

AGENDA

BASEHOR CITY COUNCIL

May 18, 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 Terry L. Hill 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. May 4, 2009 Regular Meeting
 2. May 11, 2009 Work Session
- b. Approve Treasurer's Report & Vendor Payments
- c. Approve investment recommendations
- d. Approve calendar of events
- e. Proclamation – Public Works Week, May 17 – 23, 2009

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. Appointment of City Prosecutor
- b. Consider approval of concept plans for 155th and Parallel Road intersection project.
- c. KDOT transportation revolving fund loan for Wolf Creek Parkway and 150th /24-40 Intersection
- d. 150th Street, Craig Road north to Parallel Road, water line relocation expense
- e. Consider Charter Ordinance repealing Charter Ordinances 6 and 18.
- f. Consider 3% rate increase imposed by Deffenbaugh Industries for solid waste services effective July 1, 2009.
- g. Consider setting public hearing date for delinquent sewer and solid waste accounts.

- h. Health and dental insurance plan renewal.
- i. Consider appointment of staff member as MARCIT representative
- j. Appointment to planning commission to fill vacancy
- k. Appointment of City Administrator

6. City Administrator Report

7. Mayor Terry L. Hill 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

May 13, 2009

Mayor & Council,

The KDOT TRF loan information has not arrived yet and will follow later in the week.

I received additional health/dental/life insurance information today (4:00 p.m.) and noticed there were some calculation errors and will need to work with the insurance broker prior distributing the information. This agenda item will also be distributed later in the week.

Mary Ann

Minutes

BASEHOR CITY COUNCIL

May 4, 2009

6:00 p.m.

Basehor City Hall

Official Presiding: Mayor Terry L. Hill

**Members Present: Pres. Jim Washington, Iris Dysart, David Breuer, Dennis Mertz,
and Bill Moyer**

Members Absent: none

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

Newspaper: Kaitlyn Syring, *Basehor Sentinel*

WORK SESSION - 6:00 p.m.

The work session was called to order by Mayor Hill. All members were present including the city attorney.

Discussion of agenda items

- c. Consider recommendations from the Planning Commission to adopt an ordinance amending Article I of Chapter XVI of the Basehor Municipal Code, incorporating revised Zoning Regulations and adopt the proposed Zoning Regulations.*

Planning Director Dustin Smith entertained questions from the Governing Body.

Councilmember Mertz pointed out there were some inconsistencies between the zoning and subdivision regulations and suggested having a committee work with Mr. Smith.

Mr. Smith suggested hiring a consulting firm since the planning commission review the documents eight times and brought before the council three times. Mr. Smith noted he tried a committee at first and had one diligent participant, developer/builder Jeff Scherer. Planning Commission member Ed Bush concurred with Mr. Smith noting Jeff Scherer was the only developer that really came to the meetings and as a board member did not want to review the documents again. Various topics discussed were utility location, language inconsistencies, and errors within the document.

City Attorney Patrick Reavey informed Council they could not adopt the document without designating in their motion what needed to be changed. Mr. Slaugh stated he would like some feedback on 1) reducing zoning categories, 2) adopting point system, and 3) consider changes in permitted conditional uses. President Washington was in favor of Councilmember Mertz and a planning commission member reviewing the documents with Mr. Smith and then present their recommendations to the city council. Councilmember Moyer asked that changes be highlighted so it would be easier for him to comprehend the items being addressed.

President Washington stated his position has generally been to approve the Planning Commissions work and thought the proposed changes (i.e. point system, zoning categories, permitted conditional uses) were worth trying. Mr. Bush stated the Planning Commission would be addressing a new development at their meeting tomorrow [May 5, 2009] night under the new point system.

Mr. Reavey asked Mr. Smith what he would do with the applicant if the new regulations were not adopted. Mr. Smith stated the developer would have to wait until the new regulations were adopted or resubmit a plan under current guidelines. Mr. Reavey noted *if Council wanted to adopt the document at this meeting, they could include those changes in their motion and then have a text amendment change at a future meeting.* Zoning and Subdivision regulations are living documents and there are circumstances that cannot be anticipated, so it was not a huge issue to adopt the document tonight and then bring a text amendment at a later date.

Councilmember Moyer stated he would take it on faith that the planning director, planning commission, and city administrator took a lot of time to put together the proposed documents and did not feel it was necessary for staff to take time producing additional documents just for his benefit.

d. Consider Planning Commission recommendation to adopt an ordinance amending Article 2 of Chapter XVI of the Basehor Municipal Code, incorporating revised Subdivision Regulations.

Council concurred that the Subdivision Regulation changes would be tabled for review via committee.

Consider Port Authority Agreement pertaining to Miles Industrial property.

The city administrator presented Council with an agreement between the City of Basehor and Leavenworth County Port Authority for a shared cost to perform a feasibility study on the Miles Industrial property. Mr. Slaugh explained he just received the document and would need to be added to the agenda.

The city attorney reported he had reviewed the document and did not have any legal issues with it. Council agreed to add to Business agenda during the regular meeting.

a. ***WWTP progress update and pay request #6 from CAS Construction.***

Councilmember Dysart asked if Change Order No. 1 would be included in pay request No. 5 and if Change Order No. 2 would show up on Pay Request No. 6. Mr. Slauch noted the contractor has not made the necessary adjustments to the contract.

Five-minute break (6:55 p.m.)

REGULAR MEETING – 7:00 p.m.

ROLL CALL BY MAYOR TERRY L. HILL AND PLEDGE OF ALLEGIANCE

The regular meeting was called to order by Mayor Hill. All members were 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. April 20, 2009 Regular Meeting
- b. Approve Treasurer's Report & Vendor Payments
- c. Approve investment recommendations
- d. Approve calendar of events
- e. Proclamation - National Police Week May 10-16 & May 15 as Peace Officer's Memorial Day

A motion was made by President Washington and seconded by Councilmember Moyer that Agenda Item 5 Appointments be broke down into categories as stated and add Business Item "k" Consider agreement with Leavenworth County Port Authority:

- 5a City Clerk
- 5b City Attorney
- 5c Chief of Police
- 5d All Full-time Commissioned Police Officers
- 5e Municipal Court Judge
- 5f City Engineer
- 5g City Treasurer
- 5h Municipal Court Clerk (affirm judges appointment)

Motion passed 5-0.

President Washington pointed out a sentence was not complete in the first paragraph of Scheduled Discussion Item "a". The sentence was amended to read "*If not, he would place the KDOT TRF Loan on the next available agenda*". He also pointed out the city

attorney's name was misspelled under Business Item 6(f). (Note: The city clerk researched following the meeting and found that the representative for Blacktop paving was "Zarda" not "Raevie". The April 20th minutes have been amended accordingly.)

A motion was made by President Washington and seconded by Councilmember Dysart to approve the Consent with changes as mentioned. 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).

Dan Lynch (19751 119th St.) appeared on behalf of one of his clients. Mr. Lynch explained the Planning Commission changed regulations prohibiting livestock and was causing his client some issues since they were trying to sell their home. His client built a horse barn and arena and was now requesting that the properties be grandfather in allowing new owners to own horses.

President Washington asked the planning director if there was anything in the zoning regulations that would allow livestock on a certain amount of property. Mr. Smith stated the planning commission did not feel that livestock should be allowed within the city limit any longer. If the property owner discontinued use or the structure was torn down, a new building could not be rebuilt. The city attorney reported it was a typical way of eliminating non-conforming uses. President Washington suggested Mr. Smith review the Overland Park code since they allow livestock.

Mr. Lynch expressed his concern that the new property owner could possibly lose the horse building in a tornado, and according to the current regulations, the building could not be rebuilt. Mr. Smith cautioned council that horses could not be singled out. Mr. Reavey stated statutes prohibit the City from not allowing agriculture uses within the city limits.

Public portion of meeting closed.

SCHEDULED DISCUSSION ITEMS

a. 2008 Financial Audit report by Lowenthal, Singleton, Webb and Wilson

Audrey Oderman, Lowenthal, Singleton, Webb and Wilson, went over the prepared 2008 audit.

Councilmember Mertz asked why the City had a violation in the Sewer Fund (page 26, item b). Mrs. Oderman thought the reason for the deficit was due to the amount of draws

taken and the time take. She noted it was not a major issue but should be watched closer in the future.

Mrs. Oderman commended staff noting they worked very hard to implement internal controls and produced necessary paperwork. A building permit log had been implemented within the planning department; however, it had not been reconciled within the general ledger. The city treasurer has now added a column to the log and would be tested during the next audit.

The second recommendation was that bids remain with the city clerk. Mrs. Oderman explained the police car was purchased through a State bid; however, that paperwork was not readily available to the city clerk at the time of audit.

President Washington noted the 2008 audit did not show the new KDHE loan since there were no draws and asked Mrs. Oderman to give her opinion about the City's debt limit. Mrs. Oderman noted it was a high debt and suggested creating a debt management policy. She explained growing city like Basehor would always have a higher debt limit. She would put together some information and forward back to the city administrator for distribution to Council.

ANNUAL APPOINTMENT TO CITY OFFICES

Mayor Terry Hill made the following appointments:

a. City Clerk

A motion was made by President Washington and seconded by Councilmember Dysart to approve the appointment of Mary Mogle as city clerk. Motion passed 5-0.

b. City Attorney

A motion was made by President Washington and seconded by Councilmember Mertz to approve the appointment of Patrick Reavey as city attorney. Motion passed 5-0.

c. Police Chief

A motion was made by President Washington and seconded by Councilmember Moyer to approve the appointment of Lloyd Martley as police chief. Motion passed 5-0.

d. All Full-time Commissioned Police Officers

A motion was made by President Washington and seconded by Councilmember Mertz to approve the appointment of all commissioned full-time police officers. Motion passed 5-0.

e. Municipal Judge

A motion was made by Councilmember Dysart and seconded by President Washington to approve the appointment of William "Bill" Pray as municipal judge. Motion passed 5-0.

A motion was made by Councilmember Mertz and seconded by Councilmember Moyer to increase the municipal judge's pay from \$250 per session to \$300. Motion passed 5-0.

g. City Engineer

A motion was made by President Dysart and seconded by Councilmember Moyer to approve the appointment of Joe McAfee, MHS Engineer as city engineer. Motion passed 5-0.

h. City Treasurer

A motion was made by Councilmember Moyer and seconded by President Washington to approve the appointment of Susan Adams as city treasurer. Motion passed 5-0.

i. Municipal Court Clerk

A motion was made by President Washington and seconded by Councilmember Dysart to affirm the judges' appointment of Traci Dockery as municipal court clerk. Motion passed 5-0.

j. Public Defender

A motion was made by President Washington and seconded by Councilmember Dysart to add the appointment of public defender to the agenda. Motion passed 5-0.

A motion was made by President Washington and seconded by Councilmember Moyer to appoint Jeff Sonntag as public defender. Motion passed 5-0.

City Prosecutor- deferred to 5/18/09

City Administrator – deferred to 5/18/09

BUSINESS

a. WWTP progress update and pay request #6 from CAS Construction.

Mr. Slaugh reported the wastewater treatment plant project was on schedule and thought the project would be completed as bid. Mr. Myracle reported the concrete projects were ahead of schedule and that both clarifiers past leak testing.

A motion was made by President Washington and seconded by Councilmember Moyer to approve Pay Request #6 from CAS Construction LLC in the amount of \$355,944.42 and authorize the mayor or city staff to sign the necessary documents. Motion passed 5-0.

b. Consider award of bid on the 150th Street project.

Mr. Slauch reported twelve contractors bid on the 150th Street project. The city engineer has reviewed the contractor's "track record", bid, bonds and recommended the bid be awarded [to low bidder Larkin Excavating, Inc.]. An add alternate was bid for trees; however, the difference between separate bids from tree nurseries and Larkin Excavating was minimal so the engineer stayed with the original bidder, Larkin Excavating.

Mr. McAfee stated the two projects, 150th Street and Wolf Creek Parkway, would eventually overlap and thought area residents would experience some frustration due to construction. Council discussed utility work schedule, seeding process, and traffic impact to residents.

A motion was made by President Washington and seconded by Councilmember Breuer to approve a notice of award to Larkin Excavating, Inc. for the 150th Street project from Craig Road to Parallel Road in the amount of \$665,264.50 and authorize the city engineer to issue a notice to proceed after the required documents are obtained and recorded. Motion passed 5-0.

c. Consider recommendations from the Planning Commission to adopt an ordinance amending Article 1 of Chapter XVI of the Basehor Municipal Code, incorporating revised Zoning Regulations and adopt the proposed Zoning Regulations.

d. Consider Planning Commission recommendation to adopt an ordinance amending Article 2 of Chapter XVI of the Basehor Municipal Code, incorporating revised Subdivision Regulations.

A motion was made by President Washington and seconded by Councilmember Moyer to table items c & d until May 18 noting that during the work session time direction was given to city planner regarding text amendments. Motion passed 5-0.

e. Acceptance of the 2008 financial audit report

A motion was made by Councilmember Mertz and seconded by President Washington to approve the 2008 financial audit report as presented. Motion passed 5-0.

f. MARC annual dues for 2009

Mr. Slauch explained membership to MARC had been controversial in the past; therefore, he felt it was necessary to bring it to Council for action. He commented staff support received from MARC was well worth \$217. Mr. Smith reported he attended numerous MARC training sessions at no charge.

President Washington noted this was a regional organization and felt there was so much in government funds available that may offer an opportunity for Basehor in the future and spoke about a MARC roundtable discussion he participated in at the request of MARC.

A motion was made by President Washington and seconded by Councilmember Moyer to approve the expenditure of \$818 for the MARC membership and training package. Moyer. Motion passed 5-0.

g. Contractor licensing –ordinance to require contractor licensing within the City of Basehor.

Contractor licensing would require contractors to be licensed before they could perform work within the city limits of Basehor.

Building Inspector Mark Lee opened the floor to questions. Councilmember Mertz asked if existing area builders were going to be grandfathered. President Washington noted that he thought everyone building in Basehor also built in Johnson County. Builder Jeff Scherer stated he was not licensed in Johnson County and did not support licensing.

Building Inspector Mark Lee reported Johnson County Board of County Commissioners adopted an extraterritorial agreement that would allow other cities to use licensing program. Mr. Lee stated Johnson County informed him he could submit a list of those who would be grandfathered. Council discussed the approval process.

Mr. Reavey reported state statute grants immunity to a City if they tried to make an effort to improve conditions and thought the licensing process would fill the gap that may help eliminate some liability for the City.

Mr. Lee reported this was not a revenue generating mechanism for Johnson County. For \$300, the licensee would receive training, books, and lunch. Mr. Reavey stated it was best that Johnson County provided the training and not the City.

President Washington reported the City was not large enough to perform in-house certification and thought it was a good idea to use Johnson County's program. Councilmember Dysart asked if someone needed work done, would they need to be a licensed contractor. Mr. Lee stated anyone performing services, other than the homeowner, would need to be licensed. Mr. Scherer stated he was not in favor of licensing because he thought it would hurt the "little guy". Councilmember's Breuer and Dysart did not agree with licensing since it would place an addition burden and possible increase in cost of services for residents.

A motion was made by President Washington and seconded by Councilmember Moyer to adopt Ordinance 552 implementing a requirement for contractor licensing within the City of Basehor to become effective July 1, 2009. Motion passed 3-2. Dysart, Breuer voted no.

h. Adopt annual updates to Uniform Public Offense Code and Standard Traffic Ordinance. (although passed by the legislature the books will not be printed until July or August)

A motion was made by President Washington and seconded by Councilmember Mertz to table Business Item "h" until the Standard Traffic Ordinance and Public Offense Code are printed after July 1. Motion passed 5-0.

i. Consider cereal malt beverage license for Wolf Creek Marketplace grocery store, requested by John Bell and Kevin Barclay.

A motion was made by Councilmember Mertz and seconded by Councilmember Breuer to approve a cereal malt beverage license for Wolf Creek Marketplace grocery store. Motion passed 5-0.

j. KDOT TRF Loan application approval (pending receipt of application from KDOT) Deferred to May 18.

Mr. Slauch reported loan papers have not been prepared by KDOT. He stated he has requested KDOT prepared the loans in two separate documents; however, it was questionable whether KDOT was willing to do so. KDOT's legal department was in the process of reviewing Mr. Slauch's request. Consensus of the council was to use the latest start date possible for the loan, February 2011.

k. Consider interlocal agreement between the City of Basehor and Leavenworth County Port Authority for a feasibility study on Miles industrial site.

A motion was made by Councilmember Washington and seconded by Councilmember Mertz to authorize the mayor to sign an agreement between city of Basehor and Leavenworth County Port Authority for payment in the amount of \$11,448.50 for a feasibility study on the Miles industrial site. Motion passed 5-0.

CITY ADMINISTRATOR REPORT

- May 5 – KDOT will hold a presentation at Bonner Springs High School regarding the K-70/K-7 Interchange Project. A presentation will be held at 5:20 p.m. and 6:20 p.m.
- May 8-9 - Governing Body Institute (Hill, Moyer, and Mertz to attend)
- May 14 – Air and Business Park meeting will be held at the Lansing Community Center. The airport feasibility study would be discussed.
- May 11 Work Session – 2010 Budget and Neighborhood Revitalization Plan would be discussed.

MAYOR'S REPORT

Mayor Hill thanked staff for helping him through his first two weeks in office.

YouthFriends – Last week Mayor Hill gave a presentation before the YouthFriends organization at the high school. He encouraged others to become involved in the program.

Mini Planning Session – Mayor Hill asked the city council to check their schedules to see when would be the best time to meet for a mini planning session. This would give an opportunity to set guidelines for meetings and staff direction.

COUNCIL MEMBER REPORTS**David Breuer**

Glenwood Estates Update - Mr. Slaugh reported he met with the County officials last week. The County agreed to turn in the loan application; however, there was a question if design work could be funded through the KDHE loan. Mr. Slaugh thought the topic of Glenwood Estates and annexation would be brought up either May 8 or June 1 as a work session topic.

Iris Dysart

Update on High Point Downs – Mr. McAfee reported he met with Mr. Treff and his attorney Joe Perry. The developer and City were given a letter giving 30 days to rectify the cul-de-sac issues. Mr. Treff was advised by the city attorney that the drainage issue needed to be resolved; however, Mr. Treff did not want to pay any money. Dysart asked if the cul-de-sac issue could be resolved if the maintenance bond had not been released. Mr. McAfee reported one of the cul de sac's was not built on Mr. Treff's property. Mr. Smith reported he had been in contact with the developer with no results.

Bill Moyer

Work Session Meeting – Councilmember Moyer inquired as to the possibility of changing the regular work session to 5:30 p.m. He explained the school district would consider meeting thirty-minutes later if the Council met thirty-minutes earlier. This would allow a representative from the city council to attend the school board meetings. He volunteered to attend the meetings and felt it would promote a working relationship with the school district.

Wolf Creek Excise Tax – Councilmember Moyer asked if the Wolf Creek excise tax issue would be on the May 18th agenda. President Washington noted the engineer would wait to perform the calculations until the triangle piece of property was platted and approved by KDOT.

Cedar Lake Annexation Update - Mr. Reavey noted Cedar Lake Estates Homes Association filed an appeal so the next step would be to prepare the record. The city clerk will compile the documents; he will review, and then forward to Mr. Orr for his review. Once all documents have been approved by both the City and Mr. Orr, the documents would be forwarded to the court for consideration.

Police Patrol – Councilmember Moyer thanked the police department for their presence in Cedar Lake Estates. He noted since annexation took effect on April 8, police protection from Basehor had improved ten-fold over county service.

Dennis Mertz

Councilmember Mertz reported he was asked by Mr. Johnson to speak in front of the high school Contemporary Issues class about council meetings and the City in general. He noted the students were amazed that there was so much about the city they did not realize.

Councilmember Mertz asked the planning director and building inspector if they had addressed his email from two months ago about continued sidewalk issues. Mr. Smith stated some of the issues are being addressed in the proposed sidewalk plan and subdivision regulations. Mr. Slauch stated he met with the [Pinehurst] homeowners association two weeks ago and told them he would prepare a proposal. Mr. Smith reported as part of the annexation proposal, the City agreed not to change what the County approved.

EXECUTIVE SESSION

A motion was made by Councilmember Dysart and seconded by President Washington to convene into Executive Session for up to twenty-minutes to discuss attorney-client privilege. Motion passed 5-0. The city attorney attended the session. (9:00 p.m.)

A motion was made by President Washington and seconded by Councilmember Breuer to reconvene back into executive session for ten minutes to discuss attorney-client privileged matter and non-elected personnel. Motion passed 5-0. (9:22 p.m.)

Mayor Hill called the regular meeting back to order at 9:35 p.m.

A motion was made by Councilmember Breuer and seconded by President Washington to reconvene back into Executive Session until 9:50 p.m. to discuss personnel. Motion passed 5-0. (9:37 p.m.)

Mayor Hill called the regular meeting back to order at 9:50 p.m.

ADJOURNMENT

A motion was made by President Washington and seconded by Councilmember Moyer to adjourn the May 4th Council meeting. Motion passed 5-0. Meeting adjourned at 9:51 p.m.

Submitted for Council approval with/without corrections or additions this 18th day of May, 2009.

Terry L. Hill, Mayor

Attest:

Mary A. Mogle, City Clerk

**Minutes
Work Session**

BASEHOR CITY COUNCIL

May 11, 2009

6:00 p.m.

Basehor City Hall

Official Presiding: Mayor Terry L. Hill

Members Present: David Breuer, Dennis Mertz, Bill Moyer

Members Absent: Iris Dysart, Jim Washington

**Staff Present: Carl Slaugh, Mary Mogle, Gene Myracle, Dustin Smith, Mark Lee,
and Nickie Lee**

Newspaper: None present.

The work session was called to order at 6:00 p.m. by Mayor Hill. All members were present with the exception of Councilmember's Dysart and Washington. The city attorney was not in attendance.

1. Discussion regarding proposed 2010 Budget

Mr. Slaugh reported sales tax increased 13% from 2008 to 2009 and anticipated it would continue to increase the remainder of the year. A decrease in building permits had been projected; however, that would be offset by the increase in property taxes. If additional revenue were received, that would allow more to funds to be placed in the Capital Improvement and Municipal Equipment Reserve Funds.

Mrs. Adams reported the franchise fees have been increasing over the last couple of years (2006-2008) from 2% to 26% which also helped to subsidize a decrease in building permits.

Councilmember Moyer asked how the additional revenue for Cedar Lake Estates annexation would be accounted for. Mrs. Adams reported she had not compiled figures at this time. Mr. Slaugh reported the City would not receive any revenue from Cedar Lake Estates until after the assessments go on the tax rolls in December 2010.

Councilmember Mertz noted League of Kansas Municipalities suggested requiring a 5% franchise fee on utilities. He reported Nebraska Furniture Mart was not charging a destination tax for the Falcon Lakes area. The city clerk was asked to send a letter to the State of Kansas reporting the matter and see about collecting back taxes.

Council discussed assessed valuations and mill levies for other taxing entities.

Mr. Flower reported the Board of County Commissioners were expecting a 1.9% increase and thought the City would have an increase in appraised and assessed valuation which would contribute against the debt limit.

Councilmember Moyer commented when the treasurer sends out the vendor list, he thought the City should consider paying bills with a credit card that would allow the City to receive a cash rebate (Discover Card pays 1%).

Mr. Slaugh reported the city maintains a healthy reserve margin and felt the city was fortunate during these economic times. He noted there was no statutory requirement for the amount of reserve margin. He went through the various funds and anticipated expenditures. Mrs. Adams reported by statute the city could go outside of Basehor to invest; however, Basehor could not go outside of Leavenworth County. Generally, the City invests in CD's for 3 to 6 months. The City also utilizes the State Municipal Investment Pool when they have competitive rates.

Councilmember Breuer asked if the fund balances showed committed funds. Mrs. Adams stated the report she provides to Council each meeting did not include committed funds.

General Funds were discussed; enterprise fund verses mill levy fund, and employee compensation. The city treasurer explained employee wages are shown in "Personnel" in each department and fund. Councilmember Moyer wanted to make sure the City was paying full-time staff comparable to other cities and wanted to make sure the City would not play catch-up later. Council consensus was to increase wages and benefits by 8%. This would allow for COLA, merit, wage adjustments, and benefits.

The city clerk suggested including an automatic COLA increase in the municipal code for Governing Body members. Council did not feel an increase should be considered at this time.

Mr. Slaugh reported he would be presenting an increase for the KU intern at a later date. He felt if the City offered more money, it would be easier to hire an intern.

The police department budget was decreased by 7%; however, he anticipated adding the 7% back into their budget.

Councilmember Moyer stated the staff had great command of the budget, noting they had been able to answer almost every question asked and was impressed with their knowledge.

Mr. Smith asked that his training budget be increased from \$3500. Consensus was to leave the line item at \$3,500. Mayor Hill asked that consideration be given to hire a part-time in-house city engineer. It was suggested the city consider hiring a deputy city administrator to oversee major projects.

The city treasurer went over the Employee Benefits Fund noting some of the line items are not final because she was still waiting for final figures from some entities such as Kansas Police & Fire, medical/dental insurance, and worker's compensation rate.

Council asked the city administrator to look into a vision plan and add to the next available agenda for consideration.

Councilmember Moyer asked if a backhoe had been budgeted for the public works department. Councilmember Mertz noted past Council weighed renting verses purchase of a backhoe. Mr. Myracle reported he also budgeted in past years a sewer jetter as well. His problem was he has to wait until he has numerous projects in order to get a company to give him a competitive price. Councilmember Breuer stated he thought it was recommended that 25% of the City's sanitary sewer system be cleaned annually. Estimated cost for combination flush and camera truck could be purchased for approximately \$120,000. He also pointed out the City would not be able to hire a qualified backhoe operator for the money the City was willing to pay.

Councilmember Moyer asked for an update on citywide recycling. The city clerk reported the school district anticipated having recycling bins in place next week and would notify her when people could start bringing materials. Deffenbaugh was going to assist with advertising.

Five-minute break. (8:45 p.m.)

2. Discussion regarding changes to Neighborhood Revitalization Plan and options to spur growth in certain areas.

Mr. Slauch reported intern Nickie Lee would be leaving the City in a week and will be going to the City of Independence for her full-time internship.

Ms. Lee gave a presentation of the proposed Economic Development Incentive Policy. The policy addressed financial incentives, infrastructure, fees and charges, city utilities, work force, criteria, project evaluation, and development fees. The policy could also address a debt limit clause; which would assist the City when it comes to approving future projects.

Ms. Lee reported once the Economic Development Incentive Policy was developed, it spurred discussion to update the Neighborhood Revitalization Plan. Included in the plan was an updated 1) boundary map, 2) eliminate 1991 platting requirement, and 3) edit statements so they apply to structures, no land. The second part of the plan would be to offer different incentives to stimulate growth in certain areas.

Building Inspector Mark Lee recommended a "tax rebate" program for lots that have not sold. Currently there are 560 empty residential lots in new subdivisions ready for construction. He suggested the following:

1. Placing a sunset clause:
 - a) Limit the time frame in which to be eligible (3 to 5 years)
2. Residential:
 - Option 1
 - a) 95% for 5 years
 - b) 50% for the remaining 5 years

Mr. Lee felt this would bring in more revenue in a shorter time period and provided examples showing the amount of tax that could possibly be lost the first five years. Councilmember Breuer reported he has researched this topic and reminded Council if the City did not offer the same thing as other cities, the future home buyer would go to another city that offered this type of incentive such as the City of Bonner Springs. It was pointed out if the City offered this type of rebate, they city would still receive additional sales tax, sewer connection fees, and building permit fees.

It was suggested that the rebate program be adopted as a separate document from the Neighborhood Revitalization Plan. Mayor Hill suggested staff work on finalizing a plan and meetings be held with the other taxing entities.

Mr. Flower reminded Council that residential homes never paid for themselves and suggested offering commercial a similar plan.

Councilmember Breuer offered to appear before the school board to promote the plan.

Adjourned at 9:45 p.m.

Submitted for Council approval with/without corrections or additions this 18th day of May, 2009.

Terry L. Hill, Mayor

Attest:

Mary A. Mogle, City Clerk

BANK: First State Bank

Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
16601	05/08/2009	Printed	EFTPS	EFTPS	FIT/SS/MEDI WITHHOLDING PYMT	9,962.47
16602	05/08/2009	Printed	GRIFFIN/WI	WILLIAM GRIFFIN	BANKRUPTCY WITHHOLDING PYMT	200.00
16603	05/08/2009	Printed	KS DOR WTH	KANSAS DEPARTMENT OF REVENUE	KS WITHHOLDING PYMT	1,630.24
16604	05/08/2009	Printed	KANSAS PAY	KANSAS PAYMENT CENTER	CHILD SUPPORT WITHHOLDING PYMT	379.50
16605	05/08/2009	Printed	KPF EFT	KPF EFT PROGRAM	KPF RETIREMENT WITHHOLDING PYM	3,615.55
16606	05/11/2009	Printed	ADVANCE PE	ADVANCE PEST CONTROL	PEST CONTROL CITY PARK/WWTF	96.80
16607	05/11/2009	Printed	AT&T	AT&T	PHONE SERVICES LIFT STATION	33.39
16608	05/11/2009	Printed	ATMOS ENER	ATMOS ENERGY	UTILITY SERVICES-GAS	370.38
16609	05/11/2009	Printed	BASEHOR AW	BASEHOR AWARDS & TROPHIES	NAME PLATE COUNCIL PRESIDENT	8.50
16610	05/11/2009	Printed	CARTER WAT	CARTER WATERS CORPORATION	1 TON ASPHALT PATCH MATERIAL	95.12
16611	05/11/2009	Printed	CASEYS	CASEY'S GENERAL STORES	FUEL CITY VEHICLES-APRIL 2009	1,942.22
16612	05/11/2009	Printed	CHIEF	CHIEF	LITHIUM BATTERY	70.99
16613	05/11/2009	Printed	CINTAS	CINTAS	WEEKLY SERVICES WWTF	90.00
16617	05/11/2009	Printed	BASEHOR CI	CITY OF BASEHOR	SEWER/SOLID WASTE SERVICES	104.91
16618	05/11/2009	Printed	CONS WATER	CONS RURAL WATER DISTRICT #1	WATER SERVICES	98.91
16619	05/11/2009	Printed	DATAMAX	DATAMAX	MONTHLY RATES/EXCESS COPIES	404.58
16620	05/11/2009	Printed	DEFFENBAUG	DEFFENBAUGH DISPOSAL SERVICE	SOLID WASTE/DUMPSTERS CHARGES	10,413.13
16621	05/11/2009	Printed	E. EDWARDS	E. EDWARDS WORK WEAR	SAFETY WORK BOOTS/WORK PANTS	305.14
16622	05/11/2009	Printed	GCI CASTIN	GCI CASTINGS INC	STORM GRATES/STEEL MANHOLES	918.00
16623	05/11/2009	Printed	GORDON ENE	GORDON ENERGY & DRAINAGE	5 HRS BOBCAT-CLEAN STREETS CF	325.00
16624	05/11/2009	Printed	GRASS PAD	GRASS PAD	BLUEGRASS SEWER LINE DITCH	279.00
16625	05/11/2009	Printed	HAYNES EQU	HAYNES EQUIPMENT CO	REPAIR GRINDER PUMP-CEDARLAKES	1,093.34
16626	05/11/2009	Printed	HEART TOW	HEARTLAND TOW INC	REPAIR/MAINTENANCE VEHICLES	736.12
16627	05/11/2009	Printed	JADE ALARM	JADE ALARM COMPANY	ALARM SERVICES CITY HALL/WTF	134.70
16628	05/11/2009	Printed	JOCO ENVIR	JOHNSON COUNTY ENVIRONMENTAL	SAMPLE TESTING	165.75
16629	05/11/2009	Printed	KS TREASUR	KANSAS STATE TREASURER	STATE MANDATED COURT FEES	1,110.00
16630	05/11/2009	Printed	KUCIMAT	KUCIMAT	2009 MEMBERSHIP C. SLAUGH	50.00
16631	05/11/2009	Printed	LAWRENCE	LAWRENCE JOURNAL WORLD	NOTICES & ADVERTISEMENTS	294.00
16632	05/11/2009	Printed	LCDC	LCDC	BOARD MEETING REGISTRATIONS	21.00
16633	05/11/2009	Printed	MAAC CLEAN	MAAC CLEANING SPECIALISTS	CLEANING CITY HALL	180.00
16635	05/11/2009	Printed	MIDAMER RC	MID-AMERICA REGIONAL COUNCIL	2009 LOCAL DUES	601.00
16636	05/11/2009	Printed	MIDLAND WR	MIDLAND WRECKING, INC.	DEMOLITION 2805 N 155TH BLDG	5,878.00
16637	05/11/2009	Printed	OLATHE FOR	OLATHE FORD	2009 CROWN VICTORIA VEHICLE/IT	26,427.00
16638	05/11/2009	Printed	OMBPOLLENE	OMB POLICE SUPPLY, INC	POLICE UNIFORM ITEMS	38.79
16639	05/11/2009	Printed	OMNI-SITE	OMNI-SITE.NET	WIRELESS SERVICES LIFT STATION	150.00
16640	05/11/2009	Printed	PITNEY BOW	PITNEY BOWES	POSTAGE REFILL	200.00
16641	05/11/2009	Printed	PRAY	WILLIAM E. PRAY	MUNICIPAL JUDGE SERVICES 0409	250.00
16642	05/11/2009	Printed	REAVEY LAW	REAVEY LAW LLC	LEGAL SERVICES	1,520.00
16643	05/11/2009	Printed	SELECT IMA	SELECT IMAGING	ANNUAL SERVICES/SUPPORT CONTRA	758.00
16644	05/11/2009	Printed	SELECT SEC	SELECT SECURITY SYSTEMS	CHANGE OVER ALARM SYSTEMS	900.00
16645	05/11/2009	Printed	SHAWNEE RO	SHAWNEE ROCK COMPANY	GRAVEL @ PARK/CL PIT REPAIR	468.50
16646	05/11/2009	Printed	SIMMONS GU	SIMMONS GUN SPECIALTIES, INC	AMMO/ITEMS NEW POLICE VEHICLE	597.35
16647	05/11/2009	Printed	SMITH & LO	SMITH & LOVELESS INC	PRESSURE SENSOR 150TH LIFT STA	820.00
16648	05/11/2009	Printed	SONOFAGUN	SONOFAGUN PRESS	EMBROIDERED SHIRTS/JEANS	277.08
16649	05/11/2009	Printed	SUNFLOWER	SUNFLOWER BROADBAND	CABLE/INTERNET/PHONE SERVICES	545.01
16650	05/11/2009	Printed	SUTTON-KOL	SUTTON-KOLMAN AUTOMOTIVE	ALIGNMENT POLICE UNIT 08	53.95
16651	05/11/2009	Printed	TRAINING A	TRAINING AT YOUR PLACE	PHONE SUPPORT AGREEMENT	765.00
16652	05/11/2009	Printed	VAZCOM	VAZCOM	PHONE UNIT REPLACEMENT	184.97
16653	05/11/2009	Printed	WATCHGUARD	WATCHGUARD VIDEO	4 VIDEO CAMERAS POLICE VEHICLE	18,439.00
16654	05/11/2009	Printed	WESTAR GRP	WESTAR ENERGY	UTILITIES - STREET LIGTHS	4,223.25
16655	05/11/2009	Printed	WINGFOOT C	WINGFOOT COMMERCIAL TIRE	TIRES PATROL VEHICLES	880.96
16656	05/13/2009	Printed	MCAFFEE HEN	MCAFFEE HENDERSON SOLUTIONS	ENGINEERING SERVICES	12,226.35

Total Checks: 52 Bank Total: 111,332.95

Total Checks: 52 Grand Total: 111,332.95

BALANCE SHEET

AS OF 05/12/09

Page: 1

5/12/2009

12:16 pm

City Of Basehor

As of: 5/31/2009

Balances

Fund: 13 - SUMMATION OF ALL FUNDS

Assets

001 FSB CHECKING ACCOUNT	50,537.83
002 FSB MONEY MARKET ACCOUNT	3,244,173.03
005 BASEHOR TOWN CENTER ACCOUNT	992,363.23
006 BASEHOR TOWN CENTER 90 DAY CD	1,000,000.00
007 BASEHOR TOWN CENTER 180 DAY CD	1,000,000.00
031 500030 CNB 1.36% 072009	800,000.00
045 418000021 COMMERC 1.37% 081009	1,400,000.00

Total Assets

8,487,074.09

Liabilities

214 SEWER FUND MONTHLY BALANCE	500,113.74
215 SOLID WASTE MONTHLY BALANCE	70,018.33
216 GENERAL FUND MONTHLY BALANCE	760,168.97
218 MUNICIPAL EQUIP FUND MO BAL	262,688.50
219 CAPITAL IMPROVE FUND MO BAL	1,229,489.92
220 SPECIAL PARK & REC FUND MO BAL	149,624.44
221 CONS HIGHWAY FUND MONTHLY BAL	2,366,868.21
226 BOND & INTEREST MONTHLY BAL	271,563.40
230 TOWN CENTER PROJECT MO BALANCE	2,959,049.12
231 WOLF CREEK PROJECT MO BALANCE	-138,367.97
300 CL MAINTENANCE MONTHLY BALANCE	55,857.43

Total Liabilities

8,487,074.09

Total Liabilities & Balances

8,487,074.09

REVENUE/EXPENDITURE REPORT
AS OF 05/12/09

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH
Fund: 01 - GENERAL FUND				
Revenues	1,726,436.00	1,726,436.00	881,339.09	4,703.43
Expenditures	2,654,402.00	2,657,402.00	768,268.01	76,265.87
Net Effect for GENERAL FUND	-927,966.00	-930,966.00	113,071.08	-71,562.44
Fund: 04 - SPECIAL PARK & RECREATION FUND				
Revenues	22,855.00	22,855.00	4,185.45	0.00
Expenditures	13,500.00	13,500.00	820.72	320.72
Net Effect for SPECIAL PARK & RECREATION FUND	9,355.00	9,355.00	3,364.73	-320.72
Fund: 05 - SEWER FUND				
Revenues	6,673,694.00	6,673,694.00	2,498,483.41	0.00
Expenditures	7,297,843.00	7,297,843.00	2,028,141.64	9,240.33
Net Effect for SEWER FUND	-624,149.00	-624,149.00	470,341.77	-9,240.33
Fund: 07 - CEDAR LAKES MAINTENANCE				
Revenues	11,170.00	11,170.00	292.95	0.00
Expenditures	17,000.00	17,000.00	6,958.28	1,241.12
Net Effect for CEDAR LAKES MAINTENANCE	-5,830.00	-5,830.00	-6,665.33	-1,241.12
Fund: 08 - BOND & INTEREST FUND				
Revenues	436,168.00	436,168.00	272,867.02	0.00
Expenditures	534,971.00	534,971.00	107,485.63	0.00
Net Effect for BOND & INTEREST FUND	-98,803.00	-98,803.00	165,381.39	0.00
Fund: 09 - SOLID WASTE FUND				
Revenues	164,641.00	164,641.00	58,892.58	0.00
Expenditures	167,149.00	167,149.00	59,200.46	10,977.30
Net Effect for SOLID WASTE FUND	-2,508.00	-2,508.00	-307.88	-10,977.30
Fund: 10 - CONSOLIDATED HIGHWAY FUND				
Revenues	630,625.00	630,625.00	171,801.71	0.00
Expenditures	1,127,377.00	1,127,377.00	37,171.62	2,026.12
Net Effect for CONSOLIDATED HIGHWAY FUND	-496,752.00	-496,752.00	134,630.09	-2,026.12
Fund: 11 - MUNICIPAL EQUIP RESERVE FUND				
Revenues	167,300.00	167,300.00	1,641.12	0.00
Expenditures	150,000.00	150,000.00	94,925.05	45,186.15
Net Effect for MUNICIPAL EQUIP RESERVE FUND	17,300.00	17,300.00	-93,283.93	-45,186.15
Fund: 12 - CAPITAL IMPROVEMENT FUND				
Revenues	438,967.00	438,967.00	103,433.62	0.00
Expenditures	150,000.00	150,000.00	84,852.00	306.00
Net Effect for CAPITAL IMPROVEMENT FUND	288,967.00	288,967.00	18,581.62	-306.00
Fund: 18 - BASEHOR TOWN CENTER PROJECT				
Revenues	0.00	0.00	17,521.71	0.00
Expenditures	0.00	0.00	391,624.17	17,341.35
Net Effect for BASEHOR TOWN CENTER PROJECT	0.00	0.00	-374,102.46	-17,341.35
Fund: 19 - WOLF CREEK PROJECT				
Expenditures	0.00	0.00	138,367.97	96.00
Net Effect for WOLF CREEK PROJECT	0.00	0.00	-138,367.97	-96.00

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

		MAY	
MONTH/DAY	TIME	EVENT	LOCATION
1		New Sewer Rates go into effect. National Loyalty Day	
2	4:00-8:00 p.m.	City Appreciation Picnic	Shelter House, City Park
4	6:00 p.m.	City Council Meeting	City Hall Meeting Room
5	6:30 p.m.	Planning Commission Meeting	City Hall Meeting Room
8 & 9		Mayor & Governing Body Institute	Capitol Plaza Hotel, Topeka
16-Oct		National Police Officer Week	
11	6:00 p.m.	City Council Work Session *Budget	City Hall Meeting Room
12	1:00 p.m.	Municipal Court	City Hall Meeting Room
13	4:00 p.m.	Park Advisory Board meeting	City Hall or VFW Hall
14	1:00 p.m.	Municipal Court	City Hall Meeting Room
15		National Peace Officer Memorial Day	
16	8:00 a.m.	Loyalty Day, VFW WWII Re-enactment	VFW Hall
18	6:00 p.m.	City Council Meeting	City Hall Meeting Room

Next Meetings:

- June 1, 2009 Regular Meeting
- June 8, 2009 Work Session
- June 15, 2009 Regular Meeting

Proclamation

PUBLIC WORKS WEEK

Whereas, public works services provided in our community are an integral part of our citizens' everyday lives; and

Whereas, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water, sewers, streets and highways, public buildings, and solid waste collection; and

Whereas, the health, safety and comfort of this community greatly depends on these facilities and services; and

Whereas, the quality and effectiveness of these facilities, as well as their planning, design, and construction, is vitally dependent upon the efforts and skill of public works officials; and

Whereas, the efficiency of the qualified and dedicated personnel who staff public works departments is materially influenced by the people's attitude and understanding of the importance of the work they perform,

Now, therefore, I, Terry L. Hill, Mayor of the City of Basehor, do hereby proclaim the week of May 17 – 23, 2009 as

“National Public Works Week”

in the City of Basehor, and I call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our public works and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life.

Given under my hand and Seal of the City of Basehor this 18th day of May, 2009.

Terry L. Hill, Mayor

KIANN CAPRICE MCBRATNEY

PO Box 410
BASEHOR, KS 66007
(913) 371-3242

FEDERAL AND STATE BAR MEMBERSHIP

United States Court of Appeals for the 10th Circuit
United States District Court – Western District of Missouri
United States District Court – District of Kansas
Kansas Supreme Court Sup. Ct. #15158

EDUCATION

Juris Doctor, Washburn School of Law
Bachelor of Arts, Criminal Justice, Bachelors of Arts, English, graduated cumlaude

WORK EXPERIENCE

The Law Office of KiAnn Caprice McBratney, December 2006 to present;

- Solo practitioner – practice is exclusively criminal defense.
- Cases in Federal, State, and Municipal Court.
- Wide variety of cases including:
 - All degrees of homicide and other violent crimes;
 - Numerous drug cases, including conspiracy, trafficking, manufacturing, delivery, and possession with the intent to sell.
 - See kiannmcbratney.com for more specifics on cases and results

Assistant District Attorney, Wyandotte County District Attorney's Office, Kansas City, Kansas, May ~~2005~~ 2005 to December 2006;

- Violent felony caseload.
- Handled all phases of criminal prosecution from filing charges to appeals.
- Independently tried over 15 cases to jury verdict, lead counsel in over 260 cases
- Jury trials include:
 - All degrees of homicide and other violent crimes;
 - Nonperson crimes.
- Major Case Squad – respond to homicide crime scenes.
- Reviewed police reports and drafted charges, assisted in obtaining search warrants

United States Navy, LT Judge Advocate General's Corps, May 1992 to May 1995

- Criminal Defense Attorney – Navy Legal Service Office west
 - Lead counsel in 37 felony trials
 - Assisted in Training of junior attorneys
 - Provided defense to over 150 Navy members with a variety of cases
- Temporary Duty onboard USS Abraham Lincoln (CVN 72)
 - Presided as Summary Courts-Martial Judge
 - Staff Judge Advocate, Naval Medical Center Oakland
 - Head of Military Justice Division. Duties included prosecuting administrative law hearings and conducting preliminary investigations for Courts-Martial.
 - Command liaison with Naval Criminal Investigative Services
 - Managed, supervised and provided training for 8 person legal staff
 - Provided various trainings for an over 80 person military police force

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider approval of concept plans for 155th and Parallel Road intersection project.

Department: Administration and Public Works

Background/Description of Item:

The Basehor city council on Feb. 21, 2008 gave approval to submit a portion of the 155th Street project for earmark funding through Federal Highway Administration TCSP program (Transportation, Community and System Preservation). The project was not selected for funding.

Council gave permission March 16, 2009 to submit the project for ARRA funding. The design effort has continued even though the project was not selected for ARRA funding, in order to make the project more competitive in the future.

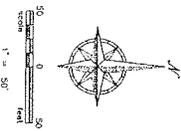
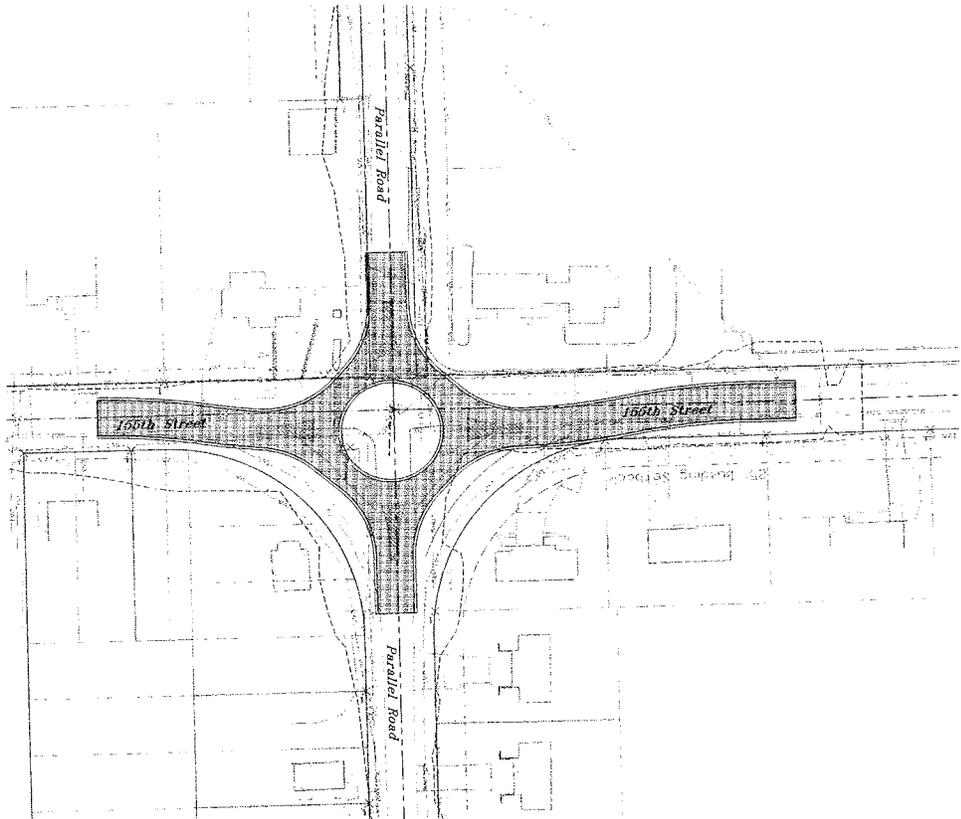
The proposed design is for a roundabout intersection. Before continuing on the design and right of way acquisition the vote and support of the council is necessary.

Matt Henderson, design engineer with MHS, will present the concept design.

Funding Source: Transportation

Recommendation: Review the 155th and Parallel Road intersection project, approve the proposed design, and grant approve moving ahead on right of way acquisition.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: May 18, 2009



CITY OF BASEHOR, KANSAS
 PROPOSED INTERSECTION
 ROUNDABOUT ALTERNATIVE

Date	07/05/09
Design	DJS
Drawn	DJS
Checked	JWJ
Approved	JWJ
Proj. No.	2009023
Sheet No.	1

6					
5					
4					
3					
2					
1					
0					
16	Scale	Feet	6	30'	

McAFEE HENDERSON SOLUTIONS, INC.
 Civil Engineering • Land Surveying
 1121 W. 20th Street, Suite 100, Basehor, MO 64020
 P: 816.233.4477 F: 816.233.3088 M: 816.233.1410 W: www.mhsinc.com

AGENDA ITEM INFORMATION FORM

Agenda Item: 150th Street water line relocation expense.

Department: Public Works and Administration

Background/Description of Item:

The 150th Street project, from Craig Road north to Parallel Rd., has been underway since approval was granted to proceed with design Dec. 3, 2007. After design was completed the effort began to acquire the right of way and easements necessary to build the project.

The utility companies were sent copies of the plans and a meeting of utility companies was held at City Hall so they would know of the scope of the project and make plans to relocate utilities. The utility relocation work on the project began in earnest after the city gave notice that all of the additional right of way had been acquired.

Email correspondence with Consolidated Rural Water District #1 dates from Nov. 26, 2008 when notice was given that they were meeting with the board to determine cost of relocation. On March 17 an update indicated that design would be completed by March 30. On April 2, Mike indicated that he would not be prepared for the April 7 board meeting. The notice that the City would be billed approximately \$100,000 for relocation costs came May 5, 2009. The estimate for construction cost is \$82,992 with the remainder for easements. The cost for easements is uncertain since they have not been acquired as yet.

Consolidated Water has a policy to locate their lines in a private easement, usually 10 feet wide, so that if relocation is required by the City the cost will be born by the City rather than the water district. On 150th Street the City has acquired additional right of way to accommodate the street, sidewalks and utilities. Consolidated intends to place the new water line on the west side of the street approximately five feet outside the city right of way.

To date the other companies have relocated within the established right of way, ATMOS for gas, AT&T buried fiber optic, and Westar poles for electric and cable.

This item has been referred to the city attorney to determine if a policy such as the Consolidated Water policy has been tested in court.

Mike Fulkerson, Operations Manager for Consolidated, will be present at the 6:00 p.m. work session to go over the water line relocation project.

Funding Source: Cons Hwy 10-000-849 budget \$1,127,377; balance \$950,265 for 2009

Recommendation: Approve payment of approximately \$100,000 to Consolidated Water for relocation of the water line on 150th Street.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: May 18, 2009

LVCRW 1
Water Main Replacements, 150TH Steet and Chestnut

May 2008

Preliminary Opinion of Probable Cost - Like Kind 2" & 4"

Item	Description	Quantity	Unit	Price	Total
1.	4" Class 200 PVC Pipe w/ Tone Wire	1,150	LF	\$ 20.00	\$ 23,000.00
2.	4" Class 350 DIP (Poly-wrapped 8 mil thickness) w/ Tone Wire	60	LF	\$ 30.00	\$ 1,800.00
3.	2" Class 200 PVC Pipe w/ Tone Wire	1,220	LF	\$ 15.75	\$ 19,215.00
4.	2" Class 350 DIP (Poly-wrapped 8 mil thickness) w/ Tone Wire	20	LF	\$ 25.00	\$ 500.00
5.	4" Gate Valve	2	Each	\$ 550.00	\$ 1,100.00
6.	2" Gate Valve	1	Each	\$ 400.00	\$ 400.00
7.	Fittings	358	Lbs	\$ 5.00	\$ 1,790.00
8.	Straddle Block for 4" DIP	3	Each	\$ 600.00	\$ 1,800.00
9.	Straddle Block for 2" DIP	1	Each	\$ 400.00	\$ 400.00
10.	Connection of New 4" to Existing 4" Main at Chestnut				
		Lump Sum		\$ 2,000.00	\$ 2,000.00
11.	Connection of New 2" to Existing 8" Main at Parallel Avenue				
		Lump Sum		\$ 2,500.00	\$ 2,500.00
12.	Connection of New 2" to Existing 2" Main on Chestnut				
		Lump Sum		\$ 1,000.00	\$ 1,000.00
13.	Service Reconections	5	Each	\$ 700.00	\$ 3,500.00
14.	Meter Relocations	8	Each	\$ 850.00	\$ 6,800.00
15.	New Service Line Bores	280	LF	\$ 30.00	\$ 8,400.00
16.	Gravel Drive Surface Replacement	184	LF	\$ 20.00	\$ 3,680.00
17.	Gravel Road Surface Replacement	25	LF	\$ 25.00	\$ 625.00
18.	Seeding	2,241	LF	\$ 2.00	\$ 4,482.00
	Total				\$ 82,992.00

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider approval of KDOT Transportation Revolving Fund (TRF) Loans for Wolf Creek Parkway and 150th Intersection road construction projects.

Department: Administration

Background/Description of Item:

Nov. 17, 2008 - A motion was made by Councilmember Hill and seconded by Councilmember Sifford to approve combination of 150th Street project with the construction of Wolf Creek Parkway to be funded by the KDOT State Revolving Loan and to be paid by TDD funds contingent on amendment to TDD. The motion was approved on a 3-2 vote.

At the request of KDOT the two projects were separated and a loan application made for the 150th Intersection separate from the Wolf Creek Parkway project. The TRF application was submitted Feb. 22, 2009 to KDOT and approved by their review committee April 7, 2009.

Funding to repay the TRF loan is intended to come from projected revenue from the Transportation Development District (TDD). The revenue projections in the short term are insufficient to make the loan payments. KDOT approved use of the \$500,000 allocated to the Wolf Creek Parkway project to make interest payments.

At the April 20 city council meeting a discussion took place regarding the start date of the loan and based on that discussion KDOT is preparing the loan for a February 2011 start date. The amortization schedules are attached.

The loan documents and agreements are being reviewed by KDOT legal counsel, Jon Small, and will be sent by email either May 14 or 15.

There will be two loan documents, one for Wolf Creek Parkway and one for the 150th Intersection project.

The loan agreements will be dated May 18, 2009 and the interest rate will be 3.90% plus 0.25% service fee for a total rate of 4.15%.

Funding Source:

Recommendation: Review the TRF loan, projected revenue and payback options. Approve the two TRF loan documents and authorize the mayor to sign the necessary documents.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: May 18, 2009

City of Basehor TR-0126

Scenario 1: First payment February 1, 2010

Project Principal:	1,200,000.00
Capitalized Interest:	-
Capitalized Service Fees:	-
Amount of Loan:	<u>1,200,000.00</u>
Repayment Period Interest:	538,363.51
Repayment Period Service Fee:	<u>34,296.92</u>
Total Loan Cost:	<u><u>1,772,660.43</u></u>
Total Interest:	538,363.51
Total Service Fees:	34,296.92

Scenario 2: First payment February 1, 2011

Project Principal:	1,158,776.57
Capitalized Interest:	38,940.77
Capitalized Service Fees:	<u>2,282.66</u>
Amount of Loan:	1,200,000.00
Repayment Period Interest:	524,527.86
Repayment Period Service Fee:	<u>33,623.56</u>
Total Loan Cost:	<u><u>1,758,151.42</u></u>
Total Interest:	563,468.63
Total Service Fees:	35,906.22

Based on interest rates effective on 5/11/2009. Actual interest rate may vary.
 Prepared 5/11/2009
 by E. Fitzpatrick, Program Manager
 Transportation Revolving Fund

KANSAS DEPARTMENT OF TRANSPORTATION

Transportation Revolving Fund

City of Basehor, Kansas

Scenario 1 - Amortization Schedule - TR-0126

Payments Starting February 1, 2010

Interest Rate: 3.90% Service Fee: 0.25% Total Rate: 4.15%

Date	Item	Draws	Beginning Balance	Payment	Principal	Interest	Service Fee	Ending Balance	Annual Pmt for Budget
05/18/09	Origination Date								
06/01/09		-	-					-	
07/01/09		-	-					-	
08/01/09	Accrual	-	-					-	
08/01/09		250,000.00	-					250,000.00	
09/01/09		250,000.00	250,000.00					500,000.00	
10/01/09		250,000.00	500,000.00					750,000.00	
11/01/09		250,000.00	750,000.00					1,000,000.00	
12/01/09		200,000.00	1,000,000.00					1,200,000.00	
01/01/10		-	1,200,000.00					1,200,000.00	
02/01/10	Payment 1	-	1,200,000.00	17,124.23	-	16,293.33	830.90	1,200,000.00	
02/01/10		-	1,200,000.00					1,200,000.00	
03/01/10		-	1,200,000.00					1,200,000.00	
04/01/10		-	1,200,000.00					1,200,000.00	
05/01/10		-	1,200,000.00					1,200,000.00	
06/01/10		-	1,200,000.00					1,200,000.00	
07/01/10		-	1,200,000.00					1,200,000.00	
08/01/10	Payment 2	-	1,200,000.00	72,350.65	47,450.65	23,400.00	1,500.00	1,152,549.35	89,474.88
08/01/10		-	1,152,549.35					1,152,549.35	
09/01/10		-	1,152,549.35					1,152,549.35	
10/01/10		-	1,152,549.35					1,152,549.35	
11/01/10		-	1,152,549.35					1,152,549.35	
12/01/10		-	1,152,549.35					1,152,549.35	
01/01/11		-	1,152,549.35					1,152,549.35	
02/01/11	Payment 3	-	1,152,549.35	23,915.40	-	22,474.71	1,440.69	1,152,549.35	
02/01/11		-	1,152,549.35					1,152,549.35	
03/01/11		-	1,152,549.35					1,152,549.35	
04/01/11		-	1,152,549.35					1,152,549.35	
05/01/11	<i>Last Possible Draw</i>	-	1,152,549.35					1,152,549.35	
06/01/11			1,152,549.35					1,152,549.35	
07/01/11			1,152,549.35					1,152,549.35	
08/01/11	Payment 4		1,152,549.35	65,559.48	41,644.08	22,474.71	1,440.69	1,110,905.27	89,474.88
02/01/12	Payment 5		1,110,905.27	23,051.28	-	21,662.65	1,388.63	1,110,905.27	
08/01/12	Payment 6		1,110,905.27	66,423.60	43,372.32	21,662.65	1,388.63	1,067,532.95	89,474.88
02/01/13	Payment 7		1,067,532.95	22,151.31	-	20,816.89	1,334.42	1,067,532.95	
08/01/13	Payment 8		1,067,532.95	67,323.57	45,172.26	20,816.89	1,334.42	1,022,360.69	89,474.88
02/01/14	Payment 9		1,022,360.69	21,213.98	-	19,936.03	1,277.95	1,022,360.69	
08/01/14	Payment 10		1,022,360.69	68,260.90	47,046.92	19,936.03	1,277.95	975,313.77	89,474.88
02/01/15	Payment 11		975,313.77	20,237.76	-	19,018.62	1,219.14	975,313.77	
08/01/15	Payment 12		975,313.77	69,237.12	48,999.36	19,018.62	1,219.14	926,314.41	89,474.88
02/01/16	Payment 13		926,314.41	19,221.02	-	18,063.13	1,157.89	926,314.41	
08/01/16	Payment 14		926,314.41	70,253.86	51,032.84	18,063.13	1,157.89	875,281.57	89,474.88
02/01/17	Payment 15		875,281.57	18,162.09	-	17,067.99	1,094.10	875,281.57	
08/01/17	Payment 16		875,281.57	71,312.79	53,150.70	17,067.99	1,094.10	822,130.87	89,474.88
02/01/18	Payment 17		822,130.87	17,059.21	-	16,031.55	1,027.66	822,130.87	
08/01/18	Payment 18		822,130.87	72,415.67	55,356.46	16,031.55	1,027.66	766,774.41	89,474.88
02/01/19	Payment 19		766,774.41	15,910.57	-	14,952.10	958.47	766,774.41	
08/01/19	Payment 20		766,774.41	73,564.31	57,653.74	14,952.10	958.47	709,120.67	89,474.88

KANSAS DEPARTMENT OF TRANSPORTATION

Transportation Revolving Fund

City of Basehor, Kansas

Scenario 1 - Amortization Schedule - TR-0126

Payments Starting February 1, 2010

Interest Rate: 3.90% Service Fee: 0.25% Total Rate: 4.15%

Date	Item	Draws	Beginning				Service Fee	Ending Balance	Annual Pmt for Budget
			Balance	Payment	Principal	Interest			
02/01/20	Payment 21		709,120.67	14,714.25	-	13,827.85	886.40	709,120.67	
08/01/20	Payment 22		709,120.67	74,760.63	60,046.38	13,827.85	886.40	649,074.29	89,474.88
02/01/21	Payment 23		649,074.29	13,468.29	-	12,656.95	811.34	649,074.29	
08/01/21	Payment 24		649,074.29	76,006.59	62,538.30	12,656.95	811.34	586,535.99	89,474.88
02/01/22	Payment 25		586,535.99	12,170.62	-	11,437.45	733.17	586,535.99	
08/01/22	Payment 26		586,535.99	77,304.26	65,133.64	11,437.45	733.17	521,402.35	89,474.88
02/01/23	Payment 27		521,402.35	10,819.10	-	10,167.35	651.75	521,402.35	
08/01/23	Payment 28		521,402.35	78,655.78	67,836.68	10,167.35	651.75	453,565.67	89,474.88
02/01/24	Payment 29		453,565.67	9,411.49	-	8,844.53	566.96	453,565.67	
08/01/24	Payment 30		453,565.67	80,063.39	70,651.90	8,844.53	566.96	382,913.77	89,474.88
02/01/25	Payment 31		382,913.77	7,945.46	-	7,466.82	478.64	382,913.77	
08/01/25	Payment 32		382,913.77	81,529.42	73,583.96	7,466.82	478.64	309,329.81	89,474.88
02/01/26	Payment 33		309,329.81	6,418.59	-	6,031.93	386.66	309,329.81	
08/01/26	Payment 34		309,329.81	83,056.29	76,637.70	6,031.93	386.66	232,692.11	89,474.88
02/01/27	Payment 35		232,692.11	4,828.37	-	4,537.50	290.87	232,692.11	
08/01/27	Payment 36		232,692.11	84,646.51	79,818.14	4,537.50	290.87	152,873.97	89,474.88
02/01/28	Payment 37		152,873.97	3,172.13	-	2,981.04	191.09	152,873.97	
08/01/28	Payment 38		152,873.97	86,302.75	83,130.62	2,981.04	191.09	69,743.35	89,474.88
02/01/29	Payment 39		69,743.35	1,447.18	-	1,360.00	87.18	69,743.35	
08/01/29	Payment 40		69,743.35	71,190.53	69,743.35	1,360.00	87.18	-	72,637.71
		<u>1,200,000.00</u>		<u>1,772,660.43</u>	<u>1,200,000.00</u>	<u>538,363.51</u>	<u>34,296.92</u>		<u>1,772,660.43</u>

KANSAS DEPARTMENT OF TRANSPORTATION

Transportation Revolving Fund

City of Basehor, Kansas

Scenario 2 - Amortization Schedule - TR-0126

Payments Starting February 1, 2011

Interest Rate: 3.90% Service Fee: 0.25% Total Rate: 4.15%

Date	Item	Draws	Beginning Balance	Payment	Principal	Interest	Service Fee	Ending Balance	Annual Pmt for Budget
05/18/09	Origination Date								
06/01/09		-	-					-	
07/01/09		-	-					-	
08/01/09	Accrual	-	-					-	
08/01/09		250,000.00	-					250,000.00	
09/01/09		250,000.00	250,000.00					500,000.00	
10/01/09		250,000.00	500,000.00					750,000.00	
11/01/09		250,000.00	750,000.00					1,000,000.00	
12/01/09		158,776.57	1,000,000.00					1,158,776.57	
01/01/10		-	1,158,776.57					1,158,776.57	
02/01/10	Accrual	-	1,158,776.57			16,016.45	813.15	1,175,606.17	
02/01/10		-	1,175,606.17					1,175,606.17	
03/01/10		-	1,175,606.17					1,175,606.17	
04/01/10		-	1,175,606.17					1,175,606.17	
05/01/10		-	1,175,606.17					1,175,606.17	
06/01/10		-	1,175,606.17					1,175,606.17	
07/01/10		-	1,175,606.17					1,175,606.17	
08/01/10	Accrual	-	1,175,606.17			22,924.32	1,469.51	1,200,000.00	
08/01/10		-	1,200,000.00					1,200,000.00	
09/01/10		-	1,200,000.00					1,200,000.00	
10/01/10		-	1,200,000.00					1,200,000.00	
11/01/10		-	1,200,000.00					1,200,000.00	
12/01/10		-	1,200,000.00					1,200,000.00	
01/01/11		-	1,200,000.00					1,200,000.00	
02/01/11	Payment 1	-	1,200,000.00	24,900.00	-	23,400.00	1,500.00	1,200,000.00	
02/01/11		-	1,200,000.00					1,200,000.00	
03/01/11		-	1,200,000.00					1,200,000.00	
04/01/11		-	1,200,000.00					1,200,000.00	
05/01/11	<i>Last Possible Draw</i>	-	1,200,000.00					1,200,000.00	
06/01/11			1,200,000.00					1,200,000.00	
07/01/11			1,200,000.00					1,200,000.00	
08/01/11	Payment 2		1,200,000.00	67,634.29	42,734.29	23,400.00	1,500.00	1,157,265.71	92,534.29
02/01/12	Payment 3		1,157,265.71	24,013.26	-	22,566.68	1,446.58	1,157,265.71	
08/01/12	Payment 4		1,157,265.71	68,521.03	44,507.77	22,566.68	1,446.58	1,112,757.94	92,534.29
02/01/13	Payment 5		1,112,757.94	23,089.73	-	21,698.78	1,390.95	1,112,757.94	
08/01/13	Payment 6		1,112,757.94	69,444.56	46,354.83	21,698.78	1,390.95	1,066,403.11	92,534.29
02/01/14	Payment 7		1,066,403.11	22,127.86	-	20,794.86	1,333.00	1,066,403.11	
08/01/14	Payment 8		1,066,403.11	70,406.43	48,278.57	20,794.86	1,333.00	1,018,124.54	92,534.29
02/01/15	Payment 9		1,018,124.54	21,126.09	-	19,853.43	1,272.66	1,018,124.54	
08/01/15	Payment 10		1,018,124.54	71,408.20	50,282.11	19,853.43	1,272.66	967,842.43	92,534.29
02/01/16	Payment 11		967,842.43	20,082.73	-	18,872.93	1,209.80	967,842.43	
08/01/16	Payment 12		967,842.43	72,451.56	52,368.83	18,872.93	1,209.80	915,473.60	92,534.29
02/01/17	Payment 13		915,473.60	18,996.08	-	17,851.74	1,144.34	915,473.60	
08/01/17	Payment 14		915,473.60	73,538.21	54,542.13	17,851.74	1,144.34	860,931.47	92,534.29
02/01/18	Payment 15		860,931.47	17,864.32	-	16,788.16	1,076.16	860,931.47	
08/01/18	Payment 16		860,931.47	74,669.97	56,805.65	16,788.16	1,076.16	804,125.82	92,534.29
02/01/19	Payment 17		804,125.82	16,685.61	-	15,680.45	1,005.16	804,125.82	
08/01/19	Payment 18		804,125.82	75,848.68	59,163.07	15,680.45	1,005.16	744,962.75	92,534.29

KANSAS DEPARTMENT OF TRANSPORTATION

Transportation Revolving Fund

City of Basehor, Kansas

Scenario 2 - Amortization Schedule - TR-0126

Payments Starting February 1, 2011

Interest Rate: 3.90% Service Fee: 0.25% Total Rate: 4.15%

Date	Item	Draws	Beginning Balance	Payment	Principal	Interest	Service Fee	Ending Balance	Annual Pmt for Budget
02/01/20	Payment 19		744,962.75	15,457.97	-	14,526.77	931.20	744,962.75	
08/01/20	Payment 20		744,962.75	77,076.32	61,618.35	14,526.77	931.20	683,344.40	92,534.29
02/01/21	Payment 21		683,344.40	14,179.40	-	13,325.22	854.18	683,344.40	
08/01/21	Payment 22		683,344.40	78,354.89	64,175.49	13,325.22	854.18	619,168.91	92,534.29
02/01/22	Payment 23		619,168.91	12,847.75	-	12,073.79	773.96	619,168.91	
08/01/22	Payment 24		619,168.91	79,686.54	66,838.79	12,073.79	773.96	552,330.12	92,534.29
02/01/23	Payment 25		552,330.12	11,460.85	-	10,770.44	690.41	552,330.12	
08/01/23	Payment 26		552,330.12	81,073.44	69,612.59	10,770.44	690.41	482,717.53	92,534.29
02/01/24	Payment 27		482,717.53	10,016.39	-	9,412.99	603.40	482,717.53	
08/01/24	Payment 28		482,717.53	82,517.90	72,501.51	9,412.99	603.40	410,216.02	92,534.29
02/01/25	Payment 29		410,216.02	8,511.98	-	7,999.21	512.77	410,216.02	
08/01/25	Payment 30		410,216.02	84,022.31	75,510.33	7,999.21	512.77	334,705.69	92,534.29
02/01/26	Payment 31		334,705.69	6,945.14	-	6,526.76	418.38	334,705.69	
08/01/26	Payment 32		334,705.69	85,589.15	78,644.01	6,526.76	418.38	256,061.68	92,534.29
02/01/27	Payment 33		256,061.68	5,313.28	-	4,993.20	320.08	256,061.68	
08/01/27	Payment 34		256,061.68	87,221.01	81,907.73	4,993.20	320.08	174,153.95	92,534.29
02/01/28	Payment 35		174,153.95	3,613.69	-	3,396.00	217.69	174,153.95	
08/01/28	Payment 36		174,153.95	88,920.60	85,306.91	3,396.00	217.69	88,847.04	92,534.29
02/01/29	Payment 37		88,847.04	1,843.58	-	1,732.52	111.06	88,847.04	
08/01/29	Payment 38		88,847.04	90,690.62	88,847.04	1,732.52	111.06	-	92,534.20
			<u>1,158,776.57</u>	<u>1,758,151.42</u>	<u>1,200,000.00</u>	<u>563,468.63</u>	<u>35,906.22</u>		<u>1,758,151.42</u>

Nickie Lee

From: "Amber Watson" <awatson@nomb.com>
To: "Carl Slauch" <cityadm@cityofbasehor.org>; <nlee@cityofbasehor.org>
Cc: "Evelyn Fitzpatrick" <EvelynF@ksdot.org>; "Jonathan P. Small" <jpsmall@nomb.com>
Sent: Thursday, May 14, 2009 4:03 PM
Attach: KDOT TRF 0125 FORM TRF 2.pdf; KDOT TRF 0125 FORM TRF 1.pdf; KDOT TRF 0125 Ordinance.pdf; KDOT TRF 0125 Loan Agreement.pdf; KDOT TRF 0125 Loan Agmt Ex A.pdf; KDOT TRF 0125 Loan Agmt Ex B.pdf; KDOT TRF 0125 City Transmit ltr.pdf
Subject: TRF 0125 - Basehor (\$1,500,000)

For your review and comment, please find attached:

1. Transmittal Letter
2. Ordinance
3. Loan Agreement
4. Loan Agreement Exhibit A
5. Loan Agreement Exhibit B
6. TRF 1
7. TRF 2

Carefully review and advise should you have any questions, comments or concerns with what we have prepared. If all appears in order please execute as indicated on Transmittal Letter.

Thanks,
Amber Watson, Assistant
JONATHAN P. SMALL, CHARTERED
800 SW Jackson Street, Ste 808
Topeka, KS 66612
785-234-3686
785-234-3687 (fax)

LAW OFFICES
JONATHAN P. SMALL, CHARTERED
USBank Building
800 S.W. Jackson, Suite 808
Topeka, Kansas 66612-2220
Voice - 785/234-3686
Fax - 785/234-3687
Email - jpsmall@nomb.com

May 14, 2009

Carl E. Slaugh, City Administrator
Mary Mogle, City Clerk
City of Basehor
2620 N. 155th St.
Basehor, KS 66007

Re: TRF Project No. TR 0125 (\$1,500,000)
Basehor, Kansas
Kansas Department of Transportation
Transportation Revolving Loan Fund

Dear Mr. Slaugh and Ms. Mogle:

1. Based upon the City of Basehor's Application to the Department of Transportation, Joseph Erskine, Deputy Secretary for Finance and Administration for the Kansas Secretary of Transportation, has earlier advised the City by his letter dated April 7, 2009, that it has qualified to receive a loan from the Transportation Revolving Fund.
2. The Deputy Secretary's letter indicated that certain documents would be required to complete the loan process and loan obligation.
3. Please find enclosed for your consideration, comments and completion as indicated the following required documents which are in draft template form:
 - a. Governing Body Ordinance with Minute Excerpt;
 - b. Loan Agreement and Exhibits A and B and TRF Form 1 and TRF Form 2 and Form DA-146a;
4. It is our understanding that the Governing Body will review and take action on the Ordinance and Loan Agreement on May 18, 2009. Please fill in any blanks still in the documents (the ordinance number and the date of publication). **Three original signed copies of each need to be delivered to this office.** An Affidavit of Publication for the Ordinance will also need to be submitted to this office as soon as possible following publication.
5. A loan closing date will be established as soon as we received your Ordinance and Loan Agreement.

Carl E. Slauch, City Administrator
Mary Mogle, City Clerk
City of Basehor
May 14, 2009
Page 2

6. Please carefully review the enclosed documents to ensure that they are accurate and complete.
Please advise should you have any questions.

Thank you for your assistance.

Very Truly Yours,
JONATHAN P. SMALL, Chartered


Jonathan P. Small
Special Counsel to
Kansas Department of Transportation

c: Evelyn Fitzpatrick, Program Manager

(Published in *Basehor Sentinel* on May _____, 2009)

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF BASEHOR, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF TRANSPORTATION FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS TRANSPORTATION REVOLVING FUND TO FINANCE A QUALIFIED TRANSPORTATION PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

WHEREAS, K.S.A. 75-5063 *et seq.* (the "Act") authorizes the Secretary of Transportation (the "Secretary") of the State of Kansas (the "State") to establish a transportation revolving fund to provide assistance to governmental units for Transportation Projects; and

WHEREAS, in accordance with the Act, the Secretary has established within the State treasury, the Kansas Transportation Revolving Fund (the "Fund"); and

WHEREAS, in accordance with the Act, the Secretary has promulgated administrative regulations K.A.R. 36-40-1 *et seq.* (the "Regulations") for implementation of the Fund; and

WHEREAS, the Secretary and the Kansas Development Finance Authority (the "Authority") have entered or will enter into a Master Pledge Agreement, as the same may be amended and supplemented from time to time (the "Pledge Agreement") pursuant to which KDOT agrees to enter into loan agreements with governmental units for the financing of Costs of certain transportation projects as defined in the Act, and to pledge the loan repayments received pursuant to such loan agreements to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905 and the Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to enhance the Fund's ability to provide financial assistance to governmental units under the Act; and

WHEREAS, The City of Basehor, Kansas (the "Borrower"), is a Governmental Unit as said term is defined in the Act; and

WHEREAS, pursuant to the Act, the Borrower has submitted an application to KDOT to obtain a loan from the Fund to finance the costs of a Transportation Project described particularly in that certain loan agreement between the Borrower and KDOT to be dated May 18, 2009, in substantially that form as submitted to the Governing Body this date (the "Loan Agreement"), as TRF Project No. TR 0125 (the "Project"); and

WHEREAS, the Project is a Qualified Project as said term is defined in the Act; and

WHEREAS, the Borrower has taken all steps necessary and has complied with the provisions of the Act and the Regulations necessary to qualify for the loan; and

WHEREAS, KDOT has informed the Borrower that it has been approved for a loan in amount of not to exceed \$1,500,000 (the "Loan") in order to finance all or a portion of the Project Costs;

WHEREAS, the governing body of the Borrower hereby finds and determines that it is necessary and desirable to accept the Loan and to enter into the Loan Agreement and to complete and execute certain other documents relating thereto, and to take certain actions required in order to implement the Loan Agreement; and

WHEREAS, the Borrower agrees it will not use any portion of the loan proceeds including any investment earnings on such proceeds directly or indirectly in a manner that would meet the "private activity bond" tests within the meaning of Code § 141.

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

Section 1. Authorization of Loan Agreement. The Borrower is hereby authorized to accept the Loan and to enter into the Loan Agreement, with an effective date of May 18, 2009, with the State of Kansas acting by and through the Kansas Department of Transportation to finance the Project Costs (as defined in the Loan Agreement). The Mayor of the City (the "Mayor") and City Clerk are hereby authorized to execute the Loan Agreement in substantially the form presented to the governing body this date, with such changes or modifications thereto as may be approved by the Mayor and the Borrower's legal counsel, the Mayor's execution of the Loan Agreement being conclusive evidence of such approval.

Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan. Pursuant to the Act, the Borrower hereby establishes a dedicated source of revenue for repayment of the Loan, which dedicated source is described as follows: (a) the City of Basehor, Kansas, specifically dedicated sales tax receipts, (b) special assessments collected or to be collected from property benefited by the street improvements constructed with proceeds from the Loan, and (c) all assessments received for property lying within any transportation development district benefited by improvements constructed with proceeds from the Loan, all in an annual amount not less than the total amount due under the Loan Agreement for each year that the City shall be obligated to make such loan payments to KDOT under the Loan Agreement. In addition thereto, the Borrower shall levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Borrower to produce the amounts necessary for the prompt payment of the obligations under the Loan and Loan Agreement. In accordance with the Act, the obligations under the Loan and the Loan Agreement shall constitute "bonds" for purposes of K.S.A. 10-1116 and K.S.A. 79-5028, and not be included within any limitation on the bonded indebtedness of the Borrower.

Section 3. Further Authority. The Mayor, City Clerk and other officials and legal counsel of the Borrower are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 4. Governing Law. This Ordinance and the Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

Section 5. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption by the governing body and publication in the official city newspaper.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

PASSED by the governing body of the City of Basehor, Kansas on May 18, 2009, and approved by the Mayor.

(SEAL)

Terry Hill, Mayor

ATTEST:

Mary Mogle, City Clerk

APPROVED AS TO FORM AND LEGALITY

Patrick Reavey, City Legal Counsel

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF BASEHOR, KANSAS,
HELD ON MAY 18, 2009.**

The Governing Body met in [regular/special] session at the City Governing Body chambers in City Hall, at _____, the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

Thereupon, there was presented an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF BASEHOR, KANSAS, AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF TRANSPORTATION FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS TRANSPORTATION REVOLVING FUND TO FINANCE A QUALIFIED TRANSPORTATION PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

Thereupon, _____ moved that said Ordinance be adopted. The motion was seconded by _____. Said document was duly read and considered, and upon being put, the motion for the said adoption of said Ordinance was carried by the vote of the Governing Body, the vote being as follows:

Yes: _____.

No: _____.

Thereupon, the Mayor declared said Ordinance duly adopted and was then duly numbered No. _____, and was signed by the Mayor and attested by the City Clerk

(Other Proceedings)

On motion duly made, seconded and carried, the meeting thereupon adjourned.

(SEAL)

Mary Mogle, City Clerk

LOAN AGREEMENT

Between

**THE KANSAS DEPARTMENT OF TRANSPORTATION
ACTING ON BEHALF OF
THE STATE OF KANSAS**

and

BASEHOR, KANSAS

TRF PROJECT NO. TR 0125

EFFECTIVE AS OF MAY 18, 2009

The interest of the Kansas Department of Transportation in the Loan Repayments to be made by the Borrower under this Loan Agreement and certain other revenues have been pledged and assigned to the Kansas Development Finance Authority pursuant to a Master Pledge Agreement between KDOT and the Authority. The interest of the Authority in the Revenues has been pledged as security for the payment of the principal of, redemption premium, if any, and interest on the Authority's Kansas Transportation Revolving Fund Revenue Bonds, pursuant to a Master Bond Resolution adopted by the Authority.

LOAN AGREEMENT

Table of Contents

Recitals	1
ARTICLE I DEFINITIONS	
Section 1.01. Definitions	1
Section 1.02. Rules of Interpretation	5
ARTICLE II LOAN TERMS	
Section 2.01 Amount of the Loan	5
Section 2.02 Interest Rate	5
Section 2.03 Disbursement of Loan Proceeds	5
Section 2.04. Schedule of Compliance; Completion of Project	6
Section 2.05. Repayment of the Loan	6
Section 2.06 Additional Payments	7
ARTICLE III REPRESENTATIONS AND COVENANTS OF BORROWER	
Section 3.01. Representations of the Borrower	7
Section 3.02. Particular Covenants of the Borrower	8
ARTICLE IV ASSIGNMENT	
Section 4.01. Assignment and transfer by KDOT	10
Section 4.02. Assignment by the Borrower	11
ARTICLE V DEFAULT AND REMEDIES	
Section 5.01. Notice of Default	11
Section 5.02. Remedies on Default	11
Section 5.03. Expenses	11
Section 5.04. Application of Moneys	12
Section 5.05. No Remedy Exclusive; Waiver; Notice	12
Section 5.06. Retention of KDOT's Rights	12
ARTICLE VI MISCELLANEOUS	
Section 6.01. Notices	12
Section 6.02. Binding Effect	13
Section 6.03. Severability	13
Section 6.04. Amendments, Supplements and Modifications	13
Section 6.05. Execution in Counterparts	13
Section 6.06. Governing Law and Regulations	13
Section 6.07. Consents and Approvals	13
Section 6.08. Further Assurances	13
Signatures and Seal	14
<i>Exhibit A</i> -	Description of the Project; Use of Loan Proceeds
<i>Exhibit B</i> -	Borrower's Notice Address, Dedicated Source of Revenue and Loan Repayment Schedule
<i>DA Form 146a</i>	
Referenced Documents:	
KDOT Form TRF 1	Conditions Applicable to Construction of Project
KDOT Form TRF 2	- Instructions for Requesting Loan Payments
KDOT Form TRF 3b	- Form of Borrower Authorizing Document - City Ordinance
KDOT Form TRF 4	- Form of Legal Opinion of Borrower's Counsel
KDOT Form TRF DA 146a	Kansas Department of Administration, Contractual Provisions Attachment

**KANSAS TRANSPORTATION REVOLVING FUND
LOAN AGREEMENT**

THIS LOAN AGREEMENT, effective as of May 18, 2009, by and between the **KANSAS DEPARTMENT OF TRANSPORTATION**, acting on behalf of **THE STATE OF KANSAS**, and **THE CITY OF BASEHOR, KANSAS**, a "Governmental Unit" as defined in the Act, hereinafter referenced as the "Borrower."

WITNESSETH:

WHEREAS, the Act authorizes the Secretary to establish a transportation revolving fund to provide assistance to governmental units for Transportation Projects; and

WHEREAS, pursuant to the Act, by resolution, the Secretary has established within the State treasury, the Kansas Transportation Revolving Fund; and

WHEREAS, in accordance with the Act, the Secretary has promulgated administrative regulations K.A.R. 36-40-1 through 36-40-9 for implementation of the Fund; and

WHEREAS, the Secretary and the Kansas Development Finance Authority have entered into an InterAgency Agreement dated as of August 1, 2004, to define the cooperative relationship between KDOT and the Authority to jointly administer certain provisions of the Act; and

WHEREAS, the Authority and KDOT have supplemented the Inter-Agency Agreement by entering into the Pledge Agreement pursuant to which KDOT agrees to enter into loan agreements with Governmental Units for the financing of costs of Qualified Projects and to pledge the Loan Repayments received pursuant to such Loan Agreements and other revenues and /or funds to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905 and the Act to issue Bonds for the purpose of providing funds to enhance the Fund's ability to provide financial assistance to Governmental Units under the Act; and

WHEREAS, the Borrower has made timely application to KDOT for the Loan to finance all or a portion of the Project Costs which application satisfies the requirements of the Act and applicable Regulations; and

WHEREAS, KDOT has approved the Borrower's application for the Loan, subject to the availability of moneys in the Fund, including proceeds of the Bonds when issued by the Authority.

NOW, THEREFORE, for and in consideration of the Loan, the Borrower agrees to complete the Project and to satisfy the conditions, covenants and procedures set forth in this Loan Agreement, as follows:

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions. Unless the context clearly requires otherwise, the following terms as used in this Loan Agreement shall have the following meanings:

"Act" means the Constitution and laws of the State of Kansas, including particularly K.S.A. 75-5063 *et seq.*, as amended and supplemented, and the Regulations.

"Additional Payments" means the payments described in **Section 2.06** hereof

"**Authority**" means the Kansas Development Finance Authority, a public body politic and corporate and an independent instrumentality of the State, and its successors and assigns.

"**Authorized Borrower Representative**" means any person authorized pursuant to a resolution of the governing body of the Borrower to perform any act or execute any document relating to the Loan, or this Loan Agreement.

"**Authorizing Document**" means (a) with respect to a city, an ordinance, or (b) with respect to other Governmental Units, a resolution, in each case adopted by the governing body of the Governmental Unit authorizing the execution of this Loan Agreement substantially in the form set forth in KDOT Form TRF 3b Borrower's Authorizing Document, which is incorporated herein by reference.

"**Bonds**" means the Kansas Development Finance Authority, Kansas Transportation Revolving Fund Revenue Bonds, issued in one or more series, pursuant to the Master Bond Resolution.

"**Borrower**" means the City of Basehor, Kansas, its successors and assigns.

"**Borrower's Counsel Opinion**" means an opinion of legal counsel to the Borrower in substantially the form set forth in KDOT Form TRF 4 - Form of Opinion of Borrower's Counsel, which is incorporated herein by reference.

"**Code**" means the Internal Revenue Code of 1986, and amendments thereto, and any applicable regulations thereunder promulgated by the Department of the Treasury.

"**Conditions Applicable to Construction of the Project**" shall mean those conditions set forth in KDOT Form TRF I - Conditions Applicable to Construction of the Project, which are incorporated herein by reference.

"**Dedicated Source of Revenue**" shall have the meaning set forth in *Exhibit B* attached hereto.

"**Event of Default**" means any occurrence of the following events:

(a) failure by the Borrower to pay, or cause to be paid, any Loan Repayment required to be paid hereunder when due;

(b) failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, except as specified in paragraph (a) above, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure, is given to the Borrower by KDOT, unless KDOT shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in such notice is correctable but cannot be corrected within the applicable period KDOT may not unreasonably withhold its consent to an extension of such time up to ninety (90) days from the delivery of the written notice referred to above if corrective action is instituted by the Borrower within the applicable period and diligently pursued until such failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement is corrected;

(c) failure by the KDOT to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Agreement which shall continue for a period of thirty (30) days after written notice, specifying such failure, is given to KDOT by the Borrower, unless the Borrower shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Borrower may not unreasonably withhold its consent to an extension of such time up to ninety (90) days from the delivery of the written notice referred to above if corrective action is instituted by KDOT within the applicable period and diligently pursued until such failure by KDOT to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement is corrected;

(d) any representation made by or on behalf of the Borrower contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is intentionally false or misleading in any material respect;

(e) any representation made by or on behalf of KDOT contained in this Agreement, or in any instrument furnished in compliance with or with reference to this Agreement, is intentionally false or misleading in any material respect;

(f) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal;

(g) the Borrower shall generally fail to pay its debts as such debts become due;

(h) failure of KDOT to disburse any Project Costs when reasonably requested to do so by the Borrower pursuant to **Section 2.03** hereof.

"Fiscal Year" means the twelve-month period ending on December 31 of each year.

"Fund" means the Kansas Transportation Revolving Fund established by the Act.

"GAAP" means generally accepted accounting principles as applicable to Governmental Units.

"Governmental Unit" means any town, city, district, county, commission, agency, authority, board or other instrumentality of the State or of any of its political subdivisions, including any combination thereof, which is responsible for the construction, ownership or operation of a Qualified Project.

"Indebtedness" means any financial obligation of the Borrower evidenced by an instrument executed by the Borrower, including this Loan, bonds or notes, lease or lease-purchase agreement or similar financial transactions.

"Instructions for Requesting Loan Payments" shall mean the information set forth in KDOT Form TRF 2 -Instructions for Requesting Loan Payments, which are incorporated herein by reference

"Interagency Agreement" means the Inter-Agency Agreement dated as of August 1, 2004, between KDOT and the Authority relating to the joint administration of certain provisions of the Act.

"KDOT" means the Kansas Department of Transportation, or its successors in interest.

"Loan" means the loan made by KDOT to the Borrower to finance or refinance all or a portion of the Project Costs pursuant to this Loan Agreement.

"Loan Agreement" means this Loan Agreement, including the Exhibits attached hereto and documents incorporated herein by reference, as supplemented, modified or amended from time to time in accordance with the terms hereof, and shall also mean "Financial Assistance Agreement" as such term is defined at K.A.R. 36-40-1(f).

"Loan Rate" means the interest rate per annum set forth in *Exhibit B* attached hereto, and incorporated herein by reference.

"Loan Repayments" means the payments payable by the Borrower pursuant to **Section 2.05** of this Loan Agreement.

"Loan Repayment Schedules" means the scheduled payments on the Loan set forth on *Exhibit B* attached hereto and incorporated herein by reference.

"Master Bond Resolution" means Master Bond Resolution to be adopted by the Authority authorizing the issuance of the Bonds, and any amendments and supplements thereto.

"Pledge Agreement" means the Master Pledge Agreement between the Authority and KDOT, dated as of August 1, 2004, and any agreement or agreements amendatory or supplemental thereto.

"Project" means the acquisition, construction, improvement, repair, rehabilitation, maintenance or extension of the transportation facilities described in *Exhibit A* attached hereto for which KDOT is making the Loan to the Borrower pursuant to this Loan Agreement and shall also mean "Approved Project" as such term is defined at K.A.R. 36-40- 1 (c).

"Project Costs" means all costs or expenses which are necessary or incident to the Project and which are directly attributable thereto, including, but not limited to: (a) costs of any Loan reserves; (b) interest on the Loan during the construction of the Project; (c) principal of and interest on any financing obligations issued by the Borrower to pay Project Costs; and (d) financing and administrative costs associated with the Loan Agreement.

"Project Revenues" means all rates, rents, fees, assessments, charges and other receipts, if any, derived or to be derived by the Borrower from the Project.

"Qualified Borrower" means any governmental unit or private enterprise which is authorized to construct, operate or own a Qualified Project.

"Qualified Project" means any public or private Transportation Project, including, without limitation, the construction, reconstruction, resurfacing, restoration, rehabilitation or replacement of public or private transportation facilities within the State.

"Rating Agency" means Moody's Investors Service, Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Fitch Investors Service, Inc., and any other nationally recognized securities rating agency designated by the Authority.

"Regulations" means Kansas Administrative Regulations (K.A.R.) 36-40-1 to 36-40-9, and any amendments thereto promulgated by KDOT pursuant to the Act.

"SEC Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time or such other similar rule regarding disclosure of information in securities transactions.

"Secretary" means the Secretary of KDOT.

"Servicing Fee" means an annual fee of .25% of the outstanding balance shall be charged the Borrower in addition to the interest rate charged as described herein. Said annual fee shall be paid at the time the principal and interest is to be paid.

"State" means the State of Kansas, acting, unless otherwise specifically indicated, by and through KDOT, and its successors and assigns.

"Revenues" means, when used with respect to KDOT, any receipts, fees, revenues or other payments received or to be received by KDOT under the Act.

"Transportation Project" means any bridge, culvert, highway, road, street or combination thereof.

Section 1.02. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(c) All references in this Loan Agreement to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this Loan Agreement as originally executed. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(d) The Table of Contents and the Article and Section headings of this Loan Agreement shall not be treated as a part of this Loan Agreement or as affecting the true meaning of the provisions hereof.

ARTICLE II LOAN TERMS

Section 2.01. Amount of the Loan. Subject to all of the terms, provisions and conditions of this Loan Agreement, and subject to the availability of funds, including proceeds of Bonds, KDOT hereby agrees to loan an amount not to exceed \$1,500,000 to the Borrower to pay all or a portion of the Project Costs of the Project described in *Exhibit A* hereto. The final actual amount of the Loan may be reduced without revision of any other terms, provisions or conditions of this Loan Agreement, other than the Loan Repayment Schedule, to reflect reductions in the total Project Costs as a result of actual bids for construction, change orders, final actual costs, and prepayments. The Borrower shall be responsible for any costs incurred by the Borrower in connection with the Project in excess of the amount of the Loan. Any amendment to *Exhibit B* shall be effected by written amendment to this Loan Agreement executed by all parties.

Section 2.02. Interest Rate. The Loan shall bear interest at the Loan Rate, per annum, based on the unpaid principal balance as set forth in the Loan Repayment Schedule. This Loan Rate consists of a net loan interest rate and a service fee as described in *Exhibit B*. The gross interest rate on the Loan shall not change in the event of a change in the final actual amount of the Loan.

Section 2.03. Disbursement of Loan Proceeds.

(a) Subject to the conditions described in this Section, KDOT agrees to disburse the proceeds of the Loan to pay Project Costs. Requests for disbursement shall be submitted to KDOT by the Borrower not more than once per month, in accordance with the Instructions for Requesting Loan Payments. Any request for disbursement must be supported by proper invoices and a certificate of the Authorized Borrower Representative to the effect that all representations made in this Loan Agreement remain true as of the date of the request and, based upon the information then available to such Authorized Borrower Representative, no developments adversely affecting the financial condition of the Borrower or its ability to complete the Project or to repay the Loan have occurred.

The Borrower may request disbursement for the following Project Costs:

(1) any eligible planning/design costs incurred prior to execution of this Loan Agreement (initial disbursement request only);

(2) disbursement for eligible Project Costs if such Project Costs have been incurred and are due and payable to Project contractors (actual payment of such Project Costs by the Borrower is not required as a condition of the payment request); or

(3) interest becoming due on the Loan prior to the initial scheduled payment of principal;

(4) the amount of the Loan Origination Fee, if not paid from Borrower funds; and

(5) the principal of and interest on any temporary financing obligations issued by the Borrower to pay Project Costs.

(b) KDOT shall not be under any obligation to disburse any Loan proceeds to the Borrower under this Loan Agreement unless:

(1) there are moneys available in the Fund to fund the Loan, as determined solely by KDOT;

(2) the Borrower shall certify to KDOT that it has funds available to pay for that portion of the Project Costs, if any, not eligible pursuant to the Act to be funded under this Loan Agreement;

(3) no Event of Default by the Borrower shall have occurred and be continuing; and

(4) the Borrower continues to make reasonable progress towards completion of the Project.

(5) the Borrower has and will at all times comply with the "Conditions Applicable to Construction of Project," as provided at KDOT Form TRF 1 and Form DA-146a, attached hereto and incorporated herein by reference.

Section 2.04. Schedule of Compliance; Completion of Project.

(a) The Borrower agrees to complete the Project in accordance with the Conditions Applicable to Construction of the Project.

(b) The completion of the construction of the Project shall be evidenced to KDOT by a certificate signed by the Authorized Borrower Representative stating that: (1) the construction of the Project has been completed in accordance with the Conditions Applicable to Construction of the Project; and (2) all Project Costs have been paid, except Project Costs the payment of which is not yet due or is being retained or contested in good faith by the Borrower. Such certificate shall be given not later than the date established by KDOT, which shall be approximately the date that the Project is capable of being placed into operation by the Borrower. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 2.05. Repayment of the Loan.

(a) **Loan Repayments.** The Borrower shall pay to KDOT, on or before the due dates, installments of principal and interest on the Loan in accordance with **Exhibit B** attached hereto, until the Loan has been paid in full. Installments of principal and interest on the Loan shall be computed and paid in accordance with the Loan Repayment Schedule on **Exhibit B** as in effect at any time under this Loan Agreement. Notwithstanding any other provision of this Loan Agreement, the first payment of principal and interest due on the Loan shall be made on the earliest to occur of the date which is (1) two years after receipt by the Borrower of the first disbursement under the Loan or (2) one year after the Project

completion certificate described at **Section 2.04(b)** is delivered to KDOT. The final installment of principal under the Loan shall be fully repaid not later than 20 years after Project completion.

(b) **Prepayment of the Loan.** The Borrower may prepay the outstanding principal of the Loan, in whole, or in part, at any time, without penalty, upon giving sixty (60) days written notice to KDOT of its intent to so prepay. A new **Exhibit B** will be prepared by KDOT following receipt of any acceptable partial prepayment, reamortizing the remaining principal amount over the remaining term of the Loan.

Section 2.06. Additional Payments. The Borrower shall pay as Additional Payments the following amounts:

- (a) The Servicing Fee if not paid from proceeds of the Loan.
- (b) Any amounts required to be paid by the Authority to the United States of America as arbitrage rebate, arising due to the Borrower's failure to expend proceeds of the Loan at the times certified to KDOT by the Borrower, that result in arbitrage rebate liability for the Authority, but only to the extent that the funds in the Rebate Fund established by the Master Bond Resolution are insufficient to make such payments; and.
- (c) All other payments of whatever nature which the Borrower has agreed to pay or assume hereunder.

ARTICLE III REPRESENTATIONS AND COVENANTS OF BORROWER

Section 3.01. Representations of the Borrower. The Borrower makes the following representations:

(a) **Organization and Authority.**

(1) The Borrower is a Governmental Unit duly created and validly existing under and pursuant to the constitution and statutes of the State and is a Qualified Borrower;

(2) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain the Project, to carry on its activities relating thereto, to execute and deliver this Loan Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Loan Agreement;

(3) The Authorizing Document and other proceedings of the Borrower's governing body approving this Loan Agreement and authorizing its execution, issuance and delivery on behalf of the Borrower, and authorizing the Borrower to undertake and complete the Project have been duly and lawfully adopted;

(4) The Project constitutes a Qualified Project; and

(5) This Loan Agreement has been duly authorized, executed and delivered on behalf of the Borrower, and, constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(b) **Full Disclosure.** To the best knowledge of the Borrower, there is no fact that the Borrower has not disclosed to KDOT in writing on the Borrower's application for the Loan or otherwise that materially adversely affects or that will materially adversely affect the Project, or the ability of the Borrower to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreement under this Loan Agreement.

(c) **Non-Litigation.** There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way: (1) the legal organization of the Borrower; (2) its boundaries; (3) the right or title of any of its officers to their respective offices; (4) the legality of any official act taken in connection with obtaining the Loan; (5) the constitutionality or validity of the indebtedness represented by the Loan Agreement; (6) any of the proceedings had in relation to the authorization or execution of this Loan Agreement; (7) the collection of Project Revenues; (8) the levy and collection of unlimited *ad valorem* taxes to pay the principal of and interest on the Loan; or (9) the ability of the Borrower to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(d) **Compliance with Existing Laws and Agreements.** To the best knowledge of the Borrower, the authorization, execution and delivery of this Loan Agreement by the Borrower, and the performance by the Borrower of its duties, covenants, obligations and agreements thereunder will not result in any breach of any existing law or agreement to which the Borrower is a party.

(e) **No Defaults.** No event has occurred and no condition exists that would constitute an Event of Default. The Borrower is not presently aware of any violation of any agreement which would materially adversely affect the ability of the Borrower to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(f) **Compliance with Law.** The Borrower has, to the best of the Authorized Borrower's Representative's knowledge:

(1) complied with all laws, ordinances, resolutions, governmental rules and regulations to which it is subject, whether or not contained in the Act or the Regulations, the failure to comply with which would materially adversely affect the ability of the Borrower to enter into this Loan Agreement or undertake or complete the Project; and

(2) obtained all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of its property which, if not obtained, would materially adversely affect the ability of the Borrower to complete the Project or operate the Project.

(g) **Use of Loan Proceeds.** The Borrower shall apply the proceeds of the Loan as described in *Exhibit A*: (1) to finance Project Costs; and (2) where applicable, to reimburse the Borrower for a portion of the Project Costs which was paid or incurred by the Borrower in anticipation of reimbursement pursuant to the Act, the Regulations and the Code.

(h) **Project Costs.** The Borrower certifies that the Project Costs specified in *Exhibit A*, are reasonable and accurate estimates, and, upon direction of KDOT, the Borrower agrees to deliver to KDOT a certificate from Borrower's consulting engineer stating that such Project Costs are reasonable and accurate estimates, taking into account investment income to be realized during the course of construction of the Project, if any, and other lawfully available money that would, absent the Loan, have been used to pay the Project Costs.

Section 3.02. Particular Covenants of the Borrower.

(a) **Dedicated Source of Revenue for Repayment of the Loan.** The Borrower hereby establishes the Dedicated Source of Revenue described on *Exhibit B* attached hereto, which Dedicated Source of Revenue is hereby pledged to the Loan Repayments, Additional Payments and all other obligations of the Borrower under this Loan Agreement.

(b) **Performance Under Loan Agreement.** The Borrower covenants and agrees in the performance of its obligations under this Loan Agreement:

(1) to comply with all applicable State and federal laws, rules and regulations (including, but not limited to the conditions set forth in the Conditions Applicable to Construction of the Project) as are applicable to this Loan Agreement; and

(2) to cooperate with KDOT in the observance and performance of the respective duties, covenants, obligations and agreements of the Borrower and KDOT under this Loan Agreement (including, without limitation the requirements contained in the Conditions Applicable to Construction of the Project).

(c) **Completion of Project and Provision of Moneys Therefore.** The Borrower covenants and agrees:

(1) to exercise its best efforts in accordance with prudent practice to complete the Project on or before the estimated Project completion date set forth in the Conditions Applicable to Construction of the Project; and

(2) to provide, from its own financial resources, all moneys, in excess of the total amount of proceeds it receives under the Loan, required to complete the Project.

(d) **Delivery of Documents and Payment of Fees.** Concurrently with the delivery of this Loan Agreement and the closing of the Loan, the Borrower will cause to be delivered to KDOT:

(1) copies of the Authorizing Document, certified by an Authorized Borrower Representative, and if applicable, an affidavit of publication thereof in the official newspaper of the Borrower;

(2) a Borrower's Counsel Opinion;

(3) payment of the Servicing Fee, if not included in the principal amount of the Loan;

and

(4) such other certificates, documents, opinions and information as KDOT may reasonably require.

(e) **Operation of the Project.** The Borrower covenants and agrees that it shall at all times operate the Project as a "public transportation project" in accordance with applicable laws and regulations;

(f) **Disposition of Project.** During the term of this Loan Agreement, the Borrower shall not sell, lease or otherwise transfer ownership of all or substantially all of the Project without the consent of the Secretary.

(g) **Financial Information.**

(1) The Borrower shall keep accurate records and accounts of its financial affairs prepared in accordance with State law. Such records and accounts shall be audited annually by an independent certified public accountant or firm of independent certified public accountants, in accordance with generally accepted auditing standards. A copy of the Borrower's annual audit, including all written comments and recommendations of such accountant, shall be furnished to KDOT within 210 days of the close of the Fiscal Year being so audited.

(2) The Borrower specifically agrees to provide to KDOT a reasonable number of copies of financial information and operating data of the Borrower to the extent necessary for KDOT to comply with its continuing disclosure obligations set forth in the SEC Rule and the

Pledge Agreement or to comply with reasonable requests from any Rating Agency that provides ratings on any series of Bonds. Any such requested financial information and operating data shall be supplied to KDOT within 210 days after the end of the Fiscal Year. Such requirement may be satisfied by submitting the Borrower's comprehensive annual financial report (CAFR), unless KDOT notifies the Borrower of the need for additional information. If an audit report is required to be prepared, but is not available within 210 days of the end of the Fiscal Year, unaudited financial information shall be provided to KDOT pending receipt of the audit report. In addition, the Borrower shall provide KDOT with prompt notification of the occurrence of certain material events. For purposes of this paragraph, "material event" shall mean: (a) principal and interest payment delinquencies on any Indebtedness; (b) non-payment related defaults in agreements authorizing any Indebtedness; (c) rating changes on any Indebtedness; (d) adverse tax opinions or events affecting the tax-exempt status of any Indebtedness; or (e) unscheduled draws on debt service reserves or credit enhancements on any Indebtedness reflecting financial difficulties.

(h) **Inspections.** The Borrower shall permit KDOT and any party designated by KDOT to examine, visit and inspect, at any and all reasonable times, the property constituting the Project, and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and shall supply such reports and information as KDOT may reasonably require in connection therewith.

(i) **Insurance.** The Borrower will carry general liability insurance in amounts not less than the maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the Kansas Tort Claims Act, K.S.A. 75-6101 *et seq.*, or other similar future law (currently \$500,000 per occurrence).

(j) **Notice of Material Adverse Change.** The Borrower shall promptly notify KDOT of any material adverse change in the activities, prospects or condition (financial or otherwise) of the Borrower, or in the ability of the Borrower to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(k) **Additional Covenants and Requirements.** The parties hereto acknowledge that this Loan Agreement may be assigned or pledged to secure Bonds or other financings of the Authority. Should it be necessary to modify any covenants or obtain or enhance the security of the Bonds or other financings, the parties agree to take all reasonable actions and make reasonable covenants and agreements necessary to accomplish such purpose to the extent permitted by applicable laws. The parties hereto acknowledge that in conjunction with the issuance of or providing security for any Bonds or other financings, KDOT reserves the right to obtain municipal bond insurance or any other form of credit enhancement with respect to this Loan Agreement. The Borrower acknowledges that the decision to obtain any such municipal bond insurance or other credit enhancement shall be at the sole discretion of KDOT and the Authority. The costs of obtaining such credit enhancement and related costs shall be borne by KDOT. The municipality shall cooperate with KDOT, the Authority and any provider of such credit enhancement with respect to furnishing financial information required by *subsection (g)* of this section, or any other relevant information or operating data of the System reasonably necessary to obtain such credit enhancement or comply with the provisions thereof on an ongoing basis so long as this Loan Agreement is in effect.

ARTICLE IV ASSIGNMENT

Section 4.01. Assignment and Transfer by KDOT. The Borrower hereby approves and consents to any assignment or transfer of this Loan Agreement that KDOT deems necessary in connection with the operation and administration of the Fund. The Borrower hereby specifically approves the assignment and pledge of the Loan Repayments and Additional Payments to the Authority, and the Authority's pledge of all or a portion of such payments to secure the Bonds.

Section 4.02. Assignment by the Borrower. This Loan Agreement may not be assigned by the Borrower for any reason, unless the following conditions shall be satisfied:

- (a) KDOT and the Authority shall have approved said assignment in writing;
- (b) the assignee is a Governmental Unit;
- (c) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Borrower's duties, covenants, and obligations under this Loan Agreement; *provided, however,* such assignment shall not relieve the Borrower of its duties, covenants, and obligations under this Loan Agreement;
- (d) the assignment will not adversely impact KDOT's ability to meet its duties, covenants and obligations to the Authority under the Pledge Agreement, nor may the sale endanger the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and
- (e) the Borrower shall, at its expense, provide KDOT and the Authority with an opinion of counsel that each of the conditions set forth in *subparagraphs (b), (c), and (d)* hereof have been met.

ARTICLE V DEFAULT AND REMEDIES

Section 5.01. Notice of Default. If an Event of Default shall have occurred and be continuing, the non-defaulting party shall give the other party and the Authority prompt telephonic notice of the Event of Default; *provided that,* KDOT may at its sole discretion give Borrower a notice of default as provided in this **Section 5.01** in the event of the failure of the Borrower to pay any Loan Repayment when due. Such telephonic notice shall be immediately followed by written notice of such Event of Default given in the manner set forth in **Section 6.01** hereof.

Section 5.02. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, KDOT or the Borrower shall have the right to take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and to become due or to enforce the performance and observance of any obligation or agreement of KDOT or the Borrower, including, without limitation, withholding remaining Loan disbursements, cancellation of the Loan Agreement and acceleration of the remaining scheduled principal payments set forth on **Exhibit B**, or such other remedies provided to the Secretary in the Act and the Regulations, specifically including the Secretary's ability to intercept all or a portion of the Borrower's share of the special city and county highway fund as may be necessary.

Section 5.03. Expenses.

(a) Upon the occurrence of an Event of Default on the part of the Borrower, and to the extent permitted by law, the Borrower shall, on demand, pay to KDOT the reasonable fees and expenses incurred by KDOT in the collection of Loan Repayments or any other sum due hereunder or in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of the Borrower contained herein. Prior to incurring any such expenses, KDOT shall provide written notice to the Borrower that it intends to incur such expenses; *provided, however,* a failure by KDOT to give such notice shall not affect KDOT's right to receive payment for such expenses. Upon request by the Borrower, KDOT shall provide copies of statements evidencing the fees and expenses for which KDOT is requesting payment.

(b) Upon the occurrence of an Event of Default on the part of KDOT, and to the extent permitted by law and availability of moneys in the Fund, KDOT shall, on demand, pay to the Borrower the reasonable fees and expenses incurred by the Borrower in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of KDOT contained herein. Prior to incurring any such expenses, the Borrower shall provide written notice to KDOT that it intends to incur

such expenses; *provided, however*, a failure by the Borrower to give such notice shall not affect the Borrower's right to receive payment for such expenses. Upon request by KDOT, the Borrower shall provide copies of statements evidencing the fees and expenses for which the Borrower is requesting payment.

Section 5.04. Application of Moneys. Any moneys collected by KDOT pursuant to **Section 5.02** and **5.03** hereof shall be applied: (a) first, to pay interest on the Loan as it becomes due and payable; (b) second, to pay principal due and payable on the Loan; (c) third, to pay expenses owed by the Borrower pursuant to **Section 5.03** hereof; and (d) fourth, to pay any other amounts due and payable hereunder as such amounts become due and payable.

Section 5.05. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the parties hereto is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. The parties hereto, in good faith, shall exercise such remedies with due diligence in a timely manner, however, no delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the parties hereto to exercise any remedy reserved to them in this **Article V**, it shall not be necessary to give any notice, other than such notice as may be required in this **Article V**.

Section 5.06. Retention of Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the parties hereto shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the defaulting party at law or in equity, as such party may, in its discretion, deem necessary to enforce the obligations of the defaulting party pursuant to this Loan Agreement.

ARTICLE VI MISCELLANEOUS

Section 6.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when: (a) hand delivered; (b) mailed by registered or certified United States mail, postage prepaid; or (c) via fax, with confirmation in the manner set forth below, to the parties hereinafter set forth at the following addresses:

(1) to KDOT:

Kansas Department of Transportation
700 SW Harrison Street
Topeka, Kansas 66612-3754
Attention: Director of Administration

with a copy to its General Counsel at the same address

(2) to the Authority:

Kansas Development Finance Authority
555 S. Kansas Avenue, Suite 202
Topeka, Kansas 66603
Attention: President,

with a copy to its General Counsel at the same address

- (3) to the Borrower:
at the address set forth on *Exhibit B*.

All notices given by electronic transmission, including fax, as aforesaid shall be deemed given as of the date of evidence of receipt thereof by the recipient. All notices given by registered or certified mail as aforesaid shall be deemed duly given as of the date they are so deposited in the United States Postal Service, if postage is prepaid. Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon KDOT and the Borrower and their respective successors and assigns.

Section 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the parties and the Authority.

Section 6.05. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.06. Governing Law and Regulations. This Loan Agreement shall be governed by and construed in accordance with the laws of the State, including the Act and the Regulations which Regulations are, by this reference thereto, incorporated herein as a part of this Loan Agreement.

Section 6.07. Consents and Approvals. Whenever the written consent or approval of the State shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Secretary.

Section 6.08. Further Assurances. The Borrower shall, at the request of KDOT, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be reasonably necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, KDOT and the Borrower have caused this Loan Agreement to be executed, sealed and delivered, effective as of effective date set forth above.

THE KANSAS DEPARTMENT OF TRANSPORTATION,
acting on behalf of THE STATE OF KANSAS
"KDOT"

[Seal]

By: _____
Deputy Secretary for Finance and Administration

THE CITY OF BASEHOR, KANSAS
"Borrower"

By: _____
Mayor

[Seal]

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM AND
LEGALITY.

Jonathan P. Small, Chtd.
Special Counsel to Kansas
Department of Transportation

Date: _____

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 1-01), which is attached hereto, are hereby incorporated in this contract and made a part thereof"

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being dated May 18, 2009.

1. **Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated.
2. **Agreement With Kansas Law:** All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Kansas.
3. **Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
4. **Disclaimer Of Liability:** Neither the State of Kansas nor any agency thereof shall hold harmless or indemnify any contractor beyond that liability incurred under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Parties to this contract understand that the provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting state agency cumulatively total \$5,000 or less during the fiscal year of such agency.
6. **Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation shall be allowed to find the State or any agency thereof has agreed to binding arbitration, or the payment of damages or penalties upon the occurrence of a contingency. Further, the State of Kansas shall not agree to pay attorney fees and late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect which attempts to exclude, modify, disclaim or otherwise attempt to limit implied warranties of merchantability and fitness for a particular purpose.
8. **Representative's Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The State of Kansas shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
10. **Insurance:** The State of Kansas shall not be required to purchase, any insurance against loss or damage to any personal property to which this contract relates, nor shall this contract require the State to establish a "self-insurance" fund to protect against any such loss of damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the vendor or lessor shall bear the risk of any loss or damage to any personal property in which vendor or lessor holds title.
11. **Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. **The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."

EXHIBIT A

To
Loan Agreement
Between
The Kansas Department of Transportation
Acting on behalf of
The State of Kansas
and
Basehor, Kansas

TRF PROJECT NO. TR 0125

DESCRIPTION OF THE PROJECT

“Wolf Creek Parkway between 150th and 153rd Street (2,060 lineal feet) new construction of two lane commercial street, asphaltic concrete, with center turn lane, sidewalks, street lights and storm sewer.

USE OF LOAN PROCEEDS

The proceeds of the Loan will be applied to pay \$1,500,000 of the following Project Costs of the Project with the balance being paid from funds lawfully available to the City for such purposes.

<u>Project Description</u>	<u>Approximate Cost</u>
1. CONSTRUCTION	\$1,408,092
2. RIGHT OF WAY AND UTILITIES	0.00
3. OTHER	0.00
4. CAPITALIZED INTEREST AND SERVICES FEE	63,562
5. ENGINEERING	<u>28,346</u>
Total	\$1,500,000

EXHIBIT B

To
Loan Agreement
Between
The Kansas Department of Transportation
Acting on behalf of
The State of Kansas
and
Basehor, Kansas

TRF PROJECT NO. TR 0125

Borrower's Notice Address:

Office of City Mayor
Basehor City Hall
2620 N. 155th Street
Basehor, KS 66007

Dedicated Source of Revenue:

By official action of the Governing Body of the City of Basehor, Kansas, taken in a duly called regular session of said Governing Body and identified in its Ordinance No. _____ adopted May 18, 2009, the dedicated source of revenue by which the City shall repay the principal and all interest which shall become due hereunder is described as follows:

“(a) the City of Basehor, Kansas, specifically dedicated sales tax receipts, (b) special assessments collected or to be collected from property benefited by the street improvements constructed with proceeds from the Loan, and (c) all assessments received for property lying within any transportation development district benefited by improvements constructed with proceeds from the Loan, all in an annual amount not less than the total amount due under the Loan Agreement for each year that the City shall be obligated to make such loan payments to KDOT under the Loan Agreement.”

Loan Repayment Schedule:

See attached *Exhibit B-2* which is incorporated by reference herein.

Loan Rate: **3.90%**

Servicing Fee:

.25% of the outstanding balance shall be charged the Borrower in addition to the interest rate charged as described herein. Said annual fee shall be paid at the time the principal and interest is to be paid.

The Borrower and KDOT have agreed that interest on the Loan during the construction period for the Project may be capitalized and repaid as a part of the Loan. KDOT shall give the Borrower written notice of each semiannual installment of interest becoming due during the construction period. At its option, the Borrower may elect to pay such amounts, and if Borrower so elects, Borrower shall pay such amounts not later than 5 days prior to the date specified in the notice from KDOT. If the Borrower does not pay such amounts by the date specified in the notice from KDOT, the amount then due and owing as semiannual interest on the Loan shall be capitalized and added to the principal amount of the Loan and shall bear interest at the rate of interest set forth in **Section 2.02** hereof.

EXHIBIT B

To
Loan Agreement
Between
The Kansas Department of Transportation
Acting on behalf of
The State of Kansas
and
Basehor, Kansas

TRF PROJECT NO. TR 0125

Semi-Annual Payments*					
<i>Pmt Date</i>	<i>Total Pmt</i>	<i>Principal</i>	<i>Interest</i>	<i>Fees</i>	<i>Annual Pmt</i>
2/1/2011	\$ 31,125.00	\$ -	\$ 29,250.00	\$ 1,875.00	
8/1/2011	84,542.86	53,417.86	29,250.00	1,875.00	\$ 115,667.86
2/1/2012	30,016.58	-	28,208.35	1,808.23	
8/1/2012	85,651.28	55,634.70	28,208.35	1,808.23	115,667.86
2/1/2013	28,862.16	-	27,123.48	1,738.68	
8/1/2013	86,805.70	57,943.54	27,123.48	1,738.68	115,667.86
2/1/2014	27,659.83	-	25,993.58	1,666.25	
8/1/2014	88,008.03	60,348.20	25,993.58	1,666.25	115,667.86
2/1/2015	26,407.61	-	24,816.79	1,590.82	
8/1/2015	89,260.25	62,852.64	24,816.79	1,590.82	115,667.86
2/1/2016	25,103.41	-	23,591.16	1,512.25	
8/1/2016	90,564.45	65,461.04	23,591.16	1,512.25	115,667.86
2/1/2017	23,745.10	-	22,314.67	1,430.43	
8/1/2017	91,922.76	68,177.66	22,314.67	1,430.43	115,667.86
2/1/2018	22,330.42	-	20,985.21	1,345.21	
8/1/2018	93,337.44	71,007.02	20,985.21	1,345.21	115,667.86
2/1/2019	20,857.02	-	19,600.57	1,256.45	
8/1/2019	94,810.84	73,953.82	19,600.57	1,256.45	115,667.86
2/1/2020	19,322.47	-	18,158.47	1,164.00	
8/1/2020	96,345.39	77,022.92	18,158.47	1,164.00	115,667.86
2/1/2021	17,724.25	-	16,656.52	1,067.73	
8/1/2021	97,943.61	80,219.36	16,656.52	1,067.73	115,667.86
2/1/2022	16,059.69	-	15,092.24	967.45	
8/1/2022	99,608.17	83,548.48	15,092.24	967.45	115,667.86
2/1/2023	14,326.07	-	13,463.05	863.02	
8/1/2023	101,341.79	87,015.72	13,463.05	863.02	115,667.86
2/1/2024	12,520.49	-	11,766.24	754.25	
8/1/2024	103,147.37	90,626.88	11,766.24	754.25	115,667.86
2/1/2025	10,639.98	-	9,999.02	640.96	
8/1/2025	105,027.88	94,387.90	9,999.02	640.96	115,667.86
2/1/2026	8,681.43	-	8,158.45	522.98	
8/1/2026	106,986.43	98,305.00	8,158.45	522.98	115,667.86
2/1/2027	6,641.61	-	6,241.51	400.10	
8/1/2027	109,026.25	102,384.64	6,241.51	400.10	115,667.86
2/1/2028	4,517.13	-	4,245.01	272.12	
8/1/2028	111,150.73	106,633.60	4,245.01	272.12	115,667.86
2/1/2029	2,304.47	-	2,165.65	138.82	
8/1/2029	113,363.49	111,059.02	2,165.65	138.82	115,667.96
	\$ 2,197,689.44	\$ 1,500,000.00	\$ 655,659.94	\$ 42,029.50	\$ 2,197,689.44

* All numbers are represented herein as U.S. Dollars.

KDOT FORM TRF 1

City of Basehor, Kansas, TRF Project No. TR 0125

CONDITIONS APPLICABLE TO CONSTRUCTION OF THE PROJECT

(To be attached to that certain Loan Agreement Dated May 18, 2009, between the City of Basehor, Kansas and the Kansas Department of Transportation)

The City of Basehor, Kansas (the "Borrower"), herewith acknowledges, states and covenants that the following conditions are intended to induce the Kansas Department of Transportation (the "KDOT") to enter into that certain Loan Agreement dated May 18, 2009 (the "Agreement") with the Borrower appertaining to what is referred to in said Agreement as "TRF Project No. TR 0125" (the "Project"), and which conditions are to be incorporated in said Agreement as though fully set forth therein and made a part thereof:

1. Borrower shall use a professional engineer (the "Licensed Engineer") licensed and permitted to do business in the state of Kansas (the "State") to design the Project in accordance with the then generally recognized and prevailing engineering standards and with the Federal and State laws and regulations applicable at the time of designing the Project and any and all revisions to said design.
2. The Borrower will have the Project inspected by an inspector as that term is defined at K.A.R. 36-40-01(i) and will ensure that said inspector shall provide Borrower and KDOT reasonable assurance that the Project is constructed in substantial conformity with the Project's plans and specifications including any and all permitted revisions thereto.
3. The Borrower will ensure that the Project will conform to its plans and specifications and any and all permitted revisions thereto.
4. The Borrower will ensure that the plans and specifications for the Project shall not be revised or deviated from without the written approval of the Project's designer.
5. The Borrower will ensure that all work performed and all materials furnished for the Project shall be in reasonably close conformity with the plans, specifications and revisions, which have been approved by the designer of the Project.
6. Borrower understands without reservation that "technical advice or assistance, or both, provided by the Kansas Secretary of Transportation (the "Secretary") to Borrower pursuant to K.S.A. 75-5068(c), and amendments thereto, shall not be construed as an undertaking by the Secretary of the duties of the Borrower or the Project's owner, or both, or the duties of any consultant, licensed engineer, or inspector hired by the Borrower or the Project's owner.
7. Borrower shall re-pay to the Secretary within thirty days of the receipt thereof all monies received by it from the United States Government for monies expended by Borrower for costs of the Project for which it has received monies under the Loan Agreement.
8. (a) Borrower shall provide the Secretary, when the approved project is opened to unrestricted travel, with the written statement of the recipient's Licensed Engineer indicating that, at the time of design, the plans, specifications, and any permitted revisions for the approved

Project followed the then-existing generally recognized and prevailing engineering standards and were in compliance with the applicable federal and State laws and regulations.

(b) Borrower shall provide the Secretary with the statement of the recipient's inspector indicating that the approved Project was constructed in reasonable conformity with its plans, specifications, and any permitted revisions, at each of the following times:

- (1) At the time when the Project is opened to unrestricted travel; and
- (2) at the time of the final acceptance by Borrower of the Project.

9. Borrower shall maintain an accounting system that segregates and accumulates project costs for the approved Project. Project costs may be reviewed or audited, or both, by the Secretary at any time during the construction of the approved project and after completion of the approved Project.

10. (a) Unless the Project is linked or subject to the conditions or requirements of a KDOT project, the Borrower agrees to expeditiously initiate and complete the Project in accordance with the following schedule:

- (1) Advertising for bids not later than thirty (30) days after the date of the Loan Agreement.
- (2) Bid opening within thirty (30) days of advertisement for bids.
- (3) Contract award within sixty (60) days of bid opening.
- (4) Issuance of notice to proceed within thirty (30) days of contract award.
- (5) Initiation of construction within sixty (60) days of notice to proceed.
- (6) Finalization of construction within one hundred-twenty (120) days of notice to proceed.

No change to this schedule may be implemented by the Borrower which will delay this schedule without prior approval of KDOT. KDOT must be promptly notified of any proposed changes.

(b) If the project is linked or subject to the conditions or requirements of a KDOT project, the Borrower shall initiate and complete the project in accordance with instructions delivered in writing to the Borrower by KDOT Bureau of Local Projects.

11. The Borrower shall follow applicable state procurement laws and regulations.

12. The Borrower hereby agrees to implement measures to mitigate all known adverse environmental effects of this Project.

13. Borrower will comply fully with Form DA-146a attached hereto and incorporated herein by reference.

KDOT FORM TRF 2

City of Basehor, Kansas, TRF Project No. TR 0125

INSTRUCTIONS FOR REQUESTING DISBURSEMENTS

**(To be attached to that certain Loan Agreement Dated May 18, 2009, between the
City of Basehor, Kansas and the Kansas Department of Transportation)**

1. All payment requests must be filed on a written detailed invoice signed by the Authorized Borrower Representative and shall represent the actual completion level of the Project at the date the request is prepared.
2. All cost entries must be based upon allowable work in place which is due and payable. This means that you may *not* request payment for:
 - a. Any work or services which have not been explicitly permitted in the Loan Agreement or subsequent amendments.
 - b. Any work performed under a change order unless written approval of the change order has been permitted in accordance with the Loan Agreement.
 - c. Any ineligible Project costs.
 - d. Any retainage which you are withholding from the construction contractor, engineer, etc.
 - e. Costs associated with the approval, preparation, issuance and sale of Bonds, and other costs incidental to normal operating overhead of a Borrower, whether performed by Borrower employees, an engineer, or attorney.

It is essential that you understand the cost basis of the approved Loan amount. It is, therefore, necessary that you read the Loan Agreement (including all conditions) and its transmittal letter, any Loan amendments and Project correspondence, and that you maintain current and accurate files on all change orders. Failure to follow these procedures may result in your requesting and subsequently receiving overpayment of loan funds which later may, in turn, result in substantial inconvenience to you and the Borrower. This could include repayment or crediting to KDOT the interest earned on overpaid funds, and any penalties that can result from this action.

3. Submit two original copies all documents requesting reimbursements with original signatures and one set of supporting documentation directly to:

Kansas Department of Transportation
Attention: Evelyn Fitzpatrick, Program Manager
Transportation Revolving Loan Fund
Eisenhower State Office Building, 7th Floor
700 SW Harrison St
Topeka, Kansas 66603

You should retain a copy of all documents submitted for your records.

4. The Authorized Borrower Representative identified in the Loan Agreement remains the principal contact for all Project matters until KDOT is appropriately notified otherwise.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

Nickie Lee

From: "Amber Watson" <awatson@nomb.com>
To: "Carl Slauch" <cityadm@cityofbasehor.org>; <nlee@cityofbasehor.org>; <cityclerk@cityofbasehor.org>
Cc: "Evelyn Fitzpatrick" <EvelynF@ksdot.org>; "Jonathan P. Small" <jpsmall@nomb.com>
Sent: Thursday, May 14, 2009 4:21 PM
Attach: KDOT TRF 0126 City Transmit ltr.pdf; KDOT TRF 0126 FORM TRF 1.pdf; KDOT TRF 0126 FORM TRF 2.pdf; KDOT TRF 0126 Loan Agmt Ex A.pdf; KDOT TRF 0126 Loan Agmt Ex B.pdf; KDOT TRF 0126 Loan Agreement.pdf; KDOT TRF 0126 Ordinance.pdf
Subject: TRF 0126 - Basehor (\$1,200,000)

For your review and comment, please find attached:

1. Transmittal Letter
2. Ordinance
3. Loan Agreement
4. Loan Agreement Exhibit A
5. Loan Agreement Exhibit B
6. TRF 1
7. TRF 2

Carefully review and advise should you have any questions, comments or concerns with what we have prepared. If all appears in order please execute as indicated on Transmittal Letter.

Thanks,
Amber Watson, Assistant
JONATHAN P. SMALL, CHARTERED
800 SW Jackson Street, Ste 808
Topeka, KS 66612
785-234-3686
785-234-3687 (fax)

LAW OFFICES
JONATHAN P. SMALL, CHARTERED
USBank Building
800 S.W. Jackson, Suite 808
Topeka, Kansas 66612-2220
Voice - 785/234-3686
Fax - 785/234-3687
Email - jpsmall@nomb.com

May 14, 2009

Carl E. Slaugh, City Administrator
Mary Mogle, City Clerk
City of Basehor
2620 N. 155th St.
Basehor, KS 66007

Re: TRF Project No. TR 0126 (\$1,200,000)
Basehor, Kansas
Kansas Department of Transportation
Transportation Revolving Loan Fund

Dear Mr. Slaugh and Ms. Mogle:

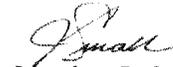
1. Based upon the City of Basehor's Application to the Department of Transportation, Joseph Erskine, Deputy Secretary for Finance and Administration for the Kansas Secretary of Transportation, has earlier advised the City by his letter dated April 7, 2009, that it has qualified to receive a loan from the Transportation Revolving Fund.
2. The Deputy Secretary's letter indicated that certain documents would be required to complete the loan process and loan obligation.
3. Please find enclosed for your consideration, comments and completion as indicated the following required documents which are in draft template form:
 - a. Governing Body Ordinance with Minute Excerpt;
 - b. Loan Agreement and Exhibits A and B and TRF Form 1 and TRF Form 2 and Form DA-146a;
4. It is our understanding that the Governing Body will review and take action on the Ordinance and Loan Agreement on May 18, 2009. Please fill in any blanks still in the documents (the ordinance number and the date of publication). **Three original signed copies of each need to be delivered to this office.** An Affidavit of Publication for the Ordinance will also need to be submitted to this office as soon as possible following publication.
5. A loan closing date will be established as soon as we received your Ordinance and Loan Agreement.

Carl E. Slaugh, City Administrator
Mary Mogle, City Clerk
City of Basehor
May 14, 2009
Page 2

6. Please carefully review the enclosed documents to ensure that they are accurate and complete.
Please advise should you have any questions.

Thank you for your assistance.

Very Truly Yours,
JONATHAN P. SMALL, Chartered



Jonathan P. Small
Special Counsel to
Kansas Department of Transportation

c: Evelyn Fitzpatrick, Program Manager

(Published in *Basehor Sentinel* on May _____, 2009)

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF BASEHOR, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF TRANSPORTATION FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS TRANSPORTATION REVOLVING FUND TO FINANCE A QUALIFIED TRANSPORTATION PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

WHEREAS, K.S.A. 75-5063 *et seq.* (the "Act") authorizes the Secretary of Transportation (the "Secretary") of the State of Kansas (the "State") to establish a transportation revolving fund to provide assistance to governmental units for Transportation Projects; and

WHEREAS, in accordance with the Act, the Secretary has established within the State treasury, the Kansas Transportation Revolving Fund (the "Fund"); and

WHEREAS, in accordance with the Act, the Secretary has promulgated administrative regulations K.A.R. 36-40-1 *et seq.* (the "Regulations") for implementation of the Fund; and

WHEREAS, the Secretary and the Kansas Development Finance Authority (the "Authority") have entered or will enter into a Master Pledge Agreement, as the same may be amended and supplemented from time to time (the "Pledge Agreement") pursuant to which KDOT agrees to enter into loan agreements with governmental units for the financing of Costs of certain transportation projects as defined in the Act, and to pledge the loan repayments received pursuant to such loan agreements to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905 and the Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to enhance the Fund's ability to provide financial assistance to governmental units under the Act; and

WHEREAS, The City of Basehor, Kansas (the "Borrower"), is a Governmental Unit as said term is defined in the Act; and

WHEREAS, pursuant to the Act, the Borrower has submitted an application to KDOT to obtain a loan from the Fund to finance the costs of a Transportation Project described particularly in that certain loan agreement between the Borrower and KDOT to be dated May 18, 2009, in substantially that form as submitted to the Governing Body this date (the "Loan Agreement"), as TRF Project No. TR 0126 (the "Project"); and

WHEREAS, the Project is a Qualified Project as said term is defined in the Act; and

WHEREAS, the Borrower has taken all steps necessary and has complied with the provisions of the Act and the Regulations necessary to qualify for the loan; and

WHEREAS, KDOT has informed the Borrower that it has been approved for a loan in amount of not to exceed \$1,200,000 (the "Loan") in order to finance all or a portion of the Project Costs;

WHEREAS, the governing body of the Borrower hereby finds and determines that it is necessary and desirable to accept the Loan and to enter into the Loan Agreement and to complete and execute certain other documents relating thereto, and to take certain actions required in order to implement the Loan Agreement; and

WHEREAS, the Borrower agrees it will not use any portion of the loan proceeds including any investment earnings on such proceeds directly or indirectly in a manner that would meet the "private activity bond" tests within the meaning of Code § 141.

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

Section 1. Authorization of Loan Agreement. The Borrower is hereby authorized to accept the Loan and to enter into the Loan Agreement, with an effective date of May 18, 2009, with the State of Kansas acting by and through the Kansas Department of Transportation to finance the Project Costs (as defined in the Loan Agreement). The Mayor of the City (the "Mayor") and City Clerk are hereby authorized to execute the Loan Agreement in substantially the form presented to the governing body this date, with such changes or modifications thereto as may be approved by the Mayor and the Borrower's legal counsel, the Mayor's execution of the Loan Agreement being conclusive evidence of such approval.

Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan. Pursuant to the Act, the Borrower hereby establishes a dedicated source of revenue for repayment of the Loan, which dedicated source is described as follows: (a) the City of Basehor, Kansas, specifically dedicated sales tax receipts, (b) special assessments collected or to be collected from property benefited by the street improvements constructed with proceeds from the Loan, and (c) all assessments received for property lying within any transportation development district benefited by improvements constructed with proceeds from the Loan, all in an annual amount not less than the total amount due under the Loan Agreement for each year that the City shall be obligated to make such loan payments to KDOT under the Loan Agreement. In addition thereto, the Borrower shall levy ad valorem taxes without limitation as to rate or amount upon all the taxable tangible property, real or personal, within the territorial limits of the Borrower to produce the amounts necessary for the prompt payment of the obligations under the Loan and Loan Agreement. In accordance with the Act, the obligations under the Loan and the Loan Agreement shall constitute "bonds" for purposes of K.S.A. 10-1116 and K.S.A. 79-5028, and not be included within any limitation on the bonded indebtedness of the Borrower.

Section 3. Further Authority. The Mayor, City Clerk and other officials and legal counsel of the Borrower are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 4. Governing Law. This Ordinance and the Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

Section 5. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption by the governing body and publication in the official city newspaper.

PASSED by the governing body of the City of Basehor, Kansas on May 18, 2009, and approved by the Mayor.

(SEAL)

Terry Hill, Mayor

ATTEST:

Mary Mogle, City Clerk

APPROVED AS TO FORM AND LEGALITY

Patrick Reavey, City Legal Counsel

EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF BASEHOR, KANSAS,
HELD ON MAY 18, 2009.

The Governing Body met in [regular/special] session at the City Governing Body chambers in City Hall, at _____, the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

Thereupon, there was presented an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF BASEHOR, KANSAS, AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF TRANSPORTATION FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS TRANSPORTATION REVOLVING FUND TO FINANCE A QUALIFIED TRANSPORTATION PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.

Thereupon, _____ moved that said Ordinance be adopted. The motion was seconded by _____. Said document was duly read and considered, and upon being put, the motion for the said adoption of said Ordinance was carried by the vote of the Governing Body, the vote being as follows:

Yes: _____.

No: _____.

Thereupon, the Mayor declared said Ordinance duly adopted and was then duly numbered No. _____, and was signed by the Mayor and attested by the City Clerk

(Other Proceedings)

On motion duly made, seconded and carried, the meeting thereupon adjourned.

(SEAL)

Mary Mogle, City Clerk

LOAN AGREEMENT

Between

**THE KANSAS DEPARTMENT OF TRANSPORTATION
ACTING ON BEHALF OF
THE STATE OF KANSAS**

and

BASEHOR, KANSAS

TRF PROJECT NO. TR 0126

EFFECTIVE AS OF MAY 18, 2009

The interest of the Kansas Department of Transportation in the Loan Repayments to be made by the Borrower under this Loan Agreement and certain other revenues have been pledged and assigned to the Kansas Development Finance Authority pursuant to a Master Pledge Agreement between KDOT and the Authority. The interest of the Authority in the Revenues has been pledged as security for the payment of the principal of, redemption premium, if any, and interest on the Authority's Kansas Transportation Revolving Fund Revenue Bonds, pursuant to a Master Bond Resolution adopted by the Authority.

LOAN AGREEMENT

Table of Contents

Recitals	1
ARTICLE I DEFINITIONS	
Section 1.01. Definitions	1
Section 1.02. Rules of Interpretation	5
ARTICLE II LOAN TERMS	
Section 2.01 Amount of the Loan	5
Section 2.02 Interest Rate	5
Section 2.03 Disbursement of Loan Proceeds	5
Section 2.04. Schedule of Compliance; Completion of Project	6
Section 2.05. Repayment of the Loan	6
Section 2.06 Additional Payments	7
ARTICLE III REPRESENTATIONS AND COVENANTS OF BORROWER	
Section 3.01. Representations of the Borrower	7
Section 3.02. Particular Covenants of the Borrower	8
ARTICLE IV ASSIGNMENT	
Section 4.01. Assignment and transfer by KDOT	10
Section 4.02. Assignment by the Borrower	11
ARTICLE V DEFAULT AND REMEDIES	
Section 5.01. Notice of Default	11
Section 5.02. Remedies on Default	11
Section 5.03. Expenses	11
Section 5.04. Application of Moneys	12
Section 5.05. No Remedy Exclusive; Waiver; Notice	12
Section 5.06. Retention of KDOT's Rights	12
ARTICLE VI MISCELLANEOUS	
Section 6.01. Notices	12
Section 6.02. Binding Effect	13
Section 6.03. Severability	13
Section 6.04. Amendments, Supplements and Modifications	13
Section 6.05. Execution in Counterparts	13
Section 6.06. Governing Law and Regulations	13
Section 6.07. Consents and Approvals	13
Section 6.08. Further Assurances	13
Signatures and Seal	14
Exhibit A -	Description of the Project; Use of Loan Proceeds
Exhibit B -	Borrower's Notice Address, Dedicated Source of Revenue and Loan Repayment Schedule
DA Form 146a	
Referenced Documents:	
KDOT Form TRF 1	Conditions Applicable to Construction of Project
KDOT Form TRF 2	- Instructions for Requesting Loan Payments
KDOT Form TRF 3b	- Form of Borrower Authorizing Document - City Ordinance
KDOT Form TRF 4	- Form of Legal Opinion of Borrower's Counsel
KDOT Form TRF DA 146a	Kansas Department of Administration, Contractual Provisions Attachment

**KANSAS TRANSPORTATION REVOLVING FUND
LOAN AGREEMENT**

THIS LOAN AGREEMENT, effective as of May 18, 2009, by and between the **KANSAS DEPARTMENT OF TRANSPORTATION**, acting on behalf of **THE STATE OF KANSAS**, and **THE CITY OF BASEHOR, KANSAS**, a "Governmental Unit" as defined in the Act, hereinafter referenced as the "Borrower."

WITNESSETH:

WHEREAS, the Act authorizes the Secretary to establish a transportation revolving fund to provide assistance to governmental units for Transportation Projects; and

WHEREAS, pursuant to the Act, by resolution, the Secretary has established within the State treasury, the Kansas Transportation Revolving Fund; and

WHEREAS, in accordance with the Act, the Secretary has promulgated administrative regulations K.A.R. 36-40-1 through 36-40-9 for implementation of the Fund; and

WHEREAS, the Secretary and the Kansas Development Finance Authority have entered into an InterAgency Agreement dated as of August 1, 2004, to define the cooperative relationship between KDOT and the Authority to jointly administer certain provisions of the Act; and

WHEREAS, the Authority and KDOT have supplemented the Inter-Agency Agreement by entering into the Pledge Agreement pursuant to which KDOT agrees to enter into loan agreements with Governmental Units for the financing of costs of Qualified Projects and to pledge the Loan Repayments received pursuant to such Loan Agreements and other revenues and /or funds to the Authority; and

WHEREAS, the Authority is authorized under K.S.A. 74-8905 and the Act to issue Bonds for the purpose of providing funds to enhance the Fund's ability to provide financial assistance to Governmental Units under the Act; and

WHEREAS, the Borrower has made timely application to KDOT for the Loan to finance all or a portion of the Project Costs which application satisfies the requirements of the Act and applicable Regulations; and

WHEREAS, KDOT has approved the Borrower's application for the Loan, subject to the availability of moneys in the Fund, including proceeds of the Bonds when issued by the Authority.

NOW, THEREFORE, for and in consideration of the Loan, the Borrower agrees to complete the Project and to satisfy the conditions, covenants and procedures set forth in this Loan Agreement, as follows:

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions. Unless the context clearly requires otherwise, the following terms as used in this Loan Agreement shall have the following meanings:

"Act" means the Constitution and laws of the State of Kansas, including particularly K.S.A. 75-5063 *et seq.*, as amended and supplemented, and the Regulations.

"Additional Payments" means the payments described in **Section 2.06** hereof

"Authority" means the Kansas Development Finance Authority, a public body politic and corporate and an independent instrumentality of the State, and its successors and assigns.

"Authorized Borrower Representative" means any person authorized pursuant to a resolution of the governing body of the Borrower to perform any act or execute any document relating to the Loan, or this Loan Agreement.

"Authorizing Document" means (a) with respect to a city, an ordinance, or (b) with respect to other Governmental Units, a resolution, in each case adopted by the governing body of the Governmental Unit authorizing the execution of this Loan Agreement substantially in the form set forth in KDOT Form TRF 3b Borrower's Authorizing Document, which is incorporated herein by reference.

"Bonds" means the Kansas Development Finance Authority, Kansas Transportation Revolving Fund Revenue Bonds, issued in one or more series, pursuant to the Master Bond Resolution.

"Borrower" means the City of Basehor, Kansas, its successors and assigns.

"Borrower's Counsel Opinion" means an opinion of legal counsel to the Borrower in substantially the form set forth in KDOT Form TRF 4 - Form of Opinion of Borrower's Counsel, which is incorporated herein by reference.

"Code" means the Internal Revenue Code of 1986, and amendments thereto, and any applicable regulations thereunder promulgated by the Department of the Treasury.

"Conditions Applicable to Construction of the Project" shall mean those conditions set forth in KDOT Form TRF I - Conditions Applicable to Construction of the Project, which are incorporated herein by reference.

"Dedicated Source of Revenue" shall have the meaning set forth in *Exhibit B* attached hereto.

"Event of Default" means any occurrence of the following events:

(a) failure by the Borrower to pay, or cause to be paid, any Loan Repayment required to be paid hereunder when due;

(b) failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, except as specified in paragraph (a) above, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure, is given to the Borrower by KDOT, unless KDOT shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in such notice is correctable but cannot be corrected within the applicable period KDOT may not unreasonably withhold its consent to an extension of such time up to ninety (90) days from the delivery of the written notice referred to above if corrective action is instituted by the Borrower within the applicable period and diligently pursued until such failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement is corrected;

(c) failure by the KDOT to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Agreement which shall continue for a period of thirty (30) days after written notice, specifying such failure, is given to KDOT by the Borrower, unless the Borrower shall agree in writing to an extension of such time prior to its expiration; *provided, however*, if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Borrower may not unreasonably withhold its consent to an extension of such time up to ninety (90) days from the delivery of the written notice referred to above if corrective action is instituted by KDOT within the applicable period and diligently pursued until such failure by KDOT to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement is corrected;

(d) any representation made by or on behalf of the Borrower contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is intentionally false or misleading in any material respect;

(e) any representation made by or on behalf of KDOT contained in this Agreement, or in any instrument furnished in compliance with or with reference to this Agreement, is intentionally false or misleading in any material respect;

(f) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal;

(g) the Borrower shall generally fail to pay its debts as such debts become due;

(h) failure of KDOT to disburse any Project Costs when reasonably requested to do so by the Borrower pursuant to **Section 2.03** hereof.

"Fiscal Year" means the twelve-month period ending on December 31 of each year.

"Fund" means the Kansas Transportation Revolving Fund established by the Act.

"GAAP" means generally accepted accounting principles as applicable to Governmental Units.

"Governmental Unit" means any town, city, district, county, commission, agency, authority, board or other instrumentality of the State or of any of its political subdivisions, including any combination thereof, which is responsible for the construction, ownership or operation of a Qualified Project.

"Indebtedness" means any financial obligation of the Borrower evidenced by an instrument executed by the Borrower, including this Loan, bonds or notes, lease or lease-purchase agreement or similar financial transactions.

"Instructions for Requesting Loan Payments" shall mean the information set forth in KDOT Form TRF 2 -Instructions for Requesting Loan Payments, which are incorporated herein by reference

"Interagency Agreement" means the Inter-Agency Agreement dated as of August 1, 2004, between KDOT and the Authority relating to the joint administration of certain provisions of the Act.

"KDOT" means the Kansas Department of Transportation, or its successors in interest.

"Loan" means the loan made by KDOT to the Borrower to finance or refinance all or a portion of the Project Costs pursuant to this Loan Agreement.

"Loan Agreement" means this Loan Agreement, including the Exhibits attached hereto and documents incorporated herein by reference, as supplemented, modified or amended from time to time in accordance with the terms hereof, and shall also mean "Financial Assistance Agreement" as such term is defined at K.A.R. 36-40-1(f).

"Loan Rate" means the interest rate per annum set forth in *Exhibit B* attached hereto, and incorporated herein by reference.

"Loan Repayments" means the payments payable by the Borrower pursuant to **Section 2.05** of this Loan Agreement.

"Loan Repayment Schedules" means the scheduled payments on the Loan set forth on *Exhibit B* attached hereto and incorporated herein by reference.

"Master Bond Resolution" means Master Bond Resolution to be adopted by the Authority authorizing the issuance of the Bonds, and any amendments and supplements thereto.

"Pledge Agreement" means the Master Pledge Agreement between the Authority and KDOT, dated as of August 1, 2004, and any agreement or agreements amendatory or supplemental thereto.

"Project" means the acquisition, construction, improvement, repair, rehabilitation, maintenance or extension of the transportation facilities described in *Exhibit A* attached hereto for which KDOT is making the Loan to the Borrower pursuant to this Loan Agreement and shall also mean "Approved Project" as such term is defined at K.A.R. 36-40- 1 (c).

"Project Costs" means all costs or expenses which are necessary or incident to the Project and which are directly attributable thereto, including, but not limited to: (a) costs of any Loan reserves; (b) interest on the Loan during the construction of the Project; (c) principal of and interest on any financing obligations issued by the Borrower to pay Project Costs; and (d) financing and administrative costs associated with the Loan Agreement.

"Project Revenues" means all rates, rents, fees, assessments, charges and other receipts, if any, derived or to be derived by the Borrower from the Project.

"Qualified Borrower" means any governmental unit or private enterprise which is authorized to construct, operate or own a Qualified Project.

"Qualified Project" means any public or private Transportation Project, including, without limitation, the construction, reconstruction, resurfacing, restoration, rehabilitation or replacement of public or private transportation facilities within the State.

"Rating Agency" means Moody's Investors Service, Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Fitch Investors Service, Inc., and any other nationally recognized securities rating agency designated by the Authority.

"Regulations" means Kansas Administrative Regulations (K.A.R.) 36-40-1 to 36-40-9, and any amendments thereto promulgated by KDOT pursuant to the Act.

"SEC Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time or such other similar rule regarding disclosure of information in securities transactions.

"Secretary" means the Secretary of KDOT.

"Servicing Fee" means an annual fee of .25% of the outstanding balance shall be charged the Borrower in addition to the interest rate charged as described herein. Said annual fee shall be paid at the time the principal and interest is to be paid.

"State" means the State of Kansas, acting, unless otherwise specifically indicated, by and through KDOT, and its successors and assigns.

"Revenues" means, when used with respect to KDOT, any receipts, fees, revenues or other payments received or to be received by KDOT under the Act.

"Transportation Project" means any bridge, culvert, highway, road, street or combination thereof.

Section 1.02. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(c) All references in this Loan Agreement to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this Loan Agreement as originally executed. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(d) The Table of Contents and the Article and Section headings of this Loan Agreement shall not be treated as a part of this Loan Agreement or as affecting the true meaning of the provisions hereof.

ARTICLE II LOAN TERMS

Section 2.01. Amount of the Loan. Subject to all of the terms, provisions and conditions of this Loan Agreement, and subject to the availability of funds, including proceeds of Bonds, KDOT hereby agrees to loan an amount not to exceed \$1,200,000 to the Borrower to pay all or a portion of the Project Costs of the Project described in *Exhibit A* hereto. The final actual amount of the Loan may be reduced without revision of any other terms, provisions or conditions of this Loan Agreement, other than the Loan Repayment Schedule, to reflect reductions in the total Project Costs as a result of actual bids for construction, change orders, final actual costs, and prepayments. The Borrower shall be responsible for any costs incurred by the Borrower in connection with the Project in excess of the amount of the Loan. Any amendment to *Exhibit B* shall be effected by written amendment to this Loan Agreement executed by all parties.

Section 2.02. Interest Rate. The Loan shall bear interest at the Loan Rate, per annum, based on the unpaid principal balance as set forth in the Loan Repayment Schedule. This Loan Rate consists of a net loan interest rate and a service fee as described in *Exhibit B*. The gross interest rate on the Loan shall not change in the event of a change in the final actual amount of the Loan.

Section 2.03. Disbursement of Loan Proceeds.

(a) Subject to the conditions described in this Section, KDOT agrees to disburse the proceeds of the Loan to pay Project Costs. Requests for disbursement shall be submitted to KDOT by the Borrower not more than once per month, in accordance with the Instructions for Requesting Loan Payments. Any request for disbursement must be supported by proper invoices and a certificate of the Authorized Borrower Representative to the effect that all representations made in this Loan Agreement remain true as of the date of the request and, based upon the information then available to such Authorized Borrower Representative, no developments adversely affecting the financial condition of the Borrower or its ability to complete the Project or to repay the Loan have occurred.

The Borrower may request disbursement for the following Project Costs:

(1) any eligible planning/design costs incurred prior to execution of this Loan Agreement (initial disbursement request only);

(2) disbursement for eligible Project Costs if such Project Costs have been incurred and are due and payable to Project contractors (actual payment of such Project Costs by the Borrower is not required as a condition of the payment request); or

(3) interest becoming due on the Loan prior to the initial scheduled payment of principal;

(4) the amount of the Loan Origination Fee, if not paid from Borrower funds; and

(5) the principal of and interest on any temporary financing obligations issued by the Borrower to pay Project Costs.

(b) KDOT shall not be under any obligation to disburse any Loan proceeds to the Borrower under this Loan Agreement unless:

(1) there are moneys available in the Fund to fund the Loan, as determined solely by KDOT;

(2) the Borrower shall certify to KDOT that it has funds available to pay for that portion of the Project Costs, if any, not eligible pursuant to the Act to be funded under this Loan Agreement;

(3) no Event of Default by the Borrower shall have occurred and be continuing; and

(4) the Borrower continues to make reasonable progress towards completion of the Project.

(5) the Borrower has and will at all times comply with the "Conditions Applicable to Construction of Project," as provided at KDOT Form TRF 1 and Form DA-146a, attached hereto and incorporated herein by reference.

Section 2.04. Schedule of Compliance; Completion of Project.

(a) The Borrower agrees to complete the Project in accordance with the Conditions Applicable to Construction of the Project.

(b) The completion of the construction of the Project shall be evidenced to KDOT by a certificate signed by the Authorized Borrower Representative stating that: (1) the construction of the Project has been completed in accordance with the Conditions Applicable to Construction of the Project; and (2) all Project Costs have been paid, except Project Costs the payment of which is not yet due or is being retained or contested in good faith by the Borrower. Such certificate shall be given not later than the date established by KDOT, which shall be approximately the date that the Project is capable of being placed into operation by the Borrower. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 2.05. Repayment of the Loan.

(a) **Loan Repayments.** The Borrower shall pay to KDOT, on or before the due dates, installments of principal and interest on the Loan in accordance with *Exhibit B* attached hereto, until the Loan has been paid in full. Installments of principal and interest on the Loan shall be computed and paid in accordance with the Loan Repayment Schedule on *Exhibit B* as in effect at any time under this Loan Agreement. Notwithstanding any other provision of this Loan Agreement, the first payment of principal and interest due on the Loan shall be made on the earliest to occur of the date which is (1) two years after receipt by the Borrower of the first disbursement under the Loan or (2) one year after the Project

completion certificate described at **Section 2.04(b)** is delivered to KDOT. The final installment of principal under the Loan shall be fully repaid not later than 20 years after Project completion.

(b) **Prepayment of the Loan.** The Borrower may prepay the outstanding principal of the Loan, in whole, or in part, at any time, without penalty, upon giving sixty (60) days written notice to KDOT of its intent to so prepay. A new **Exhibit B** will be prepared by KDOT following receipt of any acceptable partial prepayment, reamortizing the remaining principal amount over the remaining term of the Loan.

Section 2.06. Additional Payments. The Borrower shall pay as Additional Payments the following amounts:

- (a) The Servicing Fee if not paid from proceeds of the Loan.
- (b) Any amounts required to be paid by the Authority to the United States of America as arbitrage rebate, arising due to the Borrower's failure to expend proceeds of the Loan at the times certified to KDOT by the Borrower, that result in arbitrage rebate liability for the Authority, but only to the extent that the funds in the Rebate Fund established by the Master Bond Resolution are insufficient to make such payments; and.
- (c) All other payments of whatever nature which the Borrower has agreed to pay or assume hereunder.

ARTICLE III REPRESENTATIONS AND COVENANTS OF BORROWER

Section 3.01. Representations of the Borrower. The Borrower makes the following representations:

(a) **Organization and Authority.**

(1) The Borrower is a Governmental Unit duly created and validly existing under and pursuant to the constitution and statutes of the State and is a Qualified Borrower;

(2) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain the Project, to carry on its activities relating thereto, to execute and deliver this Loan Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Loan Agreement;

(3) The Authorizing Document and other proceedings of the Borrower's governing body approving this Loan Agreement and authorizing its execution, issuance and delivery on behalf of the Borrower, and authorizing the Borrower to undertake and complete the Project have been duly and lawfully adopted;

(4) The Project constitutes a Qualified Project; and

(5) This Loan Agreement has been duly authorized, executed and delivered on behalf of the Borrower, and, constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(b) **Full Disclosure.** To the best knowledge of the Borrower, there is no fact that the Borrower has not disclosed to KDOT in writing on the Borrower's application for the Loan or otherwise that materially adversely affects or that will materially adversely affect the Project, or the ability of the Borrower to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreement under this Loan Agreement.

(c) **Non-Litigation.** There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way: (1) the legal organization of the Borrower; (2) its boundaries; (3) the right or title of any of its officers to their respective offices; (4) the legality of any official act taken in connection with obtaining the Loan; (5) the constitutionality or validity of the indebtedness represented by the Loan Agreement; (6) any of the proceedings had in relation to the authorization or execution of this Loan Agreement; (7) the collection of Project Revenues; (8) the levy and collection of unlimited *ad valorem* taxes to pay the principal of and interest on the Loan; or (9) the ability of the Borrower to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(d) **Compliance with Existing Laws and Agreements.** To the best knowledge of the Borrower, the authorization, execution and delivery of this Loan Agreement by the Borrower, and the performance by the Borrower of its duties, covenants, obligations and agreements thereunder will not result in any breach of any existing law or agreement to which the Borrower is a party.

(e) **No Defaults.** No event has occurred and no condition exists that would constitute an Event of Default. The Borrower is not presently aware of any violation of any agreement which would materially adversely affect the ability of the Borrower to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(f) **Compliance with Law.** The Borrower has, to the best of the Authorized Borrower's Representative's knowledge:

(1) complied with all laws, ordinances, resolutions, governmental rules and regulations to which it is subject, whether or not contained in the Act or the Regulations, the failure to comply with which would materially adversely affect the ability of the Borrower to enter into this Loan Agreement or undertake or complete the Project; and

(2) obtained all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of its property which, if not obtained, would materially adversely affect the ability of the Borrower to complete the Project or operate the Project.

(g) **Use of Loan Proceeds.** The Borrower shall apply the proceeds of the Loan as described in *Exhibit A*: (1) to finance Project Costs; and (2) where applicable, to reimburse the Borrower for a portion of the Project Costs which was paid or incurred by the Borrower in anticipation of reimbursement pursuant to the Act, the Regulations and the Code.

(h) **Project Costs.** The Borrower certifies that the Project Costs specified in *Exhibit A*, are reasonable and accurate estimates, and, upon direction of KDOT, the Borrower agrees to deliver to KDOT a certificate from Borrower's consulting engineer stating that such Project Costs are reasonable and accurate estimates, taking into account investment income to be realized during the course of construction of the Project, if any, and other lawfully available money that would, absent the Loan, have been used to pay the Project Costs.

Section 3.02. Particular Covenants of the Borrower.

(a) **Dedicated Source of Revenue for Repayment of the Loan.** The Borrower hereby establishes the Dedicated Source of Revenue described on *Exhibit B* attached hereto, which Dedicated Source of Revenue is hereby pledged to the Loan Repayments, Additional Payments and all other obligations of the Borrower under this Loan Agreement.

(b) **Performance Under Loan Agreement.** The Borrower covenants and agrees in the performance of its obligations under this Loan Agreement:

(1) to comply with all applicable State and federal laws, rules and regulations (including, but not limited to the conditions set forth in the Conditions Applicable to Construction of the Project) as are applicable to this Loan Agreement; and

(2) to cooperate with KDOT in the observance and performance of the respective duties, covenants, obligations and agreements of the Borrower and KDOT under this Loan Agreement (including, without limitation the requirements contained in the Conditions Applicable to Construction of the Project).

(c) **Completion of Project and Provision of Moneys Therefore.** The Borrower covenants and agrees:

(1) to exercise its best efforts in accordance with prudent practice to complete the Project on or before the estimated Project completion date set forth in the Conditions Applicable to Construction of the Project; and

(2) to provide, from its own financial resources, all moneys, in excess of the total amount of proceeds it receives under the Loan, required to complete the Project.

(d) **Delivery of Documents and Payment of Fees.** Concurrently with the delivery of this Loan Agreement and the closing of the Loan, the Borrower will cause to be delivered to KDOT:

(1) copies of the Authorizing Document, certified by an Authorized Borrower Representative, and if applicable, an affidavit of publication thereof in the official newspaper of the Borrower;

(2) a Borrower's Counsel Opinion;

(3) payment of the Servicing Fee, if not included in the principal amount of the Loan;

and

(4) such other certificates, documents, opinions and information as KDOT may reasonably require.

(e) **Operation of the Project.** The Borrower covenants and agrees that it shall at all times operate the Project as a "public transportation project" in accordance with applicable laws and regulations;

(f) **Disposition of Project.** During the term of this Loan Agreement, the Borrower shall not sell, lease or otherwise transfer ownership of all or substantially all of the Project without the consent of the Secretary.

(g) **Financial Information.**

(1) The Borrower shall keep accurate records and accounts of its financial affairs prepared in accordance with State law. Such records and accounts shall be audited annually by an independent certified public accountant or firm of independent certified public accountants, in accordance with generally accepted auditing standards. A copy of the Borrower's annual audit, including all written comments and recommendations of such accountant, shall be furnished to KDOT within 210 days of the close of the Fiscal Year being so audited.

(2) The Borrower specifically agrees to provide to KDOT a reasonable number of copies of financial information and operating data of the Borrower to the extent necessary for KDOT to comply with its continuing disclosure obligations set forth in the SEC Rule and the

Pledge Agreement or to comply with reasonable requests from any Rating Agency that provides ratings on any series of Bonds. Any such requested financial information and operating data shall be supplied to KDOT within 210 days after the end of the Fiscal Year. Such requirement may be satisfied by submitting the Borrower's comprehensive annual financial report (CAFR), unless KDOT notifies the Borrower of the need for additional information. If an audit report is required to be prepared, but is not available within 210 days of the end of the Fiscal Year, unaudited financial information shall be provided to KDOT pending receipt of the audit report. In addition, the Borrower shall provide KDOT with prompt notification of the occurrence of certain material events. For purposes of this paragraph, "material event" shall mean: (a) principal and interest payment delinquencies on any Indebtedness; (b) non-payment related defaults in agreements authorizing any Indebtedness; (c) rating changes on any Indebtedness; (d) adverse tax opinions or events affecting the tax-exempt status of any Indebtedness; or (e) unscheduled draws on debt service reserves or credit enhancements on any Indebtedness reflecting financial difficulties.

(h) **Inspections.** The Borrower shall permit KDOT and any party designated by KDOT to examine, visit and inspect, at any and all reasonable times, the property constituting the Project, and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and shall supply such reports and information as KDOT may reasonably require in connection therewith.

(i) **Insurance.** The Borrower will carry general liability insurance in amounts not less than the maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the Kansas Tort Claims Act, K.S.A. 75-6101 *et seq.*, or other similar future law (currently \$500,000 per occurrence).

(j) **Notice of Material Adverse Change.** The Borrower shall promptly notify KDOT of any material adverse change in the activities, prospects or condition (financial or otherwise) of the Borrower, or in the ability of the Borrower to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(k) **Additional Covenants and Requirements.** The parties hereto acknowledge that this Loan Agreement may be assigned or pledged to secure Bonds or other financings of the Authority. Should it be necessary to modify any covenants or obtain or enhance the security of the Bonds or other financings, the parties agree to take all reasonable actions and make reasonable covenants and agreements necessary to accomplish such purpose to the extent permitted by applicable laws. The parties hereto acknowledge that in conjunction with the issuance of or providing security for any Bonds or other financings, KDOT reserves the right to obtain municipal bond insurance or any other form of credit enhancement with respect to this Loan Agreement. The Borrower acknowledges that the decision to obtain any such municipal bond insurance or other credit enhancement shall be at the sole discretion of KDOT and the Authority. The costs of obtaining such credit enhancement and related costs shall be borne by KDOT. The municipality shall cooperate with KDOT, the Authority and any provider of such credit enhancement with respect to furnishing financial information required by *subsection (g)* of this section, or any other relevant information or operating data of the System reasonably necessary to obtain such credit enhancement or comply with the provisions thereof on an ongoing basis so long as this Loan Agreement is in effect.

ARTICLE IV ASSIGNMENT

Section 4.01. Assignment and Transfer by KDOT. The Borrower hereby approves and consents to any assignment or transfer of this Loan Agreement that KDOT deems necessary in connection with the operation and administration of the Fund. The Borrower hereby specifically approves the assignment and pledge of the Loan Repayments and Additional Payments to the Authority, and the Authority's pledge of all or a portion of such payments to secure the Bonds.

Section 4.02. Assignment by the Borrower. This Loan Agreement may not be assigned by the Borrower for any reason, unless the following conditions shall be satisfied:

- (a) KDOT and the Authority shall have approved said assignment in writing;
- (b) the assignee is a Governmental Unit;
- (c) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Borrower's duties, covenants, and obligations under this Loan Agreement; *provided, however,* such assignment shall not relieve the Borrower of its duties, covenants, and obligations under this Loan Agreement;
- (d) the assignment will not adversely impact KDOT's ability to meet its duties, covenants and obligations to the Authority under the Pledge Agreement, nor may the sale endanger the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and
- (e) the Borrower shall, at its expense, provide KDOT and the Authority with an opinion of counsel that each of the conditions set forth in *subparagraphs (b), (c), and (d)* hereof have been met.

ARTICLE V DEFAULT AND REMEDIES

Section 5.01. Notice of Default. If an Event of Default shall have occurred and be continuing, the non-defaulting party shall give the other party and the Authority prompt telephonic notice of the Event of Default; *provided that,* KDOT may at its sole discretion give Borrower a notice of default as provided in this **Section 5.01** in the event of the failure of the Borrower to pay any Loan Repayment when due. Such telephonic notice shall be immediately followed by written notice of such Event of Default given in the manner set forth in **Section 6.01** hereof.

Section 5.02. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, KDOT or the Borrower shall have the right to take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and to become due or to enforce the performance and observance of any obligation or agreement of KDOT or the Borrower, including, without limitation, withholding remaining Loan disbursements, cancellation of the Loan Agreement and acceleration of the remaining scheduled principal payments set forth on **Exhibit B**, or such other remedies provided to the Secretary in the Act and the Regulations, specifically including the Secretary's ability to intercept all or a portion of the Borrower's share of the special city and county highway fund as may be necessary.

Section 5.03. Expenses.

(a) Upon the occurrence of an Event of Default on the part of the Borrower, and to the extent permitted by law, the Borrower shall, on demand, pay to KDOT the reasonable fees and expenses incurred by KDOT in the collection of Loan Repayments or any other sum due hereunder or in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of the Borrower contained herein. Prior to incurring any such expenses, KDOT shall provide written notice to the Borrower that it intends to incur such expenses; *provided, however,* a failure by KDOT to give such notice shall not affect KDOT's right to receive payment for such expenses. Upon request by the Borrower, KDOT shall provide copies of statements evidencing the fees and expenses for which KDOT is requesting payment.

(b) Upon the occurrence of an Event of Default on the part of KDOT, and to the extent permitted by law and availability of moneys in the Fund, KDOT shall, on demand, pay to the Borrower the reasonable fees and expenses incurred by the Borrower in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of KDOT contained herein. Prior to incurring any such expenses, the Borrower shall provide written notice to KDOT that it intends to incur

such expenses; *provided, however*, a failure by the Borrower to give such notice shall not affect the Borrower's right to receive payment for such expenses. Upon request by KDOT, the Borrower shall provide copies of statements evidencing the fees and expenses for which the Borrower is requesting payment.

Section 5.04. Application of Moneys. Any moneys collected by KDOT pursuant to **Section 5.02** and **5.03** hereof shall be applied: (a) first, to pay interest on the Loan as it becomes due and payable; (b) second, to pay principal due and payable on the Loan; (c) third, to pay expenses owed by the Borrower pursuant to **Section 5.03** hereof; and (d) fourth, to pay any other amounts due and payable hereunder as such amounts become due and payable.

Section 5.05. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the parties hereto is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. The parties hereto, in good faith, shall exercise such remedies with due diligence in a timely manner, however, no delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the parties hereto to exercise any remedy reserved to them in this **Article V**, it shall not be necessary to give any notice, other than such notice as may be required in this **Article V**.

Section 5.06. Retention of Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the parties hereto shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the defaulting party at law or in equity, as such party may, in its discretion, deem necessary to enforce the obligations of the defaulting party pursuant to this Loan Agreement.

ARTICLE VI MISCELLANEOUS

Section 6.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when: (a) hand delivered; (b) mailed by registered or certified United States mail, postage prepaid; or (c) via fax, with confirmation in the manner set forth below, to the parties hereinafter set forth at the following addresses:

(1) to KDOT:

Kansas Department of Transportation
700 SW Harrison Street
Topeka, Kansas 66612-3754
Attention: Director of Administration

with a copy to its General Counsel at the same address

(2) to the Authority:

Kansas Development Finance Authority
555 S. Kansas Avenue, Suite 202
Topeka, Kansas 66603
Attention: President,

with a copy to its General Counsel at the same address

- (3) to the Borrower:
at the address set forth on *Exhibit B*.

All notices given by electronic transmission, including fax, as aforesaid shall be deemed given as of the date of evidence of receipt thereof by the recipient. All notices given by registered or certified mail as aforesaid shall be deemed duly given as of the date they are so deposited in the United States Postal Service, if postage is prepaid. Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon KDOT and the Borrower and their respective successors and assigns.

Section 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the parties and the Authority.

Section 6.05. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.06. Governing Law and Regulations. This Loan Agreement shall be governed by and construed in accordance with the laws of the State, including the Act and the Regulations which Regulations are, by this reference thereto, incorporated herein as a part of this Loan Agreement.

Section 6.07. Consents and Approvals. Whenever the written consent or approval of the State shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Secretary.

Section 6.08. Further Assurances. The Borrower shall, at the request of KDOT, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be reasonably necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, KDOT and the Borrower have caused this Loan Agreement to be executed, sealed and delivered, effective as of effective date set forth above.

THE KANSAS DEPARTMENT OF TRANSPORTATION,
acting on behalf of THE STATE OF KANSAS
"KDOT"

[Seal]

By: _____
Deputy Secretary for Finance and Administration

THE CITY OF BASEHOR, KANSAS
"Borrower"

By: _____
Mayor

[Seal]

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM AND
LEGALITY.

Jonathan P. Small, Chtd.
Special Counsel to Kansas
Department of Transportation

Date: _____

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 1-01), which is attached hereto, are hereby incorporated in this contract and made a part thereof"

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being dated May 18, 2009.

1. **Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated.
2. **Agreement With Kansas Law:** All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Kansas.
3. **Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
4. **Disclaimer Of Liability:** Neither the State of Kansas nor any agency thereof shall hold harmless or indemnify any contractor beyond that liability incurred under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Parties to this contract understand that the provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting state agency cumulatively total \$5,000 or less during the fiscal year of such agency.
6. **Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation shall be allowed to find the State or any agency thereof has agreed to binding arbitration, or the payment of damages or penalties upon the occurrence of a contingency. Further, the State of Kansas shall not agree to pay attorney fees and late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect which attempts to exclude, modify, disclaim or otherwise attempt to limit implied warranties of merchantability and fitness for a particular purpose.
8. **Representative's Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The State of Kansas shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
10. **Insurance:** The State of Kansas shall not be required to purchase, any insurance against loss or damage to any personal property to which this contract relates, nor shall this contract require the State to establish a "self-insurance" fund to protect against any such loss of damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the vendor or lessor shall bear the risk of any loss or damage to any personal property in which vendor or lessor holds title.
11. **Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. **The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."

EXHIBIT A

To
Loan Agreement
Between
The Kansas Department of Transportation
Acting on behalf of
The State of Kansas
and
Basehor, Kansas

TRF PROJECT NO. TR 0126

DESCRIPTION OF THE PROJECT

“Realignment of 150th intersection (638 lineal feet) with U.S. Highway 24-40, new construction of two lane collector street, asphaltic concrete, with turn lanes, and street lights.”

USE OF LOAN PROCEEDS

The proceeds of the Loan will be applied to pay \$1,200,000 of the following Project Costs of the Project with the balance being paid from funds lawfully available to the City for such purposes.

<u>Project Description</u>	<u>Approximate Cost</u>
1. CONSTRUCTION	\$958,777
2. RIGHT OF WAY AND UTILITIES	0.00
3. OTHER	0.00
4. CAPITALIZED INTEREST AND SERVICES FEE	41,223
5. ENGINEERING	<u>200,000</u>
Total	\$1,200,000

EXHIBIT B

To
Loan Agreement
Between
The Kansas Department of Transportation
Acting on behalf of
The State of Kansas
and
Basehor, Kansas

TRF PROJECT NO. TR 0126

Borrower's Notice Address:

Office of City Mayor
Basehor City Hall
2620 N. 155th Street
Basehor, KS 66007

Dedicated Source of Revenue:

By official action of the Governing Body of the City of Basehor, Kansas, taken in a duly called regular session of said Governing Body and identified in its Ordinance No. _____ adopted May 18, 2009, the dedicated source of revenue by which the City shall repay the principal and all interest which shall become due hereunder is described as follows:

“(a) the City of Basehor, Kansas, specifically dedicated sales tax receipts, (b) special assessments collected or to be collected from property benefited by the street improvements constructed with proceeds from the Loan, and (c) all assessments received for property lying within any transportation development district benefited by improvements constructed with proceeds from the Loan, all in an annual amount not less than the total amount due under the Loan Agreement for each year that the City shall be obligated to make such loan payments to KDOT under the Loan Agreement.”

Loan Repayment Schedule:

See attached *Exhibit B-2* which is incorporated by reference herein.

Loan Rate: **3.90%**

Servicing Fee:

.25% of the outstanding balance shall be charged the Borrower in addition to the interest rate charged as described herein. Said annual fee shall be paid at the time the principal and interest is to be paid.

The Borrower and KDOT have agreed that interest on the Loan during the construction period for the Project may be capitalized and repaid as a part of the Loan. KDOT shall give the Borrower written notice of each semiannual installment of interest becoming due during the construction period. At its option, the Borrower may elect to pay such amounts, and if Borrower so elects, Borrower shall pay such amounts not later than 5 days prior to the date specified in the notice from KDOT. If the Borrower does not pay such amounts by the date specified in the notice from KDOT, the amount then due and owing as semiannual interest on the Loan shall be capitalized and added to the principal amount of the Loan and shall bear interest at the rate of interest set forth in **Section 2.02** hereof.

EXHIBIT B

To
Loan Agreement
Between
The Kansas Department of Transportation
Acting on behalf of
The State of Kansas
and
Basehor, Kansas

TRF PROJECT NO. TR 0126

Semi-Annual Payments*					
<i>Pmt Date</i>	<i>Total Pmt</i>	<i>Principal</i>	<i>Interest</i>	<i>Fees</i>	<i>Annual Pmt</i>
2/1/2011	\$ 24,900.00	\$ -	\$ 23,400.00	\$ 1,500.00	
8/1/2011	67,634.29	42,734.29	23,400.00	1,500.00	\$ 92,534.29
2/1/2012	24,013.26	-	22,566.68	1,446.58	
8/1/2012	68,521.03	44,507.77	22,566.68	1,446.58	92,534.29
2/1/2013	23,089.73	-	21,698.78	1,390.95	
8/1/2013	69,444.56	46,354.83	21,698.78	1,390.95	92,534.29
2/1/2014	22,127.86	-	20,794.86	1,333.00	
8/1/2014	70,406.43	48,278.57	20,794.86	1,333.00	92,534.29
2/1/2015	21,126.09	-	19,853.43	1,272.66	
8/1/2015	71,408.20	50,282.11	19,853.43	1,272.66	92,534.29
2/1/2016	20,082.73	-	18,872.93	1,209.80	
8/1/2016	72,451.56	52,368.83	18,872.93	1,209.80	92,534.29
2/1/2017	18,996.08	-	17,851.74	1,144.34	
8/1/2017	73,538.21	54,542.13	17,851.74	1,144.34	92,534.29
2/1/2018	17,864.32	-	16,788.16	1,076.16	
8/1/2018	74,669.97	56,805.65	16,788.16	1,076.16	92,534.29
2/1/2019	16,685.61	-	15,680.45	1,005.16	
8/1/2019	75,848.68	59,163.07	15,680.45	1,005.16	92,534.29
2/1/2020	15,457.97	-	14,526.77	931.20	
8/1/2020	77,076.32	61,618.35	14,526.77	931.20	92,534.29
2/1/2021	14,179.40	-	13,325.22	854.18	
8/1/2021	78,354.89	64,175.49	13,325.22	854.18	92,534.29
2/1/2022	12,847.75	-	12,073.79	773.96	
8/1/2022	79,686.54	66,838.79	12,073.79	773.96	92,534.29
2/1/2023	11,460.85	-	10,770.44	690.41	
8/1/2023	81,073.44	69,612.59	10,770.44	690.41	92,534.29
2/1/2024	10,016.39	-	9,412.99	603.40	
8/1/2024	82,517.90	72,501.51	9,412.99	603.40	92,534.29
2/1/2025	8,511.98	-	7,999.21	512.77	
8/1/2025	84,022.31	75,510.33	7,999.21	512.77	92,534.29
2/1/2026	6,945.14	-	6,526.76	418.38	
8/1/2026	85,589.15	78,644.01	6,526.76	418.38	92,534.29
2/1/2027	5,313.28	-	4,993.20	320.08	
8/1/2027	87,221.01	81,907.73	4,993.20	320.08	92,534.29

EXHIBIT B

To
Loan Agreement
Between
The Kansas Department of Transportation
Acting on behalf of
The State of Kansas
and
Basehor, Kansas

TRF PROJECT NO. TR 0126

Semi-Annual Payments*					
<i>Pmt Date</i>	<i>Total Pmt</i>	<i>Principal</i>	<i>Interest</i>	<i>Fees</i>	<i>Annual Pmt</i>
2/1/2028	3,613.69	-	3,396.00	217.69	
8/1/2028	88,920.60	85,306.91	3,396.00	217.69	92,534.29
2/1/2029	1,843.58	-	1,732.52	111.06	
8/1/2029	90,690.62	88,847.04	1,732.52	111.06	92,534.20
	\$ 1,758,151.42	\$ 1,200,000.00	\$ 524,527.86	\$ 33,623.56	\$ 1,758,151.42

* All numbers are represented herein as U.S. Dollars.

KDOT FORM TRF 1

City of Basehor, Kansas, TRF Project No. TR 0126

CONDITIONS APPLICABLE TO CONSTRUCTION OF THE PROJECT

(To be attached to that certain Loan Agreement Dated May 18, 2009, between the City of Basehor, Kansas and the Kansas Department of Transportation)

The City of Basehor, Kansas (the "Borrower"), herewith acknowledges, states and covenants that the following conditions are intended to induce the Kansas Department of Transportation (the "KDOT") to enter into that certain Loan Agreement dated May 18, 2009 (the "Agreement") with the Borrower appertaining to what is referred to in said Agreement as "TRF Project No. TR 0126" (the "Project"), and which conditions are to be incorporated in said Agreement as though fully set forth therein and made a part thereof:

1. Borrower shall use a professional engineer (the "Licensed Engineer") licensed and permitted to do business in the state of Kansas (the "State") to design the Project in accordance with the then generally recognized and prevailing engineering standards and with the Federal and State laws and regulations applicable at the time of designing the Project and any and all revisions to said design.
2. The Borrower will have the Project inspected by an inspector as that term is defined at K.A.R. 36-40-01(i) and will ensure that said inspector shall provide Borrower and KDOT reasonable assurance that the Project is constructed in substantial conformity with the Project's plans and specifications including any and all permitted revisions thereto.
3. The Borrower will ensure that the Project will conform to its plans and specifications and any and all permitted revisions thereto.
4. The Borrower will ensure that the plans and specifications for the Project shall not be revised or deviated from without the written approval of the Project's designer.
5. The Borrower will ensure that all work performed and all materials furnished for the Project shall be in reasonably close conformity with the plans, specifications and revisions, which have been approved by the designer of the Project.
6. Borrower understands without reservation that "technical advice or assistance, or both, provided by the Kansas Secretary of Transportation (the "Secretary") to Borrower pursuant to K.S.A. 75-5068(c), and amendments thereto, shall not be construed as an undertaking by the Secretary of the duties of the Borrower or the Project's owner, or both, or the duties of any consultant, licensed engineer, or inspector hired by the Borrower or the Project's owner.
7. Borrower shall re-pay to the Secretary within thirty days of the receipt thereof all monies received by it from the United States Government for monies expended by Borrower for costs of the Project for which it has received monies under the Loan Agreement.
8. (a) Borrower shall provide the Secretary, when the approved project is opened to unrestricted travel, with the written statement of the recipient's Licensed Engineer indicating that, at the time of design, the plans, specifications, and any permitted revisions for the approved

Project followed the then-existing generally recognized and prevailing engineering standards and were in compliance with the applicable federal and State laws and regulations.

(b) Borrower shall provide the Secretary with the statement of the recipient's inspector indicating that the approved Project was constructed in reasonable conformity with its plans, specifications, and any permitted revisions, at each of the following times:

- (1) At the time when the Project is opened to unrestricted travel; and
- (2) at the time of the final acceptance by Borrower of the Project.

9. Borrower shall maintain an accounting system that segregates and accumulates project costs for the approved Project. Project costs may be reviewed or audited, or both, by the Secretary at any time during the construction of the approved project and after completion of the approved Project.

10. (a) Unless the Project is linked or subject to the conditions or requirements of a KDOT project, the Borrower agrees to expeditiously initiate and complete the Project in accordance with the following schedule:

- (1) Advertising for bids not later than thirty (30) days after the date of the Loan Agreement.
- (2) Bid opening within thirty (30) days of advertisement for bids.
- (3) Contract award within sixty (60) days of bid opening.
- (4) Issuance of notice to proceed within thirty (30) days of contract award.
- (5) Initiation of construction within sixty (60) days of notice to proceed.
- (6) Finalization of construction within one hundred-twenty (120) days of notice to proceed.

No change to this schedule may be implemented by the Borrower which will delay this schedule without prior approval of KDOT. KDOT must be promptly notified of any proposed changes.

(b) If the project is linked or subject to the conditions or requirements of a KDOT project, the Borrower shall initiate and complete the project in accordance with instructions delivered in writing to the Borrower by KDOT Bureau of Local Projects.

11. The Borrower shall follow applicable state procurement laws and regulations.

12. The Borrower hereby agrees to implement measures to mitigate all known adverse environmental effects of this Project.

13. Borrower will comply fully with Form DA-146a attached hereto and incorporated herein by reference.

KDOT FORM TRF 2

City of Basehor, Kansas, TRF Project No. TR 0126

INSTRUCTIONS FOR REQUESTING DISBURSEMENTS

**(To be attached to that certain Loan Agreement Dated May 18, 2009, between the
City of Basehor, Kansas and the Kansas Department of Transportation)**

1. All payment requests must be filed on a written detailed invoice signed by the Authorized Borrower Representative and shall represent the actual completion level of the Project at the date the request is prepared.
2. All cost entries must be based upon allowable work in place which is due and payable. This means that you may *not* request payment for:
 - a. Any work or services which have not been explicitly permitted in the Loan Agreement or subsequent amendments.
 - b. Any work performed under a change order unless written approval of the change order has been permitted in accordance with the Loan Agreement.
 - c. Any ineligible Project costs.
 - d. Any retainage which you are withholding from the construction contractor, engineer, etc.
 - e. Costs associated with the approval, preparation, issuance and sale of Bonds, and other costs incidental to normal operating overhead of a Borrower, whether performed by Borrower employees, an engineer, or attorney.

It is essential that you understand the cost basis of the approved Loan amount. It is, therefore, necessary that you read the Loan Agreement (including all conditions) and its transmittal letter, any Loan amendments and Project correspondence, and that you maintain current and accurate files on all change orders. Failure to follow these procedures may result in your requesting and subsequently receiving overpayment of loan funds which later may, in turn, result in substantial inconvenience to you and the Borrower. This could include repayment or crediting to KDOT the interest earned on overpaid funds, and any penalties that can result from this action.

3. Submit two original copies all documents requesting reimbursements with original signatures and one set of supporting documentation directly to:

Kansas Department of Transportation
Attention: Evelyn Fitzpatrick, Program Manager
Transportation Revolving Loan Fund
Eisenhower State Office Building, 7th Floor
700 SW Harrison St
Topeka, Kansas 66603

You should retain a copy of all documents submitted for your records.

4. The Authorized Borrower Representative identified in the Loan Agreement remains the principal contact for all Project matters until KDOT is appropriately notified otherwise.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider a charter ordinance repealing Charter Ordinances 6 and 18.

Department: Administration

Background/Description of Item:

Charter Ordinance #6 was passed 20 November 1995 to allow the city clerk to have residency outside of the city limits. Charter Ordinance #18, dated 21 May 2007, amended Charter Ordinance #6 to allow the city attorney to have residency outside of the State of Kansas. Charter Ordinance #22, dated 4 August 2008 corrected an incorrect statutory reference.

The proposed charter ordinance 24 repeals Charter Ordinance 6 and 18 since they were replaced by Charter Ordinance 22. This is essentially a clean-up operation that should have taken place at the same time Charter Ordinance 22 was adopted.

Funding Source:

Recommendation: Adopt Charter Ordinance 24 repealing Charter Ordinances 6 and 18.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: May 18, 2009

CHARTER ORDINANCE NO. 24

A CHARTER ORDINANCE REPEALING CHARTER ORDINANCES 6 AND 18 AS THEY HAVE BEEN SUPERSEDED BY CHARTER ORDINANCE NO. 22.

WHEREAS, Charter Ordinances 6 and 18 both pertain to residency requirements for appointed officers; and

WHEREAS, Charter Ordinance 22, adopted on 4 August, 2008, accurately states the City's policy on the residency of appointed officers and elected officials.

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

SECTION 1. Pursuant to the provisions of Article 12, Section 5, of the constitution of the State of Kansas, the City of Basehor, Kansas does hereby repeal Charter Ordinances 6 and 18 as they both have been superseded by Charter Ordinance No. 22.

SECTION 2. This Charter Ordinance shall be published once each week for two consecutive weeks in the official city newspaper.

SECTION 3. This Charter Ordinance shall take effect 61 days after final publication unless a sufficient petition for a referendum is filed, requiring a referendum to be held on the Ordinance as provided in Article 12, Section 5 of the Constitution of the State of Kansas, in which case this Charter Ordinance shall become effective upon approval by a majority of the electors voting thereon.

ADOPTED BY THE GOVERNING BODY, BY NOT LESS THAN TWO-THIRDS OF THE MEMBERS ELECTED, AND APPROVED BY THE MAYOR OF BASEHOR, KANSAS ON THE 18th DAY OF MAY, 2009.

TERRY L. HILL, Mayor

ATTEST:

MARY A. MOGLE, City Clerk

APPROVED AS TO FORM:

PATRICK G. REAVEY, City Attorney

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider 3% increase imposed by Deffenbaugh Industries for solid waste services effective July 1, 2009.

Department: Administration

Background/Description of Item:

The solid waste contract with Deffenbaugh Disposal Service, Inc. adopted Dec. 13, 2004 contains provisions in paragraph VIII for rate increases based on the Consumer Price Index and/or negotiated as dictated by any unforeseen costs.

Deffenbaugh has given notice with a letter dated April 29, 2009 that rates will be raised 3% effective July 1, 2009. This will increase the monthly assessment to each resident by \$0.29, from \$9.70 to \$9.99.

Ordinance 533 has been prepared to implement the changes. The increased rates will be applied with the July sewer and solid waste statements.

Funding Source:

Recommendation: Approve Ordinance 533 implementing a 3% rate increase for solid waste collection and raising the monthly fee from \$9.70 to \$9.99 effective July 1, 2009.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: May 18, 2009

ORDINANCE NO. 553

AN ORDINANCE AMENDING CHAPTER XV, ARTICLE 3, OF THE CODE OF THE CITY OF BASEHOR, KANSAS.

BE IT ORDAINED BY THE GOVERNINGBODY OF THE CITY OF BASEHOR, KANSAS.

Section 1. Section 15-325 of the code of the City of Basehor is hereby amended to read as follows:

15-325. SAME: FEE SCHEDULE. Monthly service charges for solid waste Collector shall be as follows:

- (a) A monthly service assessment of ~~\$9.70~~ **9.99** for each residential Unit unless the owner/occupant has obtained a Private Disposal permit from the city clerk. Such permit shall be in the amount of \$50.00 per calendar year, per dwelling unit, and shall be renewed on or before January 15th of each year.
- (b) A business customer shall be charged a monthly service assessment of ~~\$9.70~~ **9.99** for each business unit if the business customer utilizes the services of the city contractor.

Section 2. This ordinance shall repeal Ordinance ~~398~~ **431** in its entirety.

Section 3. This ordinance shall be in full force and effective on **July 1, 2009** from and after its passage, and publication in the official city newspaper.

Approved by the City Council this 18th day of May, 2009.

Approved by the Mayor this 18th day of May, 2009.

Terry L. Hill, Mayor

Attest:

Mary A. Mogle, City Clerk



4-29-09

City of Basehor
Mary Mogle
2620 N. 155th ST.
Basehor KS. 66007

Mary Mogle:

Thank you for your past and present patronage of Deffenbaugh Industries. As you are aware Deffenbaugh has not raised your rates since 2003. The cost of doing business has risen considerable in the last few years. This letter is to inform you of a rate increase of 3% per the terms and conditions of the contract with Deffenbaugh. This rate increase will take effect July 1st 2009.

Thank you again for your business, we look forward to a mutually beneficial relationship in the future. Please contact me with any questions.

Tom Cleaver

Major Account Representative
Deffenbaugh Industries
913-238-7460
tcleaver@deffenbaughinc.com

P.O. Box 3220
Shawnee, Kansas 66203

(913) 631-3300
800-631-3301

2601 Midwest Drive
Kansas City, Kansas 66111

CITY OF BASEHOR

FILE

SOLID WASTE AGREEMENT

An agreement between the City of Basehor, Kansas, hereafter referred to as CITY, and DEFFENBAUGH DISPOSAL SERVICE, INC. hereafter referred to as CONTRACTOR, for the purpose of providing solid waste disposal service within the corporate limits of the CITY.

1. WORK TO BE DONE

The CONTRACTOR shall collect and dispose of all garbage, trash and solid waste, as those matters are defined in Section 15, Article 3 of the Code of the City of Basehor, a copy of which is attached hereon and incorporated herein as "Attachment A" and hereafter referred to as the CODE, from all residential dwellings, except those which may be excluded by the CITY in accordance with the CODE, and from those commercial, public or semi-public facilities which may be included by the CITY, in accordance with the CODE, and from those commercial, public or semi-public facilities which may be included by the CITY, in accordance with the CODE, all within the corporate limits of the City of Basehor KS.

1. All customers shall place solid waste at the curb to be picked up and disposed of by the CONTRACTOR, in a manner as described by the CODE.

Empty containers shall be returned to the curb by the CONTRACTOR

2. Yards rakings, grasses, tree and brush trimmings, other lawn and garden waste and lumber or other materials, shall be picked up and disposed of by the CONTRACTOR, provided that items to be disposed of are in containers, such as: plastic bags, small garbage cans or small baskets, suitable for one person to lift, and those items are placed at the curb. Also provided that tree and brush trimmings, lumber etc. are no longer than four (4) feet in length and tied in bundles, or in a container suitable for one person to lift, and those items are placed at the curb.
3. Household appliances, or large items, such as: beds, chairs, mattresses, springs, hot water tanks, washers, dryers, tubs etc., are to be picked up and disposed of by the CONTRACTOR provided those items are placed at the curb. One large item per week per customer shall be permitted.

Refrigerators, air conditioners or any other appliance that may contain chlorofluorocarbon (CFC) and Hydrochlorofluorocarbon (HCFC) that are to be disposed of shall be collected separately and any additional fee due to

special handling and any requirements of the "Federal Clean Air Act", shall be paid by the customer. The **CONTRACTOR** shall bill the individual customer directly when disposing of CFC and HCFC products.

4. The **CONTRACTOR** shall not be required to pick up and dispose of rocks and dirt, or large accumulations of construction waste (such as: plaster boards, shingles, lumber, concrete blocks, etc.) or hot coals or ashes.
5. The **CONTRACTOR** shall refrain from driving on certain streets as designated by the **CITY** and noted below. The **CITY** shall notify the **CONTRACTOR** in writing of any additional designated streets, either on a temporary or permanent basis, as the need arises.

Designated Streets:

- a. Hickory Street, from 157th St., west to 158th Street.
6. The **CONTRACTOR** agrees to delay solid waste pick-up by one day in the weeks that include the following holidays:
 - New Years Day
 - Martin Luther King Day
 - Presidents Day
 - Memorial Day
 - Columbus Day
 - Independent Day
 - Labor Day
 - Columbus Day
 - Veterans Day
 - Thanksgiving Day
 - Christmas Day

II. TERMS OF THIS AGREEMENT

The work to be done under this agreement shall commence on the first day of the month following the approval of this agreement by both parties. The fee shall be at the monthly rate \$ 7.19 per unit, in accordance with the **CONTRACTORS** bid letter, a copy of which shall be attached hereon and incorporated herein as "Attachment B" (Ref. Sec. 8). The agreement shall continue in force until December 31, 2010.

III. LABOR AND EQUIPMENT

The **CONTRACTOR** shall procure and pay for all tools, equipment and transportation necessary for the execution and completion of all work. The

CONTRACTOR shall supervise the faithful performance of the work to be in substantial conformity with this agreement. Solid Waste hauling trucks shall not exceed 25 cubic yard capacity.

IV. DISPOSAL

The method and place of disposal for all solid waste collected shall conform to all to all federal, state and local statues and ordinances, as well as any regulations and restrictions imposed either by public authority or private covenant, and shall be the sole responsibility of the **CONTRACTOR**.

V. INSURANCE

The **CONTRACTOR** shall carry adequate insurance protection against any and all loss, damage, injury and liability, including claims of personal injury or death, property damage, and worker's compensation, however caused, caused solely by the negligent acts or willful misconduct of **CONTRACTOR**. Certificates, or other documentary evidence of such insurance shall be furnished to the city on an annual basis, or as requested. In no case shall be extent of coverage for liability be less than \$100,000 for personal injury of each person, \$300,000 for personal injury on each accident, and \$25,000 for property damage.

In addition, the **CONTRACTOR** shall furnish the **CITY** with certificates demonstrating that he has provided Worker's Compensation Insurance for his employees and that he is currently paying the payroll tax deduction for his employees to the United States Government, the State of Kansas, and all other governmental entities as he may be required.

VI. CONSIDERATION

During the period of this agreement, the **CITY** shall submit a list of customers, twice per year, in the months of January and July, (to be served to the **CONTRACTOR** and pay the amount per unit, in accordance with the **CONTRACTOR'S** bid letter, no later than the 4th Wednesday of each month. The **CITY** shall bill and collect all service charges from individual customers, except as provided in Section I, 3, above.

VII. COMMUNITY SERVICE

During the period of this agreement, the **CONTRACTOR** shall pickup and dispose of, without additional charge, the solid waste from the city hall, any city park or other city facility, provided that items to be disposed of are placed at a location designated by the **CITY**, for a period of one week, one time per year, for the purpose of an annual city-wide clean-up.

VIII. RATE INCREASES

Any rate increases shall be based on the Consumer Price Index (C.P.I.) and/or negotiated as dictated by any unforeseen costs. The **CONTRACTOR** shall notify the **CITY**, in writing, not less than sixty (60) days prior to any rate increase.

IX. MANDATED FEDERAL AND STATE FEES

Any additional federal, state, and/or local surcharges or fees imposed during the period of this agreement shall be paid by the **CONTRACTOR**, and any resulting rate increases shall not exceed the actual amount of said surcharges of fees.

X. TERMINATION OF THIS AGREEMENT

Should the **CONTRACTOR** fail, neglect or refuse to perform the work, or if at any time, the Governing Body of the **CITY** determines that the conditions of this agreement are being willfully violated, or executed carelessly, or in bad faith, it may notify the **CONTRACTOR**, in writing, and if the faults complained of, are not corrected to the satisfaction of the Governing Body, within seven days from the delivery of the notice, the **CONTRACTOR** shall, upon demand, discontinue all work under this agreement, and the **CITY** shall have full right to immediately hire or contract for the completion of the work herein specified.

XI. LAW AND ORDINANCES

This agreement is made expressly subject to, and the **CONTRACTOR** shall comply with, all laws of the United States of America, the State of Kansas and any municipal subdivision thereof, insofar as the same may be applicable to the provisions of this agreement, including all rules and regulations now existing and those that may be adopted during the term of this agreement. The **CONTRACTOR** shall indemnify the **CITY** from any and all claims, demands or damages which may arise, or accrue, solely because of failure or neglect, of the **CONTRACTOR**.

XII. ASSIGNMENTS

The agreement shall be binding upon the heirs, legal representatives, successors and assigns of the parties hereto, but the **CONTRACTOR** shall not assign, transfer, convey, or otherwise dispose of this agreement of his right, title or interest therein to any person without the written consent of the **CITY**. In no case shall the letting of any subcontract by the **CONTRACTOR** relieve the **CONTRACTOR** of his liability and obligations under this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and the year as noted below.

James M. Stale
CONTRACTOR

[Signature]
Mayor, City of Basehor, KS

12/13/04
Date

12-17-04
Date

STATE OF KANSAS, COUNTY
OF JOHNSON) ss:

SUBSCRIBED AND SWORN to before ATTEST:
me this 13th day of December, 2004.

[Signature]
NOTARY PUBLIC

[Signature]
City Clerk, City of Basehor, KS



Meeting: December 13, 2004
Agenda Item: Deffenbaugh Contract

Request: Request Council approval to renew the attached Deffenbaugh Disposal contract as presented with the following amendments.

Section I. Work To Be Done

Added Article 6 stipulating the holiday's days that would be considered for next day pick up.

Section II. Terms of This Agreement

Change the expiration date to December 31, 2010.

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider authorizing administrative staff to notify residents of delinquent sewer and solid waste of a public hearing on June 15 allowing them an opportunity to voice their concerns regarding the possibility of the past due amount being placed on their property taxes for collection.

Department: Administration

Background/Description of Item:

On an annual basis the City has an opportunity to place delinquent sewer and solid waste accounts on residents property taxes for collection. This method is quicker and cheaper than the State of Kansas "Set Off" program.

On April 6, I presented a request to start the process to collect delinquent sewer and solid waste accounts. At that time we had 27 accounts totaling \$7,768.48. Over the last five weeks we have had 7 accounts pay reducing the total to \$6,131.37.

I respectfully request Council set a public hearing date for June 15, 2009 to hear comments from residents regarding their delinquent assessments.

Funding Source: Sewer & Solid Waste (cost of labor and postage)

Recommendation: A motion was made by _____ and seconded by _____ to set a public hearing for June 15 at 7:00 p.m. and authorize administrative staff to notify delinquent accounts of the hearing via certified mail with return receipt.

Prepared by: Mary A. Mogle, City Clerk

Council Date: May 18, 2009

ACCT. #/OWNER	RENTER/ADDL OWNER	SEWER	SOL. WASTE	TOTAL
SHEE-016800-0000-01 Echo Builders,Advance Prop.Mgt. 757 Highway 40 Lawrence, KS 66049 #		\$ -	\$ -	\$694.30
SHEE-016802-0000-01 Echo Builders,Advance Prop.Mgt. 757 Highway 40 Lawrence, KS 66049 #		\$0.00	\$0.00	\$678.22
SHEE-016822-0000-01 Ann Lowder 492 E. 400 Rd. Overbrook, KS 66524 #		\$0.00	\$0.00	\$320.50
SHEE-016824-0000-01 Echo Builders,Advance Prop.Mgt. 757 Highway 40 Lawrence, KS 66049 #		\$ -	\$ -	\$636.79
SHEE-016826-0000-01 Echo Builders,Advance Prop.Mgt. 757 Highway 40 Lawrence, KS 66049 #		\$0.00	\$0.00	\$542.74
WALN-015526-0000-01 Keith Hollinghead 15526 Walnut Ct. Basehor, KS 66007 #		\$ -	\$ -	\$322.10
WALN-015537-0000-01 Darin Martin 15537 Walnut Ct. Basehor, KS 66007 #		\$0.00	\$0.00	\$259.00
	TOTAL		TOTAL	\$6,131.37

REPORT 1 - April 6, 2009
Sewer/Solid Waste Delinquent Accounts
After March Billing

ACCT. #/OWNER	RENTER/ADDL OWNER	SEWER	SOL. WASTE	TOTAL
157T-002611-0000-02 Bryan Smith 2611 N. 157th Terr. Basehor, KS 66007 #		\$ -	\$ -	\$67.12
BRAD-015373-0000-01 Jeremy Ressler P.O. Box 415 Basehor, KS 66007 #		\$0.00	\$0.00	\$75.65
CEDA-015402-0000-01 Shannon & Chris Whisenant 15402 Cedar St. Basehor, KS 66007 #		\$0.00	\$0.00	\$95.77
CHES-015422-0000-02 Randal C. Mortell 15422 Chestnut St. Basehor, KS 66007 #		\$0.00	\$0.00	\$89.14
CRES-015528-0000-02 Secretary of Veteran's Affairs 5500 E. Kellog Wichita, KS 67218 #		\$0.00	\$0.00	\$81.27
CRES-015531-0000-02 Amy & Jeremy Bennett 15531 Crestwood Dr. Basehor, KS 66007 #		\$0.00	\$0.00	\$495.47
CRES-015560-0000-01 Option One P.O. Box 57054 Irvine, CA 92619-7054 #		\$0.00	\$0.00	\$233.61

ACCT. #/OWNER	RENTER/ADDL OWNER	SEWER	SOL. WASTE	TOTAL
CRES-015560-0000-02 Option One P.O. Box 57054 Irvine, CA 92619-7054 #		\$0.00	\$0.00	\$53.75
CYPB-018147-1250-01 Dean A. Davis 18147 Cypress Bend Bonner Springs, KS 66012 #		\$0.00	\$0.00	\$139.50
PIVC-014104-0000-01 Carl Engelken 14104 Pine Valley Ct. Basehor, KS 66007 #		\$0.00	\$0.00	\$327.82
PNRG-015322-0000-01 Jeremy Ressler P.O. Box 415 Basehor, KS 66007 #		\$0.00	\$0.00	\$24.30
PRAI-015914-0000-01 Planet/Morningstar 16004 Prairie Way Basehor, KS 66007 #		\$0.00	\$0.00	\$47.43
SHEE-016704-0000-01 Echo Builders,Advance Prop.Mgt. 757 Highway 40 Lawrence, KS 66049 #	\$ -	\$ -	\$ -	\$257.47
SHEE-016706-0000-01 Echo Builders,Advance Prop.Mgt. 757 Highway 40 Lawrence, KS 66049 #	\$ -	\$ -	\$ -	\$689.42

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider health, dental, life, and vision insurance bids for period 7/1/2009 – 6/30/2010

Department: Administration

Background/Description of Item:

I attended several conferences and seminars last year regarding benefits and was advised that cities should anticipate a 20-30% increase for health insurance in particular. In anticipation of the increase, the city treasurer included a 26% increase in the 2009 budget for health and \$2.00 per employee increase for dental insurance.

Health Insurance

March of this year, I started working on bids in anticipation of a high renewal rate from BlueCross BlueShield of Kansas. To my surprise, BCBS presented me with a bid last week with a minimal increase of 5.8%.

Five providers were solicited: BlueCross BlueShield of Kansas, MARCIT, Humana, United Healthcare, and Coventry. Insurance broker, Brad Bukaty, Bukaty Agency, assisted me with the Humana, United Healthcare, and Coventry bids. United Healthcare chose not to bid. I did not include MARCIT in the plan comparison since they were considerably higher than the other quotes.

There are some differences in the bids (refer to spreadsheet "Option 1") which are minimal.

I am recommending Council consider BCBS Triple Option Plan (Option #1) or Coventry (Plan KS08 B2515 20). I realize there are cheaper plans provided; however, I am concerned that since they have higher deductibles and coinsurance, employees will not seek medical attention when necessary. In speaking with several employees, they prefer to remain with BCBS because of their service. We have been with this company for about 6 years and I have only received complaints from two employees regarding coverage and service. The recommended plans are highlighted in light blue.

I have provided you with a "Summary by Contribution and Plan" depicting the difference in the individual plans from 2008 plan to 2009, as well as a breakdown of city/employee shared costs.

Dental Insurance

I recommend we change dental insurance providers from MARCIT to BCBS. BCBS is cheaper and a better plan.

Life Insurance

Life insurance provider will depend on which insurance provider you choose. If the City remains with BCBS our life insurance provider will remain with Advance. Their price

decreased for this benefit year. If the chooses to change to Coventry, Standard Life would be the provider. Both companies have the same rate.

Vision Insurance

During the budget work session on May 11, I was directed to look into Vision insurance. During this bidding process, I found out that the BCBS provides a discount program through EyeMed which we did not know was available to us. However, this is not a true vision care program. They use companies such as JC Penney, Walmart and provide very limited options for eyewear, etc. I have solicited a bid from VSP that covers optometrists, specialists, and quality eyewear. I did not receive a bid today and hope to have one on Monday.

Lisa Toyne, BCBS and Brad Bukaty, Bukaty Agency will be present to answer any questions you may have regarding the plans. Both representatives have reviewed my spreadsheets and agree they represent their plans as written.

I will be glad to email actual bids to you if you wish to see them.

Please call if you have any questions.

Agenda Item: A motion was made by _____ and seconded by _____ to contract with BlueCross BlueShield of Kansas Triple Option, Option I for health insurance, BlueCross BlueShield of Kansas for dental insurance, Advance for life insurance, and VSP for Vision Insurance for period 7/1/2009 – 6/30/2010

Or

Agenda Item: A motion was made by _____ and seconded by _____ to contract with Coventry, Plan KS08 B02515 20 for health insurance, BlueCross BlueShield of Kansas for dental insurance, Standard Life for life insurance, and VSP for Vision Insurance for period 7/1/2009 – 6/30/2010

Prepared by: Mary A. Mogle, City Clerk
Council Date: May 18, 2009

**City of Basehor
N 1 - HEALTH INSURANCE BIDS
7/1/2009 - 6/30/2010**

Coventry		Coventry		Coventry	
KS08 A05015a 15	<i>PCP Not Required</i>	KS08 B02515 20	<i>PCP Not Required</i>	KS08 B0251520 20	<i>PCP Not Required</i>
<u>In Network / Out of Network</u>					
\$15 ^{\$30} Spec. / Ded. & Coins.	\$15 ^{\$30} Spec. / Ded. & Coins.	\$20 ^{\$40} Spec. / Ded. & Coins.			
\$15 ^{\$30} Spec. / Ded. & Coins.	\$15 ^{\$30} Spec. / Ded. & Coins.	\$20 ^{\$40} Spec. / Ded. & Coins.			
\$10 - \$30 - \$55	\$10 - \$30 - \$55	\$10 - \$30 - \$55	\$10 - \$30 - \$55	\$10 - \$30 - \$55	\$10 - \$30 - \$55
\$30 - \$90 - \$165	\$30 - \$90 - \$165	\$30 - \$90 - \$165	\$30 - \$90 - \$165	\$30 - \$90 - \$165	\$30 - \$90 - \$165
\$0 / \$500	\$0 / \$500	\$250 / \$500	\$250 / \$500	\$500 / \$1000	\$500 / \$1000
\$0 / \$1500	\$0 / \$1500	\$750 / \$1500	\$750 / \$1500	\$1500 / \$3000	\$1500 / \$3000
90% / 60%	90% / 60%	90% / 60%	90% / 60%	90% / 60%	90% / 60%
\$1500 / \$3500	\$1500 / \$3500	\$1750 / \$3500	\$1750 / \$3500	\$2500 / \$4000+Ded.	\$2500 / \$4000+Ded.
\$3000 / \$7500	\$3000 / \$7500	\$3750 / \$7500	\$3750 / \$7500	\$5500 / \$8000+Ded.	\$5500 / \$8000+Ded.
\$500 copay / Ded. & Coins.	\$500 copay / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.
\$250 copay / Dec. & Coins.	\$250 copay / Dec. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.
\$75 copay / \$75 copay					
\$150 copay + 150 copay	\$150 copay + 150 copay	\$150 + Coins. / \$150 10%			
\$50 copay / Ded. & Coins.					
Unlimited / \$5,000,000					
\$355.91	\$355.91	\$330.44	\$330.44	\$314.42	\$314.42
\$747.41	\$747.41	\$693.92	\$693.92	\$660.28	\$660.28
\$676.23	\$676.23	\$627.84	\$627.84	\$597.40	\$597.40
<u>\$1,103.32</u>	<u>\$1,103.32</u>	<u>\$1,024.36</u>	<u>\$1,024.36</u>	<u>\$974.70</u>	<u>\$974.70</u>
\$13,204.26	\$13,204.26	\$12,259.32	\$12,259.32	\$11,664.98	\$11,664.98

**City of Basehor
 PLAN 1 - HEALTH INSURANCE BIDS
 7/1/2009 - 6/30/2010**

and Plan

Option 1	
Total	Diff in Prem from 2008-2009
335.61	18.32
720.62	39.35
648.24	35.54
1033.27	56.60
12480.81	149.81

| |

02515 20	
Total	Diff in Prem from 2008-2009
330.44	13.15
693.92	-12.65
627.84	15.14
1024.36	47.69
\$10,276.68	63.33

**City of Basehor
OPTION 2 - HEALTH INSURANCE BID
Year 2009-2010**

<i>Insurance Carrier:</i>	BCBS of Kansas		Humana		Coventry	
	<i>Plan Name</i> <i>Network</i>	<i>Option 2</i> <i>Blue Choice</i> <i>PCP Not Required</i>	<i>PPO - 08</i> <i>CHC</i> <i>PCP Not Required</i>	<i>KS08 B1025 20</i> <i>PCP Not Required</i>		
<i>Office Visit</i>	<u>In Network / Out of Network</u>	<u>In Network / Out of Network</u>	<u>In Network / Out of Network</u>	<u>In Network / Out of Network</u>		
<i>Preventive (Limited Benefit)</i>	\$25 / DBPA & PC + 20%	\$20 \$40 Spec. / Ded. & 30%	\$20 \$40 Spec. / Ded. & 30%	\$20 \$40 Spec. / Ded. & Coins.		
<i>Drug Card In Network:</i>	\$25 / DBPA & PC + 20%	\$20 \$40 Spec. / Ded. & 30%	\$20 \$40 Spec. / Ded. & 30%	\$20 \$40 Spec. / Ded. & Coins.		
<i>Generic-Preferred-Non-Preferred</i>	\$15 - \$30 - \$45	\$10 - \$35 - \$55 - 25%	\$10 - \$35 - \$55 - 25%	\$10 - \$30 - \$55		
<i>Mail Order (90 Day Supply)</i>	\$37.50 - \$75.00 - \$112.50	\$25 - \$87.50 - \$137.50	\$25 - \$87.50 - \$137.50	\$30 - \$90 - \$165		
<i>Single Deductible</i>	\$1,000	\$1000 / \$2000	\$1000 / \$2000	\$1000 / \$2000		
<i>Family Deductible</i>	\$2,000	\$2000 / \$4000	\$2000 / \$4000	\$3000 / \$6000		
<i>Co-Insurance</i>	80%/20%	90% / 60%	90% / 60%	90% / 60%		
<i>Single Out of Pocket Max.</i>	\$2,000	\$2000 / \$3000+Ded.	\$2000 / \$3000+Ded.	\$3500 / \$5000+Ded.		
<i>Family Out of Pocket Max.</i> (includes deductible)	\$4,000	\$4000 / \$6000+Ded.	\$4000 / \$6000+Ded.	\$8000 / \$10,000+Ded.		
<i>Hospital In-Patient</i>	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.		
<i>Hospital Out-Patient</i>	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.		
<i>Urgent Care</i>	\$25 copay	\$40 copay / Ded. & 30%	\$40 copay / Ded. & 30%	\$75 copay / \$75 copay		
<i>Emergency</i>	\$100 copay + Ded. & Coins.	\$150 copay / \$150 copay	\$150 copay / \$150 copay	\$150 + Coins. / \$150 10%		
<i>Vision (Limited Benefit)</i>	\$25 copay/Exam Only	Discount Program thru Eye Med.	Discount Program thru Eye Med.	Cole Managed Vision		
<i>Lifetime Maximum</i>	\$5,000,000	\$5,000,000	\$5,000,000	Unlimited / \$5,000,000		
<i>Employee</i>	\$318.22 (15)	\$310.89	\$310.89	\$293.31		
<i>Employee + Spouse</i>	\$683.25 (1)	\$621.78	\$621.78	\$615.95		
<i>Employee + Child(ren)</i>	\$615.04 (4)	\$590.69	\$590.69	\$557.29		
<i>Family</i>	<u>\$980.05 (4)</u>	<u>\$994.84</u>	<u>\$994.84</u>	<u>\$909.26</u>		
<i>Total Medical Premium:</i>	\$11,836.91	\$11,627.25	\$11,627.25	\$10,881.80		

City of Basehor
OPTION 3 - HEALTH INSURANCE BIDS
 7/1/2009-6/30/2010

<i>Insurance Carrier:</i>	MARCIT	
	Humana	Plan A
<i>Plan Name</i>	PPO - 08	PCP Not Required
<i>Network</i>	CHC	PCP Not Required
<i>Office Visit</i>	<u>In Network / Out of Network</u>	<u>In Network / Out of Network</u>
<i>Preventive (Limited Benefit)</i>	\$20 ^{\$40 Spec.} / Ded. & 30%	\$20 ^{\$40 Spec.} / Ded. & 40%
<i>Drug Card In Network:</i>	\$20 ^{\$40 Spec.} / Ded. & 30%	\$20 ^{\$40 Spec.} / Ded. & 40%
<i>Generic-Preferred-Non-Preferred</i>	\$10 - \$35 - \$55 - 25%	25%/\$50 cap-40%/\$100 cap-\$50%/\$200 cap
<i>Mail Order (90 Day Supply)</i>	\$25 - \$87.50 - \$137.50	\$16 - \$40 - \$80 (specialty drugs n/a)
<i>Single Deductible</i>	\$1,500 / \$3,000	\$500 / \$1,500
<i>Family Deductible</i>	\$3,000 / \$6,000	\$1,000 / \$3,000 + 40%
<i>Co-Insurance</i>	90% / 60%	90% / 60%
<i>Single Out of Pocket Max.</i>	\$2,500 + Ded.	\$1,500 / \$3,000
<i>Family Out of Pocket Max.</i> (includes deductible)	\$5,000 + Ded.	\$5,000 / \$6,000 + Ded.
<i>Hospital In-Patient</i>	Ded. & Coins. / Ded. & Coins.	\$250 + Ded. & Coins.
<i>Hospital Out-Patient</i>	Ded. & Coins. / Ded. & Coins.	Ded. & Coins. / Ded. & Coins.
<i>Urgent Care</i>	\$25 copay	\$75 + Ded. & Coins.
<i>Emergency</i>	\$100 copay + Ded. & Coins.	\$75 + Ded. & Coins.
<i>Vision (Limited Benefit)</i>	\$25 copay/Exam Only	\$10 copay/exam - \$15 copay lense & frames
<i>Lifetime Maximum</i>	\$5,000,000	\$5,000,000
<i>Employee</i>	\$304.02 (15)	\$437.00
<i>Employee + Spouse</i>	\$652.72 (1)	\$1,006.00
<i>Employee + Child(ren)</i>	\$587.92 (4)	\$1,006.00
<i>Family</i>	<u>\$980.05 (4)</u>	<u>\$1,181.00</u>
<i>Total Medical Premium:</i>	\$11,311.14	\$16,309.00

City of Basehor
2009-2010 INSURANCE BIDS

DENTAL INSURANCE (per month)			
	Current Rate	MARCIT	BCBS of Kansas
Employee	31.00	31.00	24.77
Emp/Children	79.00	79.00	46.54
Emp/Spouse	79.00	79.00	53.25
Emp/Family	79.00	79.00	73.41
23 Employees		1193.00	904.60
City Contribution		713.00	569.71
Emp. Contribution		480.00	334.89

Note: City does not contribute toward family premium. Employee would pay add'l .64 cents for family coverage with BCBS than they currently pay with MARCIT. BCBS better benefits.

LIFE INSURANCE - \$20,000 (per month)				
	Current Rate	MetLife	Standard	Advance (BCBS)
Basic Term Life	.20/\$1,000	.20/\$1,000	.19/\$1,000	.19/\$1,000
Basic AD&D	.05/\$1,000	.027/\$1,000	.03/\$1,000	.03/\$1,000
Per month/Per Emp.		4.65	4.40	4.40
24 Employees		111.60	105.60	105.60

VISION PLAN (per month)				
	Current Rate	Humana	Coventry*	VSP (BCBS)
Single	0.00	4.97	n/c	(waiting for bid)
Emp/Spouse	0.00	9.94	n/c	
Emp/Children	0.00	9.44	n/c	
Family	0.00	14.84	n/c	

**WRITTEN DESIGNATION OF
MEMBER REPRESENTATIVE**

In accordance with Section 5.3(b) of the MARCIT Bylaws adopted by the Members of MARCIT on November 3, 2006, _____ City of Basehor _____, by and
(Member)
through its below designated chief administrative officer, designates that _____
(Name of Representative)
is appointed to serve as the Member Representative of _____ City of Basehor _____
(Member) in
accordance with the terms and provisions of the MARCIT Bylaws. _____ City of Basehor _____
(Member)
acknowledges and agrees that MARCIT shall not be required to contact any other individual
except the foregoing designated Member Representative for any action or notification which may
be required by MARCIT Bylaws or rules, and that all notices to, or agreements with, the
Member Representative shall be binding upon _____ City of Basehor _____.
(Member)

This Designation of Member Representative shall remain in full force and effect until
written notice to the contrary is provided by _____ City of Basehor _____ to MARCIT.
(Member)

Designated this _____ day of _____, 2009.

By: _____
Signature

Terry L. Hill
Typed Name

Mayor
Title or Position

BASEHOR PLANNING COMMISSION

** Indicates County Resident

Position

- | | | |
|----|--|--|
| 1. | Bob Harrison
15424 Olive
Basehor, Ks. 66007
Home: 724-2165
Cell: 816-215-6885
rharrison@clservices.com | 3 Years
Appointed: 5/2005
Replaced Burl Gratny
Reappointed: 5/2006

Term Expires: July 2009 |
| 2. | Jason Logsdon
15030 Craig
Basehor, Ks. 66007
Home: 724-2671
logsdon@skw-inc.com | 3 Years
Appointed: 12/02
Replaced Ray Harvey
Reappointed 5/2003; 5/2006

Term Expires: July 2009 |
| 3. | Kevin Jones
16210 Margie Lane
Basehor, Ks. 66007
Home: 913-908-5656
Work: 913-000-0000
Kevin.Jones@atmosenergy.com | 3 Years
Appointed: 7/08
Replaced Roger Mc Dowell

Term Expires: July 2009 |
| 4. | Ed Bush
2606 N 156 th Terr.
Basehor, Ks. 66007
Home: 724-2674 - Cell: 913-645-8004
EDLINBUSH@SUNFLOWER.COM | 3 Years
Appointed: 5/2004 , 5/2007
Replaced Steve Cole,

Term Expires: July 2010 |
| 5. | Jon Gallion **
15756 Donahoo Rd.
Basehor, KS 66007
Home:913-724-1845 – Cell: 913-972-8406
J.Gallion@yahoo.com | 3 Years
Appointed 1/2009
Replaced John Flower

Term Expires: July 2010 |
| 6. | Joe Mc Ardle
808 154 th Place
Bonner Springs, Ks. 66012
Home: 913-955-7077
Cell: 913-406-1314
Joseph.McArdle@Target.com | 3 Years
Appointed: 1/2009
Replaced David Povilonis

Term Expires: July 2011 |
| 7. | John Matthews- Chairperson (1/09)**
17629 166th. St.
Bonner Springs, Ks. 66012
Home: 724 – 1454
JOHNPATMATTHEWS@AOL.COM | 3 Years
Appointed Vice-Chairman 7/2008
Reappointed 7/01/2008

Term Expires: July 2011 |
-
- | | | |
|---|--|--|
| Dustin Smith, Planner
Basehor City Hall, P.O.B. 406
Basehor, Ks 66007
Work: 724-1370 ext.24
Fax: 724-3388
planning@cityofbasehor.org | Kathy Renn, Asst. City Clerk
Basehor City Hall, P.O.B. 406
Basehor, Ks 66007
Work: 724-1370 ext.21
Fax: 724-3388
asstcityclerk@cityofbasehor.org | Carl Slaugh, City Adm
Basehor City Hall, P.O.B. 406
Basehor, KS 66007
Work: 724-1370 ext. 33
Fax: 724-3388
cityadm@cityofbasehor.org |
|---|--|--|

Revised May 2009

AGENDA ITEM INFORMATION FORM

Agenda Item: Consider renewal of the city administrator appointment.

Department: Administration

Background/Description of Item:

The first city administrator for the City of Basehor began employment March 1, 2004 and ended employment Jan. 4, 2005.

The current city administrator, Carl Slaugh, began employment with the City of Basehor March 27, 2006 at an annual salary of \$65,800, with 15 days of vacation, 8 days of sick leave and 5% contribution to a deferred compensation fund and without a severance clause.

Jan. 1, 2007 pay increase along with other employees, from \$65,800 to \$68,120

May 7, 2007 - council renewed the contract for two years and increased the deferred compensation to 13.88% to match level of other employees.

May 19, 2008 – vacation allowance increased to level of 10-year employee (10 hours/month), sick leave increased to 12 days per year to match level offered to all other city employees (96 hours/year) and allow vacation carry over the same as other employees. A severance provision was added equivalent to seven pay periods.

Jan. 1, 2009 pay increase of 5% along with other employees from \$68,120 to \$71,531

I have enjoyed my stay with the City of Basehor and would like to continue as city administrator. I believe that great progress has been made in the community, major street projects completed, sewer plant expansion under construction, and development projects such as Basehor Town Center supported by a benefit district and the Wolf Creek Junction development supported by a Transportation Development District have been implemented. Budgets have remained balanced; the city is growing and is healthy.

I request that my contract be renewed for a period of three years. I also request that the severance clause be expanded to six months. In addition I request that my annual pay be increased from \$71,531 to \$80,000.

The city administrator holds a unique position as a contract employee. The city administrator is the only employee that must live within the city limits. Another unique feature is the public attention given to pay and benefit issues.

Funding Source: Governing Body

Recommendation: Approve an extension of the city administrator contract for three years, increase the severance pay clause to six months and increase pay to \$80,000.

Prepared by: Carl E. Slaugh, City Administrator
Council Date: May 18, 2009

May 7, 2007

p. Consider city administrator contract renewal.

A motion was made by Councilmember Washington and seconded by President Thomas to approve the city administrator's contract for two years, increasing deferred compensation to level of other employees and approve all other provisions remaining the same. A roll call vote was taken with all members voting in favor with the exception of Councilmember Hill voting against. Motion passed 4-1.

May 19, 2008

o. Consider city administrator contract changes in regards to vacation policy, sick leave and severance pay. (deferred from March 17)

A motion was made by Councilmember Washington and seconded by Councilmember Hill to authorize the mayor to sign an agreement as negotiated with the city administrator by the city attorney to increase vacation to the equivalent of a ten year employee with a minimum of fifteen days with accruals as stated in the city personnel handbook and to include a severance agreement equivalent to seven pay periods. Councilmember Sifford stated he would like to see the numbers on a ten year employee. A roll call vote was taken with all members voting in favor with the exception of President Dysart. Motion passed 4-1.

CITY OF BASEHOR

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, is made and entered into this 19th day of May, 2008 by and between the City of Basehor, Kansas, a Kansas Municipal Corporation hereinafter sometimes referred to as Employer or City, and Carl Slaugh, hereinafter referred to as Employee, both of whom agree and understand as follows:

WHEREAS, Employee desires to accept employment as City Administrator for the City of Basehor, Kansas.

NOW THEREFORE, the Employer and Employee agree and understand as follows:

1. **Duties** – Employer agrees to employ the services of Carl Slaugh as the City Administrator, to perform the functions and duties of said position as specified by the laws, ordinances, and job description pertaining to the Employee, and as otherwise directed by the City Council. The duties and responsibilities of the administrator shall include but not necessarily be limited to those duties and responsibilities set forth in Ordinance 434 and:
 - A) Be the Chief Administrative Officer of the City, over all departments, and be responsible to the City Council for proper administration of all affairs of the City.
 - B) Attend all meetings of the City Council at which his attendance may be required by that body
 - C) Recommend for adoption by the City Council such measures as he may deem necessary or expedient for the betterment of the City.
 - D) Prepare and submit to the City Council such measures as he may deem necessary or expedient for the betterment of the City.
 - E) Keep the City Council fully advised of the financial conditions of the City and its future needs.
 - F) Prepare and submit a preliminary or proposed budget for analysis and review by June of each year and to be responsible for its administration upon adoption.
 - G) Keep public and Council informed through periodic reports to Council on City operations.
 - H) Perform other legally permissible and proper duties and functions as the Mayor and Council from time to time assign.
 - I) Perform other duties as described in attached job description.
2. **Term** – Employee agrees to serve as the City Administrator for a term of one (1) year commencing May 19, 2008 until the 19th day of May, 2009 which shall be subject only to the rights of termination as provided hereafter.

3. **Suspension** – Employer may suspend the Employee with full pay and benefits at any time during the term of this agreement, but only if:

A) A majority of Council and Employee agree, or

B) After a public hearing, a majority of Council votes to suspend Employee for just cause, provided, however, that Employee shall have been given written notice setting forth any charges at least ten (10) days prior to such hearing by the Council members bringing such charges.

4. **Termination**

A) In the event Employee is terminated by the Governing Body before expiration of the aforesaid term of employment and during such time that Employee is willing and able to perform his duties under this Agreement, then City agrees to pay Employee severance pay consisting of a lump sum cash payment equal to 7 pay periods of aggregate salary (less applicable deductions required under federal or state law) and all accrued vacation leave; provided, however, that in the event Employee is terminated because he has been criminally charged with performing any illegal act involving dishonesty or moral turpitude or any illegal act involving personal gain to him, then the City shall have no obligation to pay the severance sum designated in this paragraph. For purposes of this Agreement, "aggregate salary" shall be defined to include any monthly health insurance premium that, at the time of termination, is paid by the City for the benefit of Employee and/or Employee's family or spouse.

B) Employee shall be given written notice of the Governing Body's intent to terminate Employee and the date of a hearing to be conducted in an Executive Session of the Governing Body at least ten (10) calendar days prior to such hearing and termination. Employee shall be given the opportunity to present evidence at the hearing in response to such proposed termination. Employee's failure to appear at such hearing does not prohibit the Governing Body from taking action to terminate Employee.

C) In the event City, at any time, during the term of this Agreement, refuses, following written notice, to comply with any other material provision contained in this Agreement, or the Employee resigns following a suggestion by a majority of the Governing Body that he resign, Employee may, at his option, be deemed "terminated" at the date of such reduction or such refusal to comply and the notification, hearing, and severance provisions of Paragraphs A & B of Section Four of this Agreement shall apply. However, prior to the application of this provision, both parties are obligated to negotiate with each other in good faith.

D) In the event Employee voluntarily resigns his position with City before expiration of the aforesaid term of his employment, then Employee shall give the Governing Body no less than sixty (60) calendar days' advance notice, unless the parties otherwise agree in writing. Unless otherwise directed by the Governing Body, Employee will not receive severance pay for a voluntary resignation but will be paid for any unused personal time. Employee's termination of employment shall be deemed to be voluntary when the Governing body has taken no formal action to

terminate Employee's Employment Agreement and when Section 4.C. of this Agreement is not applicable.

E) If Employee is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond unused personal days, or for twenty (20) working days over a thirty (30) working day period, the City shall have the option to terminate this agreement without making the severance payment contained in Paragraph 4(A) hereinabove. However, in the event the Governing Body chooses not to make the severance payment, Employee shall be compensated for any unused personal days accumulated to date.

F) Beginning three months before the renewal date, and upon notice by Employee to the Governing Body, the parties will engage in good faith negotiation concerning the terms of the following year(s) Agreement.

5. **Hours of Work** – Employee will work for Employer on a full time basis at a minimum of forty (40) hours per week. The Employee recognizes that he must devote a great deal of time outside the normal office hours to business of the Employer.

6. **Performance Evaluations**

A) The Council and Mayor shall review and evaluate the performance of the Employee at least once annually. Said review and evaluation shall be in accordance with criteria developed jointly by the Governing Body and Employee.

B) Annually the Governing Body and Employee shall define goals and performance objectives, which they determine necessary, for the proper operation of the City, and in the attainment of the Council's policy objectives and shall further establish a relative priority among those various objectives.

7. **Compensation**

A) Employer agrees to compensate Employee for his services rendered an initial salary of Sixty-Five Thousand Dollars Eight Hundred Dollars (\$65,800). Under the terms of this agreement, Employee's salary shall remain at this level for twelve (12) months at which time the Council shall review Employee's performance and may at the Employer's discretion adjust Employee's salary by an amount agreeable to the Council based on Employee's performance evaluation.

B) Cash Basis Law – City and Employee agree that the City is a municipal Corporation existing under and by virtue of the laws of the State of Kansas and as such is governed by the Kansas Cash Basis Law and other laws applicable to municipal corporations. City and Employee agree that if the City fails to make the necessary annual appropriation to fund the position of City Administrator then in that event this Employment Agreement shall become Null and Void. Employee agrees that in such an event, his claim against the City will be limited to ninety (90) days of wages based upon the pay figures previously stated in this Employment Agreement and Employee would also be paid for any accumulated

vacation time. The Employee shall not have any other cause of action in law or equity, against the City.

8. Fringe Benefits

- A) Employee acknowledges that he has been fully informed of all aspects of the City major-medical insurance program for full time employees and dependents and his eligibility therefore. The City agrees to pay one-hundred (100%) percent of the Employee's major medical/life and dental insurance and fifty (50%) percent of spouse's major medical insurance.. (Life insurance and dental insurance will not be included in spouse's coverage.)

Employee hereby acknowledges the City will annually provide 15 vacation days, or the same number of vacation days to Employee as other full time employees who have worked for the City for 10 years, whichever is greater. Said days must be approved by the mayor. Accrual of sick days, and carry over of vacation and sick days shall be governed by the City of Basehor Employee Policy Manual.

- B) Employee hereby acknowledges the City will contribute 13.88% of the Employee's annual gross wages in a designated deferred compensation fund. The Employee may, at his own expense contribute to this fund through payroll deduction.
- C) Employee acknowledged that he is a Contract Employee and that the terms and conditions of his employment with the City will be governed by the terms of this Contract and that the City of Basehor Employee Policy Manual, unless specifically stated otherwise, will not apply to his employment rights or obligations.

- 9. Travel Allowance** – Employee shall have at his disposal a city owned vehicle for the purpose of traveling to and from meetings while acting as a representative for the City. Expenses such as meals, registration fees, and hotel expenses shall be paid in accordance with State of Kansas fringe benefit regulations.

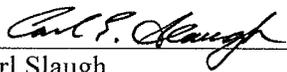
- 10. Professional Development** – As a part of Employee's compensation and for the Employees continued professional growth and development and for the good of the Employer, Employer agrees to budget and pay for the costs of participating in national, state and local associations. At a minimum said participation shall include, if so desired by Employee, membership in the International City Managements Association, Kansas City Management Association and Employee's attendance at annual conferences thereof. Employee may also attend other professional development workshops and seminars as mayor deems appropriate and necessary within the constraints of the adopted travel budget,

- 11. Civic Club Membership** – Employer recognizes the desirability of representation in and before local civic and other organizations. The mayor may authorize the Employee to become a member of one (1) such civic club or organization as a representative of the Employer, for which Employer shall reimburse Employee all normal membership expenses, including meals.

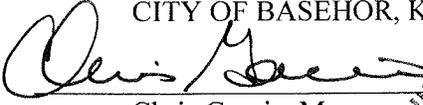
12. **Indemnification and Bonding** – Employee shall be covered under any liability Insurance policies written on behalf of the City for covered acts or omissions occurring in the performance of Employee’s duties. Employer shall bear the full cost of any official bond required of the Employee under any law or statute.
13. **Residency** – Employee will maintain permanent residency in the City of Basehor for the duration of this agreement, or any renewal thereof.
14. This Agreement shall be binding upon and inure the benefits of the heirs at law and executors of the Employee. If any provision or portion thereof contained in this Agreement is held unlawful, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable shall not be affected and shall remain in full force and effect. The parties agree to immediately renegotiate any part of provision in this Agreement rendered or declared invalid.
15. **Conflicts** - Any conflict that exists between the terms, conditions and covenants of this Employment Agreement and that with any City Ordinance, City Policy, City Resolutions or Regulations shall be resolved in favor of the City.

IN WITNESS WHEREOF, Employer, City of Basehor, Kansas, a Municipal Corporation has caused this Agreement to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, after approval by the Governing Body and the Employee has signed and executed this Agreement.

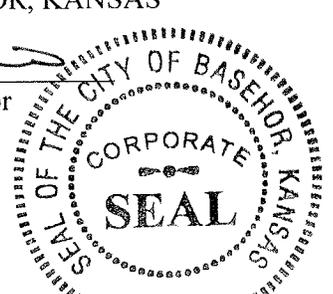
Passed and approved by all parties this 19th day of May, 2008.

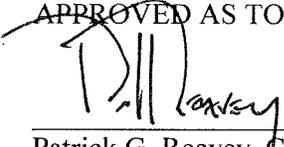


 Carl Slaugh

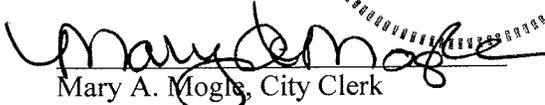
CITY OF BASEHOR, KANSAS


 Chris Garcia, Mayor



APPROVED AS TO FORM:


 Patrick G. Reavey, City Attorney

Attest:


 Mary A. Mogie, City Clerk