

Agenda

Basehor City Council
Work Session
November 5, 2012 7:00 p.m.
Basehor City Hall



1. Discussion of Annexation and Financing of Extension of Improvements Associated with Annexation (Pinehurst Drive & 153rd)
2. Discussion potential 2004 & 2005 General Obligation Bond Refinancing
3. Discuss Field of Dreams Operating Agreement
4. Discuss Ordinance 619 - Commercial Sewer Connection Fees
5. Discuss Ordinance 620 - Court Costs Amendment
6. Discuss Independent External Audit Services Agreement
7. Discuss Triangle Property
8. Discuss Employee Performance Evaluation Program



The City of Basehor

Date: October 31, 2012
To: Basehor Mayor & City Council
Interim City Administrator/Police Chief Lloyd Martley
From: Corey Swisher, City Clerk/Finance Director
Re: Potential General Obligation (GO) Bond Refunding

Background:

The City of Basehor has the opportunity to refund two outstanding GO Bonds. The generic term “refunding” is a public finance expression referring to the refinancing of outstanding debt.

The reason the City is exploring a refunding is to reduce interest payment expenses. Typically, substantial interest cost saving can occur when interest rates decline approximately 200 to 300 basis from the levels when the bonds were originally issued. By refunding the outstanding bonds with a new issue, the bond issuer in effect is refinancing the loan at a lower interest rate.

The City may also be able to participate in something referred to as an Advance refunding. This is a financing technique that allows an issuer to obtain the benefit of lower interest rates when the outstanding bonds are not currently callable. The proceeds from the sale of the refunding bonds are used to purchase taxable government securities, which are deposited in an escrow account. The escrow account is structured so that the principal and interest earned on the securities are sufficient to pay all principal, interest, and call premium, if any, on the outstanding bonds up to and including the call date. The refunding bonds are secured by the same sources of taxes or revenue previously pledged to the payment of the outstanding bonds.

A refunding or advance refunding would not impact the City’s debt capacity.

Action Requested of Council:

Listen to presentation by the City’s Financial Advisor, Springsted Inc., and discuss a potential refunding or advance refunding.

Attachments:

October 29, Springsted Correspondence
October 4, Springsted Correspondence



Springsted Incorporated
9229 Ward Parkway
Kansas City, MO 64114-3311
Tel: 816-333-7200
Fax: 816-333-6899
www.springsted.com

MEMORANDUM

TO: Corey Swisher, City Clerk/Finance Director

FROM: Bryan Kidney, Vice President

DATE: October 29, 2012

SUBJECT: Analysis on refunding the outstanding 2004 and 2005 debt issues

INTRODUCTION

As part of Springsted's ongoing services to the City of Basehor, we routinely review the City's outstanding debt for opportunities to refund for interest cost savings. While other reasons exist to refund outstanding debt, our initial focus is on interest cost savings. The generic term "refunding" is a public finance expression referring to the refinancing of outstanding debt. Attached to this memorandum is a summary reviewing the fundamentals of refunding tax exempt municipal bonds. If the concept of a bond refunding is new to you, it may helpful to read this summary prior to reading the balance of this memorandum.

REFUNDING GENERAL OBLIGATION BONDS, SERIES 2004 and 2005

The City issued a general obligation bond in 2004 and in 2005. Series 2004 was issued for the purpose of paying for infrastructure improvements for Falcon Lakes subdivision plus refunding a portion of outstanding 1997 bonds. The original principal amount of the bonds was \$3,415,000 of which \$1,625,000 remains outstanding. These bonds mature in 2019 and may be refunded on a current basis beginning September 1, 2013. Series 2005 was issued for the purpose of paying for infrastructure improvements for Pinehurst subdivision. The original principal amount of the bonds was \$2,840,000 of which \$1,975,000 remains outstanding. The Series 2005 bonds mature in 2025 and may be refunded on a current basis beginning September 1, 2013.

The following table summarizes the estimated results of a combined refunding of these two bond series in the current market. In our refunding analysis, it is assumed that both series of bonds would maintain their original maturity dates. All savings are net of the fees associated with the refunding.

Bond Series	Estimated Net Future Value Interest Cost Savings	Estimated Present Value Interest Cost Savings	Average (Reduction) to Annual Debt Service	Present Value Savings as % of Refunded Principal
G.O. Bonds, 2004	\$140,695	\$133,975	(\$27,956)	7.99%
G.O. Bonds, 2005	\$278,679	\$254,505	(\$23,375)	12.50%
Total	\$419,374	\$388,480	(\$51,331)	10.471%

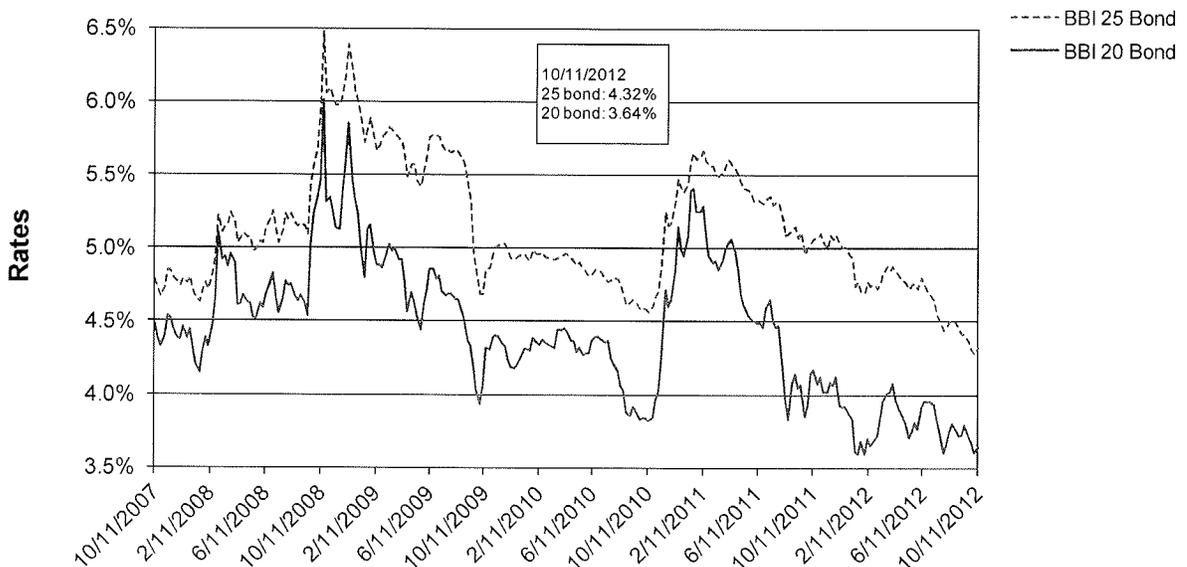
The average interest rate on the 2004 and 2005 bonds, respectively, are 4.19% and 4.01%. The estimated average interest rate on the new (refunding) bonds is 1.36%. Average annual savings are those that occur after the call date. These estimated savings are subject to market movement

CURRENT MUNICIPAL BOND MARKET

Municipal bond rates are near historical lows due to a combination of factors. Investor uneasiness about the economy in general – fueled currently by the debt crisis in Europe – has resulted in significant movement of funds into the municipal bond market. Since most local governments are currently somewhat cash strapped, the volume of new money bond issues is down from historical levels. The resulting imbalance between high demand and relatively low supply has combined to drive municipal rates down. This downward trend has been supported by actions of the Federal Reserve to keep interest rates low as a means to stimulate the overall economy.

The following chart illustrates movement of the Bond Buyer Index (BBI) since recession. The BBI is the “Dow Jones” of municipal bonds, tracking the yield on bonds for a group of issuers. Of greatest relevance to the City is the BBI 20-Bond which tracks 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's AA.

BBI 25-bond (Revenue) and 20-bond (G.O.) Rates for 5 Years Ending 10/11/2012



RECOMMENDATIONS

Refunding the Series 2004 and 2005 General Obligation Bonds now will constitute an "advance refunding." The federal Tax Code permits only one advance refunding over the life of a bond issue. In this form of an advance refunding, the City will borrow money now to be used later to pay off the old bonds at the September 1, 2013 call date. The interest rate paid on the new bonds will be higher than the rate at which the funds can be invested until needed and therefore an advanced refunding will have a higher cost than a current refunding. If the City waited until June 2013 to refund the bonds it would constitute a "current refunding" and if the interest rates stayed the same, the present value savings would increase \$16,208. However, there is no assurance that interest rates will remain unchanged or be lower in five months.

Since interest rates are now near historic lows, there is a greater likelihood that interest rates will rise rather than fall. Roughly speaking, if interest rates increased 10 basis points (.10%), the savings would be reduced by \$20,216 and therefore be less than the estimated savings of an advance refunding. As can be seen from the BBI chart above, municipal bond rates were trending much more than .10% higher before the onset of the recession. If the City Council feels the savings that can be realized by refunding the Series 2004 and 2005 General Obligation Bonds is sufficient, we would recommend proceeding with the refunding at this time.

In addition, the City has recently inquired about financing approximately \$120,000 for sewer improvements associated with a potential annexation. In a separate memo dated October 4, 2012, we recommended utilizing City funds for the improvements and to reimburse those costs in a future bond issue. If the City were to refinance the 2004 and 2005 issues, we recommend using this bond issue to finance the sewer improvement. The issue costs that would be attributed to financing the sewer improvements would therefore be minimal and give relief to the property owners to be assessed.

We hope you find this information useful for your consideration. We welcome the opportunity to discuss and refine our analysis to the maximum benefit of the City.

REFUNDINGS (Refinancing Bond Issues)

The generic term “refunding” is a public finance expression referring to the refinancing of outstanding debt. This summary reviews the fundamentals of refunding tax exempt municipal bonds.

Why Do a Refunding?

Refundings are normally conducted in pursuit of one or more of the following goals:

Reduced Interest Costs – The potential savings depends mainly upon how much interest rates have reduced since the original debt was issued, and the time remaining until it can be optionally prepaid. Springsted recommends the following guidelines for judging the efficiency of a refunding for interest savings:

- Gross cash flow savings of approximately five percent of the refunded debt principal
- Present value savings equal to or greater than three percent of the refunded debt service
- Total present value savings considerably greater than the total costs of executing the transaction

Restructuring Cash Flow Requirements – Unforeseen circumstances, such as natural disasters or reductions in intergovernmental revenue, can make once reasonable debt service payments burdensome. Restructuring debt payments through a refunding can be an effective tool to address budgetary requirements.

Altering Debt Covenants – Refundings can represent an opportunity to loosen restrictive bond covenants. The most common example is a development bond, in which the new project has now established cash flow.

Refunding Methods

Federal tax code and regulations divide tax exempt refunding transactions into two major methods, “current” and “advance.” Both methods involve issuing new debt to refund outstanding debt. The difference lies in when and how the proceeds of the new debt are used.

Under a current refunding, the municipality has only 90 days from closing to use the proceeds from the new debt to redeem the outstanding debt. Therefore, a current refunding requires that the debt to be refunded can be optionally redeemed within this timeframe. In an advance refunding, the proceeds of the new debt are used to redeem the outstanding debt more than 90 days after closing.

Major characteristics of current and advance refundings are outlined in the table below.

Current Refunding	Advance Refunding
Occurs within 90-days after closing the new debt	Occurs more than 90 days after closing the new debt
Can be done as many times as is practical	Can only be done once per issue (per U.S. tax law)
Escrow account – normally none or less than 90 days	Typically requires new debt proceeds be used to purchase U.S. Treasury Securities, which are held in an escrow account ,governed by an escrow agreement & managed by a trustee bank. Securities and the escrow account are liquidated when the old debt is redeemed. Yield on escrow account investments cannot exceed bond yield. A verification agent must confirm the adequacy of the escrow account.
Less expensive	More expensive, due to higher levels of technical analysis and documentation, as well as the cost of the escrow account



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MEMORANDUM

TO: Corey Swisher, City Clerk/Finance Director

FROM: Bryan Kidney, Vice President

DATE: October 4, 2012

SUBJECT: Analysis on issuing debt for \$120,000 sewer improvement

This correspondence is in regard to your inquiry about potentially issuing a bond to fund certain sewer improvements associated with a potential annexation. The subsequent repayment for the improvements would be paid through special assessments from the properties benefiting from said improvements.

Per our discussion with your bond attorney, State law allows for special assessment reimbursements only through the issuance of a City bond issue. We can use alternative ways to keep the costs of financing as low as possible as private placement with a local bank and not having the bonds rated. However, since it must be an actual bond issue of the City, the same legal steps must be followed for the financing that have similar costs associated regardless of the size. Even with a small bond issue size legal, financial, publishing, and miscellaneous fees may run as high as \$25,000.

Our recommendation is to pass necessary legal steps now that will allow you to reimburse and assess costs for the improvements in the future. But, use City funds for the improvements now and reimburse the costs the City incurs the next time the City issues long-term debt and roll the reimbursement into the larger debt issuance. The costs of issuance for just the sewer improvement would be significantly lower due to benefiting from economies of scale and thereby ultimately lowering the assessments to the property owners.

As you recall, the City has an opportunity to refund the 2004 and 2005 outstanding bonds. The latest present value savings (based on current market rates) for refunding those two issues are \$298,984. The issue size would be approximately \$3,700,000 and adding the \$120,000 the sewer improvements would greatly reduce the issue cost to the sewer portion. These refunding bonds can be issued as early as January 2013 as an advance refunding.

We hope you find this information useful for your consideration. We welcome the opportunity to discuss and refine our analysis to the maximum benefit of the City.



The City of Basehor

Date: October 31, 2012
To: Basehor Mayor & City Council
Interim City Administrator/Police Chief Lloyd Martley
From: Corey Swisher, City Clerk/Finance Director
Re: Field of Dreams Athletic Programming and Concessions Operations Agreement

Background:

In December of 2010, the City of Basehor issued a Request for Proposals (RFP) and advertised for Field of Dreams youth athletic programming & concessions operations providers. The City received one response. On January 17, 2011, Dennis Mertz moved and Jim Washington seconded a motion to enter into the existing FOD operating agreement. The motion passed 4-1, with Dysart opposed. This agreement allowed the current operator, National Youth Sports Sanctioning Organization (NYSSO) to have exclusive management and oversight of the recreational sports programming at the Field of Dreams for the years 2011 and 2012. The agreement also stipulated that it may be renewed for additional terms upon mutual agreement of the parties hereto.

In September of 2012, the City issued a Request for Proposals (RFP) and advertised for youth athletic programming & concessions operations providers. The RFP was advertised in the *Leavenworth Times*, *Shawnee Dispatch*, *Tonganoxie Mirror*, *Baldwin Signal*, *Bonner Chieftain*, *Basehor Sentinel* and *Lawrence Journal-World*. The RFP was also posted on the City's website. The purpose of the RFP was to secure an operator for the Field of Dreams athletic complex for a two year period to begin in 2013. The City received one response to the RFP from the current operator.

City staff is now asking Council to review a proposed agreement providing youth athletic programming at the Field of Dreams for 2013-14. The NYSSO has reviewed the agreement and find it acceptable. The only departure from the original 2011-12 agreement is a \$5,000 increase in the payment to the City for use of the facility. NYSSO currently pays \$30,000 per year plus the cost of utilities for the use of the facility.

The City's commitment to providing an outstanding facility for organized youth sports and the operator's ability to provide quality programming has resulted in a dramatic increase in youth participation at the Field of Dreams Athletic Complex over the past two years.

YOUTH PARTICIPATION RATES

SPORT	2011	2012	% Change
Baseball/Softball	338	428	21%
Football	472	602	22%
Cheerleading	85	120	29%
Soccer*	50	190	74%
Total	945	1340	29%

*Spring & Fall in '12

TOURNAMENTS	2011	2012
Baseball/Softball	7	9
Football	2	2

Action Requested of Council:

Discuss the 2013-14, Field of Dreams Athletic Programming and Concessions Operations Agreement. If Council wishes to retain the NYSSO the proposed operations agreement will be placed on the November 19th Consent Agenda for approval.

Attachments:

- Athletic Programming and Concessions Operations RFP
- NYSSO Proposal
- Proposed 2013-14 Operations Agreement



REQUEST FOR PROPOSALS (“RFP”) FOR YOUTH ATHLETIC PROGRAMMING AND CONCESSIONS OPERATIONS FOR THE “FIELD OF DREAMS” ATHLETIC COMPLEX LOCATED AT 14333 FAIRMOUNT ROAD, BASEHOR, KANSAS, 66007

Proposals Due: 1:00 p.m., October 17, 2012

The City of Basehor intends to select a single contractor to provide youth athletic programming and concessions operations for the “Field of Dreams” athletic complex located at 14333 Fairmount Road, Basehor, Kansas, 66007.

Statement of intent:

Proposals for the services specified will be received by the City of Basehor until the date and time as indicated above. Please submit one three (3) copies of the proposal in hard copy only.

Mailing Address:

City Clerk
City of Basehor, KS
PO Box 406
Basehor, KS 66007

Delivery Address:

City Clerk
City of Basehor, KS
2620 N. 155th St.
Basehor, KS 66007

Late submissions will not be considered.

For questions regarding this RFP contact:

Corey Swisher, City Clerk
(913) 724-1370
cswisher@cityofbasehor.org

The City of Basehor appreciates your time and effort in preparing a proposal. **Please note that all proposals must be received at the designated location by the deadline shown.** Proposals received after the deadline will not be considered for the award of the agreement and will be returned unopened.

I. Introduction

The City of Basehor is seeking a full service operator for a youth athletic programming and concessions provider for its "Field of Dreams" athletic facility located at 14333 Fairmount Road in Basehor. Required programming:

- | | |
|-------------------|-------------------------------|
| a. Youth Football | e. Tournaments |
| b. Youth Baseball | f. Optional: Special Olympics |
| c. Youth Softball | g. Optional: Youth Soccer |
| d. Tee-Ball | h. Optional: Cheerleading |

Facilities:

Approximately 30 acre site

- | | |
|--------------------------------------|--------------------------------|
| ➤ Baseball Fields (7) | ➤ Football Fields (3) |
| ➤ Office/Club House – 1,200 sq. ft. | ➤ Metal Bleachers |
| ➤ Maintenance Building 1,153 sq. ft. | ➤ Gravel Parking & Drive Areas |
| ➤ Souvenir Stand – 80 sq. ft. | ➤ Canopy Covered Shelter |

Past participation:

- Approximately 1100 area youth participate in Baseball, Softball, Tee-ball and Football at the facility
- Eight (8) Tournaments in addition to Special Olympics

II. Submittals

The proposal should include, but not be limited to, the following information:

Section 1

- Please provide the name of the contractor/organization; names of all individuals associated with the proposal and their title, mailing address, phone number, and email address.

Section 2

Organizational structure and league overview. This includes information such as:

(Please be as detailed and specific as possible when answering the following questions)

A. Organizational leadership

- Organizational chart.

B. League formats and season overviews:

- Provide detailed plans for practices, game days, tournaments, camps, and clinics (example: number of games and practices each team will have per season, number of tournaments, etc.).

- Provide details on how recreational teams will be formed (example: draft, by school, randomly, by grade, age specific, etc.).
 - Registration process.
 - Provide proposed registration dates and deadlines for each season.
 - Provide details of how the organization will handle the registration of participants and teams. (Example: online, walk-in, mail-in, late registration, method of payment, etc.)
 - Proposed start date and end date of each league.
 - Grievance process.
- C. Staffing (league administrators, officials, scorekeepers, etc.).
- All employees must meet the citizen and alien status requirements set forth in Federal statutes and regulations.
 - Provide a summary of the operations staff background checks, training, certifications, etc.
- D. Provide rules governing league and tournament play.
- E. Any other information that would be helpful in determining the qualifications, organizational skills, and resources of the applicants.

Section 3

A. Program fees:

- Provide the City with an estimated cost per individual, per season for recreational league participants.
- Provide proposed cost for tournaments, clinics, and camps.
- Include the estimated number of individual participants per season.

Section 4

A. Operations

- Provide the City with a parking management plan including proposed parking rates as well as a traffic management philosophy. **Please note City of Basehor residents will be exempt from parking charges. (The City of Basehor manages a resident identification system.)**
- The selected contractor/organization will provide all general facilities maintenance and field preparation. Provide the City with detailed field and facilities maintenance and preparation schedule. The City will maintain adequate infrastructure (i.e. – sewer, fences, lights, building maintenance).
- Provide a detailed description of proposed concessions operations. **(Please note Pepsi Beverages is the City's exclusive beverage vendor.)**

Section 5

- Any prior experience in operating and managing a youth athletics facility/association or involvement in other youth sports associations, including any references.

- If you intend to sublease or contract with another organization to provide any services the City must be notified and have an opportunity to review and approve the subcontractor/organization.

III. Insurance Requirements

Selected contractor/organization will be required to obtain public liability insurance of the types and the amounts set forth below from an underwriter licensed to do business in the State of Kansas. The insurance shall be the following types in the amounts not less than indicated:

1. Comprehensive General (Public) Liability or its equivalent, including \$500,000 each person, \$1,000,000 each occurrence, and property damage \$250,000 per occurrence or \$1,000,000 combined single limit for bodily injury and property damage.
2. Provide a copy of your proposed Liability Release Form (Releasing City of Basehor from any liability).

IV. Contract Terms

The term of the agreement for the contractor/organization selected to be the youth sports and concessions provider for the Field of Dreams shall be for a period of two years, commencing on a date to be determined by the City of Basehor. The agreement may be terminated with or without cause by either party by giving ninety days written notice to the other party.

Fee to be paid to the City: Minimum Fee - \$35,000

V. Evaluation Criteria

Failure of an applicant to provide in their proposal any information requested in this RFP may result in disqualification of the proposal. The sole objective of the City will be to select the provider who presents the best overall program to the City of Basehor.

VI. Best and Final Offer

The City reserves the right to request a best and final offer from any or all organizations. The City reserves the right to reject any or all proposals, with or without cause, re-issue the RFP, or proceed in any manner determined to be in the best interest of the City.

VII. Time Line

The City anticipates selecting a contractor in December of 2012. All received proposals will be considered binding for 90 days.

NATIONAL YOUTH SPORTS SANCTIONING ORGANIZATION

NYSSO Field of Dreams Athletic Complex Proposal

Section 1

Name of Company and Company information.

- A) National Youth Sports Sanctioning Organization (NYSSO)
- B) Company Staff and Titles:

President/Director of Operations

Troy Wiseman 8716 SW K-4 Hwy Topeka, Ks 66614
785-221-2934

17 years of experience in Youth Sports Administration

Director of Football of Football Operations

Roy Villarreal 15447 Roger Rd Leavenworth, Ks 66048
913-620-7971
12 Years of experience

Director of Football Operations

Willie Carter 4402 SE Oakwood St. Topeka, Ks. 66609
wrcarter50@hotmail.com 785-633-1000 14 yrs experience

Director of Officials/Football & Baseball Operations

Michael Wiseman 8716 SW K-4 Hwy Topeka, Ks 66614
785-249-5047 8 yrs experience

Office Manager/ Food and Beverage Director

Troy Wiseman 8716 SW K-4 Hwy Topeka, Ks 66614
785-221-2934
17 years of experience in Youth Sports Administration

Section 2

League Organizational Structure

- A) All leagues will have a league Director and a Umpire in Chief assigned to them by the Director of Operations.

- B) All teams will be formed by league rules based on age, grade and school they attend. All rosters will be approved by NYSSO and will have a minimum and max number of players on each roster.
- C) Each team will be guaranteed a set number of games based on league rules for each sport. All game schedules, rules and league standings will be posted on the league website to be hosted by NYSSO. NYSSO will have a weather hotline and a website available for all weather related issues.
- D) All baseball teams will be assigned practice times according to field availability at the FOD complex.
- E) Registration Process
 - 1) All registrations will be done by NYSSO by mail, online and walk-ins.
 - 2) Payments will be done by Cash, Check and Credit Card only.
 - 3) Registration dates and deadlines will be posted on the registration form or the league website.
 - 4) Start date for Baseball will be in May and Football will be in September.
 - 5) All protests or Grievances will be done by league rules for each sport.
 - 6) Scholarships will be determined by NYSSO for all sports.
- F) NYSSO will host a coaches meeting for all sports prior to the beginning of each season to discuss rules, schedules, rosters and coaches policies and code of conduct.
- G) Number of participants will be based off the previous years participation.

Section 3

Fees

- A) Baseball fees. Will review past fees.
- B) Football Fees TBD
- C) Tournament Fees will be determined by each host tournament director.

Section 4

Staffing

- A) All staff will be approved by NYSSO Director of Operations. NYSSO will supply staff for all leagues games and tournaments. The staffing will include:
 - 1) League Director
 - 2) Site Supervisor
 - 3) Maintenance Workers, Field Prep
 - 4) Concessions Mgr and staffing.
 - 5) Officials
 - 6) Scorekeepers
 - 7) Umpire in Chief for each sport.

Section 5
Operations

- A) NYSSO will maintain all field maintenance in which will include:
 - 1) Field prep.
 - 2) Mowing and weedeating
 - 3) Trash
 - 4) Restrooms
 - 5) Traffic control
- B) Concessions
 - 1) Staffing
 - 2) Ordering of supplies
 - 3) Cleaning on concessions
- C) Admission Fees
 - 1) City of Basehor residents will be exempt from admission fees to all league functions at the FOD Sports Complex. The City of Basehor will administrate this policy with a resident identification sytem.
 - 2) All admission fees for league play will be based off league rules. All tournament admission fees will be determined by the Tournament Director.

Section 6
Insurance

- A) NYSSO will provide insurance for liability and property damage according to the City of Basehor request.
- B) NYSSO will provide a secondary medical insurance policy on all players involved in all league games played at the FOD complex. All tournament insurance will be provided by the organization hosting the tournament.
- C) NYSSO will provide the City of Basehor with a copy of the insurance policy.

For any questions concerning this proposal please contact
Troy Wiseman @ 785-221-2934 or nkfl1@aol.com

FACILITY OPERATION AGREEMENT

THIS FACILITY OPERATION AGREEMENT (hereinafter "Agreement") is made and entered on this the 19th day of November, 2012, between **NATIONAL YOUTH SPORTS SANCTIONING ORGANIZATION, LLC**, a Kansas Limited Liability Company (hereinafter referred to as "Operator") and **THE CITY OF BASEHOR, KANSAS**, a Kansas municipal corporation (the "City"), with respect to the facts and objectives set forth below.

RECITALS:

A. The City recently purchased property commonly referred to as "Field of Dreams", which Facility historically has been used for recreational sports activities.

B. The City desires to retain Operator for the purpose of marketing, managing, and operating recreational activities for years 2013 and 2014.

NOW, THEREFORE, in consideration of the mutual promises and the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree to the following terms and conditions:

1. **Term and Use.** Operator will have exclusive management and oversight of the recreational sports activities at Field of Dreams for years 2013 and 2014, and this Agreement may be renewed for additional terms upon mutual agreement of the parties hereto. If this Agreement is not renewed by the parties for additional terms, the obligations of Operator set forth herein shall end on the date that all recreational activities offered by Operator for year 2012 end, and the City has inspected Field of Dreams and communicated to Operator that all obligations have been performed pursuant to this Agreement. Operator's use of Field of Dreams shall be limited to activities connected with the Required Programming set forth herein, and shall not include any other use of the property unless expressly permitted by the City.

2. **Quality and Diversity of Programming.** Operator will provide activities and programming that are of high quality and sufficient diversity and scope to meet the recreational needs of the inhabitants of the City of Basehor and the visitors thereto. Operator understands that, given the nature of the services being offered by Operator, the City may, from time to time, offer advisory performance criteria with regard to programming, facility usage and other matters related to Operator's delivery of services at the Field of Dreams.

3. **Required Programming.** At a minimum, Operator will offer the following programming at Field of Dreams:

- Youth Football
- Flag Football
- Youth Baseball
- Youth Softball
- Tee-Ball
- Tournaments
- Youth Soccer

4. **Maintenance.** Operator shall pay all charges for gas, electricity, light, heat, power, telephone, video, internet or other communications services used, rendered, or supplied upon or in connection with the Field of Dreams facility when programming is taking place, and said charges shall include the necessary pumping of the on-site septic tank. Operator will be responsible for any and all field surface areas and grounds maintenance inside the chain link fence at Field of Dreams, to include but not be limited to mowing, aerating, trimming, and weed control. City and Operator generally intend that the City shall be obligated to ensure (i) all mechanical systems, structural members and systems, and exterior finish items (e.g., painting, roofing, window, etc.) are maintained in good working order and safe condition and (ii) such items are properly repaired when broken or damaged and replaced when they reach the end of their useful life. If Operator becomes aware of a condition at Field of Dreams that may pose a safety risk or hazard to persons on the Field of Dreams premises, Operator shall communicate such condition to the City immediately upon becoming knowledgeable of the same. Operator and City also generally intend that Operator shall be obligated to ensure (i) that all interior finishes (painting, drywall, flooring, etc.) are maintained in good working order and safe condition and (ii) such items are properly repaired when broken or damaged and

replaced when they reach the end of their useful life. Equipment owned by the City used for general maintenance and stored at the Field of Dreams facility shall be available for use by Operator but must be maintained by Operator and the City shall have no liability for injuries, claims, accidents, or damages occurring from Operator's use of the equipment.

The City and its agents shall have the right to enter in or on the premises to examine them and to perform maintenance, repair, or replacement as required hereunder, or for the purpose of monitoring or giving feedback or advice on programming or operation of Field of Dreams by Operator. The City retains the right to conduct major changes to the premises, including without limitation additions, reconfigurations, and tear-downs or relocations at its discretion. The Contractor shall not change any portion of the premises for which the City is responsible for maintenance, repair, or replacement without City's prior written approval, which approval may include conditions.

5. **Concessions.** Operator will be responsible for and required to offer concession services at Field of Dreams. In providing such concessions, Operator will utilize the City's exclusive beverage vendor.

6. **Admission and Parking for Basehor Residents.** Operator will provide all residents of the City of Basehor free parking and admission at Field of Dreams excluding tournaments. The City will maintain a resident identification program for use by Operator in identifying City residents.

7. **Indemnity.** To the extent legally permissible and without waiving any of the protections, requirements, and limitations of Kansas governmental immunity, Operator shall indemnify and hold the City, its agents, servants and employees harmless from and against any and all liability, loss, damages, costs and expenses, including reasonable attorney's fees and cost of investigating any such matters, suffered or sustained by the Operator, its agents, servants or employees, or any other person rightfully on the Field of Dreams premises arising out of any act, error, omission or negligence in Operator's operation, maintenance or use of Field of Dreams by Operator, its agents, servants or employees, or of any occupant, subtenant, visitor or user of any portion of the Field of Dreams premises, or any condition of the premises or adjacent property; provided that this indemnity shall not extend to damages resulting solely from the negligence or willful misconduct of the City, its agents, servants or employees.

8. **Insurance Requirements.** Operator will be required to obtain insurance of the types and the amounts set forth below from an underwriter licensed to do business in the State of Kansas, and have the City designated as an additional insured as part of such policy:

- a. Comprehensive General (Public) Liability or its equivalent, including \$500,000 each person, \$1,000,000 each occurrence, and property damage \$250,000 per occurrence or \$1,000,000 combined single limit for bodily injury and property damage.
- b. Workers Compensation Insurance as required by Kansas law.

9. **Assignment.** This agreement shall be non-assignable and the Operator shall not mortgage or encumber Field of Dreams or any of the facilities set forth herein or pledge any interest under this Agreement as security in a financing transaction without the prior written consent of the City in each instance. Operator may, however, license portions of the premises for purposes which further Operator's provision of park and recreation services to the public, which purposes include without limitation concession services, food and beverage services, and other amenities; provided, however that any such agreement shall not be for a term that exceeds the initial term of this Agreement.

10. **Compliance with Applicable Laws.** Operator agrees that it assumes the responsibility to abide by all Federal, County, State, and local laws that may be applicable to Operator's use of Field of Dreams, and provision of services thereon.

11. **Security.** Operator agrees that it will abide by, and cause its employees and invitees to abide by, guidelines or rules imposed by the City for ensuring the security of the Field of Dreams, and minimization of any vandalism or damage to the Field of Dreams or any improvements thereon.

12. **Compensation.** Operator will pay the City \$35,000 each year in three equal installments of \$11,666 which will be due on the 1st of May, July and September as compensation for allowing Operator to operate the Field of Dreams facility

13. **Default.** Operator shall be in default hereunder upon occurrence of:

- a. Failure to make payments as specified hereinabove;
- b. The filing of any lien or claim against the Field of Dreams, or income there from, through no fault of the City and because of some action, accident, or conduct by Operator or its use of Field of Dreams;
- c. The failure of Operator to perform in accordance with any term of this Agreement.

14. **Termination.** This Agreement and the rights and obligations of the parties hereto will automatically terminate upon any or all of the following events.

- a. Default of Operator if not cured within 30 days of Notice of Default by the City.
- b. Upon passage of any Ordinance, Resolution, Statute or other rule or regulation applicable to the parties hereto which renders this Agreement void, voidable or unenforceable.
- c. Upon the expiration of the initial term or any renewal term.

15. **Covenants of Operator.** Operator covenants and agrees that:

- a. It will not do or perform or fail to do or perform anything which will subject the land comprising the Field of Dreams to any lien or claim;
- b. It will comply with all City Ordinances, including removal and prevention of noxious weed growth and such compliance will be at its sole expense.
- c. It will return the Field of Dreams to the City in substantially the same condition as it is in at the time this Agreement is executed.

16. **Mutual Covenants.** The parties hereto covenant and agree that:

- a. The statements contained herein are binding and contractual;
- b. This Agreement will be governed and construed in accordance with the laws of the State of Kansas.
- c. Neither party has entered into this Agreement based upon any representations made by either party other than those contained herein.
- d. Each party is authorized to enter into this Agreement and, upon execution of the same, will be legally binding upon each party hereto.
- e. No modification herein will be binding unless the same is made, in writing, and signed by both parties hereto.

17. **Notices.** Any notices, bills, invoices, payments or correspondence required or permitted by or from one party to the other under this Agreement shall be made in writing, delivered personally, or by United States Mail, postage prepaid, to the following addresses, or other location as either party may from time to time designate:

Natl. Youth Sports Sanctioning Organization:
Attn: Troy Wisemon
8716 SW K-4, Highway
Topeka, Kansas 66614

City:
City Administrator
2620 N. 155th St., P.O. Box 406
Basehor, Kansas 66007

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers or representatives in multiple counterpart copies, each of which shall be deemed an original but constitute one and the same instrument, effective as of the date first set forth above.

THE CITY OF BASEHOR, KANSAS

{City Seal}

ATTEST: By: _____
David K. Breuer, Mayor

By: _____
Corey Swisher, City Clerk/Finance Director

APPROVED AS TO FORM:

By: _____
Shannon Marcano, City Attorney

**NATIONAL YOUTH
SPORTS SANCTIONING ORGANIZATION, LLC**

By: _____
Troy Wisemon, President

City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 4

Topic: Commercial Sewer Connection Fees

Action Requested: Consider amending Ordinance 582 to incorporate fees for commercial, industrial business and multi-unit structures (more than four units)

Narrative: The Governing body directed staff to research alternative sewer connection fee options for commercial, industrial businesses and multi-unit structures.

Presented by: Gene Myracle, Jr./Lloyd Martley

Administration Recommendation: Consider options for sewer connection fees for commercial, industrial businesses and multi-unit structures.

Committee Recommendation:

Attachments: Recommendation memo

Projector needed for this item?

No

MEMO

Date: November 5, 2012

To: Mayor Breuer, City Council Members
Lloyd Martley, Interim City Administrator

From: Gene Myracle Jr., City Superintendent

RE: Sewer Connection Fees

The Governing Body directed staff to research alternative sewer connection fee options for commercial, industrial businesses and multi-unit structures. Currently City Code dictates connection fees will be \$3,450 per unit connection. There are currently no special considerations for commercial, industrial businesses or multi-unit structures (more than four) which could have many units but only one connection. Examples of this would be apartments, motel/hotel's and structures with under slab plumbing.

After reviewing policies used by several surrounding communities it was easily determined there is no consistent methodology for determining sewer connection fees. It has been realized that every City has policies that are unique to their own situation. Some of the policies ranged from a connection fee based on square footage of lot, size of pipe used in the connection, size of water meter to be installed, as well as just a simple single tap fee with no restrictions on how many units or size of structure. The following are fees for sewer connections from surrounding cities.

BONNER SPRINGS

For commercial/industrial type buildings regardless of the building size the fee is \$11,950 per connection.

TONGANOXIE

For commercial, industrial or residential regardless of building size the fee is \$2,750 per connection.

LANSING

For commercial/industrial type building regardless of the building size the fee is \$3,000 per connection.

BASEHOR

For commercial/industrial or residential buildings regardless of size the fee is \$3,450 per **unit (not connection)**.

Examples of business connection fees

Fast food restaurants – Average lot size 10,000 sq. ft. with one connection

Bonner Springs = \$11,950
Tonganoxie = \$2,750
Lansing = \$3,000
Basehor = \$3,450

Hotel/motel – Average lot size 50,000 sq. ft. with one or more connections

Bonner Springs = \$11,950
Tonganoxie = \$2,750
Lansing = \$3,000
Basehor = \$3,450 per unit (60 unit building = \$207,000)

Grocery store/commercial business – Average lot size 25,000 sq. ft. with one or more connections.

Bonner Springs = \$11,950
Tonganoxie = \$2,750
Lansing = \$3,000
Basehor = \$3,450 **per unit (not connection)**

With a plethora of options available, staff is suggesting the following connection fee option for commercial, industrial businesses and multi-unit structures.

Continue to utilize Ordinance #582 which states each individual unit connected to the City's wastewater system shall be charged a one-time connection fee of \$3,450 at the time a building permit is issued for construction of the unit, or upon connection to the wastewater system in the case of existing units. In the case of multi-unit structures (four or less), a separate fee shall be charged for each separate unit at a rate of \$3,450.

For commercial, industrial business, or multi-unit structures (more than four) staff suggests multiplying the square footage of the lot size as identified in the plot plan, (less parking and green space) multiply it by a set rate of \$0.30 per square foot. Square footage calculations were based off current rates as well as average lot sizes were used to determine the recommended \$0.30 cents per square foot fee.

Example: 15,000 Sq. Ft. lot X \$0.30 per Sq. Ft. = \$4,500 connection fee

Another option would be to simply charge a fixed amount per connection for commercial and industrial type buildings.

Example: \$5,000 per connection

City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 5

Topic: Amend Section 9-112 entitled "Court Costs" of the City Code

Action Requested: Approve amendment to 9-112 of the City Code to incorporate section G.

Narrative: Any defendant who has been sentenced to serve jail time by the Municipal Court will be assessed a jail fee as set by the Leavenworth County Sheriff's Office. At the current time the city is paying this fee.

Presented by: Lloyd Martley, Chief of Police

Administration Recommendation: Approve amendment

Committee Recommendation:

Attachments: Amendment to 9-112

Projector needed for this item?

No

AN ORDINANCE AMENDING SECTION 9-112, ENTITLED " COURT COSTS", OF THE CITY CODE OF THE CITY OF BASEHOR, LEAVENWORTH COUNTY, KANSAS, AND REPEALING IN ITS ENTIRETY ORDINANCE NO. 538, ENTITLED "AN ORDINANCE AMENDING CERTAIN MUNICIPAL COURT COSTS".

WHEREAS, after due consideration, the City Council of the City of Basehor desires to amend and update Section 9-112 of the City Code of the City of Basehor, Kansas; and

WHEREAS, it is also necessary to repeal Ordinance No. 538, as it conflicts with Section 9-112 of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BASEHOR, KANSAS AS FOLLOWS:

Section 1. That Section 9-112 of the City Code of the City of Basehor, Kansas, shall be amended with the addition of the underlined text and deletion of the stricken text set forth in the pertinent existing section set forth herein:

9-112 COURT COSTS. (a) For any traffic offense, which results in a conviction, diversion or amendment, the costs to be assessed by the Municipal Court shall be ~~thirty-five dollars (\$35.00)~~ twenty-five dollars and fifty cents (\$25.50), with an additional cost of nineteen dollars and fifty cents (\$19.50) assessed to all moving violations.

(b) For any offense listed in the public offense code, duly passed, approved and adopted by the governing body, the costs to be assessed by the Municipal Court shall be ~~thirty-five dollars (\$35.00)~~ twenty-five dollars and fifty cents (\$25.50), with an additional cost of nineteen dollars and fifty cents (\$19.50) assessed to all moving violations.

(c) For any other municipal offense, the costs to be assessed by the Municipal Court shall be thirty-five dollars (\$35.00).

(d) The costs set forth in Section ~~(1), (2) and (3)~~ (a), (b), and (c) shall be in addition to any fines, forfeitures or penalties imposed by the municipal court judge.

(e) ~~In accordance with KSA 12-4117, m~~ Moneys received from court costs levied and moneys received from any fines, forfeitures, or penalties imposed by the municipal court judge shall be deposited in the general fund money market account. Therefore shall be paid to the treasurer of the State of Kansas \$19.50 for every moving violation conviction. The remainder of moneys received from court costs and fines, forfeitures, and penalties shall be paid to the general fund of the city, and expended ~~therefore~~ as governing body shall deem necessary and prudent. (Ord. 495, Sec. 1; Ord. 399; Code 2007)

(f) House Bill 2968 mandates that an additional sum be assessed to all suspended Kansas driver's license for reinstatement fees, plus a surcharge as imposed by Kansas state statute. This is a mandatory fee and cannot be waived by the City of Basehor, or the Municipal Court. Collected reinstatement fees shall be paid to the Treasurer of the state of Kansas. Any out of state driver's license which is suspended through Municipal Court shall not be assessed the Kansas reinstatement fee. The remainder of moneys received from the court costs and fines, forfeitures and penalties shall be paid to the general fund of the City of Basehor, and expended as the governing body shall deem necessary and prudent.

(g) Any defendant who has been sentenced to serve jail time by the Municipal Court shall be assessed a jail fee as set by the Leavenworth County sheriff's office.

Section 2. That Ordinance 538 be repealed in its entirety.

Section 3. That all other ordinances or parts of ordinances in conflict with the provisions of the ordinance shall be and are hereby repealed.

Section 4. This ordinance shall take effect and be in force from and after its publication in the official city newspaper.

PASSED by the Governing Body this ___ day of November, 2012.

APPROVED by the Mayor this ___ day of November, 2012.

[SEAL]

David K. Breuer, Mayor

ATTEST:

Corey Swisher, City Clerk

APPROVED AS TO FORM:

Shannon M. Marciano, City Attorney



The City of Basehor

Date: October 31, 2012
To: Basehor Mayor & City Council
Interim City Administrator/Police Chief Lloyd Martley
From: Corey Swisher, City Clerk
Re: Independent External Audit Services Agreement

Background:

In October of 2010, the City issued a Request for Proposals (RFP) to several audit service providers. The purpose of the RFP was to secure external audit services for a two-year period to begin with fiscal year 2010, with the option to extend the agreement for three additional one year periods. In December of 2010, Council voted unanimously to enter into an agreement with Lowenthal, Webb & Oderman, P.A.

Since that time Lowenthal, Webb & Oderman, P.A S have merged with Mize & Houser Company P.A. Staff has been very satisfied with the performance of Mize & Houser and would like to retain their services to provide the 2012, fiscal year independent external audit. The quoted price for a Generally Accepted Accounting Principles (GAAP) compliant audit for the 2012, fiscal year is \$18,250. This represents a negligible 1.95% increase from the two prior years.

Action Requested of Council:

Discuss the 2012, independent external audit provider. If Council wishes to retain the Mize & Houser the understanding of services agreement will be placed on the November 19th Consent Agenda for approval.

Attachments:

Mize & Houser P.A. Understanding of Services
Proposal
System Review Report

October 15, 2012

Mayor and City Council
City of Basehor
2650 N. 155th Street
Basehor, KS 66007

We are pleased to confirm our understanding of the services we are to provide the City of Basehor, Kansas, (the City) for the year ended December 31, 2012. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparison schedules and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City as of and for the year ended December 31, 2012.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited: Management Discussion and Analysis and the OPEB information.

We have also been engaged to report on supplementary information other than RSI, such as combining and individual fund financial statements, that also accompanies the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole: combining statements and individual fund statements.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

www.mizehouser.com ■ mhco@mizehouser.com

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

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You have requested that we prepare the financial statements that are the subject matter of this audit and the capital assets depreciation schedule for the year ended December 31, 2012, hereinafter referred to as nonattest services. You are responsible for those financial statements and for the selection of useful lives, depreciation methods and capitalization thresholds used in this capital assets depreciation schedule. You are responsible for making management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund, budgetary comparison schedules and the aggregate remaining fund information of the City's and the respective changes in financial position and where applicable, cash flows, in conformity with U.S. generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud and illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud and illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to present the supplementary information with the audited financial statements. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, (c) that the methods of measurement or presentation have not changed from those used in the prior period; and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regards to the electronic dissemination of audited financial statements, including financial statements published electronically on your website (if any), you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws and governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures-Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit Administration, Fees and Other

When delivered to the City, the audit reports and financial statements produced in connection with this engagement letter are public records and may be used (a) to fulfill the requirements of continuing disclosure under SEC Rule 15c2-12, (b) as inserts or incorporated by reference in offering documents issued by the City, and (c) for any lawful purpose of the City, all without subsequent consent from us. Any official statements in connection with debt issuances which include the above mentioned audit reports and financial statements shall contain the following: "Our independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this official statement."

In the interest of facilitating our services to your organization, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to your organization. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

We may prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the general ledger into a working trial balance. Also, as part of the audit we will prepare a draft of your financial statements and related notes. You will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

The workpapers for this engagement are our property and constitute confidential information. However, we may be requested to make certain workpapers available to others pursuant to authority given by law, regulation or other legal process. If requested, access to such workpapers will be provided under the supervision of firm personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to governmental agencies who may intend or decide to distribute the photocopies or information contained therein to others, including other governmental agencies. You agree to reimburse us for our personnel and other costs associated with our compliance with such requests. Our policy is to retain workpapers for five years after the engagement. During the term of this engagement, we agree to comply with the provisions of K.S.A. 44-1030.

You agree that the term "those charged with governance", as used in Statement on Auditing Standards No. 114 for defining our communication responsibilities under that standard, consists of the mayor, city council, and the city administrator.

It is understood that the services provided by our firm necessarily rely, to some extent, on information provided by your organization, including management representations, as well as information and documents. Accordingly, your organization indemnifies our firm and its owners and employees, and holds them harmless from all claims, liabilities, losses or costs in connection with services provided by our firm that are affected in any way by erroneous, misleading, or incomplete information furnished by your organization. This indemnification will survive any terminations under this letter.

Audrey M. Odermann, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We agree that our gross fee, including all expenses, for the above services shall not exceed \$18,250, except as noted above. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit, including delays resulting from the untimely delivery of and incomplete preparation of schedules and questionnaires we have requested from your staff. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of Basehor, Kansas and believe this letter accurately summarized the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

MIZE HOUSER & COMPANY P.A.
Certified Public Accountants

By Audrey M. Odermann

RESPONSE:

This letter correctly sets forth the understanding of the City of Basehor, Kansas.

By: _____

Title: _____

Date: _____

SYSTEM REVIEW REPORT

November 4, 2009

Shareholders
Mize, Houser & Company, P.A.and the
Peer Review Committee of the Kansas Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of *Mize, Houser & Company, P.A.* (the "Firm") in effect for the year ended September 30, 2009. Our peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews* ("standards") established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of *Mize, Houser & Company, P.A.* in effect for the year ended September 30, 2009, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. *Mize, Houser & Company, P.A.* has received a peer review rating of *pass*.



City of Basehor
Agenda Item Cover Sheet

Agenda Item No. 8

Topic: Employee evaluations

Action Requested: Review employee evaluation form, make changes, suggestions or approve as provided.

Narrative: Staff was directed to create an evaluation form for the purpose of providing employee reviews twice a year. Councilman Healy provided me with guidelines on performance management and a handbook for measuring employee performance that he has used with much success in the past. The form was created from his recommendations and information provided.

Presented by: Lloyd Martley-Interim City Administrator

Administration Recommendation: Approve evaluation form.

Committee Recommendation:

Attachments: Evaluation form

Projector needed for this item?

No

City of Bashor

Employee Performance Review

Name: _____ Review Date: _____
Department: _____ Type of Review: _____
Job Title: _____ Supervisor: _____

Core competencies for all staff and supervisors were developed as part of the Performance Management System. Our employees are absolutely essential to the continued success of our City. Core competencies are helpful in meeting standards and goals, thus providing a foundation for feedback throughout the year and they can be used as a measure of performance during the annual review.

Goals:

- Improve staff performance in meeting City work goals and objectives
- Recognize exceptional performance, accomplishments and contributions
- Support staff development and continuous learning
- Strengthen management accountability

Principals:

- Performance management is a shared commitment to high performance
- Performance management balances autonomy and accountability at the individual and organizational levels
- Effective performance and continuous learning should be encouraged and supported

Guidelines for completion of the Employee Evaluation Report

1. The objective of completing the Employee Evaluation Report is to have a record with sufficient detail to document good and poor performance. Poor performance should have been preceded by written counseling.
2. This report will become an official record in the personnel file, exempt from provisions of the Kansas Open Records Act.
3. The ratings may be used for determination of merit increases.
4. Any rating other than "Satisfactory" must have some explanation or justification in the comments section.
5. Comments by the supervisor and department head must be included. If the department head is the supervisor, enter "same as above" in the comment section.

Directions: Please indicate the appropriate level of performance for each area of the performance evaluation. When the evaluation is complete, a copy must be presented to the employee. For each rating lower than "Satisfactory" please make a comment(s) to justify the rating and include recommendations for improvement where appropriate. Use additional sheets whenever necessary.

City Core Performance Competencies for all Employees

JOB KNOWLEDGE:

- Competent in required job skills and knowledge
- Exhibits ability to learn and apply new skills
- Keeps abreast of current developments
- Requires minimal supervision
- Displays understanding of how job relates to others
- Uses resources effectively

____ Outstanding
____ Above Average

____ Satisfactory
____ Needs Improvement

Comments/Recommendations:

QUALITY:

- Demonstrates accuracy and thoroughness
- Displays commitment to excellence
- Looks for ways to improve and promote quality
- Applies feedback to improve performance
- Monitors own work to ensure quality

____ Outstanding
____ Above Average

____ Satisfactory
____ Needs Improvement

Comments/Recommendations:

QUANTITY:

- Meets productivity standards
- Completes work in timely manner
- Strives to increase productivity
- Works quickly
- Achieves established goals

____ Outstanding
____ Above Average

____ Satisfactory
____ Needs Improvement

Comments/Recommendations:

ADAPTABILITY:

- Adapts to changes in the work environment
- Manages competing demands
- Accepts criticism and feedback
- Changes approach or method to best fit the situation

____ Outstanding
____ Above Average

____ Satisfactory
____ Needs Improvement

Comments/Recommendations:

ATTENDANCE & PUNCTUALITY:

- Schedules time off in advance
- Begins working on time
- Keeps absences within guidelines
- Ensures work responsibilities are covered when absent
- Arrives at meetings and appointments on time

_____ Outstanding
_____ Above Average

_____ Satisfactory
_____ Needs Improvement

Comments/Recommendations:

INITIATIVE:

- Volunteers readily
- Undertakes self-development activities
- Seeks increased responsibilities
- Looks for and takes advantage of opportunities
- Asks for help when needed.

_____ Outstanding
_____ Above Average

_____ Satisfactory
_____ Needs Improvement

Comments/Recommendations:

COMMUNICATIONS:

- Expresses ideas and thoughts verbally
- Expresses ideas and thoughts in written form
- Exhibits good listening and comprehension
- Keeps others adequately informed
- Selects and uses appropriate communication methods

_____ Outstanding
_____ Above Average

_____ Satisfactory
_____ Needs Improvement

Comments/Recommendations:

TEAMWORK:

- Establishes and maintains effective relations
- Exhibits tact and consideration
- Displays positive outlook and pleasant manner
- Offers assistance and support to co-workers
- Contributes to building a positive team spirit
- Works actively to resolve conflicts

_____ Outstanding
_____ Above Average

_____ Satisfactory
_____ Needs Improvement

Comments/Recommendations:

DEPENDABILITY:

- Responds to request for service and assistance
- Follows instructions, responds to management direction
- Takes responsibility for own actions
- Commits to doing the best job possible
- Keeps commitments
- Meets attendance and punctuality guidelines

____ Outstanding
____ Above Average

____ Satisfactory
____ Needs Improvement

Comments/Recommendations:

CUSTOMER SERVICE:

- Displays courtesy and sensitivity
- Manages difficult or emotional customer situations
- Meets commitments
- Responds promptly to customer needs
- Solicits customer feedback to improve service

____ Outstanding
____ Above Average

____ Satisfactory
____ Needs Improvement

Comments/Recommendations:

REPRESENTING THE CITY:

- Complies with rules, regulations, and policies
- Upholds spirit of the law
- Displays honesty and integrity
- Exhibits ethical behavior
- Keeps self well-groomed and dresses appropriately for position

____ Outstanding
____ Above Average

____ Satisfactory
____ Needs Improvement

Comments/Recommendations:

LEADERSHIP (FOR DEPARTMENT HEADS, SUPERVISORS, MANAGERS ONLY)

- Exhibits confidence in self and others
- Inspires respect and trust
- Reacts well under pressure
- Shows courage to take action
- Motivates others to perform well

____ Outstanding
____ Above Average

____ Satisfactory
____ Needs Improvement

Comments/Recommendations:

SUPERVISOR'S COMMENTS:

Supervisor's signature

Date

EMPLOYEE'S COMMENTS: (Use additional sheets if necessary)

Employee's signature

Date

Employee's signature acknowledges that he/she has reviewed the evaluation. Their signature indicates that they are in agreement with the ratings and statements provided. If the employee disagrees with the evaluation he/she shall not sign the evaluation until they have had the opportunity to provide written comments and responses to the areas of disagreement.

Employees will be given a copy of the completed evaluation. The original copy of the evaluation shall be placed in the employee's personnel file after administrative review and signature.

Outstanding = 5 pts Above Average = 4 pts Satisfactory = 3 pts Need Improvement = 0 pts

SUMMARY EVALUATION RATING:

This program recognizes four levels of performance. Each level has its own range that corresponds to a percentage of a possible merit pay increase from 0% to 3% as approved by council.

Outstanding	90% to 100%
Above Average	75% to 89%
Satisfactory	60% to 74%
Needs Improvement	Below 60%

Using goals and core competencies, a model of performance management is an ongoing process which includes four components:

1. Performance Planning: A dialogue between a supervisor and employee to establish clear, specific performance goals and expectations at the beginning of the performance cycle.
2. Coaching: Two-way discussions which focus on recognizing employee excellence and areas for improvement and learning, as well as identifying barriers to performance.
3. Multiple Sources of Feedback: A process which provides employees with performance information to supplement supervisory feedback; may include feedback sources such as self, peers, constituents, or direct reports.
4. Performance Review: A summative two-way discussion and written documentation focusing on employee performance: areas of excellence, achievement of goals, and development needs.

Performance Management Model

City Mission, Goals, & Values stated and employee given a copy every year.

Set context for performance management so that individual performance is aligned with the organization's mission, goals, and values

Performance Planning:

Dialogue between a supervisor and employee to establish clear, specific performance goals and expectations at the beginning of the performance cycle

Performance Criteria

Information that provides the foundation for performance are: competencies, expectations, and goals.

Ongoing Coaching

Two-way discussions which focus on recognizing employee excellence and areas for improvement and learning, as well as identifying barriers to performance.

Performance Review

Cumulative two-way discussion and written documentation focusing on employee performance: areas of excellence, achievement of goals, and development needs

Multiple Sources of Feedback

Process which provides employees with performance information to supplement supervisory feedback; may include feedback sources such as self, peers, customers, or direct reports

Development of the Performance Management Process

The City's approach to performance management includes the goals, expectations, and core competencies presented in the preceding pages. In addition, it encompasses the Performance Management Model outlined on the previous page. There are "minimum expectations" that should be set for all City departments and work units though the approach could be customized to include a higher level of expectations. The minimum expectations are outlined below for each of the four performance management components.

Components and Short list of expectations (not all encompassing)

1. Minimum Expectations/Goals/Objectives discussed.
2. Performance Planning:
Planning discussion between supervisor and employee; at least 3 goals have been developed for the next review period.
3. Coaching
Encourage ongoing two-way communication
As-needed feedback shared between supervisor and employee;
Log events and goal progress notes are entered into the employee's performance record on a monthly basis.
4. Multiple Sources of Feedback
Employee completes a self- evaluation prior at least 2 weeks prior to the performance review due date (see Employee Self-Evaluation form in Appendix)
5. Performance Review:
Evaluate performance based on the performance planning conducted during the period.

Goal

Discuss the core competencies and how they relate to the employee's job;

Establish performance goals for the next year.

Communication tempo during the performance cycle

Provide for at least one additional source of feedback discussion and achievement of goals