statement showing the increased amount or tax levy rate voted, or a copy of the charter resolution or ordinance making the change, shall be attached to the budget each year the change is in effect (K.S.A. 79-2930).*

CHAPTER 5

PUBLIC FINANCE

The dollars and cents of public management, public budgeting, and finance are critical functions of a city. This chapter discusses public budgeting which is the expenditure and revenue planning process and allocation process. This chapter also deals with various aspects of municipal finance procedures and revenue sources.

PUBLIC BUDGETING

A. BUDGETING

The Division of Accounts and Reports (DAR, Municipal Services) of the Kansas Department of Administration designs budget forms for use by all taxing districts of the state. DAR modifies these form almost every year. As a means of assisting cities and counties in understanding the budget forms and in preparing their budgets, the Division of Accounts and Reports holds a series of budget workshops in May and June of each year. These workshops are held throughout the state to make it as convenient as possible for city and county officials to attend.

IMPORTANCE OF BUDGETING. Budgeting provides a city with the opportunity to:

1. Evaluate current programs' goals, effectiveness, and efficiency;
2. Establish the level of services and programs to be provided; and
3. Determine the staffing, supporting supplies, and equipment required to carry out the program.

By looking at the budget as a whole, the city can weigh the need for one program against another and balance the program needs against the tax burden required to finance them. The budget should accomplish the following major objectives:

1. Establish the city's programs and services for the coming year;
2. Establish a legal basis and record for expenditures of money;
3. Evaluate the adequacy or obsolescence of the various city programs;
4. Serve as a guide for explaining past, present, and projected services and improvements;
5. Describe the financial resources available; and
6. Open dialogue between the city and the citizens on proposed programs.

Key Budgeting Decisions

- What specific goal is to be achieved through the proposed or existing program?
- Is this goal justified as a valid and proper function of the city?
- Is this goal directed toward alleviating a problem of sufficient need or interest?
- Does the need for this program justify the estimated cost as indicated in the budget program?
- Is the proposed program the most economical method available for obtaining the desired goal?
- Is starting up a new city program the only solution to this problem or need?

The Budget Statute—Schedule. K.S.A. 79-2925 *et seq.* sets forth the state law requirement for budgets. There are two phases to the budget:

1. Preparation (including publication of summary, hearing, and adoption of the budget); and
2. Operating under the budget during the budget year.

If proper accounting records are kept during a budget year, the preparation of figures for the next year's budget is simplified.

State laws govern the timetable for budget preparation, publication, hearing, adoption and certification. The calendar below, based on a typical year, is based on these requirements (K.S.A. 79-2927; 79-2929; 79-2933; 79-1801; 79-2930):

August 5	Last day for publishing budget and hearing notice.
August 15	Last day for public hearing on budget.
August 25	Last day for filing levies and budget with county clerk.

While the statutory budget schedule is <u>not mandatory</u>, every effort should be made to meet the August 25 deadline. There <u>must</u> be at least 10 days between the publication and the hearing and 10 days between the hearing and the certification of the budget to the county clerk. If publication is made at least 10 days prior to a regular meeting date, the budget hearing can be part of the regular meeting agenda.

Standard Budget Form. The standard budget form outlines the level of services to be provided for the coming year. It is a financial statement of the preceding year and the current year, of bonded indebtedness, a computation of tax levies, and a request for tax levies to be spread on the tax roll.

Budget forms are prepared by the Division of Accounts and Reports and, after final adjournment of the Legislature in May, are sent to county clerks who distribute copies to city clerks.

Preparation of Budget. The governing body is legally responsible for preparation of the budget. (K.S.A. 79-2927) However, the actual job of preparing the budget usually falls on the office of city clerk in smaller cities and the finance or budget department in larger cities.

In most cities, the city clerk has the records to develop the figures required for the budget documents. Some information may have to be secured from the city treasurer and county treasurer. Helpful information from the county treasurer includes:

1. Motor Vehicle Tax and Motor Vehicle Stamp Tax;
2. Annual report of distributions;

Budget Tip

Municipal budget forms (and manuals) are available online at: http://www2.da.ks.gov/ar/muniserv/budgetforms_spreadsheets.htm

3. Delinquency rate calculations or amounts; and
4. Valuation amounts.

In some cities, department heads may maintain records of expenditures of their departments to keep themselves informed of the budget balance and for the purpose of making recommendations for the next budget.

Usually the budget officer develops the figures for the preceding year and for the various schedules which accompany the budget. In order to facilitate the budgeting process, it is highly desirable to keep an expenditure analysis of each fund. If the fund is departmentalized, as for the general fund, an expenditure analysis should be maintained for each department within the fund. These expenditure analysis records are important for two reasons:

1. Keeping city officials and officers informed of the status of the budget during the current year; and
2. Preparing the figures at budget time.

A city's general fund usually supports several departments, and the itemization required by the budget form is extensive. The expenditure analysis sheets should conform to the itemization on the budget form.

If proper accounting records are maintained, the figures for the preceding year are easily determined, as well as the figures for the current year to the time when the budget is prepared. In most cases, the figures for the current year are entered the same as the adopted budget for the current year. However, these figures should be as realistic as possible, based on current estimates. The purpose of reviewing the budget for the current year is to determine whether there may be a reduction in expenditures or an unexpected increase in revenue and thus a possible carryover of unencumbered cash for the coming year.

Steps in Preparing the Budget. The budgeting process varies greatly from city to city, depending largely on its size and the sophistication of its public and financial management. Cities with a manager or administrator often prepare comprehensive budget documents, and then complete the state budget forms primarily to meet legal requirements. Preparing the annual budget should be a joint effort of the governing body, chief executive, budget officer, and department heads, where applicable. Often the budget officer is responsible for assembling the departmental budget requests into a budget document to be given to the governing body for action.

Budget Tip

For simplicity, many cities develop their budget utilizing the state budget forms, which contain instructions and suggested procedures. Larger cities also typically prepare much more detailed budget documents (by program, service, department, etc.).

Publication of Budget. After the governing body has approved a proposed budget, the form for publication notice, Notice of Hearing, should be prepared. It is somewhat shorter than the proposed budget. Publishing instructions are included with the form. K.S.A. 79-2929 requires that the proposed budget and notification of hearing be published at least 10 days prior to the date of the hearing, and state law requires that a budget hearing be held at least 10 days prior to the date on which the certification of annual levies to the county clerk is required. (K.S.A. 79-2933)

Hearing and Adoption of Budget. A formal budget presentation to the governing body and public should include presentations by the administrators and/or clerk and department heads, when applicable, which should explain revenue and expenditures. Following these presentations, opinions from the public should be solicited. (K.S.A. 79-2929)

After the hearing, the budget portion of the document is adopted by the governing body. The governing body may change the proposed budget, but it cannot increase the proposed total expenditure or tax levy

amount of any fund, unless the entire procedure of notice and hearing is repeated. Reductions in expenditures will usually result in lower levies for tax funds, and re-figuring is required.

Completion of Budget Document. After final adoption and any re-figuring which may be required, three copies of the whole document should be prepared:

1. Two copies should be provided to the county clerk, who keeps one copy for the county's files and sends the other to the Municipal Accounting Section, Division of Accounts and Reports in Topeka; and
2. One copy for the city's file.

The certificate for the county clerk should be prepared and signed. The two copies sent to the county clerk must have attached a copy of the publication. If special levies are made for funds not specifically named on the forms, statutory citation should be furnished to the county clerk. If the city has passed a charter ordinance changing statutory limitations or authorizing certain levies, a copy should be provided to the county clerk, otherwise he or she may rightfully assume that the levy or levies made in excess of statutory limitations are improper and reduce the levy or levies accordingly.

It is a good practice to contact the county clerk sometime after the budget and tax levies have been certified, to ensure that the levies are being made as certified. County clerks are authorized by law to correct any improper levies. The law, however, does require county clerks to give at least seven days notice to the city before making any change in tax levies. (K.S.A. 79-1965)

Time of Budget Operation. The budget adopted in August showing receipts and expenditures for the coming year begins the following January 1, and operates for the calendar year.

Amending the Budget. In 1981, the Legislature passed a law, supported by the League, which authorizes municipalities to amend their budgets to increase authorized expenditures so long as the additional funds do not require an additional tax levy and the revenue was previously unbudgeted. (K.S.A. 79-2929a)

The procedure for amending the budget is exactly the same as the procedure for adopting it in the first place. The city must give notice and hold a public hearing as required by K.S.A. 79-2929 and 79-2933. Copies of the amended budget are to be filed with the county clerk, who files a copy with municipal accounting section the same as with the original budget. DAR provides instructions and forms for amending the budget during the budget year on their website.

Budget Tip

Note: *Budget Tips* is an annual publication of the League, and includes yearly updates of laws affecting the budget and the budget process. *Budget Tips* can be found online at www.lkm.org.

Definition of Fund. K.S.A. 79-2925 defines "fund" as a fund authorized by statute to be established, not the individual budgeted items of a fund. Rather, it refers to the total of the individual items. A simpler definition is "a sum of money or other resources set aside for the purpose of carrying on specific activities or to attain certain objectives in accordance with special regulations, restrictions, or limitations."

K.S.A. 79-2927 requires an itemized budget, classified by funds (which is the total of the items in each particular fund). The statute also requires that an item for miscellaneous purposes shall not exceed 10% of the total amount of the budget for the particular fund.

The general rule is that items or accounts within a fund may be changed during the budget year by action of the governing body. Changes in the total of receipts or expenditures in a budgeted fund constitute an amendment to the budget as described above.

Appropriations. The budget for each fund constitutes an appropriation for the budget year. (K.S.A. 79-2934) This means that when the budget takes effect, expenditures may be made from the fund for the proper purposes of the fund. The presence of an adopted budget does not alleviate the need for approval of claims against the fund, although some cities adopt a general appropriation ordinance and do not require each claim to be approved by the governing body.

The statute further provides that no money in a fund may be used to pay for any indebtedness created in excess of the total budgeted for the fund. If more money is received during the year than was anticipated and the revenue exceeds the amount appropriated for the fund, any balance at the end of the year is carried forward to the credit of the same fund for the next year. No part of a fund may be diverted to another fund, except as provided by law. If one fund gets low, it is improper to charge another fund for something which should be charged to the low fund.

Creation of Indebtedness. It is unlawful for the governing body to create an indebtedness against a fund after the total indebtedness already created against the fund totals the amount of the budget of expenditures for the fund for the year. Any indebtedness created above the budget for a fund is void except:

1. When provision is made for issuance of bonds;
2. When authorized by an election;
3. When authority has been secured to issue no-fund warrants. (K.S.A. 79-2935)

Budget Record of the City Clerk. K.S.A. 79-2934 requires the city clerk to open and keep an account of each fund, showing the total amount appropriated for the fund, and to charge the appropriation with the amount of any indebtedness created at the time the indebtedness is incurred—*not* when it is paid. The fund is charged when the purchase order is issued, contract executed, or indebtedness created in some other way.

In those cases where the actual cost is not known when the purchase order is issued, an estimate should be entered and an adjustment made when the actual amount is determined, usually when the claim is filed. The city clerk must know when purchases are made in order to encumber the budget record.

Budget Tip

It is important to remember that expenses are encumbered when an obligation to purchase occurs, not when the invoice is paid.

Reimbursements. Anticipated reimbursements should be budgeted as revenue, but unanticipated reimbursements during the same budget period cannot be budgeted. Where they balance with an equal amount of expenditures in excess of the amount budgeted, the amount of such expenditures is not considered a violation of the budget law. Reimbursement for budget credit is the actual cash outlay recovered in the same budget period for amounts expended in excess of the amount of revenue anticipated as reimbursed expense. See K.S.A. 79-2934.

Trade-Ins. Where new equipment is purchased and a piece of old equipment is turned in as a part of the purchase price, it is only the cash outlay (the difference between the purchase price and the agreed value of the trade-in) that is charged against the budget. Under a lease-purchase agreement, only the annual budgeted expenditure would be charged against the budget.

Lease-Purchase Agreements. The Legislature has authorized municipalities to enter into lease agreements, with or without an option to buy, or to enter into installment purchase agreements. Such agreements are held not to be a violation of the cash basis law if they specifically provide the municipality is obligated only to pay periodic or monthly payments as may lawfully be made from funds budgeted and appropriated for that purpose during the municipality's current budget year. (K.S.A. 10-1116b)

Federal Aid Budgeting. Cities that receive federal funds are authorized to expend this aid without regard to budget limitations. These expenses are not charged against the budget.

The expenditures of city funds which are later reimbursed by federal funds are considered reimbursed expenses—even if the funds are received after the budget year. Temporary notes and no-fund warrants as well as tax levies to pay for them are authorized under certain circumstances. (K.S.A. 12-1662 through 12-1668)

Capital Budgets. A capital budget prepares the city for the acquisition of major capital assets to be purchased. A capital improvement budget and a capital improvement program are necessary instruments in the responsible operation of a city. The use of a capital budget and the development of a capital improvement program can be rather complex. The League suggests that operating expenses should always be kept separate from capital expenses. K.S.A. 12-1,118 provides for a capital improvement fund.

Communication with the Governing Body. It is a good practice to provide the governing body with budget reports on a regular basis, either monthly or quarterly. There is no perfect format for budget reporting, but typical reports show a variety of columns including expenditures/revenues to date, projected year-end expenditures/revenues and budgeted expenditures/revenues for each item in the budget report.

B. Kansas Cash Basis Law

Cash-Basis Law in Brief. The essence of the cash-basis law is that no indebtedness should be created against a current fund unless there is cash available in that fund available to pay the debt at once. Revenue that is to be received later is not considered. The fact that the actual payment of the obligation will be deferred is also not considered. (K.S.A. 10-1101 through K.S.A. 10-1122)

Cash Available When Debt Created. No debt may be created in excess of the amount of funds actually on hand in the fund from which the debt will be paid. Money in the bank not belonging to the fund is not considered. It is best to take into account all previous commitments which are unpaid and to incur further debt only when there is sufficient cash over and above the amount of all outstanding commitments against the fund.

Budget Tip

The key thing to remember when entering into a lease-purchase agreement is that the agreement MUST contain language which makes it clear that the annual payment(s) is(are) subject to annual appropriation by the governing body.

The primary exceptions to the cash basis requirements are:

1. Matters for which bonds will be issued. The bond resolution acts as an appropriation and a limit on the indebtedness to be incurred;
2. Where no-fund warrants are duly authorized;
3. Airport revolving funds and enterprise utility funds which may accrue revenue. The exception is limited by the amount of accruable revenue (K.S.A. 10-1116);
4. For extraordinary emergencies of a utility and then only in the manner prescribed by K.S.A. 10-1116a;
5. Lease-purchase agreements. (K.S.A. 10-1116b)

Record of City Clerk. K.S.A. 10-1117 requires the city clerk to keep records showing:

1. The amount of money in the treasury in each fund;
2. All contracts or obligations creating liability against the city;
3. All indebtedness created by the governing body. The governing body

creates all indebtedness, this means that when any purchase order is issued, or when any committee, officer, or employee makes a purchase, the clerk must make a record of it. The clerk does not wait until a claim is filed. The city clerk must be immediately informed of all orders, contracts, and other commitments.

The record must show:

1. The date of the making of the contract or the creation of the debt;
2. The amount of the contract or debt. (in some cases, the amount has to be estimated temporarily);
3. The time payable (this may be indefinite);
4. The particular fund from which payment is to be made;
5. Each warrant or check drawn on the treasury and the date of payment.

Information for Governing Body and Public. The city clerk must exhibit the cash basis records upon the request of any person, including a member of the governing body, taxpayer, person desiring to contract with the city, or person having a claim against the city. (K.S.A. 10-1117) The city clerk should advise the governing body of the cash status of each fund at each meeting or at least when it appears the cash may not be sufficient for a contemplated indebtedness.

Void Contracts, Orders, and Warrants. Contracts, orders, warrants or warrant checks in violation of the cash basis law are void. (K.S.A. 10-1119)

Warrants or Checks Improperly Issued. The city clerk must not knowingly issue, attest, sign, or countersign any order, warrant, check, or other evidence of indebtedness, on the treasury of the city in payment of any indebtedness of the city created by the governing body in excess of the amount of funds actually on hand in the treasury at the time for the purpose. (K.S.A. 10-1114) Even if there is sufficient money in the bank, it must be designated for the purpose.

Subordinate Political Subdivisions. The Cash Basis Law also applies to any political subdivision of the state that is supported with tax funds. This includes recreation commissions, library boards, etc.

Penalty. Knowingly violating the cash basis law is a misdemeanor, and can result in removal from office. (K.S.A. 10-1121)

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.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities - Most of the City's programs and services are reported here including general government, public safety, public works, and culture and recreation.

Business-Type Activities - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The City's sewer utility and the solid waste utility are reported as business-type activities.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds - Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and balances left over at fiscal yearend available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Assets and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

Proprietary Funds - Proprietary funds (Solid Waste Utility and the Sewer Utility) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the government-wide financial statements.

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	11,106,103	11,794,564	18,838,629	19,521,750	29,944,732	31,316,314
Total assets	$ 17,414,312	$ 17,470,330	$ 19,743,439	$ 20,304,896	$ 37,157,751	$ 37,775,226
Current liabilities	$ 1,964,073	$ 2,184,331	$ 958,955	$ 955,068	$ 2,923,028	$ 3,139,399
Noncurrent liabilities	7,997,118	8,336,234	10,181,444	10,771,332	18,178,562	19,107,566
Total liabilities	$ 9,961,191	$ 10,520,565	$ 11,140,399	$ 11,726,400	$ 21,101,590	$ 22,246,965
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	4,205,546	3,707,478	786,162	437,251	4,991,708	4,144,729
Total net assets	$ 7,453,121	$ 6,949,765	$ 8,603,040	$ 8,578,496	$ 16,056,161	$ 15,528,261

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

Government-Wide Activities

The following is a condensed statement of the City's change in net assets for the year ended December 31, 2011. Major items of program revenues, grants and general revenues are detailed below. Government-wide activities increased the net assets of the City by $.5 million for the year ended December 31, 2011. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located on page 14 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of bonds, temporary notes, and leases in the current fiscal year of $.3 million which are treated as an expenditure in the fund statements and a reduction of long term debt payable in the Government wide financial statements. In addition, the capital outlays of $.1 million are treated as expenditures in the fund statements, but are treated as capital assets in the Government wide financial statements.

City of Basehor
Condensed Statement of Changes in Net Assets
For the Years Ending December 31, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 252,238	$ 174,005	$ 1,791,107	$ 938,041	$ 2,043,345	$ 1,112,046
Operating grants	15,722	76,075	84,630	-	100,352	76,075
General revenues:						
Taxes	3,524,640	2,840,382	-	-	3,524,640	2,840,382
Transfers [net]	[18,959]	[986,801]	18,959	986,801	-	-
Other	61,389	25,286	812	1,039	62,201	26,325
Total revenues	3,835,030	2,128,947	1,895,508	1,925,881	5,730,538	4,054,828
Program expenses:						
General government	1,210,855	1,410,480	-	-	1,210,855	1,410,480
Public safety	738,989	785,305	-	-	738,989	785,305
Public works	534,874	277,752	-	-	534,874	277,752
Culture and recreation	70,120	27,143	-	-	70,120	27,143
Infrastructure depreciation	741,840	676,512	-	-	741,840	676,512
Sewer utility	-	-	1,408,844	1,563,008	1,408,844	1,563,008
Solid waste utility	-	-	254,628	157,536	254,628	157,536
Interest on long term debt	242,488	236,753	-	-	242,488	236,753
Total expenses	3,539,166	3,413,945	1,663,472	1,720,544	5,202,638	5,134,489
Increase [decrease] in net assets	$ 295,864	$ [1,284,998]	$ 232,036	$ 205,337	$ 527,900	$ [1,079,661]

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.

Fixed Assets and Debt Administration

The City's investment in fixed assets for its governmental and business-type activities totaled $29.9 million (net of accumulated depreciation) as of December 31, 2011.

Major fixed asset events during the current fiscal year included the following:

The City purchased a patrol cruiser, tack cart and a half-ton truck at a cost of $89,118.

At December 31, 2011, the City had total debt outstanding of $19.3 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2011, in the amount of $1 million. This was a result of the gradual pay down of current outstanding debt.

Additional information on the City's general long term debt can be found in Note III to the financial statements.

Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City Clerk/Finance Department at 2620 North 155th Street, Basehor, Kansas 66007 or (913) 724-1370.

JANET KLASINSKI
Leavenworth County Clerk
300 Walnut
Leavenworth, KS 66048
PHONE: 913-684-0422
FAX: 913-680-1489
EMAIL: jklasinski@leavenworthcounty.org

City of Basehor
2620 N. 155th Street
Basehor, Kansas 66007

I, Janet Klasinski, County Clerk of Leavenworth County, Kansas hereby certify the valuation of the City of Basehor to be as follows:

2012 Valuation for 2013 Budget

Real Estate	46,474,396
Personal Property	853,700
State Assessed	1,663,703
Total	48,991,799

2011 Valuation for 2012 Budget

Total	49,823,218

Witness my hand and seal this 15th day of June 2012.

Janet Klasinski

Janet Klasinski
Leavenworth County Clerk

County Clerk's Budget Information for 2013 Budget Year
Leavenworth County values
BASEHOR CITY

1. Estimated Assesed Valuation as of SUNDAY, JUNE 17, 2012:

	Assessed Value	New Improvements	Territory Added	Changed Use
Real Estate	46,474,396	446,653	0	124,320
State Assessed	1,663,703	559		
Severed Minerals	0			
Personal Property	853,700			
Oil & Gas	0			
Total Value	48,991,799	447,212		

2. Personal Property excluding oil, gas, and mobile homes: 846,103
(Use this amount on Computation to Determine Limit for 2013 budget, line 5a)

3. Actual tax rates levied for the 2012 budget: (2011 levies)

SAC	Fund	Rate
021	BASEHOR CITY - BOND & INTEREST	2.032
097	BASEHOR CITY - EMPLOYEE BENEFIT	8.590
135	BASEHOR CITY - GENERAL	18.974
207	BASEHOR CITY - SPECIAL LAW ENFORCE	.000
	Total Levied	29.596

4. Final Assessed Valuation from the November 2011 abstract: 49,823,218

5. 2011 Personal Property excluding oil, gas, and mobile homes: 659,860
(Use this amount on Computation to Determine Limit for 2013 budget, line 5b)

6. Gross Earnings (Intangible) Tax Estimate: .00

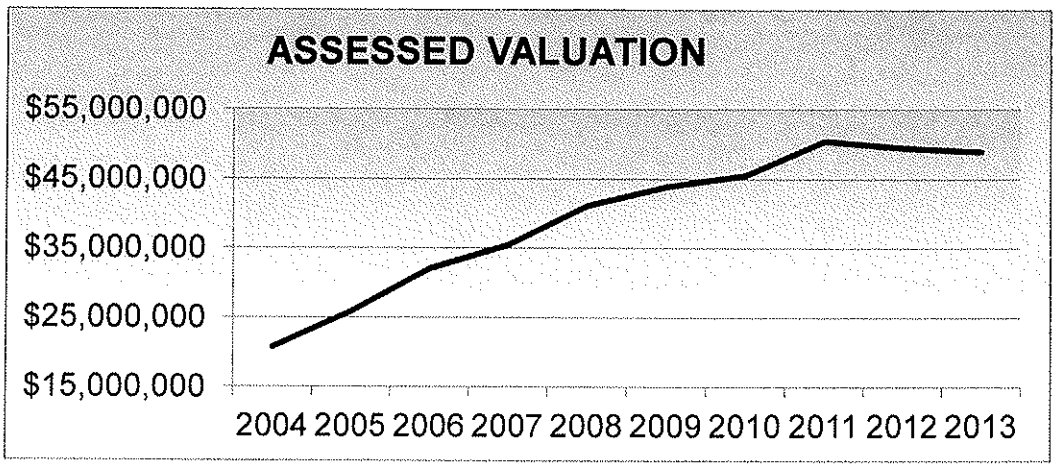
7. Valuation subject to rebates:
Neighborhood Revitalization 963,107
Tax Increment Financing 0

8. 2010 average tax delinquency percentage: 1.085148

Date Provided: 6-17-12 Provided by: Janet Klasonski
Leavenworth County Clerk

CITY OF BASEHOR
ASSESSED VALUATION
2004-2013

	YEAR	Total
	2004	$20,773,023
	2005	$25,907,753
	2006	$32,041,578
	2007	$35,473,155
	2008	$41,143,071
	2009	$43,924,056
	2010	$45,550,427
	2011	$50,502,675
	2012	$49,543,124
Prelimary	2013	$48,991,799



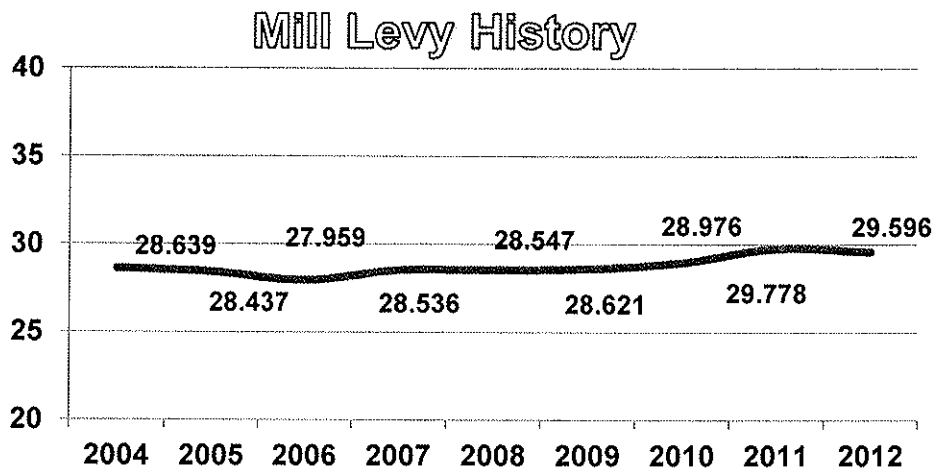
The City has now experienced it's second valuation decrease in as many years.

HOW THE MILL LEVY IS ESTABLISHED

When the Basehor City Council develops the annual operating budget, they must use the prior years' valuation to estimate what the mill levy must be set at in order to generate the revenue needed to meet budgeted expenditures. For example, this 2012 budget is based off of the valuation of property in Basehor from 2011. The 2011 Budget used 2010 valuation figures, and so on. Valuations are finalized in October, at which time; the Leavenworth County Clerk will adjust the mill levy, up or down, based on the direction of the final assessed valuation. The 2011, mill levy of 29.778 was calculated using a October 4, 2010, estimated assessed valuation of $50,502,675 The County Clerk's final assessed valuation from the October 7, 2011, abstract is $49,823,218 leaving the final 2012 City of Basehor mill levy at 29.596.

CITY OF BASEHOR
MILL LEVY HISTORY
2004-2012

Year	Total	General	Debt Service	Employee Benefit
2004	28.639	28.490	0.149	
2005	28.437	28.289	0.148	
2006	27.959	27.959	0.000	
2007	28.536	28.536	0.000	
2008	28.547	25.340	3.207	
2009	28.621	27.953	0.668	
2010	28.976	28.640	0.336	
2011	29.778	17.440	3.100	9.238
2012	29.596	18.974	2.032	8.590



The City mill levy has only increased a 3.34% over 9 years.

Neighborhood Revitalization Property Tax Rebate Program

City of Basehor, Kansas

Are you planning to undertake a rehabilitation project on your existing house or to build a new single family home or commercial structure? ***You may be eligible for property tax rebates.***

The City of Basehor is offering two Neighborhood Revitalization Property Tax Rebate Programs. Plan 1 applies to new construction and rehabilitation projects; Plan 2 applies to new construction only.

The rebate percentages apply to those taxes levied by Leavenworth County, U.S.D. 458, the City of Basehor, Basehor Community Library and the Fairmount Township Fire Department. Cannot be used in conjunction with any other tax credit incentives unless expressly approved by the City Council of Basehor.

For more information and an application

Neighborhood Revitalization Plan 1

Plan 1 is a five year plan that offers tax rebates on rehabilitation and new construction of single family homes, multi-family residences, commercial, mixed-use residential/commercial and industrial properties. This plan encompasses much of the older areas of town including the subdivisions of Klamm, Metzger Meadows, South Basehor, Hickory Pointe, Hickory Valley, Pretherbridge, Crestwood, Rickel, Landauer and the Parallel Park Industrial Area as well as other miscellaneous properties. This plan was enacted in 2001 and extended in 2005 and again in 2009.

Property Type	Residential	Commercial	Industrial
Minimum Investment	5%	15%	15%
Rebate Percentage	95%	50%	50%
Length of Rebate	5 Years	5 Years	10 Years

Plan 1: Rehabilitation and new construction (5 years)

Neighborhood Revitalization Plan 2

Plan 2 is a six year plan that offers tax rebates for only new construction of single family residences, multi-family residences sold as individual units (town homes) and new commercial structures. This plan encompasses many different areas of Basehor and is intended to stimulate redevelopment of these areas. The new structure must appraise for a minimum of $140,000, this does not include the land, to be eligible for the rebate program. These rebates are for the value of the improvement only (structure only). Leavenworth County will retain 5% of the rebate for administrative fees. This plan was enacted in 2009 and shall expire on December 31, 2012.

Property Type	Residential	Commercial
Minimum Investment	$140,000	

FREQUENTLY ASKED QUESTIONS

Is my property eligible?

In order to be eligible for property tax rebat several items must be verified:

1. You must be the legal owner of rec
2. The property must be in a desig
3. The real estate taxes on the r current. If a taxpayer is 90 the payment of property term the property is e remaining eligibilit terminated.
4. The improver Revitalizati regulatio
5. New s elig s

Neighborhood Property Tax Reb

City of Basehor, Ka

For more information and an applic contact the City of Basehor:

Planning & Zoning Department
P.O. Box 406, Basehor, KS 66007
913-724-1370 • www.cityofbasehor.org

Field of Dreams Sports Complex

Fairmount Rd

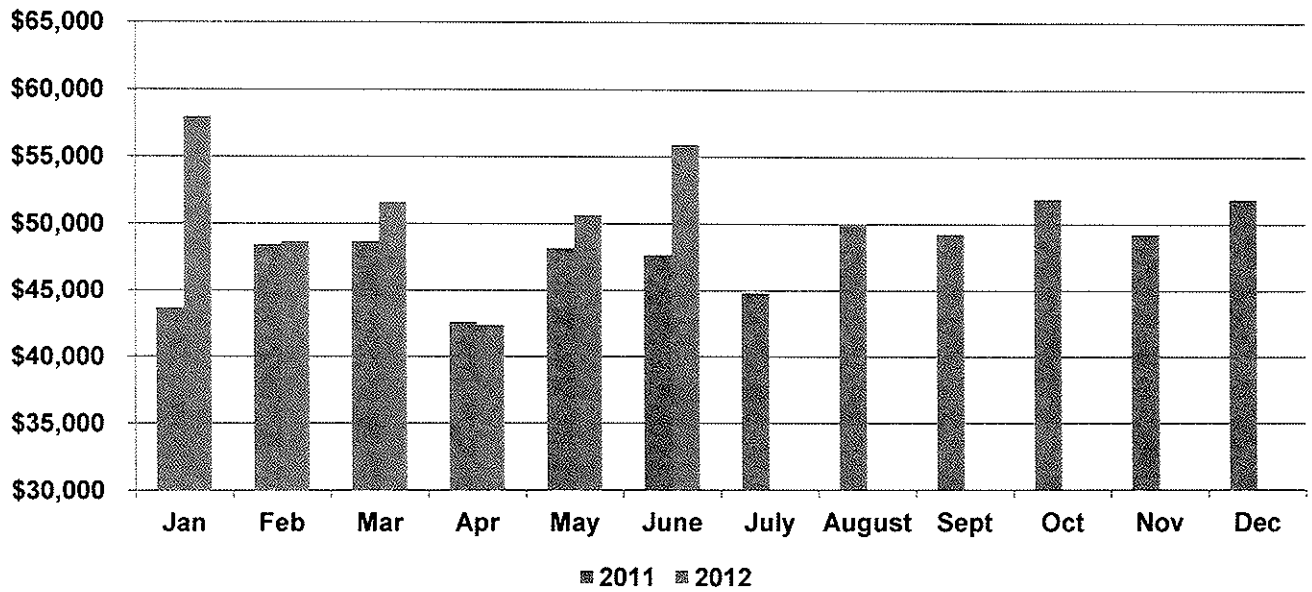
Basehor City Limits
Districts
NRP Plan 1

MONTHLY SALES TAX COLLECTIONS 2008-2012

	2008	2009	2010	2011	2012	Monthly Diff. '11 - '12	% Difference	2011 YTD	2012 YTD	Diff. '11 - '12	% Difference
Jan	43,516.85	43,726.32	44,933.16	43,677.78	57,962.61	14,284.83	32.7%	43,677.78	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	106,631.04	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	158,227.43	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	200,600.25	17,143.29	9.3%
May	44,634.80	41,070.02	47,865.00	48,186.99	50,639.59	2,452.60	5.1%	231,643.95	251,239.84	19,595.89	8.5%
June	52,647.16	43,320.60	48,059.05	47,682.94	55,921.34	8,238.40	17.3%	279,326.89	307,161.18	27,834.29	10.0%
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	307,161.18						

*$4234 in TDD Sales Tax has been collected (separate from what is being reported).

2011-12 Month to Month Comparison



CITY OF BASEHOR
JUNE 26 FINANCIAL SNAPSHOT

Funds

Fund	Budget	Revenues	Expenditures	% Collected	% Utilized	Current Balance
General	$1,867,561	$1,322,715	$755,643	71%	40%	$607,841
Special Park	$25,000	$5,860	$0	23%	0%	$125,574
Sewer	$1,379,625	$621,070	$583,120	45%	42%	$712,576
Cedar Lake Maintenance	$40,000	$15,522	$12,448	39%	31%	$13,394
Bond & Interest	$702,234	$811,107	$115,990	116%	17%	$981,863
Solid Waste	$280,897	$130,556	$77,310	46%	28%	$130,862
Special Highway	$715,000	$211,373	$80,650	30%	11%	$2,140,391
Municipal Equip. Reserve	$8,840	$360	$12,007	4%	136%	$309,624
Captial Improvement	$0	$30,038	$0	0%	100%	$1,374,034
Employee Benefit	$489,630	$428,669	$204,723	88%	42%	$130,668
LCSD#3	$33,000	$20,578	$7,105	62%	22%	$22,876
	$5,541,787	$3,597,849	$1,848,997	65%	33%	$6,549,703

Department

General	Budget	Expenditures	Remaining Balance	% Utilized
Clerk	$306,950	$169,984	$136,966	55%
Street	$183,100	$79,218	$103,882	43%
Governing Body	$44,614	$28,526	$16,088	64%
Police	$771,650	$315,620	$456,030	41%
Facilities	$131,775	$59,422	$72,353	45%
Administrator	$141,600	$11,115	$130,485	8%
Park & Recreation	$32,955	$18,125	$14,830	55%
Miscellaneous	$85,518	$0	$85,518	0%
HR	$16,000	$10,039	$5,961	63%
Planning	$153,400	$47,927	$105,473	31%
	$1,867,562	$739,975	$1,127,587	40%

REVENUE

GENERAL FUND

		2010 Actual	2011 Actual	2012 Budget	2012 Estimate	2013 Preliminary
	Beginning of the year balance	$419,077	$155,776	$172,333	$314,079	$542,159
460	Ad Valorem Property Tax	$1,201,867	$842,023	$883,500	$883,500	
491	Motor Vehicle Distribution	$148,751	$151,552	$91,538	$91,538	$86,873
493	Recreational Vehicle Tax	$1,770	$1,784	$1,079	$1,079	$1,006
496	16M & 20M Truck Tax	$3,121	$2,677	$2,064	$2,064	$1,467
464	Back Taxes	$38,696	$102,788	$30,000	$90,000	$35,000
	Sales Tax	$0	$288,199	$195,000	$290,000	$294,350
	Field of Dreams	$0	$44,000	$35,000	$33,750	$37,500
421	Court Fines	$153,901	$154,984	$170,000	$150,000	$150,000
401	Building Permits	$11,382	$25,165	$40,000	$40,000	$40,000
403	Pet Licenses	$1,170	$1,205	$1,150	$1,200	$1,200
404	Business Licenses	$7,700	$8,350	$7,800	$8,350	$8,350
405	Misc. Fees/Permits/Licenses	$15,888	$13,744	$14,500	$21,000	$15,000
407	Plan/Plat Application Fees	$2,265	$963	$3,500	$1,000	$1,000
432	Westar Energy Franchise Tax	$91,498	$94,388	$70,000	$80,000	$85,000
433	Atmos Energy Franchise Tax	$41,421	$37,694	$42,000	$42,000	$39,000
436	Suburban Water Franchise Tax	$23,076	$22,695	$23,000	$23,000	$23,500
	Consolidated Water Franchise Tax	$0	$0	$0	$0	$0
435	Knology Cable Franchise Fee	$39,934	$38,620	$32,500	$39,000	$40,000
438	AT&T Franchise Tax	$10,882	$13,970	$10,400	$13,000	$14,000
434	SW Bell Franchise Tax	$4,711	$5,471	$4,500	$5,000	$5,500
	Grants and Reimbursables	$625	$0	$0	$0	$0
551	Interest Income	$944	$599	$1,000	$1,000	$1,250
451	Local Alcohol Liquor Fund	$7,881	$8,080	$8,896	$8,896	$8,839
511	Other Revenues	$16,719	$6,516	$0	$1,000	$5,000
	Transfer from Sewer	$0	$0	$25,088	$25,088	$47,810
675	Transfer from Solid Waste Fund	$0	$0	$39,415	$39,415	$40,231
	TOTAL REVENUES	$1,805,451	$1,865,466	$1,731,929	$1,890,880	$981,876
	TOTAL FUNDS AVAILABLE	$2,224,528	$2,021,242	$1,904,263	$2,204,959	$1,524,035
	TOTAL EXPENDITURES	$2,038,857	$1,719,861	$1,867,561	$1,662,800	
	UNRESERVED CASH BALANCE	$185,671	$301,381	$36,701	$542,159	$1,524,035

MILL LEVY INFORMATION	**2010**	**2012**	**2013**
FUND REQUIREMENTS	$1,304,610	$883,500	$0
ADD FOR DELINQUENT TAXES		7%	5%
TOTAL AD VALOREM	$1,304,610	$945,345	$0
RATE OF LEVY IN MILLS	28.64	18.974	0.000

The City of Basehor

Date: June 28, 2012

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

From: Corey Swisher, City Clerk/Finance Director

Re: Utility Rate Analysis

Background:
In December of 2010, the Basehor City Council was informed that sewer rates were required to be raised in 2011, due to an increase in debt service obligations. "Without a very significant and improbable increase in new sewer customers over the next several years annual sewer rate increases will be required to maintain the Sewer Funds solvency." Subsequently user rates were raised and the Sewer Fund has remained solvent. The Council also implemented a reoccurring 2.5% annual rate increase.

The forecast provided in 2010, was based on a three percent annual growth in users. This growth has not come to fruition and projected user fees will not be able to cover debt service and operations in the near future. Debt service accounts for approximately 68% of sewer usage fees. The City's current Sewer Fund financial model indicates the Sewer Fund will again near insolvency at the end of 2015. Although the City is in the process of refinancing one of two existing Kansas Department of Health and Environment (KDHE) loans, the lack of connections and users continues to hinder the fund's solvency. The City is currently refinancing the KDHE loan made in 2000. The second loan was secured in 2008.

The financial capacity analysis undertaken in 2006, prior to the latest waste water treatment plant expansion and KDHE loan indicated the City would require 50 new connections throughout the life of the 20 year loan along with an annual 2.75% user fee increase in order to be able to service the debt.

The lack of new users compounds itself as there are fewer users to shoulder the burden of the increasing debt as time passes. It has also been determined that actual household water usage is decreasing which also negatively impacts utility providers.

Potential Action:

Council has also directed staff to evaluate the City's sewer connection fee structure in order to ensure it is conducive to facilitating economic development. More specifically, the City's

current static sewer connection fee structure could possibly hinder potential multi-family or overnight lodging development.

This would be an excellent opportunity for the City to research, evaluate and integrate a new user rate and connection fee structure. A comprehensive and sustainable financial model for future sewer operations is in the best interest of the City.

In March of 2012, the City issued a request for qualifications (RFQ) for a financial advisor in order to facilitate debt issuance. In that the RFQ the City also asked for bids to provide a utility rate analysis. Of the three responders to the RFQ two firms provided bids for a utility rate study:

Springsted Inc.:	$12,600
Columbia Capital:	$17,500

Staff Recommendation:
Review proposed Springsted Inc. utility rate study proposal and contemplate if such analysis is desired.

Action Requested of Council:
Review proposed Springsted Inc. utility rate study proposal and contemplate if such analysis is desired.

Attachments:
Sewer Fund Financial Forecasting Model
Proposed Work plan to Provide Sewer Rate Study Services
Proposed Agreement for Management Consulting Services
December 14, 2010 - Basehor City Council Sewer Rate Memorandum and Background
August 2006 - Larkin Group Inc. Sewer Usage Charge Study

	2012 Estimate	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average Monthly Bill	$49.75	$50.99	$52.27	$53.58	$54.91	$56.29	$57.69	$59.14	$60.62	$62.13
% Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rate per 1,000	$10.88	$11.15	$11.43	$11.72	$12.01	$12.31	$12.62	$12.93	$13.26	$13.59
Starting Cash	$717,426	$505,291	$334,906	$203,340	$7,465	$0	$0	$0	$0	$310,250
***Accounts**	1,810	1,842	1,874	1,907	1,940	1,974	2,009	2,044	2,079	2,116
Sewer Charges	$1,078,603	$1,126,967	$1,175,356	$1,225,823	$1,278,457	$1,333,350	$1,390,601	$1,450,310	$1,512,583	$1,577,529
Sewer Connection Fees	$90,000	$109,279	$111,191	$113,137	$115,117	$117,131	$119,181	$121,267	$123,389	$125,548
Delinquent Fee Collections	$25,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Interest Income	$1,100	$2,526	$1,675	$1,017	$37	$0	$0	$0	$0	$1,551
24/40 Sewer Interceptor	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162
	$1,266,865	$1,318,934	$1,368,384	$1,420,139	$1,473,773	$1,530,644	$1,589,944	$1,651,739	$1,716,134	$1,784,791
TOTAL AVAILABLE FUNDS	$1,984,291	$1,824,226	$1,703,289	$1,623,478	$1,481,238	$1,530,644	$1,589,944	$1,651,739	$1,716,134	$2,095,041
Operating Expenditures	$344,000	$354,320	$364,950	$375,898	$387,175	$398,790	$410,754	$423,077	$435,769	$448,842
2004 Revolving Loan	$540,000	$540,000	$540,000	$645,115	$750,229	$750,229	$750,229	$750,229	$375,115	
2008 Revolving Loan	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000
Total Debt	$935,000	$935,000	$935,000	$1,040,115	$1,145,229	$1,145,229	$1,145,229	$1,145,229	$770,115	$395,000
Total Operating plus Debt	$1,379,000	$1,389,320	$1,399,950	$1,516,013	$1,632,404	$1,644,019	$1,655,983	$1,668,306	$1,305,884	$943,842
Capital Projects	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
Balance	$505,291	$334,906	$203,340	$7,465	-$251,166	-$213,375	-$166,039	-$116,567	$310,250	$1,051,199
10% Cash Reserve Requiremen	$137,900	$138,932	$139,995	$151,601	$163,240	$164,402	$165,598	$166,831	$130,588	$94,384
Reserve Shortfall or Excess	$367,391	$195,974	$63,345	-$144,136	-$414,406	-$377,777	-$331,637	-$283,397	$179,662	$956,815
Debt as a % of Expenditures	68%	67%	67%	69%	70%	70%	69%	69%	59%	42%
Monthly Increase per Customer	$0.39	$1.24	$1.27	$1.31	$1.34	$1.37	$1.41	$1.44	$1.48	$1.52

City of Basehor, Kansas

Workplan to Provide Sewer Rate Study Services

I. Scope of Work

Project Approach

Springsted's approach would be to conduct a comprehensive review and analysis of the City's sewer rates and fee structure to gain an understanding of the current rate classes, rate structure, fees and other charges, and the basis for each. We would undertake an analysis that would enable the City to determine the appropriate rate structures, fees and other charges needed for this operation over a five- and ten-year planning period. The rate structure established for sewer utility will provide sufficient revenue to cover anticipated operating and maintenance expenses, debt service including principal and interest, master and capital improvement plans, provide adequate cash flow to pay for current expenditures and an adequate level of cash reserves for operations, capital replacement and emergencies. The rate structures proposed would be fair and objective and would reflect the full cost of the services provided.

The total revenue projected will reflect not only recent cost experience, but will also recognize anticipated future costs during the period for which rates are established. We would identify the relative responsibility of each rate classification for the recovery of the costs of service that provides equity to the users. Equity to the users will be evaluated based on the ability to allocate the cost of service to each customer class in proportion to the benefit received. We will evaluate the impact of anticipated capital improvement financing options on rates, fees and charges and develop recommendations for the financing of the anticipated capital improvements based on their impact on fees and charges. We will perform a sensitivity analysis to illustrate the impacts of adverse assumption changes (e.g. future growth, drought, cost of capital improvements, etc.).

Task 1 Review Background Information

- Review and utilize informational resources provided by the City including:
    - Review historical financial information, volumetric rates, basic facility charges, contractual charges and other fees and charges that provide sources of revenue;
    - Historical customer billing records and consumption data;
    - Historical financial data, budgets and capital improvement programs;
    - Review current funding practices, funding sources and policies related to financing capital improvements;
    - Historical sewer flow amounts;
    - Copies of pertinent wastewater contracts;
    - Current sewer ordinances;
    - Previous Cost of Service and Rate Study;
    - City of Basehor' Comprehensive Plan; and
    - Sewer System Master Plan.
- Review historical and projected sewer service demands.
- Review current and projected State and Federal environmental regulations.
- Review outstanding debt and debt service repayment schedules.

- Review existing debt service covenants and coverage requirements for both senior and subordinate debt, and the impact of adding additional debt to finance new capital improvements for the Sewer Utility.
- Review and assess the current wastewater rate structure.
- Review and assess current user fees, capacity fees and other fees and charges that provide sources of revenue including the basis of capacity fee amounts and forecasting techniques.
- Review current allocation of costs to functional cost components and to rates and charges.
- Review any current allocations of capital costs to capacity and other charges and fees.
- Review current funding practices, funding sources and policies related to financing capital improvements.
- Review any engineering studies, cost of services studies and other relevant studies.

Task 2 Determine Cost of Service

- Analyze the information to identify any omissions and/or inconsistencies and collect additional information, as needed.
- Develop projected customer growth and future service demands.
- Develop a Microsoft® Excel-based financial rate model for the Sewer Utility. The model will identify the overall changes in revenues required to provide for adequate funding for major capital improvement programs, to meet all recurring annual operating and capital expenditures, to cover all debt service requirements, to comply with any revenue bond covenants and to maintain sufficient cash balance for the utility. The projections will be made using an income statement approach and will include a yearly cash flow analysis.
- Develop a 10-year forecast of revenues and expenditures for the utility to determine the adequacy of revenues provided by existing rates and to provide a baseline for comparing recommended changes.
- Identify the relative responsibility of each rate classification for the recovery of the costs of service that provides equity to the users for the utility. Equity will be evaluated based on the ability to allocate the cost of service to each customer class in proportion to the benefit received.
- Compare the cost of services with the revenue received from each class to determine if the existing rate structure is equitable.

Task 3 Conduct Rate Study

- Develop recommended annual ending cash balances and reserve levels for cash flow, catastrophes, infrastructure replacement, emergencies and other purposes.
- Develop preliminary rate schedules that provide revenue recovery at levels necessary to support the utility's operation as defined above over a ten-year period.
    - Develop alternate rate structures based on different levels of fund reserves.
- Rates developed will include user fees, connection fees, and other fees and charges that provide sources of revenue to the utility. Rate structures will be consistent with industry practices for utility rate making. Our recommended fee/rate structures will result in no decrease in the stability of revenue streams for the utility, as compared to the current rate structures. In addition, the recommended rate structures will take into consideration the following:

- Current and future cost of providing wastewater services in accordance with established and anticipated standards and regulations;
    - Equity to the users based on the allocation of the cost of service to each customer class in proportion to the benefit received;
    - Projected demands;
    - Age and condition of the systems;
    - The need to fund long-term capital improvements, repairs and replacements;
    - Funding requirements for all current and anticipated long-term liabilities and debt obligations (bonds and loans);
    - Compliance with City debt policies;
    - Maintenance of utility infrastructure;
    - City's automated billing system;
    - Direct identification of revenues appropriate to fund utility operating activities and infrastructure;
    - Justification of any special classes of customers;
    - Ease of administration and understanding;
    - Recommendations for alternative rates and fees identified;
    - Weigh the benefits of any proposed charges in rate structures against the financial impacts on ratepayers; and
    - Assess the performance of each alternative rate/fee structure.
- Meet with the City in a workshop session to review the various rate structures and to discuss the pros and cons of each.
- Develop a recommended rate/fee structure.
- Perform a sensitivity analysis to illustrate the impacts of adverse assumption changes (e.g. future growth, cost of capital improvements, and mandated requirements under current and upcoming federal and state programs).
- Project the fiscal impact of the recommended fees and charges.
    - Prepare sample bills for a minimum of 6 customers from representative customer classes.
- Make recommendations for changes in existing ordinances, resolutions and policies necessary to implement any new fees and charges recommended for this project.
- Meet with City staff in a workshop session to review the recommended rate structures.
- Based on our review of the preliminary rate structures, Springsted will make modifications and changes, incorporating the City's comments into the final rate structure as appropriate.

Task 4 Prepare and Present Draft Report of Findings

- Springsted will prepare a Draft Report of Findings that will contain our findings and recommendations. We will submit ten (10) bound copies and an electronic copy in PDF format to the City for their review and comment.
- We will meet with the City to review and discuss the Draft Report of Findings.
- Based on our discussion and review of the Draft Report, Springsted will make modifications or changes incorporating the City's comments into the Final Report, as appropriate.

Task 5 Present the Final Report

- Springsted will present the Final Report to the City in a workshop session
- We will provide ten (10) bound copies of the Final Report and an electronic copy in PDF format.

Project Schedule

Springsted Incorporated has the resources to begin the Sewer Rate Study immediately upon receiving the notice to proceed. Our proposed schedule for this project has the Final Report completed within 10-12 weeks. This proposed schedule is shown in the table below. The proposed schedule assume that all necessary information is made available to Springsted in a timely manner and the City of Basehor staff and are available for meetings as needed by the schedule. This draft schedule does not anticipate any unforeseen delays or other circumstances that would result in a later completion date. Should any unforeseen delays or circumstances arise, Springsted can draw on its staff of 60 professionals to keep the project on schedule to the greatest extent possible.

TASK	Month 1				Month 2				Month 3			
Review Background Information												
Determine Cost of Service												
Develop Rate Structures												
Prepare and Present Draft Report of Findings and Preliminary Rate Model												
Present the Final Report and Rate Model												

II. Exceptions

In order to conduct this study, the City is requesting to identify and designate a staff member to serve as a contact person between Springsted Incorporated and the City. This person will be responsible for the gathering of accurate and timely information necessary to complete the project. At a minimum, the following information will be needed to complete the study:

- City's past three years Comprehensive Annual Financial Reports;
- 2011 and 2012 budget including revenues and expenditures for the Utility;
- Existing debt schedules for any outstanding bonds, equipment certificate, lease-purchase agreements, state revolving loans, etc, for the Utility;
- Current capital improvement plan for the Utility;
- Information related to current customer base for the Utility by customer class, including number of customers, sale volume by type of services/charge/revenue source, and total revenue;
- Information related to the anticipated growth in both residential and commercial/industrial utility sales during the planning period;
- Current schedule user fees and charges;
- Any agreements for utility services with other agencies; and
- Any engineering or other relevant studies for each utility.

III. Compensation

We propose to complete the sewer utility rate study described above for the lump sum fee of $12,600. These fees are exclusive of any out-of-pocket expenses such as travel and copying. We will complete the study within 10 to 12 weeks of receiving notice to proceed providing that all necessary information is made available to Springsted in a timely manner and that the City is available for required meetings.

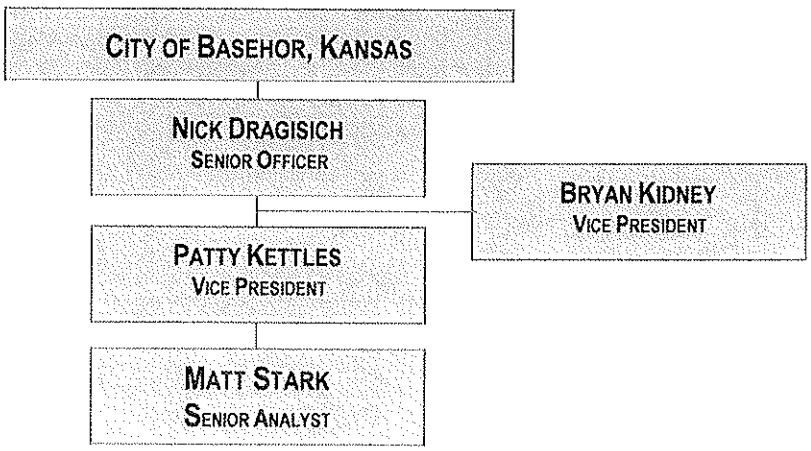
Should the City request and authorize any other additional work outside the scope of services described in this proposal we would invoice the City at our standard hourly fees as shown in the table below plus any related out-of-pocket expenses.

2012 Standard Hourly Fee Schedule	
Title	**Hourly Rate**
Principal & Senior Officer	$220
Project Coordinator & Assistant Vice President	$190
Analyst	$155
Associate	$145
Support Staff	$65
Litigation Support	$350

Key Personnel Experience

Our staff's breadth of experience and depth of expertise are two of our most important characteristics in providing high-quality service to clients. Many of our staff have backgrounds in municipal and county government, education or with development firms and non-profit organizations, so they share our clients' perspectives in developing solutions. Each client draws on the talents of many members of our staff. We assign a specific client service team to ensure primary responsibility for each project. The teams are comprised of qualified individuals who are experienced in the specific challenges confronting the City of Basehor.

The staff assigned to this project is experienced in utility expense and cost analysis. The teams are free to draw upon the expertise of our entire staff.



IV. Study Team

Nicholas R. "Nick" Dragisich, PE
Executive Vice President and Consultant

Mr. Nick Dragisich will be the senior officer responsible for overall project management. He has been directly responsible or involved in numerous utility expense and cost analysis studies and in the development of Excel based computer models for utilities in Minnesota, Iowa, Wisconsin, Kansas, Maryland, Missouri, Virginia, North Carolina and Washington. Mr. Dragisich is the Manager of Consulting Services for Springsted Incorporated. He has over 20 years of management experience ranging from city manager to city engineer. He holds a master's degree in business administration and a bachelor's degree in civil engineering. Mr. Dragisich is a registered professional engineer in Minnesota and Washington.

Bryan R. Kidney
Vice President and Client Representative

Mr. Bryan Kidney concentrates his efforts as principal advisor to cities and counties. He serves clients in the Central states, assisting them in attaining their financial goals through effective public finance, economic development and public management services. Mr. Kidney has 20 years of experience in local government finance management as a Finance Director or Assistant Director for four Kansas municipalities most recently serving as Finance Director in Shawnee. Prior to public service, Mr. Kidney began his career in the government audit section of a public accounting firm. Mr. Kidney has extensive experience with debt issues, public budgeting, long-term forecasting, and investments and has created numerous long-term financial plans which resulted in upgraded credit ratings. Mr. Kidney holds a Bachelor of Science in Accounting from Emporia State University, Emporia, Kansas.

Patricia L. "Patty" Kettles, CIPFA
Vice President and Consultant

Ms. Patty Kettles has performed similar studies for clients in the states of Minnesota, Iowa, Wisconsin, Kansas, Maryland, Missouri, and Virginia. Ms. Kettles joined Springsted Incorporated as a Financial Services Analyst in 1995 and joined the Management Consulting Services Group in early 2001. Ms. Kettles is the Director of Quantitative Services for Springsted's Management Consulting Services Group. She holds a master's degree in business administration and a bachelor's degree in finance. Ms. Kettles is a Certified Independent Public Finance Advisor.

Matthew T. "Matt" Stark
Senior Analyst

Mr. Matt Stark is a member of our Management Consulting Services Group. With the firm since 2002, he applies his analytical expertise to new challenges within the fields of operational finance, organizational management and human resources and economic development. He provides technical and analytical assistance on financial planning models, assists and advises clients on employee classification and compensation systems, performs cost-benefit analyses on economic development projects and is responsible for our electronic facilitation system. Mr. Stark holds a degree in physics from Penn State University.

Confidentiality; Disclosure of Information.

4.1 Client Information. All information, files, records, memoranda and other data of the Client which the Client provides to the Consultant or which the Consultant becomes aware of in the performance of its duties hereunder ("Client Information") shall be deemed by the parties to be the property of the Client. The Consultant may disclose the Client Information to third parties in connection with the performance by it of its duties hereunder.

4.2 Consultant Information. The Client acknowledges that in connection with the performance by the Consultant of its duties hereunder, the Client may become aware of internal files, records, memoranda and other data, including without limitation computer programs of the Consultant ("Consultant Information"). The Client acknowledges that all Consultant Information, except reports prepared by the Consultant for the Client, is confidential and proprietary to the Consultant, and agrees that the Client will not, directly or indirectly, disclose the same or any part thereof to any person or entity except upon the express written consent of the Consultant.

5. Miscellaneous.

5.1 Delegation of Duties. The Consultant shall not delegate its duties hereunder to any third party without the express written consent of the Client.

5.2 No Third Party Beneficiary. No third party shall have any rights or remedies under this Agreement.

5.3 Entire Contract; Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior written or oral negotiations, understandings or agreements with respect hereto. This Agreement may be amended in whole or in part by mutual consent of the parties, and this Agreement shall not preclude the Client and the Consultant from entering into separate agreements for other projects.

5.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

5.5 Severability. To the extent any provision of this Agreement shall be determined invalid or unenforceable, the invalid or unenforceable portion shall be deleted from this Agreement, and the validity and enforceability of the remainder shall be unaffected.

5.6 Notice. All notices required hereunder shall be in writing and shall be deemed to have been given when delivered, transmitted by first class, registered or certified mail, postage prepaid and addressed as follows:

If to the Client:

City of Basehor
2620 North 155th Street
PO Box 406
Basehor, KS 66007

If to the Consultant, to:

Springsted Incorporated
380 Jackson Street
Suite 300
St. Paul, MN 55101-2887
Attention: Managing Principal

The foregoing Agreement is hereby entered into on behalf of the respective parties by signature of the following persons each of whom is duly authorized to bind the parties indicated.

FOR CLIENT	SPRINGSTED Incorporated
_____	_____
_____	_____
Name: David K. Breuer Title: Mayor, City of Basehor	Bryan R. Kidney Vice President and Client Representative

The City of Basehor

Date: December 14, 2010

To: Basehor City Council

From: Mark Loughry, City Administrator
Corey Swisher, City Clerk

Re: Sewer Rate Increase

Background:

On December 6, 2010 the Basehor City Council was informed the total budgeted expenditures in the Sewer Fund were required to be raised in 2011 due to an increase in debt service obligations. Without a very significant and improbable increase in new sewer customers over the next several years annual sewer rate increases will be required to maintain the Sewer Funds solvency.

Other factors impacting sewer rates were also discussed:

- Increased household appliance efficiency and conservation efforts have led to a decrease in the average monthly residential sewer bills. The CPI adjusted average monthly residential sewer bill is 13% less today than it was in 2004.
- Financial capability studies performed by the City's auditors when determining the City's ability to pay-off a Kansas Department Health & Environment (KDHE) waste water treatment plant construction loan was based on significantly higher than currently existing sewer rates.
- Utilizing Sewer Fund cash carryover in the past for maintenance and repairs has left the utility with little ability to withstand any unanticipated expenses.
- Utilizing ad valorem property tax to subsidize an enterprise fund is considered an unacceptable practice and should be viewed as the option of last resort.

Other Considerations:

1. Is Council committed to annual capital improvements to the City's waste water infrastructure and if so to what extent?
2. Is Council committed to maintaining a 10% reserve balance?
3. Delaying necessary rate increases even a year creates higher utility bills for residents in the long term.

Action Requested:

1. Delay taking action and readdress the matter in 2011. It is important to note that sewer rate usage fees will be required to be raised in 2012 to maintain the Sewer Fund's solvency. Due to the availability of an anticipated $769,000 unreserved cash balance in 2011 the 2012 increase will need to be substantial (approximately 50%). Any action taken in 2011 will significantly reduce the 2012 increase.
2. Raise the 2011 per customer monthly sewer fee and establish ongoing rate increases.

Staff Recommendation:

Staff is committed to both the continued capital maintenance of the City's waste water infrastructure as well as the maintenance of adequate reserves. The City is currently not positioned to maintain either. The current fee structure is inadequate and requires a significant upward adjustment. Staff therefore recommends raising the sewer rate by 40% which is $10.61 per 1000 gallons. Doing so has many advantages:

- The immediate ability to provide necessary maintenance on sewer infrastructure;
- Accommodates a conservative and financially responsible cash reserve;
- Provides lower average monthly sewer rates over the long term;
- Continuing Sewer Fund solvency.

The current minimum monthly sewer rate of $10.20 is proposed to be 1.5x the base rate per 1,000 gallons.

Attachments:

Sewer Fund Situation Report.
Sewer Fund Pro-Forma Examples.
December 6, 2011 Basehor City Council Sewer Rate Increase Memorandum.

2620 N. 155th Street
P.O. Box 406
Basehor, KS 66007-0406

913-724-1370
FAX 913-724-3388
www.cityofbasehor.o

CITY	CHIEF OF POLICE		LIEUTENANT DET		SERGEANT		POLICE OFFICER						POLICE CLERK		POLICE/COURT CLERK		ASSISTANT CITY CLERK UTILITY BILLING CLERK		ACCOUNTING CLERK		SUPERVISOR PUBLIC WORKS		PUBLIC WORKS WORKERS						SUPERVISOR WASTE WATER		WASTE WATER WORKERS						EMPLOYEE BENEFITS						
							POLICE I		POLICE II		POLICE III												PW I		PW II		PW III				WWWI		WWW II		WWW III		KP&F		KPERS		MEDICAL	DENTAL VISION	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	YES	NO	YES	NO		YES	NO
Basehor	$26.58	$33.19	$20.97	$26.19	$18.50	$23.10	_	_	$15.44	$19.28	$15.94	$19.91	$11.82	$14.77	$14.21	$17.75	$15.52	$19.38	$15.91	$19.87	$15.91	$19.87	$11.65	$14.55	$15.91	$19.87	_	_	$19.06	$23.80	$13.59	$16.97	$14.86	$18.56	_	_	✓		✓		CITY 100%	✓	
Bonner Springs	$31.56	$47.37	$26.12	$39.19	$22.18	$30.00	$16.80	$22.73	$18.35	$24.85	$21.17	$28.71	$12.24	$16.52	$15.96	$21.59	$15.96	$24.59	$15.96	$21.59	$20.21	$27.32	$12.24	$16.52	$13.28	$17.98	$15.96	$21.59	$22.18	$30.00	$12.24	$16.52	$13.28	$17.98	$15.93	$21.59	✓		✓		CITY 100%	✓	
Edwardsville	NA	NA	$34.67	$48.00	$25.73	$28.95	_	_	$18.95	$22.63	$23.34	$26.67	$14.85	$20.55	$17.19	$23.79	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	✓		✓		CITY 100%	✓	
Eudora	$33.66	$42.02	NA	NA	$24.00	$35.00	$19.00	$23.75	$24.00	$28.00	$28.00	$35.00	–	–	$16.00	$16.78	$13.00	$14.50	$15.00	$20.00	NA	NA	_	_	$12.00	$18.00	$18.00	$22.50	NA	NA	_	_	$17.00	$25.00	$25.00	$31.25	✓		✓		CITY 100%	✓	
Kansas City	_	$57.71	NA	NA	$19.43	$34.16	_	_	$19.43	$34.17	_	_	$14.50	$19.38	$14.90	$17.61	NA	NA	$17.26	$25.93	$16.04	$22.99	$17.30	$18.21	$18.53	$19.51	$19.24	$20.25	$16.04	$22.99	$19.84	$20.34	$23.05	$23.55	$23.27	$26.77	✓		✓		CITY 100%	✓	
Lansing	$23.82	$36.03	$19.62	$29.67	$16.11	$24.37	_	_	$13.49	$20.40	_	_	$12.96	$19.19	$16.78	$20.98	$13.00	$18.12	$16.11	$24.37	$17.43	$26.36	$10.80	$16.34	$11.49	$17.37	$12.69	$19.19	$17.43	$26.36	$10.80	$16.34	$11.49	$17.37	$12.69	$19.19	✓		✓		CITY 87% EMP 13%	DENTAL ✓	VISION ✓
Lawrence	$37.47	$56.04	NA	NA	$29.76	$44.51	_	_	$19.95	$33.51	_	_	$13.51	$20.21	$13.51	$20.21	$13.51	$20.21	$15.13	$22.63	$18.98	$36.91	_	_	$15.13	$22.63	$16.95	$25.35	$18.98	$28.39	_	_	$16.95	$25.35	_	_	✓		✓		CITY 95% EMP 5%	✓	
Leavenworth	$37.05	$55.58	$21.43	$32.13	$19.41	$29.11	_	_	$15.92	$26.37	_	_	NA	NA	$13.81	$20.71	NA	NA	$13.07	$19.60	$17.50	$26.24	_	_	$11.23	$16.84	_	_	NA	NA	$11.23	$16.84	$16.20	$24.30	$14.18	$21.27	✓		✓		CITY 100%	✓	
Olathe	$50.72	$79.33	$26.14	$40.88	$32.18	$34.80	_	_	$18.50	$31.36	_	_	NA	NA	$12.23	$21.17	NA	NA	$15.27	$23.88	$23.74	$31.13	$12.64	$19.77	$14.55	$22.76	$15.28	$24.09	$15.41	$24.10	_	_	$12.00	$18.91	$12.10	$23.19	✓		✓		CITY 87% EMP 13%	✓	
Overland Park	_	$73.07	NA	NA	$28.18	$39.07	_	_	$20.66	$34.55	_	_	NA	NA	$16.39	$24.59	$22.33	$33.49	$17.61	$26.41	$13.08	$19.62	_	_	$16.43	$24.64	_	_	NA	NA	NA	NA	NA	NA	NA	NA	✓		✓		CITY 82% EMP 18%	✓	VISION ✓
Shawnee	$48.74	$70.67	$34.35	$50.80	$26.18	$38.76	$17.63	$26.11	$19.95	$29.54	$22.02	$32.61	$15.20	$22.51	$15.20	$22.51	$15.58	$23.07	NA	NA	NA	NA	_	_	$15.58	$23.07	_	_	NA	NA	NA	NA	NA	NA	NA	NA	✓		✓		CITY 97% EMP 3%	VISION ✓	DENTAL ✓
Tonganoxie	$28.06	$38.68	$22.46	$30.97	$20.86	$28.76	_	_	$16.70	$23.03	_	_	$12.42	$17.12	$15.51	$21.38	$12.42	$17.12	NA	NA	$20.86	$28.76	$13.38	$18.44	$14.40	$19.86	_	_	NA	NA	_	_	$13.38	$18.44	_	_		✓	✓		CITY 90% EMP 10%	✓	
OVER ALL WAGE COMPARESON	$35.30	$53.61	$25.72	$37.23	$23.55	$32.55	$17.81	$24.20	$18.45	$27.31	$22.10	$28.58	$13.44	$18.79	$15.14	$20.76	$15.17	$21.30	$15.71	$22.70	$18.20	$26.58	$13.01	$17.31	$14.42	$20.23	$16.36	$22.17	$18.19	$25.94	$13.54	$17.41	$15.36	$21.06	$17.20	$23.88							
2013 BASEHOR AVG WAGE PLAN	$31.56	$47.34	$22.61	$39.38	$22.61	$39.38	$16.70	$25.05	$18.53	$27.53	_	_	_	_	$13.61	$20.42	$16.70	$25.05	$18.53	$27.53	$16.70	$25.05	$12.24	$18.36	_	_	_	_	$18.53	$27.53	$12.24	$18.36	$16.70	$25.05	_	_							

Agenda

Basehor City Council
Work Session
July 2, 2012 7:00 p.m.
Basehor City Hall

1. Employee Salary Range Review
2. 2013 Operating Budget Introduction
3. Discuss Utility Rate Study
4. Discuss Pinehurst Roundabout Renovation
5. Online Utility Billing Update
6. Discuss 2804 N 155th Street Rezoning Request
7. Leavenworth County Sewer District No. 3 Annexation Follow Up
8. Discuss KDOT Reimbursement Agreement (155th & 158th Streets)
9. Discuss 2012 Pavement Management Plan
10. Executive Session; if Needed

Per K.S.A. 75-438 the City Council Meeting agenda is available for review at Basehor City Hall, 2620 North 155th Street.

The City of Basehor

Date: July 2, 2012

To: Governing Body

From: Lloyd Martley, Interim City Administrator

Ref: Proposed 2013 Wage Plan

The City of Basehor's compensation pay plan is currently structured under policy adopted by Council with seven ranges and ten incremental steps. The current plan has a 2.5% increase every other year built into it with approval of Council.

Council directed staff to look at creating a compensation plan that would do away with the current step plan. I have created a wage plan with 12 ranges which divides the staff into categories based on job types with eight performance based steps with minimum and maximum rates of pay for each step and range. The salary structure of the plan is based off of the 2011, salary survey of local governments conducted by the Mid-America Regional Council and a independent survey of 11 cities which included Bonner Springs, Edwardsville, Eudora, Kansas City, Kansas, Lansing, Lawrence, Leavenworth, Olathe, Overland Park, Shawnee and Tonganoxie all of which we compete with for employees.

The proposed 2013 pay plan includes a two percent cost of living increase for all employees which would become effective the first pay period in that year. The plan also reflects hourly adjustments for several positions based on salary surveys conducted which will help make City wages more competitive with surrounding cities that we often compete with for employees. The maximum budgetary impact assuming twelve months of full employment would be approximately $94,000. The proposed pay plan is designed to allow for cost of living increases and performance based increases as authorized by Council. In 2013, staff will implement the process of providing employee performance reviews to be used for possible merit based increases in 2014 as approved by Council. In the near future staff will bring forward a proposed employee performance evaluation system for Council reviews.

		12/31/12 Hourly	Hourly Adjust	2013 Hourly 2%	2013 Salary
100% Gov Body	Mayor-PT	N/A			$5,200
100% Gov Body	City Council-PT	N/A			$13,000
95% Admin 5% SW	City Administrator-FT	$43.27		$43.27	$90,002
95% Admin 5% SW	Finance Director-FT	$31.75		$32.39	$67,361
95% Admin 5% SW	Accounting Clerk-FT	$18.45	$1.00	$19.84	$41,265
100% Admin	Admin Asst-PT	$14.94		$15.24	$21,715
100% Admin	Assistant Admin. Stipend				$7,500
100% Police	Chief of Police-FT	$32.39		$33.04	$68,719
100% Police	Lieutenant-FT	$25.55	$1.00	$27.08	$56,328
100% Police	Police Sergeant-FT	$21.99	$1.00	$23.45	$48,776
100% Police	Police Sergeant-FT	$19.93	$2.25	$22.62	$47,057
100% Police	Police Officer-FT	$18.03	$0.50	$18.90	$39,313
100% Police	Police Officer-FT	$16.34	$1.00	$17.69	$36,789
100% Police	Police Officer-FT	$17.17	$1.00	$18.53	$38,549
100% Police	Police Officer-FT	$15.94	$0.60	$16.87	$35,091
100% Police	Police Officer-FT	$16.34	$1.00	$17.69	$36,789
100% Police	Police Officer-FT	$16.75	$1.00	$18.11	$37,658
100% Police	Police Officer-FT	$16.75	$1.00	$18.11	$37,658
100% Police	Police Officer-FT	$16.75	$1.00	$18.11	$37,658
100% Police	Police-Court Clerk-FT	$16.89	$0.50	$17.74	$36,895
100% Police	Police-Court Clerk-FT	$14.77	$1.00	$16.09	$33,458
100% Police	Animal Control Officer-PT	$16.30		$16.63	$23,775
100% P&Z	City Engineer-FT	$31.49		$32.12	$66,809
100% P&Z	Building/Code Inspector-FT	$23.66		$24.13	$50,197
50% PW 10% SW 40% WWT	City Superintendent-FT	$34.20		$34.88	$72,559
95% Street 5% SW	SR Maintenance Worker-FT	$16.72	$1.00	$18.07	$37,595
95% Street 5% SW	Maintenance Worker-FT	$11.94	$1.00	$13.20	$27,454
95% Street 5% SW	Maintenance Worker I-FT	$13.18	$1.00	$14.46	$30,084
100% WWT	SR Wastewater Operator-FT	$20.02	$1.00	$21.44	$44,596
100% WWT	Wastewater Operator-FT	$15.61	$0.50	$16.43	$34,179
50% WWT 50% SW	Assistant City Clerk-FT	$16.71	$1.00	$18.06	$37,574
100% Park	Park Seasonal Employee	$10.63		$10.84	$4,825
	All Departments Over Time				$52,400
				$615.02	$1,318,827

City of Bashor

2013
Pay Scale

06/25/2012

Range	Title	Step 1 Minimum	Step 2		Step 3		Step 4		Step 5		Step 6		Step 7		Step 8 Maximum
1	Mayor	$5,200.00													$5,200.00
	Council Members	$2,600.00													$2,600.00
	Assistant City Admin.	$7,500.00													$7,500.00
2	Seasonal employment (PT)	$10.37	$10.68	$11.00	$11.33	$11.67	$12.02	$12.38	$12.75	$13.14	$13.53	$13.94	$14.35	$14.79	$15.23
3	Maintenance Worker	$12.24	$12.61	$12.99	$13.37	$13.78	$14.19	$14.62	$15.05	$15.51	$15.97	$16.45	$16.94	$17.45	$17.97
	Wastewater Operator I														
4	Police/Court Clerk	$13.61	$14.02	$14.44	$14.87	$15.32	$15.78	$16.25	$16.74	$17.24	$17.76	$18.29	$18.84	$19.40	$19.99
	Administrative Asst. (PT)														
5	Animal Control Officer	$16.70	$17.20	$17.72	$18.25	$18.80	$19.36	$19.94	$20.54	$21.16	$21.79	$22.44	$23.12	$23.81	$24.52
	Police Officer II (0 to 5 years)														
	Asst. City Clerk/Utility Billing														
	Wastewater Operator II														
	Maintenance Worker Supvr.														
6	Police Officer III (5 years and up)	$18.53	$19.09	$19.66	$20.25	$20.86	$21.48	$22.13	$22.79	$23.47	$24.18	$24.90	$25.65	$26.42	$27.21
	Accounting Clerk														
	Wastewater Operator Supvr.														
	Building/Code Inspector														
7	Police Sergeant	$22.61	$23.29	$23.99	$24.71	$25.45	$26.21	$27.00	$27.81	$28.64	$29.50	$30.39	$31.30	$32.24	$33.20
	Lieutenant/Detective														
8	City Clerk/Finance Director	$28.55	$29.41	$30.29	$31.20	$32.13	$33.10	$34.09	$35.11	$36.17	$37.25	$38.37	$39.52	$40.71	$41.93
9	Planning Director	$32.12	$33.08	$34.08	$35.10	$36.15	$37.24	$38.35	$39.50	$40.69	$41.91	$43.17	$44.46	$45.80	$47.17
10	Chief of Police	$31.56	$32.51	$33.48	$34.49	$35.52	$36.59	$37.68	$38.81	$39.98	$41.18	$42.41	$43.69	$45.00	$46.35
11	City Superintendent	$32.54	$33.52	$34.52	$35.56	$36.62	$37.72	$38.85	$40.02	$41.22	$42.46	$43.73	$45.04	$46.39	$47.79
12	City Administrator	Contract													

Approved and adopted by Council

David K. Breuer, Mayor

CITY	CHIEF OF POLICE		LIEUTENANT DET		SERGEANT		POLICE OFFICER						POLICE CLERK		POLICE/COURT CLERK		ASSISTANT CITY CLERK UTILITY BILLING CLERK		ACCOUNTING CLERK		SUPERVISOR PUBLIC WORKS		PUBLIC W
							POLICE I		POLICE II		POLICE III												PW
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	M
Basehor	$26.58	$33.19	$20.97	$26.19	$18.50	$23.10	_	_	$15.44	$19.28	$15.94	$19.91	$11.82	$14.77	$14.21	$17.75	$15.52	$19.38	$15.91	$19.87	$15.91	$19.8	
Bonner Springs	$31.56	$47.37	$26.12	$39.19	$22.18	$30.00	$16.80	$22.73	$18.35	$24.85	$21.17	$28.71	$12.24	$16.52	$15.96	$21.59	$15.96	$24.59	$15.96	$21.59	$20.21	$27.3	
Edwardsville	NA	NA	$34.67	$48.00	$25.73	$28.95	_	_	$18.95	$22.63	$23.34	$26.67	$14.85	$20.55	$17.19	$23.79	NA	NA	NA	NA	NA	NA	
Eudora	$33.66	$42.02	NA	NA	$24.00	$35.00	$19.00	$23.75	$24.00	$28.00	$28.00	$35.00	–	–	$16.00	$16.78	$13.00	$14.50	$15.00	$20.00	NA	NA	
Kansas City	_	$57.71	NA	NA	$19.43	$34.16	_	_	$19.43	$34.17	_	_	$14.50	$19.38	$14.90	$17.61	NA	NA	$17.26	$25.93	$16.04	$22.9	
Lansing	$23.82	$36.03	$19.62	$29.67	$16.11	$24.37	_	_	$13.49	$20.40	_	_	$12.96	$19.19	$16.78	$20.98	$13.00	$18.12	$16.11	$24.37	$17.43	$26.3	
Lawrence	$37.47	$56.04	NA	NA	$29.76	$44.51	_	_	$19.95	$33.51	_	_	$13.51	$20.21	$13.51	$20.21	$13.51	$20.21	$15.13	$22.63	$18.98	$36.9	
Leavenworth	$37.05	$55.58	$21.43	$32.13	$19.41	$29.11	_	_	$15.92	$26.37	_	_	NA	NA	$13.81	$20.71	NA	NA	$13.07	$19.60	$17.50	$26.2	
Olathe	$50.72	$79.33	$26.14	$40.88	$32.18	$34.80	_	_	$18.50	$31.36	_	_	NA	NA	$12.23	$21.17	NA	NA	$15.27	$23.88	$23.74	$31.1	
Overland Park	_	$73.07	NA	NA	$28.18	$39.07	_	_	$20.66	$34.55	_	_	NA	NA	$16.39	$24.59	$22.33	$33.49	$17.61	$26.41	$13.08	$19.6	
Shawnee	$48.74	$70.67	$34.35	$50.80	$26.18	$38.76	$17.63	$26.11	$19.95	$29.54	$22.02	$32.61	$15.20	$22.51	$15.20	$22.51	$15.58	$23.07	NA	NA	NA	NA	
Tonganoxie	$28.06	$38.68	$22.46	$30.97	$20.86	$28.76	_	_	$16.70	$23.03	_	_	$12.42	$17.12	$15.51	$21.38	$12.42	$17.12	NA	NA	$20.86	$28.7	
OVER ALL WAGE COMPARESON	$35.30	$53.61	$25.72	$37.23	$23.55	$32.55	$17.81	$24.20	$18.45	$27.31	$22.10	$28.58	$13.44	$18.79	$15.14	$20.76	$15.17	$21.30	$15.71	$22.70	$18.20	$26.3	
2013 BASEHOR AVG WAGE PLAN	$31.56	$47.34	$22.61	$39.38	$22.61	$39.38	$16.70	$25.05	$18.53	$27.53	_	_	_	_	$13.61	$20.42	$16.70	$25.05	$18.53	$27.53	$16.70	$25.0	

The City of Basehor

Date: June 28, 2012

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

From: Corey Swisher, City Clerk/Finance Director

Re: 2013 Operating Budget Introduction and Discussion

Background:
The Basehor City Council will be asked to approve the 2013 Budget Document in August 2012. As such it is appropriate to begin the budget review process. Council is currently being asked to review, familiarize and evaluate the City's various funds, cash positions, revenue sources and trends.

City Council Priorities:

The Governing Body and City staff conducted a planning retreat early in May of 2012. The following assumptions and priorities were identified and directed to be incorporated into the 2013 Budget:

- Construct a sound budget using conservative revenue estimates.
- Control expenses and maintain a level mill levy.
- Maintain quality public safety services.
- Promote economic development within the City.
- Continue infrastructure improvements which will preserve and enhance property values.
- Provide fair compensation and benefits to City staff.

The budget process begins by forecasting the revenues expected to be received in the upcoming fiscal year. By estimating the amount of money coming in, the City knows what it has to work with. After revenues have been projected, decisions about expenditures can be made. The City currently finds itself in a very strong financial position. Revenues are predominantly exceeding expectations and cash balances are very strong.

Current Cash and Revenue Positions:

Cash Balances:
The City's 2012 beginning Fund cash balances were very encouraging. The General Fund's 2012 beginning cash balance represented 15% of budgeted expenditures whereas that number in 2011 was nine percent. Entering the budgeting process all of the City's Funds maintain healthy balances. It is believed that the gradual recovery of the economy has helped stabilize property tax and special assessment collections. The City's Solid Waste Fund did see a negative year over year difference due to increased solid waste and recycling costs as well as updated labor

allocation expenses. It is critical that adequate fund balance reserves are kept to meet unexpected operating or capital demands and to cover any unanticipated revenue shortfalls. *(Please see attached 2011 Audit Management Discussion and Analysis.)*

BEGINNING ANNUAL CASH BALANCE BY FUND

Fund	2010 Actual	2011 Actual	2012 Budget	2012 Actual	% diff. b/n Budget & Actual
General	$419,077	$155,776	$172,333	$314,079	45%
Special Parks and Recreation	$159,898	$166,804	$121,554	$121,307	0%
Consolidated Highway	$1,726,181	$1,920,341	$1,294,201	$2,020,285	36%
Capital Improvement	$1,346,875	$52,023	$1,256,286	$1,343,996	7%
Municipal Equipment Reserve	$286,227	$321,272	$320,722	$321,272	0%
Bond and Interest	$81,613	$35,043	$61,741	$404,894	85%
Sewer	$464,249	$404,640	$560,541	$717,426	22%
Solid Waste	$71,534	$88,375	$98,602	$72,993	-35%
Cedar Lake Maintenance	$23,442	$26,689	$9,209	$10,321	11%
Employee Benefit	$0	$1	$1,392	$48,282	97%
	$4,579,096	$3,170,964	$3,896,581	$5,374,855	28%

Ad Valorem Tax:
For the second time in as many years the City has experienced a slight reduction in valuation. The preliminary 2013 valuation fell 1.669% from the finalized 2012 valuation. If the City's mill levy were to remain the same in 2013, $24,607 less in ad valorem property tax would be generated. The City continues to grow at one of the fastest rates in the Kansas City metropolitan area however stagnating property values along with the City's Neighborhood Revitalization Programs (NRP) generally negate the impact of new construction on the City's valuation. Ad Valorem Property tax will account for 46% of the City's General Fund revenue in 2012. *(Please see attached County Clerk preliminary valuation and NRP informational brochure.)*

Sales and Use Tax:
The City's sales tax collections continue to be very encouraging. The City's sales tax collections are currently tracking ten percent ahead of the amount collected last year. If collections continue on the current pace approximately $60,000 more could be in collected in 2012 than in 2011. The City is required to use 50% of all sales tax collections for infrastructure. As such fifty percent of sales tax collections are receipted into the General Fund and the other 50% is distributed between the Consolidated Highway and the Capital Improvements Funds. The City has not yet determined the sustained impact of the new Wolf Creek retailer on the City's overall collections. The new retailer is however generating Transportation Development District sales tax. $4343 has been collected year-to-date. This .75% additional sales tax is used to offset the construction costs and debt service for Wolf Creek Parkway. This tax was originally intended to offset the costs for the entire project. That scenario has yet to come to fruition. However current and future TDD collections will reduce the City's current reliance on strictly ad valorem tax to service this debt. Sales tax will account for nine percent of General Fund Revenue in 2012. *(Please see attached sales tax collections information sheet.)*

Franchise Fees:
Franchise fee collection is tracking normally year-to-date. No significant budget variances are anticipated. Most Kansas cities receive franchise fees or payments from privately owned utilities (electric, natural gas, television, cable, etc.) operating within the city limits. Franchise fees can be considered rent for the use of the City's right-of-way. It is common for cities to receive from 2% to 5% of utility gross receipts. Franchise Fees will account for approximately ten percent of General Fund revenue in 2012.

Court Fines:
Court fine collection is tracking approximately 12% behind budget. It is not expected that this will be problematic. Court fines account for approximately ten percent of General Fund revenue in 2012.

Budget Format and Fund Explanations:

The use of fund accounting is one of the major differences between governmental and commercial accounting. It requires separate record keeping for each individual fund. Each fund operates as a self-contained entity with its own revenue sources, expenses, assets, liabilities and fund balance. Even though the actual cash is contained in one bank account, "separate accounting" is kept of all funds.

According to state law, the budget must be balanced for each fund. The final budget adopted by the City Council must be a balanced budget, where total resources equal total obligations. The State Budget Law prohibits a budget which projects spending in excess of available resources. The Budget Law further prohibits unappropriated balances in funds supported by general tax levies.

Separate funds are maintained for specific purposes and projects in accordance with state law, the State Division of Accounts and Reports, Department of Administration, bond covenants, tax levies, commitments for grants and ordinances and resolutions passed by the City Council.

General Fund:
The General Fund is the primary operating fund for any city as it is available for any legally authorized purpose except those required to be accounted for in another fund. The General Fund's primary revenue source is ad valorem property tax. This is a general tax on all real and personal property not exempt from taxation by law. It is sometimes called an "ad valorem" tax, meaning that the tax is based on the value of the property.

Bond & Interest Fund:
The Bond & Interest Fund is used to account for the payment of interest and principal on long term general obligation debts. This fund's primary revenue sources are special assessments and ad valorem property tax.

Employee Benefit Fund:
KSA 12-16,102 authorizes the establishment of an employee benefit fund. This Fund is utilized to account for employee benefit and is supported by ad valorem property tax.

Consolidated Highway Fund:
The Consolidated Highway Fund is used for street maintenance and repair, the pavement management plan, as well as salt and sand. Sales tax and gas tax are the primary resources for the fund. The gas tax is derived from a state tax on motor vehicle fuel and special fuel sales. The tax is apportioned to the County and cities based on statutory formulas. The cities portion is

determined on a per capita basis. This Fund is used to pay for the annual pavement improvement program and will be used to provide matching resources for the City's three KDOT grants.

Special Park and Recreation Fund:
This Fund is used to account for parks and recreation expenditures funded from the State liquor tax receipts and City Parkland fees. The State levies a 10% surtax on the sale of all alcoholic beverages sold by any club, caterer, or drinking establishment. 70% of the taxes paid within City limits are returned to the respective cities & must be divided between the General and Special Parks & Recreation Funds. This fund is dedicated for the purchase, establishment, maintenance or expansion of park and recreational services, programs, and facilities. This Fund has been the primary resource for the recent Field of Dreams Improvements.

Capital Improvement Fund:
This Fund is used to account for resources that are used for acquiring or significantly improving capital facilities (roads, sidewalks, buildings, etc.). This Fund is anticipated to serve as the resource for the purchase or construction of a new Basehor Municipal Building (City Hall).

Cedar Lake Maintenance Fund:
The Cedar Lake Maintenance Fund is to be used for expenses related to ongoing sewer operations in the Cedar Lake Estates sewer district. Property owners in the district pay special assessments to provide resources for the Fund.

Leavenworth County Sewer District No. 3 Maintenance Fund:
The Sewer District #3 Maintenance Fund is to be used for expenses related to maintenance in the sewer district. This is a new fund for 2012 as the City has absorbed this district from Leavenworth County as part of a Kansas Department of Health & Environment (KDHE) mandated connection project. Property owners in the district pay special assessments to provide resources for the Fund.

Municipal Equipment Replacement Fund (MERF):
Kansas statutes provide that any Governing Body of any city may provide, by adoption of an Ordinance, for a Municipal Equipment Reserve Fund to finance the acquisition of equipment. Moneys may be budgeted and transferred to such fund from any source which may be lawfully utilized for such purposes, including equipment use charges on the various departments and agencies of the City to finance new and replacement equipment. Transfers to this Fund are calculated based on the Fleet Replacement Schedule with each Fund covering its own projected depreciation. The City currently makes transfers money from the General Fund into the MERF. Transfers to this Fund from the Sewer Fund were discontinued in 2011.

Solid Waste Fund:
All residences within City limits are required to utilize City provided solid waste and single stream recycling. These services are provided through a contract with Deffenbaugh Industries (through December 31, 2014). This Fund is used to account for the management of those operations. It is classified as an enterprise fund rendering services on a user charge basis.

Sewer Fund:
The Sewer Fund accounts for revenues and expenses related to the provision of sanitary sewer services to City residents and customers in adjacent areas. It is classified as an enterprise fund rendering services on a user charge basis.

Action Requested of Council:

Review cash positions, revenue estimates along with the various funds and ask questions.

Attachments:

2013 Budget Calendar
Kansas Municipal Sourcebook – Public Budgeting
2011 Independent External Audit Management Discussion and Analysis
2013 Leavenworth County Clerk Preliminary Valuation
Valuation History
Mill Levy History
NRP informational brochure
YTD Sales Tax Report
YTD Financial Snapshot
2013 General Fund Revenue Estimates

City of Basehor
2013 Operating Budget Preparation Calendar

Date	Scheduling Item
May 3, 2012	City Council Planning Retreat
June 1, 2012	Budget Documents Provided to the Department Heads
June 15, 2012	DEADLINE: Department Budget Requests Due to Finance Director
Third Week in June	City Administrator Budget Reviews with Department Heads
By July 1, 2012	Receive Assessed Valuation from County Clerk *The County Clerk shall include such assessed valuations in the applicable taxing districts with all other assessed valuations in those taxing districts and on or before **July 1** notify the appropriate officials of each taxing district within the county of the assessed valuation estimates to be utilized in the preparation of budgets for ad valorem tax purposes (K.S.A. 79-5a27).*
July 2, 2012	2013 City Council Budget Work Session
July 18, 2012	Regular Meeting: Set Budget Public Hearing Date as August 20, 2012
July 19, 2012	Send *Notice of Public Hearing* to *Basehor Sentinel* *The governing body shall give at least **10 days' notice** of the time and place of the meeting by publication in a weekly or daily newspaper of the county having a general circulation therein (K.S.A. 79-2929).*
August 6, 2012	2013 City Council Budget Work Session
August 20, 2012	Regular Meeting - Conduct Public Hearing: Approve 2013 Proposed Budget *The hearing herein required to be held upon all budgets by all taxing subdivisions or municipalities of the state shall be held **not less than ten (10) days** prior to the date on which they shall certify their annual levies to the county clerk as required by law (K.S.A. 79-2933).*
By August 25, 2012	Submit Approved 2013 Budget to Leavenworth County Clerk *Each year the governing body of any city, the trustees of any township, the board of education of any school district and the governing bodies of all other taxing subdivisions shall certify, on or before **August 25,** to the proper county clerk the amount of ad valorem tax to be levied (K.S.A. 79-1801).* *Where action has been taken under any statute to **increase the amount of tax to be levied** authorized by law, a statement showing the increased amount or tax levy rate voted, or a copy of the charter resolution or ordinance making the change, shall be attached to the budget each year the change is in effect (K.S.A. 79-2930).*

CHAPTER 5

PUBLIC FINANCE

The dollars and cents of public management, public budgeting, and finance are critical functions of a city. This chapter discusses public budgeting which is the expenditure and revenue planning process and allocation process. This chapter also deals with various aspects of municipal finance procedures and revenue sources.

PUBLIC BUDGETING

A. BUDGETING

The Division of Accounts and Reports (DAR, Municipal Services) of the Kansas Department of Administration designs budget forms for use by all taxing districts of the state. DAR modifies these form almost every year. As a means of assisting cities and counties in understanding the budget forms and in preparing their budgets, the Division of Accounts and Reports holds a series of budget workshops in May and June of each year. These workshops are held throughout the state to make it as convenient as possible for city and county officials to attend.

IMPORTANCE OF BUDGETING. Budgeting provides a city with the opportunity to:

1. Evaluate current programs' goals, effectiveness, and efficiency;
2. Establish the level of services and programs to be provided; and
3. Determine the staffing, supporting supplies, and equipment required to carry out the program.

By looking at the budget as a whole, the city can weigh the need for one program against another and balance the program needs against the tax burden required to finance them. The budget should accomplish the following major objectives:

1. Establish the city's programs and services for the coming year;
2. Establish a legal basis and record for expenditures of money;
3. Evaluate the adequacy or obsolescence of the various city programs;
4. Serve as a guide for explaining past, present, and projected services and improvements;
5. Describe the financial resources available; and
6. Open dialogue between the city and the citizens on proposed programs.

Key Budgeting Decisions

- What specific goal is to be achieved through the proposed or existing program?
- Is this goal justified as a valid and proper function of the city?
- Is this goal directed toward alleviating a problem of sufficient need or interest?
- Does the need for this program justify the estimated cost as indicated in the budget program?
- Is the proposed program the most economical method available for obtaining the desired goal?
- Is starting up a new city program the only solution to this problem or need?

The Budget Statute—Schedule. K.S.A. 79-2925 *et seq.* sets forth the state law requirement for budgets. There are two phases to the budget:

1. Preparation (including publication of summary, hearing, and adoption of the budget); and
2. Operating under the budget during the budget year.

If proper accounting records are kept during a budget year, the preparation of figures for the next year's budget is simplified.

State laws govern the timetable for budget preparation, publication, hearing, adoption and certification. The calendar below, based on a typical year, is based on these requirements (K.S.A. 79-2927; 79-2929; 79-2933; 79-1801; 79-2930):

August 5	Last day for publishing budget and hearing notice.
August 15	Last day for public hearing on budget.
August 25	Last day for filing levies and budget with county clerk.

While the statutory budget schedule is <u>not mandatory</u>, every effort should be made to meet the August 25 deadline. There <u>must</u> be at least 10 days between the publication and the hearing and 10 days between the hearing and the certification of the budget to the county clerk. If publication is made at least 10 days prior to a regular meeting date, the budget hearing can be part of the regular meeting agenda.

Standard Budget Form. The standard budget form outlines the level of services to be provided for the coming year. It is a financial statement of the preceding year and the current year, of bonded indebtedness, a computation of tax levies, and a request for tax levies to be spread on the tax roll.

Budget forms are prepared by the Division of Accounts and Reports and, after final adjournment of the Legislature in May, are sent to county clerks who distribute copies to city clerks.

Preparation of Budget. The governing body is legally responsible for preparation of the budget. (K.S.A. 79-2927) However, the actual job of preparing the budget usually falls on the office of city clerk in smaller cities and the finance or budget department in larger cities.

In most cities, the city clerk has the records to develop the figures required for the budget documents. Some information may have to be secured from the city treasurer and county treasurer. Helpful information from the county treasurer includes:

1. Motor Vehicle Tax and Motor Vehicle Stamp Tax;
2. Annual report of distributions;

Budget Tip

Municipal budget forms (and manuals) are available online at: http://www2.da.ks.gov/ar/muniserv/budgetforms_spreadsheets.htm

3. Delinquency rate calculations or amounts; and
4. Valuation amounts.

In some cities, department heads may maintain records of expenditures of their departments to keep themselves informed of the budget balance and for the purpose of making recommendations for the next budget.

Usually the budget officer develops the figures for the preceding year and for the various schedules which accompany the budget. In order to facilitate the budgeting process, it is highly desirable to keep an expenditure analysis of each fund. If the fund is departmentalized, as for the general fund, an expenditure analysis should be maintained for each department within the fund. These expenditure analysis records are important for two reasons:

1. Keeping city officials and officers informed of the status of the budget during the current year; and
2. Preparing the figures at budget time.

A city's general fund usually supports several departments, and the itemization required by the budget form is extensive. The expenditure analysis sheets should conform to the itemization on the budget form.

If proper accounting records are maintained, the figures for the preceding year are easily determined, as well as the figures for the current year to the time when the budget is prepared. In most cases, the figures for the current year are entered the same as the adopted budget for the current year. However, these figures should be as realistic as possible, based on current estimates. The purpose of reviewing the budget for the current year is to determine whether there may be a reduction in expenditures or an unexpected increase in revenue and thus a possible carryover of unencumbered cash for the coming year.

Steps in Preparing the Budget. The budgeting process varies greatly from city to city, depending largely on its size and the sophistication of its public and financial management. Cities with a manager or administrator often prepare comprehensive budget documents, and then complete the state budget forms primarily to meet legal requirements. Preparing the annual budget should be a joint effort of the governing body, chief executive, budget officer, and department heads, where applicable. Often the budget officer is responsible for assembling the departmental budget requests into a budget document to be given to the governing body for action.

Budget Tip

For simplicity, many cities develop their budget utilizing the state budget forms, which contain instructions and suggested procedures. Larger cities also typically prepare much more detailed budget documents (by program, service, department, etc.).

Publication of Budget. After the governing body has approved a proposed budget, the form for publication notice, Notice of Hearing, should be prepared. It is somewhat shorter than the proposed budget. Publishing instructions are included with the form. K.S.A. 79-2929 requires that the proposed budget and notification of hearing be published at least 10 days prior to the date of the hearing, and state law requires that a budget hearing be held at least 10 days prior to the date on which the certification of annual levies to the county clerk is required. (K.S.A. 79-2933)

Hearing and Adoption of Budget. A formal budget presentation to the governing body and public should include presentations by the administrators and/or clerk and department heads, when applicable, which should explain revenue and expenditures. Following these presentations, opinions from the public should be solicited. (K.S.A. 79-2929)

After the hearing, the budget portion of the document is adopted by the governing body. The governing body may change the proposed budget, but it cannot increase the proposed total expenditure or tax levy

amount of any fund, unless the entire procedure of notice and hearing is repeated. Reductions in expenditures will usually result in lower levies for tax funds, and re-figuring is required.

Completion of Budget Document. After final adoption and any re-figuring which may be required, three copies of the whole document should be prepared:

1. Two copies should be provided to the county clerk, who keeps one copy for the county's files and sends the other to the Municipal Accounting Section, Division of Accounts and Reports in Topeka; and
2. One copy for the city's file.

The certificate for the county clerk should be prepared and signed. The two copies sent to the county clerk must have attached a copy of the publication. If special levies are made for funds not specifically named on the forms, statutory citation should be furnished to the county clerk. If the city has passed a charter ordinance changing statutory limitations or authorizing certain levies, a copy should be provided to the county clerk, otherwise he or she may rightfully assume that the levy or levies made in excess of statutory limitations are improper and reduce the levy or levies accordingly.

It is a good practice to contact the county clerk sometime after the budget and tax levies have been certified, to ensure that the levies are being made as certified. County clerks are authorized by law to correct any improper levies. The law, however, does require county clerks to give at least seven days notice to the city before making any change in tax levies. (K.S.A. 79-1965)

Time of Budget Operation. The budget adopted in August showing receipts and expenditures for the coming year begins the following January 1, and operates for the calendar year.

Amending the Budget. In 1981, the Legislature passed a law, supported by the League, which authorizes municipalities to amend their budgets to increase authorized expenditures so long as the additional funds do not require an additional tax levy and the revenue was previously unbudgeted. (K.S.A. 79-2929a)

The procedure for amending the budget is exactly the same as the procedure for adopting it in the first place. The city must give notice and hold a public hearing as required by K.S.A. 79-2929 and 79-2933. Copies of the amended budget are to be filed with the county clerk, who files a copy with municipal accounting section the same as with the original budget. DAR provides instructions and forms for amending the budget during the budget year on their website.

Budget Tip

Note: *Budget Tips* is an annual publication of the League, and includes yearly updates of laws affecting the budget and the budget process. *Budget Tips* can be found online at www.lkm.org.

Definition of Fund. K.S.A. 79-2925 defines "fund" as a fund authorized by statute to be established, not the individual budgeted items of a fund. Rather, it refers to the total of the individual items. A simpler definition is "a sum of money or other resources set aside for the purpose of carrying on specific activities or to attain certain objectives in accordance with special regulations, restrictions, or limitations."

K.S.A. 79-2927 requires an itemized budget, classified by funds (which is the total of the items in each particular fund). The statute also requires that an item for miscellaneous purposes shall not exceed 10% of the total amount of the budget for the particular fund.

The general rule is that items or accounts within a fund may be changed during the budget year by action of the governing body. Changes in the total of receipts or expenditures in a budgeted fund constitute an amendment to the budget as described above.

Appropriations. The budget for each fund constitutes an appropriation for the budget year. (K.S.A. 79-2934) This means that when the budget takes effect, expenditures may be made from the fund for the proper purposes of the fund. The presence of an adopted budget does not alleviate the need for approval of claims against the fund, although some cities adopt a general appropriation ordinance and do not require each claim to be approved by the governing body.

The statute further provides that no money in a fund may be used to pay for any indebtedness created in excess of the total budgeted for the fund. If more money is received during the year than was anticipated and the revenue exceeds the amount appropriated for the fund, any balance at the end of the year is carried forward to the credit of the same fund for the next year. No part of a fund may be diverted to another fund, except as provided by law. If one fund gets low, it is improper to charge another fund for something which should be charged to the low fund.

Creation of Indebtedness. It is unlawful for the governing body to create an indebtedness against a fund after the total indebtedness already created against the fund totals the amount of the budget of expenditures for the fund for the year. Any indebtedness created above the budget for a fund is void except:

1. When provision is made for issuance of bonds;
2. When authorized by an election;
3. When authority has been secured to issue no-fund warrants. (K.S.A. 79-2935)

Budget Record of the City Clerk. K.S.A. 79-2934 requires the city clerk to open and keep an account of each fund, showing the total amount appropriated for the fund, and to charge the appropriation with the amount of any indebtedness created at the time the indebtedness is incurred—*not* when it is paid. The fund is charged when the purchase order is issued, contract executed, or indebtedness created in some other way.

In those cases where the actual cost is not known when the purchase order is issued, an estimate should be entered and an adjustment made when the actual amount is determined, usually when the claim is filed. The city clerk must know when purchases are made in order to encumber the budget record.

Budget Tip

It is important to remember that expenses are encumbered when an obligation to purchase occurs, not when the invoice is paid.

Reimbursements. Anticipated reimbursements should be budgeted as revenue, but unanticipated reimbursements during the same budget period cannot be budgeted. Where they balance with an equal amount of expenditures in excess of the amount budgeted, the amount of such expenditures is not considered a violation of the budget law. Reimbursement for budget credit is the actual cash outlay recovered in the same budget period for amounts expended in excess of the amount of revenue anticipated as reimbursed expense. See K.S.A. 79-2934.

Trade-Ins. Where new equipment is purchased and a piece of old equipment is turned in as a part of the purchase price, it is only the cash outlay (the difference between the purchase price and the agreed value of the trade-in) that is charged against the budget. Under a lease-purchase agreement, only the annual budgeted expenditure would be charged against the budget.

Lease-Purchase Agreements. The Legislature has authorized municipalities to enter into lease agreements, with or without an option to buy, or to enter into installment purchase agreements. Such agreements are held not to be a violation of the cash basis law if they specifically provide the municipality is obligated only to pay periodic or monthly payments as may lawfully be made from funds budgeted and appropriated for that purpose during the municipality's current budget year. (K.S.A. 10-1116b)

Federal Aid Budgeting. Cities that receive federal funds are authorized to expend this aid without regard to budget limitations. These expenses are not charged against the budget.

The expenditures of city funds which are later reimbursed by federal funds are considered reimbursed expenses—even if the funds are received after the budget year. Temporary notes and no-fund warrants as well as tax levies to pay for them are authorized under certain circumstances. (K.S.A. 12-1662 through 12-1668)

Capital Budgets. A capital budget prepares the city for the acquisition of major capital assets to be purchased. A capital improvement budget and a capital improvement program are necessary instruments in the responsible operation of a city. The use of a capital budget and the development of a capital improvement program can be rather complex. The League suggests that operating expenses should always be kept separate from capital expenses. K.S.A. 12-1,118 provides for a capital improvement fund.

Communication with the Governing Body. It is a good practice to provide the governing body with budget reports on a regular basis, either monthly or quarterly. There is no perfect format for budget reporting, but typical reports show a variety of columns including expenditures/revenues to date, projected year-end expenditures/revenues and budgeted expenditures/revenues for each item in the budget report.

B. Kansas Cash Basis Law

Cash-Basis Law in Brief. The essence of the cash-basis law is that no indebtedness should be created against a current fund unless there is cash available in that fund available to pay the debt at once. Revenue that is to be received later is not considered. The fact that the actual payment of the obligation will be deferred is also not considered. (K.S.A. 10-1101 through K.S.A. 10-1122)

Cash Available When Debt Created. No debt may be created in excess of the amount of funds actually on hand in the fund from which the debt will be paid. Money in the bank not belonging to the fund is not considered. It is best to take into account all previous commitments which are unpaid and to incur further debt only when there is sufficient cash over and above the amount of all outstanding commitments against the fund.

Budget Tip

The key thing to remember when entering into a lease-purchase agreement is that the agreement MUST contain language which makes it clear that the annual payment(s) is(are) subject to annual appropriation by the governing body.

The primary exceptions to the cash basis requirements are:

1. Matters for which bonds will be issued. The bond resolution acts as an appropriation and a limit on the indebtedness to be incurred;
2. Where no-fund warrants are duly authorized;
3. Airport revolving funds and enterprise utility funds which may accrue revenue. The exception is limited by the amount of accruable revenue (K.S.A. 10-1116);
4. For extraordinary emergencies of a utility and then only in the manner prescribed by K.S.A. 10-1116a;
5. Lease-purchase agreements. (K.S.A. 10-1116b)

Record of City Clerk. K.S.A. 10-1117 requires the city clerk to keep records showing:

1. The amount of money in the treasury in each fund;
2. All contracts or obligations creating liability against the city;
3. All indebtedness created by the governing body. The governing body

creates all indebtedness, this means that when any purchase order is issued, or when any committee, officer, or employee makes a purchase, the clerk must make a record of it. The clerk does not wait until a claim is filed. The city clerk must be immediately informed of all orders, contracts, and other commitments.

The record must show:

1. The date of the making of the contract or the creation of the debt;
2. The amount of the contract or debt. (in some cases, the amount has to be estimated temporarily);
3. The time payable (this may be indefinite);
4. The particular fund from which payment is to be made;
5. Each warrant or check drawn on the treasury and the date of payment.

Information for Governing Body and Public. The city clerk must exhibit the cash basis records upon the request of any person, including a member of the governing body, taxpayer, person desiring to contract with the city, or person having a claim against the city. (K.S.A. 10-1117) The city clerk should advise the governing body of the cash status of each fund at each meeting or at least when it appears the cash may not be sufficient for a contemplated indebtedness.

Void Contracts, Orders, and Warrants. Contracts, orders, warrants or warrant checks in violation of the cash basis law are void. (K.S.A. 10-1119)

Warrants or Checks Improperly Issued. The city clerk must not knowingly issue, attest, sign, or countersign any order, warrant, check, or other evidence of indebtedness, on the treasury of the city in payment of any indebtedness of the city created by the governing body in excess of the amount of funds actually on hand in the treasury at the time for the purpose. (K.S.A. 10-1114) Even if there is sufficient money in the bank, it must be designated for the purpose.

Subordinate Political Subdivisions. The Cash Basis Law also applies to any political subdivision of the state that is supported with tax funds. This includes recreation commissions, library boards, etc.

Penalty. Knowingly violating the cash basis law is a misdemeanor, and can result in removal from office. (K.S.A. 10-1121)

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.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities - Most of the City's programs and services are reported here including general government, public safety, public works, and culture and recreation.

Business-Type Activities - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The City's sewer utility and the solid waste utility are reported as business-type activities.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds - Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and balances left over at fiscal yearend available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Assets and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

Proprietary Funds - Proprietary funds (Solid Waste Utility and the Sewer Utility) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the government-wide financial statements.

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	11,106,103	11,794,564	18,838,629	19,521,750	29,944,732	31,316,314
Total assets	$ 17,414,312	$ 17,470,330	$ 19,743,439	$ 20,304,896	$ 37,157,751	$ 37,775,226
Current liabilities	$ 1,964,073	$ 2,184,331	$ 958,955	$ 955,068	$ 2,923,028	$ 3,139,399
Noncurrent liabilities	7,997,118	8,336,234	10,181,444	10,771,332	18,178,562	19,107,566
Total liabilities	$ 9,961,191	$ 10,520,565	$ 11,140,399	$ 11,726,400	$ 21,101,590	$ 22,246,965
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	4,205,546	3,707,478	786,162	437,251	4,991,708	4,144,729
Total net assets	$ 7,453,121	$ 6,949,765	$ 8,603,040	$ 8,578,496	$ 16,056,161	$ 15,528,261

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

Government-Wide Activities

The following is a condensed statement of the City's change in net assets for the year ended December 31, 2011. Major items of program revenues, grants and general revenues are detailed below. Government-wide activities increased the net assets of the City by $.5 million for the year ended December 31, 2011. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located on page 14 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of bonds, temporary notes, and leases in the current fiscal year of $.3 million which are treated as an expenditure in the fund statements and a reduction of long term debt payable in the Government wide financial statements. In addition, the capital outlays of $.1 million are treated as expenditures in the fund statements, but are treated as capital assets in the Government wide financial statements.

City of Basehor
Condensed Statement of Changes in Net Assets
For the Years Ending December 31, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 252,238	$ 174,005	$ 1,791,107	$ 938,041	$ 2,043,345	$ 1,112,046
Operating grants	15,722	76,075	84,630	-	100,352	76,075
General revenues:						
Taxes	3,524,640	2,840,382	-	-	3,524,640	2,840,382
Transfers [net]	[18,959]	[986,801]	18,959	986,801	-	-
Other	61,389	25,286	812	1,039	62,201	26,325
Total revenues	3,835,030	2,128,947	1,895,508	1,925,881	5,730,538	4,054,828
Program expenses:						
General government	1,210,855	1,410,480	-	-	1,210,855	1,410,480
Public safety	738,989	785,305	-	-	738,989	785,305
Public works	534,874	277,752	-	-	534,874	277,752
Culture and recreation	70,120	27,143	-	-	70,120	27,143
Infrastructure depreciation	741,840	676,512	-	-	741,840	676,512
Sewer utility	-	-	1,408,844	1,563,008	1,408,844	1,563,008
Solid waste utility	-	-	254,628	157,536	254,628	157,536
Interest on long term debt	242,488	236,753	-	-	242,488	236,753
Total expenses	3,539,166	3,413,945	1,663,472	1,720,544	5,202,638	5,134,489
Increase [decrease] in net assets	$ 295,864	$ [1,284,998]	$ 232,036	$ 205,337	$ 527,900	$ [1,079,661]

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.

Fixed Assets and Debt Administration

The City's investment in fixed assets for its governmental and business-type activities totaled $29.9 million (net of accumulated depreciation) as of December 31, 2011.

Major fixed asset events during the current fiscal year included the following:

The City purchased a patrol cruiser, tack cart and a half-ton truck at a cost of $89,118.

At December 31, 2011, the City had total debt outstanding of $19.3 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2011, in the amount of $1 million. This was a result of the gradual pay down of current outstanding debt.

Additional information on the City's general long term debt can be found in Note III to the financial statements.

Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City Clerk/Finance Department at 2620 North 155th Street, Basehor, Kansas 66007 or (913) 724-1370.

JANET KLASINSKI
Leavenworth County Clerk
300 Walnut
Leavenworth, KS 66048
PHONE: 913-684-0422
FAX: 913-680-1489
EMAIL: jklasinski@leavenworthcounty.org

City of Basehor
2620 N. 155th Street
Basehor, Kansas 66007

I, Janet Klasinski, County Clerk of Leavenworth County, Kansas hereby certify the valuation of the City of Basehor to be as follows:

2012 Valuation for 2013 Budget

Real Estate	46,474,396
Personal Property	853,700
State Assessed	1,663,703
Total	48,991,799

2011 Valuation for 2012 Budget

Total	49,823,218

Witness my hand and seal this 15th day of June 2012.

Janet Klasinski

Janet Klasinski
Leavenworth County Clerk

County Clerk's Budget Information for 2013 Budget Year
Leavenworth County values
BASEHOR CITY

1. Estimated Assesed Valuation as of SUNDAY, JUNE 17, 2012:

	Assessed Value	New Improvements	Territory Added	Changed Use
Real Estate	46,474,396	446,653	0	124,320
State Assessed	1,663,703	559		
Severed Minerals	0			
Personal Property	853,700			
Oil & Gas	0			
Total Value	48,991,799	447,212		

2. Personal Property excluding oil, gas, and mobile homes: 846,103
(Use this amount on Computation to Determine Limit for 2013 budget, line 5a)

3. Actual tax rates levied for the 2012 budget: (2011 levies)

SAC	Fund	Rate
021	BASEHOR CITY - BOND & INTEREST	2.032
097	BASEHOR CITY - EMPLOYEE BENEFIT	8.590
135	BASEHOR CITY - GENERAL	18.974
207	BASEHOR CITY - SPECIAL LAW ENFORCE	.000
	Total Levied	29.596

4. Final Assessed Valuation from the November 2011 abstract: 49,823,218

5. 2011 Personal Property excluding oil, gas, and mobile homes: 659,860
(Use this amount on Computation to Determine Limit for 2013 budget, line 5b)

6. Gross Earnings (Intangible) Tax Estimate: .00

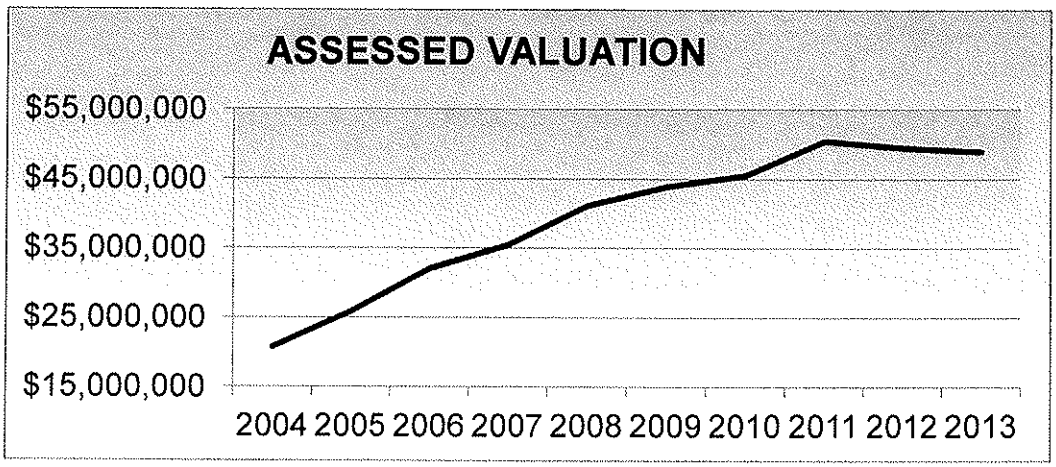
7. Valuation subject to rebates:
Neighborhood Revitalization 963,107
Tax Increment Financing 0

8. 2010 average tax delinquency percentage: 1.085148

Date Provided: 6-17-12 Provided by: Janet Klasonski
Leavenworth County Clerk

CITY OF BASEHOR
ASSESSED VALUATION
2004-2013

	YEAR	Total
	2004	$20,773,023
	2005	$25,907,753
	2006	$32,041,578
	2007	$35,473,155
	2008	$41,143,071
	2009	$43,924,056
	2010	$45,550,427
	2011	$50,502,675
	2012	$49,543,124
Prelimary	2013	$48,991,799



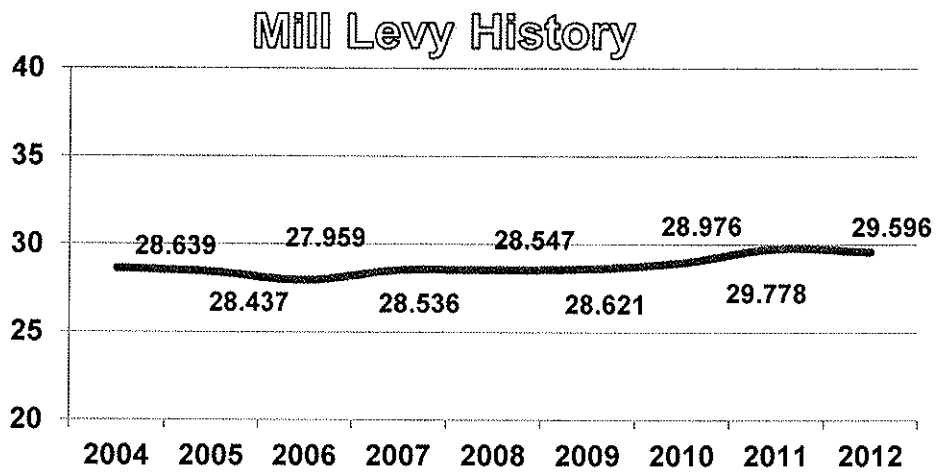
The City has now experienced it's second valuation decrease in as many years.

HOW THE MILL LEVY IS ESTABLISHED

When the Basehor City Council develops the annual operating budget, they must use the prior years' valuation to estimate what the mill levy must be set at in order to generate the revenue needed to meet budgeted expenditures. For example, this 2012 budget is based off of the valuation of property in Basehor from 2011. The 2011 Budget used 2010 valuation figures, and so on. Valuations are finalized in October, at which time; the Leavenworth County Clerk will adjust the mill levy, up or down, based on the direction of the final assessed valuation. The 2011, mill levy of 29.778 was calculated using a October 4, 2010, estimated assessed valuation of $50,502,675 The County Clerk's final assessed valuation from the October 7, 2011, abstract is $49,823,218 leaving the final 2012 City of Basehor mill levy at 29.596.

CITY OF BASEHOR
MILL LEVY HISTORY
2004-2012

Year	Total	General	Debt Service	Employee Benefit
2004	28.639	28.490	0.149	
2005	28.437	28.289	0.148	
2006	27.959	27.959	0.000	
2007	28.536	28.536	0.000	
2008	28.547	25.340	3.207	
2009	28.621	27.953	0.668	
2010	28.976	28.640	0.336	
2011	29.778	17.440	3.100	9.238
2012	29.596	18.974	2.032	8.590



The City mill levy has only increased a 3.34% over 9 years.

Neighborhood Revitalization Property Tax Rebate Program

City of Basehor, Kansas

Are you planning to undertake a rehabilitation project on your existing house or to build a new single family home or commercial structure? ***You may be eligible for property tax rebates.***

The City of Basehor is offering two Neighborhood Revitalization Property Tax Rebate Programs. Plan 1 applies to new construction and rehabilitation projects; Plan 2 applies to new construction only.

The rebate percentages apply to those taxes levied by Leavenworth County, U.S.D. 458, the City of Basehor, Basehor Community Library and the Fairmount Township Fire Department. Cannot be used in conjunction with any other tax credit incentives unless expressly approved by the City Council of Basehor.

For more information and an application

Neighborhood Revitalization Plan 1

Plan 1 is a five year plan that offers tax rebates on rehabilitation and new construction of single family homes, multi-family residences, commercial, mixed-use residential/commercial and industrial properties. This plan encompasses much of the older areas of town including the subdivisions of Klamm, Metzger Meadows, South Basehor, Hickory Pointe, Hickory Valley, Pretherbridge, Crestwood, Rickel, Landauer and the Parallel Park Industrial Area as well as other miscellaneous properties. This plan was enacted in 2001 and extended in 2005 and again in 2009.

Property Type	Residential	Commercial	Industrial
Minimum Investment	5%	15%	15%
Rebate Percentage	95%	50%	50%
Length of Rebate	5 Years	5 Years	10 Years

Plan 1: Rehabilitation and new construction (5 years)

Neighborhood Revitalization Plan 2

Plan 2 is a six year plan that offers tax rebates for only new construction of single family residences, multi-family residences sold as individual units (town homes) and new commercial structures. This plan encompasses many different areas of Basehor and is intended to stimulate redevelopment of these areas. The new structure must appraise for a minimum of $140,000, this does not include the land, to be eligible for the rebate program. These rebates are for the value of the improvement only (structure only). Leavenworth County will retain 5% of the rebate for administrative fees. This plan was enacted in 2009 and shall expire on December 31, 2012.

Property Type	Residential	Commercial
Minimum Investment	$140,000	

FREQUENTLY ASKED QUESTIONS

Is my property eligible?

In order to be eligible for property tax rebat several items must be verified:

1. You must be the legal owner of rec
2. The property must be in a desig
3. The real estate taxes on the r current. If a taxpayer is 90 the payment of property term the property is e remaining eligibilit terminated.
4. The improver Revitalizati regulatio
5. New s elig s

Neighborhood Property Tax Reb

City of Basehor, Ka

For more information and an applic contact the City of Basehor:

Planning & Zoning Department
P.O. Box 406, Basehor, KS 66007
913-724-1370 • www.cityofbasehor.org

Field of Dreams Sports Complex

Fairmount Rd

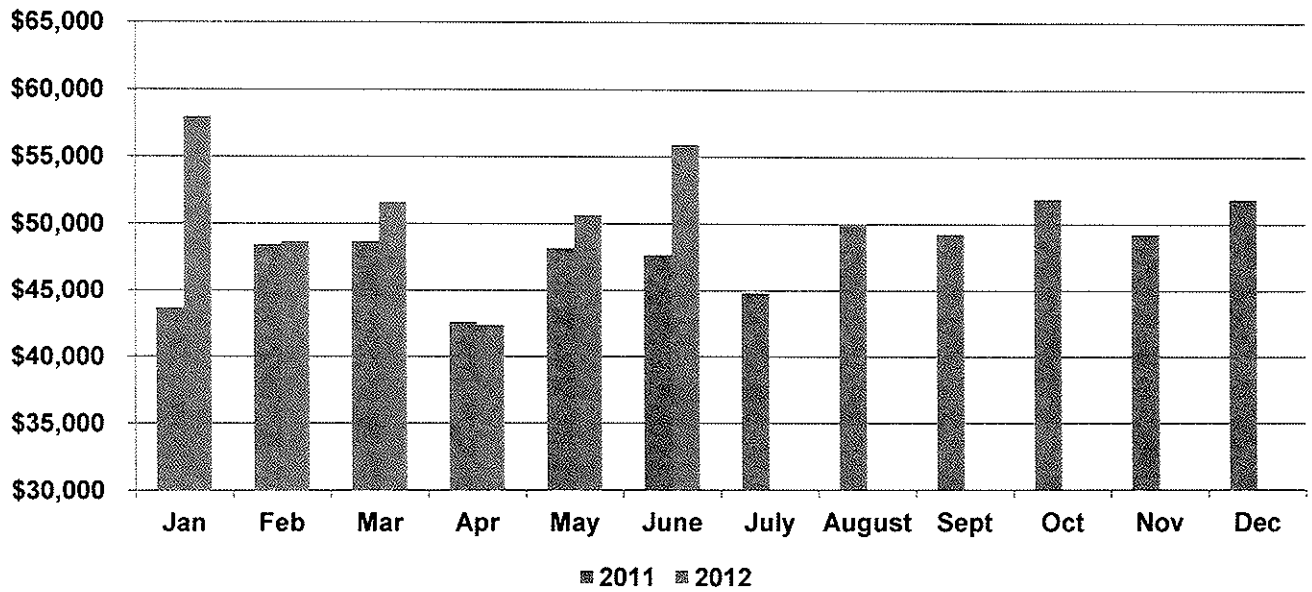
Basehor City Limits
Districts
NRP Plan 1

MONTHLY SALES TAX COLLECTIONS 2008-2012

	2008	2009	2010	2011	2012	Monthly Diff. '11 - '12	% Difference	2011 YTD	2012 YTD	Diff. '11 - '12	% Difference
Jan	43,516.85	43,726.32	44,933.16	43,677.78	57,962.61	14,284.83	32.7%	43,677.78	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	106,631.04	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	158,227.43	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	200,600.25	17,143.29	9.3%
May	44,634.80	41,070.02	47,865.00	48,186.99	50,639.59	2,452.60	5.1%	231,643.95	251,239.84	19,595.89	8.5%
June	52,647.16	43,320.60	48,059.05	47,682.94	55,921.34	8,238.40	17.3%	279,326.89	307,161.18	27,834.29	10.0%
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	307,161.18						

*$4234 in TDD Sales Tax has been collected (separate from what is being reported).

2011-12 Month to Month Comparison



CITY OF BASEHOR
JUNE 26 FINANCIAL SNAPSHOT

Funds

Fund	Budget	Revenues	Expenditures	% Collected	% Utilized	Current Balance
General	$1,867,561	$1,322,715	$755,643	71%	40%	$607,841
Special Park	$25,000	$5,860	$0	23%	0%	$125,574
Sewer	$1,379,625	$621,070	$583,120	45%	42%	$712,576
Cedar Lake Maintenance	$40,000	$15,522	$12,448	39%	31%	$13,394
Bond & Interest	$702,234	$811,107	$115,990	116%	17%	$981,863
Solid Waste	$280,897	$130,556	$77,310	46%	28%	$130,862
Special Highway	$715,000	$211,373	$80,650	30%	11%	$2,140,391
Municipal Equip. Reserve	$8,840	$360	$12,007	4%	136%	$309,624
Captial Improvement	$0	$30,038	$0	0%	100%	$1,374,034
Employee Benefit	$489,630	$428,669	$204,723	88%	42%	$130,668
LCSD#3	$33,000	$20,578	$7,105	62%	22%	$22,876
	$5,541,787	$3,597,849	$1,848,997	65%	33%	$6,549,703

Department

General	Budget	Expenditures	Remaining Balance	% Utilized
Clerk	$306,950	$169,984	$136,966	55%
Street	$183,100	$79,218	$103,882	43%
Governing Body	$44,614	$28,526	$16,088	64%
Police	$771,650	$315,620	$456,030	41%
Facilities	$131,775	$59,422	$72,353	45%
Administrator	$141,600	$11,115	$130,485	8%
Park & Recreation	$32,955	$18,125	$14,830	55%
Miscellaneous	$85,518	$0	$85,518	0%
HR	$16,000	$10,039	$5,961	63%
Planning	$153,400	$47,927	$105,473	31%
	$1,867,562	$739,975	$1,127,587	40%

REVENUE

GENERAL FUND

		2010 Actual	2011 Actual	2012 Budget	2012 Estimate	2013 Preliminary
	Beginning of the year balance	$419,077	$155,776	$172,333	$314,079	$542,159
460	Ad Valorem Property Tax	$1,201,867	$842,023	$883,500	$883,500	
491	Motor Vehicle Distribution	$148,751	$151,552	$91,538	$91,538	$86,873
493	Recreational Vehicle Tax	$1,770	$1,784	$1,079	$1,079	$1,006
496	16M & 20M Truck Tax	$3,121	$2,677	$2,064	$2,064	$1,467
464	Back Taxes	$38,696	$102,788	$30,000	$90,000	$35,000
	Sales Tax	$0	$288,199	$195,000	$290,000	$294,350
	Field of Dreams	$0	$44,000	$35,000	$33,750	$37,500
421	Court Fines	$153,901	$154,984	$170,000	$150,000	$150,000
401	Building Permits	$11,382	$25,165	$40,000	$40,000	$40,000
403	Pet Licenses	$1,170	$1,205	$1,150	$1,200	$1,200
404	Business Licenses	$7,700	$8,350	$7,800	$8,350	$8,350
405	Misc. Fees/Permits/Licenses	$15,888	$13,744	$14,500	$21,000	$15,000
407	Plan/Plat Application Fees	$2,265	$963	$3,500	$1,000	$1,000
432	Westar Energy Franchise Tax	$91,498	$94,388	$70,000	$80,000	$85,000
433	Atmos Energy Franchise Tax	$41,421	$37,694	$42,000	$42,000	$39,000
436	Suburban Water Franchise Tax	$23,076	$22,695	$23,000	$23,000	$23,500
	Consolidated Water Franchise Tax	$0	$0	$0	$0	$0
435	Knology Cable Franchise Fee	$39,934	$38,620	$32,500	$39,000	$40,000
438	AT&T Franchise Tax	$10,882	$13,970	$10,400	$13,000	$14,000
434	SW Bell Franchise Tax	$4,711	$5,471	$4,500	$5,000	$5,500
	Grants and Reimbursables	$625	$0	$0	$0	$0
551	Interest Income	$944	$599	$1,000	$1,000	$1,250
451	Local Alcohol Liquor Fund	$7,881	$8,080	$8,896	$8,896	$8,839
511	Other Revenues	$16,719	$6,516	$0	$1,000	$5,000
	Transfer from Sewer	$0	$0	$25,088	$25,088	$47,810
675	Transfer from Solid Waste Fund	$0	$0	$39,415	$39,415	$40,231
	TOTAL REVENUES	$1,805,451	$1,865,466	$1,731,929	$1,890,880	$981,876
	TOTAL FUNDS AVAILABLE	$2,224,528	$2,021,242	$1,904,263	$2,204,959	$1,524,035
	TOTAL EXPENDITURES	$2,038,857	$1,719,861	$1,867,561	$1,662,800	
	UNRESERVED CASH BALANCE	$185,671	$301,381	$36,701	$542,159	$1,524,035

MILL LEVY INFORMATION	**2010**	**2012**	**2013**
FUND REQUIREMENTS	$1,304,610	$883,500	$0
ADD FOR DELINQUENT TAXES		7%	5%
TOTAL AD VALOREM	$1,304,610	$945,345	$0
RATE OF LEVY IN MILLS	28.64	18.974	0.000

The City of Basehor

Date: June 28, 2012

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

From: Corey Swisher, City Clerk/Finance Director

Re: Utility Rate Analysis

Background:
In December of 2010, the Basehor City Council was informed that sewer rates were required to be raised in 2011, due to an increase in debt service obligations. "Without a very significant and improbable increase in new sewer customers over the next several years annual sewer rate increases will be required to maintain the Sewer Funds solvency." Subsequently user rates were raised and the Sewer Fund has remained solvent. The Council also implemented a reoccurring 2.5% annual rate increase.

The forecast provided in 2010, was based on a three percent annual growth in users. This growth has not come to fruition and projected user fees will not be able to cover debt service and operations in the near future. Debt service accounts for approximately 68% of sewer usage fees. The City's current Sewer Fund financial model indicates the Sewer Fund will again near insolvency at the end of 2015. Although the City is in the process of refinancing one of two existing Kansas Department of Health and Environment (KDHE) loans, the lack of connections and users continues to hinder the fund's solvency. The City is currently refinancing the KDHE loan made in 2000. The second loan was secured in 2008.

The financial capacity analysis undertaken in 2006, prior to the latest waste water treatment plant expansion and KDHE loan indicated the City would require 50 new connections throughout the life of the 20 year loan along with an annual 2.75% user fee increase in order to be able to service the debt.

The lack of new users compounds itself as there are fewer users to shoulder the burden of the increasing debt as time passes. It has also been determined that actual household water usage is decreasing which also negatively impacts utility providers.

Potential Action:

Council has also directed staff to evaluate the City's sewer connection fee structure in order to ensure it is conducive to facilitating economic development. More specifically, the City's

current static sewer connection fee structure could possibly hinder potential multi-family or overnight lodging development.

This would be an excellent opportunity for the City to research, evaluate and integrate a new user rate and connection fee structure. A comprehensive and sustainable financial model for future sewer operations is in the best interest of the City.

In March of 2012, the City issued a request for qualifications (RFQ) for a financial advisor in order to facilitate debt issuance. In that the RFQ the City also asked for bids to provide a utility rate analysis. Of the three responders to the RFQ two firms provided bids for a utility rate study:

Springsted Inc.:	$12,600
Columbia Capital:	$17,500

Staff Recommendation:
Review proposed Springsted Inc. utility rate study proposal and contemplate if such analysis is desired.

Action Requested of Council:
Review proposed Springsted Inc. utility rate study proposal and contemplate if such analysis is desired.

Attachments:
Sewer Fund Financial Forecasting Model
Proposed Work plan to Provide Sewer Rate Study Services
Proposed Agreement for Management Consulting Services
December 14, 2010 - Basehor City Council Sewer Rate Memorandum and Background
August 2006 - Larkin Group Inc. Sewer Usage Charge Study

	2012 Estimate	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average Monthly Bill	$49.75	$50.99	$52.27	$53.58	$54.91	$56.29	$57.69	$59.14	$60.62	$62.13
% Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rate per 1,000	$10.88	$11.15	$11.43	$11.72	$12.01	$12.31	$12.62	$12.93	$13.26	$13.59
Starting Cash	$717,426	$505,291	$334,906	$203,340	$7,465	$0	$0	$0	$0	$310,250
***Accounts**	1,810	1,842	1,874	1,907	1,940	1,974	2,009	2,044	2,079	2,116
Sewer Charges	$1,078,603	$1,126,967	$1,175,356	$1,225,823	$1,278,457	$1,333,350	$1,390,601	$1,450,310	$1,512,583	$1,577,529
Sewer Connection Fees	$90,000	$109,279	$111,191	$113,137	$115,117	$117,131	$119,181	$121,267	$123,389	$125,548
Delinquent Fee Collections	$25,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Interest Income	$1,100	$2,526	$1,675	$1,017	$37	$0	$0	$0	$0	$1,551
24/40 Sewer Interceptor	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162
	$1,266,865	$1,318,934	$1,368,384	$1,420,139	$1,473,773	$1,530,644	$1,589,944	$1,651,739	$1,716,134	$1,784,791
TOTAL AVAILABLE FUNDS	$1,984,291	$1,824,226	$1,703,289	$1,623,478	$1,481,238	$1,530,644	$1,589,944	$1,651,739	$1,716,134	$2,095,041
Operating Expenditures	$344,000	$354,320	$364,950	$375,898	$387,175	$398,790	$410,754	$423,077	$435,769	$448,842
2004 Revolving Loan	$540,000	$540,000	$540,000	$645,115	$750,229	$750,229	$750,229	$750,229	$375,115	
2008 Revolving Loan	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000
Total Debt	$935,000	$935,000	$935,000	$1,040,115	$1,145,229	$1,145,229	$1,145,229	$1,145,229	$770,115	$395,000
Total Operating plus Debt	$1,379,000	$1,389,320	$1,399,950	$1,516,013	$1,632,404	$1,644,019	$1,655,983	$1,668,306	$1,305,884	$943,842
Capital Projects	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
Balance	$505,291	$334,906	$203,340	$7,465	-$251,166	-$213,375	-$166,039	-$116,567	$310,250	$1,051,199
10% Cash Reserve Requiremen	$137,900	$138,932	$139,995	$151,601	$163,240	$164,402	$165,598	$166,831	$130,588	$94,384
Reserve Shortfall or Excess	$367,391	$195,974	$63,345	-$144,136	-$414,406	-$377,777	-$331,637	-$283,397	$179,662	$956,815
Debt as a % of Expenditures	68%	67%	67%	69%	70%	70%	69%	69%	59%	42%
Monthly Increase per Customer	$0.39	$1.24	$1.27	$1.31	$1.34	$1.37	$1.41	$1.44	$1.48	$1.52

City of Basehor, Kansas

Workplan to Provide Sewer Rate Study Services

I. Scope of Work

Project Approach

Springsted's approach would be to conduct a comprehensive review and analysis of the City's sewer rates and fee structure to gain an understanding of the current rate classes, rate structure, fees and other charges, and the basis for each. We would undertake an analysis that would enable the City to determine the appropriate rate structures, fees and other charges needed for this operation over a five- and ten-year planning period. The rate structure established for sewer utility will provide sufficient revenue to cover anticipated operating and maintenance expenses, debt service including principal and interest, master and capital improvement plans, provide adequate cash flow to pay for current expenditures and an adequate level of cash reserves for operations, capital replacement and emergencies. The rate structures proposed would be fair and objective and would reflect the full cost of the services provided.

The total revenue projected will reflect not only recent cost experience, but will also recognize anticipated future costs during the period for which rates are established. We would identify the relative responsibility of each rate classification for the recovery of the costs of service that provides equity to the users. Equity to the users will be evaluated based on the ability to allocate the cost of service to each customer class in proportion to the benefit received. We will evaluate the impact of anticipated capital improvement financing options on rates, fees and charges and develop recommendations for the financing of the anticipated capital improvements based on their impact on fees and charges. We will perform a sensitivity analysis to illustrate the impacts of adverse assumption changes (e.g. future growth, drought, cost of capital improvements, etc.).

Task 1 Review Background Information

- Review and utilize informational resources provided by the City including:
    - Review historical financial information, volumetric rates, basic facility charges, contractual charges and other fees and charges that provide sources of revenue;
    - Historical customer billing records and consumption data;
    - Historical financial data, budgets and capital improvement programs;
    - Review current funding practices, funding sources and policies related to financing capital improvements;
    - Historical sewer flow amounts;
    - Copies of pertinent wastewater contracts;
    - Current sewer ordinances;
    - Previous Cost of Service and Rate Study;
    - City of Basehor' Comprehensive Plan; and
    - Sewer System Master Plan.
- Review historical and projected sewer service demands.
- Review current and projected State and Federal environmental regulations.
- Review outstanding debt and debt service repayment schedules.

- Review existing debt service covenants and coverage requirements for both senior and subordinate debt, and the impact of adding additional debt to finance new capital improvements for the Sewer Utility.
- Review and assess the current wastewater rate structure.
- Review and assess current user fees, capacity fees and other fees and charges that provide sources of revenue including the basis of capacity fee amounts and forecasting techniques.
- Review current allocation of costs to functional cost components and to rates and charges.
- Review any current allocations of capital costs to capacity and other charges and fees.
- Review current funding practices, funding sources and policies related to financing capital improvements.
- Review any engineering studies, cost of services studies and other relevant studies.

Task 2 Determine Cost of Service

- Analyze the information to identify any omissions and/or inconsistencies and collect additional information, as needed.
- Develop projected customer growth and future service demands.
- Develop a Microsoft® Excel-based financial rate model for the Sewer Utility. The model will identify the overall changes in revenues required to provide for adequate funding for major capital improvement programs, to meet all recurring annual operating and capital expenditures, to cover all debt service requirements, to comply with any revenue bond covenants and to maintain sufficient cash balance for the utility. The projections will be made using an income statement approach and will include a yearly cash flow analysis.
- Develop a 10-year forecast of revenues and expenditures for the utility to determine the adequacy of revenues provided by existing rates and to provide a baseline for comparing recommended changes.
- Identify the relative responsibility of each rate classification for the recovery of the costs of service that provides equity to the users for the utility. Equity will be evaluated based on the ability to allocate the cost of service to each customer class in proportion to the benefit received.
- Compare the cost of services with the revenue received from each class to determine if the existing rate structure is equitable.

Task 3 Conduct Rate Study

- Develop recommended annual ending cash balances and reserve levels for cash flow, catastrophes, infrastructure replacement, emergencies and other purposes.
- Develop preliminary rate schedules that provide revenue recovery at levels necessary to support the utility's operation as defined above over a ten-year period.
    - Develop alternate rate structures based on different levels of fund reserves.
- Rates developed will include user fees, connection fees, and other fees and charges that provide sources of revenue to the utility. Rate structures will be consistent with industry practices for utility rate making. Our recommended fee/rate structures will result in no decrease in the stability of revenue streams for the utility, as compared to the current rate structures. In addition, the recommended rate structures will take into consideration the following:

- Current and future cost of providing wastewater services in accordance with established and anticipated standards and regulations;
    - Equity to the users based on the allocation of the cost of service to each customer class in proportion to the benefit received;
    - Projected demands;
    - Age and condition of the systems;
    - The need to fund long-term capital improvements, repairs and replacements;
    - Funding requirements for all current and anticipated long-term liabilities and debt obligations (bonds and loans);
    - Compliance with City debt policies;
    - Maintenance of utility infrastructure;
    - City's automated billing system;
    - Direct identification of revenues appropriate to fund utility operating activities and infrastructure;
    - Justification of any special classes of customers;
    - Ease of administration and understanding;
    - Recommendations for alternative rates and fees identified;
    - Weigh the benefits of any proposed charges in rate structures against the financial impacts on ratepayers; and
    - Assess the performance of each alternative rate/fee structure.
- Meet with the City in a workshop session to review the various rate structures and to discuss the pros and cons of each.
- Develop a recommended rate/fee structure.
- Perform a sensitivity analysis to illustrate the impacts of adverse assumption changes (e.g. future growth, cost of capital improvements, and mandated requirements under current and upcoming federal and state programs).
- Project the fiscal impact of the recommended fees and charges.
    - Prepare sample bills for a minimum of 6 customers from representative customer classes.
- Make recommendations for changes in existing ordinances, resolutions and policies necessary to implement any new fees and charges recommended for this project.
- Meet with City staff in a workshop session to review the recommended rate structures.
- Based on our review of the preliminary rate structures, Springsted will make modifications and changes, incorporating the City's comments into the final rate structure as appropriate.

Task 4 Prepare and Present Draft Report of Findings

- Springsted will prepare a Draft Report of Findings that will contain our findings and recommendations. We will submit ten (10) bound copies and an electronic copy in PDF format to the City for their review and comment.
- We will meet with the City to review and discuss the Draft Report of Findings.
- Based on our discussion and review of the Draft Report, Springsted will make modifications or changes incorporating the City's comments into the Final Report, as appropriate.

Task 5 Present the Final Report

- Springsted will present the Final Report to the City in a workshop session
- We will provide ten (10) bound copies of the Final Report and an electronic copy in PDF format.

Project Schedule

Springsted Incorporated has the resources to begin the Sewer Rate Study immediately upon receiving the notice to proceed. Our proposed schedule for this project has the Final Report completed within 10-12 weeks. This proposed schedule is shown in the table below. The proposed schedule assume that all necessary information is made available to Springsted in a timely manner and the City of Basehor staff and are available for meetings as needed by the schedule. This draft schedule does not anticipate any unforeseen delays or other circumstances that would result in a later completion date. Should any unforeseen delays or circumstances arise, Springsted can draw on its staff of 60 professionals to keep the project on schedule to the greatest extent possible.

TASK	Month 1				Month 2				Month 3			
Review Background Information												
Determine Cost of Service												
Develop Rate Structures												
Prepare and Present Draft Report of Findings and Preliminary Rate Model												
Present the Final Report and Rate Model												

II. Exceptions

In order to conduct this study, the City is requesting to identify and designate a staff member to serve as a contact person between Springsted Incorporated and the City. This person will be responsible for the gathering of accurate and timely information necessary to complete the project. At a minimum, the following information will be needed to complete the study:

- City's past three years Comprehensive Annual Financial Reports;
- 2011 and 2012 budget including revenues and expenditures for the Utility;
- Existing debt schedules for any outstanding bonds, equipment certificate, lease-purchase agreements, state revolving loans, etc, for the Utility;
- Current capital improvement plan for the Utility;
- Information related to current customer base for the Utility by customer class, including number of customers, sale volume by type of services/charge/revenue source, and total revenue;
- Information related to the anticipated growth in both residential and commercial/industrial utility sales during the planning period;
- Current schedule user fees and charges;
- Any agreements for utility services with other agencies; and
- Any engineering or other relevant studies for each utility.

III. Compensation

We propose to complete the sewer utility rate study described above for the lump sum fee of $12,600. These fees are exclusive of any out-of-pocket expenses such as travel and copying. We will complete the study within 10 to 12 weeks of receiving notice to proceed providing that all necessary information is made available to Springsted in a timely manner and that the City is available for required meetings.

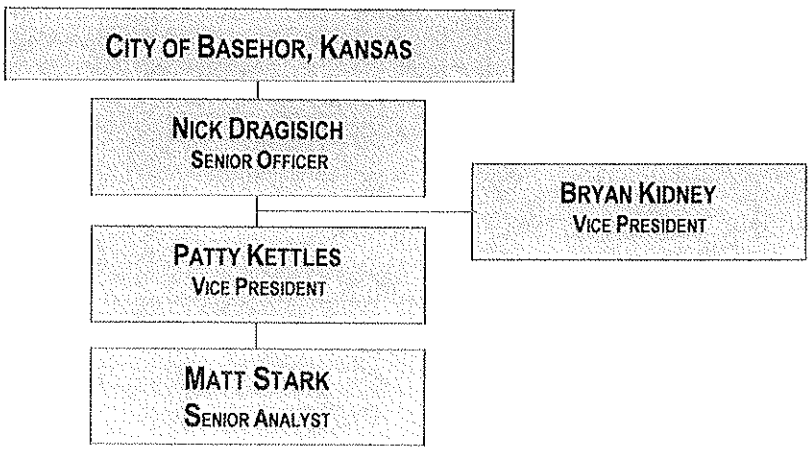
Should the City request and authorize any other additional work outside the scope of services described in this proposal we would invoice the City at our standard hourly fees as shown in the table below plus any related out-of-pocket expenses.

2012 Standard Hourly Fee Schedule	
Title	**Hourly Rate**
Principal & Senior Officer	$220
Project Coordinator & Assistant Vice President	$190
Analyst	$155
Associate	$145
Support Staff	$65
Litigation Support	$350

Key Personnel Experience

Our staff's breadth of experience and depth of expertise are two of our most important characteristics in providing high-quality service to clients. Many of our staff have backgrounds in municipal and county government, education or with development firms and non-profit organizations, so they share our clients' perspectives in developing solutions. Each client draws on the talents of many members of our staff. We assign a specific client service team to ensure primary responsibility for each project. The teams are comprised of qualified individuals who are experienced in the specific challenges confronting the City of Basehor.

The staff assigned to this project is experienced in utility expense and cost analysis. The teams are free to draw upon the expertise of our entire staff.



IV. Study Team

Nicholas R. "Nick" Dragisich, PE
Executive Vice President and Consultant

Mr. Nick Dragisich will be the senior officer responsible for overall project management. He has been directly responsible or involved in numerous utility expense and cost analysis studies and in the development of Excel based computer models for utilities in Minnesota, Iowa, Wisconsin, Kansas, Maryland, Missouri, Virginia, North Carolina and Washington. Mr. Dragisich is the Manager of Consulting Services for Springsted Incorporated. He has over 20 years of management experience ranging from city manager to city engineer. He holds a master's degree in business administration and a bachelor's degree in civil engineering. Mr. Dragisich is a registered professional engineer in Minnesota and Washington.

Bryan R. Kidney
Vice President and Client Representative

Mr. Bryan Kidney concentrates his efforts as principal advisor to cities and counties. He serves clients in the Central states, assisting them in attaining their financial goals through effective public finance, economic development and public management services. Mr. Kidney has 20 years of experience in local government finance management as a Finance Director or Assistant Director for four Kansas municipalities most recently serving as Finance Director in Shawnee. Prior to public service, Mr. Kidney began his career in the government audit section of a public accounting firm. Mr. Kidney has extensive experience with debt issues, public budgeting, long-term forecasting, and investments and has created numerous long-term financial plans which resulted in upgraded credit ratings. Mr. Kidney holds a Bachelor of Science in Accounting from Emporia State University, Emporia, Kansas.

Patricia L. "Patty" Kettles, CIPFA
Vice President and Consultant

Ms. Patty Kettles has performed similar studies for clients in the states of Minnesota, Iowa, Wisconsin, Kansas, Maryland, Missouri, and Virginia. Ms. Kettles joined Springsted Incorporated as a Financial Services Analyst in 1995 and joined the Management Consulting Services Group in early 2001. Ms. Kettles is the Director of Quantitative Services for Springsted's Management Consulting Services Group. She holds a master's degree in business administration and a bachelor's degree in finance. Ms. Kettles is a Certified Independent Public Finance Advisor.

Matthew T. "Matt" Stark
Senior Analyst

Mr. Matt Stark is a member of our Management Consulting Services Group. With the firm since 2002, he applies his analytical expertise to new challenges within the fields of operational finance, organizational management and human resources and economic development. He provides technical and analytical assistance on financial planning models, assists and advises clients on employee classification and compensation systems, performs cost-benefit analyses on economic development projects and is responsible for our electronic facilitation system. Mr. Stark holds a degree in physics from Penn State University.

Confidentiality; Disclosure of Information.

4.1 Client Information. All information, files, records, memoranda and other data of the Client which the Client provides to the Consultant or which the Consultant becomes aware of in the performance of its duties hereunder ("Client Information") shall be deemed by the parties to be the property of the Client. The Consultant may disclose the Client Information to third parties in connection with the performance by it of its duties hereunder.

4.2 Consultant Information. The Client acknowledges that in connection with the performance by the Consultant of its duties hereunder, the Client may become aware of internal files, records, memoranda and other data, including without limitation computer programs of the Consultant ("Consultant Information"). The Client acknowledges that all Consultant Information, except reports prepared by the Consultant for the Client, is confidential and proprietary to the Consultant, and agrees that the Client will not, directly or indirectly, disclose the same or any part thereof to any person or entity except upon the express written consent of the Consultant.

5. Miscellaneous.

5.1 Delegation of Duties. The Consultant shall not delegate its duties hereunder to any third party without the express written consent of the Client.

5.2 No Third Party Beneficiary. No third party shall have any rights or remedies under this Agreement.

5.3 Entire Contract; Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior written or oral negotiations, understandings or agreements with respect hereto. This Agreement may be amended in whole or in part by mutual consent of the parties, and this Agreement shall not preclude the Client and the Consultant from entering into separate agreements for other projects.

5.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

5.5 Severability. To the extent any provision of this Agreement shall be determined invalid or unenforceable, the invalid or unenforceable portion shall be deleted from this Agreement, and the validity and enforceability of the remainder shall be unaffected.

5.6 Notice. All notices required hereunder shall be in writing and shall be deemed to have been given when delivered, transmitted by first class, registered or certified mail, postage prepaid and addressed as follows:

If to the Client:

City of Basehor
2620 North 155th Street
PO Box 406
Basehor, KS 66007

If to the Consultant, to:

Springsted Incorporated
380 Jackson Street
Suite 300
St. Paul, MN 55101-2887
Attention: Managing Principal

The foregoing Agreement is hereby entered into on behalf of the respective parties by signature of the following persons each of whom is duly authorized to bind the parties indicated.

FOR CLIENT	SPRINGSTED Incorporated
_____	_____
_____	_____
Name: David K. Breuer Title: Mayor, City of Basehor	Bryan R. Kidney Vice President and Client Representative

The City of Basehor

Date: December 14, 2010

To: Basehor City Council

From: Mark Loughry, City Administrator
Corey Swisher, City Clerk

Re: Sewer Rate Increase

Background:

On December 6, 2010 the Basehor City Council was informed the total budgeted expenditures in the Sewer Fund were required to be raised in 2011 due to an increase in debt service obligations. Without a very significant and improbable increase in new sewer customers over the next several years annual sewer rate increases will be required to maintain the Sewer Funds solvency.

Other factors impacting sewer rates were also discussed:

- Increased household appliance efficiency and conservation efforts have led to a decrease in the average monthly residential sewer bills. The CPI adjusted average monthly residential sewer bill is 13% less today than it was in 2004.
- Financial capability studies performed by the City's auditors when determining the City's ability to pay-off a Kansas Department Health & Environment (KDHE) waste water treatment plant construction loan was based on significantly higher than currently existing sewer rates.
- Utilizing Sewer Fund cash carryover in the past for maintenance and repairs has left the utility with little ability to withstand any unanticipated expenses.
- Utilizing ad valorem property tax to subsidize an enterprise fund is considered an unacceptable practice and should be viewed as the option of last resort.

Other Considerations:

1. Is Council committed to annual capital improvements to the City's waste water infrastructure and if so to what extent?
2. Is Council committed to maintaining a 10% reserve balance?
3. Delaying necessary rate increases even a year creates higher utility bills for residents in the long term.

Action Requested:

1. Delay taking action and readdress the matter in 2011. It is important to note that sewer rate usage fees will be required to be raised in 2012 to maintain the Sewer Fund's solvency. Due to the availability of an anticipated $769,000 unreserved cash balance in 2011 the 2012 increase will need to be substantial (approximately 50%). Any action taken in 2011 will significantly reduce the 2012 increase.
2. Raise the 2011 per customer monthly sewer fee and establish ongoing rate increases.

Staff Recommendation:

Staff is committed to both the continued capital maintenance of the City's waste water infrastructure as well as the maintenance of adequate reserves. The City is currently not positioned to maintain either. The current fee structure is inadequate and requires a significant upward adjustment. Staff therefore recommends raising the sewer rate by 40% which is $10.61 per 1000 gallons. Doing so has many advantages:

- The immediate ability to provide necessary maintenance on sewer infrastructure;
- Accommodates a conservative and financially responsible cash reserve;
- Provides lower average monthly sewer rates over the long term;
- Continuing Sewer Fund solvency.

The current minimum monthly sewer rate of $10.20 is proposed to be 1.5x the base rate per 1,000 gallons.

Attachments:

Sewer Fund Situation Report.
Sewer Fund Pro-Forma Examples.
December 6, 2011 Basehor City Council Sewer Rate Increase Memorandum.

2620 N. 155th Street
P.O. Box 406
Basehor, KS 66007-0406

913-724-1370
FAX 913-724-3388
www.cityofbasehor.o

Neignborhood Revitalization Property Tax Rebate Program

City of Basehor, Kansas

Are you planning to undertake a rehabilitation project on your existing house or to build a new single family home or commercial structure? ***You may be eligible for property tax rebates.***

The City of Basehor is offering two Neighborhood Revitalization Property Tax Rebate Programs. Plan 1 applies to new construction and rehabilitation projects; Plan 2 applies to new construction only.

The rebate percentages apply to those taxes levied by Leavenworth County, U.S.D. 458, the City of Basehor, Basehor Community Library and the Fairmount Township Fire Department and cannot be used in conjunction with any other tax credit incentives unless expressly approved by the City Council of Basehor.

For more information and an application contact the City of Basehor:

Planning & Zoning Department
P.O. Box 406, Basehor, KS 66007
913-724-1370 • www.cityofbasehor.org

Neighborhood Revitalization Plan 1

Plan 1 is a five year plan that offers tax rebates on rehabilitation and new construction of single family homes, multi-family residences, commercial, mixed-use residential/commercial and industrial properties. This plan encompasses much of the older areas of town including the subdivisions of Klamm, Metzger Meadows, South Basehor, Hickory Pointe, Hickory Valley, Pretherbridge, Crestwood, Rickel, Landauer and the Parallel Park Industrial Area as well as other miscellaneous properties. This plan was enacted in 2001 and extended in 2005 and again in 2009.

Property Type	Residential	Commercial	Industrial
Minimum Investment	5%	15%	15%
Rebate Percentage	95%	50%	50%
Length of Rebate	5 Years	5 Years	10 Years

Plan 1: ***Rehabilitation and new construction (5 years)***

Neighborhood Revitalization Plan 2

Plan 2 is a six year plan that offers tax rebates for only new construction of single family residences, multi-family residences sold as individual units (town homes) and new commercial structures. This plan encompasses many different areas of Basehor and is intended to stimulate redevelopment of these areas. The new structure must appraise for a minimum of $140,000, this does not include the land, to be eligible for the rebate program. These rebates are for the value of the improvement only (structure only). Leavenworth County will retain 5% of the rebate for administrative fees. This plan was enacted in 2009 and shall expire on December 31, 2012.

Property Type	Residential	Commercial
Minimum Investment	$140,000	$140,000
Rebate % Years 1-3	95%	80%
Rebate % Years 4-6	50%	25%

Plan 2: ***New construction (6 years)***

FREQUENTLY ASKED QUESTIONS

Is my property eligible?

In order to be eligible for property tax rebates several items must be verified:

1. You must be the legal owner of record.
2. The property must be in a designated area.
3. The real estate taxes on the property must be current. If a taxpayer is 90 days delinquent in the payment of property taxes twice during the term the property is eligible for rebates, any remaining eligibility for tax rebates will be terminated.
4. The improvements must comply with the Revitalization Plan and all other codes and regulations of the City of Basehor.
5. New single family rental structures are not eligible for property tax rebates under Plan 2. Single family structures must be continuous from ground to roof and sold as individual units (town-homes).

How does the tax rebate program work?

It is a refund of the incremental increase in taxes paid because of a qualified improvement. The rebate applies only to the additional taxes resulting from the increase in the appraised value of the property due to the improvements. The property taxes prior to the improvement will continue to be payable. Taxes must be paid when due for the rebate to be issued.

What kind of improvements will increase the appraised value?

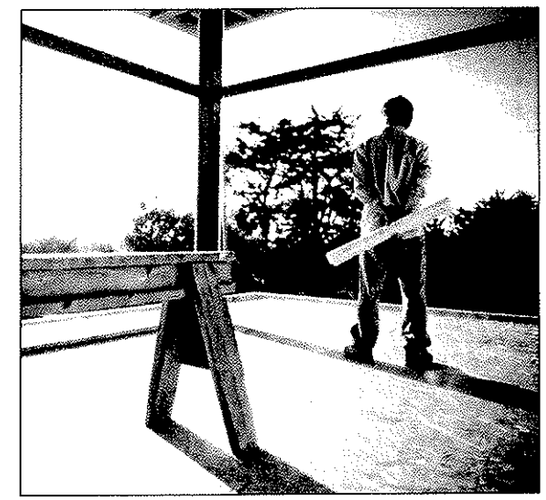
New construction, room additions and major rehabilitation projects requiring a building permit and that increase the appraised value. Repairs generally will not increase the appraised value, unless there are several major repairs completed at the same time. To qualify, improvements must increase the appraised value by at least 5% for residential and 15% for commercial and industrial properties or qualify by appraising for at least $140,000. Improved, or newly, constructed accessory structures such as outbuildings, decks, gazebos or swimming pools are not eligible nor is general property maintenance.

How do I get into the tax rebate program?

An application form shall be obtained from the City of Basehor Planning and Zoning Department and submitted along with a building permit application. If the application for property tax rebate is not submitted at the time of a building permit application then it shall be submitted within 30 days of being issued a building permit. No application shall be processed after the 30 days has passed.

What if I do not apply within the first year of the program?

Both plans of the rebate program run for different lengths of time, Plan 1 is a five year program, ending in 2014 and Plan 2 is a three year program, ending in 2012. What this refers to is the timeframe in which you must either make improvements or construct a new structure. The rebates could potentially extend beyond the length of a program depending on your entrance into these programs. If you enter into Plan 2 in 2011 then your rebates would end in the year 2017. If you enter into Plan 1 in 2013 then your rebates end in 2018. Your rebate period begins when you enter one of the plans and runs through the given timeframe of that specific plan.

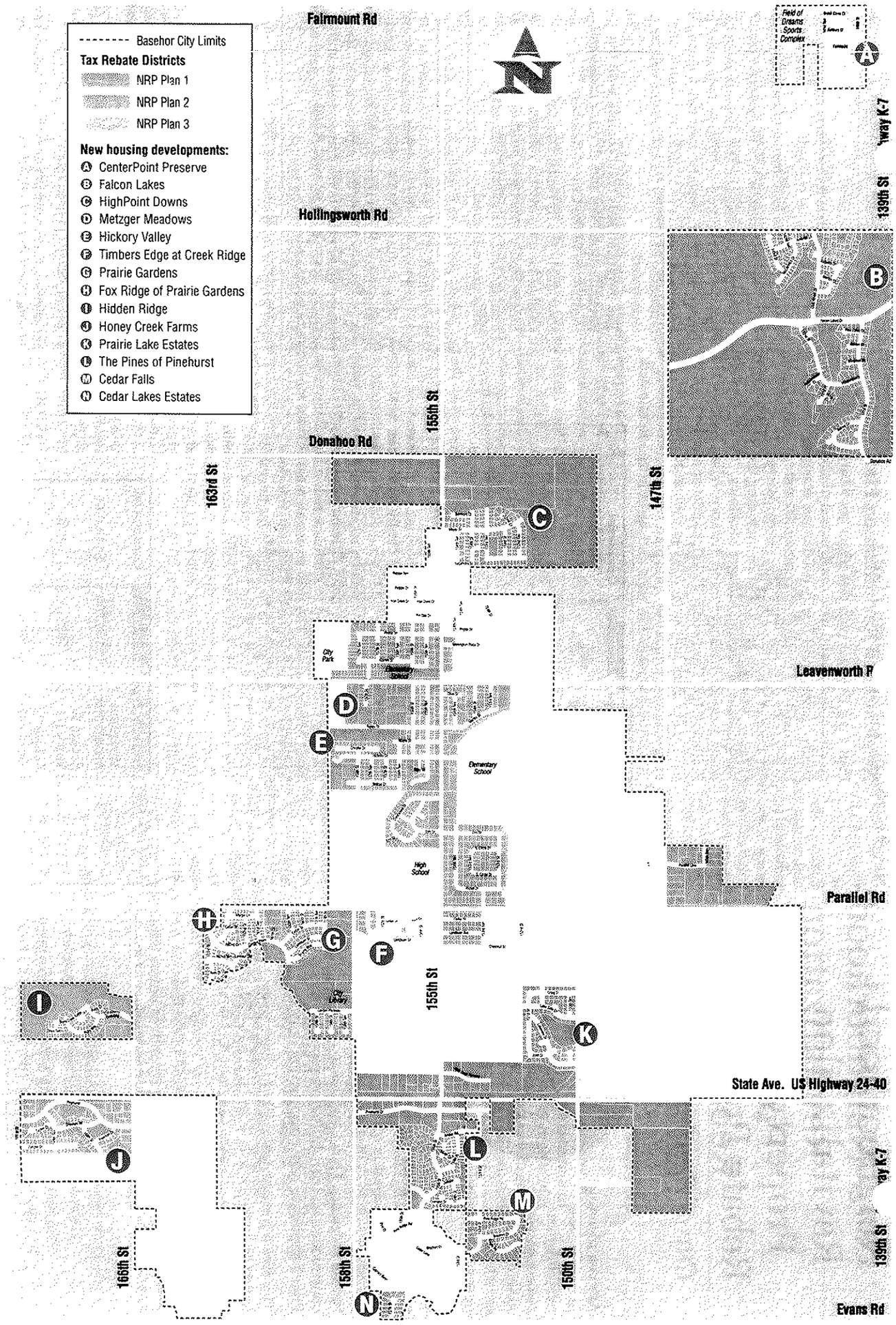


Neighborhood Revitalization Property Tax Rebate Program

City of Basehor, Kansas

For more information and an application contact the City of Basehor:

Planning & Zoning Department
P.O. Box 406, Basehor, KS 66007
913-724-1370 • www.cityofbasehor.org



Agenda

Basehor City Council
Work Session
July 2, 2012 7:00 p.m.
Basehor City Hall

1. Employee Salary Range Review
2. 2013 Operating Budget Introduction
3. Discuss Utility Rate Study
4. Discuss Pinehurst Roundabout Renovation
5. Online Utility Billing Update
6. Discuss 2804 N 155th Street Rezoning Request
7. Leavenworth County Sewer District No. 3 Annexation Follow Up
8. Discuss KDOT Reimbursement Agreement (155th & 158th Streets)
9. Discuss 2012 Pavement Management Plan
10. Executive Session; if Needed

Per K.S.A. 75-438 the City Council Meeting agenda is available for review at Basehor City Hall, 2620 North 155th Street.

The City of Basehor

Date: July 2, 2012

To: Governing Body

From: Lloyd Martley, Interim City Administrator

Ref: Proposed 2013 Wage Plan

The City of Basehor's compensation pay plan is currently structured under policy adopted by Council with seven ranges and ten incremental steps. The current plan has a 2.5% increase every other year built into it with approval of Council.

Council directed staff to look at creating a compensation plan that would do away with the current step plan. I have created a wage plan with 12 ranges which divides the staff into categories based on job types with eight performance based steps with minimum and maximum rates of pay for each step and range. The salary structure of the plan is based off of the 2011, salary survey of local governments conducted by the Mid-America Regional Council and a independent survey of 11 cities which included Bonner Springs, Edwardsville, Eudora, Kansas City, Kansas, Lansing, Lawrence, Leavenworth, Olathe, Overland Park, Shawnee and Tonganoxie all of which we compete with for employees.

The proposed 2013 pay plan includes a two percent cost of living increase for all employees which would become effective the first pay period in that year. The plan also reflects hourly adjustments for several positions based on salary surveys conducted which will help make City wages more competitive with surrounding cities that we often compete with for employees. The maximum budgetary impact assuming twelve months of full employment would be approximately $94,000. The proposed pay plan is designed to allow for cost of living increases and performance based increases as authorized by Council. In 2013, staff will implement the process of providing employee performance reviews to be used for possible merit based increases in 2014 as approved by Council. In the near future staff will bring forward a proposed employee performance evaluation system for Council reviews.

		12/31/12 Hourly	Hourly Adjust	2013 Hourly 2%	2013 Salary
100% Gov Body	Mayor-PT	N/A			$5,200
100% Gov Body	City Council-PT	N/A			$13,000
95% Admin 5% SW	City Administrator-FT	$43.27		$43.27	$90,002
95% Admin 5% SW	Finance Director-FT	$31.75		$32.39	$67,361
95% Admin 5% SW	Accounting Clerk-FT	$18.45	$1.00	$19.84	$41,265
100% Admin	Admin Asst-PT	$14.94		$15.24	$21,715
100% Admin	Assistant Admin. Stipend				$7,500
100% Police	Chief of Police-FT	$32.39		$33.04	$68,719
100% Police	Lieutenant-FT	$25.55	$1.00	$27.08	$56,328
100% Police	Police Sergeant-FT	$21.99	$1.00	$23.45	$48,776
100% Police	Police Sergeant-FT	$19.93	$2.25	$22.62	$47,057
100% Police	Police Officer-FT	$18.03	$0.50	$18.90	$39,313
100% Police	Police Officer-FT	$16.34	$1.00	$17.69	$36,789
100% Police	Police Officer-FT	$17.17	$1.00	$18.53	$38,549
100% Police	Police Officer-FT	$15.94	$0.60	$16.87	$35,091
100% Police	Police Officer-FT	$16.34	$1.00	$17.69	$36,789
100% Police	Police Officer-FT	$16.75	$1.00	$18.11	$37,658
100% Police	Police Officer-FT	$16.75	$1.00	$18.11	$37,658
100% Police	Police Officer-FT	$16.75	$1.00	$18.11	$37,658
100% Police	Police-Court Clerk-FT	$16.89	$0.50	$17.74	$36,895
100% Police	Police-Court Clerk-FT	$14.77	$1.00	$16.09	$33,458
100% Police	Animal Control Officer-PT	$16.30		$16.63	$23,775
100% P&Z	City Engineer-FT	$31.49		$32.12	$66,809
100% P&Z	Building/Code Inspector-FT	$23.66		$24.13	$50,197
50% PW 10% SW 40% WWT	City Superintendent-FT	$34.20		$34.88	$72,559
95% Street 5% SW	SR Maintenance Worker-FT	$16.72	$1.00	$18.07	$37,595
95% Street 5% SW	Maintenance Worker-FT	$11.94	$1.00	$13.20	$27,454
95% Street 5% SW	Maintenance Worker I-FT	$13.18	$1.00	$14.46	$30,084
100% WWT	SR Wastewater Operator-FT	$20.02	$1.00	$21.44	$44,596
100% WWT	Wastewater Operator-FT	$15.61	$0.50	$16.43	$34,179
50% WWT 50% SW	Assistant City Clerk-FT	$16.71	$1.00	$18.06	$37,574
100% Park	Park Seasonal Employee	$10.63		$10.84	$4,825
	All Departments Over Time				$52,400
				$615.02	$1,318,827

City of Bashor

2013
Pay Scale

06/25/2012

Range	Title	Step 1 Minimum	Step 2		Step 3		Step 4		Step 5		Step 6		Step 7		Step 8 Maximum
1	Mayor	$5,200.00													$5,200.00
	Council Members	$2,600.00													$2,600.00
	Assistant City Admin.	$7,500.00													$7,500.00
2	Seasonal employment (PT)	$10.37	$10.68	$11.00	$11.33	$11.67	$12.02	$12.38	$12.75	$13.14	$13.53	$13.94	$14.35	$14.79	$15.23
3	Maintenance Worker	$12.24	$12.61	$12.99	$13.37	$13.78	$14.19	$14.62	$15.05	$15.51	$15.97	$16.45	$16.94	$17.45	$17.97
	Wastewater Operator I														
4	Police/Court Clerk	$13.61	$14.02	$14.44	$14.87	$15.32	$15.78	$16.25	$16.74	$17.24	$17.76	$18.29	$18.84	$19.40	$19.99
	Administrative Asst. (PT)														
5	Animal Control Officer	$16.70	$17.20	$17.72	$18.25	$18.80	$19.36	$19.94	$20.54	$21.16	$21.79	$22.44	$23.12	$23.81	$24.52
	Police Officer II (0 to 5 years)														
	Asst. City Clerk/Utility Billing														
	Wastewater Operator II														
	Maintenance Worker Supvr.														
6	Police Officer III (5 years and up)	$18.53	$19.09	$19.66	$20.25	$20.86	$21.48	$22.13	$22.79	$23.47	$24.18	$24.90	$25.65	$26.42	$27.21
	Accounting Clerk														
	Wastewater Operator Supvr.														
	Building/Code Inspector														
7	Police Sergeant	$22.61	$23.29	$23.99	$24.71	$25.45	$26.21	$27.00	$27.81	$28.64	$29.50	$30.39	$31.30	$32.24	$33.20
	Lieutenant/Detective														
8	City Clerk/Finance Director	$28.55	$29.41	$30.29	$31.20	$32.13	$33.10	$34.09	$35.11	$36.17	$37.25	$38.37	$39.52	$40.71	$41.93
9	Planning Director	$32.12	$33.08	$34.08	$35.10	$36.15	$37.24	$38.35	$39.50	$40.69	$41.91	$43.17	$44.46	$45.80	$47.17
10	Chief of Police	$31.56	$32.51	$33.48	$34.49	$35.52	$36.59	$37.68	$38.81	$39.98	$41.18	$42.41	$43.69	$45.00	$46.35
11	City Superintendent	$32.54	$33.52	$34.52	$35.56	$36.62	$37.72	$38.85	$40.02	$41.22	$42.46	$43.73	$45.04	$46.39	$47.79
12	City Administrator	Contract													

Approved and adopted by Council

David K. Breuer, Mayor

CITY	CHIEF OF POLICE		LIEUTENANT DET		SERGEANT		POLICE OFFICER						POLICE CLERK		POLICE/COURT CLERK		ASSISTANT CITY CLERK UTILITY BILLING CLERK		ACCOUNTING CLERK		SUPERVISOR PUBLIC WORKS		PUBLIC W
							POLICE I		POLICE II		POLICE III												PW
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	M
Basehor	$26.58	$33.19	$20.97	$26.19	$18.50	$23.10	_	_	$15.44	$19.28	$15.94	$19.91	$11.82	$14.77	$14.21	$17.75	$15.52	$19.38	$15.91	$19.87	$15.91	$19.8	
Bonner Springs	$31.56	$47.37	$26.12	$39.19	$22.18	$30.00	$16.80	$22.73	$18.35	$24.85	$21.17	$28.71	$12.24	$16.52	$15.96	$21.59	$15.96	$24.59	$15.96	$21.59	$20.21	$27.3	
Edwardsville	NA	NA	$34.67	$48.00	$25.73	$28.95	_	_	$18.95	$22.63	$23.34	$26.67	$14.85	$20.55	$17.19	$23.79	NA	NA	NA	NA	NA	NA	
Eudora	$33.66	$42.02	NA	NA	$24.00	$35.00	$19.00	$23.75	$24.00	$28.00	$28.00	$35.00	–	–	$16.00	$16.78	$13.00	$14.50	$15.00	$20.00	NA	NA	
Kansas City	_	$57.71	NA	NA	$19.43	$34.16	_	_	$19.43	$34.17	_	_	$14.50	$19.38	$14.90	$17.61	NA	NA	$17.26	$25.93	$16.04	$22.9	
Lansing	$23.82	$36.03	$19.62	$29.67	$16.11	$24.37	_	_	$13.49	$20.40	_	_	$12.96	$19.19	$16.78	$20.98	$13.00	$18.12	$16.11	$24.37	$17.43	$26.3	
Lawrence	$37.47	$56.04	NA	NA	$29.76	$44.51	_	_	$19.95	$33.51	_	_	$13.51	$20.21	$13.51	$20.21	$13.51	$20.21	$15.13	$22.63	$18.98	$36.9	
Leavenworth	$37.05	$55.58	$21.43	$32.13	$19.41	$29.11	_	_	$15.92	$26.37	_	_	NA	NA	$13.81	$20.71	NA	NA	$13.07	$19.60	$17.50	$26.2	
Olathe	$50.72	$79.33	$26.14	$40.88	$32.18	$34.80	_	_	$18.50	$31.36	_	_	NA	NA	$12.23	$21.17	NA	NA	$15.27	$23.88	$23.74	$31.1	
Overland Park	_	$73.07	NA	NA	$28.18	$39.07	_	_	$20.66	$34.55	_	_	NA	NA	$16.39	$24.59	$22.33	$33.49	$17.61	$26.41	$13.08	$19.6	
Shawnee	$48.74	$70.67	$34.35	$50.80	$26.18	$38.76	$17.63	$26.11	$19.95	$29.54	$22.02	$32.61	$15.20	$22.51	$15.20	$22.51	$15.58	$23.07	NA	NA	NA	NA	
Tonganoxie	$28.06	$38.68	$22.46	$30.97	$20.86	$28.76	_	_	$16.70	$23.03	_	_	$12.42	$17.12	$15.51	$21.38	$12.42	$17.12	NA	NA	$20.86	$28.7	
OVER ALL WAGE COMPARESON	$35.30	$53.61	$25.72	$37.23	$23.55	$32.55	$17.81	$24.20	$18.45	$27.31	$22.10	$28.58	$13.44	$18.79	$15.14	$20.76	$15.17	$21.30	$15.71	$22.70	$18.20	$26.3	
2013 BASEHOR AVG WAGE PLAN	$31.56	$47.34	$22.61	$39.38	$22.61	$39.38	$16.70	$25.05	$18.53	$27.53	_	_	_	_	$13.61	$20.42	$16.70	$25.05	$18.53	$27.53	$16.70	$25.0	

The City of Basehor

Date: June 28, 2012

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

From: Corey Swisher, City Clerk/Finance Director

Re: 2013 Operating Budget Introduction and Discussion

Background:
The Basehor City Council will be asked to approve the 2013 Budget Document in August 2012. As such it is appropriate to begin the budget review process. Council is currently being asked to review, familiarize and evaluate the City's various funds, cash positions, revenue sources and trends.

City Council Priorities:

The Governing Body and City staff conducted a planning retreat early in May of 2012. The following assumptions and priorities were identified and directed to be incorporated into the 2013 Budget:

- Construct a sound budget using conservative revenue estimates.
- Control expenses and maintain a level mill levy.
- Maintain quality public safety services.
- Promote economic development within the City.
- Continue infrastructure improvements which will preserve and enhance property values.
- Provide fair compensation and benefits to City staff.

The budget process begins by forecasting the revenues expected to be received in the upcoming fiscal year. By estimating the amount of money coming in, the City knows what it has to work with. After revenues have been projected, decisions about expenditures can be made. The City currently finds itself in a very strong financial position. Revenues are predominantly exceeding expectations and cash balances are very strong.

Current Cash and Revenue Positions:

Cash Balances:
The City's 2012 beginning Fund cash balances were very encouraging. The General Fund's 2012 beginning cash balance represented 15% of budgeted expenditures whereas that number in 2011 was nine percent. Entering the budgeting process all of the City's Funds maintain healthy balances. It is believed that the gradual recovery of the economy has helped stabilize property tax and special assessment collections. The City's Solid Waste Fund did see a negative year over year difference due to increased solid waste and recycling costs as well as updated labor

allocation expenses. It is critical that adequate fund balance reserves are kept to meet unexpected operating or capital demands and to cover any unanticipated revenue shortfalls. *(Please see attached 2011 Audit Management Discussion and Analysis.)*

BEGINNING ANNUAL CASH BALANCE BY FUND

Fund	2010 Actual	2011 Actual	2012 Budget	2012 Actual	% diff. b/n Budget & Actual
General	$419,077	$155,776	$172,333	$314,079	45%
Special Parks and Recreation	$159,898	$166,804	$121,554	$121,307	0%
Consolidated Highway	$1,726,181	$1,920,341	$1,294,201	$2,020,285	36%
Capital Improvement	$1,346,875	$52,023	$1,256,286	$1,343,996	7%
Municipal Equipment Reserve	$286,227	$321,272	$320,722	$321,272	0%
Bond and Interest	$81,613	$35,043	$61,741	$404,894	85%
Sewer	$464,249	$404,640	$560,541	$717,426	22%
Solid Waste	$71,534	$88,375	$98,602	$72,993	-35%
Cedar Lake Maintenance	$23,442	$26,689	$9,209	$10,321	11%
Employee Benefit	$0	$1	$1,392	$48,282	97%
	$4,579,096	$3,170,964	$3,896,581	$5,374,855	28%

Ad Valorem Tax:
For the second time in as many years the City has experienced a slight reduction in valuation. The preliminary 2013 valuation fell 1.669% from the finalized 2012 valuation. If the City's mill levy were to remain the same in 2013, $24,607 less in ad valorem property tax would be generated. The City continues to grow at one of the fastest rates in the Kansas City metropolitan area however stagnating property values along with the City's Neighborhood Revitalization Programs (NRP) generally negate the impact of new construction on the City's valuation. Ad Valorem Property tax will account for 46% of the City's General Fund revenue in 2012. *(Please see attached County Clerk preliminary valuation and NRP informational brochure.)*

Sales and Use Tax:
The City's sales tax collections continue to be very encouraging. The City's sales tax collections are currently tracking ten percent ahead of the amount collected last year. If collections continue on the current pace approximately $60,000 more could be in collected in 2012 than in 2011. The City is required to use 50% of all sales tax collections for infrastructure. As such fifty percent of sales tax collections are receipted into the General Fund and the other 50% is distributed between the Consolidated Highway and the Capital Improvements Funds. The City has not yet determined the sustained impact of the new Wolf Creek retailer on the City's overall collections. The new retailer is however generating Transportation Development District sales tax. $4343 has been collected year-to-date. This .75% additional sales tax is used to offset the construction costs and debt service for Wolf Creek Parkway. This tax was originally intended to offset the costs for the entire project. That scenario has yet to come to fruition. However current and future TDD collections will reduce the City's current reliance on strictly ad valorem tax to service this debt. Sales tax will account for nine percent of General Fund Revenue in 2012. *(Please see attached sales tax collections information sheet.)*

Franchise Fees:
Franchise fee collection is tracking normally year-to-date. No significant budget variances are anticipated. Most Kansas cities receive franchise fees or payments from privately owned utilities (electric, natural gas, television, cable, etc.) operating within the city limits. Franchise fees can be considered rent for the use of the City's right-of-way. It is common for cities to receive from 2% to 5% of utility gross receipts. Franchise Fees will account for approximately ten percent of General Fund revenue in 2012.

Court Fines:
Court fine collection is tracking approximately 12% behind budget. It is not expected that this will be problematic. Court fines account for approximately ten percent of General Fund revenue in 2012.

Budget Format and Fund Explanations:

The use of fund accounting is one of the major differences between governmental and commercial accounting. It requires separate record keeping for each individual fund. Each fund operates as a self-contained entity with its own revenue sources, expenses, assets, liabilities and fund balance. Even though the actual cash is contained in one bank account, "separate accounting" is kept of all funds.

According to state law, the budget must be balanced for each fund. The final budget adopted by the City Council must be a balanced budget, where total resources equal total obligations. The State Budget Law prohibits a budget which projects spending in excess of available resources. The Budget Law further prohibits unappropriated balances in funds supported by general tax levies.

Separate funds are maintained for specific purposes and projects in accordance with state law, the State Division of Accounts and Reports, Department of Administration, bond covenants, tax levies, commitments for grants and ordinances and resolutions passed by the City Council.

General Fund:
The General Fund is the primary operating fund for any city as it is available for any legally authorized purpose except those required to be accounted for in another fund. The General Fund's primary revenue source is ad valorem property tax. This is a general tax on all real and personal property not exempt from taxation by law. It is sometimes called an "ad valorem" tax, meaning that the tax is based on the value of the property.

Bond & Interest Fund:
The Bond & Interest Fund is used to account for the payment of interest and principal on long term general obligation debts. This fund's primary revenue sources are special assessments and ad valorem property tax.

Employee Benefit Fund:
KSA 12-16,102 authorizes the establishment of an employee benefit fund. This Fund is utilized to account for employee benefit and is supported by ad valorem property tax.

Consolidated Highway Fund:
The Consolidated Highway Fund is used for street maintenance and repair, the pavement management plan, as well as salt and sand. Sales tax and gas tax are the primary resources for the fund. The gas tax is derived from a state tax on motor vehicle fuel and special fuel sales. The tax is apportioned to the County and cities based on statutory formulas. The cities portion is

determined on a per capita basis. This Fund is used to pay for the annual pavement improvement program and will be used to provide matching resources for the City's three KDOT grants.

Special Park and Recreation Fund:
This Fund is used to account for parks and recreation expenditures funded from the State liquor tax receipts and City Parkland fees. The State levies a 10% surtax on the sale of all alcoholic beverages sold by any club, caterer, or drinking establishment. 70% of the taxes paid within City limits are returned to the respective cities & must be divided between the General and Special Parks & Recreation Funds. This fund is dedicated for the purchase, establishment, maintenance or expansion of park and recreational services, programs, and facilities. This Fund has been the primary resource for the recent Field of Dreams Improvements.

Capital Improvement Fund:
This Fund is used to account for resources that are used for acquiring or significantly improving capital facilities (roads, sidewalks, buildings, etc.). This Fund is anticipated to serve as the resource for the purchase or construction of a new Basehor Municipal Building (City Hall).

Cedar Lake Maintenance Fund:
The Cedar Lake Maintenance Fund is to be used for expenses related to ongoing sewer operations in the Cedar Lake Estates sewer district. Property owners in the district pay special assessments to provide resources for the Fund.

Leavenworth County Sewer District No. 3 Maintenance Fund:
The Sewer District #3 Maintenance Fund is to be used for expenses related to maintenance in the sewer district. This is a new fund for 2012 as the City has absorbed this district from Leavenworth County as part of a Kansas Department of Health & Environment (KDHE) mandated connection project. Property owners in the district pay special assessments to provide resources for the Fund.

Municipal Equipment Replacement Fund (MERF):
Kansas statutes provide that any Governing Body of any city may provide, by adoption of an Ordinance, for a Municipal Equipment Reserve Fund to finance the acquisition of equipment. Moneys may be budgeted and transferred to such fund from any source which may be lawfully utilized for such purposes, including equipment use charges on the various departments and agencies of the City to finance new and replacement equipment. Transfers to this Fund are calculated based on the Fleet Replacement Schedule with each Fund covering its own projected depreciation. The City currently makes transfers money from the General Fund into the MERF. Transfers to this Fund from the Sewer Fund were discontinued in 2011.

Solid Waste Fund:
All residences within City limits are required to utilize City provided solid waste and single stream recycling. These services are provided through a contract with Deffenbaugh Industries (through December 31, 2014). This Fund is used to account for the management of those operations. It is classified as an enterprise fund rendering services on a user charge basis.

Sewer Fund:
The Sewer Fund accounts for revenues and expenses related to the provision of sanitary sewer services to City residents and customers in adjacent areas. It is classified as an enterprise fund rendering services on a user charge basis.

Action Requested of Council:

Review cash positions, revenue estimates along with the various funds and ask questions.

Attachments:

2013 Budget Calendar
Kansas Municipal Sourcebook – Public Budgeting
2011 Independent External Audit Management Discussion and Analysis
2013 Leavenworth County Clerk Preliminary Valuation
Valuation History
Mill Levy History
NRP informational brochure
YTD Sales Tax Report
YTD Financial Snapshot
2013 General Fund Revenue Estimates

City of Basehor
2013 Operating Budget Preparation Calendar

Date	Scheduling Item
May 3, 2012	City Council Planning Retreat
June 1, 2012	Budget Documents Provided to the Department Heads
June 15, 2012	DEADLINE: Department Budget Requests Due to Finance Director
Third Week in June	City Administrator Budget Reviews with Department Heads
By July 1, 2012	Receive Assessed Valuation from County Clerk *The County Clerk shall include such assessed valuations in the applicable taxing districts with all other assessed valuations in those taxing districts and on or before **July 1** notify the appropriate officials of each taxing district within the county of the assessed valuation estimates to be utilized in the preparation of budgets for ad valorem tax purposes (K.S.A. 79-5a27).*
July 2, 2012	2013 City Council Budget Work Session
July 18, 2012	Regular Meeting: Set Budget Public Hearing Date as August 20, 2012
July 19, 2012	Send *Notice of Public Hearing* to *Basehor Sentinel* *The governing body shall give at least **10 days' notice** of the time and place of the meeting by publication in a weekly or daily newspaper of the county having a general circulation therein (K.S.A. 79-2929).*
August 6, 2012	2013 City Council Budget Work Session
August 20, 2012	Regular Meeting - Conduct Public Hearing: Approve 2013 Proposed Budget *The hearing herein required to be held upon all budgets by all taxing subdivisions or municipalities of the state shall be held **not less than ten (10) days** prior to the date on which they shall certify their annual levies to the county clerk as required by law (K.S.A. 79-2933).*
By August 25, 2012	Submit Approved 2013 Budget to Leavenworth County Clerk *Each year the governing body of any city, the trustees of any township, the board of education of any school district and the governing bodies of all other taxing subdivisions shall certify, on or before **August 25,** to the proper county clerk the amount of ad valorem tax to be levied (K.S.A. 79-1801).* *Where action has been taken under any statute to **increase the amount of tax to be levied** authorized by law, a statement showing the increased amount or tax levy rate voted, or a copy of the charter resolution or ordinance making the change, shall be attached to the budget each year the change is in effect (K.S.A. 79-2930).*

CHAPTER 5

PUBLIC FINANCE

The dollars and cents of public management, public budgeting, and finance are critical functions of a city. This chapter discusses public budgeting which is the expenditure and revenue planning process and allocation process. This chapter also deals with various aspects of municipal finance procedures and revenue sources.

PUBLIC BUDGETING

A. BUDGETING

The Division of Accounts and Reports (DAR, Municipal Services) of the Kansas Department of Administration designs budget forms for use by all taxing districts of the state. DAR modifies these form almost every year. As a means of assisting cities and counties in understanding the budget forms and in preparing their budgets, the Division of Accounts and Reports holds a series of budget workshops in May and June of each year. These workshops are held throughout the state to make it as convenient as possible for city and county officials to attend.

IMPORTANCE OF BUDGETING. Budgeting provides a city with the opportunity to:

1. Evaluate current programs' goals, effectiveness, and efficiency;
2. Establish the level of services and programs to be provided; and
3. Determine the staffing, supporting supplies, and equipment required to carry out the program.

By looking at the budget as a whole, the city can weigh the need for one program against another and balance the program needs against the tax burden required to finance them. The budget should accomplish the following major objectives:

1. Establish the city's programs and services for the coming year;
2. Establish a legal basis and record for expenditures of money;
3. Evaluate the adequacy or obsolescence of the various city programs;
4. Serve as a guide for explaining past, present, and projected services and improvements;
5. Describe the financial resources available; and
6. Open dialogue between the city and the citizens on proposed programs.

Key Budgeting Decisions

- What specific goal is to be achieved through the proposed or existing program?
- Is this goal justified as a valid and proper function of the city?
- Is this goal directed toward alleviating a problem of sufficient need or interest?
- Does the need for this program justify the estimated cost as indicated in the budget program?
- Is the proposed program the most economical method available for obtaining the desired goal?
- Is starting up a new city program the only solution to this problem or need?

The Budget Statute—Schedule. K.S.A. 79-2925 *et seq.* sets forth the state law requirement for budgets. There are two phases to the budget:

1. Preparation (including publication of summary, hearing, and adoption of the budget); and
2. Operating under the budget during the budget year.

If proper accounting records are kept during a budget year, the preparation of figures for the next year's budget is simplified.

State laws govern the timetable for budget preparation, publication, hearing, adoption and certification. The calendar below, based on a typical year, is based on these requirements (K.S.A. 79-2927; 79-2929; 79-2933; 79-1801; 79-2930):

August 5	Last day for publishing budget and hearing notice.
August 15	Last day for public hearing on budget.
August 25	Last day for filing levies and budget with county clerk.

While the statutory budget schedule is <u>not mandatory</u>, every effort should be made to meet the August 25 deadline. There <u>must</u> be at least 10 days between the publication and the hearing and 10 days between the hearing and the certification of the budget to the county clerk. If publication is made at least 10 days prior to a regular meeting date, the budget hearing can be part of the regular meeting agenda.

Standard Budget Form. The standard budget form outlines the level of services to be provided for the coming year. It is a financial statement of the preceding year and the current year, of bonded indebtedness, a computation of tax levies, and a request for tax levies to be spread on the tax roll.

Budget forms are prepared by the Division of Accounts and Reports and, after final adjournment of the Legislature in May, are sent to county clerks who distribute copies to city clerks.

Preparation of Budget. The governing body is legally responsible for preparation of the budget. (K.S.A. 79-2927) However, the actual job of preparing the budget usually falls on the office of city clerk in smaller cities and the finance or budget department in larger cities.

In most cities, the city clerk has the records to develop the figures required for the budget documents. Some information may have to be secured from the city treasurer and county treasurer. Helpful information from the county treasurer includes:

1. Motor Vehicle Tax and Motor Vehicle Stamp Tax;
2. Annual report of distributions;

Budget Tip

Municipal budget forms (and manuals) are available online at: http://www2.da.ks.gov/ar/muniserv/budgetforms_spreadsheets.htm

3. Delinquency rate calculations or amounts; and
4. Valuation amounts.

In some cities, department heads may maintain records of expenditures of their departments to keep themselves informed of the budget balance and for the purpose of making recommendations for the next budget.

Usually the budget officer develops the figures for the preceding year and for the various schedules which accompany the budget. In order to facilitate the budgeting process, it is highly desirable to keep an expenditure analysis of each fund. If the fund is departmentalized, as for the general fund, an expenditure analysis should be maintained for each department within the fund. These expenditure analysis records are important for two reasons:

1. Keeping city officials and officers informed of the status of the budget during the current year; and
2. Preparing the figures at budget time.

A city's general fund usually supports several departments, and the itemization required by the budget form is extensive. The expenditure analysis sheets should conform to the itemization on the budget form.

If proper accounting records are maintained, the figures for the preceding year are easily determined, as well as the figures for the current year to the time when the budget is prepared. In most cases, the figures for the current year are entered the same as the adopted budget for the current year. However, these figures should be as realistic as possible, based on current estimates. The purpose of reviewing the budget for the current year is to determine whether there may be a reduction in expenditures or an unexpected increase in revenue and thus a possible carryover of unencumbered cash for the coming year.

Steps in Preparing the Budget. The budgeting process varies greatly from city to city, depending largely on its size and the sophistication of its public and financial management. Cities with a manager or administrator often prepare comprehensive budget documents, and then complete the state budget forms primarily to meet legal requirements. Preparing the annual budget should be a joint effort of the governing body, chief executive, budget officer, and department heads, where applicable. Often the budget officer is responsible for assembling the departmental budget requests into a budget document to be given to the governing body for action.

Budget Tip

For simplicity, many cities develop their budget utilizing the state budget forms, which contain instructions and suggested procedures. Larger cities also typically prepare much more detailed budget documents (by program, service, department, etc.).

Publication of Budget. After the governing body has approved a proposed budget, the form for publication notice, Notice of Hearing, should be prepared. It is somewhat shorter than the proposed budget. Publishing instructions are included with the form. K.S.A. 79-2929 requires that the proposed budget and notification of hearing be published at least 10 days prior to the date of the hearing, and state law requires that a budget hearing be held at least 10 days prior to the date on which the certification of annual levies to the county clerk is required. (K.S.A. 79-2933)

Hearing and Adoption of Budget. A formal budget presentation to the governing body and public should include presentations by the administrators and/or clerk and department heads, when applicable, which should explain revenue and expenditures. Following these presentations, opinions from the public should be solicited. (K.S.A. 79-2929)

After the hearing, the budget portion of the document is adopted by the governing body. The governing body may change the proposed budget, but it cannot increase the proposed total expenditure or tax levy

amount of any fund, unless the entire procedure of notice and hearing is repeated. Reductions in expenditures will usually result in lower levies for tax funds, and re-figuring is required.

Completion of Budget Document. After final adoption and any re-figuring which may be required, three copies of the whole document should be prepared:

1. Two copies should be provided to the county clerk, who keeps one copy for the county's files and sends the other to the Municipal Accounting Section, Division of Accounts and Reports in Topeka; and
2. One copy for the city's file.

The certificate for the county clerk should be prepared and signed. The two copies sent to the county clerk must have attached a copy of the publication. If special levies are made for funds not specifically named on the forms, statutory citation should be furnished to the county clerk. If the city has passed a charter ordinance changing statutory limitations or authorizing certain levies, a copy should be provided to the county clerk, otherwise he or she may rightfully assume that the levy or levies made in excess of statutory limitations are improper and reduce the levy or levies accordingly.

It is a good practice to contact the county clerk sometime after the budget and tax levies have been certified, to ensure that the levies are being made as certified. County clerks are authorized by law to correct any improper levies. The law, however, does require county clerks to give at least seven days notice to the city before making any change in tax levies. (K.S.A. 79-1965)

Time of Budget Operation. The budget adopted in August showing receipts and expenditures for the coming year begins the following January 1, and operates for the calendar year.

Amending the Budget. In 1981, the Legislature passed a law, supported by the League, which authorizes municipalities to amend their budgets to increase authorized expenditures so long as the additional funds do not require an additional tax levy and the revenue was previously unbudgeted. (K.S.A. 79-2929a)

The procedure for amending the budget is exactly the same as the procedure for adopting it in the first place. The city must give notice and hold a public hearing as required by K.S.A. 79-2929 and 79-2933. Copies of the amended budget are to be filed with the county clerk, who files a copy with municipal accounting section the same as with the original budget. DAR provides instructions and forms for amending the budget during the budget year on their website.

Budget Tip

Note: *Budget Tips* is an annual publication of the League, and includes yearly updates of laws affecting the budget and the budget process. *Budget Tips* can be found online at www.lkm.org.

Definition of Fund. K.S.A. 79-2925 defines "fund" as a fund authorized by statute to be established, not the individual budgeted items of a fund. Rather, it refers to the total of the individual items. A simpler definition is "a sum of money or other resources set aside for the purpose of carrying on specific activities or to attain certain objectives in accordance with special regulations, restrictions, or limitations."

K.S.A. 79-2927 requires an itemized budget, classified by funds (which is the total of the items in each particular fund). The statute also requires that an item for miscellaneous purposes shall not exceed 10% of the total amount of the budget for the particular fund.

The general rule is that items or accounts within a fund may be changed during the budget year by action of the governing body. Changes in the total of receipts or expenditures in a budgeted fund constitute an amendment to the budget as described above.

Appropriations. The budget for each fund constitutes an appropriation for the budget year. (K.S.A. 79-2934) This means that when the budget takes effect, expenditures may be made from the fund for the proper purposes of the fund. The presence of an adopted budget does not alleviate the need for approval of claims against the fund, although some cities adopt a general appropriation ordinance and do not require each claim to be approved by the governing body.

The statute further provides that no money in a fund may be used to pay for any indebtedness created in excess of the total budgeted for the fund. If more money is received during the year than was anticipated and the revenue exceeds the amount appropriated for the fund, any balance at the end of the year is carried forward to the credit of the same fund for the next year. No part of a fund may be diverted to another fund, except as provided by law. If one fund gets low, it is improper to charge another fund for something which should be charged to the low fund.

Creation of Indebtedness. It is unlawful for the governing body to create an indebtedness against a fund after the total indebtedness already created against the fund totals the amount of the budget of expenditures for the fund for the year. Any indebtedness created above the budget for a fund is void except:

1. When provision is made for issuance of bonds;
2. When authorized by an election;
3. When authority has been secured to issue no-fund warrants. (K.S.A. 79-2935)

Budget Record of the City Clerk. K.S.A. 79-2934 requires the city clerk to open and keep an account of each fund, showing the total amount appropriated for the fund, and to charge the appropriation with the amount of any indebtedness created at the time the indebtedness is incurred—*not* when it is paid. The fund is charged when the purchase order is issued, contract executed, or indebtedness created in some other way.

In those cases where the actual cost is not known when the purchase order is issued, an estimate should be entered and an adjustment made when the actual amount is determined, usually when the claim is filed. The city clerk must know when purchases are made in order to encumber the budget record.

Budget Tip

It is important to remember that expenses are encumbered when an obligation to purchase occurs, not when the invoice is paid.

Reimbursements. Anticipated reimbursements should be budgeted as revenue, but unanticipated reimbursements during the same budget period cannot be budgeted. Where they balance with an equal amount of expenditures in excess of the amount budgeted, the amount of such expenditures is not considered a violation of the budget law. Reimbursement for budget credit is the actual cash outlay recovered in the same budget period for amounts expended in excess of the amount of revenue anticipated as reimbursed expense. See K.S.A. 79-2934.

Trade-Ins. Where new equipment is purchased and a piece of old equipment is turned in as a part of the purchase price, it is only the cash outlay (the difference between the purchase price and the agreed value of the trade-in) that is charged against the budget. Under a lease-purchase agreement, only the annual budgeted expenditure would be charged against the budget.

Lease-Purchase Agreements. The Legislature has authorized municipalities to enter into lease agreements, with or without an option to buy, or to enter into installment purchase agreements. Such agreements are held not to be a violation of the cash basis law if they specifically provide the municipality is obligated only to pay periodic or monthly payments as may lawfully be made from funds budgeted and appropriated for that purpose during the municipality's current budget year. (K.S.A. 10-1116b)

Federal Aid Budgeting. Cities that receive federal funds are authorized to expend this aid without regard to budget limitations. These expenses are not charged against the budget.

The expenditures of city funds which are later reimbursed by federal funds are considered reimbursed expenses—even if the funds are received after the budget year. Temporary notes and no-fund warrants as well as tax levies to pay for them are authorized under certain circumstances. (K.S.A. 12-1662 through 12-1668)

Capital Budgets. A capital budget prepares the city for the acquisition of major capital assets to be purchased. A capital improvement budget and a capital improvement program are necessary instruments in the responsible operation of a city. The use of a capital budget and the development of a capital improvement program can be rather complex. The League suggests that operating expenses should always be kept separate from capital expenses. K.S.A. 12-1,118 provides for a capital improvement fund.

Communication with the Governing Body. It is a good practice to provide the governing body with budget reports on a regular basis, either monthly or quarterly. There is no perfect format for budget reporting, but typical reports show a variety of columns including expenditures/revenues to date, projected year-end expenditures/revenues and budgeted expenditures/revenues for each item in the budget report.

B. Kansas Cash Basis Law

Cash-Basis Law in Brief. The essence of the cash-basis law is that no indebtedness should be created against a current fund unless there is cash available in that fund available to pay the debt at once. Revenue that is to be received later is not considered. The fact that the actual payment of the obligation will be deferred is also not considered. (K.S.A. 10-1101 through K.S.A. 10-1122)

Cash Available When Debt Created. No debt may be created in excess of the amount of funds actually on hand in the fund from which the debt will be paid. Money in the bank not belonging to the fund is not considered. It is best to take into account all previous commitments which are unpaid and to incur further debt only when there is sufficient cash over and above the amount of all outstanding commitments against the fund.

Budget Tip

The key thing to remember when entering into a lease-purchase agreement is that the agreement MUST contain language which makes it clear that the annual payment(s) is(are) subject to annual appropriation by the governing body.

The primary exceptions to the cash basis requirements are:

1. Matters for which bonds will be issued. The bond resolution acts as an appropriation and a limit on the indebtedness to be incurred;
2. Where no-fund warrants are duly authorized;
3. Airport revolving funds and enterprise utility funds which may accrue revenue. The exception is limited by the amount of accruable revenue (K.S.A. 10-1116);
4. For extraordinary emergencies of a utility and then only in the manner prescribed by K.S.A. 10-1116a;
5. Lease-purchase agreements. (K.S.A. 10-1116b)

Record of City Clerk. K.S.A. 10-1117 requires the city clerk to keep records showing:

1. The amount of money in the treasury in each fund;
2. All contracts or obligations creating liability against the city;
3. All indebtedness created by the governing body. The governing body

creates all indebtedness, this means that when any purchase order is issued, or when any committee, officer, or employee makes a purchase, the clerk must make a record of it. The clerk does not wait until a claim is filed. The city clerk must be immediately informed of all orders, contracts, and other commitments.

The record must show:

1. The date of the making of the contract or the creation of the debt;
2. The amount of the contract or debt. (in some cases, the amount has to be estimated temporarily);
3. The time payable (this may be indefinite);
4. The particular fund from which payment is to be made;
5. Each warrant or check drawn on the treasury and the date of payment.

Information for Governing Body and Public. The city clerk must exhibit the cash basis records upon the request of any person, including a member of the governing body, taxpayer, person desiring to contract with the city, or person having a claim against the city. (K.S.A. 10-1117) The city clerk should advise the governing body of the cash status of each fund at each meeting or at least when it appears the cash may not be sufficient for a contemplated indebtedness.

Void Contracts, Orders, and Warrants. Contracts, orders, warrants or warrant checks in violation of the cash basis law are void. (K.S.A. 10-1119)

Warrants or Checks Improperly Issued. The city clerk must not knowingly issue, attest, sign, or countersign any order, warrant, check, or other evidence of indebtedness, on the treasury of the city in payment of any indebtedness of the city created by the governing body in excess of the amount of funds actually on hand in the treasury at the time for the purpose. (K.S.A. 10-1114) Even if there is sufficient money in the bank, it must be designated for the purpose.

Subordinate Political Subdivisions. The Cash Basis Law also applies to any political subdivision of the state that is supported with tax funds. This includes recreation commissions, library boards, etc.

Penalty. Knowingly violating the cash basis law is a misdemeanor, and can result in removal from office. (K.S.A. 10-1121)

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.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities - Most of the City's programs and services are reported here including general government, public safety, public works, and culture and recreation.

Business-Type Activities - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The City's sewer utility and the solid waste utility are reported as business-type activities.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds - Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and balances left over at fiscal yearend available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Assets and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

Proprietary Funds - Proprietary funds (Solid Waste Utility and the Sewer Utility) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the government-wide financial statements.

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	11,106,103	11,794,564	18,838,629	19,521,750	29,944,732	31,316,314
Total assets	$ 17,414,312	$ 17,470,330	$ 19,743,439	$ 20,304,896	$ 37,157,751	$ 37,775,226
Current liabilities	$ 1,964,073	$ 2,184,331	$ 958,955	$ 955,068	$ 2,923,028	$ 3,139,399
Noncurrent liabilities	7,997,118	8,336,234	10,181,444	10,771,332	18,178,562	19,107,566
Total liabilities	$ 9,961,191	$ 10,520,565	$ 11,140,399	$ 11,726,400	$ 21,101,590	$ 22,246,965
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	4,205,546	3,707,478	786,162	437,251	4,991,708	4,144,729
Total net assets	$ 7,453,121	$ 6,949,765	$ 8,603,040	$ 8,578,496	$ 16,056,161	$ 15,528,261

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

Government-Wide Activities

The following is a condensed statement of the City's change in net assets for the year ended December 31, 2011. Major items of program revenues, grants and general revenues are detailed below. Government-wide activities increased the net assets of the City by $.5 million for the year ended December 31, 2011. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located on page 14 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of bonds, temporary notes, and leases in the current fiscal year of $.3 million which are treated as an expenditure in the fund statements and a reduction of long term debt payable in the Government wide financial statements. In addition, the capital outlays of $.1 million are treated as expenditures in the fund statements, but are treated as capital assets in the Government wide financial statements.

City of Basehor
Condensed Statement of Changes in Net Assets
For the Years Ending December 31, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 252,238	$ 174,005	$ 1,791,107	$ 938,041	$ 2,043,345	$ 1,112,046
Operating grants	15,722	76,075	84,630	-	100,352	76,075
General revenues:						
Taxes	3,524,640	2,840,382	-	-	3,524,640	2,840,382
Transfers [net]	[18,959]	[986,801]	18,959	986,801	-	-
Other	61,389	25,286	812	1,039	62,201	26,325
Total revenues	3,835,030	2,128,947	1,895,508	1,925,881	5,730,538	4,054,828
Program expenses:						
General government	1,210,855	1,410,480	-	-	1,210,855	1,410,480
Public safety	738,989	785,305	-	-	738,989	785,305
Public works	534,874	277,752	-	-	534,874	277,752
Culture and recreation	70,120	27,143	-	-	70,120	27,143
Infrastructure depreciation	741,840	676,512	-	-	741,840	676,512
Sewer utility	-	-	1,408,844	1,563,008	1,408,844	1,563,008
Solid waste utility	-	-	254,628	157,536	254,628	157,536
Interest on long term debt	242,488	236,753	-	-	242,488	236,753
Total expenses	3,539,166	3,413,945	1,663,472	1,720,544	5,202,638	5,134,489
Increase [decrease] in net assets	$ 295,864	$ [1,284,998]	$ 232,036	$ 205,337	$ 527,900	$ [1,079,661]

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.

Fixed Assets and Debt Administration

The City's investment in fixed assets for its governmental and business-type activities totaled $29.9 million (net of accumulated depreciation) as of December 31, 2011.

Major fixed asset events during the current fiscal year included the following:

The City purchased a patrol cruiser, tack cart and a half-ton truck at a cost of $89,118.

At December 31, 2011, the City had total debt outstanding of $19.3 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2011, in the amount of $1 million. This was a result of the gradual pay down of current outstanding debt.

Additional information on the City's general long term debt can be found in Note III to the financial statements.

Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City Clerk/Finance Department at 2620 North 155th Street, Basehor, Kansas 66007 or (913) 724-1370.

JANET KLASINSKI
Leavenworth County Clerk
300 Walnut
Leavenworth, KS 66048
PHONE: 913-684-0422
FAX: 913-680-1489
EMAIL: jklasinski@leavenworthcounty.org

City of Basehor
2620 N. 155th Street
Basehor, Kansas 66007

I, Janet Klasinski, County Clerk of Leavenworth County, Kansas hereby certify the valuation of the City of Basehor to be as follows:

2012 Valuation for 2013 Budget

Real Estate	46,474,396
Personal Property	853,700
State Assessed	1,663,703
Total	48,991,799

2011 Valuation for 2012 Budget

Total	49,823,218

Witness my hand and seal this 15th day of June 2012.

Janet Klasinski

Janet Klasinski
Leavenworth County Clerk

County Clerk's Budget Information for 2013 Budget Year
Leavenworth County values
BASEHOR CITY

1. Estimated Assesed Valuation as of SUNDAY, JUNE 17, 2012:

	Assessed Value	New Improvements	Territory Added	Changed Use
Real Estate	46,474,396	446,653	0	124,320
State Assessed	1,663,703	559		
Severed Minerals	0			
Personal Property	853,700			
Oil & Gas	0			
Total Value	48,991,799	447,212		

2. Personal Property excluding oil, gas, and mobile homes: 846,103
(Use this amount on Computation to Determine Limit for 2013 budget, line 5a)

3. Actual tax rates levied for the 2012 budget: (2011 levies)

SAC	Fund	Rate
021	BASEHOR CITY - BOND & INTEREST	2.032
097	BASEHOR CITY - EMPLOYEE BENEFIT	8.590
135	BASEHOR CITY - GENERAL	18.974
207	BASEHOR CITY - SPECIAL LAW ENFORCE	.000
	Total Levied	29.596

4. Final Assessed Valuation from the November 2011 abstract: 49,823,218

5. 2011 Personal Property excluding oil, gas, and mobile homes: 659,860
(Use this amount on Computation to Determine Limit for 2013 budget, line 5b)

6. Gross Earnings (Intangible) Tax Estimate: .00

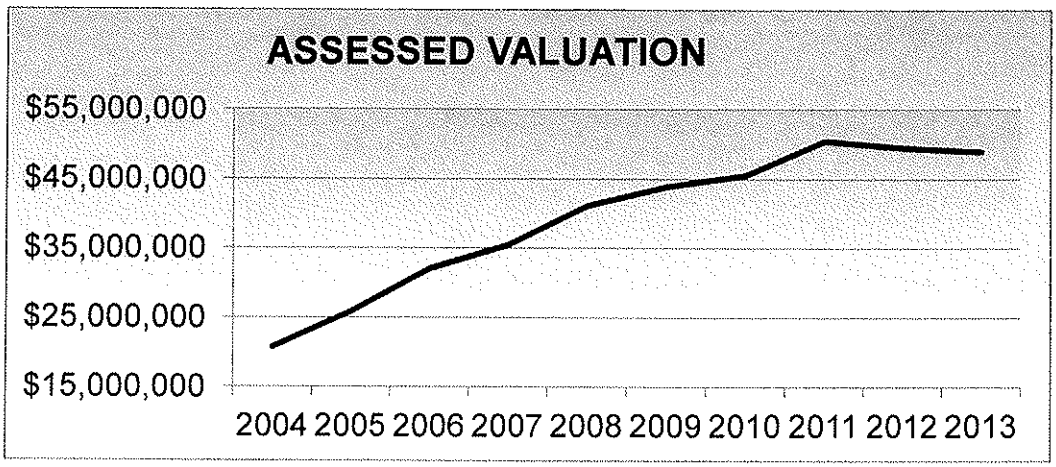
7. Valuation subject to rebates:
Neighborhood Revitalization 963,107
Tax Increment Financing 0

8. 2010 average tax delinquency percentage: 1.085148

Date Provided: 6-17-12 Provided by: Janet Klasonski
Leavenworth County Clerk

CITY OF BASEHOR
ASSESSED VALUATION
2004-2013

	YEAR	Total
	2004	$20,773,023
	2005	$25,907,753
	2006	$32,041,578
	2007	$35,473,155
	2008	$41,143,071
	2009	$43,924,056
	2010	$45,550,427
	2011	$50,502,675
	2012	$49,543,124
Prelimary	2013	$48,991,799



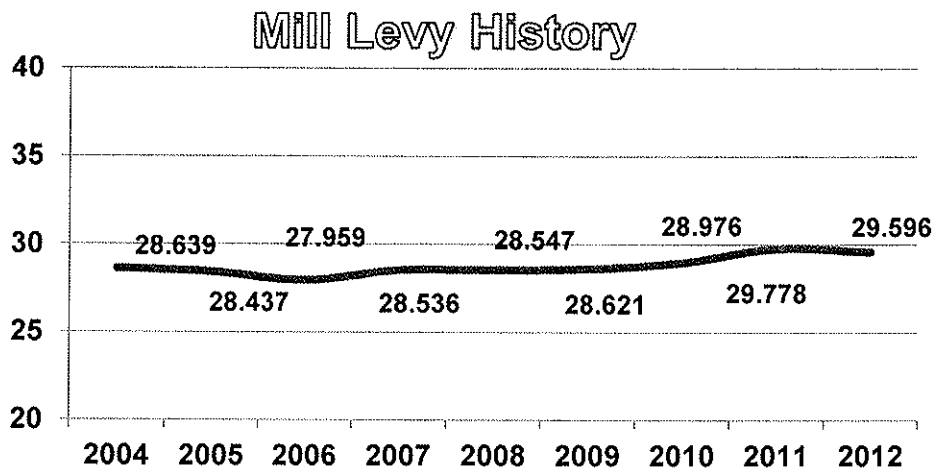
The City has now experienced it's second valuation decrease in as many years.

HOW THE MILL LEVY IS ESTABLISHED

When the Basehor City Council develops the annual operating budget, they must use the prior years' valuation to estimate what the mill levy must be set at in order to generate the revenue needed to meet budgeted expenditures. For example, this 2012 budget is based off of the valuation of property in Basehor from 2011. The 2011 Budget used 2010 valuation figures, and so on. Valuations are finalized in October, at which time; the Leavenworth County Clerk will adjust the mill levy, up or down, based on the direction of the final assessed valuation. The 2011, mill levy of 29.778 was calculated using a October 4, 2010, estimated assessed valuation of $50,502,675 The County Clerk's final assessed valuation from the October 7, 2011, abstract is $49,823,218 leaving the final 2012 City of Basehor mill levy at 29.596.

CITY OF BASEHOR
MILL LEVY HISTORY
2004-2012

Year	Total	General	Debt Service	Employee Benefit
2004	28.639	28.490	0.149	
2005	28.437	28.289	0.148	
2006	27.959	27.959	0.000	
2007	28.536	28.536	0.000	
2008	28.547	25.340	3.207	
2009	28.621	27.953	0.668	
2010	28.976	28.640	0.336	
2011	29.778	17.440	3.100	9.238
2012	29.596	18.974	2.032	8.590



The City mill levy has only increased a 3.34% over 9 years.

Neighborhood Revitalization Property Tax Rebate Program

City of Basehor, Kansas

Are you planning to undertake a rehabilitation project on your existing house or to build a new single family home or commercial structure? ***You may be eligible for property tax rebates.***

The City of Basehor is offering two Neighborhood Revitalization Property Tax Rebate Programs. Plan 1 applies to new construction and rehabilitation projects; Plan 2 applies to new construction only.

The rebate percentages apply to those taxes levied by Leavenworth County, U.S.D. 458, the City of Basehor, Basehor Community Library and the Fairmount Township Fire Department. Cannot be used in conjunction with any other tax credit incentives unless expressly approved by the City Council of Basehor.

For more information and an application

Neighborhood Revitalization Plan 1

Plan 1 is a five year plan that offers tax rebates on rehabilitation and new construction of single family homes, multi-family residences, commercial, mixed-use residential/commercial and industrial properties. This plan encompasses much of the older areas of town including the subdivisions of Klamm, Metzger Meadows, South Basehor, Hickory Pointe, Hickory Valley, Pretherbridge, Crestwood, Rickel, Landauer and the Parallel Park Industrial Area as well as other miscellaneous properties. This plan was enacted in 2001 and extended in 2005 and again in 2009.

Property Type	Residential	Commercial	Industrial
Minimum Investment	5%	15%	15%
Rebate Percentage	95%	50%	50%
Length of Rebate	5 Years	5 Years	10 Years

Plan 1: Rehabilitation and new construction (5 years)

Neighborhood Revitalization Plan 2

Plan 2 is a six year plan that offers tax rebates for only new construction of single family residences, multi-family residences sold as individual units (town homes) and new commercial structures. This plan encompasses many different areas of Basehor and is intended to stimulate redevelopment of these areas. The new structure must appraise for a minimum of $140,000, this does not include the land, to be eligible for the rebate program. These rebates are for the value of the improvement only (structure only). Leavenworth County will retain 5% of the rebate for administrative fees. This plan was enacted in 2009 and shall expire on December 31, 2012.

Property Type	Residential	Commercial
Minimum Investment	$140,000	

FREQUENTLY ASKED QUESTIONS

Is my property eligible?

In order to be eligible for property tax rebat several items must be verified:

1. You must be the legal owner of rec
2. The property must be in a desig
3. The real estate taxes on the r current. If a taxpayer is 90 the payment of property term the property is e remaining eligibilit terminated.
4. The improver Revitalizati regulatio
5. New s elig s

Neighborhood Property Tax Reb

City of Basehor, Ka

For more information and an applic contact the City of Basehor:

Planning & Zoning Department
P.O. Box 406, Basehor, KS 66007
913-724-1370 • www.cityofbasehor.org

Field of Dreams Sports Complex

Fairmount Rd

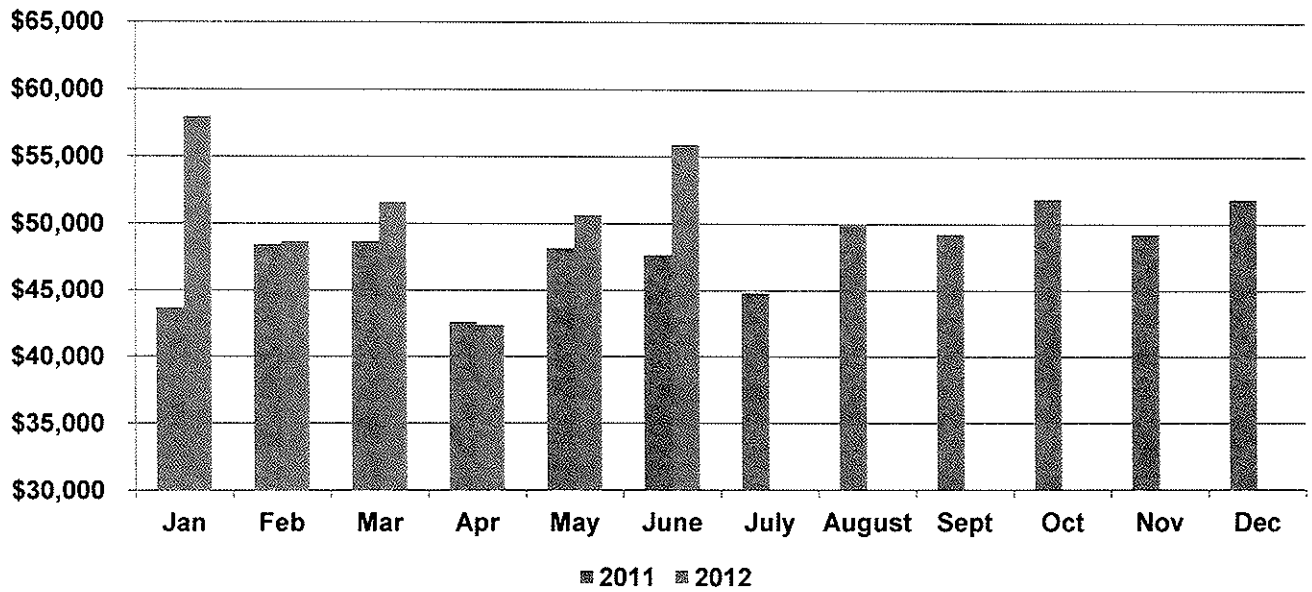
Basehor City Limits
Districts
NRP Plan 1

MONTHLY SALES TAX COLLECTIONS 2008-2012

	2008	2009	2010	2011	2012	Monthly Diff. '11 - '12	% Difference	2011 YTD	2012 YTD	Diff. '11 - '12	% Difference
Jan	43,516.85	43,726.32	44,933.16	43,677.78	57,962.61	14,284.83	32.7%	43,677.78	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	106,631.04	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	158,227.43	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	200,600.25	17,143.29	9.3%
May	44,634.80	41,070.02	47,865.00	48,186.99	50,639.59	2,452.60	5.1%	231,643.95	251,239.84	19,595.89	8.5%
June	52,647.16	43,320.60	48,059.05	47,682.94	55,921.34	8,238.40	17.3%	279,326.89	307,161.18	27,834.29	10.0%
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	307,161.18						

*$4234 in TDD Sales Tax has been collected (separate from what is being reported).

2011-12 Month to Month Comparison



CITY OF BASEHOR
JUNE 26 FINANCIAL SNAPSHOT

Funds

Fund	Budget	Revenues	Expenditures	% Collected	% Utilized	Current Balance
General	$1,867,561	$1,322,715	$755,643	71%	40%	$607,841
Special Park	$25,000	$5,860	$0	23%	0%	$125,574
Sewer	$1,379,625	$621,070	$583,120	45%	42%	$712,576
Cedar Lake Maintenance	$40,000	$15,522	$12,448	39%	31%	$13,394
Bond & Interest	$702,234	$811,107	$115,990	116%	17%	$981,863
Solid Waste	$280,897	$130,556	$77,310	46%	28%	$130,862
Special Highway	$715,000	$211,373	$80,650	30%	11%	$2,140,391
Municipal Equip. Reserve	$8,840	$360	$12,007	4%	136%	$309,624
Captial Improvement	$0	$30,038	$0	0%	100%	$1,374,034
Employee Benefit	$489,630	$428,669	$204,723	88%	42%	$130,668
LCSD#3	$33,000	$20,578	$7,105	62%	22%	$22,876
	$5,541,787	$3,597,849	$1,848,997	65%	33%	$6,549,703

Department

General	Budget	Expenditures	Remaining Balance	% Utilized
Clerk	$306,950	$169,984	$136,966	55%
Street	$183,100	$79,218	$103,882	43%
Governing Body	$44,614	$28,526	$16,088	64%
Police	$771,650	$315,620	$456,030	41%
Facilities	$131,775	$59,422	$72,353	45%
Administrator	$141,600	$11,115	$130,485	8%
Park & Recreation	$32,955	$18,125	$14,830	55%
Miscellaneous	$85,518	$0	$85,518	0%
HR	$16,000	$10,039	$5,961	63%
Planning	$153,400	$47,927	$105,473	31%
	$1,867,562	$739,975	$1,127,587	40%

REVENUE

GENERAL FUND

		2010 Actual	2011 Actual	2012 Budget	2012 Estimate	2013 Preliminary
	Beginning of the year balance	$419,077	$155,776	$172,333	$314,079	$542,159
460	Ad Valorem Property Tax	$1,201,867	$842,023	$883,500	$883,500	
491	Motor Vehicle Distribution	$148,751	$151,552	$91,538	$91,538	$86,873
493	Recreational Vehicle Tax	$1,770	$1,784	$1,079	$1,079	$1,006
496	16M & 20M Truck Tax	$3,121	$2,677	$2,064	$2,064	$1,467
464	Back Taxes	$38,696	$102,788	$30,000	$90,000	$35,000
	Sales Tax	$0	$288,199	$195,000	$290,000	$294,350
	Field of Dreams	$0	$44,000	$35,000	$33,750	$37,500
421	Court Fines	$153,901	$154,984	$170,000	$150,000	$150,000
401	Building Permits	$11,382	$25,165	$40,000	$40,000	$40,000
403	Pet Licenses	$1,170	$1,205	$1,150	$1,200	$1,200
404	Business Licenses	$7,700	$8,350	$7,800	$8,350	$8,350
405	Misc. Fees/Permits/Licenses	$15,888	$13,744	$14,500	$21,000	$15,000
407	Plan/Plat Application Fees	$2,265	$963	$3,500	$1,000	$1,000
432	Westar Energy Franchise Tax	$91,498	$94,388	$70,000	$80,000	$85,000
433	Atmos Energy Franchise Tax	$41,421	$37,694	$42,000	$42,000	$39,000
436	Suburban Water Franchise Tax	$23,076	$22,695	$23,000	$23,000	$23,500
	Consolidated Water Franchise Tax	$0	$0	$0	$0	$0
435	Knology Cable Franchise Fee	$39,934	$38,620	$32,500	$39,000	$40,000
438	AT&T Franchise Tax	$10,882	$13,970	$10,400	$13,000	$14,000
434	SW Bell Franchise Tax	$4,711	$5,471	$4,500	$5,000	$5,500
	Grants and Reimbursables	$625	$0	$0	$0	$0
551	Interest Income	$944	$599	$1,000	$1,000	$1,250
451	Local Alcohol Liquor Fund	$7,881	$8,080	$8,896	$8,896	$8,839
511	Other Revenues	$16,719	$6,516	$0	$1,000	$5,000
	Transfer from Sewer	$0	$0	$25,088	$25,088	$47,810
675	Transfer from Solid Waste Fund	$0	$0	$39,415	$39,415	$40,231
	TOTAL REVENUES	$1,805,451	$1,865,466	$1,731,929	$1,890,880	$981,876
	TOTAL FUNDS AVAILABLE	$2,224,528	$2,021,242	$1,904,263	$2,204,959	$1,524,035
	TOTAL EXPENDITURES	$2,038,857	$1,719,861	$1,867,561	$1,662,800	
	UNRESERVED CASH BALANCE	$185,671	$301,381	$36,701	$542,159	$1,524,035

MILL LEVY INFORMATION	**2010**	**2012**	**2013**
FUND REQUIREMENTS	$1,304,610	$883,500	$0
ADD FOR DELINQUENT TAXES		7%	5%
TOTAL AD VALOREM	$1,304,610	$945,345	$0
RATE OF LEVY IN MILLS	28.64	18.974	0.000

The City of Basehor

Date: June 28, 2012

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

From: Corey Swisher, City Clerk/Finance Director

Re: Utility Rate Analysis

Background:
In December of 2010, the Basehor City Council was informed that sewer rates were required to be raised in 2011, due to an increase in debt service obligations. "Without a very significant and improbable increase in new sewer customers over the next several years annual sewer rate increases will be required to maintain the Sewer Funds solvency." Subsequently user rates were raised and the Sewer Fund has remained solvent. The Council also implemented a reoccurring 2.5% annual rate increase.

The forecast provided in 2010, was based on a three percent annual growth in users. This growth has not come to fruition and projected user fees will not be able to cover debt service and operations in the near future. Debt service accounts for approximately 68% of sewer usage fees. The City's current Sewer Fund financial model indicates the Sewer Fund will again near insolvency at the end of 2015. Although the City is in the process of refinancing one of two existing Kansas Department of Health and Environment (KDHE) loans, the lack of connections and users continues to hinder the fund's solvency. The City is currently refinancing the KDHE loan made in 2000. The second loan was secured in 2008.

The financial capacity analysis undertaken in 2006, prior to the latest waste water treatment plant expansion and KDHE loan indicated the City would require 50 new connections throughout the life of the 20 year loan along with an annual 2.75% user fee increase in order to be able to service the debt.

The lack of new users compounds itself as there are fewer users to shoulder the burden of the increasing debt as time passes. It has also been determined that actual household water usage is decreasing which also negatively impacts utility providers.

Potential Action:

Council has also directed staff to evaluate the City's sewer connection fee structure in order to ensure it is conducive to facilitating economic development. More specifically, the City's

current static sewer connection fee structure could possibly hinder potential multi-family or overnight lodging development.

This would be an excellent opportunity for the City to research, evaluate and integrate a new user rate and connection fee structure. A comprehensive and sustainable financial model for future sewer operations is in the best interest of the City.

In March of 2012, the City issued a request for qualifications (RFQ) for a financial advisor in order to facilitate debt issuance. In that the RFQ the City also asked for bids to provide a utility rate analysis. Of the three responders to the RFQ two firms provided bids for a utility rate study:

Springsted Inc.:	$12,600
Columbia Capital:	$17,500

Staff Recommendation:
Review proposed Springsted Inc. utility rate study proposal and contemplate if such analysis is desired.

Action Requested of Council:
Review proposed Springsted Inc. utility rate study proposal and contemplate if such analysis is desired.

Attachments:
Sewer Fund Financial Forecasting Model
Proposed Work plan to Provide Sewer Rate Study Services
Proposed Agreement for Management Consulting Services
December 14, 2010 - Basehor City Council Sewer Rate Memorandum and Background
August 2006 - Larkin Group Inc. Sewer Usage Charge Study

	2012 Estimate	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average Monthly Bill	$49.75	$50.99	$52.27	$53.58	$54.91	$56.29	$57.69	$59.14	$60.62	$62.13
% Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rate per 1,000	$10.88	$11.15	$11.43	$11.72	$12.01	$12.31	$12.62	$12.93	$13.26	$13.59
Starting Cash	$717,426	$505,291	$334,906	$203,340	$7,465	$0	$0	$0	$0	$310,250
***Accounts**	1,810	1,842	1,874	1,907	1,940	1,974	2,009	2,044	2,079	2,116
Sewer Charges	$1,078,603	$1,126,967	$1,175,356	$1,225,823	$1,278,457	$1,333,350	$1,390,601	$1,450,310	$1,512,583	$1,577,529
Sewer Connection Fees	$90,000	$109,279	$111,191	$113,137	$115,117	$117,131	$119,181	$121,267	$123,389	$125,548
Delinquent Fee Collections	$25,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Interest Income	$1,100	$2,526	$1,675	$1,017	$37	$0	$0	$0	$0	$1,551
24/40 Sewer Interceptor	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162
	$1,266,865	$1,318,934	$1,368,384	$1,420,139	$1,473,773	$1,530,644	$1,589,944	$1,651,739	$1,716,134	$1,784,791
TOTAL AVAILABLE FUNDS	$1,984,291	$1,824,226	$1,703,289	$1,623,478	$1,481,238	$1,530,644	$1,589,944	$1,651,739	$1,716,134	$2,095,041
Operating Expenditures	$344,000	$354,320	$364,950	$375,898	$387,175	$398,790	$410,754	$423,077	$435,769	$448,842
2004 Revolving Loan	$540,000	$540,000	$540,000	$645,115	$750,229	$750,229	$750,229	$750,229	$375,115	
2008 Revolving Loan	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000	$395,000
Total Debt	$935,000	$935,000	$935,000	$1,040,115	$1,145,229	$1,145,229	$1,145,229	$1,145,229	$770,115	$395,000
Total Operating plus Debt	$1,379,000	$1,389,320	$1,399,950	$1,516,013	$1,632,404	$1,644,019	$1,655,983	$1,668,306	$1,305,884	$943,842
Capital Projects	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
Balance	$505,291	$334,906	$203,340	$7,465	-$251,166	-$213,375	-$166,039	-$116,567	$310,250	$1,051,199
10% Cash Reserve Requiremen	$137,900	$138,932	$139,995	$151,601	$163,240	$164,402	$165,598	$166,831	$130,588	$94,384
Reserve Shortfall or Excess	$367,391	$195,974	$63,345	-$144,136	-$414,406	-$377,777	-$331,637	-$283,397	$179,662	$956,815
Debt as a % of Expenditures	68%	67%	67%	69%	70%	70%	69%	69%	59%	42%
Monthly Increase per Customer	$0.39	$1.24	$1.27	$1.31	$1.34	$1.37	$1.41	$1.44	$1.48	$1.52

City of Basehor, Kansas

Workplan to Provide Sewer Rate Study Services

I. Scope of Work

Project Approach

Springsted's approach would be to conduct a comprehensive review and analysis of the City's sewer rates and fee structure to gain an understanding of the current rate classes, rate structure, fees and other charges, and the basis for each. We would undertake an analysis that would enable the City to determine the appropriate rate structures, fees and other charges needed for this operation over a five- and ten-year planning period. The rate structure established for sewer utility will provide sufficient revenue to cover anticipated operating and maintenance expenses, debt service including principal and interest, master and capital improvement plans, provide adequate cash flow to pay for current expenditures and an adequate level of cash reserves for operations, capital replacement and emergencies. The rate structures proposed would be fair and objective and would reflect the full cost of the services provided.

The total revenue projected will reflect not only recent cost experience, but will also recognize anticipated future costs during the period for which rates are established. We would identify the relative responsibility of each rate classification for the recovery of the costs of service that provides equity to the users. Equity to the users will be evaluated based on the ability to allocate the cost of service to each customer class in proportion to the benefit received. We will evaluate the impact of anticipated capital improvement financing options on rates, fees and charges and develop recommendations for the financing of the anticipated capital improvements based on their impact on fees and charges. We will perform a sensitivity analysis to illustrate the impacts of adverse assumption changes (e.g. future growth, drought, cost of capital improvements, etc.).

Task 1 Review Background Information

- Review and utilize informational resources provided by the City including:
    - Review historical financial information, volumetric rates, basic facility charges, contractual charges and other fees and charges that provide sources of revenue;
    - Historical customer billing records and consumption data;
    - Historical financial data, budgets and capital improvement programs;
    - Review current funding practices, funding sources and policies related to financing capital improvements;
    - Historical sewer flow amounts;
    - Copies of pertinent wastewater contracts;
    - Current sewer ordinances;
    - Previous Cost of Service and Rate Study;
    - City of Basehor' Comprehensive Plan; and
    - Sewer System Master Plan.
- Review historical and projected sewer service demands.
- Review current and projected State and Federal environmental regulations.
- Review outstanding debt and debt service repayment schedules.

- Review existing debt service covenants and coverage requirements for both senior and subordinate debt, and the impact of adding additional debt to finance new capital improvements for the Sewer Utility.
- Review and assess the current wastewater rate structure.
- Review and assess current user fees, capacity fees and other fees and charges that provide sources of revenue including the basis of capacity fee amounts and forecasting techniques.
- Review current allocation of costs to functional cost components and to rates and charges.
- Review any current allocations of capital costs to capacity and other charges and fees.
- Review current funding practices, funding sources and policies related to financing capital improvements.
- Review any engineering studies, cost of services studies and other relevant studies.

Task 2 Determine Cost of Service

- Analyze the information to identify any omissions and/or inconsistencies and collect additional information, as needed.
- Develop projected customer growth and future service demands.
- Develop a Microsoft® Excel-based financial rate model for the Sewer Utility. The model will identify the overall changes in revenues required to provide for adequate funding for major capital improvement programs, to meet all recurring annual operating and capital expenditures, to cover all debt service requirements, to comply with any revenue bond covenants and to maintain sufficient cash balance for the utility. The projections will be made using an income statement approach and will include a yearly cash flow analysis.
- Develop a 10-year forecast of revenues and expenditures for the utility to determine the adequacy of revenues provided by existing rates and to provide a baseline for comparing recommended changes.
- Identify the relative responsibility of each rate classification for the recovery of the costs of service that provides equity to the users for the utility. Equity will be evaluated based on the ability to allocate the cost of service to each customer class in proportion to the benefit received.
- Compare the cost of services with the revenue received from each class to determine if the existing rate structure is equitable.

Task 3 Conduct Rate Study

- Develop recommended annual ending cash balances and reserve levels for cash flow, catastrophes, infrastructure replacement, emergencies and other purposes.
- Develop preliminary rate schedules that provide revenue recovery at levels necessary to support the utility's operation as defined above over a ten-year period.
    - Develop alternate rate structures based on different levels of fund reserves.
- Rates developed will include user fees, connection fees, and other fees and charges that provide sources of revenue to the utility. Rate structures will be consistent with industry practices for utility rate making. Our recommended fee/rate structures will result in no decrease in the stability of revenue streams for the utility, as compared to the current rate structures. In addition, the recommended rate structures will take into consideration the following:

- Current and future cost of providing wastewater services in accordance with established and anticipated standards and regulations;
    - Equity to the users based on the allocation of the cost of service to each customer class in proportion to the benefit received;
    - Projected demands;
    - Age and condition of the systems;
    - The need to fund long-term capital improvements, repairs and replacements;
    - Funding requirements for all current and anticipated long-term liabilities and debt obligations (bonds and loans);
    - Compliance with City debt policies;
    - Maintenance of utility infrastructure;
    - City's automated billing system;
    - Direct identification of revenues appropriate to fund utility operating activities and infrastructure;
    - Justification of any special classes of customers;
    - Ease of administration and understanding;
    - Recommendations for alternative rates and fees identified;
    - Weigh the benefits of any proposed charges in rate structures against the financial impacts on ratepayers; and
    - Assess the performance of each alternative rate/fee structure.
- Meet with the City in a workshop session to review the various rate structures and to discuss the pros and cons of each.
- Develop a recommended rate/fee structure.
- Perform a sensitivity analysis to illustrate the impacts of adverse assumption changes (e.g. future growth, cost of capital improvements, and mandated requirements under current and upcoming federal and state programs).
- Project the fiscal impact of the recommended fees and charges.
    - Prepare sample bills for a minimum of 6 customers from representative customer classes.
- Make recommendations for changes in existing ordinances, resolutions and policies necessary to implement any new fees and charges recommended for this project.
- Meet with City staff in a workshop session to review the recommended rate structures.
- Based on our review of the preliminary rate structures, Springsted will make modifications and changes, incorporating the City's comments into the final rate structure as appropriate.

Task 4 Prepare and Present Draft Report of Findings

- Springsted will prepare a Draft Report of Findings that will contain our findings and recommendations. We will submit ten (10) bound copies and an electronic copy in PDF format to the City for their review and comment.
- We will meet with the City to review and discuss the Draft Report of Findings.
- Based on our discussion and review of the Draft Report, Springsted will make modifications or changes incorporating the City's comments into the Final Report, as appropriate.

Task 5 Present the Final Report

- Springsted will present the Final Report to the City in a workshop session
- We will provide ten (10) bound copies of the Final Report and an electronic copy in PDF format.

Project Schedule

Springsted Incorporated has the resources to begin the Sewer Rate Study immediately upon receiving the notice to proceed. Our proposed schedule for this project has the Final Report completed within 10-12 weeks. This proposed schedule is shown in the table below. The proposed schedule assume that all necessary information is made available to Springsted in a timely manner and the City of Basehor staff and are available for meetings as needed by the schedule. This draft schedule does not anticipate any unforeseen delays or other circumstances that would result in a later completion date. Should any unforeseen delays or circumstances arise, Springsted can draw on its staff of 60 professionals to keep the project on schedule to the greatest extent possible.

TASK	Month 1				Month 2				Month 3			
Review Background Information												
Determine Cost of Service												
Develop Rate Structures												
Prepare and Present Draft Report of Findings and Preliminary Rate Model												
Present the Final Report and Rate Model												

II. Exceptions

In order to conduct this study, the City is requesting to identify and designate a staff member to serve as a contact person between Springsted Incorporated and the City. This person will be responsible for the gathering of accurate and timely information necessary to complete the project. At a minimum, the following information will be needed to complete the study:

- City's past three years Comprehensive Annual Financial Reports;
- 2011 and 2012 budget including revenues and expenditures for the Utility;
- Existing debt schedules for any outstanding bonds, equipment certificate, lease-purchase agreements, state revolving loans, etc, for the Utility;
- Current capital improvement plan for the Utility;
- Information related to current customer base for the Utility by customer class, including number of customers, sale volume by type of services/charge/revenue source, and total revenue;
- Information related to the anticipated growth in both residential and commercial/industrial utility sales during the planning period;
- Current schedule user fees and charges;
- Any agreements for utility services with other agencies; and
- Any engineering or other relevant studies for each utility.

III. Compensation

We propose to complete the sewer utility rate study described above for the lump sum fee of $12,600. These fees are exclusive of any out-of-pocket expenses such as travel and copying. We will complete the study within 10 to 12 weeks of receiving notice to proceed providing that all necessary information is made available to Springsted in a timely manner and that the City is available for required meetings.

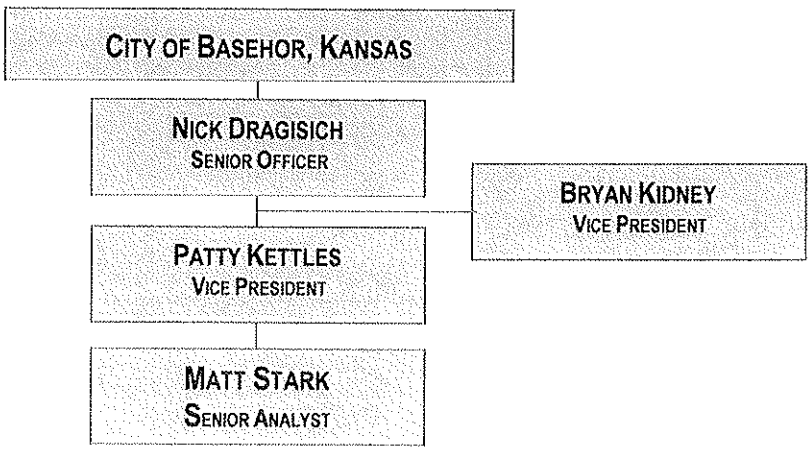
Should the City request and authorize any other additional work outside the scope of services described in this proposal we would invoice the City at our standard hourly fees as shown in the table below plus any related out-of-pocket expenses.

2012 Standard Hourly Fee Schedule	
Title	**Hourly Rate**
Principal & Senior Officer	$220
Project Coordinator & Assistant Vice President	$190
Analyst	$155
Associate	$145
Support Staff	$65
Litigation Support	$350

Key Personnel Experience

Our staff's breadth of experience and depth of expertise are two of our most important characteristics in providing high-quality service to clients. Many of our staff have backgrounds in municipal and county government, education or with development firms and non-profit organizations, so they share our clients' perspectives in developing solutions. Each client draws on the talents of many members of our staff. We assign a specific client service team to ensure primary responsibility for each project. The teams are comprised of qualified individuals who are experienced in the specific challenges confronting the City of Basehor.

The staff assigned to this project is experienced in utility expense and cost analysis. The teams are free to draw upon the expertise of our entire staff.



IV. Study Team

Nicholas R. "Nick" Dragisich, PE
Executive Vice President and Consultant

Mr. Nick Dragisich will be the senior officer responsible for overall project management. He has been directly responsible or involved in numerous utility expense and cost analysis studies and in the development of Excel based computer models for utilities in Minnesota, Iowa, Wisconsin, Kansas, Maryland, Missouri, Virginia, North Carolina and Washington. Mr. Dragisich is the Manager of Consulting Services for Springsted Incorporated. He has over 20 years of management experience ranging from city manager to city engineer. He holds a master's degree in business administration and a bachelor's degree in civil engineering. Mr. Dragisich is a registered professional engineer in Minnesota and Washington.

Bryan R. Kidney
Vice President and Client Representative

Mr. Bryan Kidney concentrates his efforts as principal advisor to cities and counties. He serves clients in the Central states, assisting them in attaining their financial goals through effective public finance, economic development and public management services. Mr. Kidney has 20 years of experience in local government finance management as a Finance Director or Assistant Director for four Kansas municipalities most recently serving as Finance Director in Shawnee. Prior to public service, Mr. Kidney began his career in the government audit section of a public accounting firm. Mr. Kidney has extensive experience with debt issues, public budgeting, long-term forecasting, and investments and has created numerous long-term financial plans which resulted in upgraded credit ratings. Mr. Kidney holds a Bachelor of Science in Accounting from Emporia State University, Emporia, Kansas.

Patricia L. "Patty" Kettles, CIPFA
Vice President and Consultant

Ms. Patty Kettles has performed similar studies for clients in the states of Minnesota, Iowa, Wisconsin, Kansas, Maryland, Missouri, and Virginia. Ms. Kettles joined Springsted Incorporated as a Financial Services Analyst in 1995 and joined the Management Consulting Services Group in early 2001. Ms. Kettles is the Director of Quantitative Services for Springsted's Management Consulting Services Group. She holds a master's degree in business administration and a bachelor's degree in finance. Ms. Kettles is a Certified Independent Public Finance Advisor.

Matthew T. "Matt" Stark
Senior Analyst

Mr. Matt Stark is a member of our Management Consulting Services Group. With the firm since 2002, he applies his analytical expertise to new challenges within the fields of operational finance, organizational management and human resources and economic development. He provides technical and analytical assistance on financial planning models, assists and advises clients on employee classification and compensation systems, performs cost-benefit analyses on economic development projects and is responsible for our electronic facilitation system. Mr. Stark holds a degree in physics from Penn State University.

Confidentiality; Disclosure of Information.

4.1 Client Information. All information, files, records, memoranda and other data of the Client which the Client provides to the Consultant or which the Consultant becomes aware of in the performance of its duties hereunder ("Client Information") shall be deemed by the parties to be the property of the Client. The Consultant may disclose the Client Information to third parties in connection with the performance by it of its duties hereunder.

4.2 Consultant Information. The Client acknowledges that in connection with the performance by the Consultant of its duties hereunder, the Client may become aware of internal files, records, memoranda and other data, including without limitation computer programs of the Consultant ("Consultant Information"). The Client acknowledges that all Consultant Information, except reports prepared by the Consultant for the Client, is confidential and proprietary to the Consultant, and agrees that the Client will not, directly or indirectly, disclose the same or any part thereof to any person or entity except upon the express written consent of the Consultant.

5. Miscellaneous.

5.1 Delegation of Duties. The Consultant shall not delegate its duties hereunder to any third party without the express written consent of the Client.

5.2 No Third Party Beneficiary. No third party shall have any rights or remedies under this Agreement.

5.3 Entire Contract; Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior written or oral negotiations, understandings or agreements with respect hereto. This Agreement may be amended in whole or in part by mutual consent of the parties, and this Agreement shall not preclude the Client and the Consultant from entering into separate agreements for other projects.

5.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

5.5 Severability. To the extent any provision of this Agreement shall be determined invalid or unenforceable, the invalid or unenforceable portion shall be deleted from this Agreement, and the validity and enforceability of the remainder shall be unaffected.

5.6 Notice. All notices required hereunder shall be in writing and shall be deemed to have been given when delivered, transmitted by first class, registered or certified mail, postage prepaid and addressed as follows:

If to the Client:

City of Basehor
2620 North 155th Street
PO Box 406
Basehor, KS 66007

If to the Consultant, to:

Springsted Incorporated
380 Jackson Street
Suite 300
St. Paul, MN 55101-2887
Attention: Managing Principal

The foregoing Agreement is hereby entered into on behalf of the respective parties by signature of the following persons each of whom is duly authorized to bind the parties indicated.

FOR CLIENT	SPRINGSTED Incorporated
_____	_____
_____	_____
Name: David K. Breuer Title: Mayor, City of Basehor	Bryan R. Kidney Vice President and Client Representative

The City of Basehor

Date: December 14, 2010

To: Basehor City Council

From: Mark Loughry, City Administrator
Corey Swisher, City Clerk

Re: Sewer Rate Increase

Background:

On December 6, 2010 the Basehor City Council was informed the total budgeted expenditures in the Sewer Fund were required to be raised in 2011 due to an increase in debt service obligations. Without a very significant and improbable increase in new sewer customers over the next several years annual sewer rate increases will be required to maintain the Sewer Funds solvency.

Other factors impacting sewer rates were also discussed:

- Increased household appliance efficiency and conservation efforts have led to a decrease in the average monthly residential sewer bills. The CPI adjusted average monthly residential sewer bill is 13% less today than it was in 2004.
- Financial capability studies performed by the City's auditors when determining the City's ability to pay-off a Kansas Department Health & Environment (KDHE) waste water treatment plant construction loan was based on significantly higher than currently existing sewer rates.
- Utilizing Sewer Fund cash carryover in the past for maintenance and repairs has left the utility with little ability to withstand any unanticipated expenses.
- Utilizing ad valorem property tax to subsidize an enterprise fund is considered an unacceptable practice and should be viewed as the option of last resort.

Other Considerations:

1. Is Council committed to annual capital improvements to the City's waste water infrastructure and if so to what extent?
2. Is Council committed to maintaining a 10% reserve balance?
3. Delaying necessary rate increases even a year creates higher utility bills for residents in the long term.

Action Requested:

1. Delay taking action and readdress the matter in 2011. It is important to note that sewer rate usage fees will be required to be raised in 2012 to maintain the Sewer Fund's solvency. Due to the availability of an anticipated $769,000 unreserved cash balance in 2011 the 2012 increase will need to be substantial (approximately 50%). Any action taken in 2011 will significantly reduce the 2012 increase.
2. Raise the 2011 per customer monthly sewer fee and establish ongoing rate increases.

Staff Recommendation:

Staff is committed to both the continued capital maintenance of the City's waste water infrastructure as well as the maintenance of adequate reserves. The City is currently not positioned to maintain either. The current fee structure is inadequate and requires a significant upward adjustment. Staff therefore recommends raising the sewer rate by 40% which is $10.61 per 1000 gallons. Doing so has many advantages:

- The immediate ability to provide necessary maintenance on sewer infrastructure;
- Accommodates a conservative and financially responsible cash reserve;
- Provides lower average monthly sewer rates over the long term;
- Continuing Sewer Fund solvency.

The current minimum monthly sewer rate of $10.20 is proposed to be 1.5x the base rate per 1,000 gallons.

Attachments:

Sewer Fund Situation Report.
Sewer Fund Pro-Forma Examples.
December 6, 2011 Basehor City Council Sewer Rate Increase Memorandum.

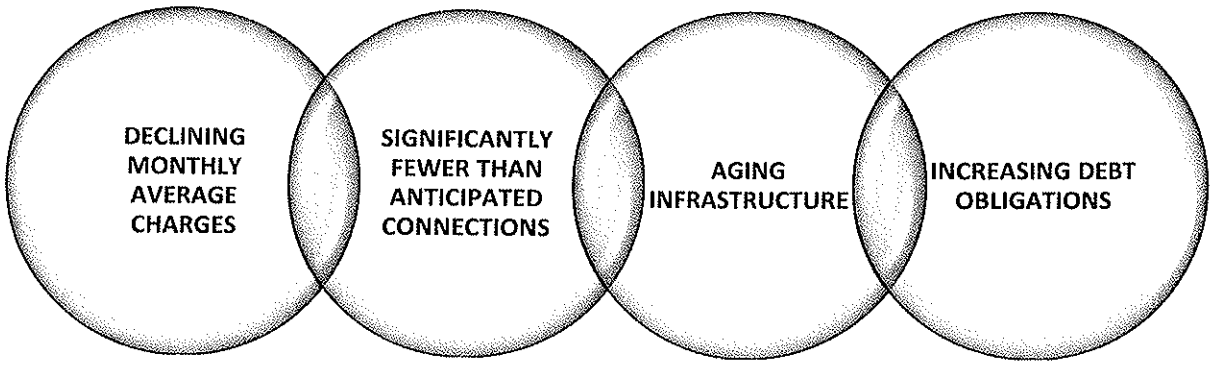
2620 N. 155th Street
P.O. Box 406
Basehor, KS 66007-0406

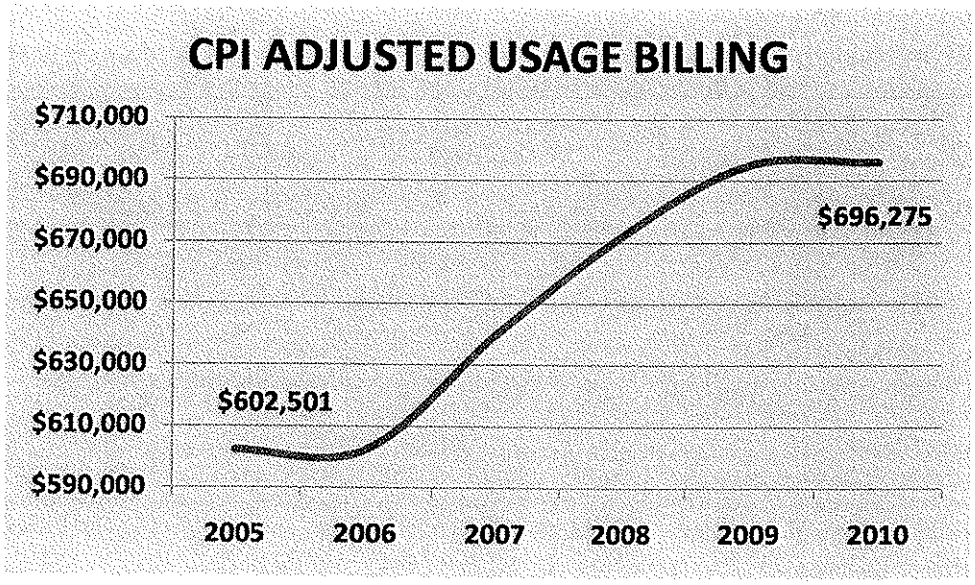
913-724-1370
FAX 913-724-3388
www.cityofbasehor.o

BASEHOR SEWER FUND SITUATION REPORT

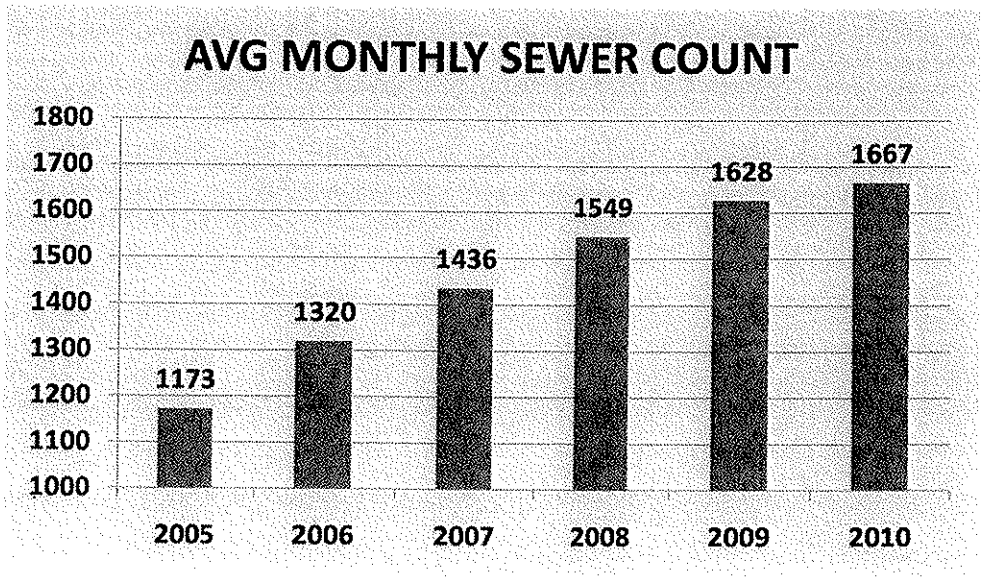
AVERAGE MONTHLY RESIDENTIAL SEWER BILL (not adjusted)

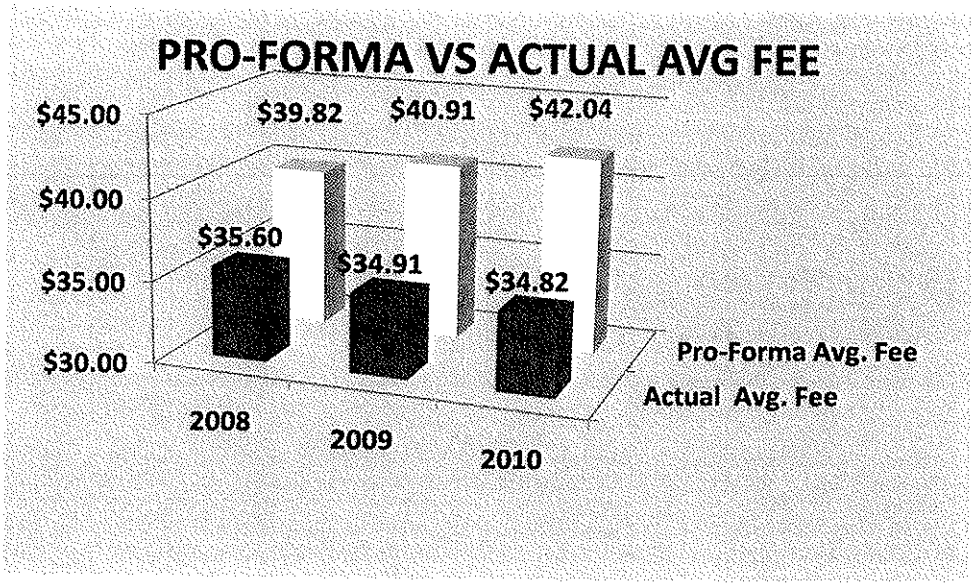
MONTH	2006	2007	2008	2009	2010	06 - 10 % DIFFERENCE
January	$35.07	$35.15	$35.03	$35.61	$34.83	-2.24%
February	$35.04	$34.94	$34.90	$35.64	$34.93	-2.03%
March	$35.06	$34.91	$35.16	$35.62	$34.86	-2.18%
April	$35.09	$34.88	$35.09	$34.38	$34.90	1.49%
May	$35.11	$35.42	$36.25	$34.64	$34.13	-1.49%
June	$35.15	$35.40	$36.17	$34.46	$35.32	2.43%
July	$34.86	$35.42	$35.71	$34.62	$35.03	1.17%
August	$35.04	$35.51	$35.84	$34.70	$35.02	0.91%
September	$35.12	$35.39	$36.00	$34.98	$34.55	-1.24%
October	$35.04	$35.12	$35.83	$34.76	$34.66	-0.29%
November	$35.06	$35.18	$35.75	$34.74	$34.67	-0.20%
December	$35.18	$35.11	$35.63	$34.82		
AVERAGE	$35.07	$35.20	$35.61	$34.91	$34.82	-0.70%



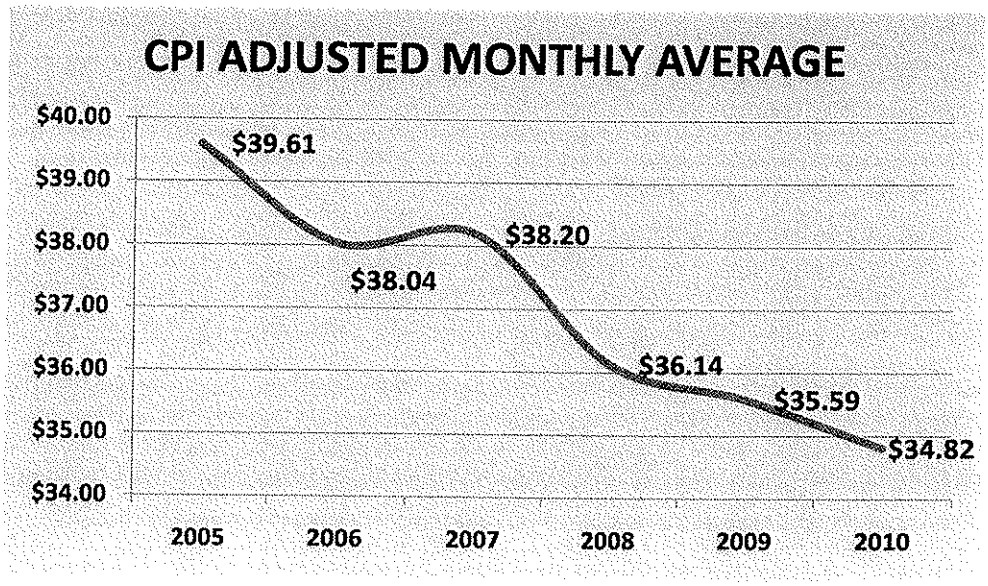


Since 2005 The City has experienced a 42% increase in sewer customers and only a 15% increase in revenue.





The City's current average monthly sewer fee is 21% lower than was determined necessary by the City's auditors to afford KDHE construction load obligations. Failure to collect the necessary revenue over the past several years has compounded the problem.



AGENDA ITEM INFORMATION FORM

Agenda Item: Consider a proposal from Larkin Group to conduct a financial review of the wastewater utility revenues as required by the Kansas Department of Health and Environment.

Department: Public Works

Background/Description of Item:
The Kansas Department of Health and Environment, Municipal Programs Section, made a requirement for the City of Basehor to conduct a financial review of the wastewater utility to verify that utility revenues will be adequate through the entire repayment period to make payments on the outstanding balance on the loan for the wastewater treatment facility. They also stated the financial review was necessary to develop a financing plan for the upcoming expansion of the wastewater treatment facilities if necessary.

A letter dated August 11, 2005 from KDHE gave the city until January 31, 2006 to submit the review. A subsequent letter from KDHE dated January 3, 2006 directed the city to prepare and submit the plan no later than June 1, 2006.

Larkin Group completed a Wastewater Treatment Plant Capacity Study on November 28, 2005. Larkin submitted a proposal dated May 8, 2006, to complete the financial review for an amount not to exceed $4,500.

The study will require approximately 60 days or less to complete.

The City of Basehor is faced with a need for expansion of the existing sewer plant and a need to possibly build another plant in the Wolf Creek basin to accommodate growth. The financial review will comply with KDHE requirements and provide additional information on existing rate structures to help make decisions on expansion.

Funding Source: Sewer Dept 05-009-765 Engineering Services - 2006 budget $18,000, YTD expenses of $8,371

Recommendation: Approve a work authorization with Larkin Group to conduct a User Charge and Connection Fee Evaluation to meet KDHE requirements for a financial review to develop a financing plan for the expansion of the wastewater treatment facilities in the amount not to exceed $4,500.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: June 5, 2006

LARKIN GROUP

CONSULTING ENGINEERS
9200 Ward Parkway, Suite 400
Kansas City, Missouri 64114
Phone 816-361-0440
Fax 816-361-0045
e-mail kcmail@larkin-grp.com

August 23, 2006

Honorable Mayor and City Council
City of Basehor
2620 N. 155th Street
Basehor, Kansas 66007

Re: Sewer User Charge Study

Dear Mayor and City Council,

The Larkin Group, Inc. is pleased to transmit fifteen (15) copies of the final Sewer User Charge Study for the City of Basehor. We have included the historical information provided by the City in the appendix. We will submit this report to KDHE upon City approval.

Larkin Group, Inc. has developed a method for tracking the progress on revenues and expense. The spreadsheets developed can by utilized by the city to make future reports to KDHE and to test the potential impact of future trends.

The City should proceed with an expansion of treatment plant capacity. An additional treatment plant will be needed in the next several years. The treatment plant design process should begin next few years. Other alternatives being considered in the Master Plan include a regional project.

This study develops suggested user charge rate increases necessary to fund projects of $4.0 million and $6.0 million. The present practice of annual rate increases should be continued.

We are available to help Basehor meet its present and future wastewater collection and treatment needs.

Very Truly Yours,

M. Clark Thompson

M. Clark Thompson, P.E.
President

MCT/ska
Enclosure

User Charge Study

For

City of Basehor, Kansas

August, 2006

KC05-0740.0100

LARKIN GROUP, Inc.
9200 Ward Parkway, Suite 400
Kansas City, Missouri 64114
Phone: 816-361-0440
Fax: 816-361-0045

PURPOSE

The purpose of this report is to provide the City with information and the financial planning needed to take Basehor into the future. The requirements of KDHE, as well as the loan repayment agreement most recent repayment schedule presented in the Third Amendment Effective June 2, 2004, must be met. An additional loan is needed to allow the City to expand services.

BACKGROUND

The City of Basehor hired Larkin Group, Inc. to conduct an evaluation of the sewer user charges and connection fees. Background information included the following:

1. "Wastewater Treatment Plant Capacity Study" dated November 2005
2. City of Basehor, Kansas – Financial Capability Worksheet (Lowenrhal, Singleton Webb & Wilson)
3. Historical Expense Projections
4. General Ledger Report Building Permits 2003-2005
5. General Ledger Report Sewer Connection Fees 2003-2005
6. Building Permit 2005 Audit Report
7. Fund 05 – Sewer Fund Totals
8. Fund 06 – Sewer Capital Improvement Fund Totals
9. Connections Fees and Building Permits 2006 through June.
10. Ordinance No. 388 – May 20, 2002
11. Ordinance No. 444 – May 24, 2004
12. Ordinance No. 320 – April 20, 1998
13. Ordinance No. 162 – 1982

The Wastewater Treatment Plant Capacity Study determined that capital improvements are needed. A Wolf Creek Interceptor sewer or additional treatment capacity will be needed in the next few years.

The rate evaluation is based on a projected Capital Improvement need of $4.0 to $6.0 million for either a Wastewater Treatment Plant Expansion or regional project.

The rate schedule and management tools needed by the City are developed in this study.
The City will have the tools needed for tracking progress and provide periodic updates to KDHE on future bonds.

The following table, Table No. 1, was developed from the financial capability worksheet prepared by Lowenrhal, Singleton, Webb and Wilson.

Table No.1

City of Basehor , Kansas - Financial Capability Worksheet (Lowenrhal, Singleton Webb & Wilson)

Year	Users	User Fee	New Users	Connection Fee	District Reimb	Operating Revenue	Operat. Maint	Loan Payment	Total Expenses	Cash Balance
1999										$ 536,794
2000	750	$ 25.00	50	$ 1,200		$ 254,022	82768	180000	262768	$ 528,048
2001	807	$ 24.30	57	$ 1,300		$ 309,421	151386	360000	511386	$ 326,083
2002	831	$ 31.44	24	$ 1,400		$ 347,120	179011	265000	444011	$ 229,192
2003	915	$ 32.39	84	$ 1,500		$ 481,642	176890	262000	438890	$ 271,944
2004	1037	$ 35.86	122	$ 1,600		$ 641,442	375255	412000	787255	$ 126,131
2005	1226	$ 36.28	189	$ 2,100		$ 930,651	325759	450000	775759	$ 281,023
2006	1356	$ 37.46	130	$ 2,350	100489	$ 1,015,538	338789	488000	826789	$ 469,772
2007	1406	$ 38.67	50	$ 2,600	100489	$ 882,929	352341	488000	840341	$ 512,361
2008	1456	$ 39.82	50	$ 2,850	100489	$ 938,724	366435	488000	854435	$ 596,650
2009	1506	$ 40.91	50	$ 3,100	100489	$ 994,815	381092	488000	869092	$ 722,372
2010	1556	$ 42.04	50	$ 3,350	100489	$ 1,052,960	396336	527000	923336	$ 851,996
2011	1606	$ 43.19	50	$ 3,500	100489	$ 1,107,847	412189	566000	978189	$ 981,654
2012	1656	$ 44.38	50	$ 3,500	100489	$ 1,157,406	428677	566000	994677	$ 1,144,385
2013	1706	$ 45.60	50	$ 3,500	100489	$ 1,209,012	445824	566000	1011824	$ 1,341,573
2014	1756	$ 46.86	50	$ 3,500	100489	$ 1,262,923	463657	566000	1029657	$ 1,574,839
2015	1806	$ 48.14	50	$ 3,500	100489	$ 1,318,779	482203	672565	1154768	$ 1,738,850
2016	1856	$ 49.47	50	$ 3,500	100489	$ 1,377,285	501491	779130	1280621	$ 1,835,514
2017	1906	$ 50.83	50	$ 3,500	100489	$ 1,438,073	521551	779130	1300681	$ 1,972,906
2018	1956	$ 52.23	50	$ 3,500	100489	$ 1,501,432	542413	779130	1321543	$ 2,152,794
2019	2006	$ 53.66	50	$ 3,500	100489	$ 1,567,193	564109	779130	1343239	$ 2,376,748
2020	2056	$ 55.14	50	$ 3,500	100489	$ 1,635,903	586674	389565	976239	$ 3,036,412

Av. value increase per year

This worksheet projects operation and maintenance increases at 4% per year, with user charge rates increasing at about 2.75% per year. New users are projected at 50 per year through 2020. The connection fees are scheduled to increase each year until they reach $3500 per connection. The cash balance available for additional payments is projected to increase from $469,772 in 2006 to about $3 million in 2020 as long as the rate increases occur and other assumptions remain valid.

The loan payment numbers and the assumptions used in the development are accepted and used as a basis for additional evaluation. This information was submitted to KDHE in late 2005.

It is important that the City of Basehor follow the user charge rate and connection fee increases used in this worksheet. The cost per 1000 gallons is schedule to be $6.99 in 2006, ~~$7.20 in~~ 2007, $7.44 in 2008, $7.66 in 2009 and $7.87 in 2010 to meet projected expenses and the existing bond payments. An annual increase in rates was included through 2020.

Current $7.24

in 2008 $7.44/1000 gal per household $38.82/mo

= 5362 gal/mo - 1.6

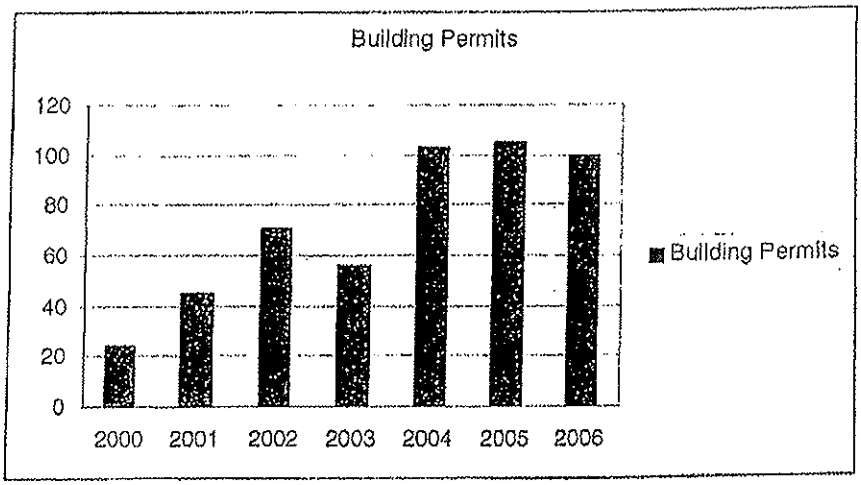
@ 100 gpcd and 3.1 = 178 pp/h

BUILDING PERMITS

The historical building permit logs from 2001 through the first 6 months of 2006 were reviewed and are summarized in Table No.2 following. The 2006 figures are projected.

Table No.2 Building Permits
City of Basehor

	2000	2001	2002	2003	2004	2005	Projected 2006
Total	24	45	71	56	103	105	100
Single Family	24	32	71	56	88	102	92
Multi-Family	0	13	0	0	15	3	8



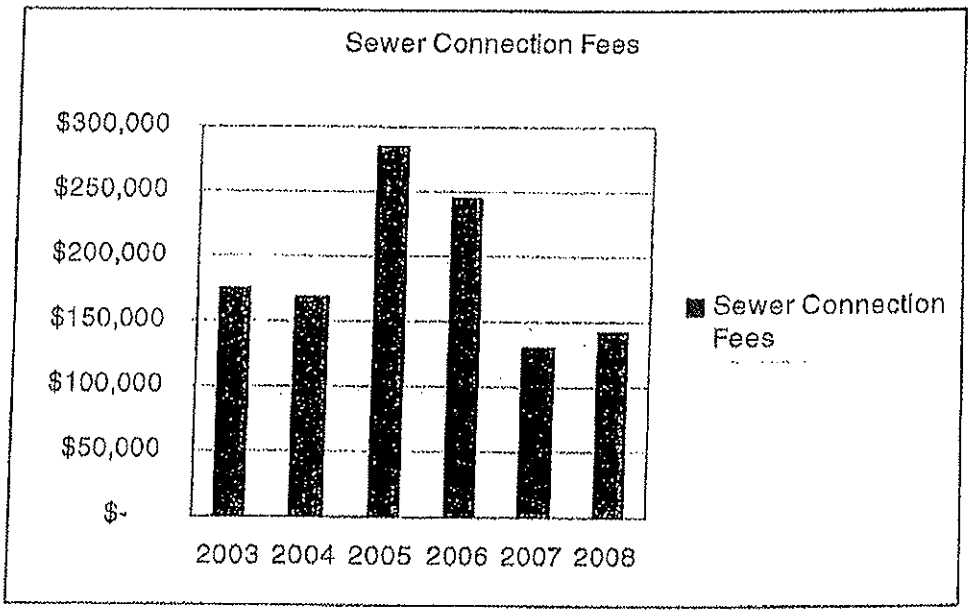
Building permits have been at approximately 100 for the last two years and are projected to total about 100 in 2006. In order to be conservative, revenues will be projected using approximately 50 permits going forward. The impact of fuel prices and other factors could change current development trends.

SEWER CONNECTION FEES

The sewer connection fees were $1,400 in 2003, $1,500 in 2004, $2,100 in 2005 and $2,450 in 2006. The revenue generated in 2003 was about $174,000, 2004 was about $167,900, and 2005 was about $285,550. Table No.3 following shows the number of future connections and expected connection fees.

Table No.3 Sewer Connection Revenue
City of Basehor

	2003	2004	2005	Projected 2006	Projected 2007	Projected 2008
Total	$174,900	$167,900	$285,550	$245,000	$130,000	$142,500
Connections				100	50	50



SEWER USER CHARGE REVENUES

Sewer User Charge Revenues are projected in Table No.4. The graph following Table No.4 shows expected user charge revenues from 2005 to 2011. This information is based on annual rate increases and growth of at least 50 customers per year.

Table No.4 User Charge Revenue
City of Basehor 2005-2011

2005	2006	2007	2008	2009	2010	2011
$533,457	$609,549	$652,440	$ 695,735	$ 739,326	$ 784,971	$ 832,358
$ 36.26	$ 37.46	$ 38.67	$ 39.82	$ 40.91	$ 42.04	$ 43.19
1226	1356	1406	1456	1506	1556	1606

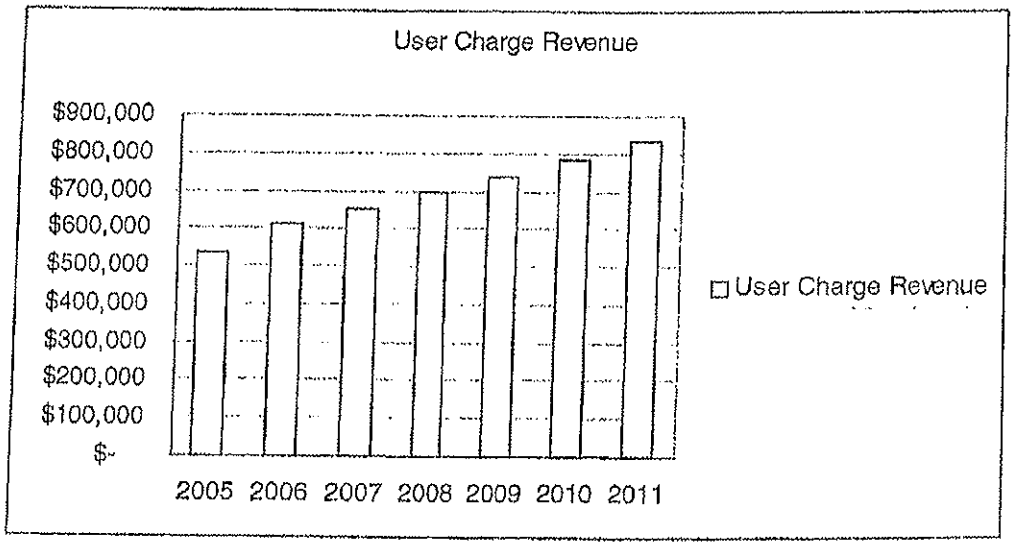
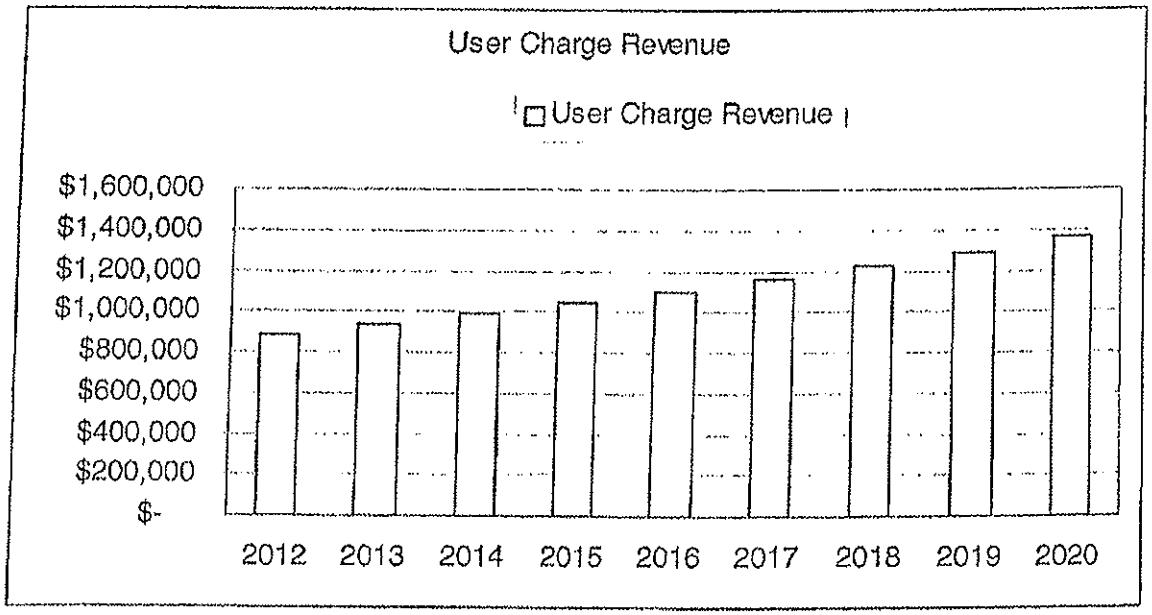


Table No. 5 shows projected user charge revenues from 2012 to 2020. This information is shown graphically following the table. All charts are based on the fact that rates are increased each year to keep up with inflation.

Table No.5 User Charge Revenue
City of Basehor 2012-2020

	2012	2013	2014	2015	2016	2017	2018	2019	2020
User Charge Revenue	$881,919	$933,523	$987,434	$ 1,043,290	$ 1,101,796	$ 1,162,584	$ 1,225,943	$ 1,291,704	$ 1,360,414
Monthly Charge	$ 44.38	$ 45.60	$ 46.86	$ 48.14	$ 49.47	$ 50.83	$ 52.23	$ 53.66	$ 55.14
Customers	1656	1706	1756	1806	1856	1906	1956	2006	2056



Total revenue includes District Reimbursement beginning in 2006 at $100,469 and continuing through 2020. The existing (2006) rates are $6.99 per 1000 gallons usage based on winter average water usage.

REVENUE AND OPERATING EXPENSES

The following graph shows projected revenue and expense. The net revenue is available for bond payments and reserve funds. Table No.1 is the source of information presented in this graph.

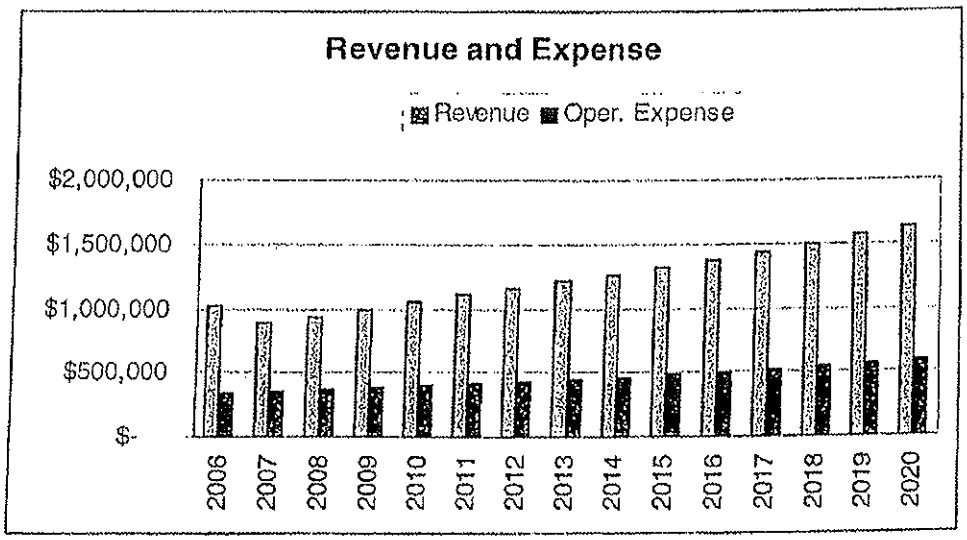


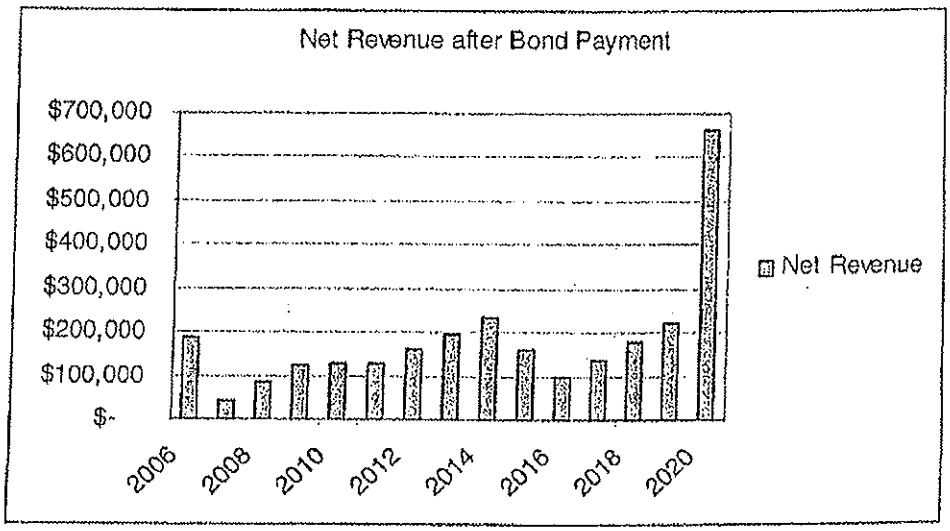
Table No.6

City of Basehor , Kansas - Net Revenue Projections (source -Lowenrhal, Singleton Webb & Wilson)

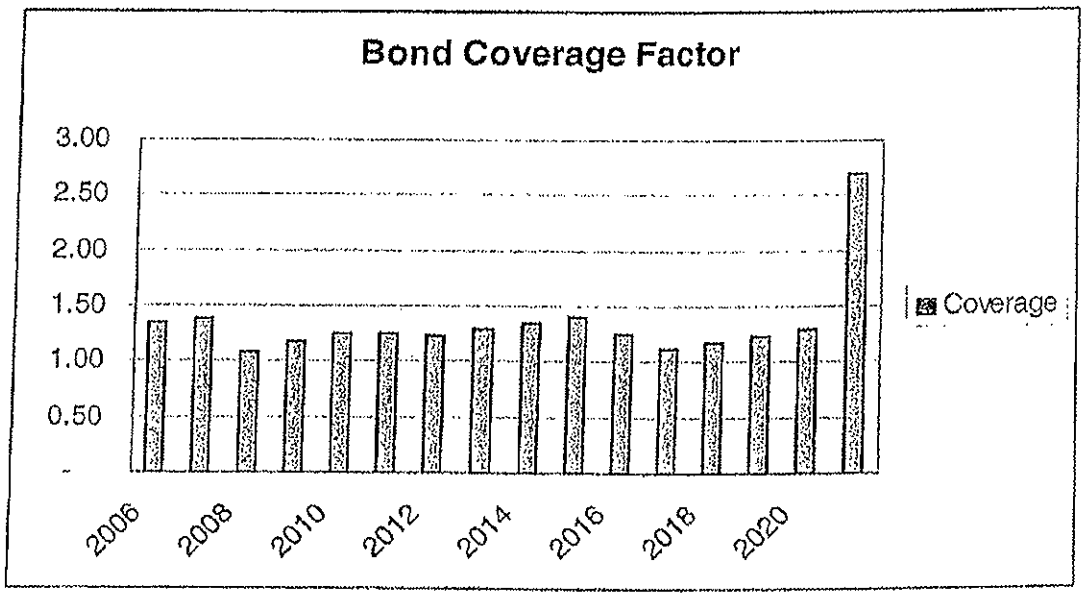
Year	Users	User Fee	New Users	Operating Revenue	Operat. Maint	Loan Payment	Total Expenses	Net Revenues after Bonds	Bond Coverage
1999								$ 536,794	
2000	750	$ 25.00	50	$ 254,022	82768	180000	262768	$ (8,746)	
2001	807	$ 24.30	57	$ 309,421	151386	360000	511386	$ (201,965)	
2002	891	$ 31.44	24	$ 347,120	179011	265000	444011	$ (96,891)	
2003	915	$ 32.39	84	$ 481,642	176890	262000	438890	$ 42,752	
2004	1037	$ 35.86	122	$ 641,442	375255	412000	787255	$ (145,813)	
2005	1226	$ 36.28	189	$ 930,651	325759	450000	775759	$ 154,892	1.34
2006	1356	$ 37.46	130	$ 1,015,538	338789	488000	826789	$ 188,749	1.39
2007	1406	$ 38.67	50	$ 882,929	352341	488000	840341	$ 42,588	1.09
2008	1456	$ 39.82	50	$ 938,724	366435	488000	854435	$ 84,289	1.17
2009	1506	$ 40.91	50	$ 994,815	381092	488000	869092	$ 125,723	1.26
2010	1556	$ 42.04	50	$ 1,052,960	396336	527000	923336	$ 129,624	1.25
2011	1606	$ 43.19	50	$ 1,107,847	412189	566000	978189	$ 129,658	1.23
2012	1656	$ 44.38	50	$ 1,157,408	428677	566000	994677	$ 162,731	1.29
2013	1706	$ 45.60	50	$ 1,209,012	445824	566000	1011824	$ 197,188	1.35
2014	1756	$ 46.86	50	$ 1,262,923	463657	566000	1029657	$ 233,266	1.41
2015	1806	$ 48.14	50	$ 1,318,779	482203	672565	1154768	$ 164,011	1.24
2016	1856	$ 49.47	50	$ 1,377,285	501491	779130	1280621	$ 96,664	1.12
2017	1906	$ 50.83	50	$ 1,438,073	521551	779130	1300681	$ 137,392	1.18
2018	1956	$ 52.23	50	$ 1,501,432	542413	779130	1321543	$ 179,889	1.23
2019	2006	$ 53.66	50	$ 1,567,193	564109	779130	1343239	$ 223,954	1.29
2020	2056	$ 55.14	50	$ 1,635,903	586674	389565	976239	$ 659,664	2.69

Don't Include new WWTP

Projected net revenue after bond payments is shown in the following graph.



The bond coverage for these years is shown on the chart below. Typical bond coverage factors recommended are at least 1.1. The projections show that coverage factors are adequate as long as the rates are increased as schedule and the expenses are kept under control.



The existing bond retirement schedule is following. The outstanding loan balance is $6,855,936.06. The total payment column is the source for the values in Table No.6.

KANSAS WATER POLLUTION CONTROL REVOLVING LOAN FUND

Estimated Draws - Actual Interest Rate
Amortization of Loan Costs

Prepared for:
City of Basehor, Project No. C20-1463-01

06/02/2004

Project Principal:	8,285,000.00
Interest During Const.:	0.00
Service Fee During Const.:	0.00
Gross Loan Costs:	8,285,000.00
1st Payment Date:	09/01/2000
Number of Payments:	40

Gross Rate:	3.07%
Service Fee Rate:	0.25%
Loan Interest Rate:	2.82%

Payment Number	Payment Date	Beginning Balance	Interest Payment	Principal Payment	Service Fee	Total Payment	Ending Balance
1	09/01/2000	8,285,000.00	14,904.64	163,774.02	1,321.34	180,000.00	8,121,225.98
2	03/01/2001	8,121,225.98	37,510.74	139,163.79	3,325.43	180,000.00	7,982,062.19
3	09/01/2001	7,982,062.19	69,052.42	104,825.91	6,121.67	180,000.00	7,877,236.28
4	03/01/2002	7,877,236.28	80,357.02	92,519.12	7,123.86	180,000.00	7,784,717.16
5	09/01/2002	7,784,717.16	80,096.71	118,802.52	7,100.77	206,000.00	7,665,914.64
6	03/01/2003	7,665,914.64	79,992.33	118,916.15	7,091.52	206,000.00	7,546,998.49
7	09/01/2003	7,546,998.49	79,812.97	119,111.43	7,075.62	206,000.00	7,427,887.08
8	03/01/2004	7,427,887.08	86,479.54	131,853.84	7,666.62	206,000.00	7,316,033.24
9	09/01/2004	7,316,033.24	103,156.07	93,698.89	9,145.04	206,000.00	7,222,334.35
10	03/01/2005	7,222,334.35	101,834.91	95,137.17	9,027.92	206,000.00	7,127,197.18
11	09/01/2005	7,127,197.18	100,493.48	134,397.52	3,909.00	244,000.00	6,992,599.66
12	03/01/2006	6,992,599.66	98,595.66	135,663.60	8,740.75	244,000.00	6,855,936.06
13	09/01/2006	6,855,936.06	96,668.70	138,761.38	8,569.92	244,000.00	6,717,174.68
14	03/01/2007	6,717,174.68	94,712.16	140,891.37	8,396.47	244,000.00	6,576,283.31
15	09/01/2007	6,576,283.31	92,725.59	143,054.05	8,220.39	244,000.00	6,433,229.26
16	03/01/2008	6,433,229.26	90,708.53	145,249.93	8,041.54	244,000.00	6,287,979.33
17	09/01/2008	6,287,979.33	88,660.31	147,479.52	7,859.97	244,000.00	6,140,499.81
18	03/01/2009	6,140,499.81	86,581.05	149,743.33	7,675.62	244,000.00	5,990,756.49
19	09/01/2009	5,990,756.49	84,469.67	152,041.89	7,488.45	244,000.00	5,838,714.60
20	03/01/2010	5,838,714.60	82,325.68	154,375.73	7,298.39	244,000.00	5,684,338.87
21	09/01/2010	5,684,338.87	80,149.18	195,745.40	7,105.42	283,000.00	5,488,593.47
22	03/01/2011	5,488,593.47	77,389.17	198,750.09	6,860.74	283,000.00	5,289,843.38
23	09/01/2011	5,289,843.38	74,586.79	201,800.90	6,612.30	283,000.00	5,088,042.48
24	03/01/2012	5,088,042.48	71,741.40	206,898.55	6,360.05	283,000.00	4,883,143.93
25	09/01/2012	4,883,143.93	68,852.33	208,043.74	6,103.93	283,000.00	4,675,100.19
26	03/01/2013	4,675,100.19	65,918.91	211,237.21	5,843.88	283,000.00	4,463,862.97
27	09/01/2013	4,463,862.97	62,940.47	214,479.70	5,579.83	283,000.00	4,249,383.27
28	03/01/2014	4,249,383.27	59,916.30	217,771.97	5,311.73	283,000.00	4,031,611.30
29	09/01/2014	4,031,611.30	56,845.72	221,114.77	5,039.51	283,000.00	3,810,496.54
30	03/01/2015	3,810,496.54	53,728.00	224,508.88	4,763.12	283,000.00	3,585,987.66
31	09/01/2015	3,585,987.66	50,562.43	334,920.07	4,482.48	389,564.98	3,251,467.59
32	03/01/2016	3,251,467.59	45,843.69	339,654.95	4,064.33	389,564.98	2,911,812.65
33	09/01/2016	2,911,812.65	41,056.56	344,868.65	3,639.77	389,564.98	2,566,943.99
34	03/01/2017	2,566,943.99	36,193.91	350,162.39	3,208.68	389,564.98	2,216,781.61
35	09/01/2017	2,216,781.61	31,256.62	355,537.38	2,770.98	389,564.98	1,861,244.23
36	03/01/2018	1,861,244.23	26,243.54	360,994.88	2,326.56	389,564.98	1,500,249.35
37	09/01/2018	1,500,249.35	21,153.52	366,536.16	1,875.31	389,564.98	1,133,713.21
38	03/01/2019	1,133,713.21	15,985.36	372,162.48	1,417.14	389,564.98	761,550.73
39	09/01/2019	761,550.73	10,737.87	377,875.17	951.96	389,564.98	383,675.56
40	03/01/2020	383,675.56	5,409.83	383,675.56	479.59	389,564.98	0.00
41	09/01/2020	0.00	0.00	0.00	0.00	0.00	0.00
		Totals	2,605,652.20	8,285,000.00	230,997.56	11,121,649.76	

Third Amendment
Effective As Of June 2, 2004

8

The existing bonds will be paid off in March of 2020.

FUTURE NEEDS AND NECESSARY USER RATE INCREASE

A need for additional bonds of $4.0 to $6.0 million dollars is projected in the sewer master plan for Basehor.

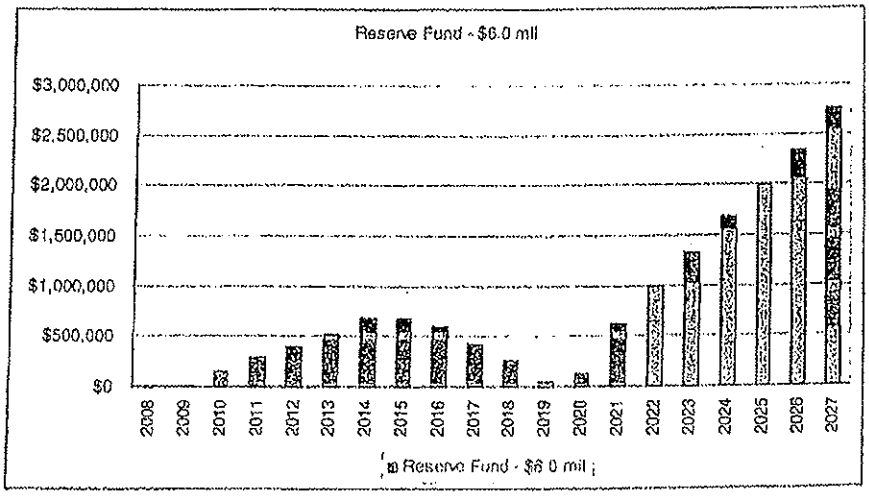
Includes ~ $5.5M for plant Bond Est 2.5-3.5M

The existing Kansas Revolving fund bonds are at an effective interest rate of 3.07%. A 3.25% rate is assumed for the purpose of this study. A spreadsheet was developed to establish what the required future rate increases would be. Beginning in 2008, payment on an additional $6.0 million in bonds will begin. The user charge fee will need to be raised to $10 per 1000 gallons for 2008 and 2009 and increased to $11.25 in 2010 to cover the additional bonds and projected expense. Note that receipts do not meet project expenditures in years 2015 (year 8) through 2019 (year 12). Built-up reserve balance is used in those years.

Table No. 7
Wastewater Treatment Plant Financing
SRF Funding - $6.0 Million
Connection Fees Growth of 50 Customers - 3.25 % Interest

New Bond Balance $6 000 000	Begin 2008 Year	New Debt Service	Estimated Increasing O&M Costs	New Required Revenue	Total Connections (bills)	Revenue Generated from Connection Fee Income	Exist Expense projected form Table No.6	Receipt at rate increase to $10.00 per 1000 gallons 2008 and 2009 and $11.50 in 2010	Receipts minus Req'd Revenue	Interest at 3% applied to the previous balance	Balance
$6,000,000	1	$195,000		$195,000	1,506	$142,500	$ 854,435	$908,544	$1,609	$0	$1,609
$5,995,000	2	$200,000	$50,000	$250,000	1,556	$155,000	$ 869,092	$970,944	$6,852	$48	$8,509
$5,989,848	3	$200,000	$52,000	$252,000	1,606	$167,500	$ 933,336	$1,152,466	$144,630	$255	$153,394
$5,984,507	4	$200,000	$54,080	$254,080	1,656	$175,000	$ 978,189	$1,188,346	$131,077	$4,602	$289,073
$5,929,004	5	$250,000	$56,243	$306,243	1,706	$175,000	$ 994,677	$1,224,226	$98,305	$8,672	$396,050
$5,871,696	6	$250,000	$58,493	$308,493	1,756	$175,000	$ 1,011,824	$1,260,106	$114,789	$11,882	$522,720
$5,812,526	7	$250,000	$60,833	$310,833	1,806	$175,000	$ 1,029,657	$1,295,986	$130,496	$15,682	$668,898
$5,701,434	8	$300,000	$63,266	$363,266	1,856	$175,000	$ 1,154,768	$1,331,866	($11,168)	$20,067	$677,196
$5,586,730	9	$300,000	$65,797	$365,797	1,906	$175,000	$ 1,280,631	$1,367,746	($103,672)	$20,334	$594,458
$5,368,299	10	$400,000	$68,428	$468,428	1,956	$175,000	$ 1,700,681	$1,403,626	($190,484)	$17,834	$421,808
$5,142,769	11	$400,000	$71,166	$471,166	2,006	$175,000	$ 1,421,543	$1,439,506	($178,203)	$12,654	$256,260
$4,859,909	12	$450,000	$74,012	$524,012	2,056	$175,000	$ 1,343,239	$1,475,386	($216,866)	$7,688	$47,082
$4,567,856	13	$550,000	$76,973	$626,973	2,106	$175,000	$ 976,239	$1,511,266	$83,054	$1,412	$131,548
$4,058,061	14	$555,000	$80,052	$635,052	2,156	$175,000	$ 600,000	$1,547,146	$487,094	$3,946	$622,588
$3,489,948	15	$700,000	$83,254	$783,254	2,206	$175,000	$ 624,000	$1,583,026	$350,772	$18,678	$992,038
$2,853,371	16	$750,000	$86,584	$836,584	2,256	$175,000	$ 648,960	$1,618,906	$308,362	$29,761	$1,330,161
$2,196,106	17	$750,000	$90,047	$840,047	2,306	$175,000	$ 674,918	$1,654,786	$314,820	$39,905	$1,684,886
$1,467,470	18	$800,000	$93,649	$893,649	2,356	$175,000	$ 701,915	$1,690,666	$270,101	$50,547	$2,005,534
$715,112	19	$800,000	$97,395	$897,395	2,406	$175,000	$ 729,992	$1,726,546	$274,159	$60,166	$2,339,859
$400	20	$738,015	$101,291	$839,306	2,456	$175,000	$ 759,191	$1,762,426	$338,928	$70,196	$2,748,983

Table No.7 illustrates revenues and fund balance for the recommended rate increases. The spreadsheet developed should be used by the City to monitor actual growth and expenses going forward. This will help the City to see when it is time to make any additional adjustment during the life of the new bonds. This spreadsheet can be updated as needed for submittal to KDHE. The projected balance in reserve fund is illustrated in the chart following.



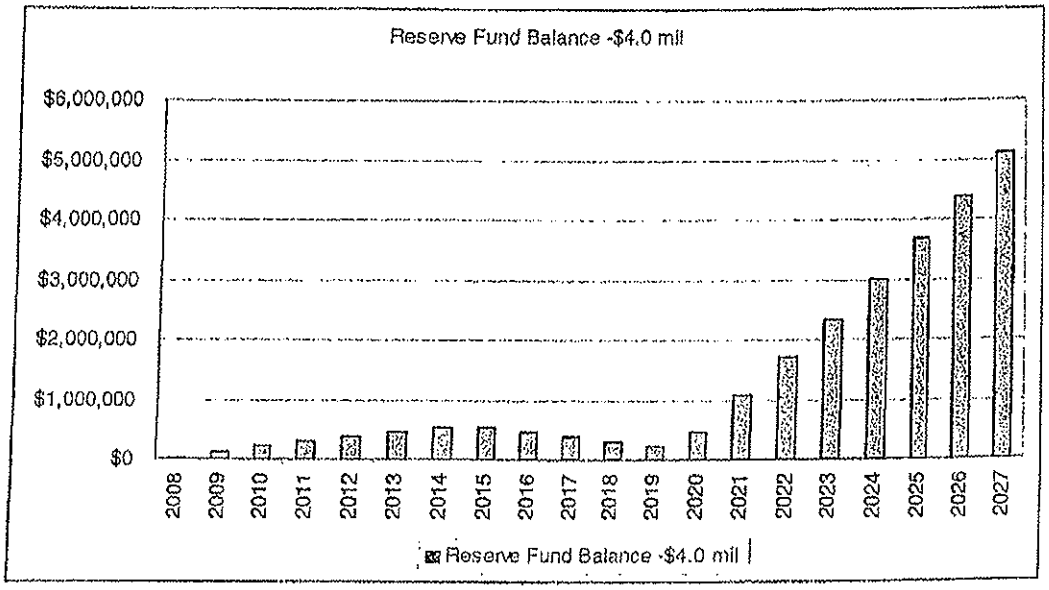
The recommended minimum rate increase for a $4.0 million bond issue is shown in Table No.8 following. The user charge rates will need to be increased to $10 per 1000 gallons in 2008 and increased to $10.75 per 1000 gallons in 2010 to maintain an adequate fund balance. The receipts do not meet expenditures from years 2015 (Year 8) through 2019 (Year 12).

Table No. 8
Wastewater Treatment Plant Financing
SRF Funding - $4.0 Million
Connection Fees Growth of 50 Customers - 3.25 % Interest

New Bond Balance	Begin 2008 Year	New Debt Service	Estimated Increasing O&M Costs	New Required Revenue	Total Connections (bills)	Revenue Generated from Connection Fee Income	Exist Expense projected form Table No.6	Receipt at rate increase to $10.00 per 1000 gallons 2008 and 2009 and $10.75 in 2010	Receipts minus Req'd Revenue	Interest at 3% applied to the previous balance	Balance
$4,000,000											
$3,980,000	1	$150,000		$195,000	1,556	$142,500	$ 854,435	$939,744	$32,809	$0	$32,809
$3,959,350	2	$150,000	$30,000	$200,000	1,606	$155,000	$ 869,092	$1,032,144	$88,052	$981	$121,842
$3,888,029	3	$200,000	$32,000	$252,000	1,656	$167,500	$ 923,136	$1,110,845	$103,009	$3,655	$228,509
$3,814,390	4	$200,000	$54,080	$254,080	1,706	$175,000	$ 978,189	$1,144,385	$87,116	$6,855	$323,481
$3,688,357	5	$250,000	$56,243	$306,243	1,756	$175,000	$ 994,677	$1,177,925	$82,005	$9,674	$384,160
$3,558,229	6	$250,000	$58,493	$308,493	1,806	$175,000	$ 1,011,824	$1,211,465	$66,148	$11,525	$461,832
$3,423,872	7	$250,000	$60,833	$310,833	1,856	$175,000	$ 1,029,657	$1,245,005	$79,515	$13,855	$555,202
$3,285,141	8	$250,000	$63,266	$313,266	1,906	$175,000	$ 1,154,768	$1,278,545	($14,489)	$16,656	$557,369
$3,141,915	9	$250,000	$65,797	$315,797	1,956	$175,000	$ 1,280,621	$1,312,085	($109,333)	$16,721	$464,758
$2,994,027	10	$250,000	$68,428	$318,428	2,006	$175,000	$ 1,300,681	$1,345,625	($98,485)	$13,943	$380,216
$2,841,133	11	$250,000	$71,166	$321,166	2,056	$175,000	$ 1,321,543	$1,379,165	($88,544)	$11,406	$303,078
$2,683,676	12	$250,000	$74,012	$324,012	2,106	$175,000	$ 1,343,239	$1,412,705	($79,546)	$9,092	$232,624
$2,420,896	13	$350,000	$76,973	$426,973	2,156	$175,000	$ 976,239	$1,446,245	$218,033	$6,979	$457,636
$2,149,575	14	$350,000	$80,052	$430,052	2,206	$175,000	$ 600,000	$1,479,785	$624,733	$13,729	$1,096,098
$1,819,436	15	$400,000	$83,254	$483,254	2,256	$175,000	$ 624,000	$1,513,325	$581,071	$32,883	$1,710,052
$1,478,567	16	$400,000	$86,584	$486,584	2,306	$175,000	$ 648,960	$1,546,865	$586,321	$51,302	$2,347,675
$1,126,623	17	$400,000	$90,047	$490,047	2,356	$175,000	$ 674,918	$1,580,405	$590,439	$70,430	$3,008,544
$763,236	18	$400,000	$93,649	$493,649	2,406	$175,000	$ 701,915	$1,613,945	$593,381	$90,256	$3,692,181
$388,041	19	$400,000	$97,395	$497,395	2,456	$175,000	$ 729,992	$1,647,185	$595,098	$110,765	$4,398,045
$0	20	$403,653	$101,291	$501,944	2,506	$175,000	$ 759,191	$1,681,025	$594,890	$131,911	$5,124,876

LARKIN GROUP

The balance in the reserve fund for a $4.0 million bond issue as projected is shown in the following chart:



The reserve fund balance is maintained at a low level until the existing bonds are paid off. This was developed using the projected expenses and amortization of bonds.

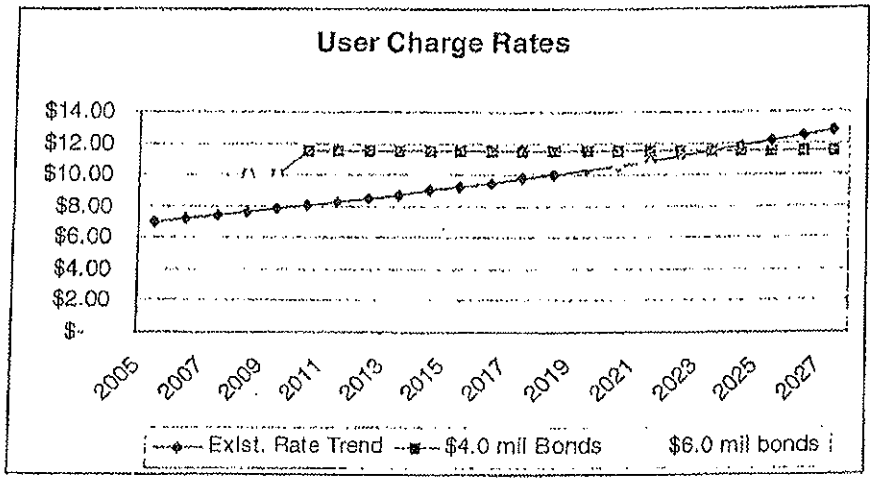
The unit user charges in 2006 are $6.99 per 1000 gallons based on winter average flows. The planned increase in this rate was previously developed at 2.75% per year to cover rising cost of the wastewater system. This annual rate increase is compared to the rates proposed with the new bond issue in Table No. 9 on the following page.

The chart shows the existing user charge rate trend projected throughout the life of the new bond issue.

Table No. 9 User Charge Rates

Year	Project Rates Exist.	Required w/ $6.0 mil Bond	Required w/$4.0mil Bond	
2005	$ 6.98			
2006	$ 7.20			↑ %
2007	$ 7.44			
2008	$ 7.66	$ 10.00	$ 10.00	+3 1 %
2009	$ 7.87	$ 10.00	$ 10.00	27 %
2010	$ 8.08	$ 11.50	$ 10.75	33
2011	$ 8.31	$ 11.50	$ 10.75	2 %
2012	$ 8.53	$ 11.50	$ 10.75	2 6
2013	$ 8.77	$ 11.50	$ 10.75	
2014	$ 9.01	$ 11.50	$ 10.75	
2015	$ 9.26	$ 11.50	$ 10.75	
2016	$ 9.51	$ 11.50	$ 10.75	
2017	$ 9.78	$ 11.50	$ 10.75	
2018	$ 10.04	$ 11.50	$ 10.75	
2019	$ 10.32	$ 11.50	$ 10.75	
2020	$ 10.60	$ 11.50	$ 10.75	
2021	$ 10.90	$ 11.50	$ 10.75	
2022	$ 11.20	$ 11.50	$ 10.75	
2023	$ 11.50	$ 11.50	$ 10.75	
2024	$ 11.82	$ 11.50	$ 10.75	
2025	$ 12.14	$ 11.50	$ 10.75	
2026	$ 12.48	$ 11.50	$ 10.75	
2027	$ 12.82	$ 11.50	$ 10.75	

The previously planned sewer user charge rate increases show the rate would be up to $10.60 per 1000 gallons by 2020 to service the existing debt. The rate required in 2020 for $4.0 million and $6.0 million in additional bonds is $10.75 and $11.50 respectively.



The combined payments peak during 2017 through 2019 when they exceed $1.2 million.

Table No.10
Amortization of Combined Bonds(New $6.0 mil. Bonds)

Year	Existing Loan Payment	Existing Loan Balance	New Loan Balance	New Loan Payment	Combined Balance Loan	Combined Loan Payments
2006	488000	6992600			$ 6,992,600	$ 488,000
2007	488000	6717174	$6,000,000		$ 12,717,174	$ 488,000
2008	488000	6433229	$6,000,000	$195,000	$ 12,433,229	$ 683,000
2009	488000	6140500	$5,995,000	$200,000	$ 12,135,500	$ 688,000
2010	527000	5838715	$5,989,838	$200,000	$ 11,828,553	$ 727,000
2011	566000	5488594	$5,984,507	$200,000	$ 11,473,101	$ 766,000
2012	566000	5088043	$5,929,004	$250,000	$ 11,017,047	$ 816,000
2013	566000	4675100	$5,871,696	$250,000	$ 10,546,796	$ 816,000
2014	566000	4249383	$5,812,526	$250,000	$ 10,061,909	$ 816,000
2015	672565	3810497	$5,701,434	$300,000	$ 9,511,931	$ 972,565
2016	779130	3251468	$5,586,730	$300,000	$ 8,838,198	$ 1,079,130
2017	779130	2566944	$5,318,299	$450,000	$ 7,885,243	$ 1,229,130
2018	779130	1861245	$5,041,144	$450,000	$ 6,902,389	$ 1,229,130
2019	779130	1133713	$4,704,981	$500,000	$ 5,838,694	$ 1,279,130
2020	389565	383675	$4,357,893	$500,000	$ 4,741,568	$ 889,565
2021		0	$3,999,524	$500,000	$ 3,999,524	$ 500,000
2022			$3,429,509	$700,000	$ 3,429,509	$ 700,000
2023			$2,790,968	$750,000	$ 2,790,968	$ 750,000
2024			$2,131,674	$750,000	$ 2,131,674	$ 750,000
2025			$1,450,954	$750,000	$ 1,450,954	$ 750,000
2026			$748,110	$750,000	$ 748,110	$ 750,000
2027			$0	$772,423	$ 0	$ 772,423

Adjustments in the final combined amortization schedule will reflect interest rates at the time and the requirement of the Kansas revolving state fund. The spreadsheet show as Table No.7 and Table No. 8 can be adjusted once rates and amortization schedules are locked in.

SURVEY OF RATES AND CONNECTION FEES

A survey was conducted of several communities to determine current connection fee and sewer user charges.

City	Sewer Rate	Connection Fee	Development Fee	Notes
Bonner Springs	$7.85 - minimum $3.20 per 1,000 G usage	4" - $350 6" - $700 8" - $1,500 12" - $3,000	Commercial & Industrial - $3,500 Residential - $1,000	10,000 G Max billed usage – see website listed below
Leavenworth	$6.27 – minimum (first 2 Ccf) $2.14 – next 2 Ccf $1.50 – next 285 Ccf $1.22 – over 300 Ccf (Based on Jan., Feb., March average) $16.97 – if no record of average monthly gross consumption		None – only as part of an annexation then dependent upon annexation agreement	Per Beth Becker, Deputy City Clerk 913.682.9201 bbecker@firstcity.org
Lansing	$17.00 $12.10 – Base Charge $4.90 – Debt Charge $13.80 – 7-8 Units $6.05 - Debt		New Residential - $1,500 Commercial - $1,900 Industrial - $2,100	Sewer and trash billed together @ $24.30/month, $17 of which is sewer per Tiffany, City Clerk's Office, 913.727.3233
Gardner	$7.72 – monthly service charge $4.91 per 1,000 G – usage charge		Single Family Dwelling - $3,700 Multi-Family Dwelling - $2,500	Per City Clerk's Office, Community Development Office and websites listed below
DeSoto	$9.50 – minimum $0.17 per 100 G btwn. 1,000 & 4,000 $0.19 per 100 G btwn. 4,000 & 9,500 $0.22 per 100 G 9,500 and over	$500	Single Family Residence - $3,000 Multi-Family Residence - $2,500 Non-Residential - $3,000	Per website
Louisburg	$9 – up to 1000 G $2.10 – per 1000 G after 1000		$2,500 $4,000 – if outside District	Per Mary @ City Hall 913.837.5371
Paola	$18.84 – service charge $0.25 per 100 G		$3,000	Per Marcia @ City Hall 913.259.3600
Tonganoxie	$11.80 – first 1,000 G $3.45 – each additional 1,000 G		$2,500	Charges based on winter avg. for each residential customer and actual usage for commercial Per Kath Bard, City Clerk's Office

Basehor $6.99 per 1,000 gallons

City	Sewer Rate	Connection Fee	Development Fee	Notes
KCK Unified Govt.	$7.19 – service charge $1 62 per Ccf		Single Family Dwelling – $961 - $1,460	Per Helen Johnson, Public Works Dept. 913.573.5000
JoCo Wastewater	$1.55 – service charge $1.88 per 1,000 G		$2,364 or $3,446 All fees included - connection and/or system development fee	Per Carrie in Permits Dept. 913.715.8500 Rates found on website listed below
Spring Hill	$3.90 – up to 2,000 G $2 per 1,000 G after		$3,100 All fees – connection and development fee	Per Jennifer @ City Hall 913.592.3664
Lawrence	$12.05 – first 1,000 G $4.25 per 1,000 G after	5/8" - $435 1" - $525	$1,040 – size of meter does not matter	Per Dee Dee Commons, Dept. of Utilities 785.832.7810
Peculiar	$12.00 - first 1,000 G $4.22 per 1,000 G after	$1,400		Per Carol, Water Svcs. Dept., 779.5212
Smithville	$6.58 – first 1,000 G $4.94 – next 1,000 G $4.11 per 1,000 G after		Up to 1" - $2,400 2" - $4,800 3" - $7,200 4" - $9,600 6" - $14,400	Per Shelly, Water Dept. 532.3897
Kearney	$3.50 – first 1,000 G $2.20 – next 1,000 G $2.00 per 1,000 G after	$1,530		Per Shirley 628.4142

The current connection fee of $2,450 is less than what is seen in Gardner, DeSoto, Louisburg, Paola, Johnson County Wastewater, and Spring Hill. The plan to increase connection fees each year until they reach $3,500 in 2010 is comparable to what is happening in developing communities in the metro area. The trends should be evaluated in a few years to determine if Basehor should make adjustments.

A winter average sewer user rate needs to be about 15% higher than a sewer based on actual water usage throughout the year. The present rate is comparable to a user rate based on actual water purchased of about $6.00 per 1000 gallons.

All growth communities have to raise user charge rates when they have a significant capital improvement project. The alternative is raising real estate taxes or a combination of both Revenue Bonds and General Obligation Bonds.

REVIEW OF ORDINANCE REQUIREMENTS

Ordinance No. 162 adopted in 1982 established the basis of the sewer user charges for the City of Basehor. This ordinance has a requirement that a Replacement Account be established. Annual deposits to this account were required to insure that funds would be available for the replacement of pumps and equipment when problems occur. This was included in all EPA funded projects so that operating personnel would have a source of funds set aside so that equipment replacement could occur in a timely manner without the need for appropriations from the City Council from other funds.

Ordinance No. 444 effective June 2, 2004, requires "Establishment of a Dedicated Source of Revenue for Repayment of Loan." The City of Basehor shall impose and collect such rates, fees and charges for the use of services to produce amounts which are sufficient to (a) pay the cost of the operation and maintenance of the system (b) pay principal and interest on the loan when it becomes due (c) pay all other amounts due under the Loan Agreement. In the event that the revenues are insufficient, the City shall levy ad valorem taxes on real and personal property to produce the amounts necessary for prompt payment of the obligations under the Loan Agreement.

Appendix

1. Ordinances #162,#320 ,# 388, and #444
2. General Ledger Report – Building Permits
3. General Ledger Report- Sewer Fund Connection Fees

CITY OF BASEHOR

Agenda Item Cover Sheet

Council Agenda Item No. 4 Meeting Date: July 2, 2012

TOPIC: Pinehurst Roundabout Renovations

ACTION REQUESTED: Discussion and direction given to staff.

NARRATIVE: The current condition of the roundabout located on the South side of 24-40 HWY & 155th is in dire need of repairs. The existing rocks are falling off the face of the structure.

PERSON/STAFF MEMBER(S) MAKING PRESENTATION: Gene Myracle, City Superintendent

RECOMMENDATION(S): Three options:
#1 Staff removes stones and paints concrete structure at a cost of approximately $ 500
#2 City contracts will private contractor based off of quotes received to restore the structure with addition protection to keep stone from falling at a cost of approx. $7,650
#3 City contracts to fix structure, remove lighted letters, purchase monument, plant bushes flag pole, estimated at $ 11,750.

ATTACHMENTS: Photos attached of structure in current shape, as well as proposed cost for repairs.

Welcome to
BASEHOR
PINEHURST

CANYON STONE INC.

Manufacturer Of Quality Stone Products

Quote #: 00034445

Bill To:
Cash Sale

Ship To:
Gene Myracle
Basehor, KS
913-208-3235

SALESPERSON	CUST PO#	INSTALLED BY	TERMS	DATE	PG.
Justin Burske	Myracle		C.O.D.	5/22/12	1

QTY.	ITEM NO.	DESCRIPTION	PRICE	UNIT	DISC %	EXTENDED	SC.
450	10CUF	Canyon Ledge Custom Flats	$5.00	SQ FT		$2,250.00	X
160	Misc	Clean and re-lay caps	$9.00	ea		$1,440.00	X
450	Install	Install Charge	$7.00	FT		$3,150.00	
	Misc	****We can not guarantee the stone won't fall off unless the inside of the planter wall is water proofed. Surface needs to be pressure washed before we restick stone. Our price doesn't include demo.		ea			X
51	920	Mortar 80# P/L Type S (PLS)		Bag			X

Projects which include the installation of our product by our installer are construction projects. In these projects the parties expressly agree to transfer product has been delivered, installed and commingled with and become a part of the real property. Any such construction project is an agreement repaired, replaced, erected or improved. Risk of loss shall transfer upon completion of our portion of the construction projects.

SALE AMT.	$6,840.00
FREIGHT	$0.00
SURCHARGE	$295.20
TOTAL AMT.	$7,135.20

550 E. 56 Hwy. Suite B • Olathe, KS 66061 • Canyon-stone.com • Ph: (913) 254-9300 • Fax: (913) 254-9301

KF

CANYON STONE INC.

Manufacturer Of Quality Stone Products

Quote #: 00034445

Bill To:
Cash Sale

Ship To:
City of Basehor
Basehor, KS
913-208-3235

SALESPERSON	CUST PO#	INSTALLED BY	TERMS	DATE	PG.
Justin Burske	City of Basehor		C.O.D.	6/18/12	1

QTY.	ITEM NO.	DESCRIPTION	PRICE	UNIT	DISC %	EXTENDED	SC.
450	10CUF	Canyon Ledge Custom Flats	$5.00	SQ FT		$2,250.00	X
160	Misc	Clean and re-lay caps	$9.00	ea		$1,440.00	X
450	Install	Install Charge	$9.00	FT		$4,050.00	
	Misc	***Our price does not included demo		ea			
51	920	Mortar 80# P/L Type S (PLS)		Bag			X

Projects which include the installation of our product by our installer are construction projects. In these projects the parties expressly agree to transfer product has been delivered, installed and commingled with and become a part of the real property. Any such construction project is an agreement repaired, replaced, erected or improved. Risk of loss shall transfer upon completion of our portion of the construction projects.

SALE AMT.	$7,740.00
FREIGHT	$0.00
SURCHARGE	$295.20
TOTAL AMT.	$8,035.20

550 E. 56 Hwy. Suite B • Olathe, KS 66061 • Canyon-stone.com • Ph: (913) 254-9300 • Fax: (913) 254-9301

KF

SPECIALTY CONTRACTING CO

Residential Commercial Stucco Veneer Stone EIFS Acrylic Finishes

PO BOX 2611
OLATHE, KS 66063
913-710-7169

Project Bid

Date: 06/01/2012

P12-172

To: City of Basehor
Mr. Gene Myracle, Jr.
2300 N. 158 St
PO Box 406
Basehor, KS 66007
citysuper@cityofbasehor.org

Job Address: Round-about
155th & State

Scope: Stone installation as discussed – Correct current problem of poor adhesion to poured concrete walls by utilizing the following specifications.

- Apply galvanized expanded bare metal lath to concrete using approved fasteners in order to create a "key" that will allow mortar to grab, preventing stones from coming loose
- Supply and install new cultured veneer stone in a style and color to be selected by customer. Contractor to supply sample boards to City for selection process and approval. Contractor suggests and recommends stone products manufactured locally by Canyon Stone Company. (www.canyon-stone.com)
- Old stone to be knocked off wall and removed from site by City crews as discussed
- Contractor to remove all scrap and debris from site after completion of installation

Total job price: **$ 9888.00**

Includes all materials, jobsite supervision, tools, equipment, labor, contractor's Work Comp and General Liability insurance as required

Phill Lichtenauer

Phill Lichtenauer, Specialty Contracting Co.

General Contractor/Owner

BORDNER

Stucco Co

A Subsidiary of Bordner Installation Group Inc

Date:	06/18/2012	Estimate By:	Sam Fleenor
Purchaser:	City Basehor and Gene Myracle		
Address:	PO Box 406 Basehor, KS 66007	Home Phone:	
		Work Phone:	
		Cell Phone:	(913) 208-3235
		Other Phone:	
Job Address:	155th and Pine Hurst Drive	Spouse Phone:	
City, State, Zip:	Basehor, KS 66007		

BORDNER ROOFING CO, a Missouri corporation ("BORDNER"), and Purchaser (as denoted above) in consideration of the mutual specifications, pro covenants and undertakings contained herein, agree to the following terms and conditions:

1. PRICE: Purchaser promises to pay for the work provided pursuant to this Agreement.
   Nine Thousand Nine Hundred and Twenty Two Dollars ($9,922.00).
   Price includes all sales tax.
2. Scope of Work:
   a. Bordner shall:
      1. Round median at 155th ST
      - Remove all cap pieces from top of the wall.
      - Bordner cannot guarantee top cap pieces will not break during removal. Replacing cost will be $35.00 /LF in addition to the contract amount liste above.
      - Install liquid moisture barrier to top and sides of foundation wall.
      - Install metal lath to top and sides of foundation wall for better stone adhesion.
      - Install new Pennsylvania stack stone to match old stone.

      * Others are to remove the signage and existing stone on the side of the walls prior to Bordner starting work.
3. ADDITIONAL TERMS: 0 page is attached hereto and incorporated herein as part of this Agreement.
4. CODES: All work shall comply with local building codes and manufacturers' specifications.
5. LICENSE & PERMITS: BORDNER has, or shall obtain, all licenses and permits required to perform work in the above jurisdiction.
6. INSURANCE: BORDNER shall provide coverage for worker's compensation and liability insurance, including completed operations. Certificates sh furnished upon request.
7. FORCE MAJEURE: BORDNER shall not be responsible for damage or delay due to strikes, fire, accidents, acts of God or other causes beyond its reasonable control.
8. WARRANTY:
   A. Upon completion of job and payment in full, this document shall become a ONE Year Warranty covering material and labor against leakage due t material or installation. All materials are guaranteed to be as specified and work is to be performed and completed as specified and in a substantial workmanlike manner. Extended material warranties shall be the responsibility of the manufacturer. Customer agrees that BORDNER shall not be l losses or damages (including defects in labor, workmanship or materials) caused by persons or entities that are not controlled by or under contract BORDNER.
   B. This warranty shall be void if any invoice or statement has not been paid in accordance with the Payment Terms set forth below.
   C. BORDNER MAKES NO WARRANTIES OTHER THAN THE EXPRESS LIMITED WARRANTY SPECIFICALLY SET FORTH ABOVE. BORDNE DISCLAIMS, AND CUSTOMER HEREBY WAIVES, ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, THAT ARE NOT EXPRESSLY SET F OR REFERENCED IN THIS CONTRACT INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY. THE SPECIFIC LIMITED WARRAN FORTH IN THIS CONTRACT DOES NOT COVER PERSONAL INJURY, DAMAGE TO PERSONAL PROPERTY OR CONSEQUENTIAL DAMAGE (UNLESS OTHERWISE REQUIRED BY STATE LAW). THE FOREGOING WAVIER, DISCLAIMER AND LIMITATION OF REMEDY SHALL NOT TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IF AND TO THE EXTENT SUCH WARRANTIES IMPLIED BY LAW IN THIS TRANSACTION, OR THEIR DISCLAIMER IS PROHIBITED BY LAW. THE WARRANTY MADE HEREIN IS MADE SO CUSTOMER AND IS NOT TRANSFERRABLE TO A SUBSEQUENT OWNER OR OCCUPANT OF THE PROPERTY WHERE THE WORK IS PRC OR TO ANY OTHER PERSON OR ENTITY.
9. WITHDRAWAL: This Agreement shall be voidable by BORDNER if not signed and returned within seven (7) days. This Agreement is based on BORDNER's visual, non-intrusive inspection of the job site and shall be voidable by BORDNER should any future inspections of the job site reveal unknown conditions, which if known at the signing of this contract, would have caused the specifications required for proper installation to be modifi would have indicated additional costs for proper installation.
10. LIEN RELEASE: Ten days after full payment and upon request, BORDNER agrees to furnish a Lien Release covering materials and labor,

The City of Basehor

Date: June 28, 2012

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

From: Corey Swisher, City Clerk/Finance Director

Re: Internet (online) Based Utility Bill Payment

Background:

City staff has evaluated and are now pursuing the implementation of online utility bill payment.

The City will be able utilize Fundbalance (the City's current electronic financial system) as the service provider. The cost of the required Fundbalance module is approximately $1,100. Annual hosting and maintenance of the module will cost approximately $700 per year. It is anticipated that the cost of the module will be split between the Sewer and Solid Waste Funds. The service should be available to all utility customers within 60 to 90 days.

The City will require a convenience fee to utilize the service. It is not currently known what the convenience will be although the charge will only be enough cover the cost of providing the service. The City will incur a processing charge from Electronic Transaction Systems Corporation (integrates with Fundbalance) the online reporting/processing vendor.

Advantages and potential benefits of the internet-based bill paying system are numerous. They include providing customers with the ability to view or pay their bills online at any time and review their account history. Cash flow to the city is quicker and staff time spent answering calls for customer information and processing paper payments will be reduced.

The City will test and evaluate the system with a small group of residents prior to making the service available to all of the City's utility customers. Use of the service will be strictly voluntary.

Staff Recommendation:
Provide feedback.

Action Requested of Council:
Provide feedback.

Quote

FundBalance Product Solution
1194 Oak Valley Drive, Suite 150
Ann Arbor, MI 48108
800-457-3863

Quote #	FBWQ8381
Date	05/02/12
Sales Rep.	Lindsay
Cust ID	KSBAS

Quote To:

City of Basehor
Kristi Olson
2620 N. 155th
PO Box 406
Basehor, KS 66007

Ship To:

City of Basehor
Kristi Olson
2620 N. 155th
PO Box 406
Basehor, KS 66007

Prices quoted are valid for 60 Days
Please fax signed quote to
734-677-2070

Description	Unit Price	Qty	Extended Price
Utility Billing Web Based Client Access, One-Time Setup Fee	$400.00	1	$400.00
Monthly Hosting Fee to ASP Provider	$25.00	12	$300.00
Account Maintenance Fee (Based on 1800 accounts x .02 x 12 months) The number of active accounts is reviewed annually and the maintenance adjusted for the next year.	$432.00	1	$432.00
		Total	**$1,132.00**

The Hosting and Annual Maintenance fees are billed yearly with your current maintenance contract.

In addition to these charges, your municipality will need to acquire a third-party Merchant Agreement from ETS or Official Payments.

OPTIONAL PROGRAMMING SERVICES

Γ ' CONVERSION SERVICES MAY BE QUOTED @ $175 PER HOUR UPON THE RECEIPT OF FILE LAYOUTS AND DATA IN AN ACCEPTABLE FORMAT.

TRAVEL EXPENSES

ALL TRAINING, CONSULTING AND INSTALLATION SERVICES ARE BILLED AT PUBLISHED RATES FOR EACH ACTIVITY. EXPENSES ASSOCIATED WITH THESE ON SITE SERVICES WILL BE BILLED AFTER THEY ARE INCURRED. CUSTOMERS THAT ARE MORE THAN 250 MILES FROM ANN ARBOR, MI CORPORATE HEADQUARTERS WILL BE BILLED FOR TRAVEL TIME @ $300 FOR EACH ROUND TRIP VISIT. IN ORDER TO BETTER SERVE OUR CLIENTS WHO HAVE REQUESTED TRAINING, WE REQUIRE A MINIMUM NOTICE OF 2 WEEKS FOR A CANCELLATION OR THERE WILL BE A CANCELLATION FEE OF 50% OF THE COST OF THE TRAINING THAT WOULD HAVE OCCURRED. IF A CANCELLATION IS MADE, ANY TRAVEL ARRANGEMENTS THAT HAVE BEEN PURCHASED WILL BE INVOICED TO THE CLIENT WITH PAYMENT DUE WITHIN 30 DAYS FROM THE DATE OF THE INVOICE.

TRAINING, INSTALLATION / IMPLEMENTATION

THERE IS A $125/HR. CHARGE FOR TRAINING, INSTALLATION AND IMPLEMENTATION ABOVE AND BEYOND 7 HRS/DAY QUOTED.
THE NUMBER OF DAYS QUOTED IS A RECOMMENDATION AND MAY BE CHANGED BASED ON THE CUSTOMER'S NEEDS. THE CLIENT IS BILLED AFTER THE TRAINING, INSTALLATION AND/OR IMPLEMENTATION IS COMPLETED.

ANNUAL MAINTENANCE

FOR NEW FUNDBALANCE SOFTWARE CLIENTS, THE FIRST ANNUAL MAINTENANCE AGREEMENT WILL START UPON THE INITIAL SOFTWARE INSTALLATION AND WILL EXPIRE ONE YEAR FROM THAT DATE.

FOR EXISTING FUNDBALANCE CLIENTS WHO PURCHASE NEW SOFTWARE APPLICATIONS, THE MAINTENANCE WILL BEGIN ON THE FIRST DAY OF THE MONTH FOLLOWING THE SOFTWARE SHIPMENT AND WILL BE PRORATED TO EXPIRE WITH THE CURRENT MAINTENANCE CONTRACT. ANNUAL MAINTENANCE CONTRACT RENEWALS WILL BE AUTOMATICALLY BILLED A MINIMUM OF 30 DAYS PRIOR TO THE CONTRACT'S EXPIRATION DATE.

SATISFACTION

IF YOU ARE NOT COMPLETELY SATISFIED THAT THE SOFTWARE AND/OR HARDWARE FUNCTION(S) AS DOCUMENTED, IT MAY BE RETURNED WITHIN 60 DAYS OF SIGNED PURCHASE AGREEMENT.

AUTHORIZATION

IGNING THIS DOCUMENT I AM HEREBY AUTHORIZING FUNDBALANCE TO INVOICE ME FOR THE ITEMS LISTED ON THIS PURCHASE AGREEMENT. I UNDERSTAND THE SOFTWARE PRICE DOES NOT INCLUDE INSTALLATION/IMPLEMENTATION, TRAINING, TECHNICAL SUPPORT OR ANY OTHER RELATED SERVICES. ANY TRAINING, CONSULTING OR INSTALLATION SERVICES AND RELATED EXPENSES ASSOCIATED WITH THIS PURCHASE WILL BE INVOICED AFTER THE SERVICE HAS BEEN PROVIDED.

I UNDERSTAND THAT PAYMENT IS DUE WITHIN 30 DAYS OF THE RECEIPT OF THE INVOICE, AND THAT ALL DOCUMENTS RELATED TO THIS PURCHASE, INCLUDING THIS PURCHASE AGREEMENT AND ANNUAL MAINTENANCE AGREEMENT MUST ALSO BE SIGNED AND RETURNED ALONG WITH PAYMENT.

ANNUAL MAINTENANCE RENEWALS WILL AUTOMATICALLY BE BILLED PRIOR TO EXPIRATION DATE.

SIGNATURE DATE

TAX ID NUMBER

EXEMPT TAX ID NUMBER

THIS IS NOT AN INVOICE. FUNDBALANCE WILL SEND YOU AN INVOICE ONCE THE SIGNED PURCHASE AGREEMENT IS RECEIVED.

fundbalance
a tyler financial solution

FundBalance Utility Billing Online

Utility offices handle all billing and collections for water, sewer, electricity, and gas. These offices need a system for easy and organized citizen access to utility bills, bill pay, and transaction history—a system that harnesses the power and ease of the Internet. Tyler's FundBalance Utility Billing Online is that system.

Secured Citizen Access

Tyler's FundBalance Utility Billing Online allows citizens to easily access detailed account information—including financial, address, transaction, and consumption information—over the Internet 24 hours a day, seven days a week. Utility offices simply add a link to their existing Web site that, when selected, directs citizens to a special Secure Socket Layer (SSL)-secured Utility Billing Online section, hosted exclusively by Tyler. This allows the City to provide detailed information about an account to the account holder in a secured section.

Once there, users can easily:

- View current balances, last payment date, payment amount, amount past due, deposits on file, and graphs detailing consumption history by service
- Generate transaction history
- Receive an automated e-mail response to a request.

Offices can also add optional features to the Web site allowing users to make a request for service or submit information/ account change or disconnect requests.

With FundBalance Utility Billing Online, citizens can also pay their utility bills through secure online credit card transactions. These online transactions are user-defined, meaning each utility billing department decides on the level of citizen access.

Increase Efficiency

Utility Billing Online is designed not only to increase citizen access to needed information, but also to increase the efficiency of utility billing offices. This system helps to reduce the number of phone inquiries for general information utility offices receive, and increase staff efficiency through easy data entry and lookup.

What's more, it is easily edited, updated, and maintained with system-administered data extraction and storage—and utility offices never have to worry about downtime or technology upgrades, because it's hosted by Tyler.

FundBalance Utility Billing Online—harnessing the power of the Internet to improve utility office efficiency and citizen access to account information.

For more information, visit
www.tylertech.com
or email
info@tylertech.com

Fundbalance Product Solution
Utility Billing Online

Empowering people who serve the public

tyler

Secured Citizen Access

tyler

- Tyler's Fundbalance Utility Billing Online allows citizens to easily access detailed account information—including financial, address, transaction, and consumption information—over the Internet 24 hours a day, seven days a week. Utility offices simply add a link to their existing Web site that, when clicked, directs citizens to a special Secure Socket Layer (SSL)-secured Utility Billing Online section, hosted exclusively by Tyler. This allows the City to provide detailed information about an account to the account holder in a secured section.

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Secured Citizen Access

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Configuration Options

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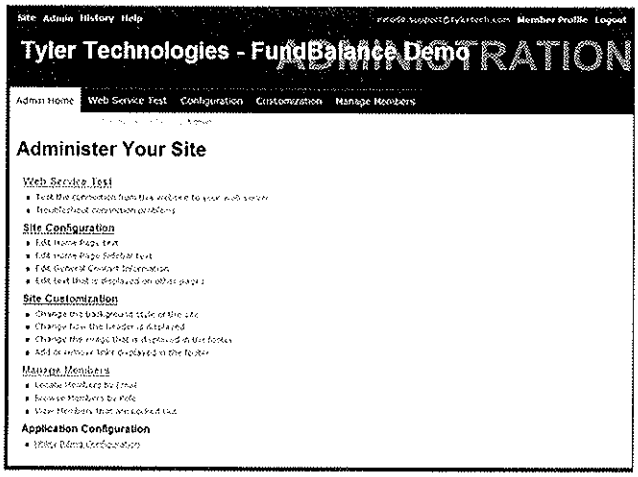
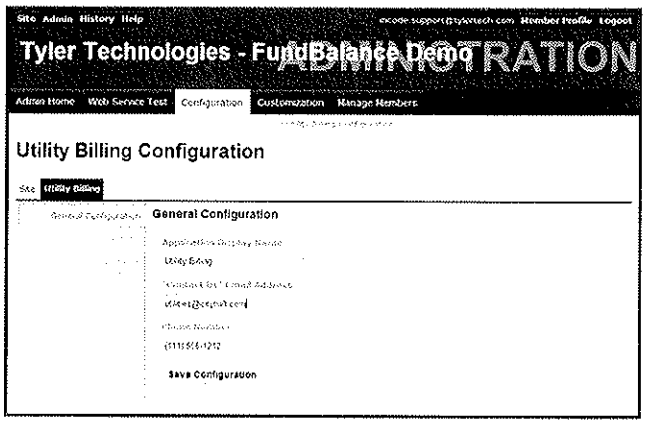
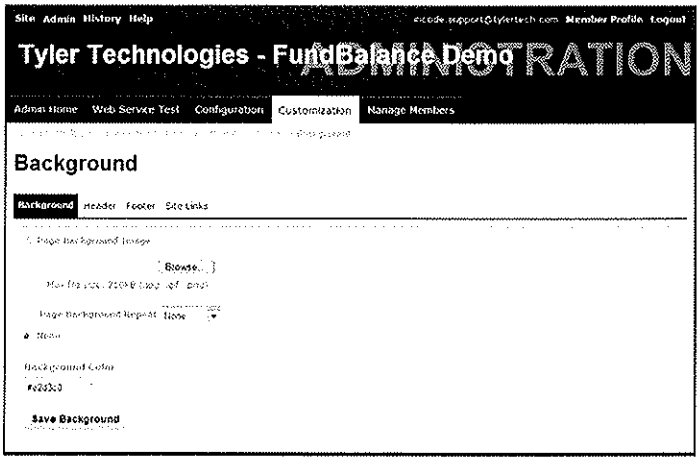


Configuration Options

tyler

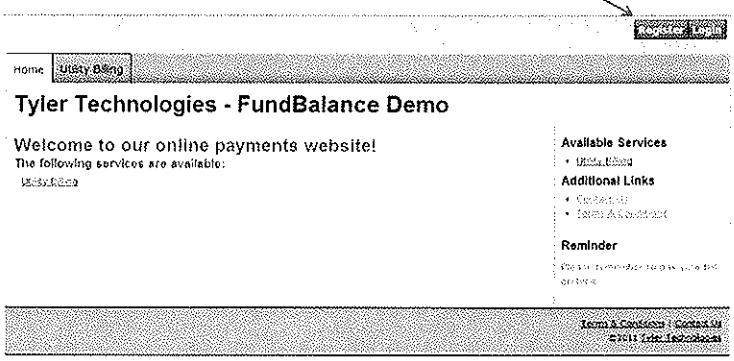


Configuration Options

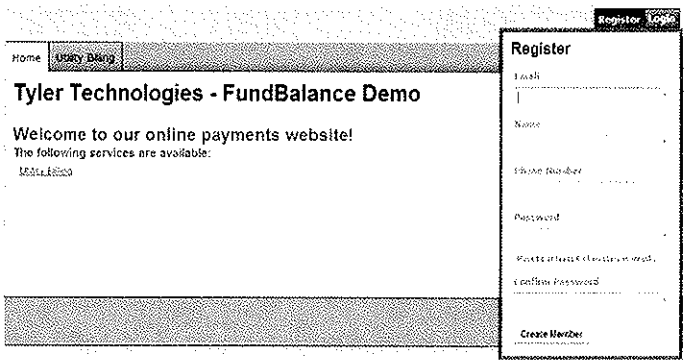


Log In

Select to Create an Account

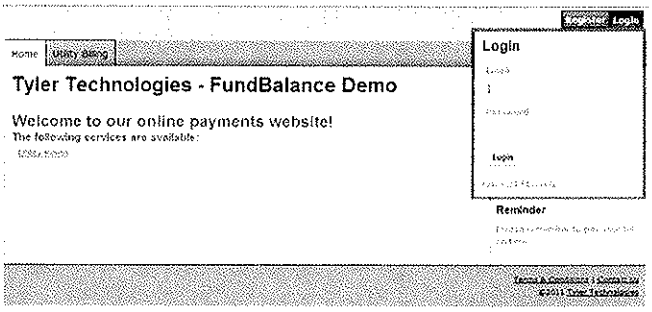


Log In



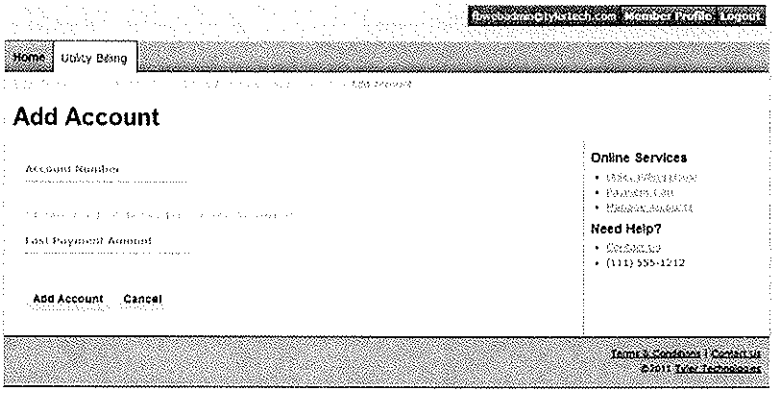
Fill out information to create your account.

Log In



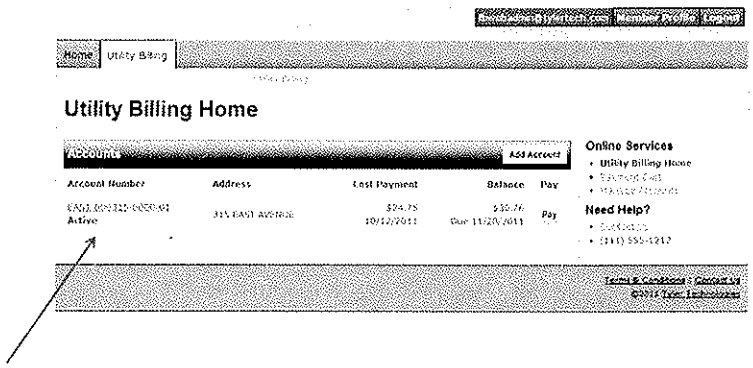
Log in using your email address and the password that you chose.

Accounts



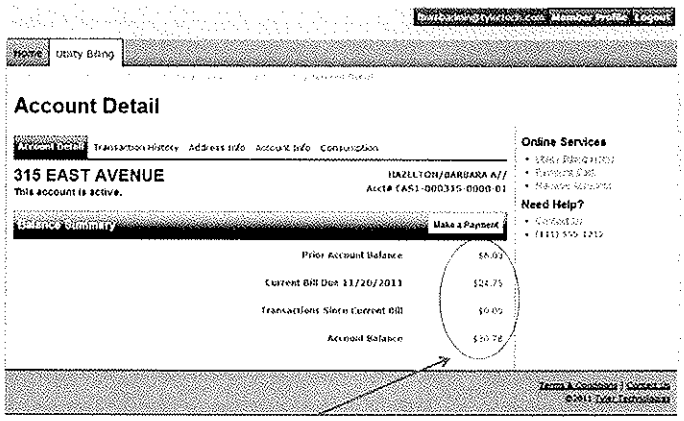
You will need to supply the "account number" (FB's Loc ID) and last amount paid on the account to add that account.

Accessing the Account



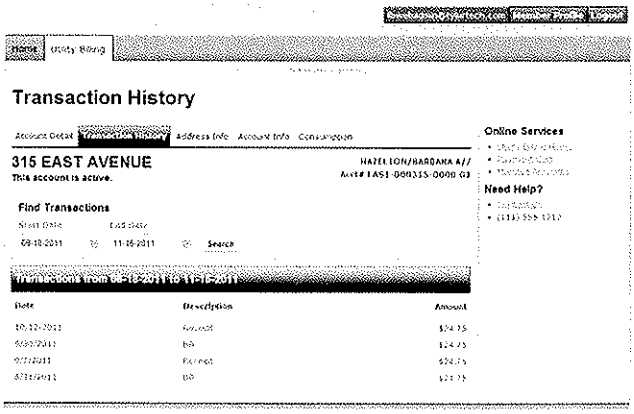
Select account you wish to view by clicking on the account #.

Account Detail



View Account Details

Transaction History



View transaction history including billings, receipts and adjustments made to the account.

Address Information

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Home | Utility Billing

Address Information

Account Detail | Transaction History | Address Info | Account Info | Consumption

315 EAST AVENUE
This account is active.

HAZELTON/BARBARA A//
Acct# EAS1-000315-0000-01

Property Description

Services at this Address

Service
Water
Sewer

Service
Refuse
Svc Fee
Additional Refuse
Main Container
Sewer2
Share Accounts
Auto Container

Online Services

Need Help?

Account Information

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Home | Utility Billing

Account Information

Account Detail | Transaction History | Address Info | Account Info | Consumption

315 EAST AVENUE
This account is active.

HAZELTON/BARBARA A//
Acct# EAS1-000315-0000-01

General Account Information

Online Services

Need Help?

Consumption

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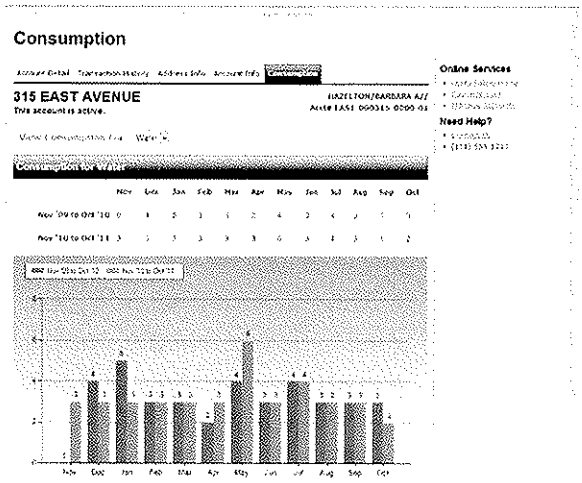

Submit Service Requests

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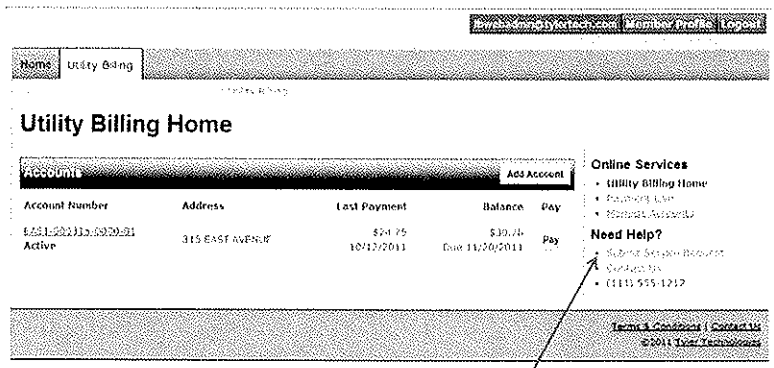
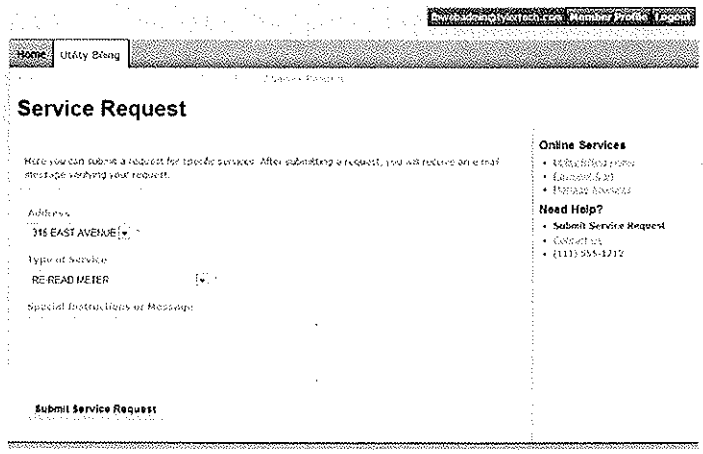
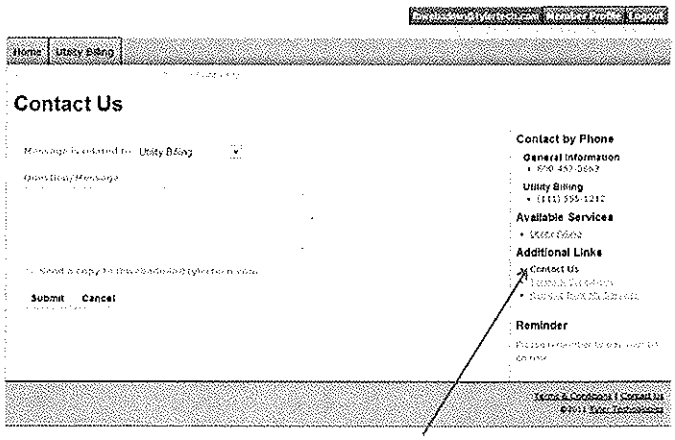


To submit a service request select this option.
(Email address for recipient is set up in the configuration options.)

Submit Service Requests



Contact Us



Customers will select this option to send an email to your municipality. (Email address for recipient is set up in the configuration options.)

Make Payments

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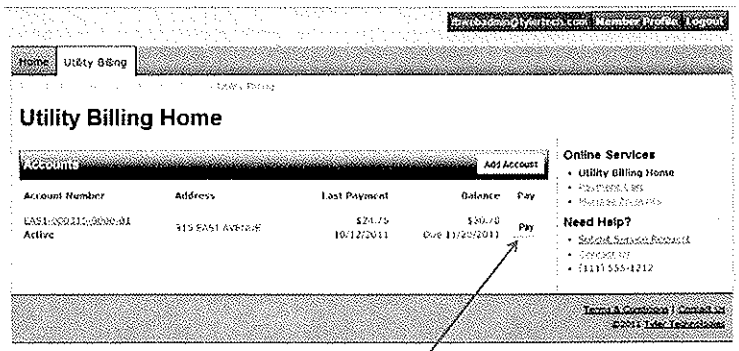

select pay to make a payment

Make Payments

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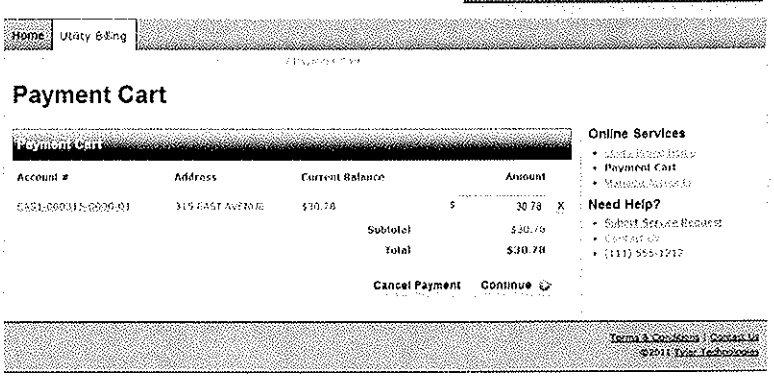

Note: Municipalities have the ability to charge convenience fees

If you are using ETS as your third party collector, your customers will advance to this screen when making a payment. (If using Official Payments as your third party collector your customers will be redirected to the Official Payments website.)

Manage Accounts

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Member Info

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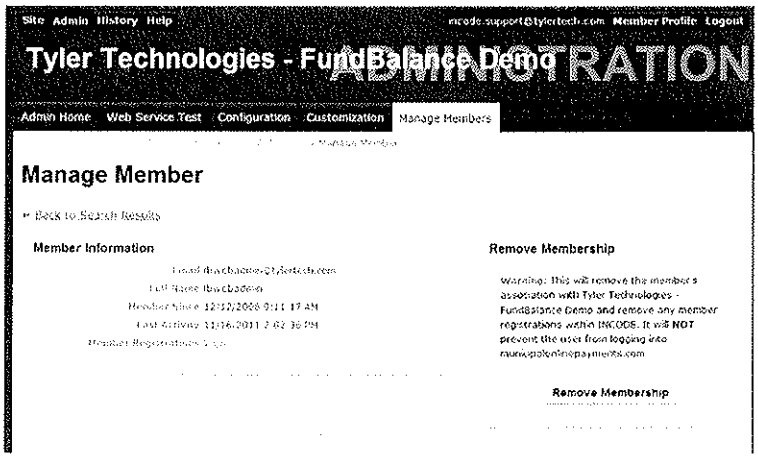

Municipal Online Payment Reports

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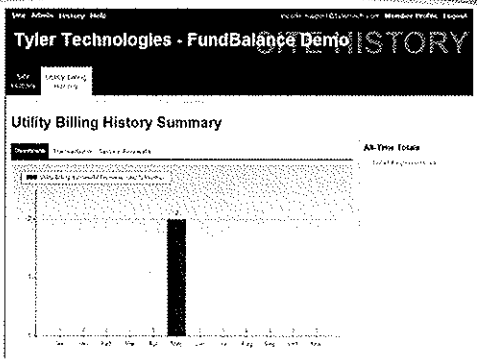

Municipalities using ETS as their third party collector have the additional report options. You will receive log in information via email.

Reports

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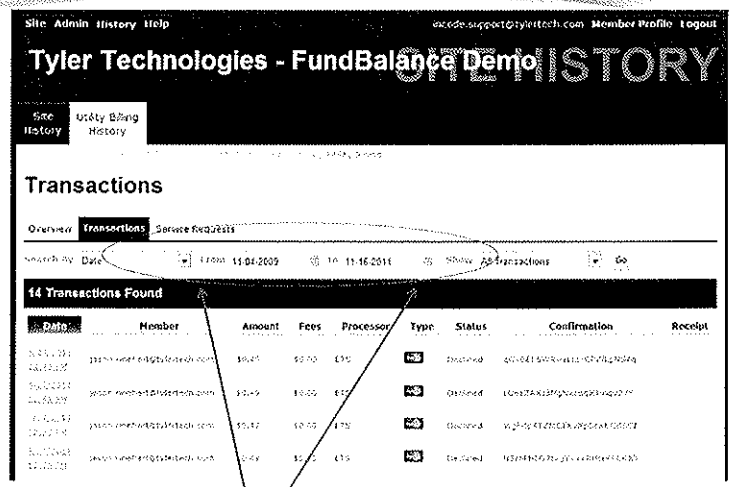
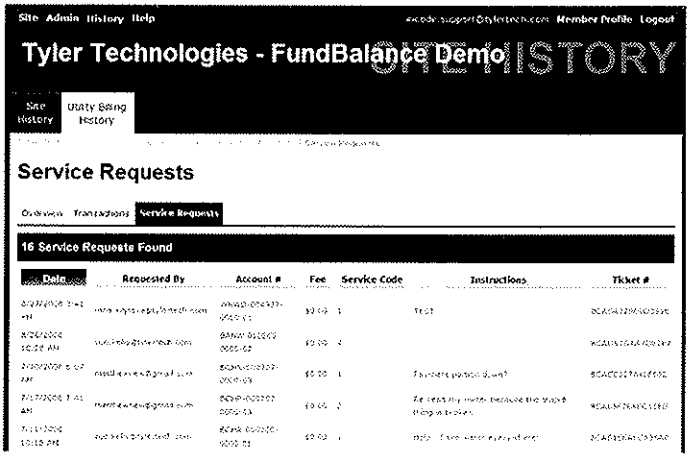


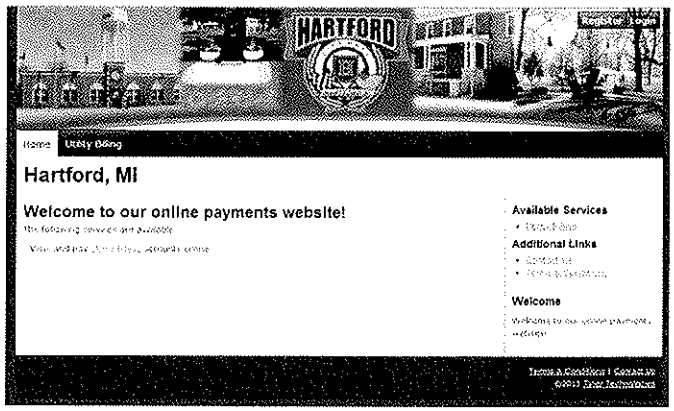
View transactions completed by date or by account number.

Reports



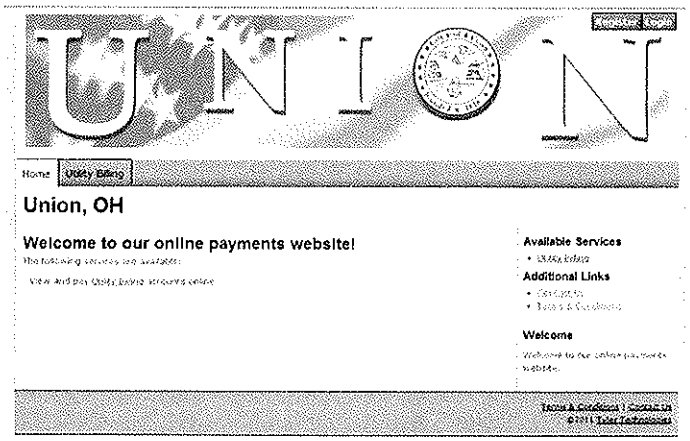
View service requests that have been submitted.

Sample Sites



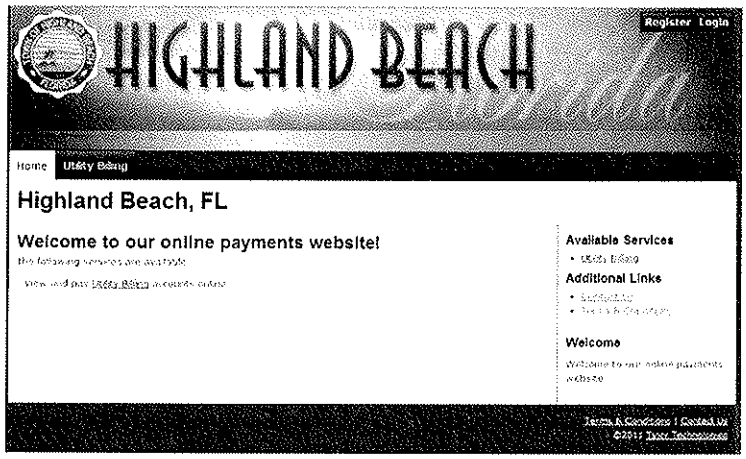
Sample Sites (cont.)

tyler



Sample Sites (cont.)

tyler



Contact Us

tyler

- If you would like more information regarding this presentation, or anything related to Tyler Technologies in general, please feel free to contact us via the methods below.

  - Email: fbsupport@tylertech.com
    - » fbsales@tylertech.com
    - » fbinfo@tylertech.com

    - » Website: www.tylertech.com
    - » Phone: 888-396-3863
    - » Fax: 734-677-2070

City of Basehor

Agenda Item Cover Sheet

Topic: Rezoning request for 2804 N 155th Street from "CP-1" Neighborhood Business District to "R-1" Single-Family Residential District.

Action Requested: Consider the rezoning of 2804 N 155th Street from "CP-1" to "R-1".

Narrative:
The applicant is requesting a zoning change from "CP-1" to "R-1". The property contains a house and a detached garage.

June 5, 2012, the Planning Commission held a public hearing and approved (4-0) the zoning change to "R-1" Single Family Residential District.

Presented by: Mitch Pleak, City Engineer

Administration Recommendation:
Staff recommends approving the zoning request.

Committee Recommendation:

Attachments:
5.1.12 Staff Report (8 pages)

Projector needed for this item? No

Staff Report

Date: **June 25, 2012**

Subject: **Consideration of Rezoning from "CP-1", Neighborhood Business District to "R-1", Single-Family Residential District as submitted by Greg Douglas located at 2804 N 155th Street.**

GENERAL INFORMATION

Applicant: **Greg Douglas**

Owner: **Greg Douglas**

Address: **2100 N 54th Street**
Kansas City, KS 66104

Engineer: **NA**

SITE INFORMATION

Location: 2804 N 155th Street
Current Zoning: "CP-1" Neighborhood Business District

PROJECT BACKGROUND

The applicant has requested a zoning change from "CP-1" to "R-1". The property contains a house and a detached garage. Currently the house sits vacant.

STAFF ANALYSIS

FACTORS FOR CONSIDERATION:

1. **Character of the Immediate Area** – The immediate area consists of single-family houses and neighborhood businesses.

2. **The Zoning and Uses of the Property Nearby** – The zoning and uses of the adjacent properties are as follows:

	Zoning	Use
North:	"CP-1"	Neighborhood Business
South:	"CP-1"	Neighborhood Business
East:	"CP-1"	Neighborhood Business
West:	"R-1"	Single-Family Residential

3. **The Suitability of the Subject Project for the uses to which it has been Restricted** – The property currently contains a single-family house with a detached garage. Under the current zoning of "CP-1", the single-family home cannot be utilized per the allowed

permitted uses. If the property is rezoned to "R-1" the vacant house could be utilized immediately.

4. **The Extent to which Removal of the Restrictions will Detrimentally Effect Nearby Property** – Rezoning the property to "R-1" has more restrictions than the current zoning. The removal of the restrictions will not influence nearby residential or commercial property.

5. **The length of Time the Property has Remained Vacant as zoned** – The property contains a house and a detached garage.

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 "CP-1" zoning. The surrounding properties are zoned "R-1" and "CP-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 school, parks, and other community facilities.

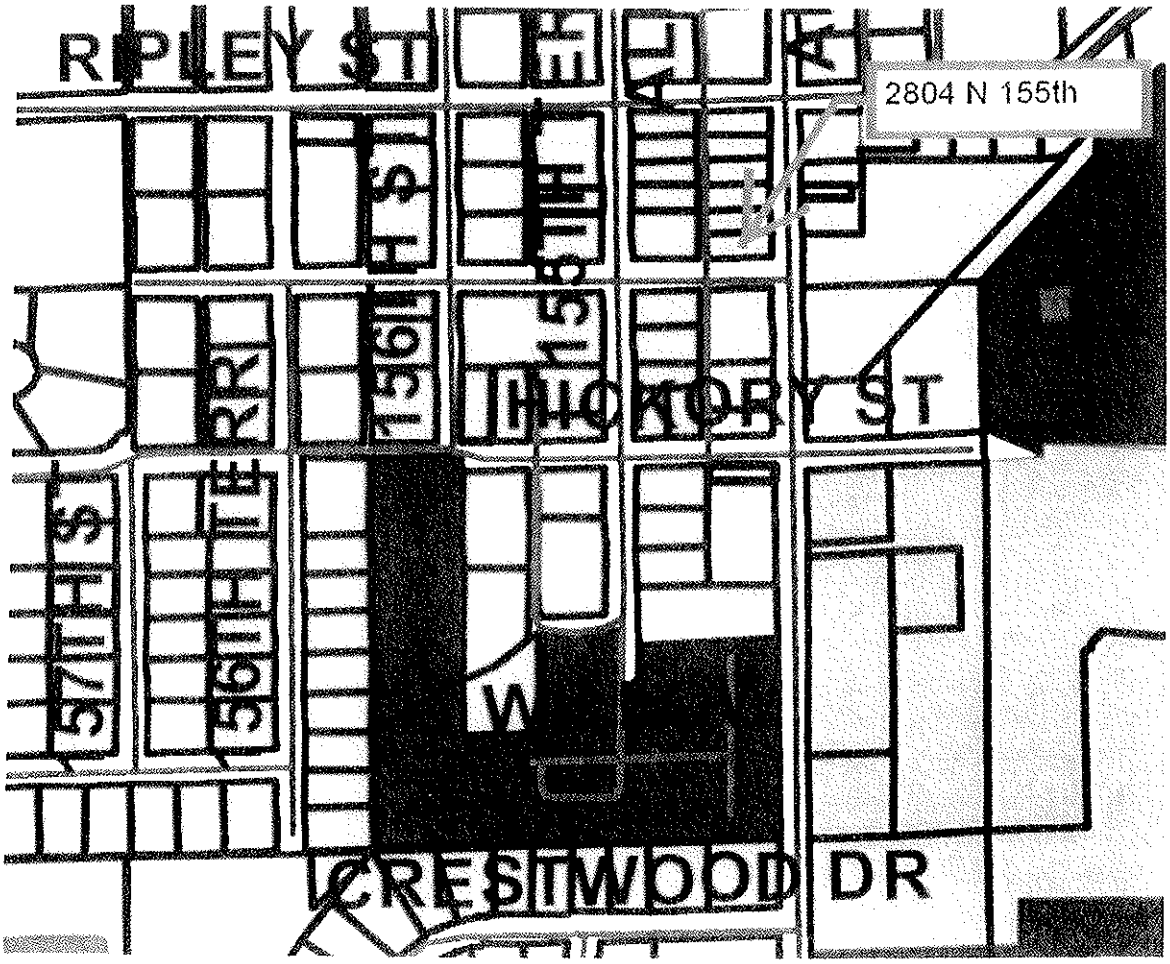
Recommendation by Planning Staff

June 5, 2012, the Planning Commission held a public hearing and approved (4-0) the rezoning request from "CP-1" 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 "CP-1" 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 = 104 feet



Legend

	RR (County)		CP-1
	PUD (County)		CP-2
	R-O		I-1
	R-1		I-2
	R-2		PI
	R-3		MU-1
	PR		MU-2

Affidavit in Proof of Publication

STATE OF KANSAS
Leavenworth County

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

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

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.

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 05/17/2012 with publications being made on the following dates:

05/17/2012

Subscribed and sworn to before me this 5/17/2012

Notary Public

My Appointment expires: 3-15-2015

Publication Charges	$39.00
Notary And Affidavit	$0.00
Additional Copies	$0.00
	$39.00

(Published in the Basehor Sentinel, Thursday, May 17, 2012)

PUBLIC HEARING NOTICE
CITY OF BASEHOR
PLANNING COMMISSION

Notice is hereby given that the Planning Commission of the City of Basehor, Kansas will hold a public hearing on Tuesday, June 5, 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 2804 N 155th Street. The property is currently zoned CP-1 Neighborhood Business District. The proposed zoning is R-1 Single-Family Residential District. The property description is:

All of LOT 6, BLOCK 2, TOWN OF BASEHOR, according to the recorded plat thereof, in Leavenworth County, Kansas.

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

APPLICATION FORM

CITY OF BASEHOR

Planning & Zoning Department
2620 N. 155th Street, PO Box 405, Basehor, KS 66007
Phone: 913-724-1370 Fax: 913-724-3388
www.basehor.org

Project Name & Description: 2804 N 155
Total Site Acreage:
Present Zoning:
Legal Description (May be attached as separate sheet):
Proposed Zoning:
Project Address / General Location: 2804 N 155th
Presubmittal Date:
Parcel ID Number (CAMA Number): Douglas Bros. Const. Inc
Floor Area Classification:
Property Owner Name: 2100 N 5th KCK 66104
Phone: 816 835-9692
Fax:
Property Owner Address: Greg Douglas
City:
State:
Zip:
Applicant's Name (if different from above): 2100 N 5th KCK 66104
Phone: 816 835-9692
Fax:
Applicant's Address: 816 835-9692
City:
State:
Zip:
Applicant's mobile phone:
Property Owner and/or Applicant's E-mail address: greg douglas 65 72@ yahoo.com

APPLICATION TYPE

[ ] Annexation	[ ] Preliminary Development Plan (Submit Sheet A)
[x] Rezoning (Submit Sheet A)	[ ] Final Development Plan (Submit Sheet A)
[ ] Conditional Use Permit (Submit Sheet A)	[ ] Lot Split
[ ] Site Plan	[ ] Preliminary Plat
[ ] Variance (Submit Sheet B)	[ ] Final Plat / Replat

PROJECT INFORMATION

Existing Use
[✓] Residential [ ] Commercial [ ] Industrial [ ] Office [ ] Agriculture [ ] Vacant [ ] Other

Proposed Use
[✓] Residential [ ] Commercial [ ] Industrial [ ] Office [ ] Agriculture [ ] Other

COMPLETE THIS AREA IF APPLYING FOR SITE PLAN, CONDITIONAL USE PERMIT, AND PRELIMINARY OR FINAL DEVELOPMENT PLANS (in acres)

Total Site Area	Existing Floor Area	Existing Building Footprint	Open Space Area
No. of Buildings	Proposed Floor Area	Proposed Building Footprint	Pavement Coverage

COMPLETE THIS AREA IF SUBDIVIDING PROPERTY

Proposed Number of Lots	Maximum Lot Size	Minimum Lot Size	Average Lot Size

Property Owner/Agent Consent – I am the legal owner of record of the land specified in this application or an authorized and empowered to act as an agent on behalf of the owner of record on all matters relating to this application. I declare that the foregoing is true and correct and accept that false or inaccurate owner authorization may invalidate or delay action on this application.

x Greg Douglas
Signature Date

Office Use Only
[X] Filing Fee $150.00 [ ] Received by CLJ 5/10/12 [ ] # of Copies
[ ] Attached Legal Description [ ] Property Ownership List

SHEET A

CITY OF BASEHOR

Planning & Zoning Department
2620 N. 155th Street PO Box 406, Basehor KS 66007
Phone 913-724-1370 Fax 913-724-3388
www.basehor.org

Please respond to the following questions to the best of your knowledge (Attach additional sheets if needed)

1. Reason for This Request? City Changed it from R-1 to CP-1 and land doesn't meet requirements for CP-1, its too small

2. What Is the Suitability of Subject Property for the Uses to Which it Has Been Restricted? Residential (Single Family)

3. To What Extent Will Removal of Restrictions Detrimentally Affect Nearby Property? None

4. What is the Relative Gain to the Public Health, Safety, and Welfare by the Destruction of the Value of the Petitioners Property as Compared to the Hardship Imposed upon the Individual Landowners? None

5. How Does Your Request Conform with the Comprehensive Plan?

If the application is for a Development Plan (Planned Residential, Planned Industrial or Mixed Use) please provide the following additional information.

1. Please provide a statement regarding why the development plan would be in the public interest. The house is historical & it will just Rot if it has to be commercial

2. Please provide a statement with regard as to why the PUD would be consistent with the statement of Objectives for Planned Unit Development as found in Section 20-1002.

SHEET B

CITY OF BASEHOR

Planning & Zoning Department
2820 N. 155th Street, PO Box 406, Basehor, KS 66007
Phone 913-724-1370 Fax 913-724-3388
www.basehor.org

GENERAL REASON FOR APPEAL, EXCEPTION, OR INTERPRETATION

REASON FOR REQUEST

Is this a request for:

[✓] an interpretation of the zoning ordinance text, maps, or boundaries according to Article 17(6)A?
(Includes appeals from decisions of any officer administering the provisions of the Zoning Ordinance as allowed in Article 17(11)A.)

[ ] a special exception as allowed in Article 17(10)A in the Zoning Ordinance?

[ ] a request for a variance from the Zoning ordinance as allowed in Article 17(14)A?

Explain, including the interpretation, exception or applicable section of the Zoning Ordinance. _____

REQUEST FOR VARIANCE

A request for a variance from the zoning ordinance may be granted upon the finding of the board that all of the following conditions have been met: **(Explain in detail how each of the following conditions have been met)**

a. That the variance requested arises from such condition which is unique to the property in question and which is not ordinarily found in the same zone or district, and is not created by an action or actions of the property owner or the applicant. _____

b. That the granting of the permit for the variance will not adversely affect the rights of adjacent property owners or residents. _____

c. That the strict application of the provisions of the Zoning Ordinance of which variance is requested will constitute unnecessary hardship upon the property owner represented in the application. _____

d. That the variance desired will not adversely affect the public health, safety, morals, order, convenience, prosperity, general welfare or the harmonious development of the city. _____

e. That granting the variance desired will not be opposed to the general spirit and intent of the Zoning Ordinance. _____

f. That the variance if granted is the minimum variance that will afford relief and is the least modification possible of the Zoning Ordinance provisions which are in question. _____

CITY RECEIVED
CITY OF BASEHOR

The City of Basehor

Date: June 28, 2012

To: Basehor Mayor & City Council

From: Lloyd Martley, Interim City Administrator

Re: Leavenworth County Sewer District No. 3 (LCSD#3) Annexation Follow Up

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Background:
On December 19, 2011, the Basehor City Council voted unanimously, 5-0 to readdress the possibility of Leavenworth County Sewer District #3 annexation in the summer of 2012.

The City of Basehor lowered LCSD#3's sewer rate from 150% (the rate set by Ordinance that is charged to those residences/businesses outside of the City who are connected to the City's waste water treatment system) to the in-city rate under the pretense the District would consent to voluntary annexation.

Staff Recommendation:
Discuss Leavenworth County Sewer District No. 3 annexation.

Action Requested of Council:
Discuss Leavenworth County Sewer District No. 3 annexation.

City of Basehor

Agenda Item Cover Sheet

Topic: Discuss Kansas Department of Transportation (KDOT) Agreement No. 112-12 and No. 113-12.

Action Requested: Consider Agreement No. 112-12 and No. 113-12.

Narrative:
September 19, 2011, the City Council selected four projects to submit to the 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).

Agreement No. 112-12 and No. 113-12 will authorize 158th Street (US 24/40 to Wolf Creek Parkway) and 155th Street (US 24/40 to Wolf Creek Parkway) projects. The agreements will secure $1,078,000 in construction funding.

Presented by: Mitch Pleak, City Engineer

Administration Recommendation:
Staff recommends approving Agreement No. 112-12 and No. 113-12.

Committee Recommendation:

Attachments:
6.25.12 Memo (2 pages)
6.15.12 KDOT Authorization of 155th Street (US 24/40 to Wolf Creek Parkway) KDOT Project Selections (1 page)
6.15.12 KDOT Authorization of 158th Street (US 24/40 to Wolf Creek Parkway) KDOT Project Selections (1 page)
Agreement No. 112-12 (11 pages)
Agreement No. 113-12 (11 pages)

Projector needed for this item? No

Memorandum

To: Mr. Mayor and City Council

CC: Chief Lloyd Martley

From: Mitch Pleak

Date: 6.25.12

Re: Discuss Kansas Department of Transportation Agreement No. 112-12 and No. 113-12.

September 19, 2011, the City Council selected four projects to submit to 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 Supplemental No. 1 to Agreement No. 92-11 that increased the City's reimbursement from $1 million to $1.2 million regarding the Wolf Creek Parkway Project (KDOT Project Number 24-52 KA-2277-01). The City Council also approved the combination of Wolf Creek Parkway (158th Street to 155th Street), 158th Street (US 24/40 to Wolf Creek Parkway), and 155th Street (US 24/40 to Wolf Creek Parkway) construction projects due to the cost savings.

May 21, 2012, the City Council approved a contract with Affinis Corp. to perform design services for 158th Street (US 24/40 to Wolf Creek Parkway) and 155th Street (US 24/40 to Wolf Creek Parkway).

Per Agreement No. 112-12 and No. 113-12, KDOT will fund $1,078,000 for the 158th Street (US 24/40 to Wolf Creek Parkway) and 155th Street (US 24/40 to Wolf Creek Parkway) projects. The table below represents total estimated costs for Wolf Creek Parkway, 155th Street, and 158th Street as one project.

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

Staff recommends approving Agreement No. 112-12 and No. 113-12.

Dwight D. Eisenhower State Office Building
700 S.W. Harrison Street
Topeka, KS 66603-3745
Mike King, Secretary
Dennis R Slimmer, P.E., Chief

Kansas
Department of Transportation
Bureau of Transportation Planning

Phone: 785-296-3841
Fax: 785-296-0963
Hearing Impaired - 711
publicinfo@ksdot.org
http://www.ksdot.org
Sam Brownback, Governor

June 15, 2012

Mr. Mitch Pleak, P.E., City Engineer
City of Basehor
2620 N 155th St
PO Box 406
Basehor, KS 66007

Dear Mr. Pleak,

"The Construction Project Authorization" (DOT Form 883) for the following project was signed by the Deputy Secretary and State Transportation Engineer on May 23, 2012:

24-52 KA-2818-01 – Construct turn lanes and median on 155th from US-24 to Wolf Creek Parkway

Please note the project number given to this project. This project number should be included in all project related correspondence with KDOT.

Thank you for your participation in the Access Management Program. Please feel free to call me at 785.296.1140 if you have any questions or are in need of assistance.

Sincerely,

Brandy Sutherland, PE
Associate Access Management Engineer

c: Clay Adams P.E., District One Engineer
Jim Pickett P.E., Area Three Engineer

Dwight D. Eisenhower State Office Building
700 S.W. Harrison Street
Topeka, KS 66603-3745
Mike King, Secretary
Dennis R Slimmer, P.E., Chief

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Sam Brownback, Governor

June 15, 2012

Mr. Mitch Pleak, P.E., City Engineer
City of Basehor
2620 N 155th St
PO Box 406
Basehor, KS 66007

Dear Mr. Pleak,

"The Construction Project Authorization" (DOT Form 883) for the following project was signed by the Deputy Secretary and State Transportation Engineer on June 6, 2012:

24-52 KA-2819-01 – Construct turn lanes on 158th from US-24 to Wolf Creek Parkway

Please note the project number given to this project. This project number should be included in all project related correspondence with KDOT.

Thank you for your participation in the Access Management Program. Please feel free to call me at 785.296.1140 if you have any questions or are in need of assistance.

Sincerely,

Brandy Sutherland, PE
Associate Access Management Engineer

c: Clay Adams P.E., District One Engineer
Jim Pickett P.E., Area Three Engineer

PROJECT NO. 24-52 KA-2818-01
CONSTRUCTION
CITY OF BASEHOR, KANSAS

AGREEMENT

PARTIES: **MICHAEL S. KING, Secretary of Transportation**, Kansas Department of Transportation (KDOT), hereinafter referred to as the "Secretary," and

The City of Basehor, Kansas, hereinafter referred to as the "City,"

Collectively referred to as the "Parties."

PURPOSE: The Secretary has authorized a Non-National Highway System city street construction project, hereinafter referred to as the "Project." The Secretary and the City are empowered by the laws of Kansas to enter into agreements for the construction and maintenance of city streets. The City desires to construct a median on 155th Street at US-24 and widen 155th Street from US-24 to Wolf Creek Parkway. Cities are, under certain circumstances, entitled to receive assistance in the financing of the construction and reconstruction of streets and state highways. However, to be eligible for above mentioned financing, such work is required to be done in accordance with the laws of Kansas.

PROJECT: The Secretary and the City desire to enter into this Agreement for construction of the Project, which is described as follows:

Intersection improvements at US-24/40 & 155th Street to construct a 36-foot roadway section 800 feet in length including pavement markings, asphalt pavement, curb & gutter, sidewalks, enclosed drainage system, pedestrian infrastructure and median.

EFFECTIVE DATE: The Parties, in consideration of the premises and to secure the approval and construction of the Project, mutually agree to perform in accordance with this Agreement on the _____ day of _____, 20___.

ARTICLE I

THE SECRETARY AGREES:

1. To reimburse the City for one-hundred percent (100%) of the total actual costs of construction (which includes the costs of all construction contingency items), up to $620,000. The Secretary shall not be responsible for any construction (which includes the costs of all construction contingency items) costs that exceed $620,000. The Secretary agrees to make partial payments to the City for amounts not less than $1,000 and no more frequently than

monthly. Such payments will be made after receipt of proper billing and approval by a professional engineer licensed in the State of Kansas and employed by the City that the Project is being constructed within substantial compliance of the plans and specifications. The Secretary shall not be responsible for the total actual costs of preliminary engineering, right of way acquisition, utility adjustments and construction engineering for the Project.

ARTICLE II

THE CITY AGREES:

1. To make or contract to have made design plans, specifications, estimates, surveys, and any necessary studies or investigations, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project, to let the contract, to construct the Project in accordance with the design plans, specifications, and the City's approved KDOT Project Procedures Manual, supervise the construction and administer the payments due the contractor, including the portion of cost borne by the Secretary. The City agrees to furnish the Secretary one (1) set of plans for his or her records. The City further agrees the specifications will require the contractor to provide a performance bond in a sum not less than the amount of the contract as awarded.

2. To design the Project or contract to have the Project designed in conformity with the state and federal design criteria appropriate for the Project in accordance with the current Local Projects LPA Project Development Manual, Bureau of Local Project's (BLP) project memorandums, memos, the current KDOT Design Manual, Geotechnical Bridge Foundation Investigation Guidelines, Bureau of Design's road memorandums, the current version of the KDOT Standard Specifications for State Road and Bridge Construction with Special Provisions, and with any necessary Project Special Provisions, and A Policy on Geometric Design of Highways and Streets of the American Association of State Highway and Transportation Officials Policy, the KDOT Corridor Management Policy, and the latest version, as adopted by the Secretary, of the Manual on Unified Traffic Control Devices (MUTCD), as applicable.

3. Upon completion thereof, the design plans, specifications, estimates, surveys, and any necessary studies or investigations, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project shall be submitted to the Secretary by a professional engineer licensed in the State of Kansas attesting to the conformity of the design plans with the items in paragraph 2 above. Contracts between the City and any consultant retained by them to perform any of the services described or referenced in this paragraph for the Project covered by this Agreement shall contain language requiring conformity with paragraph 2 above. In addition, any contract between the City and any consultant retained by them to do the design for the Project covered by this Agreement shall also contain the following:

a. Language requiring completion of all plan development stages no later than the current Project schedule's due dates as issued by KDOT, exclusive of delays beyond the consultant's control.

b. Language requiring the consultant to submit to the City (and to the

Secretary upon request) progress reports at monthly or at mutually agreed intervals in conformity with the official Project schedule.

c. Language making the Secretary of Transportation of the State of Kansas a third party beneficiary in the agreement between the City and the consultant. Such language shall read:

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.

4. The City and any consultant retained by the City shall have the sole responsibility for the adequacy and accuracy of design plans, specifications, estimates, and necessary surveys, investigations or studies, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project. Any review of these items performed by the Secretary or his or her representatives is not intended to and shall not be construed to be an undertaking of the City's and its consultant's duty to provide adequate and accurate design plans, specifications, estimates, and necessary surveys, investigations or studies, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project. Such reviews are not done for the benefit of the consultant, the construction contractor, the City, or other political subdivision, nor the traveling public. The Secretary makes no representation, express or implied warranty to any person or entity concerning the adequacy or accuracy of the design plans, specifications, estimates, and necessary surveys, investigations or studies, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project, or any other work performed by the consultant or the City.

5. A duly appointed representative of the City is authorized to sign for the City any or all routine reports as may be required or requested by the Secretary in the completion of the Project undertaken under this Agreement. The design plans must be signed and sealed by the professional engineer licensed in the State of Kansas who is responsible for preparation of the design plans. Geological investigations or studies must be signed and sealed by either a licensed geologist or licensed professional engineer in accordance with K.S.A. 74-7042, who is responsible for the preparation of the geological investigations or studies. Right of way descriptions must be signed and sealed by a licensed land surveyor responsible for the preparation of the right of way descriptions.

6. It will, in its own name as provided by law, acquire by purchase, dedication or condemnation all of the right of way, easements and access rights shown on the final design plans in accordance with the schedule established by KDOT. The City agrees the necessary rights of way, easements, and access rights shall be acquired in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended by the Surface Transportation and Uniform Relocation Assistance Act of 1987, and administrative regulations contained in 49 C.F.R. pt. 24, entitled Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs. The City shall certify to the Secretary, on forms provided by the Bureau of Local Projects, such right of way, easements and access rights have been acquired. The City further agrees they will have recorded in the Office of the Register of Deeds all right of way deeds, dedications, permanent easements and temporary easements.

7. To contact the Secretary if there will be any displaced persons on the Project prior to making the offer for the property. The Parties mutually agree the Secretary will provide relocation assistance for eligible persons as defined in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended by the Surface Transportation and Uniform Relocation Assistance Act of 1987, and as provided in 49 C.F.R. pt. 24, entitled Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs, and in general accordance with K.S.A. 58-3501 to 58-3507, inclusive and Kansas Administrative Regulations 36-16-1 *et seq.*

8. To provide all legal descriptions required for right of way acquisition work. The City further agrees to acquire right of way in accordance with the laws and with procedures established by the Bureau of Right of Way and the Office of Chief Counsel of the KDOT. The City agrees copies of all documents including recommendations and coordination for appeal, bills, contracts, journal entries, case files or documentation requested by the Office of Chief Counsel will be sent to the Office of Chief Counsel within the time limits set by the Secretary.

9. If federal funds are used in the acquisition of the right of way, any disposal of or change in the use of right of way or in the access after Project construction will require prior written approval by the Secretary.

10. It will move or adjust, or cause to be moved or adjusted, and will be responsible for such removal or adjustment of all existing structures, pole lines, pipe lines, meters, manholes, and other utilities, publicly or privately owned, which may be necessary to construct the Project in accordance with the final design plans. New or existing utilities to be installed, moved or adjusted will be located or relocated in accordance with the current version of the KDOT Utility Accommodation Policy (UAP), as amended or supplemented.

Except as provided by state and federal laws, the expense of the removal or adjustment of the utilities located on public right of way shall be borne by the owners. The expense of the removal or adjustment of privately owned utilities located on private right of way or easement shall be borne by the City except as provided by state and federal laws.

11. It will expeditiously take such steps as are necessary to facilitate the early adjustment of utilities, will initiate the removal or adjustment of the utilities, and will proceed with reasonable diligence to prosecute this work to completion. The City further agrees to move or adjust or cause to be moved or adjusted all necessary utilities sixty (60) days prior to the scheduled construction letting except those necessary to be adjusted during construction and those which would disturb the existing street surface. The City further agrees to certify to the Secretary on forms supplied by the Secretary all utilities are required to be moved prior to construction have either been moved or a date provided by the City as to when, prior to construction, they will be moved. The City will initiate and proceed to complete adjusting the remaining utilities not required to be moved during construction in order to ensure the contractor shall not be delayed in construction of the Project. The City will indemnify, hold harmless, and save the Secretary and the construction contractor for damages incurred by the Secretary and construction contractor because identified utilities have not been moved or adjusted timely or accurately.

12. To certify to the Secretary all privately owned utilities occupying public right of way required for the construction of the Project are permitted thereon by franchise, ordinance, agreement or permit and the instrument shall include a statement as to which Party will bear the cost of future adjustments or relocations required as a result of street or highway improvements.

13. It shall determine the manner in which traffic is to be handled during construction in accordance with the latest version, as adopted by the Secretary, of the Manual on Uniform Traffic Control Devices (MUTCD).

14. To let the contract for the Project and shall award the contract to the lowest responsible bidder upon concurrence in the award by the Secretary. The City further agrees to administer the construction of the Project in accordance with the final design plans, the current Local Projects LPA Project Development Manual, Bureau of Local Project's (BLP) project memorandums, memos, the current KDOT Design Manual, Geotechnical Bridge Foundation Investigation Guidelines, Bureau of Design's road memorandums, the current version of the KDOT Standard Specifications for State Road and Bridge Construction with Special Provisions, and with any necessary Project Special Provisions, and A Policy on Geometric Design of Highways and Streets of the American Association of State Highway and Transportation Officials Policy, the KDOT Corridor Management Policy, and the latest version, as adopted by the Secretary, of the Manual on Unified Traffic Control Devices (MUTCD), as applicable, and administer the payments due the contractor, including the portion of the cost borne by the Secretary and the City.

15. To the extent permitted by law and subject to the maximum liability provisions of the Kansas Tort Claims Act, the City will defend, indemnify, hold harmless, and save the Secretary and his or her authorized representatives from any and all costs, liabilities, expenses, suits, judgments, damages to persons or property or claims of any nature whatsoever arising out of or in connection with the provisions or performance of this Agreement by the City, the City 's employees, agents, or subcontractors. The City shall not be required to defend, indemnify, hold harmless, and save the Secretary for negligent acts or omissions of the Secretary or his or her authorized representatives or employees.

16. To require the contractor to indemnify, hold harmless, and save the Secretary and the City from personal injury and property damage claims arising out of the act or omission of the contractor, the contractor's agent, subcontractors (at any tier), or suppliers (at any tier). If the Secretary or the City defends a third party's claim, the contractor shall indemnify the Secretary and the City for damages paid to the third party and all related expenses either the Secretary or the City or both incur in defending the claim.

17. To provide (or have provided by a consultant who is certified in construction inspection areas applicable to this Project) the construction inspection in accordance the current Local Projects LPA Project Development Manual, Bureau of Local Project's (BLP) project memorandums, memos, the current KDOT Design Manual, Geotechnical Bridge Foundation Investigation Guidelines, Bureau of Design's road memorandums, the current version of the KDOT Standard Specifications for State Road and Bridge Construction with Special Provisions, and with any necessary Project Special Provisions, and A Policy on Geometric Design of Highways and Streets of the American Association of State Highway and Transportation Officials Policy, the KDOT Corridor Management Policy, and the latest version, as adopted by the Secretary, of the Manual on Unified Traffic Control Devices (MUTCD), as applicable.

The project plans, specifications, special provisions, Construction Contract Proposal (as available), the Project Procedures Manuals, the agreement estimate for construction engineering services (if applicable) and other Special Attachments (Index provides List of Special Attachments) are all essential documents of this Agreement and are hereby incorporated by reference into this Agreement and are a part thereof.

If the City does not have sufficient qualified engineering employees to accomplish the construction engineering inspection services on this Project, it may engage the professional services of a qualified consulting engineering firm to do the necessary construction engineering inspection services. However, any consultant retained must represent it is in good standing and full compliance with the statutes of the State of Kansas for registration of professional engineers, the Federal Highway Administration and all Federal agencies, provide personnel who are fully qualified to perform the services in a competent and professional manner, and provide the Secretary with a list of assigned inspectors and their certifications. The City may provide personnel who are fully qualified to perform the services in a competent and professional manner, but must provide the Secretary with a list of assigned inspectors and their certifications.

If funding is available and the City elects to use the funds for construction engineering inspection services on this Project, another agreement shall be specifically written for the construction engineering inspection services on this Project.

The City will require at a minimum all personnel, whether City or consultant to comply with the high visibility apparel requirements of the *KDOT Safety Manual*, Chapter 4, Section 8 Fluorescent Vests. If the City executes an agreement for inspection, the agreement shall contain this requirement as a minimum. The City may set additional clothing requirements for adequate visibility of personnel.

18. To be responsible for one hundred percent (100%) of the construction (which includes the costs of all construction contingency items) costs exceeding $ 620,000. The City further agrees to be responsible for one hundred percent (100%) of the total actual costs for preliminary engineering, right of way acquisition, utility adjustments, and construction engineering for the Project.

19. To be responsible for one hundred percent (100%) of any Project costs incurred by the City for the Project prior to the funding for the Project being authorized, obligated, and approved by the Secretary.

20. To adopt an ordinance requiring the removal of all encroachments either on or above the limits of the right of way shown on the final design plans for this Project, and it will initiate and proceed with diligence to remove or require the removal of the encroachments. It is further agreed all such encroachments be removed before the Project is advertised for letting (provided, however, if the Secretary is satisfied, with respect to any encroachment, the physical removal thereof has been fully provided for between the City and the owner thereof and will be accomplished within a time sufficiently short to present no hindrance or delay to the construction of the Project, the Secretary may cause the Project to be advertised for letting before such encroachment is fully removed). The City further agrees it will not in the future permit the erection of gas and fuel dispensing pumps upon the right of way of the Project and will require any gas and fuel dispensing pumps erected, moved or installed along the Project be placed no less than twelve (12) feet back of the right of way line. All right of way provided for the Project shall be used solely for public street purposes and no signs, posters, billboards, roadside stands, fences, structures or other private installations shall be permitted within the right of way limits except as provided by state and federal laws.

21. To adopt all necessary ordinances and/or resolutions and to take such legal steps as may be required to give full effect to the terms of this Agreement.

22. To locate and be responsible for all costs necessary to remedy or clean up any hazardous waste site, including, but not limited to, leaking underground storage tanks discovered on right of way, easements and access rights acquired by the City. The City shall be responsible to the Secretary for all damages, fines or penalties, expenses, claims and costs incurred by the Secretary from any hazardous waste site discovered on right of way, easements and access rights acquired by the City prior to commencement of construction of the Project. The City shall take appropriate action to contain or remediate any identified hazardous waste site within the Project limits prior to letting of the Project. The City will investigate any and all hazardous waste sites discovered during construction of the Project on City owned land within the Project boundary and shall take appropriate action to contain or remediate such hazardous waste sites.

For any hazardous waste site, including, but not limited to, leaking underground storage tanks, the City shall hold harmless, defend and indemnify the Secretary, its agents and employees against and from all damages, expenses and costs incurred by any person, the State of Kansas, or the United States Government for determining and undertaking remedial action, any

fines or penalties assessed under state or federal laws, contract claims, personal injury claims, and damage of or loss of natural resources.

It is specifically agreed between the Parties executing this Agreement any provision of this hazardous waste clause is not intended to make the public, or any member thereof, a third party beneficiary hereunder, or to authorize anyone not a party of this Agreement to maintain a suit for personal injuries, property damages, or hazardous waste claims. The duties, obligations and responsibilities of the Parties to this Agreement with respect to third Parties shall remain as imposed by law.

The City, by signing this Agreement with the Secretary has not repudiated, abandoned, surrendered, waived or forfeited its right to bring any action, seek indemnification or seek any other form of recovery or remedy against any third party responsible for any hazardous waste on any right of way, easements, and access rights acquired by the City. The City reserves the right to bring any action against any third party for any hazardous waste site on any right of way, easements, and access rights acquired by the City.

The term hazardous waste includes, but is not limited to, any substance which meets the test of hazardous waste characteristics by exhibiting flammability, corrosivity, or reactivity, or which is defined by state and federal laws and regulations, and any pollutant or contaminant which may present an imminent and substantial danger to the public health or welfare. Any hazardous waste as defined by state and federal laws and regulations and amendments occurring after November 11, 1991, are incorporated by reference and include but not limited to: (1) 40 C.F.R. § 261 *et seq.*, Hazardous Waste Management System; Identification and Listing of Hazardous Waste; Toxicity Characteristics Revisions; Final Rule; (2) 40 C.F.R. § 280 *et seq.*, Underground Storage Tanks; Technical Requirements and State Program Approval; Final Rules; (3) 40 C.F.R. § 300, National Oil and Hazardous Substances Pollution Contingency Plan; Final Rule; and (4) K.S.A. 1990 Supp. 65-3431 *et seq.*, Hazardous Waste.

The standards to establish cleanup of a hazardous waste site include, but is not limited to, federal programs administered by the E.P.A., State of Kansas environmental laws and regulations, and City and County standards where the hazardous waste site is located.

23. To prohibit parking of vehicles on the city connecting link and on the acceleration and deceleration lanes of all connecting streets and highways and on additional portions of the connecting streets and highways the Secretary may deem necessary to permit free flowing traffic throughout the length of the improvement covered by this Agreement.

24. The arterial characteristics inherent in the Project require uniformity in information and regulations to the end that traffic may safely and expeditiously be served and shall adopt and enforce such rules and regulations governing traffic movements as may be deemed necessary or desirable by the Secretary.

25. To maintain the control of access rights and to prohibit the construction or use of any entrances or access points along the Project within the City other than those shown on the

final design plans, and in accordance with the KDOT Corridor Management Policy, unless prior approval is obtained from the Secretary.

26. To control the construction or use of any entrances along the Project within the City including those shown on the final design plans.

27. The location, form and character of informational, regulatory and warning signs, of traffic signals and of curb and pavement or other markings installed or placed by any public authority, or other agency as authorized by K.S.A. 8-2005, shall conform to the manual and specifications adopted under K.S.A. 8-2003, and any amendments thereto are incorporated by reference and shall be subject to the approval of the Secretary.

28. To participate and cooperate with the Secretary in an annual audit of the Project. The City shall make its records and books available to representatives of the Secretary for audit for a period of five (5) years after date of final payment under this Agreement. If any such audits reveal payments have been made with state funds by the City for items considered non-participating, the City shall promptly reimburse the Secretary for such items upon notification by the Secretary.

29. Upon request by the Secretary, to provide the Secretary an accounting of all actual non-participating costs which are paid directly by the City to any party outside of the KDOT and all costs incurred by the City not to be reimbursed by the KDOT for preliminary engineering, right of way, utility adjustments, construction, and construction engineering work phases, or any other major expense associated with the Project. This will enable the Secretary to report all costs of the Project to the legislature.

30. When the Project is completed and final acceptance is issued, it will, at its own cost and expense, maintain the Project, and will make ample provision each year for such maintenance. Upon notification by the State Transportation Engineer of any unsatisfactory maintenance condition, the City will begin the necessary repairs within thirty (30) days and will prosecute the work continuously until it is satisfactorily completed.

31. If it cancels the Project, it will reimburse the Secretary for any costs incurred by the Secretary prior to the cancellation of the Project. The City agrees to reimburse the Secretary within thirty (30) days after receipt by the City of the Secretary's statement of the cost incurred by the Secretary prior to the cancellation of the Project.

ARTICLE III

THE PARTIES MUTUTALLY AGREE:

1. Plans for handling traffic during construction must be included in the design plans provided by the City and must be in conformity with the latest version, as adopted by the Secretary, of the Manual on Uniform Traffic Control Devices (MUTCD). Detour routes and road closings, if necessary, shall be noted on the design plans.

2. The final design plans for the Project are by reference made a part of this Agreement.

3. If any items are found to be non-participating by the Secretary, acting on his or her own behalf or on behalf of the Federal Highway Administration, the total cost of these items will be paid for by the City.

4. Representatives of the Secretary may make periodic inspection of the Project and the records of the City as may be deemed necessary or desirable. The City will direct or cause its contractor to accomplish any corrective action or work required by the Secretary's representative as needed for a determination of federal participation. The Secretary does not undertake (for the benefit of the City, the contractor, the consultant, or any third party) the duty to perform the day-to-day detailed inspection of the Project, or to catch the contractor's errors, omissions, or deviations from the final design plans and specifications.

5. To participate and cooperate with the Secretary in an annual audit of the Project. The City shall make its records and books available to representatives of the Secretary for audit for a period of five (5) years after the date of final payment under this Agreement. If any such audits reveal payments have been made with state funds by the City for items considered non-participating, the City shall promptly reimburse the Secretary for such items upon notification by the Secretary.

6. The City agrees to comply with all appropriate state and federal laws and regulations for this Project.

7. The Special Attachment No. 1 attached hereto, pertaining to the implementation of the Civil Rights Act of 1964, is hereby made a part of this Agreement.

8. This Agreement and all contracts entered into under the provisions of this Agreement shall be binding upon the Secretary, the City, and their successors in office.

9. No third party beneficiaries are intended to be created by this Agreement, nor do the Parties herein authorize anyone not a Party to this Agreement to maintain a suit for damages pursuant to the terms of provisions of this Agreement.

10. The Provisions found in Contractual Provisions Attachment (Form DA-146a) which is attached hereto, are hereby incorporated in this contract and made a part thereof.

The signature page immediately follows this paragraph.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be signed by their duly authorized officers on the day and year first above written.

ATTEST:

THE CITY OF BASEHOR, KANSAS

_____
CITY CLERK

_____
MAYOR

Kansas Dept of Transportation
Michael S. King, Secretary of Transportation

(SEAL)

BY:_____
Jerome T. Younger, P.E.
Deputy Secretary and
State Transportation Engineer

PROJECT NO. 24-52 KA-2819-01
CONSTRUCTION
CITY OF BASEHOR, KANSAS

AGREEMENT

PARTIES: **MICHAEL S. KING, Secretary of Transportation**, Kansas Department of Transportation (KDOT), hereinafter referred to as the "Secretary," and

The City of Basehor, Kansas, hereinafter referred to as the "City,"

Collectively referred to as the "Parties."

PURPOSE: The Secretary has authorized a Non-National Highway System city street construction project, hereinafter referred to as the "Project." The Secretary and the City are empowered by the laws of Kansas to enter into agreements for the construction and maintenance of city streets. The City desires to widen 158th Street from US-24 to Wolf Creek Parkway. Cities are, under certain circumstances, entitled to receive assistance in the financing of the construction and reconstruction of streets and state highways. However, to be eligible for above mentioned financing, such work is required to be done in accordance with the laws of Kansas.

PROJECT: The Secretary and the City desire to enter into this Agreement for construction of the Project, which is described as follows:

Intersection improvements at US-24/40 & 158th Street to construct a 36-foot roadway section 750 feet in length including pavement markings, asphalt pavement, curb & gutter, sidewalks, enclosed drainage system and pedestrian infrastructure.

EFFECTIVE DATE: The Parties, in consideration of the premises and to secure the approval and construction of the Project, mutually agree to perform in accordance with this Agreement on the _____ day of _____, 20__.

ARTICLE I

THE SECRETARY AGREES:

1. To reimburse the City for one-hundred percent (100%) of the total actual costs of construction (which includes the costs of all construction contingency items), up to $458,000. The Secretary shall not be responsible for any construction (which includes the costs of all construction contingency items) costs that exceed $458,000. The Secretary agrees to make partial payments to the City for amounts not less than $1,000 and no more frequently than

monthly. Such payments will be made after receipt of proper billing and approval by a professional engineer licensed in the State of Kansas and employed by the City that the Project is being constructed within substantial compliance of the plans and specifications. The Secretary shall not be responsible for the total actual costs of preliminary engineering, right of way acquisition, utility adjustments and construction engineering for the Project.

ARTICLE II

THE CITY AGREES:

1. To make or contract to have made design plans, specifications, estimates, surveys, and any necessary studies or investigations, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project, to let the contract, to construct the Project in accordance with the design plans, specifications, and the City's approved KDOT Project Procedures Manual, supervise the construction and administer the payments due the contractor, including the portion of cost borne by the Secretary. The City agrees to furnish the Secretary one (1) set of plans for his or her records. The City further agrees the specifications will require the contractor to provide a performance bond in a sum not less than the amount of the contract as awarded.

2. To design the Project or contract to have the Project designed in conformity with the state and federal design criteria appropriate for the Project in accordance with the current Local Projects LPA Project Development Manual, Bureau of Local Project's (BLP) project memorandums, memos, the current KDOT Design Manual, Geotechnical Bridge Foundation Investigation Guidelines, Bureau of Design's road memorandums, the current version of the KDOT Standard Specifications for State Road and Bridge Construction with Special Provisions, and with any necessary Project Special Provisions, and A Policy on Geometric Design of Highways and Streets of the American Association of State Highway and Transportation Officials Policy, the KDOT Corridor Management Policy, and the latest version, as adopted by the Secretary, of the Manual on Unified Traffic Control Devices (MUTCD), as applicable.

3. Upon completion thereof, the design plans, specifications, estimates, surveys, and any necessary studies or investigations, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project shall be submitted to the Secretary by a professional engineer licensed in the State of Kansas attesting to the conformity of the design plans with the items in paragraph 2 above. Contracts between the City and any consultant retained by them to perform any of the services described or referenced in this paragraph for the Project covered by this Agreement shall contain language requiring conformity with paragraph 2 above. In addition, any contract between the City and any consultant retained by them to do the design for the Project covered by this Agreement shall also contain the following:

   a. Language requiring completion of all plan development stages no later than the current Project schedule's due dates as issued by KDOT, exclusive of delays beyond the consultant's control.

b. Language requiring the consultant to submit to the City (and to the Secretary upon request) progress reports at monthly or at mutually agreed intervals in conformity with the official Project schedule.

c. Language making the Secretary of Transportation of the State of Kansas a third party beneficiary in the agreement between the City and the consultant. Such language shall read:

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.

4. The City and any consultant retained by the City shall have the sole responsibility for the adequacy and accuracy of design plans, specifications, estimates, and necessary surveys, investigations or studies, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project. Any review of these items performed by the Secretary or his or her representatives is not intended to and shall not be construed to be an undertaking of the City's and its consultant's duty to provide adequate and accurate design plans, specifications, estimates, and necessary surveys, investigations or studies, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project. Such reviews are not done for the benefit of the consultant, the construction contractor, the City, or other political subdivision, nor the traveling public. The Secretary makes no representation, express or implied warranty to any person or entity concerning the adequacy or accuracy of the design plans, specifications, estimates, and necessary surveys, investigations or studies, including, but not limited to, environmental, hydraulic, and geological investigations or studies for the Project, or any other work performed by the consultant or the City.

5. A duly appointed representative of the City is authorized to sign for the City any or all routine reports as may be required or requested by the Secretary in the completion of the Project undertaken under this Agreement. The design plans must be signed and sealed by the professional engineer licensed in the State of Kansas who is responsible for preparation of the design plans. Geological investigations or studies must be signed and sealed by either a licensed geologist or licensed professional engineer in accordance with K.S.A. 74-7042, who is responsible for the preparation of the geological investigations or studies. Right of way descriptions must be signed and sealed by a licensed land surveyor responsible for the preparation of the right of way descriptions.

6. It will, in its own name as provided by law, acquire by purchase, dedication or condemnation all of the right of way, easements and access rights shown on the final design plans in accordance with the schedule established by KDOT. The City agrees the necessary rights of way, easements, and access rights shall be acquired in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended by the Surface Transportation and Uniform Relocation Assistance Act of 1987, and administrative regulations contained in 49 C.F.R. pt. 24, entitled Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs. The City shall certify to the Secretary, on forms provided by the Bureau of Local Projects, such right of way, easements and access rights have been acquired. The City further agrees they will have recorded in the Office of the Register of Deeds all right of way deeds, dedications, permanent easements and temporary easements.

7. To contact the Secretary if there will be any displaced persons on the Project prior to making the offer for the property. The Parties mutually agree the Secretary will provide relocation assistance for eligible persons as defined in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended by the Surface Transportation and Uniform Relocation Assistance Act of 1987, and as provided in 49 C.F.R. pt. 24, entitled Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs, and in general accordance with K.S.A. 58-3501 to 58-3507, inclusive and Kansas Administrative Regulations 36-16-1 *et seq.*

8. To provide all legal descriptions required for right of way acquisition work. The City further agrees to acquire right of way in accordance with the laws and with procedures established by the Bureau of Right of Way and the Office of Chief Counsel of the KDOT. The City agrees copies of all documents including recommendations and coordination for appeal, bills, contracts, journal entries, case files or documentation requested by the Office of Chief Counsel will be sent to the Office of Chief Counsel within the time limits set by the Secretary.

9. If federal funds are used in the acquisition of the right of way, any disposal of or change in the use of right of way or in the access after Project construction will require prior written approval by the Secretary.

10. It will move or adjust, or cause to be moved or adjusted, and will be responsible for such removal or adjustment of all existing structures, pole lines, pipe lines, meters, manholes, and other utilities, publicly or privately owned, which may be necessary to construct the Project in accordance with the final design plans. New or existing utilities to be installed, moved or adjusted will be located or relocated in accordance with the current version of the KDOT Utility Accommodation Policy (UAP), as amended or supplemented.

Except as provided by state and federal laws, the expense of the removal or adjustment of the utilities located on public right of way shall be borne by the owners. The expense of the removal or adjustment of privately owned utilities located on private right of way or easement shall be borne by the City except as provided by state and federal laws.

11. It will expeditiously take such steps as are necessary to facilitate the early adjustment of utilities, will initiate the removal or adjustment of the utilities, and will proceed with reasonable diligence to prosecute this work to completion. The City further agrees to move or adjust or cause to be moved or adjusted all necessary utilities sixty (60) days prior to the scheduled construction letting except those necessary to be adjusted during construction and those which would disturb the existing street surface. The City further agrees to certify to the Secretary on forms supplied by the Secretary all utilities are required to be moved prior to construction have either been moved or a date provided by the City as to when, prior to construction, they will be moved. The City will initiate and proceed to complete adjusting the remaining utilities not required to be moved during construction in order to ensure the contractor shall not be delayed in construction of the Project. The City will indemnify, hold harmless, and save the Secretary and the construction contractor for damages incurred by the Secretary and construction contractor because identified utilities have not been moved or adjusted timely or accurately.

12. To certify to the Secretary all privately owned utilities occupying public right of way required for the construction of the Project are permitted thereon by franchise, ordinance, agreement or permit and the instrument shall include a statement as to which Party will bear the cost of future adjustments or relocations required as a result of street or highway improvements.

13. It shall determine the manner in which traffic is to be handled during construction in accordance with the latest version, as adopted by the Secretary, of the Manual on Uniform Traffic Control Devices (MUTCD).

14. To let the contract for the Project and shall award the contract to the lowest responsible bidder upon concurrence in the award by the Secretary. The City further agrees to administer the construction of the Project in accordance with the final design plans, the current Local Projects LPA Project Development Manual, Bureau of Local Project's (BLP) project memorandums, memos, the current KDOT Design Manual, Geotechnical Bridge Foundation Investigation Guidelines, Bureau of Design's road memorandums, the current version of the KDOT Standard Specifications for State Road and Bridge Construction with Special Provisions, and with any necessary Project Special Provisions, and A Policy on Geometric Design of Highways and Streets of the American Association of State Highway and Transportation Officials Policy, the KDOT Corridor Management Policy, and the latest version, as adopted by the Secretary, of the Manual on Unified Traffic Control Devices (MUTCD), as applicable, and administer the payments due the contractor, including the portion of the cost borne by the Secretary and the City.

15. To the extent permitted by law and subject to the maximum liability provisions of the Kansas Tort Claims Act, the City will defend, indemnify, hold harmless, and save the Secretary and his or her authorized representatives from any and all costs, liabilities, expenses, suits, judgments, damages to persons or property or claims of any nature whatsoever arising out of or in connection with the provisions or performance of this Agreement by the City, the City 's employees, agents, or subcontractors. The City shall not be required to defend, indemnify, hold harmless, and save the Secretary for negligent acts or omissions of the Secretary or his or her authorized representatives or employees.

16. To require the contractor to indemnify, hold harmless, and save the Secretary and the City from personal injury and property damage claims arising out of the act or omission of the contractor, the contractor's agent, subcontractors (at any tier), or suppliers (at any tier). If the Secretary or the City defends a third party's claim, the contractor shall indemnify the Secretary and the City for damages paid to the third party and all related expenses either the Secretary or the City or both incur in defending the claim.

17. To provide (or have provided by a consultant who is certified in construction inspection areas applicable to this Project) the construction inspection in accordance the current Local Projects LPA Project Development Manual, Bureau of Local Project's (BLP) project memorandums, memos, the current KDOT Design Manual, Geotechnical Bridge Foundation Investigation Guidelines, Bureau of Design's road memorandums, the current version of the KDOT Standard Specifications for State Road and Bridge Construction with Special Provisions, and with any necessary Project Special Provisions, and A Policy on Geometric Design of Highways and Streets of the American Association of State Highway and Transportation Officials Policy, the KDOT Corridor Management Policy, and the latest version, as adopted by the Secretary, of the Manual on Unified Traffic Control Devices (MUTCD), as applicable.

The project plans, specifications, special provisions, Construction Contract Proposal (as available), the Project Procedures Manuals, the agreement estimate for construction engineering services (if applicable) and other Special Attachments (Index provides List of Special Attachments) are all essential documents of this Agreement and are hereby incorporated by reference into this Agreement and are a part thereof.

If the City does not have sufficient qualified engineering employees to accomplish the construction engineering inspection services on this Project, it may engage the professional services of a qualified consulting engineering firm to do the necessary construction engineering inspection services. However, any consultant retained must represent it is in good standing and full compliance with the statutes of the State of Kansas for registration of professional engineers, the Federal Highway Administration and all Federal agencies, provide personnel who are fully qualified to perform the services in a competent and professional manner, and provide the Secretary with a list of assigned inspectors and their certifications. The City may provide personnel who are fully qualified to perform the services in a competent and professional manner, but must provide the Secretary with a list of assigned inspectors and their certifications.

If funding is available and the City elects to use the funds for construction engineering inspection services on this Project, another agreement shall be specifically written for the construction engineering inspection services on this Project.

The City will require at a minimum all personnel, whether City or consultant to comply with the high visibility apparel requirements of the *KDOT Safety Manual*, Chapter 4, Section 8 Fluorescent Vests. If the City executes an agreement for inspection, the agreement shall contain this requirement as a minimum. The City may set additional clothing requirements for adequate visibility of personnel.

18. To be responsible for one hundred percent (100%) of the construction (which includes the costs of all construction contingency items) costs exceeding $ 458,000. The City further agrees to be responsible for one hundred percent (100%) of the total actual costs for preliminary engineering, right of way acquisition, utility adjustments, and construction engineering for the Project.

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20. To adopt an ordinance requiring the removal of all encroachments either on or above the limits of the right of way shown on the final design plans for this Project, and it will initiate and proceed with diligence to remove or require the removal of the encroachments. It is further agreed all such encroachments be removed before the Project is advertised for letting (provided, however, if the Secretary is satisfied, with respect to any encroachment, the physical removal thereof has been fully provided for between the City and the owner thereof and will be accomplished within a time sufficiently short to present no hindrance or delay to the construction of the Project, the Secretary may cause the Project to be advertised for letting before such encroachment is fully removed). The City further agrees it will not in the future permit the erection of gas and fuel dispensing pumps upon the right of way of the Project and will require any gas and fuel dispensing pumps erected, moved or installed along the Project be placed no less than twelve (12) feet back of the right of way line. All right of way provided for the Project shall be used solely for public street purposes and no signs, posters, billboards, roadside stands, fences, structures or other private installations shall be permitted within the right of way limits except as provided by state and federal laws.

21. To adopt all necessary ordinances and/or resolutions and to take such legal steps as may be required to give full effect to the terms of this Agreement.

22. To locate and be responsible for all costs necessary to remedy or clean up any hazardous waste site, including, but not limited to, leaking underground storage tanks discovered on right of way, easements and access rights acquired by the City. The City shall be responsible to the Secretary for all damages, fines or penalties, expenses, claims and costs incurred by the Secretary from any hazardous waste site discovered on right of way, easements and access rights acquired by the City prior to commencement of construction of the Project. The City shall take appropriate action to contain or remediate any identified hazardous waste site within the Project limits prior to letting of the Project. The City will investigate any and all hazardous waste sites discovered during construction of the Project on City owned land within the Project boundary and shall take appropriate action to contain or remediate such hazardous waste sites.

For any hazardous waste site, including, but not limited to, leaking underground storage tanks, the City shall hold harmless, defend and indemnify the Secretary, its agents and employees against and from all damages, expenses and costs incurred by any person, the State of Kansas, or the United States Government for determining and undertaking remedial action, any

fines or penalties assessed under state or federal laws, contract claims, personal injury claims, and damage of or loss of natural resources.

It is specifically agreed between the Parties executing this Agreement any provision of this hazardous waste clause is not intended to make the public, or any member thereof, a third party beneficiary hereunder, or to authorize anyone not a party of this Agreement to maintain a suit for personal injuries, property damages, or hazardous waste claims. The duties, obligations and responsibilities of the Parties to this Agreement with respect to third Parties shall remain as imposed by law.

The City, by signing this Agreement with the Secretary has not repudiated, abandoned, surrendered, waived or forfeited its right to bring any action, seek indemnification or seek any other form of recovery or remedy against any third party responsible for any hazardous waste on any right of way, easements, and access rights acquired by the City. The City reserves the right to bring any action against any third party for any hazardous waste site on any right of way, easements, and access rights acquired by the City.

The term hazardous waste includes, but is not limited to, any substance which meets the test of hazardous waste characteristics by exhibiting flammability, corrosivity, or reactivity, or which is defined by state and federal laws and regulations, and any pollutant or contaminant which may present an imminent and substantial danger to the public health or welfare. Any hazardous waste as defined by state and federal laws and regulations and amendments occurring after November 11, 1991, are incorporated by reference and include but not limited to: (1) 40 C.F.R. § 261 *et seq.*, Hazardous Waste Management System; Identification and Listing of Hazardous Waste; Toxicity Characteristics Revisions; Final Rule; (2) 40 C.F.R. § 280 *et seq.*, Underground Storage Tanks; Technical Requirements and State Program Approval; Final Rules; (3) 40 C.F.R. § 300, National Oil and Hazardous Substances Pollution Contingency Plan; Final Rule; and (4) K.S.A. 1990 Supp. 65-3431 *et seq.*, Hazardous Waste.

The standards to establish cleanup of a hazardous waste site include, but is not limited to, federal programs administered by the E.P.A., State of Kansas environmental laws and regulations, and City and County standards where the hazardous waste site is located.

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25. To maintain the control of access rights and to prohibit the construction or use of any entrances or access points along the Project within the City other than those shown on the

final design plans, and in accordance with the KDOT Corridor Management Policy, unless prior approval is obtained from the Secretary.

26. To control the construction or use of any entrances along the Project within the City including those shown on the final design plans.

27. The location, form and character of informational, regulatory and warning signs, of traffic signals and of curb and pavement or other markings installed or placed by any public authority, or other agency as authorized by K.S.A. 8-2005, shall conform to the manual and specifications adopted under K.S.A. 8-2003, and any amendments thereto are incorporated by reference and shall be subject to the approval of the Secretary.

28. To participate and cooperate with the Secretary in an annual audit of the Project. The City shall make its records and books available to representatives of the Secretary for audit for a period of five (5) years after date of final payment under this Agreement. If any such audits reveal payments have been made with state funds by the City for items considered non-participating, the City shall promptly reimburse the Secretary for such items upon notification by the Secretary.

29. Upon request by the Secretary, to provide the Secretary an accounting of all actual non-participating costs which are paid directly by the City to any party outside of the KDOT and all costs incurred by the City not to be reimbursed by the KDOT for preliminary engineering, right of way, utility adjustments, construction, and construction engineering work phases, or any other major expense associated with the Project. This will enable the Secretary to report all costs of the Project to the legislature.

30. When the Project is completed and final acceptance is issued, it will, at its own cost and expense, maintain the Project, and will make ample provision each year for such maintenance. Upon notification by the State Transportation Engineer of any unsatisfactory maintenance condition, the City will begin the necessary repairs within thirty (30) days and will prosecute the work continuously until it is satisfactorily completed.

31. If it cancels the Project, it will reimburse the Secretary for any costs incurred by the Secretary prior to the cancellation of the Project. The City agrees to reimburse the Secretary within thirty (30) days after receipt by the City of the Secretary's statement of the cost incurred by the Secretary prior to the cancellation of the Project.

ARTICLE III

THE PARTIES MUTUTALLY AGREE:

1. Plans for handling traffic during construction must be included in the design plans provided by the City and must be in conformity with the latest version, as adopted by the Secretary, of the Manual on Uniform Traffic Control Devices (MUTCD). Detour routes and road closings, if necessary, shall be noted on the design plans.

2. The final design plans for the Project are by reference made a part of this Agreement.

3. If any items are found to be non-participating by the Secretary, acting on his or her own behalf or on behalf of the Federal Highway Administration, the total cost of these items will be paid for by the City.

4. Representatives of the Secretary may make periodic inspection of the Project and the records of the City as may be deemed necessary or desirable. The City will direct or cause its contractor to accomplish any corrective action or work required by the Secretary's representative as needed for a determination of federal participation. The Secretary does not undertake (for the benefit of the City, the contractor, the consultant, or any third party) the duty to perform the day-to-day detailed inspection of the Project, or to catch the contractor's errors, omissions, or deviations from the final design plans and specifications.

5. To participate and cooperate with the Secretary in an annual audit of the Project. The City shall make its records and books available to representatives of the Secretary for audit for a period of five (5) years after the date of final payment under this Agreement. If any such audits reveal payments have been made with state funds by the City for items considered non-participating, the City shall promptly reimburse the Secretary for such items upon notification by the Secretary.

6. The City agrees to comply with all appropriate state and federal laws and regulations for this Project.

7. The Special Attachment No. 1 attached hereto, pertaining to the implementation of the Civil Rights Act of 1964, is hereby made a part of this Agreement.

8. This Agreement and all contracts entered into under the provisions of this Agreement shall be binding upon the Secretary, the City, and their successors in office.

9. No third party beneficiaries are intended to be created by this Agreement, nor do the Parties herein authorize anyone not a Party to this Agreement to maintain a suit for damages pursuant to the terms of provisions of this Agreement.

10. The Provisions found in Contractual Provisions Attachment (Form DA-146a) which is attached hereto, are hereby incorporated in this contract and made a part thereof.

The signature page immediately follows this paragraph.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be signed by their duly authorized officers on the day and year first above written.

ATTEST:

THE CITY OF BASEHOR, KANSAS

_____
CITY CLERK

_____
MAYOR

Kansas Dept of Transportation
Michael S. King, Secretary of Transportation

(SEAL)

BY:_____
Jerome T. Younger, P.E.
Deputy Secretary and
State Transportation Engineer

Memorandum

To: Mr. Mayor and City Council

CC: Lloyd Martley

From: Mitch Pleak

Date: 6.25.12

Re: 2012 Pavement Management Project.

2012 will be the fifth year the pavement management program has been implemented for the City of Basehor. The purpose of pavement management program is to provide pavement treatments to existing roadways to extend the life of our roadway system. Staff has reviewed the pavement condition index and completed streets. The proposed street improvements for 2012 are attached. As part of the 2012 pavement management program, Staff has investigated different pavement treatments with the goal of providing continuance and proper treatment while extending budget dollars. Staff is recommending the implementation of micro-surfacing and chip seal treatments. Staff has worked with the City of Overland Park to develop specifications for such treatments. The City of Overland Park currently uses micro-surfacing and chip seal treatments to date for both residential and thoroughfare streets. The potential cost savings is between 30-60% per square yard of treatment. The percentage spread is dependent of condition of the pavement.

The project will be paid from the consolidated highway fund. Available funds are:

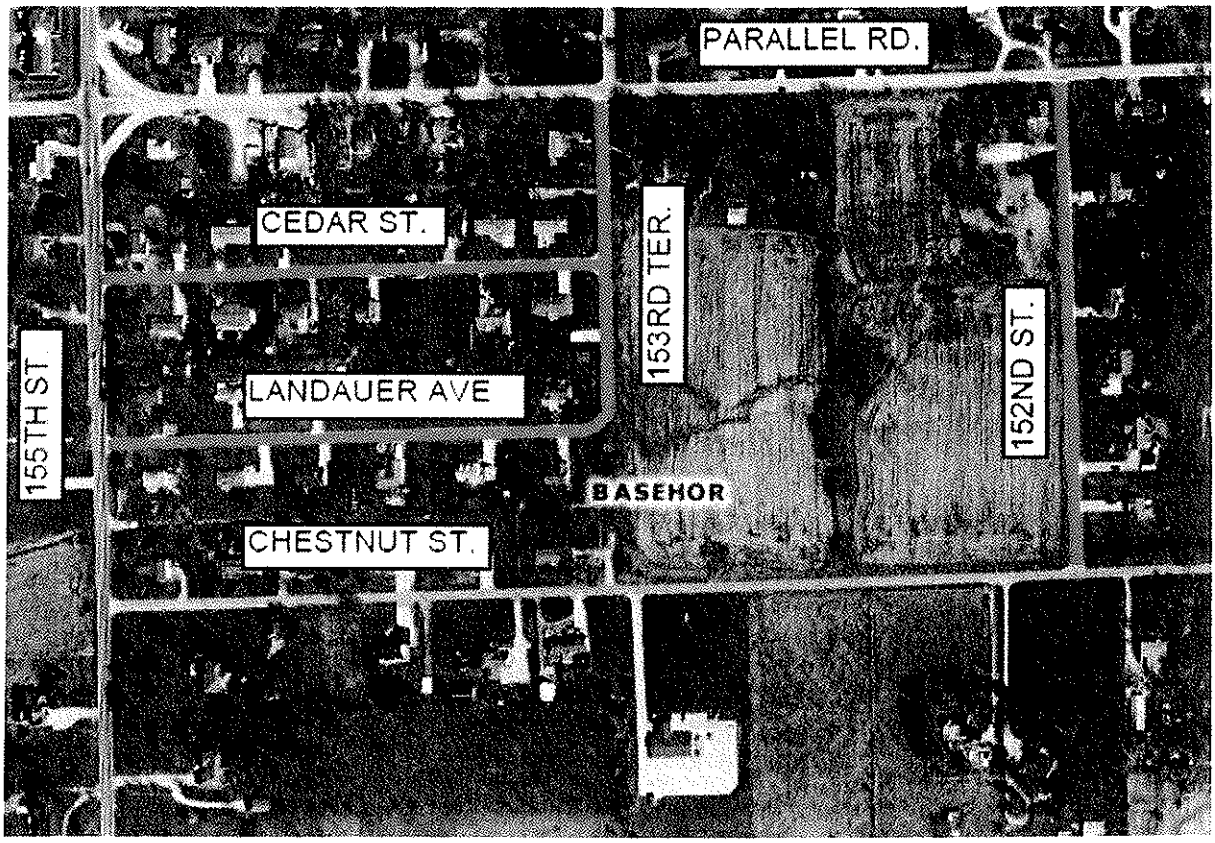
- 10-000-849 Street Improvements $175,000.
- 10-000-771 Street Repairs & Maintenance $230,000.

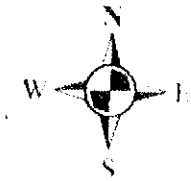
The project length is 3 miles.

Proposed project Schedule:

- 7/12/12 – Advertise Project
- 7/26/12 – Open Bids
- 8/20/12 – City Council considers approving the contract.
- 9/1/12 – Contractor will begin construction activities.
- 9/29/12 – Construction activities will be completed.

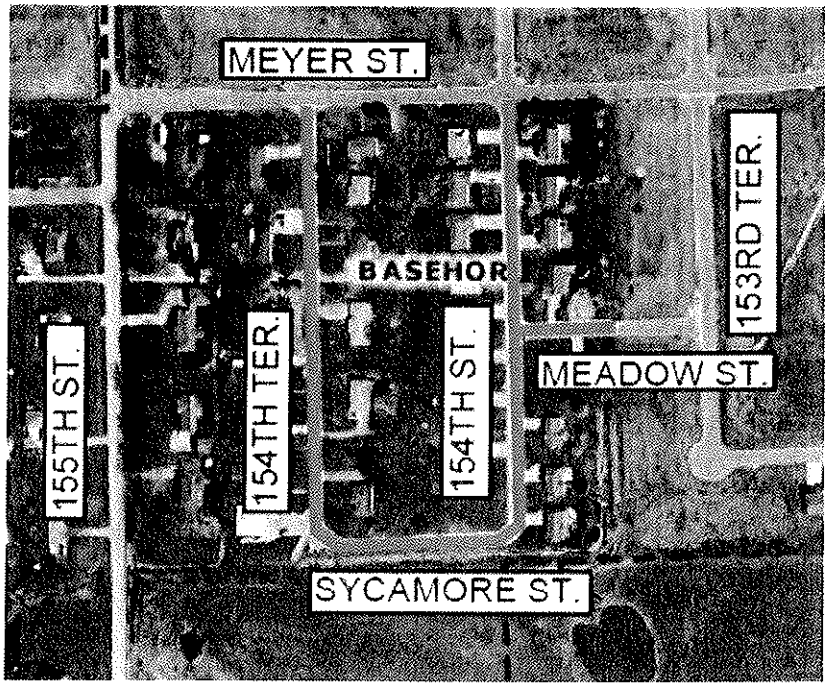
2012 Pavement Management Program





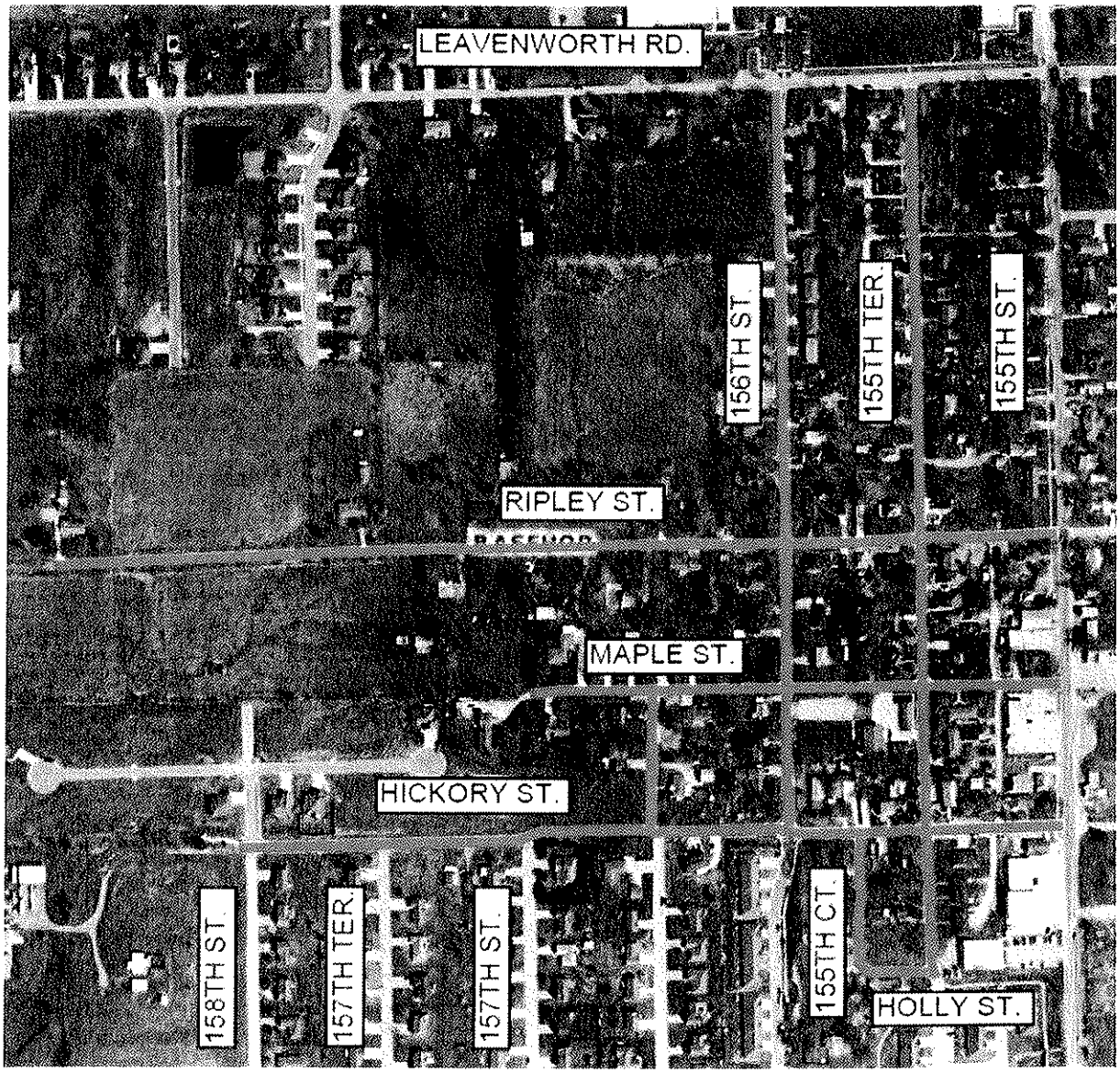
Sheet 1

2012 Pavement Management Program



Sheet 2

2012 Pavement Management Program



Sheet 3