Agenda

Basehor City Council
Work Session

November 1, 2010 7:00 p.m.
Basehor City Hall

1. Larkin Payment
2. Blacktop Payment
3. 2011 Pay Scale
4. Establish a public hearing for amended budget (November 15, 2010)
5. Sewer Rate
6. Sewer Connection Fees
7. Executive Session (if needed)

Memorandum

To: Mark Loughry

CC: Mr. Mayor and City Council

From: Mitch Pleak

Date: 10-26-10

Re: Larkin Paving Final Payment

Approved Work

150th Street project was budgeted for $885,957. A detailed analysis is shown below.

150th Street Project - Approved Work	$
Original Contract	$665,264.50
Change Order #1 (Approved)	$6,520.53
Change Order #2 (Approved)	$1,570.00
Change Order #3 (Approved)	$8,898.12
Change Order #4 (Approved)	$500.00
Change Order #5 (Approved)	$6,338.00
Change Order #6 (Approved)	$420.00
Change Order #7 (Approved)	$16,891.84
Change Order #8 (Approved)	$6,027.00
Total	$712,429.99

- Change Order #1 was approved to remove bad subgrade material found during construction and to place a french drain.
- Change Order #2 was for a modification of an inlet during construction.
- Change Order #3 was for the modification of residential driveways.
- Change Order #4 was for the additional grading at the Amy Surprise residence. The additional grading allowed for a lesser slope.
- Change Order #5 was for Susan Guy's retaining wall and fence.
- Change Order #6 was for the trenching of Westar's electrical line. The electrical line was proposed to be above ground and was changed to be underground.
- Change Order #7 was for temporary aggregate used for local traffic during construction.

- Change Order #8 was for the installation of pop up drains for sump pump lines day lighting at the right-of-way, riprap at Amy Surprise's property, installation of underdrain pipe, and George Smith's water/electrical lines.

Final Payment

Larkin re-seeded the project on September 17th. From September 18-25th the project was wetted by rainfall. On September 28th, staff contacted Larkin and suggested watering the project due to the lack of rainfall. From September 26th to October 5th the project had not received any rainfall or watering by the contractor. On October 5th, staff called the bond company to update them on the progress of the project and the lack of watering. After staff's discussion with the bond company, the contractor began watering the project. The project had a ten (10) day period without precipitation or watering from the contractor.

The project has many areas of bare ground where the mulching has been damaged. The project also has gullies where the seeding has been damaged. The contract requires the contractor, before completion and acceptance of the seeding, to repair damaged areas by filling the areas with soil to original grade, re-seeding and re-mulching. The contractor did not make sufficient repairs.

To date, the contractor has not met the contract for acceptance of the seeding. The contract defines acceptable grass stand as three (3) inch growth height with bare areas no more than one (1) square foot.

Staff has been working with the City Attorney since October 5th on resolving the issue. Staff notified the bond company that the City would be filing a claim for the seeding performance on October 18th, if performance is not met. October 18th, the City Council gave staff direction to negotiate a portion of the retainage to be released.

Once the project's retainage is released, the City accepts the project. After project acceptance, any issues that arise with the work will be resolved with the maintenance agreement (maintenance bond). If the City were to accept the project, the City would not be able to call the maintenance bond to establish the remaining grass stand, which doesn't meet specifications. The maintenance bond can only guarantee the grass stand at the time of project acceptance.

Staff negotiated with Larkin the following:

- $4,905 (Quoted from a local contractor to re-seed the project) would be deducted from the retainage for the seeding. With the deduction of funds, Larkin would be released of seeding and grass establishment for the project. Note: The seeding item in Larkin's contract was $3,765.
- $12,900 would be deducted from the retainage for liquidated damages.
- Once the remaining retainage is released, the project begins a two (2) year maintenance period.

Larkin Excavating Final Payment	$
Work Completed in Pay Application #6	$14,090.90
Retainage	$34,916.97
Liquidated Damages Deduction	($12,900.00)
Seeding Deduction	($4,905.00)
Total	$31,202.87

Project Cost

150th Street Project	$
Budgeted Amount (Approved)	$885,957.00
Larkin Previous Payments	$663,422.12
Larkin Excavating Final Payment	$31,202.87
Costs Associated to the Project Outside Larkin's Contract	$133,984.10
Remaining Project Budget	$57,347.91

Recommendation

Staff recommends that $17,805 be deducted from project's retainage and the final payment be made. Upon final payment, the maintenance bond will begin. The maintenance bond guarantees the construction and installation including all materials and workmanship for a period of two (2) years.

Staff would then arrange for a landscaping firm to come in and establish adequate grass coverage.

Memorandum

To: Mark Loughry

CC: Mr. Mayor and City Council

From: Mitch Pleak

Date: 9-24-10

Re: Blacktop Paving Final Payment

Approved Work

To date the City Council has approved $1,321,291.69 to the construction of Wolf Creek Junction. A detailed analysis is shown below.

Wolf Creek Junction - Approved Work	$
Original Contract	$929,824.03
Change Order #1 (Approved)	$8,341.12
Change Order #2a (Approved)	$20,753.94
Change Order #3a (Approved)	$129,296.60
Change Order #3b (Approved)	$3,076.00
Change Order #4b (Approved)	$30,000.00
Change Order #5 (Approved)	$200,000.00
Total	$1,321,291.69

Final Payment

Blacktop Paving Final Payment	$
Work Competed in Pay Application #8	$93,037.99
Retainage Release	$111,126.25
Total	$204,164.24

Project Cost

Wolf Creek Junction Project	$
Budgeted Amount (Approved)	$1,321,291.69
Blacktop Previous Payments	$1,000,136.23
Blacktop Paving Final Payment	$204,164.24
Balance Between Approved Work and Blacktop's Contract	$116,991.22

Remaining Balance of $116,991.22

June 21, 2010 before the design was completed, Staff proposed a cost of $78,000 for storm water improvements for the permanent roadway on the east end. Staff anticipated additional storm water infrastructure on the east end of the project. During the completion of the design, no new drainage system was needed to complete the street besides tying into the existing system along 150th Street. The remaining balance includes the budgeted $30,000 for streetlights, which is not to be completed by Blacktop Paving.

Project Balance	$116,991.22
Storm Water System	$75,000.00
Streetlight Installment	$30,000.00
Remaining Project Budget	$11,991.22

Recommendation

Upon final payment, the maintenance bond will begin. The maintenance bond guarantees the construction and installation including all materials and workmanship for a period of two (2) years. Staff recommends the approval of final payment to Blacktop Paving and Construction.

Memo

Date: 10/24/2010

To: Basehor City Council

Cc: Mayor, Terry Hill

From: Mark Loughry, City Administrator

RE: Pay Scale for 2011

Council I have attached the proposed Pay Scale for 2011. There are a few changes noted, but no across the board increase is being proposed. There are only three positions that will notice any increase in hourly pay over their 2010 rate with a total budgetary impact of $2,820.00 if this Pay Scale is adopted.

I am recommending the removal of the following positions from the pay scale; Clerical, Management Intern, Police Corporal, Planner, and City Clerk. The other recommended changes eliminate the need for these positions or the positions have never been filled. I am also recommending that the wage range currently titled as Treasurer be reclassified as Accounting Clerk and the wage range titled Planning Director be reclassified as City Engineer with no step adjustments.

I am recommending creating the position of Finance Director with a scale equivalent to the City Superintendent and Chief of Police. I would then move the current City Clerk into the position of Finance Director and expect them to fill the role of City Clerk and Treasurer. In order to move the current employee to a step in that range it will require a fifty-eight cents an hour adjustment or $1,206.40 annually.

I am recommending the creation of the scale Administrative Support equivalent to the Assistant City Clerk Range. This reflects the consolidation of the Management Intern and Clerical positions previously in the Pay Scale Plan and does not reflect any increase in wages over the 2010 rate.

The City Engineer position is eligible for a step increase and I am recommending moving that position from a step two to a step three as allowed in the pay policy. This reflects a seventy-four cent an hour increase or $1,539.20 annually.

I am recommending the implementation of a stipend for the position of Assistant City Administrator. This position was created by the Council and previously included in the City Administrator range. Since the position is not currently a full time position and may not be for some time it will continue to be filled by a senior member of the management team as additional duties. I am recommending a flat $7,500.00 stipend be added to the wages of

whichever member of management fills the position. Approval of this would create a $74 per year adjustment in the wages of the person currently filling the position.

I am attaching two Pay Scales, one clean version reflecting my recommended changes and one showing the 2010 adopted pay scale with areas of proposed change highlighted. I am also attaching the proposed job description for the Assistant City Administrator position outlining the stipend.

I do feel that with the increase in costs associated with the City benefits this is an equitable proposal for both the City and the employees.

If you have questions or require further discussion please let me know.

City of Basehor

Adopted 2010 Scale With Changes

10/26/2010

Range	Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
1	Parks Laborer	$10.07	$10.32	$10.58	$10.84	$11.12	$11.39	$11.68	$11.97	$12.27	$12.58
	Clerical	$11.20	$11.48	$11.77	$12.06	$12.36	$12.67	$12.99	$13.31	$13.65	$13.99
	Maintenance Worker 1	$11.31	$11.59	$11.88	$12.18	$12.48	$12.80	$13.12	$13.44	$13.78	$14.12
	Police Clerk	$11.48	$11.77	$12.06	$12.36	$12.67	$12.99	$13.31	$13.65	$13.99	$14.34
2	Management Intern	$11.78	$12.07	$12.38	$12.69	$13.00	$13.33	$13.66	$14.00	$14.35	$14.71
3	Wastewater Operator 1	$13.19	$13.52	$13.86	$14.20	$14.56	$14.92	$15.30	$15.68	$16.07	$16.47
	Court Clerk	$13.80	$14.15	$14.50	$14.86	$15.23	$15.61	$16.00	$16.40	$16.81	$17.23
	Wastewater Operator 2	$14.43	$14.79	$15.16	$15.54	$15.93	$16.33	$16.73	$17.15	$17.58	$18.02
4	Assistant City Clerk	$15.07	$15.45	$15.83	$16.23	$16.63	$17.05	$17.48	$17.91	$18.36	$18.82
	Administrative Support	$15.07	$15.45	$15.83	$16.23	$16.63	$17.05	$17.48	$17.91	$18.36	$18.82
	Animal Control Officer	$15.44	$15.83	$16.22	$16.63	$17.04	$17.47	$17.91	$18.35	$18.81	$19.28
	Police Officer 2	$15.44	$15.83	$16.22	$16.63	$17.04	$17.47	$17.91	$18.35	$18.81	$19.28
	Maintenance Worker 2	$15.45	$15.84	$16.23	$16.64	$17.05	$17.48	$17.92	$18.37	$18.82	$19.29
	Accounting Clerk	$15.45	$15.84	$16.23	$16.64	$17.05	$17.48	$17.92	$18.37	$18.82	$19.29
	Police Officer 3	$15.94	$16.34	$16.75	$17.17	$17.59	$18.03	$18.49	$18.95	$19.42	$19.91
5	Police Corporal	$17.78	$18.22	$18.68	$19.15	$19.63	$20.12	$20.62	$21.13	$21.66	$22.20
	Senior Wastewter Oper	$18.50	$18.96	$19.44	$19.92	$20.42	$20.93	$21.45	$21.99	$22.54	$23.10
	Police Sergeant	$18.50	$18.96	$19.44	$19.92	$20.42	$20.93	$21.45	$21.99	$22.54	$23.10
	Building/Code Inspector	$18.85	$19.32	$19.80	$20.30	$20.81	$21.33	$21.86	$22.41	$22.97	$23.54
	Planner	$19.12	$19.60	$20.09	$20.59	$21.10	$21.63	$22.17	$22.73	$23.30	$23.88
6	Lieutenant/Detective	$20.97	$21.49	$22.03	$22.58	$23.15	$23.73	$24.32	$24.93	$25.55	$26.19
7	City Clerk	$23.61	$24.20	$24.81	$25.43	$26.06	$26.71	$27.38	$28.06	$28.77	$29.49
8	Chief of Police	$25.99	$26.64	$27.31	$27.99	$28.69	$29.41	$30.14	$30.89	$31.67	$32.46
	Chief of Police	$26.58	$27.24	$27.93	$28.62	$29.34	$30.07	$30.82	$31.60	$32.39	$33.19
	Finance Director	$26.58	$27.24	$27.93	$28.62	$29.34	$30.07	$30.82	$31.60	$32.39	$33.19
	City Superintendent	$26.58	$27.24	$27.93	$28.62	$29.34	$30.07	$30.82	$31.60	$32.39	$33.19
9	City Engineer	$29.10	$29.83	$30.57	$31.34	$32.12	$32.92	$33.75	$34.59	$35.46	$36.34
10	City Administrator	$33.42	$35.17	$37.02	$38.96	$41.00	$43.16	$45.67	$48.30	$51.05	$53.94

Light blue fill is proposed increase in 2011
Purple fill is current rate
Orange fill is proposed to be removed
Yellow fill is new line item

City of Basehor

Adopted 2011 Pay Scale

10/26/2010

Range	Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
1	Parks Laborer	$10.07	$10.32	$10.58	$10.84	$11.12	$11.39	$11.68	$11.97	$12.27	$12.58
	Maintenance Worker 1	$11.31	$11.59	$11.88	$12.18	$12.48	$12.80	$13.12	$13.44	$13.78	$14.12
	Police Clerk	$11.48	$11.77	$12.06	$12.36	$12.67	$12.99	$13.31	$13.65	$13.99	$14.34
2	Wastewater Operator 1	$13.19	$13.52	$13.86	$14.20	$14.56	$14.92	$15.30	$15.68	$16.07	$16.47
	Court Clerk	$13.80	$14.15	$14.50	$14.86	$15.23	$15.61	$16.00	$16.40	$16.81	$17.23
	Wastewater Operator 2	$14.43	$14.79	$15.16	$15.54	$15.93	$16.33	$16.73	$17.15	$17.58	$18.02
3	Assistant City Clerk	$15.07	$15.45	$15.83	$16.23	$16.63	$17.05	$17.48	$17.91	$18.36	$18.82
	Administrative Support	$15.07	$15.45	$15.83	$16.23	$16.63	$17.05	$17.48	$17.91	$18.36	$18.82
	Animal Control Officer	$15.44	$15.83	$16.22	$16.63	$17.04	$17.47	$17.91	$18.35	$18.81	$19.28
	Police Officer 2	$15.44	$15.83	$16.22	$16.63	$17.04	$17.47	$17.91	$18.35	$18.81	$19.28
	Accounting Clerk	$15.45	$15.84	$16.23	$16.64	$17.05	$17.48	$17.92	$18.37	$18.82	$19.29
	Maintenance Worker 2	$15.45	$15.84	$16.23	$16.64	$17.05	$17.48	$17.92	$18.37	$18.82	$19.29
	Police Officer 3	$15.94	$16.34	$16.75	$17.17	$17.59	$18.03	$18.49	$18.95	$19.42	$19.91
4	Senior Wastewater Oper	$18.50	$18.96	$19.44	$19.92	$20.42	$20.93	$21.45	$21.99	$22.54	$23.10
	Police Sergeant	$18.50	$18.96	$19.44	$19.92	$20.42	$20.93	$21.45	$21.99	$22.54	$23.10
	Building/Code Inspector	$18.85	$19.32	$19.80	$20.30	$20.81	$21.33	$21.86	$22.41	$22.97	$23.54
5	Lieutenant/Detective	$20.97	$21.49	$22.03	$22.58	$23.15	$23.73	$24.32	$24.93	$25.55	$26.19
6	Chief of Police	$26.58	$27.24	$27.93	$28.62	$29.34	$30.07	$30.82	$31.60	$32.39	$33.19
	Finance Director	$26.58	$27.24	$27.93	$28.62	$29.34	$30.07	$30.82	$31.60	$32.39	$33.19
	City Superintendent	$26.58	$27.24	$27.93	$28.62	$29.34	$30.07	$30.82	$31.60	$32.39	$33.19
7	City Engineer	$29.10	$29.83	$30.57	$31.34	$32.12	$32.92	$33.75	$34.59	$35.46	$36.34
8	City Administrator	$33.42	$35.17	$37.02	$38.96	$41.00	$43.16	$45.67	$48.30	$51.05	$53.94

Approved and adopted by Council November 15, 2010

Terry Hill, Mayor

Assistant City Administrator

Immediate Supervisor: City Administrator
FLSA Classification: Exempt - $7,500 Stipend
Status Classification: Part - time (flexible with some weekends and evenings)
Education: High School Diploma/GED, Preferred degree from an accredited College or University with course work in Business and Administration or other fields related to administration.
Out-of-Town Travel: Required
Introductory Period: One year

POSITION SUMMARY

Under the supervision of the City Administrator, the Assistant City Administrator is an additional assignment given to a member of senior management. This position works with the City Administrator, Mayor, City Council, other department heads, and citizens by researching issues, providing advice, fielding complaints and assisting with the general administration of the City of Basehor. This employee should possess excellent supervisory and organizational skills as well as strong communication and public relation skills.

ESSENTIAL FUNCTIONS

- Assists City Administrator with development of the annual City budget;
- Assists with short term and long range planning for the community and organization;
- Fields questions, concerns, and complaints from the general public;
- Assists in the preparation of the council agendas;
- Conducts research and performs special projects;
- Interacts with news media and makes public presentations;
- Participates in personnel management to include, salaries and enforcement of policies;
- Assists with grant preparation and monitoring;
- Prepares necessary reports as requested;
- Attends City Council meetings;
- Assists other departments as needed;
- Assumes responsibilities for the organization during the absence of the City Administrator;
- Administration of payroll/time and attendance systems
- Performs other duties as deemed necessary or assigned.

The City of Basehor

Date: October 26, 2010

To: Basehor City Council

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

Re: 2010 Budget Amendment

Background:

Municipalities are authorized by K.S.A 79-2929a *(Attachment A)* to amend their budget to spend funds not in the original budget. The additional expenditures are to be made from existing revenue and cannot require additional tax levies.

K.S.A. 79-2929a requires that the City hold a public hearing on the budget amendment at least ten days after publication. To comply with these statutory requirements, the public hearing has been preliminarily scheduled for Council's regular meeting on November 15, 2010. It is required that the Notice of Budget hearing page of the attached State of Kansas amended budget document will be published in the City's newspaper of record *(Basehor Sentinel)* on Thursday November 4, 2010. At the November 15, 2010 meeting Council will be asked to vote on the amended budget after the public hearing.

The City's Capital Improvement Fund has gone over its original $150,000 budget due to the purchase of the Field of Dreams athletic facility. Current expenditures are $398,354 while the proposed amended budget is $400,000. The Cedar Lakes fund has gone over its original $17,000 budget due to unexpected machinery failure (primarily grinder pumps). Current expenditures are $19,337 and the proposed amended budget is $30,000.

Process:

1. Establish Public Hearing Date
2. Publish Notice
3. Conduct Public Hearing
4. Adopt Amended Budget
5. File Amended Budget with County Clerk

Staff Request:

With Council consent staff will publish notice of a public budget hearing to be held at 7:00 p.m. on November 15, 2010.

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

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

ATTACHEMENT A

Chapter 79.--TAXATION
Article 29.--MISCELLANEOUS PROVISIONS

79-2929a. Amended budget; publication; electronic filing; notice; public hearing; clerical errors. (a) The governing body of any taxing subdivision or municipality which is subject to the budget law provisions of K.S.A. 79-2925 through 79-2936, and amendments thereto, which proposes to amend its adopted current budget during the year in which such budget is in effect, shall be subject to the same publication, notice and public hearing requirements as required by K.S.A. 79-2929, and amendments thereto, for the adoption of the original budget. In addition, such published budget shall show any proposed changes in the amount of expenditures, by fund. Any proposed increase in expenditures shall be balanced by previously unbudgeted increases in revenue other than ad valorem property taxes. A copy of the adopted amended budget shall be filed with the county clerk and with the director of accounts and reports. Beginning in 2009, all such budget information shall be filed electronically with the county clerk and with the director of accounts and reports.

(b) Whenever a clerical error in the calculation of the assessed valuation of any taxing subdivision or municipality which is subject to the provisions of K.S.A. 79-2925 through 79-2936, and amendments thereto, is discovered after the governing body has adopted the budget and prior to October 1, the governing body may amend such budget. Any budget amended pursuant to this subsection shall be subject to the same publication, notice and public hearing requirements as required by K.S.A. 79-2929, and amendments thereto, for the adoption of the original budget. A copy of such amended budget shall be filed with the county clerk and the director of the division of accounts and reports. Beginning in 2009, all such budget information shall be filed electronically with the county clerk and with the director of accounts and reports.

History: L. 1981, ch. 368, § 1; L. 1989, ch. 218, § 10; L. 1992, ch. 280, § 53; L. 2004, ch. 59, § 1; L. 2008, ch. 163, § 2; July 1.

2010

Amended
Certificate

To the Clerk of Leavenworth, State of Kansas
We, the undersigned, duly elected, qualified, and acting officers of
City of Basehor
certify that: (1) the hearing mentioned in the attached publication was held;(2) after the Budget Hearing this Budget was duly approved and adopted as the maximum expenditure for the various funds for the year.

Table of Contents:		Page No.	2010 Amended Budget: Amount of 2009 Tax that was Levied	Adopted 2010 Expenditures	Proposed Amended 2010 Expenditures
Fund	**K.S.A.**				
Cedar Lakes		2		17,000	30,000
Capital Improvement		3		150,000	400,000
0					
0					
0					
0					
Totals		xxxxxxx	0	167,000	430,000
Summary of Amendments		4			

Attested date:_____

_____
County Clerk

Assisted by: Corey Swisher
2620 No. 155th St
Address: Basehor, KS 66007

_____
_____
_____
_____
_____
Governing Body

State Use Only
Received_____
Reviewed by_____
Follow-up: Yes_____No_____

revised 12/04/08

City of Basehor

2010

Adopted Budget

Cedar Lakes	2010 Adopted Budget	2010 Proposed Budget
Unencumbered Cash Balance January 1	56,693	56,693
Receipts:		
Ad Valorem Tax		
Delinquent Tax		
Motor Vehicle Tax		
Recreational Vehicle Tax		
Interest on Idle Funds		
Total Receipts	**0**	**0**
Resources Available:	**56,693**	**56,693**
Expenditures:		
	17,000	30,000
Total Expenditures	**17,000**	**30,000**
Unencumbered Cash Balance December 31	39,693	26,693

revised 8/06/07

City of Basehor

Adopted Budget

Capital Improvement	2010 Adopted Budget	2010 Proposed Budget
Unencumbered Cash Balance January 1	1,346,875	1,346,875
Receipts:		
Ad Valorem Tax		
Delinquent Tax		
Motor Vehicle Tax		
Recreational Vehicle Tax		
Interest on Idle Funds		
Total Receipts	**0**	**0**
Resources Available:	**1,346,875**	**1,346,875**
Expenditures:		
	150,000	400,000
Total Expenditures	**150,000**	**400,000**
Unencumbered Cash Balance December 31	1,196,875	946,875

Notice of Budget Hearing for Amending the 2010 Budget

The governing body of
City of Basehor
will meet on the day of November 15 , 2010, at 7 p.m. for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds.

Detailed budget information is available at
and will be available at this hearing.

Summary of Amendments

Fund	2010 Adopted Budget			2010 Proposed Amended Expenditures
	Actual Tax Rate	Amount of Tax that was Levied	Expenditures	
Cedar Lakes			17,000	30,000
Capital Improvement			150,000	400,000
0			0	0
0			0	0
0			0	0
0			0	0

Signature

The City of Basehor

Date: October 26, 2010

To: Basehor City Council

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

Re: Sewer Connection Fees

Background:

In early 2008 the Basehor City Council established that the sewer connection fee would be set at $2,950 and then increased by $250 annually (Ord. 524). The current connection fee is $3,450. Staff is concerned this mandated increase is not presently conducive to Basehor's competitive residential development advantage. *(see attachment A)*

Council Options:

Option #1: Maintain the status quo and continue mandated annual sewer connection fee increases.

Option #2: Eliminate the mandated annual increase and leave connection fee at current amount ($3,450).

Option #3: Establish a new rate without an automatic increase.

Requiring the sewer connection fee to increase may put the City of Basehor at a competitive disadvantage. Eliminating the automatic increase would allow the City to stay more strategically positioned in regard to development fees. Council maintains the ability to change the fee at any time with the passage of an ordinance.

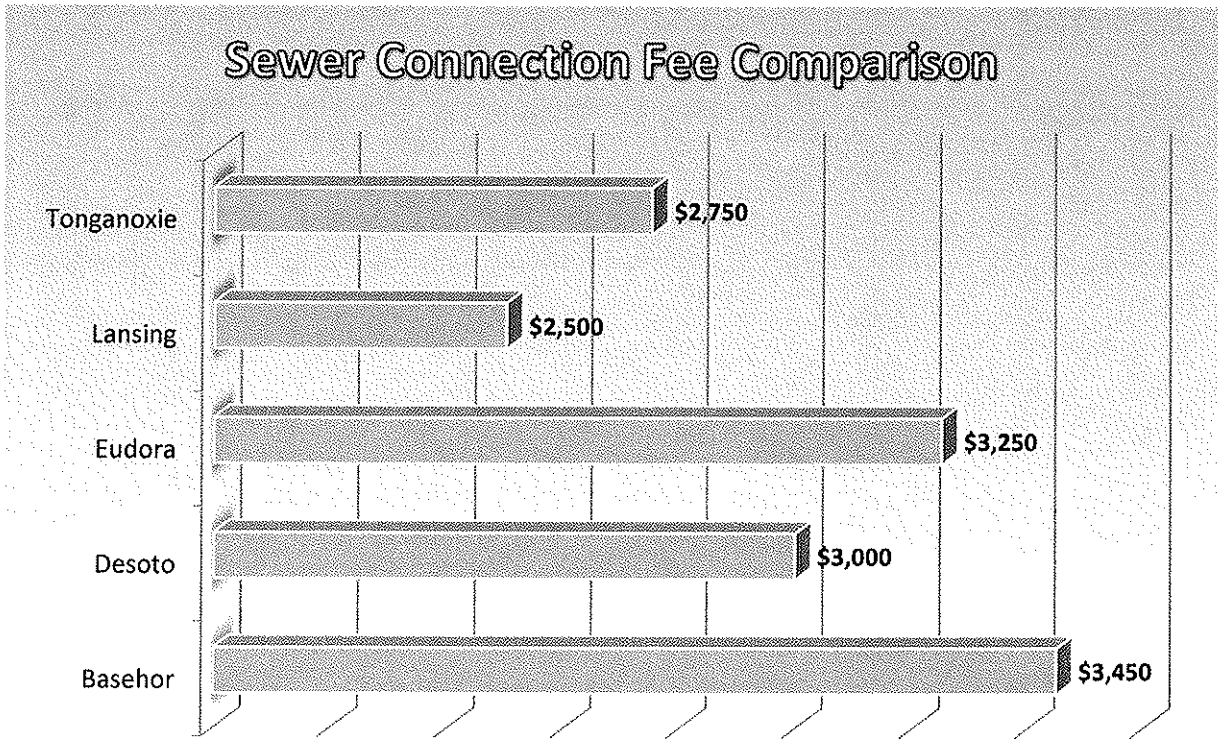
Staff Request:

Consider an ordinance amending Ordinance No. 524. The purpose of this ordinance would only be to eliminate the currently mandated sewer connection fee increase.

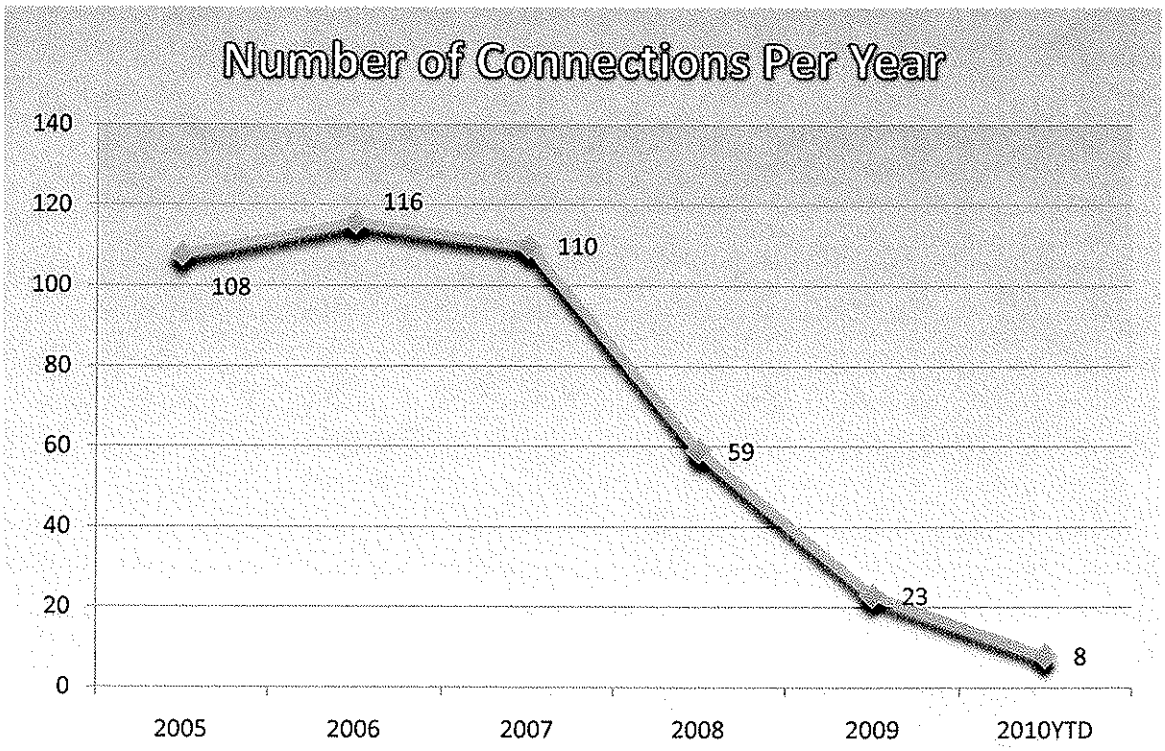
2620 N. 155th Street
P.O. Box 406
Basehor, KS 66007-0406

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

ATTACHMENT A



Basehor's residential sewer connection fees are currently 6.15% higher than any comparable neighboring community. If the 2011 increase is instated Basehor will be 13.84% higher.



(First published in *Basehor Sentinel* on January 31, 2008)

ORDINANCE NO. 524

AN ORDINANCE REPEALING 5.04MP AND 5.05MP OF THE MUNICIPAL POLICY AND CREATING AN ORDINANCE AMENDING ARTICLE XV, UTILITIES, ARTICLE 15-238 AND 15-240 OF THE CODE OF THE CITY OF BASEHOR, KANSAS

Section 1. Section 15, Article 2 of the Code of the city of Basehor provides that monthly sewerage treatment charges and connection fees shall be established by written policy of the governing body.

15-239. SEWER SERVICE CHARGE. (a) As of May 1, 2008, the individual monthly charge for sewage treatment will be $7.38 per thousand gallons of water consumed, based on the average water consumption of the months of December 2007, January 2008, and February 2008. Monthly water consumption records will be obtained by the city from Consolidated Rural Water District No. 1, Suburban Water Company, or any other water provider.

(b) Commencing January 1, 2008, the average water consumption shall be based upon the average of the water consumed for the month of December of the previous year and the months of January and February of the current year. Each year thereafter, the average usage will be calculated utilizing the historical data in the same manner. Monthly billing changes will be effective May 1st of each year.

(c) In the event that a customer establishes from reasonable evidence that the three month average is not representative of their actual usage, then the billing clerk with the consent of the city administrator is authorized to recalculate the appropriate usage based upon the information provided. Adjustments shall not be retroactive and will take effect with the next monthly billing cycle. No adjustments to utility accounts shall be made until the customer's account is paid in full.

(d) Units that water consumption records may not be available for all of the months of December, January and February, may be charged, based on the average of one to three months preceding or following these months.

(e) Units that are connected to the sewer system after the effective date, or units that do not receive water service from Consolidated Rural Water District No. 1 or Suburban Water Company, or units that water usage records are otherwise not available, shall be assigned an average monthly water consumption of 6,350 gallons, until an actual average can be determined or the unit may be charged on a per capita basis of 100 gallon per day per occupant.

(f) The monthly charge for new units that will significantly exceed the monthly average of 6,350 gallons may be based on actual water usage, on a month-to-month basis, until an accurate average can be determined.

(g) There will be a minimum charge of $9.71 per month and increase 2.5% effective May 1, 2008. Units that are vacant will be charged the minimum fee for each month they are vacant.

(Ord. 333, Sec. 3:7)

15-240 CONNECTION FEES: Each individual unit connected to the city wastewater system shall be charged a connection fee 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 buildings, a separate fee shall be charged for each separate unit. Effective January 1, 2008 the connection fee shall be $2,950. The fee shall be increased by $250 annually, effective each January 1st.

(a) Development approved outside the city prior to the effective date of this policy, shall be permitted to connect to the city's wastewater system, upon approval of the city council. The connection fees and the monthly wastewater treatment fees for such development that remains outside of the city, after connection, shall be 125% of the established rates. The connection fee shall be charged 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.

(b) Development approved outside the city after February 28, 2005 shall be permitted to connect to the city's wastewater system, upon approval of the city council. The connection fees and the monthly wastewater treatment fees for such development that remains outside of the city, after connection, shall be 150% of the established rates. The connection fee shall be charged at the time of building permit is issued for construction of the unit, or upon connection to the wastewater system, in the case of existing units.

Section 2. This ordinance shall repeal Municipal Policy 5.04MP and 5.05MP and Section 15-239 and 240 and Section 1:2 of Ordinance 221, Section 1:3 of Ordinance 309, Sections 15-239 and 240 of Ordinance 333 in its entirety.

Section 3. This ordinance shall be in full force and effective from and after its passage and publication in the official city newspaper.

Approved by the City Council this 10th day of January, 2008.

Approved by the Mayor this 10th day of January, 2008.

City of Basehor Ord. 524 Jan. 10, 2008

Mayor Chris Garcia

Attest:

Mary A. Mogle, City Clerk

The City of Basehor

Date: October 26, 2010

To: Basehor City Council

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

Re: Sewer Rate Increase

Background:

Total budgeted expenditures in the Sewer Fund were required to be raised in 2011 due to a $294,994 increase in debt payment obligations. Without a very significant and improbable increase in new sewer customers on a continual basis over the next several years annual sewer rate increases will be required to keep the sewer fund solvent. In addition to increased debt obligations staff has concerns that many municipalities are occasionally caught off guard because their sewer fund balance is inadequate to address an emergency of only a few thousand dollars. To avoid the potential necessity of issuing emergency warrants or a General Fund transfer due to unforeseen events, staff is recommending a ten percent reserve be included in the sewer fund.

Options:

1. Raise the 2011 per customer monthly sewer fee 23% and readdress the 2012 monthly sewer in the fourth quarter of next year. 23% represents the minimum increase required to balance the 2011 budget with the staff recommended 10% reserve balance. It is important to note that sewer rates will be required to be raised again 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 would need to be a significantly higher than 23%.
2. Raise the 2011 rate substantially higher than 23%

Other Considerations:

1. Is Council committed to annual capital improvements to the City's waste water infrastructure and if so to what extent?

Council Preference:

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. Staff is asking Council to establish a preference on whether to schedule the minimum sewer rate necessary to maintain solvency (23%) for 2011 or a percentage rate higher than that. The current minimum monthly sewer rate of $10.20 is proposed to be 1.5x the base rate per 1,000 gallons.

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

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

	2010 Estimate	2011 Budget	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Monthly Bill	$34.84	$42.85	$62.99	$64.25	$65.54	$66.85	$68.19	$69.55	$70.94	$72.36	$73.81
% Increase		23.00%	47.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Starting Cash	$464,249	$769,531	$167,531	$159,412	$212,107	$328,835	$512,978	$718,097	$947,936	$1,256,433	$1,647,731
***Accounts**	1,666	1,716	1,767	1,820	1,875	1,931	1,989	2,049	2,110	2,174	2,239
Sewer Charges	$680,000	$882,423	$1,336,076	$1,403,682	$1,474,708	$1,549,328	$1,627,724	$1,710,087	$1,796,618	$1,887,527	$1,983,035
Sewer Connection Fees	$400,000	$100,000	$177,604	$182,932	$188,420	$194,073	$199,895	$205,892	$212,068	$218,430	$224,983
Delinquent Fee Collections	$5,400	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Interest Income	$800	$1,000									
24/40 Sewer Interceptor	$0	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162
	$1,086,200	$1,063,585	$1,593,842	$1,666,776	$1,743,290	$1,823,563	$1,907,781	$1,996,141	$2,088,848	$2,186,119	$2,288,181
TOTAL AVAILABLE FUNDS	$1,870,449	$1,833,116	$1,761,373	$1,826,188	$1,955,398	$2,152,398	$2,420,760	$2,714,238	$3,036,784	$3,442,552	$3,935,911
Operating Expenditures	$1,100,918	$1,390,585	$1,401,961	$1,414,080	$1,426,563	$1,439,420	$1,452,662	$1,466,302	$1,480,351	$1,494,822	$1,509,726
Capital Projects		$275,000	$200,000	$200,000	$200,000	$200,000	$250,000	$300,000	$300,000	$300,000	$300,000
Balance	$769,531	$167,531	$159,412	$212,107	$328,835	$512,978	$718,097	$947,936	$1,256,433	$1,647,731	$2,126,185
10% Cash Reserve Requirement		$166,559	$160,196	$161,408	$162,656	$163,942	$170,266	$176,630	$178,035	$179,482	$180,973
Reserve Shortfall or Excess		$972	-$784	$50,699	$166,179	$349,036	$547,831	$771,306	$1,078,398	$1,468,249	$1,945,213
Avg. Annual Increase Per Customer		$96.16	$241.69	$15.12	$15.42	$15.73	$16.04	$16.36	$16.69	$17.03	$17.37

* Assumes annual 3% increase in sewer customers.

This scenario demonstrates that the minimum required increase in 2011 requires a significant increase in 2012 to provide for a 10% reserve fund balance and capital improvements.

	2010 Estimate	2011 Budget	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Monthly Bill	$34.84	$45.99	$60.71	$61.92	$63.16	$64.42	$65.71	$67.02	$68.36	$69.73	$71.13
% Increase		32.00%	32.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Starting Cash	$464,249	$769,531	$232,098	$175,431	$177,122	$240,264	$368,110	$514,083	$681,784	$924,998	$1,247,709
***Accounts**	1,666	1,716	1,767	1,820	1,875	1,931	1,989	2,049	2,110	2,174	2,239
Sewer Charges	$680,000	$946,990	$1,287,528	$1,352,677	$1,421,122	$1,493,031	$1,568,579	$1,647,949	$1,731,335	$1,818,940	$1,910,979
Sewer Connection Fees	$400,000	$100,000	$177,604	$182,932	$188,420	$194,073	$199,895	$205,892	$212,068	$218,430	$224,983
Delinquent Fee Collections	$5,400	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Interest Income	$800	$1,000									
24/40 Sewer Interceptor	$0	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162
	$1,086,200	$1,128,152	$1,545,294	$1,615,771	$1,689,704	$1,767,266	$1,848,635	$1,934,002	$2,023,565	$2,117,533	$2,216,124
TOTAL AVAILABLE FUNDS	$1,870,449	$1,897,683	$1,777,392	$1,791,202	$1,866,826	$2,007,529	$2,216,745	$2,448,085	$2,705,349	$3,042,531	$3,463,833
Operating Expenditures	$1,100,918	$1,390,585	$1,401,961	$1,414,080	$1,426,563	$1,439,420	$1,452,662	$1,466,302	$1,480,351	$1,494,822	$1,509,726
Capital Projects		$275,000	$200,000	$200,000	$200,000	$200,000	$250,000	$300,000	$300,000	$300,000	$300,000
Balance	$769,531	$232,098	$175,431	$177,122	$240,264	$368,110	$514,083	$681,784	$924,998	$1,247,709	$1,654,107
10% Cash Reserve Requirement		$166,559	$160,196	$161,408	$162,656	$163,942	$170,266	$176,630	$178,035	$179,482	$180,973
Reserve Shortfall or Excess		$65,540	$15,235	$15,714	$77,607	$204,168	$343,817	$505,153	$746,963	$1,068,227	$1,473,134
Avg. Annual Increase Per Customer		$133.79	$176.60	$14.57	$14.86	$15.16	$15.46	$15.77	$16.09	$16.41	$16.74

* Assumes annual 3% increase in sewer customers.

This scenario demonstrates that a 32% increase in both 2011 & 2012 with modest annual increases will provide for a 10% reserve fund balance and capital improvements.

	2010 Estimate	2011 Budget	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Monthly Bill	$34.84	$55.40	$56.50	$57.63	$58.79	$59.96	$61.16	$62.38	$63.63	$64.90	$66.20
% Increase		59.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Starting Cash	$464,249	$769,531	$425,801	$280,017	$188,083	$152,862	$177,368	$214,773	$268,410	$391,790	$588,604
***Accounts**	1,666	1,716	1,767	1,820	1,875	1,931	1,989	2,049	2,110	2,174	2,239
Sewer Charges	$680,000	$1,140,693	$1,198,412	$1,259,052	$1,322,760	$1,389,691	$1,460,010	$1,533,886	$1,611,501	$1,693,043	$1,778,711
Sewer Connection Fees	$400,000	$100,000	$177,604	$182,932	$188,420	$194,073	$199,895	$205,892	$212,068	$218,430	$224,983
Delinquent Fee Collections	$5,400	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Interest Income	$800	$1,000									
24/40 Sewer Interceptor	$0	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162	$72,162
	$1,086,200	$1,321,855	$1,456,178	$1,522,146	$1,591,342	$1,663,926	$1,740,066	$1,819,940	$1,903,731	$1,991,635	$2,083,856
TOTAL AVAILABLE FUNDS	$1,870,449	$2,091,386	$1,881,979	$1,802,163	$1,779,424	$1,816,788	$1,917,435	$2,034,712	$2,172,141	$2,383,426	$2,672,460
Operating Expenditures	$1,100,918	$1,390,585	$1,401,961	$1,414,080	$1,426,563	$1,439,420	$1,452,662	$1,466,302	$1,480,351	$1,494,822	$1,509,726
Capital Projects		$275,000	$200,000	$200,000	$200,000	$200,000	$250,000	$300,000	$300,000	$300,000	$300,000
Balance	$769,531	$425,801	$280,017	$188,083	$152,862	$177,368	$214,773	$268,410	$391,790	$588,604	$862,734
10% Cash Reserve Requirement		$166,559	$160,196	$161,408	$162,656	$163,942	$170,266	$176,630	$178,035	$179,482	$180,973
Reserve Shortfall or Excess		$259,242	$119,821	$26,675	-$9,794	$13,426	$44,506	$91,780	$213,755	$409,122	$681,761
Avg. Annual Increase Per Customer		$246.67	$13.29	$13.56	$13.83	$14.11	$14.39	$14.68	$14.97	$15.27	$15.58

* Assumes annual 3% increase in sewer customers.

This scenario demonstrates that a 59% increase in 2011 with modest annual increases will provide for a 10% reserve fund balance and capital improvements.