

AGENDA

BASEHOR CITY COUNCIL
February 17, 2009
6:00 p.m.
Basehor City Hall

WORK SESSION - 6:00 p.m. Discussion of agenda items

REGULAR MEETING – 7:00 p.m.

1. Roll Call by Mayor Chris Garcia and Pledge of Allegiance

2. Consent Agenda

(Consent Agenda Items will be acted upon by one motion unless a Council Member requests an item be removed for discussion and separate action.)

- a. Approve Minutes
 1. February 2, 2009 Work Session & Regular Meeting
- b. Approve Treasurer's Report & Vendor Payments
- c. Approve investment recommendations
- d. Approve calendar of events

3. Call to Public

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

4. Scheduled Discussion Items

5. Business

- a. Consider ordinance annexing Cedar Lakes Estates subdivision.
- b. MARCIT bylaws agreement – forming new business entity to extend operating territory into Kansas
- c. Consider Resolution adopting Identity Theft Policy
- d. Consider Ordinance to amend Chapter VII, Article 3, Fireworks

6. City Administrator Report

7. Mayor's Report

8. Council Member Reports

9. Executive Session

10. Adjournment

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

Minutes

BASEHOR CITY COUNCIL

February 2, 2009

6:00 p.m.

Basehor City Hall

Official Presiding: Mayor Chris Garcia

**Members Present: Pres. Iris Dysart, Terry Hill, Roger McDowell, Keith Sifford,
and Jim Washington**

Members Absent:

**Staff Present: Carl Slaugh, Lloyd Martley, Mary Mogle, Gene Myracle,
Dustin Smith, Patrick Reavey**

Newspaper: Kaitlyn Syring, *Basehor Sentinel (regular meeting only)*

WORK SESSION - 6:00 p.m.

The work session was called to order with all members present with the exception of Councilmember McDowell. The city attorney was in attendance.

Discussion of agenda items.

- a. Consider an ordinance implementing previously approved changes in the TDD agreement for Wolf Creek Junction.***

City Administrator Carl Slaugh reported the proposed ordinance was what Council approved at a previous meeting. He explained the page numbers within the document correlated with the various exhibits and were not sequential within the document. *(Councilmember McDowell arrived 6:09 p.m.)*

Councilmember Washington stated he did not think the Council took action at a previous meeting following the public hearing. Mr. Slaugh noted this item was Business Item "a" of meeting January 5, 2009. Councilmember Washington thought legislation only extended the boundaries of the District. Mr. Slaugh agreed. The city attorney stated it was his understanding the Council approved the Development Agreement and the next step was to adopt the ordinance as presented. Council discussed a time line of events that occurred regarding this matter. Mr. Reavey stated citizen Dennis Mertz raised a question

to the city administrator regarding the amendment and the second question was funding for 150th Street alignment. Councilmember Sifford asked if there was an issue with adopting the ordinance as presented. Mr. Reavey said the developer stated improvements to 155th Street would be made if there were enough funds remaining in the Transportation Development District (TDD). Councilmember Washington asked if the Council approved the language by default with the January 5, 2009 vote. Mr. Reavey stated it was clear that the vote was approving the First Amendment which was combining the two projects. President Dysart asked why the exhibits have different ownership signatures, Benchmark Enterprise and Benchmark Management. She felt all owners should sign both documents.

McIntosh explained how the companies were structured and why certain documents had different signatures. Attorney Shannon Marcano, White Goss Law Firm, explained the Development Agreement was signed by Benchmark Management Services, Inc. which is the parent company of Basehor Properties, LLC and Benchmark Management LLC. Councilmember Washington was concerned that the City was dealing with three separate enterprises and would like the LLC, corporation, and individuals to sign the agreements.

Mrs. Marcano reported the owners of the property have a right to create a TDD and bring in owners in the TDD in accordance with State statutes. Mr. Reavey asked Mr. McIntosh if there was an issue to have all three signatures. Mr. McIntosh said it was set up to reduce the liability to the different properties included in the District; however, if one of the companies fail, the City could sue each one of the companies.

b. Notice of award to MKEC for design of Wolf Creek Junction street projects and notice to proceed.

Mr. Slaugh reported the selection of MKEC followed a discussion with KDOT. MKEC was hired by Benchmark Management prior to the agreement and agreed to do the design work for \$125,000 which was agreed to by the City in KDOT Agreement 224-08. He explained that a city of the Third Class was not required to go out for bid; however, the City was required by KDOT to approve notice of award and notice to proceed.

President Dysart asked if the money was available at this time. Mr. Slaugh stated KDOT informed him the agreement was signed by the Secretary of Transportation and advised him that the City could move forward with approving a notice of award and notice to proceed. President Dysart asked if the city engineer would have any input. Mr. Slaugh said it would be handled like any other project where the city engineer would review the municipal portion. Mr. McAfee stated MHS would be doing inspections on the project within the city boundaries and KDOT would perform review and inspection on the KDOT area. Mr. McAfee said KDOT was the front runner and reviewed the documents and felt they would protect the City as well.

Mr. Reavey asked the city administrator if it was his understanding that conditioning the notice of award on the agreement should be conditional on approval by KDOT.

Mr. Slaugh explained there were three agreements with KDOT dealing with Corridor management fund, 1) Agreement 224-08, 150th Street improvements from Parallel to Craig St (signed by KDOT); 2) Agreement 331-08, 150th Street improvements (signed by KDOT), and 3) Agreement 225-08, Wolf Creek Parkway. Agreement 225-08, Wolf Creek Parkway agreement (\$500,000) has not been signed by the Secretary of Transportation because there was some concern regarding the process. KDOT informed the city administrator in order for KDOT to provide funding; the City had to pay the bill and then request reimbursement and could not be placed in an escrow fund. President Dysart pointed out KDOT would not assign an agreement and/or project number until the agreement was approved. Mr. Slaugh reported KDOT suggested including in the motion that funding was contingent on review and approval by KDOT. Mr. Slaugh noted he would still need to meet with KDOT to work out the details.

d. Consider approval of expenditure for purchase of triangle piece of property north of 150th Street and 24-40 Highway.

KDOT informed Mr. Slaugh they have approved the purchase of the property in the amount of \$122,000 plus closing cost and taxes which came in under the estimated costs. Mr. Slaugh was informed by KDOT to move forward with the purchase and that Agreements 225-08 and 331-08 were approved and signed by KDOT's legal counsel today [Feb, 02, 2009].

Councilmember Washington asked who was purchasing the property and read Section 6 of the agreement regarding acquisition of easements and right of way, etc. Mr. McIntosh said the agreement with the city was that they would buy the property and dedicate the right of way back to the City.

Councilmember Washington requested this item be discussed in executive session.

Mr. Slaugh said the purchase would most likely be handled by two different loans, one for Wolf Creek Parkway and a second agreement for the improvements to 150th Street intersection.

i. Consider priority street projects and approval to acquire easements and right of way for projects that are close to being shovel ready.

Mr. Slaugh reported some of the money from the Federal Economic Stimulus Package would go to MARC and KDOT. He felt the 155th Street & Parallel project would be the only one that would qualify for the MARC funding. He did not feel the city would receive funding since the project scored 24 and funded projects scored 80 or higher. The other city projects submitted would most likely not qualify for funding.

President Dysart asked if the application was submitted last year for the TCSP program in February 2008. Mr. Slaugh stated LCDC would be submitting the application on behalf of the city when they go to Washington later this month. Mr. Slaugh explained the

project has been submitted to MARC and TCSP funding; however, it was one of those “pork barrel” projects.

Mr. McAfee explained last February he met with the city administrator, city superintendent and president Dysart met to go over the project. MHS provided a schematic site map but would still need to perform design work and traffic study. Mr. Slaugh reported KDOT would provide 100% funding for traffic studies.

Councilmember Washington suggested the city should move forward with design and easement acquisition. He asked if it was conceivable to have the 150th Street project ready and felt this would be the kind of infrastructure the City should be including in the Economic Stimulus Package. Mr. Slaugh stated the project would most likely not meet MARC requirements for funding.

Five-minute break – 7:02 p.m.

REGULAR MEETING – 7:00 p.m.

ROLL CALL BY MAYOR CHRIS GARCIA AND PLEDGE OF ALLEGIANCE

The regular meeting was called to order with all members present. The city attorney was in attendance.

CONSENT AGENDA

(Consent Agenda Items will be acted upon by one motion unless a Council Member requests an item be removed for discussion and separate action.)

- a. Approve Minutes
 1. January 22, 2009 Work Session & Regular Meeting
- b. Approve Treasurer’s Report & Vendor Payments
- c. Approve investment recommendations
- d. Approve calendar of events

A motion was made by President Dysart and seconded by Councilmember Hill to approve the Consent Agenda as printed. Councilmember Washington asked the city clerk if his corrections had been written into the minutes. City Clerk Mary Mogle reported she provided Council a copy of Councilmember Washington’s request to have the minutes amended and should include the amendments in the motion. President Dysart amended her motion to include the amendments as submitted. A show of hands was taken with all members voting in favor. Motion passed 5-0.ubmitted

Business Item D. Paragraph 2 (amended):

~~Councilmember Washington (arrived at 8:01 p.m.) asked if Mr. Mertz still needed a CUP since it appears that his business conforms with the CP1 district zoning classification.~~

Discussion amended 2/02/09 – Councilmember Washington asked that his comments be restated as follows:

“I hold the position that the JED usage of the building in question is a conforming use. Designating it a non-conforming use is over-reading the ordinance.”

Business Item “e”. Paragraph 2 (amended):

A motion was made by Councilmember Washington and seconded by President Dysart to table ~~until they could receive a recommendation from the city attorney and that the recommendation as to what, if any, legislation was necessary be the joint recommendation of the city attorney and the city engineer (amended 2/02/09).~~ A show of hands was taken with all members voting in favor. Motion passed 5-0.

CALL TO PUBLIC

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

Dennis Mertz (2910 155th St.) agreed that all members associated with the TDD should sign an amendment that would personally guarantee them to the TDD and asked who would provide a performance bond. Mr. McAfee stated when a contractor is selected the contractor would be required to post performance and statutory bonds.

Kevin Barkley (15395 Briar Rd) asked if all developers had been required to disclose all net worth and asked why Affinity Development did not have to do the same.

President Dysart noted Gillmore & Bell and Piper Jaffray appeared at a couple of meetings and supported the Affinity Development project.

Closed public portion of the meeting.

SCHEDULED DISCUSSION ITEMS

None

BUSINESS

- a. Consider an ordinance implementing previously approved changes in the TDD agreement for Wolf Creek Junction.***

A motion was made by Councilmember Washington and seconded by President Dysart to convene into Executive Session for up to fifteen minutes to discuss land acquisition and attorney-client privileged matter. A show of hands was taken with members Washington,

Dysart, and McDowell voting in favor with member's Sifford and Hill voting no. Motion passed 3-2. (7:24 p.m.)

A motion was made by Councilmember Sifford and seconded by Councilmember McDowell to approve an ordinance implementing previously approved changes in the TDD agreement for Wolf Creek Junction as submitted. A show of hands was taken with members Sifford, McDowell, and Hill voting in favor. President Dysart and Councilmember Washington cast no votes. Motion passed 3-2.

b. Notice of award to MKEC for design of Wolf Creek Junction street projects and notice to proceed.

A motion was made by Councilmember Sifford and seconded by Councilmember McDowell to approve the Notice of Award and Notice to Proceed to MKEC for design of Wolf Creek Junction street projects [in the amount of \$125,000]. A show of hands was taken with all members voting in favor with the exception of President Dysart. Motion passed 4-1.

c. Consider the engineering and construction management procedures to be followed by the City and Benchmark Management as part of the Wolf Creek Junction street projects.

A motion was made by Councilmember Hill and seconded by Councilmember Sifford to defer action until the issue was resolved. A show of hands was taken with all members voting in favor. Motion passed 5-0.

d. Consider approval of expenditure for purchase of triangle piece of property north of 150th Street and 24-40 Highway.

A motion was made by Councilmember Sifford and seconded by Councilmember Hill to approve the expenditure [\$135,837.38] for purchase of triangle piece of property north of 150th Street and 24-40 Highway. A show of hands was taken with members Sifford, Hill, and McDowell voting in favor. President Dysart and Councilmember Washington cast no votes. Motion passed 3-2.

e. Consider approval of pay request #3 from CAS Construction LLC for the Wastewater Treatment Plant expansion in the amount of \$323,721.59.

A motion was made by Councilmember Washington and seconded by President Dysart to approve pay request #3 from CAS Construction LLC for the Wastewater Treatment Plant expansion in the amount of \$323,721.59. Discussion. Jeff Keller, Burns & McDonnell, updated Council on the wastewater treatment plant expansion. The large basin and two small basins were currently being constructed along with piping to connect the basins. He reported most of the excavation had been completed and commended the contractor for keeping the job site clean and safety awareness.

Mr. Keller said the contractor was claiming a six day delay due to inclement weather; however, Burns & McDonnell felt that only three days were justified and was in the process of negotiating with the contractor. The contractor and city superintendent have proposed some design modifications; which would result in a significant cost savings to the city. Change orders are pending with KDHE and should show up on the next pay request. Citizen David Breuer asked Mr. Keller to explain what changed that would cause a deduction change order. Mr. Keller explained it may not be necessary to put a chemical storage tank at this time; however, a basin would be built now to handle it in the future. City superintendent Gene Myracle explained with modifications to the lift station at 163rd street, it would not be necessary to install chemical feed because it may not be a requirement for a 20 year build out. The pump station basket was having modifications to utilize the existing wet well and winches. Mr. Breuer asked who brought up the idea of these modifications. Mr. Keller reported the contractor brought up the idea of changing the pump station basket and the city superintendent suggested eliminating the chemical feed. Council and audience commended the city superintendent for his good work.

A show of hands was taken with all members voting in favor. Motion passed 5-0.

f. Consider payment to Leavenworth County Development Corporation for 2009 funding.

A motion was made by Councilmember Washington and seconded by Councilmember McDowell to approve payment to Leavenworth County Development Corporation in the amount of \$6,924 for 2009 funding. A show of hands was taken with all members voting in favor. Motion passed 5-0.

g. Consider approval of a project to add a sidewalk around the north side of City Hall and make improvements to the rear entrance.

Mr. Myracle reported the request was based on concerns from staff and customer's accessing city hall. The plan was to remove railing to the north and construct two steps leading to the sidewalk that would still allow for handicap access by using the existing sidewalk.

A motion was made by Councilmember Sifford and seconded by Councilmember McDowell to approve an additional sidewalk around the north side of City Hall and make improvements to the rear entrance as presented [\$3,976.00]. A show of hands was taken with all members voting in favor. Motion passed 5-0.

h. Consider approval of additional engineering fees to modify the design of the 150th Street project.

Mr. Slauch reported the need for additional engineering services were based on changes to accommodate requests from affected property owners. A property located at 150th & Parallel on the east side has requested the City extend the drainage pipe further to the east

since he receive a significant amount of drainage onto his property. Design changes and surveying would cost \$3,520.

Another property has requested a second retaining wall be constructed (Items #1 & #3) to save two trees; however, Westar informed him it may be necessary to remove the

Possible design changes are as follows:

(extracted from Agenda item Information Form)

Item #1 – Request at station 30-50 to change type and location of an inlet to reduce potential of flooding the basement...negligible cost.

Item #2 – A change was considered at station 39-00 to add an additional retaining wall to possibly avoid the removal of two 18-inch diameter Pin Oak trees. The additional cost of the 85 LF wall is estimated at \$10,200, but does not ensure the life of the trees since the work would encroach on the root structure. The trees are too close to the edge of the road and approximately six feet above the proposed grade. This additional work is not recommended due to the additional cost and since the survival of the trees would be marginal.

Item #3 – Extend a storm drainage tube on the west edge of the property and most likely create a large ditch across the yard that is presently in grass. The construction cost of the additional work is \$9,000 plus an additional fee for surveying and design modifications.

President Dysart asked if it was necessary to install a 24" pipe on the George Smith property. Mr. McAfee said it would provide Mr. Smith with a better grade. She went over the project to date and inquired as to what fund would be used. Mr. Slaugh stated the money would be taken from the Consolidated Highway Fund. President Dysart asked if staff was keeping track of the excise tax fund. Mr. Slaugh stated the excise tax fund was within the Consolidated Hwy Fund and the only excise tax that would not be included would be the Falcon Lakes line item.

Mr. Slaugh projected bidding the project within 3-4 weeks and start construction around 1st of April if all easements have been acquired. President Dysart asked why 150th Street would not be considered a collector street. Mr. Smith stated the Comprehensive Plan considered it a residential street.

A motion was made by Councilmember Sifford and seconded by Councilmember Washington to approve additional engineering fees to modify the design of the 150th Street project not to exceed \$3,520. A show of hands was taken with all members voting in favor. Motion passed 5-0.

- i. Consider priority street projects and approval to acquire easements and right of way for projects that are close to being shovel ready.*

Mr. Slaugh reported this item was an effort to prepare one project that would be ready. Under economic recovery package he felt the 155th & Parallel intersection improvements would meet MARC funding requirements. The other project more likely to get funding would be approximately 2,000 ft. on 150 Street from Lakeside Drive to Craig Street which would cost \$34,150 in engineering fees. If approved, the city could move forward on easement acquisition.

Councilmember Washington asked if both projects would be eligible for future Corridor Funding. Mr. Slaugh stated at this time KDOT was not committing funding.

A motion was made by Councilmember Washington and seconded by Councilmember Hill to accept letter of agreement for land survey and engineering services from 155th Street and Parallel improvements in an amount not to exceed \$30,000. Motion passed 5-0.

CITY ADMINISTRATOR REPORT

- a. Annexation issues
 - b. Computer system audit
 - c. City council meeting date for the week of Feb. 16
- Cedar Lake Annexation public hearing will be held on February 9, 2009 at 6:00 p.m. Two issues to be addressed were “not change solid waste collection provider” and “not change addresses”. Currently there was not a good resolution between the city and the county on an address system. He recommended not dealing with this matter at the annexation public hearing and take action at the next meeting.
 - President Dysart stated the city received a good rate from Deffenbaugh Disposal and felt the contract needed to be reviewed. Mr. Slaugh reported the contract allows the council to exclude certain areas. Councilmember Washington said the city currently had an ordinance requiring residents obtain a private haulers permit if they choose to haul their own trash and thought the City had to make changes to the current ordinance allowing for exceptions.
 - At the public hearing, the city would present a brief of the 16 items required by state statute. Currently there are amendments to annexation statutes being discussed in the House of Representatives this week; however, any changes would not affect the city annexing Cedar Lake Estates. Councilmember Washington asked if Mr. McAfee was going to make the presentation. Mr. McAfee stated he would be making the presentation.
 - Computer system audit was performed by Integrated System that provided information on the city’s vulnerabilities. He will be placing an action item on the agenda in March.

- Due to a holiday, the next meeting would be held on Thursday, Feb 19. There was a request to change the meeting to another day. Council agreed to move the meeting to Tuesday, Feb 17.
- Strategic Planning Session scheduled for Saturday, February, Feb 28th. Public is invited.

MAYOR'S REPORT

None

COUNCIL MEMBER REPORTS

None

EXECUTIVE SESSION

None

ADJOURNMENT

There being no further business to discuss, a motion was made by Councilmember Sifford and seconded by Councilmember Hill. A show of hands was taken with all members voting in favor. Motion passed 5-0. Meeting adjourned at 8:14 p.m.

Submitted for Council approval with/without corrections or additions this 17th day of February, 2009.

Mayor Chris Garcia

Attest:

Mary A. Mogle, City Clerk

CHECK REGISTER REPORT

Date: 02/10/2009

AS OF 02/10/09

Time: 11:16am

City Of Basehor

Page: 1

BANK: First State Bank

Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
16274	01/30/2009	Printed	ADVANCE IN	ADVANCE INSURANCE COMPANY	EMPL ADD& LIFE INS PAYMENT	125.00
16275	01/30/2009	Printed	AFLAC	AFLAC	CAFETERIA PLAN WITHHOLDING PYM	826.70
16276	01/30/2009	Printed	BLUE CROSS	BLUE CROSS & BLUE SHIELD OF KS	MEDICAL INSURANCE WITHHOLDING	12,108.30
16277	01/30/2009	Printed	EFTPS	EFTPS	FTT/SS/MEDI WITHHOLDING PYMT	11,555.09
16278	01/30/2009	Printed	ING LIFE	ING LIFE INSURANCE & ANNUITY	DEFERRED COMP WITHHOLDING PYMT	10,009.47
16279	01/30/2009	Printed	KS DOR WTH	KANSAS DEPARTMENT OF REVENUE	KS STATE WITHHOLDING PYMT	1,790.91
16280	01/30/2009	Printed	KPF EFT	KPF EFT PROGRAM	KPF RETIREMENT WITHHOLDING PYM	4,036.04
16281	01/30/2009	Printed	MARCIT	MARCIT	DENTAL INSURANCE WITHHOLDING P	1,224.00
16282	01/30/2009	Printed	SMITH/DUST	DUSTIN SMITH	REIMBURSEMENT MED INS ADD AMNT	18.10
16283	01/30/2009	Printed	VISA	VISA	TRAINING/MEMBERSHIP/W2'S/FUEL	1,302.92
16284	02/02/2009	Printed	CAS CONSTR	CAS CONSTRUCTION LLC	WWTP EXPANSION & UPGRADE #3	323,721.59
16285	02/03/2009	Printed	UNITED TIT	UNITED TITLE COMPANY	PURCHASE PIECE PROPERTY	135,837.38
16286	02/10/2009	Printed	APPLE TIME	APPLE TIME, INC.	PROMO ITEMS - MOOD PENCILS	249.74
16287	02/10/2009	Printed	AT&T	AT&T	PHONE SERVICES LIFT STATIONS	32.96
16288	02/10/2009	Printed	ATMOS ENER	ATMOS ENERGY	UTILITIES - GAS	1,329.63
16289	02/10/2009	Printed	B&W FIRE	B&W FIRE EXTINGUISHER COMPANY	FIRE EXTINGUISHER INSPECCTIONS	145.40
16290	02/10/2009	Printed	BURNS & MC	BURNS & MCDONNELL	PROFESSIONAL SERVICES WWTF	19,668.32
16291	02/10/2009	Printed	CARTER WAT	CARTER WATERS CORPORATION	SALES TAX	6.62
16292	02/10/2009	Printed	CASEYS	CASEY'S GENERAL STORES	FUEL CITY VEHICLES - JAN 2009	1,841.22
16293	02/10/2009	Printed	CINTAS	CINTAS	WEEKLY SERVICES WTF	60.00
16294	02/10/2009	Printed	BASEHOR CI	CITY OF BASEHOR	SEWER & SOLID WASTE SERVICES	104.91
16295	02/10/2009	Printed	CITY OF LE	CITY OF LENEXA	MEETING REGISTRATION 02/04	30.00
16296	02/10/2009	Printed	CONS WATER	CONS RURAL WATER DISTRICT #1	WATER SERVICES	131.54
16301	02/10/2009	Printed	DATAMAX	DATAMAX	LEASE RENTAL/EXCESS COPIES	482.17
16302	02/10/2009	Printed	DEFFENBAUG	DEFFENBAUGH DISPOSAL SERVICE	SOLID WASTE/DUMPSTERS/SP WASTE	13,606.12
16303	02/10/2009	Printed	E. EDWARDS	E. EDWARDS WORK WEAR	SAFETY WORKS BOOTS/WORK JEANS	1,318.91
16304	02/10/2009	Printed	FREMONT IN	FREMONT INDUSTRIES	DRUM POLYMER FOR BELT PRESS	1,296.75
16305	02/10/2009	Printed	GALLS INCO	GALLS INCORPORATED	SAFETY VEST/GLOVES/BELT/BRASS	474.82
16306	02/10/2009	Printed	HAMPEL	HAMPEL OIL	MISC OIL FOR EQUIPMENT WWTF	902.47
16307	02/10/2009	Printed	HARRINGRTO	HARRINGTON FLORAL	PLANT & DELIVERY-FUNERAL	56.00
16308	02/10/2009	Printed	HAYNES EQU	HAYNES EQUIPMENT CO	REPAIR GRINDER PUMP-CEDAR LAKE	905.16
16309	02/10/2009	Printed	ICC MEMBER	INTERNATIONAL CODE COUNCIL INC	2009 MEMBERSHIP FEES	100.00
16310	02/10/2009	Printed	JOCO ENVIR	JOHNSON COUNTY ENVIRONMENTAL	SAMPLE TESTING 01/22/09	298.75
16311	02/10/2009	Printed	KS DEPT OF	KANSAS DEPT OF TRANSPORTATION	COMMUNICATION SYSTEMS LEASE	8,968.00
16312	02/10/2009	Printed	KANSAS ONE	KANSAS ONE-CALL SYSTEMS, INC.	2009 MEMEBERSHIP FEE	25.00
16313	02/10/2009	Printed	KANSAS SAM	KANSAS SAMPLER FESTIVAL	2009 CONTRIBUTION FOR FESTIVAL	3,361.63
16314	02/10/2009	Printed	KS TREASUR	KANSAS STATE TREASURER	STATE MANDATED COURT FEES	177,757.24
16315	02/10/2009	Printed	KNAPHEIDE	KNAPHEIDE TRUCK EQUIPMENT KC	RAM ASSEMBLY FOR PLOW	81.12
16316	02/10/2009	Printed	LAWRENCE	LAWRENCE JOURNAL WORLD	PUBLIC HEARING/FIN STMT NOTICE	156.00
16317	02/10/2009	Printed	LCDC	LCDC	2009 FUNDING	6,924.00
16318	02/10/2009	Printed	LEAGUE KM	LEAGUE OF KS MUNICIPALITIES	KACM FALL CONFERENCE/MLA MTG	200.00
16319	02/10/2009	Printed	MCAFEEN HEN	MCAFEEN HENDERSON SOLUTIONS	ENGINEERING SERVICES	7,314.50
16320	02/10/2009	Printed	NAT CRIME	NATIONAL CRIME PREVENTION	PROMO ITEMS-POLICE EVENTS	67.70
16321	02/10/2009	Printed	OMBOLLENE	OMB POLICE SUPPLY, INC	SAFETY VESTS	615.00
16322	02/10/2009	Printed	OMNI-SITE	OMNI-SITE.NET	WIRELESS SERVICES	150.00
16323	02/10/2009	Printed	PRAY	WILLIAM E. PRAY	MUNICIPAL JUDGE SERVICES	250.00
16324	02/10/2009	Printed	QUILL	QUILL	OFFICE SUPPLIES-PAPER, CARTRIDG	357.56
16325	02/10/2009	Printed	SONOFAGUN	SONOFAGUN PRESS	48 T-SHITS/POLOS W/EMBROIDERY	985.88
16326	02/10/2009	Printed	SPECTRA	SPECTRA	MISC SHOP TOOLS PWD	338.07
16327	02/10/2009	Printed	STONE MFG	STONE MANUFACTURING INC	ANIMAL TAGS/PET LICENSES	55.08
16328	02/10/2009	Printed	SUNFLOWER	SUNFLOWER BROADBAND	CABLE/INTERNET/PHONE SERVICES	523.64
16329	02/10/2009	Printed	SUNFLOW EM	SUNFLOWER EMBROIDERY	EMBROIDERY SHIRTS-POLICE	18.00
16330	02/10/2009	Printed	TOTAL ELEC	TOTAL ELECTRIC CONSTRUCTION CO	TRAFFIC SIGNAL REPAIR	192.94
16331	02/10/2009	Printed	TYLER TECH	TYLER TECHNOLOGIES, INC.	ANNUAL MAINT FEE-3 USERS	170.00
16332	02/10/2009	Printed	UNITED LAB	UNITED LABORATORIES	1 GALLON RUST CONVERTOR PWD	187.71
16333	02/10/2009	Printed	US POSTAL	UNITED STATES POSTAL SERVICE	REPLENISH PERMIT/PO BOX RENTAL	1,106.00
16334	02/10/2009	Printed	VILLAS AT	VILLAS AT THE GARDENS	REFUND SEWER ACCT-NEW RNTR	54.92
16335	02/10/2009	Printed	WATTS UP	WATTS UP	LIGHT BULBS-CITY HALL/PD/PARK	302.16
16336	02/10/2009	Printed	WESTAR GRP	WESTAR ENERGY	STREET LIGHTS/UTILITIES	3,576.16

Total Checks: 59 Bank Total: 759,335.30

Total Checks: 59 Grand Total: 759,335.30

BALANCE SHEET

AS OF 02/10/09

Page: 1
2/10/2009
12:06 pm

City Of Basehor

As of: 2/28/2009

Balances

Fund: 13 - SUMMATION OF ALL FUNDS

Assets

001 FSB CHECKING ACCOUNT	20,631.49
002 FSB MONEY MARKET ACCOUNT	3,572,098.26
005 BASEHOR TOWN CENTER ACCOUNT	1,240,241.89
006 BASEHOR TOWN CENTER 90 DAY CD	1,000,000.00
007 BASEHOR TOWN CENTER 180 DAY CD	1,000,000.00
016 103-3 OVERNIGHT ACCT MIP	86,257.46
031 500030 CNB 1.36% 072009	800,000.00
045 0103-04 MIP 1.37% 021009	1,400,000.00

Total Assets

9,119,229.10

Liabilities

214 SEWER FUND MONTHLY BALANCE	607,825.70
215 SOLID WASTE MONTHLY BALANCE	75,162.42
216 GENERAL FUND MONTHLY BALANCE	1,081,484.47
218 MUNICIPAL EQUIP FUND MO BAL	347,593.76
219 CAPITAL IMPROVE FUND MO BAL	1,234,788.64
220 SPECIAL PARK & REC FUND MO BAL	146,001.03
221 CONS HIGHWAY FUND MONTHLY BAL	2,128,298.19
226 BOND & INTEREST MONTHLY BAL	265,463.00
230 TOWN CENTER PROJECT MO BALANCE	3,170,890.78
300 CL MAINTENANCE MONTLY BALANCE	61,721.11

Total Liabilities

9,119,229.10

Total Liabilities & Balances

9,119,229.10

REVENUE/EXPENDITURE REPORT
AS OF 02/10/09

City Of Basehor

For the Period: 1/1/2009 to 2/28/2009

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH
Fund: 01 - GENERAL FUND				
Revenues	1,726,436.00	1,726,436.00	722,228.87	17,053.15
Expenditures	2,654,402.00	2,657,402.00	252,360.51	40,278.33
Net Effect for GENERAL FUND	-927,966.00	-930,966.00	469,868.36	-23,225.18
Fund: 04 - SPECIAL PARK & RECREATION FUND				
Revenues	22,855.00	22,855.00	241.32	0.00
Expenditures	13,500.00	13,500.00	500.00	0.00
Net Effect for SPECIAL PARK & RECREATION FUND	9,355.00	9,355.00	-258.68	0.00
Fund: 05 - SEWER FUND				
Revenues	6,673,694.00	6,673,694.00	1,006,438.68	0.00
Expenditures	7,297,843.00	7,297,843.00	424,428.56	351,036.98
Net Effect for SEWER FUND	-624,149.00	-624,149.00	582,010.12	-351,036.98
Fund: 07 - CEDAR LAKES MAINTENANCE				
Revenues	11,170.00	11,170.00	103.51	0.00
Expenditures	17,000.00	17,000.00	905.16	905.16
Net Effect for CEDAR LAKES MAINTENANCE	-5,830.00	-5,830.00	-801.65	-905.16
Fund: 08 - BOND & INTEREST FUND				
Revenues	436,168.00	436,168.00	266,766.62	0.00
Expenditures	534,971.00	534,971.00	107,485.63	107,485.63
Net Effect for BOND & INTEREST FUND	-98,803.00	-98,803.00	159,280.99	-107,485.63
Fund: 09 - SOLID WASTE FUND				
Revenues	164,641.00	164,641.00	16,401.50	0.00
Expenditures	167,149.00	167,149.00	13,019.45	669.70
Net Effect for SOLID WASTE FUND	-2,508.00	-2,508.00	3,382.05	-669.70
Fund: 10 - CONSOLIDATED HIGHWAY FUND				
Revenues	630,625.00	630,625.00	50,038.77	0.00
Expenditures	1,127,377.00	1,127,377.00	153,978.70	137,588.94
Net Effect for CONSOLIDATED HIGHWAY FUND	-496,752.00	-496,752.00	-103,939.93	-137,588.94
Fund: 11 - MUNICIPAL EQUIP RESERVE FUND				
Revenues	167,300.00	167,300.00	589.33	0.00
Expenditures	150,000.00	150,000.00	8,968.00	8,968.00
Net Effect for MUNICIPAL EQUIP RESERVE FUND	17,300.00	17,300.00	-8,378.67	-8,968.00
Fund: 12 - CAPITAL IMPROVEMENT FUND				
Revenues	438,967.00	438,967.00	23,880.34	0.00
Expenditures	150,000.00	150,000.00	0.00	0.00
Net Effect for CAPITAL IMPROVEMENT FUND	288,967.00	288,967.00	23,880.34	0.00
Fund: 18 - BASEHOR TOWN CENTER PROJECT				
Revenues	0.00	0.00	84.61	0.00
Expenditures	0.00	0.00	162,345.41	69,351.11
Net Effect for BASEHOR TOWN CENTER PROJECT	0.00	0.00	-162,260.80	-69,351.11

INVESTMENT REPORT

as of February 10, 2009

The following recommendation was made at the
February 2, 2009 Council meeting:

ITEM # 1

CD0103-04

Municipal Investment Pool

\$1,400,000.00

It was recommended that the \$1,400,000.00 be reinvested for six months at the highest interest rate available.

On February 10, 2009 the CD was invested at Commerce Bank for a six month term at 1.15% APY. The CD will mature August 10, 2009.

Municipal Investment Pool came in at 0.39% APY

First State Bank chose to pass on the CD bid at this time

Community National Bank chose to pass on the CD bid at this time

K.S.A. 9-1401 Investing Active Funds

If a public unit has *active funds* which can be invested, those active funds must be deposited into a NOW account, MMDA, checking account or savings account under the following rules:

- 1) In depositing active funds, the local public unit must *first* look for a BANK which has a *main or branch office in the county* or counties where all or part of the public unit is located.
- 2) If no BANK in Step 1 submits an *acceptable bid* for the active funds, then those funds can be deposited into a *main or branch office* of *any* BANK which has a *branch office* in the *county* or counties in which all or part of the public is located – *regardless of where that Bank is chartered and regardless of where its main office is located.*
- 3) Ineligible BANKS Active public funds can *never be deposited outside the county* or counties where the public unit is located.

**City of Basehor
2009 ANNUAL CALENDAR OF EVENTS**

		FEBRUARY	
MONTH/DAY	TIME	EVENT	LOCATION
2	6:00 p.m.	City Council Meeting	City Hall Meeting Room
3	6:30 p.m.	Planning Commission Meeting	City Hall Meeting Room
9	6:00 p.m.	Cedar Lake Estates Public Hearing	Glenwood Ridge Elementary
10	1:00 p.m.	Municipal Court	City Hall Meeting Room
11	(canceled until March)	Park Advisory Board Meeting County Clerk to mail advance voting ballots and advance voting in office.	City Hall Meeting Room
16	4:30 p.m.	Last day to register to vote before Primary	City Hall or Library
16		City Hall Closed due to holiday (meeting moved to 2/17/09)	President's Day
17	6:00 p.m.	City Council Meeting	City Hall Meeting Room
24	6:00 p.m.	Joint session w/ County Commission Topic: Decommissioning of Glenwood Lagoon	Glenwood Elementary School
26 & 27	All day	Auditors will be in-house to audit 2008 books. (Mary Ann's new granddaughter to be born around 3:00 p.m.!!)	
28	8:00-Noon	Strategic Planning Session	City Hall Meeting Room

March Meetings:

2-Mar-09	Regular Meeting
9-Mar-09	Work Session
16-Mar-09	Regular Meeting

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider proposed changes in the market territory for MARCIT and formation of a new business entity "Midwest Public Risk of Kansas".

Department: Administration

Background/Description of Item:

MARCIT is an organization that serves the employee benefit needs of Missouri and Kansas. MARCIT is presently limited to offering one program (employee benefit) of three available (employee benefit, property/liability and workers' compensation) programs to units of local government in the state.

The Board of Directors determined in 2007 to make an intentional effort to expand the pool's membership and participation base further into Kansas for the sole purpose of providing financial stability to the entire pool. It was determined that the most effective and efficient way to accomplish this was to create a new pool named "Midwest Public Risk of Kansas".

The creation of Midwest Public Risk of Kansas requires several steps. These are:

1. Existing Kansas members (10 separate units of government, one of which is the City of Basehor) must withdraw from MARCIT as required in the present bylaws.
2. The Kansas members must adopt the organizational and legal documents
3. Kansas members name and vote the necessary individuals to serve on the governing boards
4. Missouri members drop MARCIT name and rename their pool "Midwest Public Risk of Missouri"

The City of Basehor should adopt by Ordinance the following two attached Resolutions by the end of March, 2009:

1. Resolution Authorizing Agreement of Withdrawal and Formation of Kansas Group Funded Pool.
2. Resolution Authorizing Procurement of Program of Service

The proposal to extend the MARCIT territory into Kansas was presented to the city council in June 2008, but then withdrawn to allow more time for changes in the incorporating bylaws.

Due to the number of documents to review, and since the adopting ordinance has not been prepared or reviewed by the city attorney, it may be better to discuss the proposed changes Feb. 17 and take action March 2, 2009.

Funding Source: Administration

Recommendation: Discuss the proposal to extend MARCIT territory into Kansas and adopt the implementing ordinance.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: February 17, 2009

-----Original Message-----

From: Melissa Mundt [mailto:MMundt@gardnerkansas.gov]

Sent: Monday, February 02, 2009 3:46 PM

To: Brenda Carlson; Carl Slauch; Carol Sharp; Courtney Christensen; Jonathan Roberts; Kate Smith; Kathy Bard; Michael Webb; Patrick J. Guilfoyle; John Helin

Cc: Terry Norwood

Subject: Dates for approval of Midwest Public Risk-Kansas

Kansas MARCIT members, I wanted to follow up with you related to the items that we need to take to each of our respective Councils. I wanted to make sure you received it today, if you did not get it last week as I missed it in the emails somehow.

Basically, we were initially planning on all of this being through our Councils in February, however, Terry's memo indicates by no later than the end of March. My Council will be considering this on February 9 and to vote on the 16th. This memo also explains which items need to go before your Council. If you have questions, please contact me and I will help you figure out what next. I think after reviewing everything this weekend, I have a good handle on it.

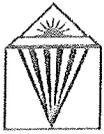
At the MARCIT Board strategic planning session, the naming convention was decided upon and is reflected in the paperwork. The goal was to make the two or rather three organizations all look as tied together as possible as we receive the benefits from our pooling, not just as standalone entities.

I look forward to working with all of you as we move forward with this project!

Sincerely,

Melissa Mundt
Assistant City Administrator
City of Gardner
120 E. Main Street
Gardner, KS 66030
Phone: 913-856-0942
Fax: 913-856-0997
Cell: 913-638-7398

Please consider the environment before printing this email. If you must, please recycle.



MARCIT

Safety in numbers. quality in service

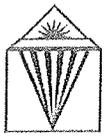
MEMORANDUM

TO: Kansas MARCIT Member Municipalities
FROM: Terry W. Norwood, President and CEO
DATE: January 28, 2009
RE: Creation of Midwest Public Risk

Attached is a complete set of legal documents which need to be approved by your governing body in order to form the Kansas Pool:

- Cover Letter
- Resolution Authorizing Agreement of Withdrawal and Formation of Kansas Group Funded Pool
- Agreement of Withdrawal and Interlocal Cooperation Agreement for Formation of Kansas Group Funded Pool
- Resolution Authorizing Procurement of Program or Service

(A complete set of redlined documents are being forwarded under *separate* cover. Please call if there are any questions.)



MARCIT

Safety in numbers, quality in service

MEMORANDUM

TO: Kansas MARCIT Members

FROM: Terry W. Norwood, President and CEO

DATE: January 22, 2009

RE: Creation of Midwest Public Risk

MARCIT has served the employee benefit needs of Kansas Public entities since 1984. Through the years there has been discussion among the membership to expand services and/or expand the geographic area in which our pool operates. MARCIT is presently limited to offering one program (employee benefit) of our three (employee benefit, property/liability and workers' compensation) programs to units of local government in the state.

The Board of Directors determined in 2007 to make an intentional effort to expand the pool's membership and participation base further into Kansas for the sole purpose of providing financial stability to the entire pool. *It was determined that the most effective and efficient way to accomplish this was to create a new pool named "Midwest Public Risk of Kansas".* MARCIT staff and attorneys have worked in concert with the Kansas Attorney General and Department of Insurance to assure that all appropriate matters have been addressed. *When the new governance structure has been created it will be controlled and operated identically to the way MARCIT has been governed for the past 25 years.*

The creation of *Midwest Public Risk of Kansas* requires several steps. These are:

- Existing Kansas Members (10 separate units of local government) must withdraw from MARCIT as required in the present bylaws.
- The Kansas Members must adopt the organizational and legal documents, including bylaws, to create the new pool. These documents include a Risk Sharing Agreement (RSA) between the Missouri and Kansas members. It is important for you to understand that the new risk sharing arrangement will NOT in any way diminish any rights, obligations, or economic aspects of your City's participation with the current group of governmental entities in the MARCIT health and dental pool.
- The Kansas Members will need to name and vote the necessary individuals to serve on the governing boards.
- Missouri members will drop the *MARCIT* name and rename their pool "*Midwest Public Risk of Missouri*" to coincide with the Kansas pool.

- All of the actions will take place prior to July 1, 2009 which is the target date for the creation of the new governing structure. The new Kansas pool will initially offer only the employee benefit program under its existing structure.

This reorganization will enable additional local governments located throughout Kansas that are currently ineligible to participate in MARCIT to join the Kansas pool, thus creating a larger risk-sharing base than is currently possible under the past MARCIT structure. As membership increases, all members will benefit from growth of the risk sharing base and decreased costs of administration.

In order to implement the proposed changes in time, all of the necessary steps, including those requiring your City's participation, take place ahead of this date. The Members of MARCIT will need to approve certain changes to MARCIT's Articles of Incorporation and Bylaws that protect the position and interests of the Kansas Members of MARCIT. For that purpose, the Board of Directors of MARCIT will schedule a special meeting of MARCIT Members in the next few months at MARCIT's headquarters, 600 Broadway Boulevard, Kansas City, Missouri. A notice of this meeting, and a discussion of the proposed amendments to the MARCIT Articles of Incorporation and Bylaws, will be sent to each Member. After the meeting, we will begin the process of establishing the separate Kansas pool and implementing an agreement between both pools to share risk for health and dental coverages.

Upon completion of this process, all Members of the Missouri and Kansas Pools will share in the benefits of a large and growing risk pool for health and dental coverage. Carl Slaugh, City of Basehor, has been participating in discussions of this subject over the past 10 months, and Kansas Members have had several meetings to review, discuss, and approve the various legal documents which will be necessary to accomplish our agreed goals. He has been given a copy of the latest agreed draft of the documents. We request that your City adopt by Ordinance the following two attached Resolutions by the end of March, 2009:

1. **Resolution Authorizing Agreement of Withdrawal and Formation of Kansas Group Funded Pool:** By approving this resolution your City agrees to withdraw from MARCIT and to the creation of a group funded pool of Kansas municipalities. The terms of the withdrawal and creation of the new pool are contained in the Agreement of Withdrawal and Interlocal Cooperation Agreement for Formation of Kansas Group Funded Pool ("Agreement of Withdrawal") attached to the resolution. Please note that, according to the terms of the Agreement of Withdrawal, your City will be allowed to rejoin MARCIT automatically in the event that the new pool of Kansas municipalities fails to commence operations on or before June 30, 2009. Your City will also have the option to rejoin MARCIT should the Kansas Pool cease operations after July 1, 2009, provided that your City has continuously participated in the Kansas Pool.
2. **Resolution Authorizing Procurement of Program of Service:** By approving this resolution your City agrees to seek coverage under the new Kansas Pool. At present, we envision that the new Kansas Pool will provide only health and dental coverage during its initial year of operation, however it is possible that the range of coverages offered may expand in the coming years.

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING AGREEMENT OF WITHDRAWAL
AND FORMATION OF KANSAS GROUP FUNDED POOL**

WHEREAS, the City of _____ (the "City"), desires to promote, stimulate and develop the general economic welfare and prosperity of the City and its environs, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

WHEREAS, the Kansas Municipal Group Funded Pool Act, K.S.A. 12-2616 through 12-2630, as amended (the "Group Funded Pool Act") authorizes municipalities located in Kansas to enter into agreements to pool liabilities for various categories of risk, including, but not limited to health and dental coverage of municipal employees; and

WHEREAS, the Kansas Interlocal Cooperation Act, K.S.A. 12-2901 *et seq.*, as amended (the "Interlocal Cooperation Act"), permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other public and private agencies to cooperatively provide services and facilities; and

WHEREAS, MARCIT is a Missouri nonprofit public benefit corporation formed in 1983 in order to allow local governmental units to procure various benefit programs and risk coverages which were then either unavailable or prohibitively expensive in the commercial marketplace; and

WHEREAS, MARCIT Member Entities are located primarily in the greater Kansas City metropolitan area, and pursuant to K.S.A. 12-2630, only Kansas municipalities located in the counties of Douglas, Johnson, Leavenworth, Miami and Wyandotte may directly pool their health and dental benefit programs as Members of MARCIT; and

WHEREAS, effective July 1, 2009, MARCIT shall be known by the new corporate name "Midwest Public Risk of Missouri" ("MPR Missouri"), and shall be hereafter referred to as "MPR Missouri" for purposes of this resolution; and

WHEREAS, it is determination of the City that, by the founding of a Kansas nonprofit corporation to create a pool of Kansas municipalities, to be named Midwest Public Risk of Kansas, Inc. ("MPR Kansas") pursuant to the Group Funded Pool Act, and formation of an Interlocal Risk Sharing Agreement ("RSA") between MPR Kansas and MPR Missouri, and their respective members, pursuant to the Interlocal Cooperation Act, municipalities throughout the State of Kansas will have the opportunity to share risk for health and dental coverage as Members of MPR Kansas and will benefit from increased risk sharing and reduced administrative cost due to cooperation between MPR Kansas and MPR Missouri through the RSA; and

WHEREAS, the Board of Directors of MPR Missouri have authorized an Agreement of Withdrawal by which the City would agree to withdraw from membership in MPR Missouri and ratify the formation of MPR Kansas, and by which the City would retain rights to future

dividends and distributions of MPR Missouri assets to the extent of the City's prior contributions to MPR Missouri; and

WHEREAS, the City's withdrawal from MPR Missouri and membership in MPR Kansas is contingent upon the agreement of the Members and Board of Directors of MPR Missouri to amend the MPR Missouri Bylaws, the successful commencement of operations by MPR Kansas as a Kansas municipal group funded pool in accordance with Kansas law, and the execution of the RSA between MPR Kansas and MPR Missouri;

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

Section 1. The City, in accordance with Section 8.4 of the MPR Missouri Bylaws, and in accordance with the Agreement of Withdrawal authorized herein, hereby authorizes the City's withdrawal from, and the ceasing of the City's participation in the MPR Missouri Health and Dental Program, effective upon the close of business on June 30, 2009.

Section 2. The City hereby approves and authorizes the execution of the Agreement of Withdrawal and Interlocal Cooperation Agreement for Formation of Kansas Group Funded Pool ("Agreement of Withdrawal") which is attached hereto; and

Section 3. _____ is hereby authorized and directed to execute the Agreement of Withdrawal and to thereby bind the City to comply with the terms and conditions of the Agreement of Withdrawal as a contract between the City and MPR Missouri; and

Section 4. The City acknowledges that such Agreement of Withdrawal shall be final and binding upon it, and that it shall continue to be responsible for all obligations after the date of withdrawal that relate to the prior coverage under the withdrawn Program, including, but not limited to, the obligation to satisfy any special assessments and to remain subject to all MPR Missouri rules pertaining to any obligation, claim or lawsuit which has been covered by MPR Missouri; and

Section 5. The City agrees to perform all obligations set forth in the attached Agreement of Withdrawal, including, but not limited to authorization and ratification of the formation of MPR Kansas as a Kansas nonprofit corporation.

Section 6. The City hereby authorizes and ratifies the application of MPR Kansas to the Kansas Insurance Department for a certificate of authority to operate MPR Kansas as a group funded pool.

Section 7. These Resolutions shall be in full force and effect after their adoption by the City Council.

ADOPTED AND APPROVED by the Governing Body of the City of _____,
Kansas, this _____ day of _____, _____.

CITY OF _____, KANSAS

By: _____
_____, Mayor

ATTEST:

_____, City Clerk
(Seal)

**AGREEMENT OF WITHDRAWAL AND
INTERLOCAL COOPERATION AGREEMENT FOR
FORMATION OF KANSAS GROUP FUNDED POOL**

THIS AGREEMENT ("Agreement"), made and entered into pursuant to K.S.A. § 12-2901 et seq. (the "Kansas Interlocal Cooperation Act"), as of June 30, 2009, by and between **MARCIT**, soon to be known as **Midwest Public Risk of Missouri**, a Missouri not for profit corporation ("MARCIT" or "MPR Missouri") having its principal place of business at 600 Broadway, Suite 300, Kansas City, Missouri 64105; the Kansas municipalities of **BASEHOR, BONNER SPRINGS, EDWARDSVILLE, FAIRWAY, GARDNER, MISSION HILLS, SPRING HILL, TONGANOXIE and DE SOTO**; and the Kansas county of **MIAMI** (collectively, the "Kansas Members").

WITNESSETH:

WHEREAS, MARCIT has been organized and operates under RSMo Chapter 537.620, as amended, and under K.S.A. § 12-2630, as amended, to provide programs and services to its membership which is comprised of the Kansas Members and certain governmental entities in the State of Missouri; and

WHEREAS, the Kansas Members have participated only in the employee health and dental benefits program ("Employee Benefits Program") of MARCIT and are members of MARCIT for the Employee Benefits Program year commencing July 1, 2008; and

WHEREAS, the Kansas Members desire to withdraw from MARCIT and form a separate Kansas group funded pool ("Kansas Pool") under the provisions of K.S.A. § 12-2616 through § 12-2629 (the "Kansas Municipal Group Funded Pool Act") and amendments thereto, effective upon the close of business on June 30, 2009; and

WHEREAS, MARCIT consents and agrees to such withdrawal and creation of the Kansas Pool; and

WHEREAS, the Kansas Pool and MARCIT desire to enter into an agreement which will permit them and their local governmental units to make the most efficient use of their powers by cooperating on a basis of mutual advantage to provide services in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and developments of local communities in the states of Kansas and Missouri; and

WHEREAS, effective on or about July 1, 2009, MARCIT shall be known as **Midwest Public Risk of Missouri** ("MPR Missouri"), and shall hereafter be referred to as such for purposes of this Agreement;

NOW THEREFORE, in consideration of the agreements set forth herein, pursuant to the Kansas Interlocal Cooperation Act, MPR Missouri and each of the Kansas Members hereby agree as follows:

1. **Withdrawal of Kansas Members; Contingent Upon Kansas Pool.** The Kansas Members hereby withdraw from membership in MPR Missouri effective the close of business on June 30, 2009 ("Withdrawal Date"), and MPR Missouri hereby accepts such withdrawal and agrees that such withdrawal shall be accomplished in accordance with the terms and provisions of this Agreement. The Kansas Members and MPR Missouri hereby agree that the withdrawal of the Kansas Members from MPR Missouri shall be contingent upon the Kansas Members' successful formation of the Kansas Pool in accordance with the provisions of Kansas law and the implementation of a Risk Sharing Agreement between MPR Missouri and the Kansas Pool on or before June 30, 2009. The parties further agree that, in the event that the Kansas Pool fails to commence operations or to implement a Risk Sharing Agreement with MPR Missouri on or before June 30, 2009, this Agreement shall be null and void. The Kansas Members acknowledge and agree that, subsequent to the Withdrawal Date, and upon the timely satisfaction of the contingency described herein, they shall have no further rights to vote on MPR Missouri matters, elect MPR Missouri directors, or receive Programs or Services as defined in MPR Missouri Bylaws except as to the continuing obligations of MPR Missouri to the Kansas Members in connection with their participation in the MPR Missouri Employee Benefits Program prior to the Withdrawal Date and except as otherwise set forth in this Agreement.

2. **Administration of Prior Coverage.** Midwest Public Risk, a Missouri not for profit corporation ("MPR"), shall assume the management and administration of past year contributions, expenses, and claims for the Kansas Members in connection with the Kansas Members' prior coverage ("Prior Coverage") rights. MPR shall maintain separate accounting for the Employee Benefits Program for the period of Prior Coverage and for all separate coverage years.

3. **Excess or Surplus Distributions.** Notwithstanding anything to the contrary contained in prior MPR Missouri Bylaws, membership agreements or other documents or policies and procedures, each of the Kansas Members shall remain entitled to its share of any excess or surplus funds distributions which may be determined by the Board of Directors of MPR Missouri for any year of Prior Coverage.

4. **MPR Missouri Dissolution.** Notwithstanding anything to the contrary in prior MPR Missouri Bylaws, membership agreements, or other documents or policies and procedures, in the event that MPR Missouri may be liquidated and dissolved in accordance with MPR Missouri Bylaws, and in the event that there exist net assets or residue for distribution to MPR Missouri Members, each of the Kansas Members shall be entitled to a distribution of such net assets or residue on a pro rata basis as determined by taking into account the Kansas Members' respective years of participation in the MPR Missouri Employee Benefits Program from the commencement of MPR Missouri relative to the years of participation of all MPR Missouri Members.

5. **Special Assessments.** Notwithstanding anything to the contrary in this or any other agreement, each of the Kansas Members shall remain liable for its portion of any special assessment which may be declared by the MPR Missouri Board of Directors for any year of Prior Coverage in the Employee Benefits Program in which the Kansas Member was a MPR Missouri Member. Each of such Kansas Members shall be assessed its pro rata share of any insufficiency

for such year in accordance with the percentage which each Kansas Member's covered lives bears to the total covered lives in the Employee Benefits Program for such year.

6. **Other Obligations.** Notwithstanding anything to the contrary contained in this Agreement or previous documents, the Kansas Members shall continue to remain liable for, and shall be under a continuing duty to satisfy, any liabilities, costs, expenses, or other obligations which they owe to MPR Missouri and which are unsatisfied as of the Withdrawal Date.

7. **Resignation of Kansas Members from MPR Missouri Board of Directors.** By separate action of resignation, representatives of any of the Kansas Members who were serving on the MPR Missouri Board of Directors prior to the Withdrawal Date shall resign their positions as members of the Board of Directors effective upon the Withdrawal Date.

8. **Continuing Indemnification.** In accordance with MPR Missouri Bylaws and any written Indemnification Agreements between MPR Missouri and any representatives of the Kansas Members or of any other former Kansas MPR Missouri member entity, MPR Missouri shall continue to indemnify and hold harmless such individuals for any indemnifiable liability which is attributable to their prior service on the MPR Missouri Board of Directors.

9. **Continuing Kansas Member Obligations.** Notwithstanding anything to the contrary in this Agreement, the Kansas Members shall remain obligated in connection with MPR Missouri Bylaws Sections 5.3 (c), relating to payment of contributions which are due and unpaid as of the Withdrawal Date; (d), relating to MPR Missouri permission to access Kansas Members facilities and records as they relate to the Kansas Members' participation in MPR Missouri prior to the Withdrawal Date; (e), relating to reporting of claims or losses; and (f), relating to cooperation with MPR Missouri claims adjusters, agents, employees and attorneys.

10. **Continuing Limitation on Kansas Members' Liability.** Notwithstanding anything to the contrary in this Agreement, the Kansas Members shall remain entitled to the benefit of the limitations on member liability which are specified in Section 5.4 of the MPR Missouri Bylaws.

11. **Formation of Kansas Pool.** The Kansas Members agree among themselves and with such assistance as they may reasonably request from MPR Missouri, to cause the formation of a Kansas not for profit corporation which shall seek to obtain a Certificate of Authority from the Kansas Insurance Department for the establishment of the Kansas Pool in accordance with the Kansas Municipal Group-Funded Act effective as of the close of business on June 30, 2009.

a. **Duration.** Subject to the limitations and contingencies set forth in this document, the duration of the Kansas Pool shall be perpetual.

b. **Corporation Created.** The Kansas municipalities shall establish the Kansas Pool as a Kansas not for profit corporation. Membership in such corporation shall be limited to Kansas municipalities, as defined by K.S.A. § 75-6102, and as authorized by law, that have applied for and been accepted for membership by the Board of Directors and have signed the corporation's Bylaws.

- c. **Purpose.** Pursuant to the authorization found in the Kansas Municipal Group-Funded Pool Act, as amended, the Kansas Pool is to be formed for the purpose of allowing Kansas Municipalities to join together to establish and to operate a cooperative program of loss control, risk management, risk financing and risk coverages designed to meet the unique needs of such municipalities.
- d. **Financing of Programs and Services.** Programs and services provided by the Kansas Pool shall be funded by contributions from its members and member employees for those programs and services in which members desire to participate. The Board of Directors of the Kansas Pool shall determine when contributions are due and may impose charges for late payments. Each Member's account shall be reviewed on an annual basis. Contributions to be paid by Members shall be determined in accordance with underwriting guidelines approved by the Board of Directors, which incorporate any factor or combination of factors which relate to potential losses and which are intended to produce sufficient revenue to pay losses and related administrative expenses.
- e. **Termination of Agreement and Disposal of Property.** The Kansas Pool may be dissolved as of the last day of any fiscal year upon a vote of two-thirds (2/3) of all members. Upon the dissolution of the Kansas Pool, the then current Board of Directors shall take all actions which shall be necessary for the orderly winding down of programs and services and for the completion of the corporation's dissolution and liquidation subject to Kansas law. All net assets shall be distributed pro rata to the members, in good standing, of the respective programs as of the last day of the last full fiscal year prior to the decision to dissolve and to any members which may have retained the right to distribution of assets pursuant to a written agreement of withdrawal prior to the date of the decision to dissolve. Such net assets shall be distributed, separately by program by calculating the relative percentage of the total program premium contributions for each program paid by each member during the last full fiscal year prior to dissolution and multiplying the net assets by that percentage.

In the event of the termination of the Kansas Pool, the provisions of paragraph 12 of this Agreement shall also apply.

- f. **Intention to Enter Into Risk Sharing Agreement.** It is the intention of the Kansas Members to utilize the Kansas Pool for the provision of such programs and services as may be authorized and allowed under the Kansas Municipal Group-Funded Pool Act and to do so, to the extent determined by the Board of Directors of the Kansas Pool, by cooperative agreement with MPR Missouri in the areas of risk sharing and reduction of costs of administration. This Agreement is contingent upon the Kansas Pool's commencement of operations and the implementation of a Risk Sharing Agreement between MPR Missouri and the Kansas Pool. If the Kansas Pool fails to commence operations on or before June 30, 2009, this Agreement, including, but not limited to, the withdrawal of the Kansas Members from MPR Missouri, shall be null and void.

12. **Termination of Kansas Pool.** In the event that the Kansas Pool ceases operations subsequent to July 1, 2009, MPR Missouri hereby agrees that any former Kansas Member which had continuously participated in the Kansas Pool from July 1, 2009 to the last day of operation of the Kansas Pool shall be entitled to acceptance into the MPR Missouri Employee Benefits Program upon submission of an application. The parties agree that the dissolution of the Kansas Pool and dissolution of the assets of the Kansas Pool shall be conducted in accordance with the governing documents of the Kansas Pool.

13. **Entire Agreement.** This Agreement constitutes the sole agreement of MPR Missouri and the Kansas Members with respect to the subject matter described herein, and any prior understandings or written or oral agreements other than those referenced herein are void and of no further force and effect. This Agreement may only be amended by a writing executed by all parties hereto.

14. **Binding Effect/Survival.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. Each of the parties hereto binds itself and its successors and assigns to execute any additional documents which may be reasonably necessary to carry out the purposes of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MARCIT/MPR MISSOURI:

By: _____
Alexa Barton, Chair

KANSAS MEMBERS:

CITY OF BASEHOR

By: _____

CITY OF BONNER SPRINGS

By: _____

CITY OF EDWARDSVILLE

By: _____

CITY OF FAIRWAY

By: _____

CITY OF GARDNER

By: _____

CITY OF MISSION HILLS

By: _____

CITY OF SPRING HILL

By: _____

CITY OF TONGANOXIE

By: _____

CITY OF DE SOTO

By: _____

COUNTY OF MIAMI

By: _____

APPROVED PURSUANT TO K.S.A. 12-2904.

Office of the Attorney General

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING PROCUREMENT
OF PROGRAM OR SERVICE**

WHEREAS, the City of _____ (the "City"), desires to promote, stimulate and develop the general economic welfare and prosperity of the City and its environs, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

WHEREAS, the Kansas Municipal Group Funded Pool Act, K.S.A. 12-2616 through 12-2630, as amended (the "Group Funded Pool Act") authorizes municipalities located in Kansas to enter into agreements to pool liabilities for various categories of risk, including, but not limited to health and dental coverage of municipal employees; and

WHEREAS, Midwest Public Risk of Kansas, Inc. ("MPR Kansas") is a Kansas not-for-profit corporation formed in order to allow local governmental units to procure various benefit programs and risk coverages which are either unavailable or prohibitively expensive in the commercial marketplace; and

WHEREAS, it is determination of the City that, by participation with MPR Kansas pursuant to the Group Funded Pool Act, the City will have the opportunity to share risk for health and dental coverage with MPR Kansas and will benefit from increased risk sharing and reduced costs of administration; and

WHEREAS, the Management Agreement between MPR Kansas and Midwest Public Risk ("MPR") provides that MPR is responsible for the review and approval of applications for membership in MPR Kansas.

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

Section 1. The City, in accordance with Section 8.4 of the MPR Kansas Bylaws adopted by the Members of MPR Kansas, hereby requests consideration by MPR of the City's desire to procure the following Program(s) or Service(s) of MPR Kansas, effective July 1, 2009.

Program:

Health and Dental Coverage

Service:

Section 2. These Resolutions shall be in full force and effect after their adoption by the City Council.

ADOPTED AND APPROVED by the Governing Body of the City of _____,
Kansas, this ____ day of _____, 2009.

CITY OF _____, KANSAS

By: _____
_____, Mayor

ATTEST:

_____, City Clerk
(Seal)

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider an ordinance annexing the Cedar Lake Estates subdivision.

Department: Administration

Background/Description of Item:

The city council on July 7, 2008 approved Resolution 2008-09 which set a public hearing date of September 8, 2008 as part of the process in the proposed annexation of Cedar Lake Estates subdivision in accordance with K.S.A. 12-520. Prior to the public hearing on July 17 notices were mailed to the affected property owners. An open house was also held on August 25 to give an opportunity to discuss the issues surrounding the annexation.

During the public hearing on September 8 questions were raised concerning the sufficiency of the legal process required by K.S.A. 12-520a. After considering the alleged deficiencies the city council decided to start the process over again rather than take the chance that a legal appeal would result in the same recommendation.

The city council on Dec. 1, 2008 adopted resolution 2008-16 setting a public hearing date of Feb. 9, 2009 for the purpose of determining the advisability of annexation of the subdivision. Notices were mailed to the residents as required with a copy of the resolution.

At the public hearing a presentation was made by the city to cover 16 points "as a guide in determining the advisability of such annexation" (K.S.A. 520a(e)). Following the explanation, all interested persons were given an opportunity to be heard.

The city attorney is reviewing the inputs from residents and response from the attorney for Cedar Lake Estates.

K.S.A. 12-520(g) The governing body of any city by one ordinance may annex one or more separate tracts or lands each of which conforms to any one or more of the foregoing conditions.

Funding Source: Planning

Recommendation: Adopt Ordinance 548 annexing the Cedar Lake Estates subdivision with an effective date of April 8, 2009.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: February 17, 2009

ORDINANCE NO. 548

AN ORDINANCE ANNEXING THE CEDAR LAKE ESTATES SUBDIVISION INTO THE CITY OF BASEHOR, KANSAS

WHEREAS, the following described land generally known as Cedar Lake Estates subdivision adjoins the City of Basehor and is located in Leavenworth County, Kansas; and

WHEREAS, the annexation of the following described property is pursuant to K.S.A. 12-520(a)(1), as amended; and

WHEREAS, pursuant to K.S.A. 12-520a, public hearings on the annexation were held initially on September 8, 2008 and again on February 9, 2009 prior to the consideration of this Ordinance; and

WHEREAS, notification was sent to interested parties as required by K.S.A. 12-520a, and

WHEREAS, after hearing the evidence presented at the public hearings considering the criteria contained in K.S.A. 12-520a, the Governing Body of the City of Basehor, Kansas, finds it advisable to annex such land.

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

SECTION 1. That in determining the advisability of annexing the land described below, the Governing Body considered the following criteria contained in K.S.A. 12-520a:

- (1) Extent to which any of the area is land devoted to agricultural use;
- (2) area of platted land relative to unplatted land;
- (3) topography, natural boundaries, storm and sanitary sewers, drainage basins, transportation links or any other physical characteristics which may be an indication of the existence or absence of common interest of the city and the area proposed to be annexed;
- (4) extent and age of residential development in the area to be annexed and adjacent land within the city's boundaries;
- (5) present population in the area to be annexed and the projected population growth during the next five years in the area proposed to be annexed;
- (6) extent of business, commercial and industrial development in the area;
- (7) present cost, methods and adequacy of governmental services and regulatory controls in the area;
- (8) proposed cost, extent and the necessity of governmental services to be provided by the city proposing annexation and the plan and schedule to extend such services;
- (9) tax impact upon property in the city and the area;

- (10) extent to which the residents of the area are directly or indirectly dependent upon the city for governmental services and for social, economic, employment, cultural and recreational opportunities and resources;
- (11) effect of the proposed annexation on the city and other adjacent areas, including, but not limited to, other cities, sewer and water districts, improvement districts, townships or industrial districts and, subject to the provisions of K.S.A. 12-521a, and amendments thereto, fire districts;
- (12) existing petitions for incorporation of the area as a new city or for the creation of a special district;
- (13) likelihood of significant growth in the area and in adjacent areas during the next five years;
- (14) effect of annexation upon the utilities providing services to the area and the ability of those utilities to provide those services shown in the detailed plan;
- (15) economic impact on the area; and
- (16) wasteful duplication of services.

SECTION 2. That the following described land is hereby annexed and made a part of the City of Basehor, Kansas:

Annexation Legal
MHS Project # 2007.001.001

A tract of land located in Southwest Quarter of Section 11, Township 11 South, Range 22 East, and being all of Cedar Lake Estates, Cedar Lake Estates – Phase 2, Cedar Lake Estates Phase 3, and Cedar Lake Estates Phase 4 Subdivision, all subdivisions in the County of Leavenworth, Kansas according to the recorded plats thereof and being more particularly described as follows:

COMMENCING at the Southeast corner of the Southwest Quarter of said Section 11; thence North 00°19'04" East, along the East line of said Southwest Quarter, a distance of 706.58 feet to the POINT OF BEGINNING; thence continuing North 00°19'04" East, along said East line, a distance of 1932.89 feet to the Northeast corner of the Southwest Quarter of said Section 11; thence North 89°13'03" West, along the North line of the Southwest Quarter of said Section 11, a distance of 2286.87 feet; thence South 00°00'43" West, a distance of 725.99 feet; thence South 89°13'03" West, a distance of 125.00 feet; thence South 00°00'43" West, a distance of 275.00 feet; thence South 89°13'03" West, a distance of 200.00 feet to the East right-of-way line of 158th Street as shown on the recorded plat; thence South 00°00'43" West, along said right-of-way line, a distance of 150.00 feet; thence South 89°59'17" East, a distance of 300.00 feet; thence South 00°00'43" West, a distance of 829.00 feet; thence South 90°00'00" East, a distance of 843.87 feet; thence South 01°36'23" East, a distance of 174.00 feet; thence South 17°13'37" West, a distance of 164.54 feet; thence South 03°22'07" West, a distance of 134.25 feet; thence South 90°00'00" East, a distance of 51.56 feet; thence North 13°43'52" East, a distance of 134.52 feet; thence North 46°47'14" East, a distance of 278.31 feet; thence North 68°12'43" East, a distance of 103.13 feet; thence South 70°56'34" East, a distance of 169.45 feet; thence South 14°02'43" East, a distance of 75.39 feet; thence North 86°52'48" East, a distance of 91.62 feet; thence South 51°41'08" East, a distance of 91.16 feet; thence South 45°26'02" West, a distance of 106.06 feet; thence South 44°27'07" East, a distance of 252.25 feet; thence North 84°10'39" East, a distance of 290.03 feet; thence North 43°06'36" East, a distance of 99.95 feet; thence North 29°54'56" East, a distance of 108.63 feet; thence North 19°36'26" East, a distance of 386.05 feet; thence North 89°53'53" East, a distance of 143.97 feet to the point of beginning and containing 5,021,508.21 square feet or 115.28 acres more or less.

Calculated error of closure = 1:995,932

NOTE: the above described legal description is based upon the recorded plats noted. No field work was performed to verify any overlaps or gaps. The legal descriptions for the indicated plats closed and were contiguous to each other.

SECTION 3. This ordinance shall be published one time in the official city newspaper and shall take effect on April 8, 2009 in accordance with K.S.A. 12-523 and be in force thereafter.

PASSED AND APPROVED by the Governing Body of the City of Basehor, Kansas, the 17th day of February, 2009.

Chris Garcia, Mayor

ATTEST:

City Clerk

Reviewed and approved this _____ day of _____, 2009

Patrick Reavey, City Attorney

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider adoption of resolution incorporating by reference an Identity Theft policy as mandated by the Federal Trade Commission.

Department: Administration

Background/Description of Item:

In an effort to control Identity Theft, the Federal Trade Commission implemented regulations to be adopted by private and public entities. Governments have until May 1, 2009 to implement the "Red Flag Rules".

On January 12, 2009, the city administrator received a letter from our auditors advising me that a policy was required.

I have researched policies from other cities and it appears the majority are adopting the same policy as I have presented. The policy before you tonight was recently adopted by the City of De Soto and recommended by our city attorney, Patrick Reavey.

The policy allows the city council to designate a Program Administrator (i.e. city administrator, city clerk, utility clerk, mayor). Since the assistant city clerk is the one that deals with utility accounts and business license on a daily basis, it made sense to designate her as the Program Administrator. The city of De Soto has also done the same. Most cities that I researched designated the city clerk.

If you wish to review the entire policy, please let me know and I can make a copy (80 pages) for you or visit the Federal Trade Commission website at www.ftc.gov.

The administrative department had already taken measures to protect documents with social security numbers, federal employer identification numbers, driver's license numbers, bank accounts, etc. These documents are kept behind two locked areas and only the assistant city clerk and I have full access.

Funding Source: (no funding necessary)

Recommendation: Approve resolution adopting Identity Theft "Red Flag Rules" as presented designating the utility clerk as the Program Administrator.

Prepared by: Mary A. Mogle, City Clerk
Council Date: February 17, 2009

RESOLUTION NO. _____

**A RESOLUTION ADOPTING IDENTITY THEFT PREVENTION PROGRAM AS
MANDATED BY FEDERAL TRADE COMMISSION**

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

Section 1. The attached Identify Theft Prevention Program is hereby adopted by the
City.

Section 2. This Resolution will become effective upon its adoption by the Governing
Body.

ADOPTED February _____, 2009.

CITY OF BASEHOR, KANSAS

Mayor, Chris Garcia

(SEAL)

ATTEST:

City Clerk, Mary A. Mogle

APPROVED AS TO FORM:

Patrick G. Reavey, City Attorney

BASEHOR



Identity Theft Prevention Program

Implemented as of February 17, 2009

I. INTRODUCTION

The City of Basehor (the "City") developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's ("FTC") Red Flag Rule, which implements Section 114 of the Fair and Accurate Credit Transaction Act of 2003. 16 C. F. R. § 681.2. This Program is designed to detect, prevent and mitigate Identity Theft in connection with the opening and maintenance of certain city accounts. For purposes of this Program, "Identity Theft" is considered to be "fraud committed using the identifying information of another person." The accounts addressed by the Program, (the "Accounts"), are defined as:

1. An account the City offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
2. Any other account the City offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the City from Identity Theft.

This Program was developed with oversight and approval of the City Council. After consideration of the size and complexity of the City's operations and account systems, and the nature and scope of the City's activities, they determined that this Program was appropriate for the City of Basehor, and therefore approved this Program on February 17, 2009.

II. IDENTIFICATION OF RED FLAGS.

A "Red Flag" is a pattern, practice, or specific activity that indicates the possible existence of Identity Theft. In order to identify relevant Red Flags, the City considered the types of Accounts that it offers and maintains, the methods it provides to open its Accounts, the methods it provides to access its Accounts, and its previous experiences with Identity Theft. The City identifies the following Red Flags, in each of the listed categories:

- A. Suspicious Documents.
 - 1) Receiving documents that are provided for identification that appear to be forged or altered;
 - 2) Receiving documentation on which a person's photograph or physical description is not consistent with the person presenting the documentation;
 - 3) Receiving other documentation with information that is not consistent with existing customer information (such as if a person's signature on a check appears forged); and
 - 4) Receiving an application for service that appears to have been altered or forged.

B. Suspicious Personal Identifying Information.

- 1) A person's identifying information is inconsistent with other information the customer provides (such as inconsistent SSNs or birth dates);
- 2) A person's identifying information is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- 3) A person's identifying information is the same as shown on other applications found to be fraudulent;
- 4) A person's SSN is the same as another customer's SSN;
- 5) A person's address or phone number is the same as that of another person;
- 6) A person's identifying information is not consistent with the information that is on file for the customer; and
- 7) A person fails to provide complete personal identifying information on an application when reminded to do so.

C. Unusual Use Of or Suspicious Activity Related to an Account.

- 1) The City receives notice that there has been unauthorized access to or use of customer Account Information; and
- 2) The City receives notice that there has been unauthorized access to the City's plans to take steps with certain data it maintains that contains customer information (i.e. destroying computer files.)

D. Notice Regarding Possible Identity Theft.

- 1) The City receives notice from a customer, an identity theft victim, law enforcement or any other person that it has opened or is maintaining a fraudulent Account for a person engaged in Identity Theft.

III. DETECTION OF RED FLAGS.

In order to detect any of the Red Flags identified above with the opening of a new Account, City personnel will take the following steps to obtain and verify the identity of the person opening the Account:

- 1) Requiring certain identifying information such as name, date of birth, residential or business address, and principal place of business for an entity, SSN, driver's license or other identification.
- 2) Verifying the customer's identity, such as by copying and reviewing a driver's license or other identification card.

In order to detect any of the Red Flags identified above for an existing Account, City personnel will take the following steps to monitor transactions with an Account:

- 1) Verifying changes in banking information given for billing and payment purposes.
- 2) Verifying the identification of customers if they request information (in person, via telephone, via facsimile, via email);
- 3) Verifying the validity of requests to change billing addresses;
- 4) Do not share identity and banking information with anyone including the customer; require them to give the information and verify with the information on the account.

IV. PREVENTING AND MITIGATING IDENTITY THEFT.

In the event City personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:

- 1) Continuing to monitor an Account for evidence of Identity Theft;
- 2) Contacting the customer;
- 3) Changing any passwords or other security devices that permit access to Accounts;
- 4) Notifying law enforcement.

In order to further prevent the likelihood of identity theft occurring with respect to City accounts, the City will take the following steps with respect to its internal operating procedures:

- 1) Ensuring complete and secure destruction of paper documents and computer files containing customer information;
- 2) Ensuring that office computers are password protected and that computer screens lock after a set period of time.

V. UPDATING THE PROGRAM AND THE RED FLAGS

This Program will be periodically reviewed and updated to reflect changes in risks to customers and the soundness of the City from Identity Theft. At least annually, the Utility Clerk will consider the City's experiences with Identity Theft situations, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, changes in types of Accounts the City maintains and changes in the City's business arrangements with other entities. After considering these factors, the City Finance Officer will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the City Administrator will present the City Council with their recommended changes and the City Council will make a determination of whether to accept, modify or reject those changes to the Program.

VI. PROGRAM ADMINISTRATION.

A. Oversight

The City's Program will be overseen by a Program Administrator. The Program Administrator shall be: Utility Clerk.

The Program Administrator will be responsible for the Program's administration, for ensuring appropriate training of City staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances, reviewing and, if necessary, approving changes to the Program.

B. Staff Training and Reports

City staff responsible for implementing the Program shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected.

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P R O F E S S I O N A L A S S O C I A T I O N

CERTIFIED PUBLIC ACCOUNTANTS

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Thomas H. Sewell, CPA

Members of American Institute
and Kansas Society of
Certified Public Accountants

January 12, 2009

Mr. Carl Slaugh
City of Basehor
2620 N. 155th
Basehor, KS, 66007

Carl Slaugh

To combat the growing problem of identity theft, the Federal Trade Commission (FTC) issued new "Red Flag" rules that apply to all municipalities that have utility accounts such as water, sewer or electricity, and other operations that defer payment for services on a recurring basis. For example, when water, sewer or electricity is provided by a city and then paid for by the consumer at the end of a billing cycle, the city has extended credit for the purpose of the FTC rules.

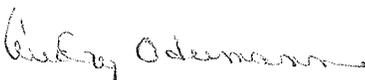
The FTC rules mandate that creditors (like municipal utilities) develop and implement a written Identity Theft Prevention Program that helps protect consumer identity by responding to possible signals of identity theft known as "Red Flags." Red Flags are warnings of identity theft and are defined in the rules as a "pattern, practice or specific activity that indicates the possible existence of identity theft." Examples of Red Flags include alerts, notifications or warnings from a consumer reporting agency, forged or inconsistent customer identifying information, as well as many other examples set forth in the FTC rules. Municipalities have until May 1, 2009, to have written programs in place.

Legal counsel should be consulted immediately regarding compliance with the FTC rules, including what types of operations and transactions are covered, as there may be significant consequences for noncompliance.

For questions about compliance with the rules, you may contact the FTC at RedFlags@ftc.gov, or visit the FTC web site at www.ftc.gov.

If you have any questions, please do not hesitate to call.

Cordially,



Audrey M. Odermann, CPA

AN IMPORTANT DATE FOR YOUR CITY UTILITY

A Brief Introduction To The FTC's Red Flag Rule

by Douglas L. Healy

November 1, 2008. While that date may not have any significance to your municipal utility, it should because of a new rule by the Federal Trade Commission (FTC). This new rule, 16 CFR §681 (the "Red Flag" rule), will require all creditors, including municipal utilities, to actively look for identity theft, with a compliance date of November 1, 2008.

This rule stems from the Fair and Accurate Credit Transactions (FACT) Act of 2003. Part of the FACT Act amended the Fair Credit Reporting Act (FCRA), which in turn, over a period of five years, required the Federal Trade Commission (FTC) to promulgate 16 CFR §681. The rule has been referred to as the "red flag" rule because of the requirement that creditors actively look for "red flags" that indicate identity theft or fraud is occurring. This rule will require all creditors, including municipal utilities, to develop a written Identity Theft Prevention Program (Program) that includes reasonable policies and procedures to address the risk of identity theft to its customers. Those who fail to comply with the rule could face penalties in federal court of up to \$2,500 for each violation, and states are also authorized to bring actions in state court against non-complying creditors. An additional concern is that this rule will potentially open up civil litigation to recover damages that could have

This rule will require all creditors, including municipal utilities, to develop a written Identity Theft Prevention Program ...

been prevented by utilities who failed to comply.

Who Has To Have A Program?

Under the rule, institutions that offer or maintain one or more "covered accounts" must put a Program in place. A covered account is "(1) an account primarily for personal, family, or household purposes, that involves or is designed to permit multiple payments or transactions, or (2) any other account for which there is a reasonably foreseeable risk to customers or the safety and soundness of the financial institution or creditor from identity theft."¹ This encompasses municipal utilities, whether the utility offers water, sewer, electric, gas, or broadband service, that hold customer accounts for the monthly payment of utility services. Utilities, like many institutions, regularly collect billing addresses, social security numbers, dates of birth, and other information that is sought out by identity thieves. As a depository for all the information that an identity thief needs to steal a person's identity or to create a fraudulent identity, utilities become targets

for people who wish to have access to this information. Unfortunately, many utilities do not have policies or procedures in place to protect this valuable information; this rule will require such a plan.

What Do I Have To Do To Create A Program?

To comply with the rule, the most important step is that your utility develops a written Program to ensure compliance with the rule. The rule makes no exceptions based on the size of the creditor, but the Program must fit with the organization's complexity and resources; in other words, a utility with 500 customers will be held to a different standard than a utility with 20,000 customers. The Program should be focused on discovering and addressing "red flags," which are "patterns, practices, and specific forms of activity that indicate the possible existence of identity theft."² Examples given by the FTC of "red flags" include accounts with low activity that unexpectedly show higher consumption, a consumer report that shows fraud or other alerts, identification documents that appear to have been forged, mail that cannot be delivered to the listed address, or other unusual activity regarding the setting up of the account or maintenance of the account. The FTC has identified 26 "red flags" in Appendix A of the rule that should alert a utility to possible fraud or theft. These "red flags," while



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given as examples, should help utilities in their assessment of their operations and potential vulnerabilities.

A compliant Program must include four basic elements, as follows:

(1) Identify relevant "red flags" for your system that would indicate possible fraudulent activity or theft for covered accounts;

(2) detect "red flags" that are recognized as signs of possible fraud or theft;

(3) respond appropriately to those "red flags" once they occur; and

(4) ensure that the program is periodically updated to reflect best practices and a changing environment.³

These four elements must all be addressed in the Program. Utilities can examine Appendix A of the rule to see which examples given apply to them; however, utilities should also be mindful of possible activity not listed that should warn them of an incident of identity theft or fraud. After determin-

ing what your "red flags" should be in your system, the Program should describe how these "red flags" will be detected in day-to-day operations. Once the "red flag" is detected, the utility should give direction to its employees as to what level of response is appropriate. Some responses may call for notice to be given to the customer that someone may be attempting to assume their identity, while other responses may simply call for noting the incident for future reference. The level of response should correlate to the severity of the "red flag." The fourth element calls for the Program to be periodically updated and examined, to ensure that the Program reflects current operations and best practices.

To prepare a Program that meets the requirements of the rule, utilities will need to designate a senior manager or board member to oversee the committee or employee group developing and implementing the Program. Additionally, the Program, once developed, must be approved by the utility's governing body, or at a minimum, by the general

manager. The key points are that the Program must be in writing, must have a designated person or body overseeing the development of the Program, and have the appropriate approval to be implemented. I would encourage utilities that have a Program to document the steps they took in compiling and implementing the Program.

How Do I Maintain My Program?

The rule, beyond requiring creation of a written Program, also requires that the Program be updated periodically. Most utilities will want to review their Program on an annual basis to see which business practices have changed and which new privacy threats need to be addressed. The person responsible for the creation and management of the Program should be responsible for the annual updating of the Program, and for an annual performance review of the Program to see that it is being followed by employees. Additionally, the Program administrator is charged with seeing that employees who interface

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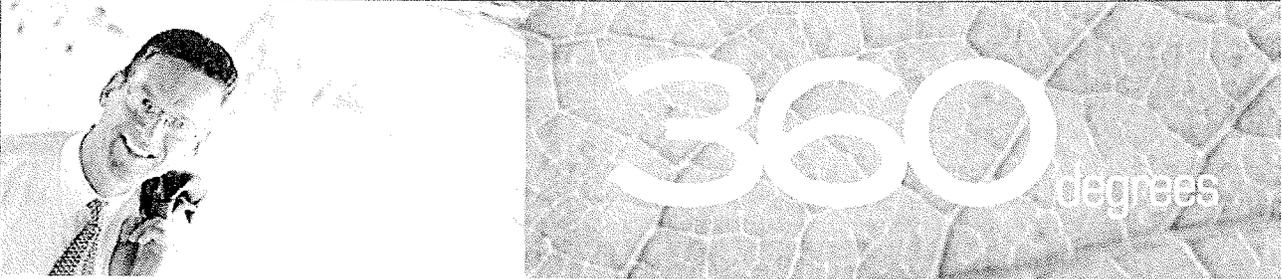
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with covered accounts are trained to implement the Program.

How Do I Get This Done?

While a local municipal utility may not have a plan in place to protect its customers from identity theft, it probably already has policies and procedures regarding customer accounts and security. For example, many utilities already have policies in place regarding the payment of accounts. These policies and procedures can be used as a starting point in developing a Program. Utilities should identify the key personnel in their operations who manage customer information and have them create the Program, or even use outside consultants such as the attorneys or accountants who they rely on for professional expertise to assist them in developing their Program. Reviewing existing policies and comparing them to the examples of "red flags" given in the rule will help utility personnel to examine their operations, and to consider how they may pro-

vide better customer protection. The process of creating a written Program was intended to require utilities, like other creditors, to think through their processes of obtaining and managing customer information, and to develop strategies on how to better protect customer information.

This rule is intended to reduce identity theft. Those who have experience with identity thefts are aware of how costly, time consuming, and frustrating identity theft can be to the victim. The FTC found in a January 2006 study that only credit card account fraud exceeded identity theft and fraud occurring in utility accounts.⁴ Part of operating a good business is protecting your customers and their personal information, and municipal utilities should take all practical steps to ensure that their customer information is protected.

For more information: <http://www.ftc.gov/opa/2007/10/redflag.shtm>; http://www.conetrix.com/files/ITPP_Regulation.pdf; questions can be re-

ferred to RedFlags@ftc.gov; or by calling 1-877-FTC-HELP (1-877-382-4357). □

Douglas L. Healy is the general counsel and director of member relations for the Missouri Public Utility Alliance (MPUA) and the Missouri Association of Municipal Utilities (MAMU). Those entities are headquartered in Columbia, Missouri, and their website can be found at www.mpu.org. Prior to serving as general counsel for MPUA, Doug had served as the senior attorney in the Greene County Prosecutor's Office Property Crimes Division, where he investigated and tried identity theft cases. While at Greene County, Doug completed the FBI's Identity Theft training course. Doug also served as the chief of staff to the chair of the Missouri Public Service Commission, which regulates investor owned utilities in the state.

Foot Notes

¹ 16 CFR §681.2(3)

² 16 CFR §681.2(9)

³ 16 CFR §681.3(d)

⁴ "Consumer Fraud and Identify Theft Complaint Data January - December 2005," FTC, January 2006.

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider adopting an ordinance amending Chapter VII, Article 3, Section 7-305 concerning Fireworks of the Code of the City of Basehor.

Department: Administration

Background/Description of Item:

Over the last three years, Kansas Department of Revenue has worked diligently to regulate the collection of sales on fireworks stands. The issue they face is that who ever obtains a permit may not be the person selling the fireworks. On occasion, the people selling the fireworks are under the impression the person who obtained the permit was responsible for paying and reporting sales tax collected.

The attached ordinance is similar to the one recently adopted by the City of Tonganoxie and recommended by Cindy Frost, Kansas Department of Revenue.

I asked Chief Martley if he felt other changes needed to be made at this time regarding fireworks enforcement and he indicated there were very few issues within the city limits regarding fireworks and recommended no changes at this time.

The ordinance has been sent to the city attorney for review and recommends approval.

Funding Source: (Revenue – Permits)

Recommendation: Adopt ordinance amending Chapter VII, Article 3, Section 7-305, Fireworks as presented.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: February 17, 2009

(First published in *Basehor Sentinel* February 26, 2009)

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER VII, ARTICLE 3, SECTION 7-305 CONCERNING FIREWORKS, OF THE CODE OF THE CITY OF BASEHOR, KANSAS. SAID SECTIONS CONCERNING FIREWORKS SHALL BE AMENDED AS FOLLOWS:

Be it ordained by the Governing Body of the City of Basehor, Kansas:

Section 1. That Article 3 Section 7-305 shall be repealed and the following new Section 7-305 shall be inserted as adopted:

- 7-305. PERMIT FOR SALE OF FIREWORKS REQUIRED; FEE; ISSUANCE. (a) It shall be unlawful for any person to sell, display for sell, offer to sell or give away any type of fireworks within the city without first paying a fee of \$500.00 per establishment or premises to the city clerk and applying for and securing a permit therefore on or before June 25th of the permit year. The application shall be approved by the fire chief before the license shall be issued. Permit fees for non-profit organizations may be waived at the discretion of and upon approval of the governing body.
- (b) No permit shall be issued for any location where retail sales are not permitted under the zoning laws. Prior to the issuance of the permit, an inspection will be made of the applicant's facility for compliance with this chapter and other pertinent laws, and no permit shall be issued for any premises not in compliance with such laws. Upon qualifying for the permit, the permittee shall prominently display the permit and the hours of discharge and the penalties for non compliance at the establishment or premises where fireworks are to be sold or displayed for sale. The permit fee shall not be refundable upon failure to qualify for the permit or withdrawal or cancellation of the application or permit.
- (c) **No permit shall be approved unless the applicant furnished a certificate of an occurrence, and not claims made, public liability insurance policy for the display in a minimum amount of \$1,000,000, written by an insurance carrier licensed to do business in Kansas, conditioned as being non-cancelable except by giving 10-days advance written notice to the City Clerk.**
- (d) **No permit shall be approved unless the applicant furnished a tax clearance from the Department of Revenue ensuring prior year sales taxes if owed are paid.**

Section 2. REPEAL. To the extent any other Ordinance of the City of Basehor which is inconsistent herewith, the same is repealed.

Section 3. EFFECTIVE DATE. That this ordinance shall take effect and be in force from and after its passage, approval, and publication in the *Basehor Sentinel*, the official newspaper of the City of Basehor, Kansas.

PASSED AND APPROVED BY THE GOVERNING BODY OF THE CITY OF
BASEHOR, KANSAS, ON THIS ____ DAY OF _____, 2009.

Chris Garcia, Mayor

Attest:

Mary A. Mogle, City Clerk

Approved as to content:

Patrick Reavey, City Attorney

Mary Mogle

From: Cindy_Frost@kdor.state.ks.us
Sent: Thursday, January 29, 2009 12:41 PM
To: cityclerk@cityofbasehor.org
Subject: Fireworks Stands
Attachments: TongieFWordinance.doc; FIREWORKS APPLICATION.xls

Hi Mary,

Just wanted to share a couple things with you regarding firework stands. I have attached the new city ordinance that Tongie is about to pass requiring a tax clearance with a stand application. You will also find attached a stand application that we put together as a suggestion with information that helps us collect tax dollars that fail to be paid. It would be very helpful for the Dept of Revenue to have the stands operation, owner, & wholesale distributor information if taxes fail to be filed & paid. What we have often found is the operator and owner are not the same person. The operator is under the impression or thinks the owner is responsible to file and pay the taxes. In a large number of cases this does not happen. We want all to know they will be found liable if taxes fail to be paid.

CINDY FROST
KANSAS DEPARTMENT OF REVENUE
REVENUE AGENT - FIELD SERVICES
13420 W 62nd TERR
SHAWNEE, KS 66216
913.631.0296 ext 215
Fax 913.631.6125
Cindy_Frost@kdor.state.ks.us

Application for Retail Sale of Fireworks

Name of Applicant: _____

Address of Applicant: _____

Email address: _____

Phone: _____ Driver's license #: _____

Age: _____ Date of Birth: _____ SS#: _____

Proof of residency: _____

Location of Stand: _____

(If more than one stand use second page)

Wholesaler Name: _____

Certificate of Insurance: YES/NO Verification of Insurance: _____

Operator of stand: _____

Number used to remit sales tax: _____ Tax Clearance: _____

I have received, reviewed and understand the Fireworks Ordinance _____
and will accept full responsibility and compliance of said ordinance.

X _____
Signature of Applicant

Date

Bond # _____

APPROVED:

LICENSE

PLANNING DEPARTMENT

BUSINESS RECORD # _____ OFFICE USE ONLY LICENSE/PERMIT # _____

FEE PAID: \$ _____

DATE OF INSPECTION: _____ BUILDING OFFICIAL/FIRE CHIEF: _____