

Memo

Date: 10/28/2009
To: Basehor City Council
Cc: Mayor, Terry Hill
From: Mark Loughry, City Administrator *MEL*
RE: 11/02/09 Work Session

Council, attached you will find the agenda packet for the November 2nd Work Session. The agenda this month has a lot of items but most are self explanatory and will not require further action.

Agenda item one is a quarterly update from Steve Jack with the Leavenworth County Development Coalition. In addition to the update Steve is looking for suggestions on what the LCDC can do to help the City of Basehor in the area of economic development. I am sure that all of you will have many good suggestions for Mr. Jack.

Agenda item two is a request from the Basehor Athletic Association (BAA) for funding assistance. This is a well thought out multi-year request for funding and fairly self explanatory. BAA has also attached their most up to date financial statement for your review. It is obvious from the financial statement and their request that this organization is not able to stay financially solvent based on their current business model without outside help. I have attached a copy of the State Statute that explains the process of forming a Recreation Commission as I know this has been brought up in the past. Additionally I included a few statistical items that may be of help when considering this request. From a staff standpoint it would be our preference to not commit our staff to help with a private organization on privately owned property. Depending on the feelings of the Council this may need to go to the regular meeting for action.

Agenda item three is an update on Flood Plain map issues that have been brought about by FEMA updating the floodplain maps. The new maps now include some properties that previously were not identified in the flood plain which has caused some confusion by citizens. This is a self explanatory item and will not require further action by the Council.

Agenda item four is an update on the Wolf Creek Parkway project. I am including this item on the agenda in hopes that we will have numbers ready on what it will take to finish this project for your review. There is nothing to include in the packet at this time that would require further action but we may have handouts the night of the meeting for your review. I am including an email, with some edits, that I shared with Council President Washington and Mayor Hill on the overall financial health of the TDD for your review. This is informational only and does not require action at this time.

Memo

Agenda item five is the discussion of Glenwood Estates/Sewer District number three. I have included a new Interlocal Agreement, sent over by the County, and the existing Interlocal Agreement for your review and discussion. I will also be prepared to discuss some of the financial impacts this project has on the City of Basehor and the homeowners involved. I would like guidance as to if we intend to annex the property involved so that I can have staff begin the process of working up the necessary documents if needed. It would be my recommendation that we do a mandatory annexation on the entire subdivision. I am not planning on taking anything to the regular meeting for action at this time.

Agenda item six is a review of a proposal for Information Technology services. This item is self explanatory and will need to go to the regular meeting for action if the Council is in agreement with staff's recommendation.

Agenda item seven is a review of proposals for outsourcing some human resource functions. This is directly related to the People Wise audit conducted and discussion with the council on how we could address some of our deficiencies. The memo attached is fairly self explanatory. This item will not need to go to the regular meeting for action.

Agenda item eight was placed on the agenda at the request of Council. This item does not have anything in the way of supporting material and is basically on here to prompt discussion of how the Council wants to proceed with promoting the Neighborhood Revitalization Plan. Depending on the outcome of discussion this item may need to go on to the regular meeting for action.

Agenda item nine is further discussion of the outside agency funding requests. The Council discussed the possibility of establishing a committee to handle funding requests of outside agencies. There are three basic types of requests that are made on an annual basis to the City, Economic Development, Quality of Life and Social Services. I have included a history of money requested and given over the past few years to outside agencies. I have also included a brochure and cover letter from a group in Basehor that might be a good resource to assist with this. It would be my recommendation that the Economic Development requests be handled as part of the budget process with each entity making a formal request to the council. I have experience with this and feel we can integrate this seamlessly into our budget cycle. The Social Services requests are a little more difficult to plan out and don't fit nicely into the budget cycle. My suggestion would be that the Council designate a dollar amount they want to go towards Social Services annually and then establish a committee or partner with an existing committee to decide how to distribute these funds. Because the current level of Social Service funding and Quality of Life funding is relatively small it would probably work to lump these two items together and allow one committee field all of the requests. This would allow for greater flexibility on the committee's part and the Council's part.

Agenda item ten is the employee recognition program. The City Council has in place a policy to recognize employees based on certain anniversaries with the City. The current policy identifies an amount to be spent and directs staff to utilize the League of Kansas Municipalities program for selecting awards. It is staff's opinion that the items provided by the LKM program are over priced and not much of an award. All departments polled felt the same about the current LKM program. I would like to request we leave the City recognition program in place and simply change it to allow the City Administrator to determine where awards may be selected from. This item will need to go to the regular meeting for action.

Agenda item eleven is a request to change our current collections process to allow staff to utilize a collection agency to attempt and collect bad debt. The City has been utilizing the State setoff program with little to no success and would like to pursue this a little more aggressively. The City currently has approximately \$32,000 in unpaid utility bills. This will need to go to the regular meeting for action.

Memo

Agenda item twelve is the renewal of the auditing services agreement with Lowenthal Singleton Webb and Wilson. This firm has been providing auditing services to the City for several years and staff is recommending the renewal of their contract for the 2009 audit.

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

**AGENDA
WORK SESSION**

**BASEHOR CITY COUNCIL
November 2, 2009
7:00 p.m.
Basehor City Hall**

1. Steve Jack, LCDC Executive Director – Quarterly Update
2. Basehor Athletic Association Proposal
3. Mark Lee, Building Inspector/Codes Enforcement Officer – Update on Flood Plain issues.
4. Wolf Creek Parkway Update
5. Glenwood Estates, Sewer District No. 3
6. Technology Agreement
7. Payroll Processing and HR outsourcing
8. Creation of Committee to Promote Neighborhood Revitalization Plan
9. Outside Agency Funding Requests
10. Employee Recognition Policy
11. Collection of delinquent accounts.
12. Contract renewal for auditing services with Lowenthal Singleton Webb & Wilson

Reminder: Council to participate in VFW Senior Thanksgiving Dinner

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

**Minutes
Work Session**

BASEHOR CITY COUNCIL

October 5, 2009

7:00 p.m.

Basehor City Hall

Official Presiding: Mayor Terry Hill

Members Present: David Breuer, Irish Dysart, Dennis Mertz, Bill Moyer

Members Absent: Pres. Jim Washington

**Staff Present: Mark Loughry, Lloyd Martley, Mary Mogle, Gene Myracle,
Patrick Reavey, Matt Henderson**

Newspaper: Kaitlyn Syring, *Basehor Sentinel*

The work session was called to order at 7:00 p.m. with all members present with the exception of President Washington. The city attorney was in attendance.

Minutes

City Administrator Mark Loughry reported there are no requirements for work session minutes to have formal approval; therefore in the future, all work session minutes would be provided for council review only and may be amended upon request.

1. Kevin Robinson, People Wise – Presentation regarding Personnel audit and policies.

Mr. Robinson reported at the instruction of Mayor Hill, his company People Wise of Missouri performed an audit on the City's human resource department and personnel policy manual. He noted for an operation of less than 50 employees, he found that the city clerk performed an adequate job as human resources being her secondary job and found that mitigated risks were minimal. The current personnel manual was drafted from the League of Kansas Municipalities personnel policies and appeared to be outdated. Due to sensitive contents of the report, he did not go into detail.

Councilmember Mertz asked the city administrator what needed to occur next. Mr.

Loughry stated he would prepare an RFP to receive proposals from several consulting firms prior to making a decision.

Mayor Hill reported he ordered the audit as part of his job as mayor. He wanted to make sure everything was in order. The audit found there to be a lot of boiler plate policies in the existing personnel policy manual such as the "at-will" policy.

Mr. Robinson expressed concern that the grievance policy overrode the "at-will" policy, the second chance form should not be included in the substance abuse manual, and some job descriptions should be revised. New laws have been passed and should be imported.

2. Joe McAfee, MHS Engineering – Update regarding 150th Street project - Craig to Parallel

In the absence of Joe McAfee, Matt Henderson, project engineer gave a PowerPoint update on the 150th Street project:

Recently Completed Tasks:

- Asphalt base completed on 9/28
- Storm Sewer system 97% complete
- Driveway Pavement removals are complete
- Change Order work on failing subbase at north end of project completed on 9/10

Upcoming Tasks:

- Concrete driveway replacements will be ongoing through 10/9
- Modular block wall construction will be ongoing through 10/14
- Sidewalk construction should begin week of 10/12, 1 week ahead of schedule
- Right-of-way grading should be completed by 10/23
- As of 9/15/09 the project was 49.19% complete and \$327,042.52 has been spent

Pay Requests:

- Pay Estimate No. 2 in the amount of \$87,756.26 was processed on Sept. 3
- Pay Estimate No. 3 in the amount of \$115,521.67 was processed on Oct. 2
- Pay Estimate No. 4 will be submitted to the city engineer on Oct. 15 for review

Change Orders:

- Change Order No. 1 – removal of unsuitable base material at Sta. 47+70, and the installation of under drain to alleviate the moisture problems beneath the road. Payment in the amount of \$6,520.53 was made with Pay Estimate No. 3

- Change Order No. 2 – involved modification to a storm drainage structure at Sta. 30+75. Payment in the amount of \$1,570 was made with Pay Estimate No. 3.

Budget Notes:

Preliminary engineering, right-of-way acquisition, and utility relocation phases are complete. The combined phases were \$62,432 under the original budget.

Construction phase is currently \$8,091 above the Larkin Excavating contract, but substantially below the original phase budget.

Construction Engineering/Inspection phase is projected to be \$4,452 under budget due to the contractor being ahead of the scheduled completion date.

Mr. Loughry referenced the change order noting the contractor had no way of knowing there was a drainage issue. The original design for the [Norman] Guy retaining wall was not feasible so MHS Engineering and the city superintendent worked with the property owner to come up with a better design. The design change would cost approximately \$7,000. Another change in the project was to install concrete rather than asphalt driveway approaches, which would be nicer for homeowners and was more eye appealing.

Mr. Henderson reported he had a meeting with Westar Energy regarding a pole that was located in the wrong place. Westar Energy has agreed to move the pole as long as the City agreed to pay for the trenching.

Councilmember Breuer thanked Mr. Henderson for the written presentation noting it was easy to read and comprehend.

3. Aaron Hale, MKEC Engineering – Update regarding Wolf Creek Parkway project.

Mr. Hale reported the final check plans were submitted to KDOT for approval and anticipated the project to be bid in January 2010. The City will need to obtain right-of-way on both sides of 150th and 24/40 Hwy. KDOT will write the legal description and then land acquisition could commence. Councilmember Breuer asked if it was up to the City to acquire the right-of-way. Mr. Hale stated “yes”, the City would need to buy a 5 ft. right-of-way and a 5 ft. temporary construction right-of-way. The right-of-way would come up to the base of the dam but would not affect the spillways or overflow.

Mr. Hale reported the plans were submitted to KDOT in February 2009 and required Wolf Creek Parkway to shift 10 ft. This required the force main and water line to be relocated. Councilmember Mertz asked where Wolf Creek Parkway would tie into 150th Street. Mr. Hale reported the distance between the highway and 150th Street intersection is less than KDOT requires; however, KDOT has agreed to allow the road to remain as submitted. A change order for an additional 250 ft. of road will be submitted for Council approval next month. Mr. Loughry reported the City was waiting on bids from Suburban

Water for relocation of the water line, and once obtained, Council could take formal action.

Council discussed the reasons for delay in the project. Mayor Hill reported a lot of time went by waiting for KDOT approval.

Mr. Loughry reported there were more issues than moving water lines; the balance in the loan funding would not cover necessary change orders. Councilmember Moyer stated mistakes were made early in the project and now the City would have to absorb the costs.

Mr. Flower reminded Council that discussion took place earlier in the year to use the \$500,000 [24/40 Corridor grant] toward the project if necessary.

Mr. Hale reported the final plans were completed in March for Wolf Creek Parkway; however, the street needed to be moved 20 ft. Mr. Henderson reported the developer would have to pay for the landscaping and rock walls around the ponds. Changes were necessary since the road had to shift south in order to work in all the utilities.

Councilmember Moyer felt the citizens deserved a reason why the road had not been completed and suggested putting an article in the newspaper and City website.

Councilmember Mertz asked if it would be necessary to approve the change order prior to the next regular meeting. Mr. Loughry reported the change order would need approval; however, it would not speed up the process and would most likely go over budget. He estimated the overage to be \$50,000 or less.

Councilmember Mertz asked why the change orders were for two different amounts. Mr. Loughry reported the changes were made in quantities.

4. Review bids for sewer line relocation in Wolf Creek Junction

Bids were not ready for review at this time.

Councilmember Mertz questioned why engineering fees on the Wolf Creek project were 20% over budget, how MKEC Engineering justified the cost, and if the additional cost would show up as a change order. Project Engineer Aaron Hale stated he thought the additional expenses had been submitted and would look into it.

Matt Henderson, MHS Engineering, reported that MHS Engineering was asked not to get involved in the project other than to review plans, construction and observation, and recently requested by the city administrator to make a presentation. The sewer line relocation would be paid from the TR 0125 loan.

Councilmember Moyer asked who was in charge of overseeing the project. The city administrator stated that was a good question. MHS has stepped in to help out recently and was not responsible for the project budget. Councilmember Mertz questioned why

certain payments were not on the vendor report and questioned if certain payments were still pending per his request at a previous meeting. Mr. Loughry reported the new purchasing policy allowed bills to be paid without council action since they were approved projects and that he would have the treasurer research the records to see which bills were held up. Mr. Flower stated the budget overage had just come about within the last 72 hours. Mr. Loughry stated he would check with KDOT to see if the City would need an extension from KDOT since the construction end date would change.

Councilmember Moyer suggested at the end of the project the city administrator provide a report that would include three things, (1) find out what happened; (2) why did it happen; and (3) what could be done to make it better. He felt the major issue in this particular project was to the fact that there was not a designated project manager. Councilmember Breuer stated that no one took ownership of the project and the project lingered and that caused some confusion.

5. Brett Napier, Level 4 Engineering – Update regarding Basehor Town Center Project

Mr. Napier reported the Wolf Creek Parkway project was about 90% complete and the 155th Street project was about 44% complete. He anticipated both projects being complete in approximately 3-4 weeks. Currently contractors are installing signs, street lights, gates, trees and sod on Wolf Creek Parkway project. The east side of the 155th Street project was complete and the west side of 155th Street should be completed within the next couple of weeks.

Councilmember Mertz asked questioned what would happen to the property owners on the west side of 155th Street if the LLC folded. The city attorney reported anyone who benefited from the improvements must be included in the benefit district. Mr. Napier reported the project was on schedule and under budget.

Councilmember Dysart was concerned about drainage issues in the low lying areas located on the Mussett property. Mr. Napier reported the contractor would dump dirt and grade the area in an effort to minimize rainwater runoff. The city superintendent reported storm water inlets had also been installed on the west side of 155th Street to assist with drainage issues.

6. Review quotes for demolition of two foundations in Pinehurst Subdivision.

Four bids were received for demolition and cleanup of two properties located in the Pinehurst Subdivision. The city administrator reported since this was not a budgeted item, he would bring back to Council for formal action.

Council agreed that cleanup should not wait any longer since the code violation had been going on for almost two years and instructed the city administrator to move forward with the low bidder since it was within his spending authority.

The property owner (601 154th Circle) stated she and the neighbors were sick of the unsightly property and asked that the city move forward with demolition as soon as possible.

The city attorney reminded the city clerk to bill the property owner and then, if not paid within 30 days, place the cost on the tax rolls.

7. Discuss Glenwood Estates sewer line update.

Mr. Loughry informed the Governing Body that he was advised this week that the County had scheduled a public hearing for Tuesday, October 1st with Sewer District No. 3 residents. The agenda stated the City was to make a presentation; however, he had not been contacted by the County regarding the matter.

Councilmember Dysart questioned why the "Crabtree property" was show on the map as part of Sewer District No. 3. Mr. Loughry stated the property was connected to the system. He explained there were 91 properties in Glenwood; however, 97 properties were included in Sewer District No. 3. Annexation was a concern since it was not contiguous to the City. The City would have additional streets to maintain and the police department would have additional area to cover.

Mr. Loughry presented a spreadsheet that showed if annexed, the City would receive annually approximately \$76,000 in property taxes (current mill levy), \$48,000 in sewer maintenance fees, and \$311,000 in sewer connection fees. He reported the County would assess Sewer District No. 3 residents \$400 for sewer services; however, once the District connected to the City's sanitary sewer system, the County would only reduce the individual resident's assessment by \$50.00. The property owners are currently paying a 7.5% road impact fee; however, if annexed this fee would go away. Mr. Loughry did not feel the reduction in the sewer fee (\$50) and 7.5% road impact fee would be enough to offset annexation and did not think that all 97 properties would be willing to voluntarily annex into the City of Basehor. The County has expressed unwillingness to allow an island annexation unless all properties were annexed.

Commission John Flower stated under island annexation regulations, properties cannot be forced to annex. The County would not have a problem with the island annexation; however, it was not a favorable situation to have "holes" within the District. He went on to explain the school district and County agreed to loan the school district \$200,000 toward the project which could be recouped at a later date through upsize fees.

Councilmember Mertz suggested tabling action to allow the city administrator more time to work on the details.

Commissioner Flower reported at the public hearing on October 1, Sewer District No. 3 Board would approve moving forward with vacant land allocation. The Board of County Commissioners agreed to loan \$200,000 to Sewer District No. 3 to start engineering design and then recoup the money from the KDHE loan, turn around and reinvest for

easements. The anticipated cost of the project would be around \$1.8 million. Mayor Hill stated annexation was secondary to engineering and felt the design work should take precedents in order to keep the project moving forward.

Councilmember Dysart stated she was surprised at the last public hearing held in February that Glenwood residents were asked to leave and hoped that did not occur at the October 1 meeting.

The city attorney informed Council they had the authority to place a condition that annexation must take place prior to connection to the City's sanitary sewer system. Councilmember Moyer suggested making an agreement to lower connection fees contingent on all 97 properties agreeing to voluntarily annex.

It was the opinion of Councilmember Dysart that properties adjoining the proposed sewer line would not develop for 50 years or more; therefore, the City would not recoup the \$200,000 any time soon.

Other topics discussed:

- KMIT Award – Mayor Hill reported the City received a “Gold” rating on their workers compensation program this year. He commended staff for their efforts. The city administrator noted the high rating allowed the City to receive a significant discount in their workers compensation insurance premium.
- 150th Street Project, Craig to Parallel – Resident Jeff Scherer reported the speed limit signs on 150th Street are 35 mph and should be 30 mph and asked if all approached on 150th Street would be concrete rather than asphalt. Mr. Loughry stated the approached would be concreted 10 ft. back from the street.

Mr. Scherer explained his driveway along with two other property owners, were originally flat; now they are at an incline. He also reported the corner property located on the west side of 150th St. and Parallel now has an issue with the ditch being deeper than the road and could not be mowed by the property owner. The road does not appear to be on a section line as well. Mr. Henderson stated he would look at a copy of the design.

Mr. Loughry stated the City might be able to work on a resolution for the driveways; however, he did not feel changes could be made to the ditch this late in the project.

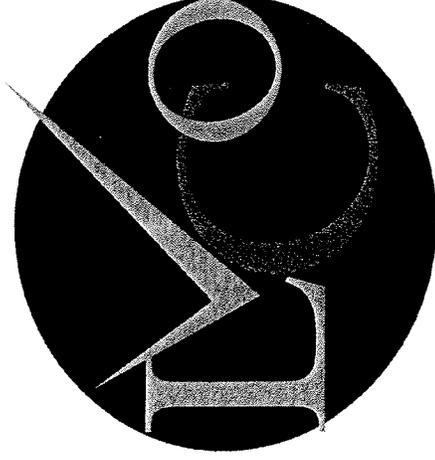
Work Session adjourned at 9:25 p.m.

Submitted for Council review on the 2nd day of November, 2009.

Mary A. Mogle, City Clerk

Leavenworth County Development Corporation

City of Basehor
LCDC Program of Work
Planning Session



DEDICATED TO THE INDUSTRY
OF INNOVATION

Who is LCDC?

- Established in 1981 as a 501©6 public/private organization, long known as LAD.
- Primary mission is to coordinate and facilitate the retention, expansion and attraction of primary businesses.
- 3 full time staff & a 22 member board.
- Funding comes from each of the four cities, the county, the port authority and 50+ private sector businesses.
- County-wide mission.

Who is LCDC? Cont.

- LCDC staffs the activities of the **Leavenworth County Port Authority (LCPA)**
 - Quasi-governmental agency established in 1969; five member board.
 - Maintains two industrial parks and builds industrial buildings.
 - Incentive funding available.
 - 487 jobs created; \$12,950,700 property valuation.

Coordination, Communication & Education

- Because we have a county-wide mission we work with a variety of partners in addition to the Port Authority.
- These partnerships are both internal and external.
- We facilitate coordination through quarterly updates to the cities, newsletters, website updates, presentations, forums, board meetings, etc.

Participation in Affiliated Organizations

- **Basehor, Leavenworth/Lansing, and Tonganoxie Chambers** (board member)
- **Leavenworth Main Street** (board member)
- **Kansas City Area Development Corporation** (\$7,500 annual dues paid by LCDC allows cities to participate in KCADC development activities; LCDC is primary liaison on new projects; Tony Kramer serves on the KCADC Board)
- **Kansas Department of Commerce** (active in site location consultant trips)

Participation in Affiliated Organizations

- **Kansas Economic Development Alliance** (active in the KEDA Competitiveness Working Group; advocate for Leavenworth County on new legislation)
- **Workforce Partnership** (represent Leavenworth County on the Board)
- **KansasBio** (member of Membership Committee)
- **Kansas Department of Transportation** (represents Leavenworth County as a member of the 5-County Regional Transportation Study Stakeholder Advisory Group)

2009 Projects & Accomplishments

- **Business Recruitment**
- **Successes:**
 - V.A. Consolidated Patient Account Center (400 jobs)
 - Coalition for Independence (6 jobs)
- **Still Working:**
 - Project Meter (5 jobs), Project Bag (61 jobs), Project Beta (57 jobs), Project Craftsmanship (250 jobs)
- **Existing Business**
 - 90 business visits
 - Developed grant opportunities
 - Business Appreciation Lunch
 - Governors Exporter of the Year (Cereal Ingredients)

DEDICATED TO THE INDUSTRY
OF INNOVATION

2009 Projects & Accomplishments

- **Marketing**
 - New logo
 - New positioning statement
 - New collateral material
 - New print ad
 - New website (on line soon)
- **Workforce Development**
 - New Workforce Committee
 - Co-sponsored a county-wide job fair
 - Developed Classroom to Career/Career Day
 - Labor Study (\$14,000 study, available on website)

2009 Projects & Accomplishments

Infrastructure

- Infrastructure Committee (information sharing)
- Lobbying Trip to Washington, D.C. (February)
- Trails Committee (Port Authority)

Education

- Lobbying Forum (Ron Gaches)
- Foreign Trade Zone Presentation (Al Figuly)
- Labor Market Study Presentation (Mike Walker)
- Economic Development 101 Forum (Bob Hatch, Howard Kirk, Dr. Art Hall, Tim Cowden)
- Retail/Commercial Forum – Nov. 4th (Bob Johnson, Jim Martin, Sreedhar Upendram)

2010 Program of Work

Objectives for 2010 Programs

- Coordination, Communication & Education
 - Business Recruitment
 - Marketing
- Existing Business, Retention & Expansion
 - Workforce Development
 - Infrastructure
 - Membership

DEDICATED TO THE INDUSTRY
OF INNOVATION

Coordination, Communication & Education

- Work closely with entities, organizations and individuals to enhance the economic opportunities of the county.
- Forums
- Meetings
- Reports

Business Recruitment

- Continue to work with partners to attract business to Leavenworth County.
- Cities, County, Port Authority, Kansas Dept of Commerce, KCADC, Site Locators, Brokers.
- Participate in site location consultant trips and trade shows.
- Continue to ensure that all available buildings and sites are being marketed in the LOIS data base.

Marketing

- Continue to implement our LCDC 18-Month Marketing Action Plan.
- Continue to modify, improve and market the website.
- Develop direct mail campaign.
- Implement workforce recruitment strategies.
- Host events that bring decision makers into the county.

Existing Business, Retention & Expansion

- Provide a complete array of resources to existing businesses and continue to collect better data on local business trends and needs, and report that information to economic development partners and elected officials.
- Quantify resources brought into the County.
- Continually improve methods of communicating input from businesses to the County and cities.

Workforce Development

- Respond to business and industry needs by implementing programs that will organically grow the workforce in Leavenworth County and attract skilled workers to the area.
 - Job Fairs
 - Career Days
 - Advertise to targeted groups

Infrastructure

- Support transportation planning, quality utility services and a clean environment that meet the present and future needs of our local businesses. Infrastructure issues cover areas related to highways, rail, air, water, trails and utilities and can be regional, countywide and local in scope.
- Washington, D.C. Trip
- Continue to work with utilities

Membership

- Continue to implement membership-related items 18-Month Marketing plan.
- Increase the number of LCDC private sector members.
- Increase contributions from the membership.
- Investigate implementing a capital campaign for 2011.

Feedback for 2010 Action Items

- What are the Top Areas of Focus for Basehor?

1. _____
2. _____
3. _____
4. _____
5. _____



Basehor Athletic Association

Proposal to the City of Basehor regarding participation at the Field of Dreams

The Basehor Athletic Association (BAA) would like to thank the city of Basehor for the opportunity to present this information. BAA was founded on the principle of providing the youth of our community a facility to participate in recreational sports. With the city's help, together we will continue providing the recreational programs that allow our community youth the opportunity to participate right here in Basehor.

Currently, BAA receives no funding from the city, county, or school district. Without additional financial support, the Field of Dreams falls short every year to meet its financial obligations. The majority of the debt is tied to the land notes, with the remainder being short term loans related to annual operating and maintenance expenses, and a recent sewer connection project.

Calendar 2009

The immediate need for the Field of Dreams is to meet our 2009 obligations at First State Bank, and to keep our monthly recurring bills paid. We have approximately \$11,500 in interest due now. We have approximately \$5,000 in our checking account. Utilities and other basic services will be approximately \$4000 to the end of the year. This leaves a shortage of approximately **\$10,500** that we are asking the city to consider participating in.

Calendar 2010

For the 2010 calendar year, BAA would like the city to consider participating in some complex maintenance items estimated at \$25,000. This would include replacing concession stand windows, replacing worn fencing, general field excavation and resurfacing the fields that need attention, replacing broken bathroom fixtures, re-painting all backstops and dugouts, general landscaping for erosion control, repairing faulty lighting, etc. If the complex activities are run in 2010 similar to the 2009 calendar year, BAA will again need approximately \$15,000 toward the end of the year to keep the interest payments made, and meet the monthly utility and service obligations. BAA would also like to discuss the possibility of utilizing the cities resources for mowing at the complex. BAA will maintain the playing fields, but could utilize the city's resources to mow and trim the remainder of the complex. The total request for operating in the calendar year 2010 would be **\$40,000**, plus the cities cost of providing the mowing service. Another need is to assume the two short term loans at First State Bank and pay

them off to avoid further interest charges. The approximate payoff balance of those two notes would be \$33,000. This option would reduce the amount needed at the end of 2010.

Calendar 2011

For the calendar year 2011 budget planning, BAA requests the city to consider the following.

Pay off sewer connection project loan of approximately \$22,700 (If not already paid)

Pay off short term operating line of credit of approximately \$10,225 (If not already paid)

Assume long term complex loans totaling approximately \$295,292.

At this point in time, BAA will work closely with the city to assist or continue managing the recreation programs at the Field of Dreams. It would also be the right time to appoint a recreation board to manage the facilities and programs. BAA board members are willing to assist with this process and/or be a part of this new board.

Summary:

2009 - Financial contribution from the city of \$10,500.

2010 - Financial contribution from the city of \$40,000 for operating expenses. An additional \$33,000 would be needed to pay off the two short term loans, for a total of \$73,000.

2011 - Financial contribution of \$33,000 to pay off the short term loans if not done in 2010. The city would also assume the land notes at this time as well. In 2011, BAA will be acting as an advisory board to assist the city in running the recreational programs.

Basehor Athletic Association**2008 Actual****Current Assets**

Cash (Checking Acct)	\$ 10,000.00
Inventory	\$ 2,500.00
Equipment owned	\$ 20,000.00
Total Current Asset's	\$ 32,500.00

Liabilities

FSB LOC balance	\$ 21,000.00	
BB/SB Fields Loan	\$ 165,133.00	\$ 12,355.00
Football field loan	\$ 134,387.00	\$ 10,054.00
New Mower Loan	\$ 5,000.00	19 months left
Short Term Loan	\$ 10,000.00	

Total Liabilities \$ 335,520.00**2008 Actual thru August****Income**

Tournament Entries	\$ 8,520.00
Comp League entries	\$ -
Concession Income	\$ 53,000.00
Gate Income	\$ 9,800.00
Souvinier Income	\$ 2,000.00
Donations	\$ 36.00
Rec League Fees	\$ 41,700.00
Football Lease 2008	\$ 23,000.00
Signs/Advertising	\$ 2,800.00
BLHS Field Lease	\$ 3,500.00
MSP Field Lease	\$ 4,200.00
Pepsi Income	\$ 2,900.00

Total Income \$ 151,456.00**Expenses**

Game balls	\$ 8,453.00
Salaries	\$ 27,000.00
Wages	\$ 26,500.00
Utilities	\$ 10,987.00
Concession Expenses	\$ 23,420.00
Maint. & Supplies	\$ 16,550.00
Trophies	\$ 5,000.00
Complex Insurance	\$ 5,957.00
Mower payments	\$ 3,000.00
T-Bones	\$ 6,000.00
Football Improvements	\$ 2,300.00
Sewer Permit Fees	\$ 2,000.00
Total Expenses	\$ 137,167.00

2009 Actual**Current Assets**

Cash (Checking Acct)	\$ 5,800.00
Inventory	\$ 1,500.00
Equipment owned	\$ 20,000.00
Total Current Asset's	\$ 27,300.00

Fixed AssetsProperty/Buildings **\$ 416,000.00****Liabilities**

FSB LOC balance	\$ 21,000.00	
BB/SB Fields Loan	\$ 162,802.00	\$ 12,355.00
Football field loan	\$ 132,490.00	\$ 10,054.00
New Mower Loan	\$ 1,500.00	6 months remaining
Short Term Loan	\$ 10,225.00	
Sewer Connection Loan	\$ 22,657.00	

Total Liabilities \$ 350,674.00**2009 Actual****Income**

Complex Rental - MSP	\$ 19,613.00	
Concession Income	\$ 46,300.00	Includes gate
Gate Income	\$ 400.00	
Field Signs/Advertising	\$ 1,900.00	
Rec League Fees	\$ 34,289.00	
Football Lease 2009	\$ 23,000.00	
BLHS Field Lease	\$ 2,500.00	
Pepsi Income	\$ 2,960.00	
Westar Easement	\$ 4,000.00	
Maintenance reimburse.	\$ 5,095.00	

Total Income \$ 140,057.00**Expenses**

Game balls	\$ -
Salaries	\$ 15,000.00
Wages	\$ 24,576.00
Utilities	\$ 14,443.00
Concession Expenses	\$ 32,060.00
Maint. & Supplies	\$ 28,254.00
Trophies	\$ 2,701.00
Complex Insurance	\$ 5,957.00
Mower payments	\$ 4,176.00
Short Term loan payoff's	\$ 32,882.00
Football Improvements	\$ 1,000.00
Short Term Int. Payment	\$ 4,141.27
Land Payments	\$ 22,409.00

Total Expenses \$ 187,599.27**Net Income/Loss \$ (47,542.27)**

Kansas Legislature

[Home](#) > [Statutes](#) > [Statute](#)[Previous](#)[Next](#)**12-1925****Chapter 12.--CITIES AND MUNICIPALITIES****Article 19.--PUBLIC RECREATION AND PLAYGROUNDS****12-1925. Establishment by petition or by action of city or school district;**

election. (a) Whenever a petition signed by at least 5% of the qualified voters of the city or school district is filed with the clerk thereof, requesting the governing body of the city or school district to establish a recreation system and to levy an annual tax not to exceed one mill for such recreation system and to pay a portion of the principal and interest on bonds issued pursuant to K.S.A. 12-1774, and amendments thereto, the governing body of the city or school district shall submit the question of establishing a recreation system to the qualified voters thereof. Such election shall be called and held in the manner provided by the general bond law, and the cost of the election shall be borne by such city or school district.

(b) A petition requesting the governing bodies of a city and school district to establish a joint recreation system and signed by at least 5% of the qualified voters of the city or school district may be filed with the clerk of the city or school district. Upon receipt of the petition, the clerk shall set a day not less than five nor more than 10 days thereafter for the joint meeting of the two governing bodies for the consideration of the petition. Notice of the receipt of the petition and the date and place of the joint meeting shall be given immediately by the clerk to the executive officer of the city and school district by registered mail. If the petition is found sufficient, the proposition shall be submitted to the qualified voters within the city or school district, whichever has the greater assessed valuation. Such election shall be called and held in the manner provided by the general bond law, and the cost of the election shall be borne equally by the city and the school district.

(c) The governing body of any city and any school district may initiate the establishment of a joint district recreation system by adopting a joint ordinance or resolution proposing to establish a joint recreation system and to levy an annual tax not to exceed one mill for such recreation system and to pay a portion of the principal and interest on bonds issued pursuant to K.S.A. 12-1774, and amendments thereto. The proposal shall be submitted for approval by the voters of the city or school district, whichever has the greater assessed valuation, at an election called and held in the manner provided by the general bond law, and the cost of the election shall be borne equally by the city and the school district.

(d) Upon approval of the proposition by a majority of those voting on it at the election, the governing body of the city or school district if acting independently or the governing bodies of a city and school district acting jointly, by appropriate resolution or ordinance, shall provide for the establishment, maintenance and conduct of such recreation system as they deem advisable and practicable and shall appoint a recreation commission as provided by K.S.A. 12-1926 to be vested with the powers, duties and obligations necessary for the conduct of such recreation system.

History: L. 1987, ch. 71, § 4; July 1.

Number of registered voters in Basehor City Valuation	2,954 \$45,551,787
Number of registered voters in USD 458 USD 468 valuation	8,357 \$126,740,150

Memorandum

To: Mark Loughry
CC: Mary Mogle, Mr. Mayor and City Council
From: Mark Lee, Building Official
Date: 11/9/09
Re: Council Work Session/ Flood Plain Issues

Mark Lee, Building Official

C-LOMR— Conditional Letter of Map Revision: This is the first step in changing the location of a floodway. This process should be followed up by a LOMR.

LOMR—Letter of Map Revision: is an official FEMA letter revising the effective NFIP map for a community in a certain area. These will change the actual layout of the map.

LOMA—Letter of Map Amendment: Is an official FEMA letter amending the effective NFIP for a community in a certain area. These will change the areas of floodways but not change the map.

FEMA has been in the process of revising floodplain maps nationally. Preliminary maps were sent out in February of 2009 to be reviewed and all necessary changes were to be addressed and sent back to FEMA, with the final maps being delivered to the City of Basehor in August of 2009.

When the final maps were delivered several homes previously removed from the floodplain reverted back to being designated in the floodway. Homeowners began to receive letters from their mortgage lenders stating that they must purchase flood insurance. Homeowners then began to call the city in regards to the floodplain designations placed upon their property. In some instances these homes have always been in the designated floodway but never had flood insurance. Stricter federal regulations have placed more pressure on lending institutions requiring their homeowners purchase flood insurance.

One area in particular is the drainage way that runs west to east through Iron Creek. It is clearly visible on the map that the floodway does not even lie in the creek bed. Another area is east of 155th Street at Landauer Street, these areas actually had a LOMR's (Letter of Map Revision) done in the past to remove them from the floodplain, these areas were missed by FEMA in the new map cycle.

I am seeing two issues arise from the new maps, one is, developers and engineers that are doing these projects (i.e. new subdivisions) are not following proper FEMA guidelines by having the flood plains changed with the use of C-LOMR's and LOMR's. The other is FEMA has missed some previously dated LOMR's and issued some inaccurate maps.

October 28, 2009

I have been in contact with Steve Samuelson, NFIP Specialist, with the State of Kansas in regards to these issues and he is working with me and others at the State level to get some of these issues corrected. It has now gone to FEMA, thanks to the help of the gentlemen at the State. In our last email conversation the question was presented to FEMA 'why are Basehor's LOMR's not shown on these new maps?' As of today 10/28, we have not received a response from FEMA or through the State and it may be sometime before we do.

I have information from the State and FEMA that addresses homeowners' rights and responsibilities in removing themselves from the floodplain and the process they must go through in their effort. I will be handing out this information to homeowners that are interested in attempting to remove themselves from the floodplain.

From: Mark Loughry [mailto:cityadm@cityofbasehor.org]
Sent: Friday, October 23, 2009 12:21 PM
To: 'Jim Washington'
Cc: 'Terry Hill'
Subject: RE: Wolf Creek Parkway

I would be happy to sit down with both of you and discuss this further. I will give a couple of quick answers to some of the things you have brought up.

The TDD is in place until the amount of sales tax we issued it for, \$3.7 million plus issuance costs, are collected.

Our agreement is with Benchmark Enterprises and only Benchmark Enterprises, they are not allowed to transfer any ownership without advance notice to the City.

The original agreement called for the issuance of special obligation bonds (TDD Revenue Bonds) which would have eliminated any liability of the City. However the agreement was changed allowing for the issuance of general obligation bonds, loans or we could work on a pay as you go basis. The only one that does not create a direct liability of the city is the pay as you go funding. Unfortunately the loans are a general obligation of the City and thusly the tax paying citizens. The good news is that a Bankruptcy would not eliminate any of the TDD obligations. A store closing would have a huge impact because currently that is the only revenue being generated to offset our TRF-125 loan payments of \$115,667.86 which begin in February of 2011 (quick math says we need to collect \$9,638 in TDD tax monthly to meet that which means we need to have retail sales of about \$1.3 million per month in the TDD).

The 1% City Sales tax collected is at risk at the end of any given 12 month period that they fail to meet their \$12 million forecast so we won't know for sure until probably August of next year. We will however be watching this closely as the monthly reports come in to try and have a heads up as much as possible.

All in all I think there is very little likelihood the TDD can support even what we have spent so far and would be very concerned about issuing any additional debt than isn't absolutely necessary to finish the street.

Mark Loughry, CPM
(913) 724-1370 ext 33
City Administrator
2620 N. 155th St.
P.O. Box 406
Basehor, KS 66007
cityadm@cityofbasehor.org
www.cityofbasehor.org

DRAFT

AN AGREEMENT BETWEEN THE CITY OF BASEHOR, KANSAS, UNIFIED SCHOOL DISTRICT 458, THE BOARD OF COMMISSIONERS OF LEAVENWORTH COUNTY, KANSAS AND SEWER DISTRICT NO. 3 OF LEAVENWORTH COUNTY, KANSAS, FOR THE PURPOSE OF APPORTIONING AMONG THEM CERTAIN COSTS ASSOCIATED WITH THE CONNECTION OF SEWER DISTRICT NO. 3 TO THE WASTEWATER TREATMENT SYSTEM OF THE CITY OF BASEHOR.

WHEREAS the City of Basehor, Kansas, ("City"), and Sewer District No. 3 of Leavenworth County, Kansas, ("Sewer District"), have previously entered into an agreement dated January 22, 2009, providing for terms and conditions under which the Sewer District shall connect to the wastewater treatment facility of the City; and

WHEREAS Unified School District 458, ("School District"), is currently served by the Sewer District and is constructing an additional school facility that will be served by the Sewer District; and

WHEREAS the Board of Commissioners of Leavenworth County, Kansas, ("County") recognizes that the connection of the Sewer District to the City wastewater treatment facility serves to benefit the public welfare of the citizenry of the county; and

WHEREAS the City, Sewer District, School District and County ("Parties") have jointly determined that an apportionment between them of certain costs associated with the connection of the Sewer District to the wastewater treatment facility of the City would be mutually beneficial; and

WHEREAS the parties have the legal authority to enter into this agreement;

NOW BE IT THEREFORE AGREED that the following provisions and terms shall be binding among and between the parties.

1. **Obligations of the City**

a. **Reduction of Connection fees**

The City agrees to reduce the connection fees provided for in the agreement dated January 22, 2009, between the City and the Sewer District by the amount of \$ _____. The City and Sewer District jointly agree to amend the prior agreement between them to so reflect the reduction in connection fees.

2. Obligations of the County

a. The County will loan to the Sewer District a sum not to exceed \$200,000.00 for the purpose of initiating engineering and design work ("costs") on the project to connect the Sewer District to the City wastewater treatment system. This loan shall be repaid upon receipt of the KDHE Revolving Loan Funds for such costs.

b. The County shall provide funding for the acquisition of necessary easements through the issuance of county debt as authorized and pursuant to the provisions of K.S.A. 19-27a17.

3. Obligation of the School District

The School District shall pay to the Sewer District, as the contribution of the School District to the cost of the connection of the Sewer District to the wastewater facility of the City, the sum of \$200,000.00. Said sum shall be paid to the Sewer District not later than 30 days from the effective date of this agreement.

4. Obligations of the Sewer District

a. Alteration of Sewer District boundaries to include additional lands owned by the School District

The Sewer District shall effect the alteration of the boundaries of the district to include additional land owned by the School District upon which the School District is currently constructing additional school facilities and more fully described in Exhibit "A" attached hereto. The initiation of the proceedings to alter the boundaries of the Sewer District as provided herein shall take place not later than 30 days from the effective date of this agreement.

b. Alteration of the Sewer District boundaries to include additional land now vacant, adjoining the Sewer District and to be traversed by facilities of the Sewer District

The Sewer District shall effect the alteration of the boundaries of the district to include additional land now vacant, adjoining the Sewer District and to be traversed by facilities of the Sewer District. Said additional land to be included within the Sewer District is described in Exhibit "B" attached hereto. The initiation of the proceedings to alter the boundaries of the Sewer District as provided herein shall take place not later than 30 days from the effective date of this agreement.

c. Recapture of payment made by School District

To the extent allowable by law, the Sewer District shall, in consultation with the School District, develop and implement a connection fee and annual assessment formula for the land to be attached to the Sewer District as provided for in section 4(b) of this agreement, sufficient to, over a period of time not to exceed 20 years, allow for the recapture and reimbursement to the School District of the monies paid to the Sewer District as provided for herein.

d. Recapture of reduced City connection fees

To the extent allowable by law, the Sewer District shall, in consultation with the City, develop and implement a connection fee schedule for the land to be attached to the Sewer District as provided for in section 4(b) of this agreement sufficient to, over a period of time not to exceed 20 years, allow for the recapture and reimbursement to the City of the reduced connection fees as provided for herein.

5. Authority to enter into this Agreement

Each party entering into this agreement hereby affirms and represents to the other parties that it has full and lawful authority to so enter into the agreement and that all necessary hearings, acts and enactments required to grant that party authority to so enter have been fully and lawfully completed.

6. Full Agreement/Amendment

Each party hereby acknowledges that this Agreement is the full and complete agreement between the parties and that this Agreement supersedes all prior discussions or representations. The terms of this Agreement may be modified only upon the mutual agreement of the parties to this Agreement and in a form substantially similar to this Agreement.

7. Prior Agreement of January 22, 2009 remains in force and effect

The City and Sewer District agree that this Agreement does not, except as provided for in Section 1(a) of this Agreement, serve as a novation or substitute to the terms, conditions and obligations of the prior agreement entered into between them on January 22, 2009, and that the terms, conditions and obligations of said prior agreement, except as expressly amended by the parties to said agreement, remain in full force and effect.

8. Severability

In the event that any court or administrative body with competent jurisdiction over the parties to this Agreement finds that any section or subsection of this Agreement is invalid, the remaining sections and subsections shall remain in full force and effect.

**AN AGREEMENT BETWEEN THE CITY OF BASEHOR, KANSAS, AND
SEWER DISTRICT NO. 3 (GLENWOOD) OF LEAVENWORTH COUNTY,
KANSAS, PROVIDING FOR THE TREATMENT OF WASTEWATER**

COME NOW THE PARTIES TO THIS AGREEMENT, The City of Basehor, Kansas hereafter referred to as "City", and Sewer District No. 3 (Glenwood) of Leavenworth County, Kansas, hereinafter referred to as "District", and recite the following as the terms of their agreement:

1. The District is authorized to enter into this agreement pursuant to the provisions of K.S.A. 19-27a02. The City is authorized to enter into this agreement pursuant to the provisions of K.S.A. 12-101. The District and City are jointly authorized to enter into this agreement pursuant to the provisions of K.S.A. 12-2908.
2. The purpose of this agreement is to provide for the treatment by the City, the wastewater generated from within the boundaries of the District.
3. The City hereby agrees to accept for treatment in an approved wastewater treatment facility, wastewater generated from within the boundaries of the District.
4. The District hereby accepts responsibility for notification of affected property owners, acquisition of utility easements, coordination with Glenwood Ridge Elementary School, and for organizing meetings, as needed, with affected property owners.
5. The District hereby agrees to construct such necessary and appropriate facilities as may be needed to transport wastewater generated from within the boundaries of the District to a connection point of the sewer facilities maintained by the City. New construction should be designed in accordance with City specifications, and to accommodate projected growth in the area. A general schematic diagram of the facilities to be constructed is attached hereto as "Exhibit 1" and incorporated fully herein. The District agrees to utilize construction plans prepared by a Professional Engineer in constructing the facilities generally shown in "Exhibit 1" and to allow the City to inspect and approve said construction at all phases of the project.
6. The District hereby agrees to announce the bid opening for construction to the City of Basehor so that a representative may be present.
7. The City hereby agrees to cooperate and assist with the above efforts to facilitate the timely connection of the new system.
8. Upon the completion by the District of the facilities as mutually agreed upon and generally shown in "Exhibit 1" the City agrees to accept ownership and responsibility for the maintenance of said facilities and the existing public facilities of the District, with the exception of the existing lagoon system. It shall be the responsibility of the District to cause such necessary assessments to be made within the boundaries to collect such

needed revenues to pay in full any temporary notes, bonds or loans as may be obtained by the District.

9. The District agrees to pay to the City appropriate connection fees for connection of the District to the treatment facilities of the City pursuant to this agreement as shown in "Exhibit 2". For the initial connection of the District to the wastewater treatment facilities of the City, the District shall upon receipt of such funds from the State Revolving Loan Fund (SRF), make payment to the City as detailed in "Exhibit 2".

10. The City shall be entitled to charge to each residential building, and the Glenwood Ridge Elementary School, served by the City within the District a monthly sewer use fee in an amount not to exceed 150% of the base fee charged by the City to the residents of the City of monthly sewer use. It shall be the responsibility of the City to assess and collect such monthly sewer use fees. In the event that the City annexes any area within the District, the City agrees to reduce the monthly base sewer use fee to users to 100% of the base fee charged to the residents of the City. Nothing in this agreement shall be construed as to prevent the City of Basehor from adding additional charges for the monthly sewer use fee based upon use above and beyond the amount of usage upon which the base monthly fee is calculated, for the operation of any grinder pump systems or such other assessments as may be required in order to effect the treatment of wastewater generated within the District.

11. The City of Basehor recognizes that the Basehor-Linwood School District (USD #458) wishes to start construction on an addition to the existing Glenwood Ridge Elementary school facility, with a projected completion date in the Fall of 2009, and a new Middle School, with projected completion in the fall of 2010. This new addition may not connect to the existing lagoon system and an occupancy permit is contingent upon proper operation of the new sanitary sewer system.

12. The District will enter into a standard agreement with the City for the inspection of sewer systems as outlined in the Basehor Technical Specification under the guidelines outlined by the Kansas Department of Health and Environment (KDHE).

13. The responsibility for the decommissioning of the existing lagoon system remains with the District.

14. Annexation of the Glenwood Estates Subdivision, Glenwood Ridge Elementary School and the future Basehor-Linwood Middle School property and any other property that intends to connect to the Basehor sanitary sewer system may be expected when the completed sanitary sewer system connects to the City system.

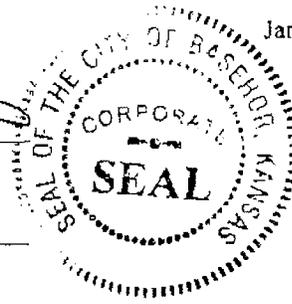
WHEREFORE IT IS SO AGREED TO THIS 22 DAY OF January, 2009

SD #3

January 9, 2009

FOR THE CITY: *Chris Bennett*

ATTEST: *[Signature]*



FOR THE DISTRICT: *[Signature]*

ATTEST: *Jane & Dickson*

Exhibit 1

Map of the proposed routing of the sewer line from the existing Glenwood lagoons to the Cedar Falls lift station. Lots highlighted in blue are on septic systems.



Exhibit #2

CONNECTION FEES TO BE PAID TO THE CITY OF BASEHOR AND APPORTIONMENTS FOR THE CONNECTION OF SEWER DISTRICT NO. 3 OF LEAVENWORTH COUNTY, KANSAS, TO THE WASTEWATER TREATMENT FACILITIES OF THE CITY OF BASEHOR, KANSAS

Project 1 - Glenwood Estates – Sewer District No. 3

Connection Fees (97 lots @ \$4575 per lot)	-\$443,775.00
91 Lots @ \$4425	\$402,675

Project 2 – Glenwood Ridge Elementary School

Connection Fee (1 @ \$4,575)	\$4,575.00
4425	4425

Project 3 – Middle School

Connection Fee (1 @ \$4,575.00)	\$4,575.00
4425	4425

Project 4 – Vacant Ground

Potential connection Fees (to be paid at the time building permits are issued will be established at the then current City of Basehor rate)	\$0.00
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Total Connection Fees (Projects 1-4)	\$452,925.00
	\$ 411,525.00

Exhibit #3

**ESTIMATED CONSTRUCTION COSTS FOR THE CONNECTION OF SEWER DISTRICT
NO. 3 OF LEAVENWORTH COUNTY, KANSAS, TO THE WASTEWATER TREATMENT
FACILITIES OF THE CITY OF BASEHOR, KANSAS**

Project 1 - Glenwood Estates – Sewer District No. 3

Construction Cost	\$971,197.06
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Project 2 – Glenwood Ridge Elementary School

Construction Cost	\$20,170.46
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Project 3 – Middle School

Construction Cost	\$48,346.71
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Project 4 – Vacant Ground

Construction Cost	\$0
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Total Construction Cost (Projects 1-4)	\$1,039,714.23
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Exhibit #4

**APPORTIONMENTS FEES TO BE PAID TO THE CITY OF BASEHOR FOR UPSIZING
THE PINEHURST LIFTSTATION TO THE WASTEWATER TREATMENT FACILITIES,
CITY OF BASEHOR, KANSAS**

Project 1 - Glenwood Estates – Sewer District No. 3

Pinehurst Upsize Fee (97 lots @ \$370 per lot) \$35,890.00

91
Project 2 – Glenwood Ridge Elementary School

Pinehurst Upsizing Fee \$1,850.00

Project 3 – Middle School

Pinehurst Upsizing Fee \$4,440.00

Project 4 – Vacant Ground

Pinehurst Upsizing Fee \$0.00

Total Upsizing Fees (Projects 1-4) \$ 42,180.00

Exhibit 5

TOTALS FEES TO BE PAID TO THE CITY OF BASEHOR AND APPORTIONMENTS FOR
THE CONNECTION OF SEWER DISTRICT NO. 3 OF LEAVENWORTH COUNTY,
KANSAS, TO THE WASTEWATER TREATMENT FACILITIES OF THE CITY OF
BASEHOR, KANSAS

- Connection Fees	
(From Exhibit #3)	
Glenwood Estates	\$443,775.00
Glenwood Ridge Elementary School	\$4,575.00
Middle School	\$4,575.00
Vacant Ground	\$0.00
Total	\$457,500.00
- Upsizing Fees	
(From Exhibit #4)	
Glenwood Estates	\$35,890.00
Glenwood Ridge Elementary School	\$1,850.00
Middle School	\$4,440.00
Vacant Ground	\$0.00
Total	\$42,180.00
- Vacant Ground	
(From Exhibits #2-#4)	
Construction Cost	\$0
Total Projected Loan Costs	\$499,680.00

Exhibit 6

**RECAP OF TOTALS FEES TO BE PAID TO THE CITY OF BASEHOR AND
 APPORTIONMENTS FOR THE CONNECTION OF SEWER DISTRICT NO. 3 OF
 LEAVENWORTH COUNTY, KANSAS, TO THE WASTEWATER TREATMENT
 FACILITIES OF THE CITY OF BASEHOR, KANSAS**

Project 1 – Glenwood Estates

Design Costs	\$137,228.35
Construction Costs	\$971,197.06
Connection Fees	\$443,775.00
Upsizing Fees	\$ 35,890.00
Total	\$1,588,090.41

Project 2 – Glenwood Ridge Elementary School

Design Costs	\$ 2,850.05
Construction Costs	\$20,170.46
Connection Fees	\$ 4,575.00
Upsizing Fees	\$ 1,850.00
Total	\$29,445.51

Project 3– Linwood/Basehor Middle School

Design Costs	\$ 6,831.30
Construction Costs	\$48,346.71
Connection Fees	\$ 4,575.00
Upsizing Fees	\$ 4,440.00
Total	\$64,193.01

Project 4 – Vacant Ground

Construction Cost	\$0
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Total Projected Loan Costs	\$1,681,728.93
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Memo

Date: 10/25/2009
To: Basehor City Council
Cc: Mayor, Terry Hill
From: Mark Loughry, City Administrator *ML*
RE: Information Technology Contract

Council one of the tasks on the list when I arrived was reviewing proposals for Information Technology services for the City of Basehor. There were some good proposals but the scope of the original request did not address some of the areas I felt were most important. The original scope was to replace aging equipment and provide some basic network configuration. After reviewing the system it was apparent that more in depth services were needed. The current system does not allow for the sharing of calendars or data among departments, has no network security oversight, does not have a managed anti virus program and patch updates are non existent. These are services that are crucial for any network.

Since the scope of services changed so drastically from the original request I decided to request new proposals from companies that could provide an all in one solution. After some research the following companies were contacted and onsite visits were conducted:

Mulberry Tech
The Purple Guys
Redwood Technologies
Erickson Solution Groups

Each company was interviewed and all of the city needs were detailed and equipment needs reviewed. All of the companies except Redwood submitted proposals. All of the proposals were unique in their approach to handle the city needs however one proposal was clearly better than the others.

The Purple Guys proposal was better prepared and offered services and support options that the other firms did not match. I will list some of the most important differences

- Versent Vault
 - Tapeless offsite backups nightly to two separate locations on separate coasts requiring no user interaction
 - In the event of a server failure or disaster the Versent Vault can be turned into a production server using the nightly backup
- Multi layer email filtering
 - Remote email hosting that scans for viruses and filters spam before the email reaches the city network.

Memo

- Hosted Exchange
 - Unlimited mailbox storage with a managed redundant servers and no need to maintain separate licensing.
 - Mobile device support for all formats

The remainder of the services offered was similar amongst all proposals just at varying levels of interaction. The Purple Guys proposal was the only packaged proposal with the other firms offering an a la carte approach making it impossible to get an exact comparison. This also makes it difficult to budget as the amount will differ from month to month and year to year.

The equipment proposals for all companies varied based on configuration and so there is not an accurate comparison price wise. This is not a concern as it is my intent to work with the firm selected to evaluate and select the equipment and then compare prices to the state contract to ensure fair pricing. The equipment will come in below the purchasing authority of the City Administrator and so will not need to come back before the Council.

The proposal for the level of services and support recommended from The Purple Guys is \$24,900 annually. I feel this is a good investment of funds for the City and if we tried to duplicate these services in house the cost would be much greater. This is a non-budgeted expenditure but adequate funds are available in the 2009 budget to finish out this year, and in the 2010 budget to cover next years expense.

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



City of Basehor

Network Support Proposal

September 21, 2009

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SERVICES DETAILS

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Company Overview

Versent Group, LLC, dba The Purple Guys, was founded in October 2001. The company has grown 25-30% each year since inception. We have been recognized by the Kansas City Business Journal every year since 2001 as one of the Top 25 Network Support Companies in Kansas City. We were also recognized by the Kansas City Business Journal as one of the Best Places to work in 2006 and 2008. We have fourteen full time employees and two specialist subcontractors (one for cabling and one for Macintosh support).

Our philosophy has always been to take a proactive rather than reactive approach to managing and supporting technology. The Purple Guys currently provide outsourced IT support to over 70 companies in the KC metro area representing over \$850,000,000 in revenue in the local economy. Combined, these customers have over 1100 end users, over 140 servers. The customers range in size from 15 to 150 end users. We feel with over seven years of successfully supporting small and mid sized organizations we are ideally suited and experienced to support the needs of the City of Basehor!

We partner with our customers. We put the risk of managing the technology environment on our shoulders through our Fixed Fee/Flat Fee pricing model. More details on each component of our services are provided in this proposal.

We believe in continuous improvement and belong to several groups that allow us to leverage best practices for business and technology management. Our management team has been actively participating in Vistage (formerly known as TEC, the world's largest CEO roundtable organization) since 1999 and in the Helzberg Entrepreneurial Mentoring Program (HEMP) since 2000. Jon Schram, president of The Purple Guys, served on the board of HEMP from 2004 – 2007 and is still an active member of the organization. We take our role as a business partner very seriously and look for ways to help our customers above and beyond technology support.

References

- Power Group Companies
 - Mark Avery, CEO, 913.491.3280
 - Tammy Abram, Office Manager, 913.491.3280
 - www.pgcompanies.com
 - Approx 60 users and 2 servers
- FICOR
 - Mike Watts, 913.631.7441
 - www.ficor.com
 - Approx 20 users, 2 servers, one location
- Consultants in Gastroenterology
 - Jean Thompson, 816.478.4887
 - www.consultgastro.com
 - Approx 140 users, 12 servers, 6 locations
- The Roasterie
 - Danny O'Neil, 816.931.4000
 - www.theroasterie.com
 - Approx 20 users and 1 server
- KIPP Endeavor Academy
 - Brian Henke, 816.241.3994
 - www.kippendeavor.org
 - Approx 15 users and one server

Service Desk Functionality

Our Service Desk is housed in our corporate office at 520 W. Pennway Street in downtown Kansas City. We are approximately 25 minutes from the City of Basehor's offices. Our service desk utilizes a VOIP phone system and has redundant internet connectivity to ensure maximum availability.

Services Overview

The Purple Guys are the Outsourced IT Department for small and mid-sized businesses. Our goal is to maximize the UP TIME for your network and take technology management off your plate so you can focus on your business. Our pro-active service (VersentCheck) is provided on a FIXED FEE basis, putting the emphasis on our ability to keep your network up and running. This service includes:

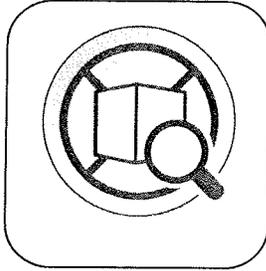
- A staffed Service Desk
- 24x7 Monitoring and Management of all network components
- All operating system updates and patch management
- Secure tapeless data backup on-site and redundant remote backup (VersentVault)
- Business Continuity coverage through our backup server (VersentVault)
- Disaster recovery through the on-site server backup (VersentVault) and remote bare metal restore capable images
- Email filtering, anti-virus management (VersentFilter)
- Email management either in-house on Exchange or Hosted Exchange
- Project Management
- IT Vendor management
- Virtual CIO consultation and technology planning

More details on the individual service components are provided on the following pages.

VersentCheck™ – We will do IT for you.

For years, IT companies and their clients have been working against each other. Something breaks, the IT company comes out to fix it, followed by a big bill.

That has changed. With **VersentCheck™**, we work *with* you to make sure that things don't break in the first place. Using a flat-fee monthly approach to billing, our incentive is to keep your network running smoothly. The better we do our job, the less you'll see of us, and the more you'll get out of your network. Finally, you can stop paying for downtime. Doesn't that make sense?



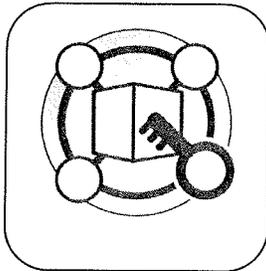
Preventative Maintenance & Unlimited support for Servers, Firewalls, Routers & Workstations

VersentCheck™ gives you all the preventative maintenance you would expect from your IT provider once a month – except you get it every day. We monitor your network for spyware, virus activity and failed backups and keep your systems patched and updated. We know most support calls can be handled much faster remotely than by waiting for an on-site technician so we give each of your users **unlimited** access to our live service desk.

VersentCheck™ Details

Unlimited Service Desk	Server & Firewall
Unlimited Phone & Remote Control Support	Assigned Virtual CIO
Virtual CIO	Support
Unlimited Purchasing Support	Server Monitoring 24x7
Project Research & Proposals	<ul style="list-style-type: none"> • Availability • Applications • Processor Utilization • Drive Space • Memory Utilization • Disk Utilization • Event Log
Annual Technology Plans	Exchange Monitoring 24x7
PCs and Laptops	<ul style="list-style-type: none"> • Availability • Email Store Size
Support	Hardware and Software Audit
PC/Laptop Monitoring	Workgroup Printer Monitoring
<ul style="list-style-type: none"> • Availability • Free Disk Space • Hard Drive 	Backup Monitoring
Microsoft Application Support	Maintenance
VPN Client Management	Microsoft Patch Management
Hardware and Software Audit	Log File Maintenance
Desktop Optimization & Management	Printer Setting Management
Maintenance	Security
Microsoft Patch Management	User Account Administration
Security	File Sharing Permission Administration
Software Patch Management	Security Administration
Antivirus Software Monitoring & Management	Virus Definitions Monitoring
Spyware and Adware Removal	Firewall Monitoring
	Firewall Management

VersentVault™ – Your data is your business. Never before has keeping your data safe and available been so important. At The Purple Guys, we know how critical every file, spreadsheet, drawing or accounting file is to your business. So we developed VersentVault™. With VersentVault™ your information is backed up 3 different ways – every day. It's all part of our philosophy of preventing a problem before it starts and getting you back up and running fast – without a huge bill.



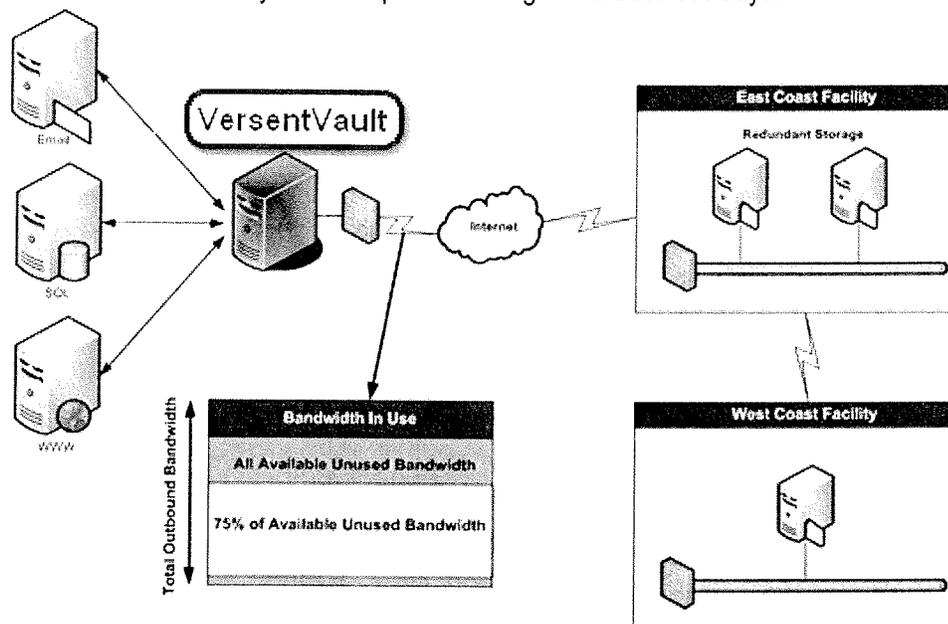
Advanced Data Backup, Recovery and Continuity Appliance

The VersentVault Advanced Data Backup, Recovery & Continuity Appliance provides the speed and reliability of enterprise-class business continuity and recovery solutions...without the enterprise-class price. Tired of dealing with tapes and wondering if you have a backup? Want peace of mind that your data will be there when you need it and that you have a backup to your existing server hardware? VersentVault is for you! It provides a Tapeless backup system, Business Continuity and Disaster recovery all in one package.

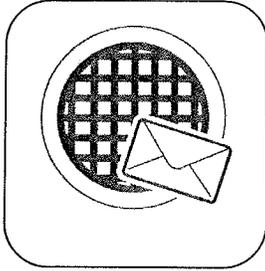
VersentVault™ Details

VersentVault is a physical server deployed on-site at your location that provides:

- **Tapeless Backups** - requiring no end user management. They happen automatically as frequently as once per hour
- **Business Continuity** - if one or more of your production servers fail. The VersentVault server can be turned into a production server in a matter of hours, keeping you up and running while we troubleshoot your failed production server(s).
- **Disaster Recovery** - in the form of nightly off-site backups. Each night the server backups are encrypted with 256 bit AES encryption (HIPAA and Sarbanes Oxley compliant). The backups are sent over the internet to 2 XO high availability data centers, one on the east coast and one on the west coast. If your physical equipment is lost in a disaster, we can overnight a server with your most recent data and have you back up and running in 1-2 business days.



VersentFilter™ – The right way to make sure spam and attachments with viruses do not make it into your network and ensure that your email never goes down.



Revolutionary Spam Filter and Email Protection

Tired of wading through tons of spam to get to your important emails? Worried you might accidentally open an attachment with a virus? Worried about missing an important email that accidentally got caught in your filter? Concerned about losing or missing your email if the power goes out in your building? VersentFilter is for you!

VersentFilter™ Details

Perimeter Protection – VersentFilter intercepts messages before they reach your network.

Redundant Email Servers – VersentFilter uses an array of redundant servers to ensure that at least one server will always be available to deliver mail. Each server set is equipped with VersentFilter's proprietary Spam detection system that utilizes more than 60 types of filtering techniques. All servers also contain multiple anti-virus engines and proprietary detection systems that rid incoming email of worms, viruses, phishing attempts and other protocol-based vulnerabilities.

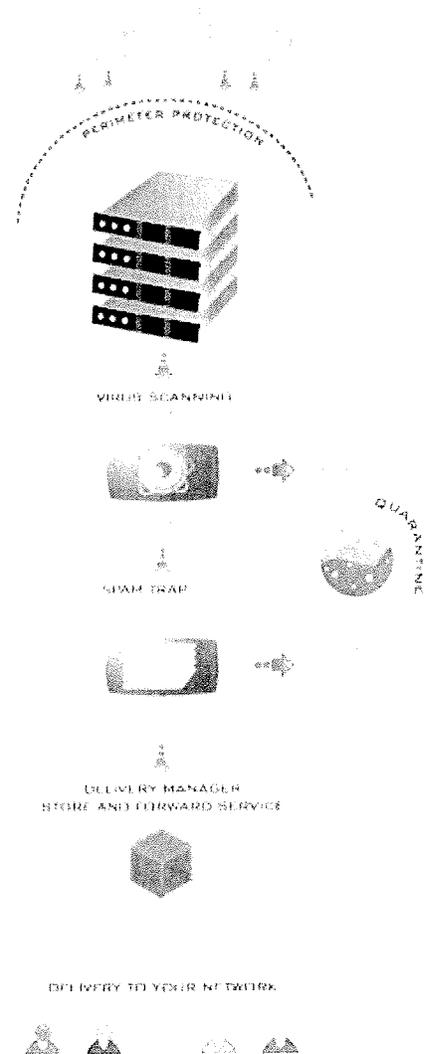
Virus Scanning - In today's world, viruses are the favorite tool used by spammers to enable the mass delivery of spam. VersentFilter uses three anti-virus engines which are updated every 10 minutes to ensure the signature databases are current. VersentFilter's detection system is used to identify and block unknown viruses providing an extra layer of virus protection. Emails that fail any of the anti-virus tests are routed to the Virus Quarantine for review by the system administrators.

Spam Trap - The VersentFilter Spam Filtering system uses the results from a blend of leading spam identification techniques to determine whether a message is legit or belongs in the Spam Quarantine. Some of these tests include internal and external RBL checks, routing analysis, signature and heuristic content inspection and reputation review. Drawing on our worldwide spam traps the system is updated between 500 and 2500 times per day providing consistent spam capture rates of up to 99%.

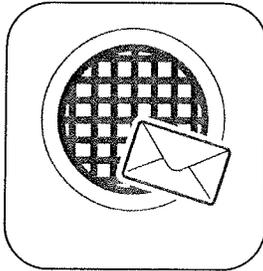
User Quarantine - Messages that are identified as spam or containing a virus are parked in VersentFilter's offsite Spam or Virus Quarantine. The detained emails can be viewed and/or released by administrators or individual users depending on the configuration selected by the administrator. User-level logins as well as email reports eliminate anxiety over potential false positives and optionally allow tracked message releases.

Delivery Manager/Store and Forward Service - Because uninterrupted email service is now a requirement for most businesses, VersentFilter's Delivery Manager protects your business from unexpected interruptions - natural, accidental, malicious or otherwise. Delivery Manager components include:

- Store and Forward Buffering
- Load Balancing
- Email Delivery Fail-over Support
- Emergency Mail Service



VersentApps™ – Hosted email and Mobile applications that provide flexibility and efficiency for your business environment.



Hosted Email and Mobile Applications

Our hosted Exchange, Blackberry Enterprise Server, Goodlink and Windows mobile applications give you the Safety and Security you need in an efficiently delivered platform. All licensing is included along with world class backup and recovery tools.

VersentApps™ Details

Hosted Exchange

Storage

Unlimited Mailbox Storage	<input checked="" type="checkbox"/>
Public Folders	1 GB
Additional Storage	<input checked="" type="checkbox"/>

Performance Optimization

End to End Route Optimization	<input checked="" type="checkbox"/>
IP Acceleration	<input checked="" type="checkbox"/>
Mobile Device Optimization	<input checked="" type="checkbox"/>

Archiving & Compliance

Records Management	<input checked="" type="checkbox"/>
Compliance & eDiscovery	<input checked="" type="checkbox"/>
Biz Continuity & Disaster Recovery	<input checked="" type="checkbox"/>
Email Archive	<input checked="" type="checkbox"/>

Virus Protection

Anti-Virus (5 AV Engines included)	<input checked="" type="checkbox"/>
Zero Hour AV protection	<input checked="" type="checkbox"/>

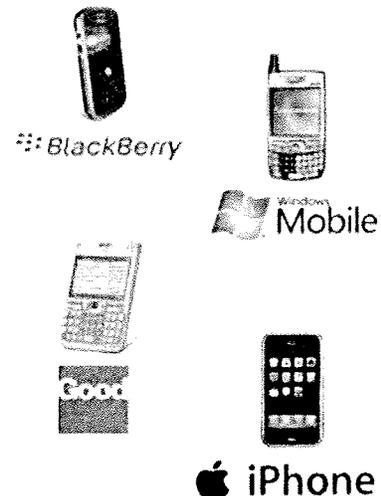
Security

Premium Spam & Virus Protection	<input checked="" type="checkbox"/>
Inbound Spam Filtering	<input checked="" type="checkbox"/>
Outbound Spam Filtering	<input checked="" type="checkbox"/>
Fraud Protection	<input checked="" type="checkbox"/>
Offsite spam quarantine	<input checked="" type="checkbox"/>
Spam Journal for end-users	<input checked="" type="checkbox"/>
Configurable Legal Disclaimers	<input checked="" type="checkbox"/>
Content Filtering Tools	<input checked="" type="checkbox"/>
Compliance Tools	<input checked="" type="checkbox"/>

Mobile Applications

Mobile Device Support

BlackBerry	<input checked="" type="checkbox"/>
Windows Mobile	<input checked="" type="checkbox"/>
Goodlink	<input checked="" type="checkbox"/>
iPhone 2.0 Optimization	<input checked="" type="checkbox"/>
Mobile Device Filtering	<input checked="" type="checkbox"/>
Mobile Device Optimization	<input checked="" type="checkbox"/>



Cost Proposal

We have split the Cost Proposal into two sections. The first addresses the initial network cleanup and on-boarding process, the second addresses the long term support and management of your information technology and provides two options.

The on-boarding process and initial network cleanup is being quoted on a time and materials basis. A fixed fee project can be negotiated if desired.

We offer two Flat Fee options for the long term management of your technology and outsourcing of your IT department; Gold and Platinum.

- Gold Support includes UNLIMITED Remote Support and Maintenance
- Platinum Support includes UNLIMITED On-Site and Remote Support and Maintenance
- Exclusions to Unlimited Support:
 - The services required to add new equipment will be billed either on a time and materials or fixed fee basis.
 - Support of all cell phones/PDAs is billed on a time and materials basis



On-Boarding and Clean Up – Up Front Equipment & Software Costs:

Current Environment and Needs:

During our meeting we identified approximately 15 workstations (9 in City Hall and 6 in the Police Department). You currently have one server. The overall intention is to keep your network as “isolated” and secure as possible. The use of Hosted Exchange versus internally running Exchange was discussed to eliminate the need to open up additional ports on the firewall. You want to have centralized antivirus and antispyware pushed from the server out to the workstations. Web filtering and possibly monitoring was discussed as well as the ability to backup the individual desktops/laptops. Your two primary internal applications are Fund Balance and File Bound for document management. You want to have the ability to work remotely with access to all of your data and applications.

Recommendations and Process:

Initially we will take over the day to day management of your existing infrastructure. We will maintain the status quo for a couple weeks to familiarize ourselves with your daily work processes. This will allow us the time to make sure we cover all the bases and make as smooth a transition as possible when we upgrade your network. We anticipate a VersentCheck agreement being in place during this period and costs will be calculated according to the agreement.

Based on our discussions we will be replacing your server and most likely updating the switches hubs and firewall. We will leverage your ability to buy through the state contract at SHI and we will compare the SHI prices to what we can provide through our vendor relationships in order obtain the best pricing possible on software and hardware.

Hardware / Software Item	Estimated Cost
New Microsoft Small Business Server Dell – Quad Core Xeon Server, 8GB RAM, 4x450GB HD in RAID configuration, Server 2008 w/20 CALS, Keyboard, Mouse, 17" LCD monitor. This configuration will be confirmed following our initial support period.	\$6500
Switches/Routers/Hubs/Firewall	TBD
Services to set up, install and configure server including: <ul style="list-style-type: none"> • All end user connectivity • Permission Configuration • Security setup <ul style="list-style-type: none"> ○ Secure Administrator login ○ Password Policy setup ○ Cached Logon Setup ○ Remote connectivity configuration <p>We estimate 40 hours to complete these tasks and will perform the services on a time and materials basis with an hourly cost of \$125/hr which represents a discount off our standard rate of \$155/hr.</p>	\$5000
Total On-Boarding Estimate	\$11,500



On-Going Fixed Fee Support and Management Pricing

VersentCheck Gold (Unlimited Remote)

Core Network & Primary Server	\$500
Police Server	\$100
VersentVault (data & server backup)	\$350 (1TB on-site + 100GB remote)
Hosted Exchange (15)	\$375 (unlimited storage)
PCs & Service Desk (15)	<u>\$750</u>
Total Monthly Gold Support	\$2075
Annual Cost	\$24,900

VersentCheck Platinum (Unlimited Remote & On-site)

Core Network & Primary Server	\$750
Police Server	\$100
VersentVault (data & server backup)	\$350 (1TB on-site + 100GB remote)
Hosted Exchange (15)	\$375 (unlimited storage)
PCs & Service Desk (15)	<u>\$1125</u>
Total Monthly Platinum Support	\$2700
Annual Cost	\$32,400



The following shows the breakdown of the pricing for the various components.

Unlimited Support & Maintenance of:	Gold (sample agreement attached)	Platinum (sample agreement attached)
Unlimited Service Desk – Remote Support	Included	Included
Service Desk – On-site Support	\$125/hr	Included
Core Network: Main Server, firewall, routers, switches and hubs	\$500/month	\$750/month
Other Servers	\$200/month – 1 st Server \$150/month – 2 nd Server \$100/month – 3 rd and all other servers	\$300/month – 1 st Server \$225/month – 2 nd Server \$150/month – 3 rd and all other servers
Firewall	Included in Core Network	Included in Core Network
PCs	\$50/PC/month	\$75/PC/month
VersentVault 1 TB of on-site storage, 100GB remote storage, \$2/GB for additional remote storage	\$350/month	\$350/month
Anti-Spam	Included in PC Support - \$2/user/month for email accounts above and beyond the # of PCs	Included in PC Support - \$2/user/month for email accounts above and beyond the # of PCs
Hosted Services	Exchange - \$25/account/mth Blackberry - \$20/account/mth GoodLink - \$20/account/mth Windows Mobile - \$10/account/mth	Exchange - \$25/account/mth Blackberry - \$20/account/mth GoodLink - \$20/account/mth Windows Mobile - \$10/account/mth
Hourly Rates for support provided outside the monthly retainer */**	Remote:\$115 On-Site:\$125 Evening/Weekend: 1.5X Holiday: 3X	Remote:\$115 On-Site:\$125 Evening/Weekend: 1.5X Holiday: 3X
Access to Emergency support pager for 24x7 emergency support	\$500/mth	\$750/mth

* Regular Support hours are Monday – Friday, 8am – 5pm, excluding Versent holidays

** The addition of new items into the network (PCs, Servers, Hosted services, etc...), will result in an increased monthly fee. The fee is effective during the month in which the addition occurred. The services required to add any new items into the network will be billed outside of the retainer.

ALL Cell Phone support (Blackberry, Treo, I-phone, etc...) is billed outside of the retainer.

Service Desk Overview/Frequently Asked Questions

What are your hours of operation for the helpdesk available?

8x5 M-F Standard and 24x7, 365 by electing the 24x7 support option

Is the service or coverage different at different times of the day (e.g. working hours vs. non-working hours)?

M-F, 8-5 – typically immediate response via phone/email

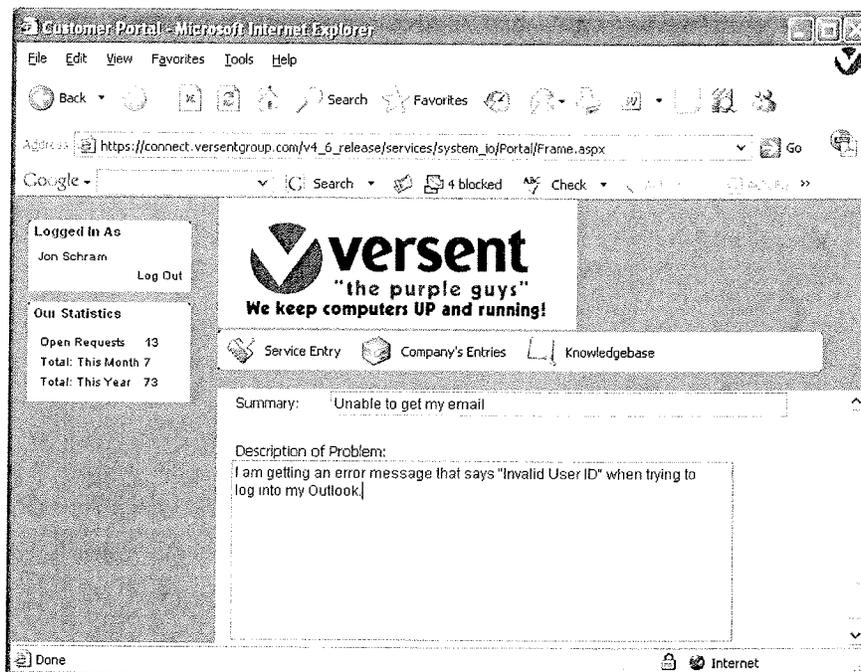
Eve/Weekend – 1 hour emergency response is available, otherwise requests are addressed at the start of the next business day.

How do you accept problem reports (e.g. phone, e-mail, etc.)?

Phone, email and web portal

What access/visibility do you provide to current and past trouble tickets?

The web portal tracks all service requests real-time. All end users can be given access to the portal to see either just their requests or all company requests. Typically only the “company coordinator” is set up to see all service requests, other users are set up to see only their individual requests.





How do you provide feedback to the users for acknowledging problem report and problem resolution?

As soon as a service request is entered into our system an acknowledgement is made to the end user via email. Real time status is always available via the web portal.

How do you provide status updates on 'long playing' issues?

Real time status and details are always available via the web portal. Also, a lead technical resource will be assigned to track service requests. Any "long playing" issues will be tracked and monitored daily by both the lead tech and the service coordinator. Updates can be provided as often as needed to the end user/company coordinator and are always available on-demand via the on-line portal.

SAMPLE – Service Request Detail:

Service Ticket Report **1/2/2009 6:41 PM**

Service Ticket # 33613: 08 09-10 Setup new ConnectWise server and install software

Details

Summary: **08 09-10 Setup new ConnectWise server and install software**

Detail Description: <== 9/10/2008/4:04 PM/ dlee- Prep, Configure and Install the new ConnectWise server and software

Resolution:
*** Service time entry of dreeser on 9/16/2008 ***
** Onsite support
- Managed the cutover to the new server.
- Retired the old server to the tech room and made a full backup of the filesystems in case they are needed.
- Ran a verify job against the data to ensure that it was good.
- All data tests were fine.
- Ran a data integrity check on the new server after the CW techs were finished with the data migration to the new server.

*** Service time entry of dlee on 9/16/2008 ***
** Onsite **
Conferred with Chris and he agreed that we were done with the old VERSENT-CW1, broke the RAID array, created a RAID 0 array for each drive, and started DBAN.

*** Service time entry of ckamler on 9/16/2008 ***
** ON SITE **
--Worked with ConnectWise to finalize installation of server.
--Retired old CW1 server, disabled Zenith Monitoring
--Installed and backed up CW-02 server to My Book as well as Versent Vault.
--Finalized installation and communicated that server was back online.



What process do you follow to ensure the quality of services provided?

All service requests, upon completion, provide the opportunity for feedback via a short emailed customer satisfaction survey. All service requests are reviewed by both the service desk coordinator and the account manager to ensure that any chronic or recurring issues are addressed and resolved quickly.

Client Communications Overview / Frequently Asked Questions

Management notification of major issues/outages

At the beginning of our engagement process we establish an emergency contact list with multiple contacts and multiple numbers (office, cell, etc...) for as many management contacts as are required by the customer (typically 3-4). We also establish escalation procedures for evening/weekend issues.

Notification of any major issue/outage is typically done via phone and email, followed up by a detailed service request and notes.

Root cause analysis reports

Each service ticket will contain detailed notes on the cause and resolution of the issue.

Planned outages for preventive maintenance and new implementations

We establish a regular maintenance schedule for the PCs and Servers at the beginning of the relationship with the majority of the “maintenance windows” occurring after regular business hours and on specific days of the week. The diagrams below address some of the regular maintenance and patches.

Server Agent Schedule						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
      						
Performance Monitoring Occurs Every 2 minutes and sends a 10 minute average to the Data Center. Error and Warning Event IDs are captured every 15 minutes Services and Processes are probed every 2 minutes Device Availability is checked every 1 minute						
<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Microsoft Patch Assessment**  Security Patch Deployment 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Hardware & Software Asset Collection  Microsoft Patch Assessment**  Logical Disk Space Check  Security Patch Deployment  S.M.A.R.T. Monitoring Check 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Microsoft Patch Assessment**  Security Patch Deployment 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Microsoft Patch Assessment  Security Patch Deployment 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Hardware & Software Asset Collection  Microsoft Patch Assessment**  Logical Disk Space Check  Security Patch Deployment  S.M.A.R.T. Monitoring Check 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Microsoft Patch Assessment**  Security Patch Deployment 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Microsoft Patch Assessment**  Security Patch Deployment
<small>**Only runs if the Server Agent was unable to connect to the Data Center on Wednesday Security Patch Deployment runs on a schedule per site</small>						

Desktop Agent Schedule						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
      						
<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Microsoft Patch Assessment**  Quick Spyware Scan & Removal  Security Patch Deployment 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Hardware & Software Asset Collection  Microsoft Patch Assessment**  Logical Disk Space Check  Quick Spyware Scan & Removal  Security Patch Deployment  S.M.A.R.T. Monitoring Check 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Temporary File and Internet Debris Removal  Quick Spyware Scan & Removal 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Microsoft Patch Assessment  Quick Spyware Scan & Removal 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Hardware & Software Asset Collection  Microsoft Patch Assessment**  Logical Disk Space Check  Quick Spyware Scan & Removal  Security Patch Deployment  S.M.A.R.T. Monitoring Check 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Temporary File and Internet Debris Removal  Microsoft Patch Assessment**  Quick Spyware Scan & Removal  Security Patch Deployment 	<ul style="list-style-type: none">  Anti-Virus Updates Every 4 hours  Microsoft Patch Assessment**  Deep Spyware Scan & Removal  Security Patch Deployment
<small>**Only runs if the Desktop Agent was unable to connect to the Data Center on Wednesday</small>						
All tasks are performed in low priority mode						



'Report card' on your provided services

Monthly executive reports are delivered to the company coordinator and any other contacts designated by the customer. The report is emailed with an executive summary and the reports details the specific maintenance that was performed that month as well as the system health of all PCs and Servers. Copies of specific service requests can be produced as needed or reviewed on demand via the web portal. An example executive report can be provided upon request.

Status reporting on your environment and our environment

The monthly executive reports provide a very in depth picture of the health of your network as well as the details of service performed during the month. Details on any specific service requests can be reviewed at any time via the web portal.

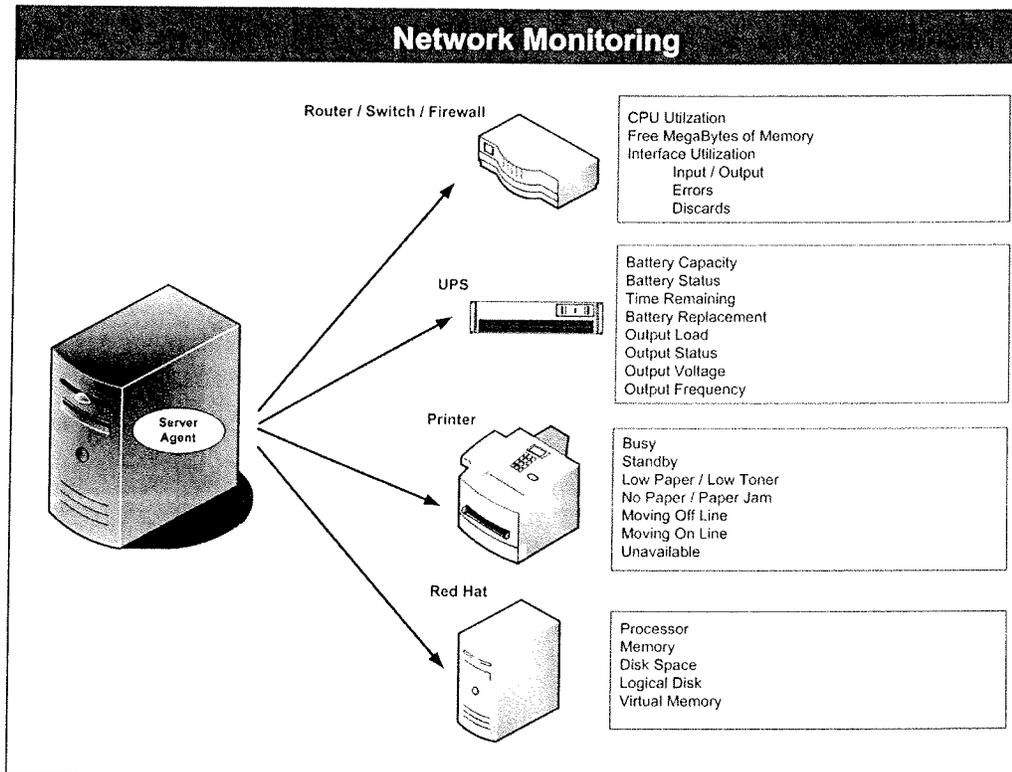
New Client Orientation: "Welcome to The Purple Guys"

During the on-boarding process with each customer we distribute our Welcome to the Purple Guys documentation. This document is typically hand delivered and walked through with all employees as we kick off the on-boarding process. We walk through it with all staff members so expectations are clearly set. A copy can be provided upon request.

Monitoring and Management Overview / Frequently Asked Questions

What part of the environment can/would be monitored

All Servers, PCs and Laptops will have a monitoring agent installed and will be monitored 24x7. Additionally all Routers, Firewalls and other SNMP enabled devices can be monitored 24x7 as long as they are visible to the servers in the network. The diagram below outlines some of the monitoring available.



How are alerts generated and propagated to responsible parties?

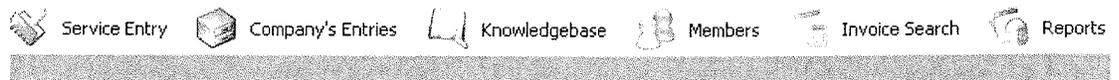
Alerts are either automatically generated by our monitoring software or created manually. The alerts are immediately visible in our on-line system. The on-line system is monitored 7 days a week, 7am – 9pm. Emergency escalation is available for evening/weekends.

How you respond to the alerts to abnormal conditions?

Depending on the alert, we take appropriate action as necessary. If the alert indicates that business interruption will occur, we take immediate action to minimize or eliminate any business interruption. If the alert is more “informational” and can be dealt with as part of regular maintenance, a service request is opened and tracked to completion. For any alerts that could result in business interruption, we will keep the company coordinator informed throughout the resolution process.

What types of reports can you provide upon request?

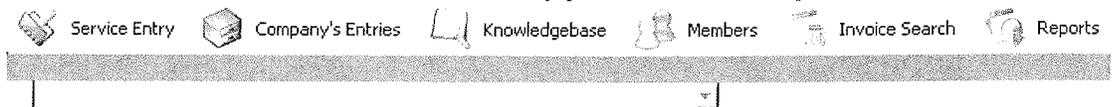
- All service request details (open and resolved) are available on-line.



Page 1 of 1 [Add](#) [Search](#) [Clear](#)

SR	Summary	Contact	Entered	Status	Updated	Assigned
33613						
33613	08-09-10 Setup new ConnectWis...	Help Tickets	9/10/2008	Closed ...	9/18/2008	

You can drill down into the detail of any particular service request:



Resolution:

*** Service time entry of dreeser on 9/16/2008 ***

** Onsite support

- Managed the cutover to the new server.
- Retired the old server to the tech room and made a full backup of the filesystems in case they are needed.
- Ran a verify job against the data to ensure that it was good.
- All data tests were fine.
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- Ran a data integrity check on the new server after the CW techs were finished with the data migration to the new ser

- All current and past invoices and the corresponding detailed service descriptions are available on-line
- Backup details are available on-demand
- Current security status (via firewall logs) are available upon request
- External Security probes (port scans) are available with 48 hours notice.
- Hardware and software inventories are available upon request

What types of reports you can provide upon request? (continued)

The following is a portion of the overview page from the Monthly Executive Report and details the various sections of the regular Monitoring and Management that occurs throughout the month:

PREVENTIVE MAINTENANCE ACTIVITY

This report details the preventive maintenance work carried out for computers where the DPMA is installed. Desktop computing represents a substantial investment for today's businesses.

Regular preventive maintenance keeps the desktop environment secure against internet attacks.

The following preventive maintenance activities are carried out at regular intervals :

- Antivirus updates: Checks whether the desktop has the latest antivirus definition updates. Antivirus programs must update themselves regularly to stay effective against new viruses.
- Spyware management: Removes spy-ware that can slow down your computer, displays annoying pop-up ads, changes Internet settings, or uses your private information without your consent.
- Temporary file deletion: Removes unused files from your system allowing Windows to run faster and free up valuable hard disk space.

SECURITY PATCH MANAGEMENT ACTIVITY

There have been several widely publicized attacks and vulnerabilities related to Microsoft software. Many organizations with proactive Microsoft patch management in place were not affected by these attacks or vulnerabilities. They acted on information Microsoft made available previous to the attacks. This report provides information regarding the Microsoft security patch update process carried out at your site along the status of security hot-fixes.

BACKUP MONITORING

Backup operations are complex and volatile making it difficult for companies to understand their true backup success rate, and more importantly, their recoverability. As a result, companies are exposed to substantial business risk from lost data, leaving their IT departments scrambling to identify, troubleshoot and remediate sources of failure between backup windows. This report provides a concise summary regarding the backup success, backup failures, root causes for failure and backup performance.

SERVER MONITORING

This report provides information regarding the health of your servers. Server health monitoring identifies and eliminates conditions that could compromise server productivity. This report documents a server's core health parameters in a concise and simple layout without going into technical details. Servers are very important to a business environment. This report displays how fast servers respond and server availability.

DEVICE MONITORING

This report provides information regarding devices setup under Device monitoring (SNMP and ICMP). It shows device availability and a response time analysis i.e., the average response time for the device. Additionally, the report provides an interface utilization analysis i.e., for inbound and outbound traffic of the devices under monitoring.



Your current service level response times to abnormal conditions

- Regular response during normal business hours for business interruption related issues is one hour but is typically immediate due to the nature of our staffed service desk and our remote capabilities.
- Response after hours or on evening/weekends is 2-4 hours
- Emergency Response, if required and selected as part of the contract, is 24x7 and has a one hour response time.

Network device management

- All network devices are monitored 24x7x365

Wireless LAN management

- All LAN devices are monitored 24x7x365

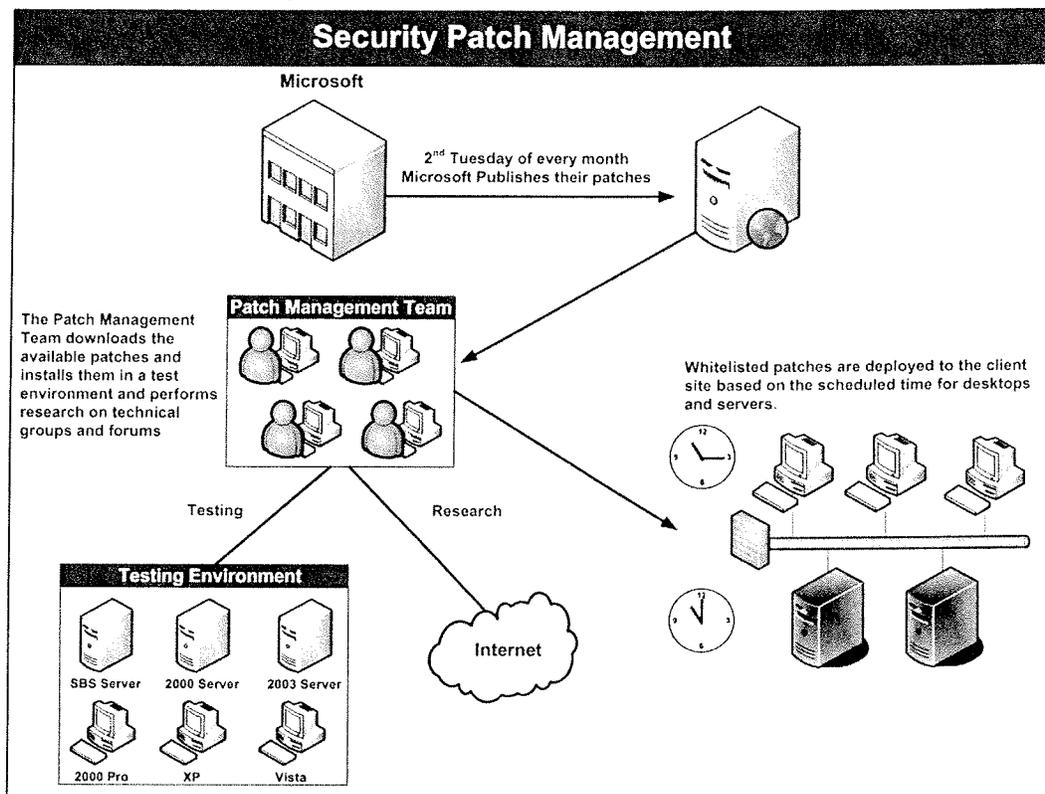
Hardware Support Overview / Frequently Asked Questions

How you handle installation and upgrades?

Hardware installation and upgrades are pre-scheduled and performed on-site at your location. Software installation is also pre-scheduled and generally conducted on-site. Most software upgrades are pre-scheduled and conducted remotely.

Configuration and patch management?

Performed as needed, typically after hours and done remotely. The diagram below shows some of the patch management that will be done.



Asset management?

Hardware and software inventories are available upon demand

Warranty support?

We act as the “customer advocate” in the enforcement of any manufacturers warranties. Either on-site or remotely as needed.



Equipment/component replacement?

Customer owned equipment is maintained and replaced in coordination with the customer/manufacture and done as needed.

Storage/Warehousing of extra equipment?

We typically do not store or warehouse extra equipment. Specific requests would be addressed on a case by case basis.

Software Support Overview / Frequently Asked Questions

Installation & upgrades

All installations and upgrades are coordinated and conducted with the software vendor, according to their processes and procedures.

Media storage and inventory control

Media storage is typically done at the customer location. All hardware and software is inventoried and available on demand.

License management

All Microsoft licensing is monitored, maintained and available on-demand. Line of Business application licensing is typically handled by the customer.

Training

End user training is available for the core Microsoft Applications (Outlook, Word, etc...) typically done in a lunch and learn type format and is available to schedule as needed.

Line of Business (LOB) Application Support Overview / FAQ

Patch and upgrade management

We typically perform all LOB patch and upgrade management in conjunction with the software vendor.

First call support on applications

We do not function as LOB software experts and are usually not called for support on the applications. The calls our service desk receives are when the application is not available or not running.

Infrastructure support

We provide all infrastructure support for LOB applications. We maintain the servers, storage space, backups, etc...



Security and user configuration support

We usually do not perform user configuration for LOB applications but can fill this role if required. Typically an administrator/software expert is designated from the customer staff.

License management

We usually do not perform LOB license management but can fill this role if required.

Vendor support coordination

We fill the role of vendor coordinator with all software vendors.

General User Administration Overview/ FAQ

User creation/destruction/management

We perform all Add/Change/Delete for end users and end user security. This is typically done under the direction of the company coordinator.

Manage domain controllers (login scripts, profiles, etc.)

We perform all management on domain controllers, active directory, etc...

Manage security restrictions and network access for users

We perform all security management for user access, typically done under the direction of the company coordinator. Users are usually segmented into functional business groups (HR, Finance, Production, etc...) for ease of maintenance and group policies.



Security and Environment Protection / FAQ

Virus protection

Virus protection is centrally managed from the server and pushed out to the workstations. Licensing and management is monitored 24x7.

Spyware protection

Spyware scans are performed weekly and spyware/adware files are removed at that time.

Firewalls

Firewalls are administered, managed and monitored 24x7

How you identify and address security violations or intrusions

The firewall is monitored 24x7. Network traffic is monitored 24x7.

Data Management Overview / FAQ

The system you have in place for performing backups

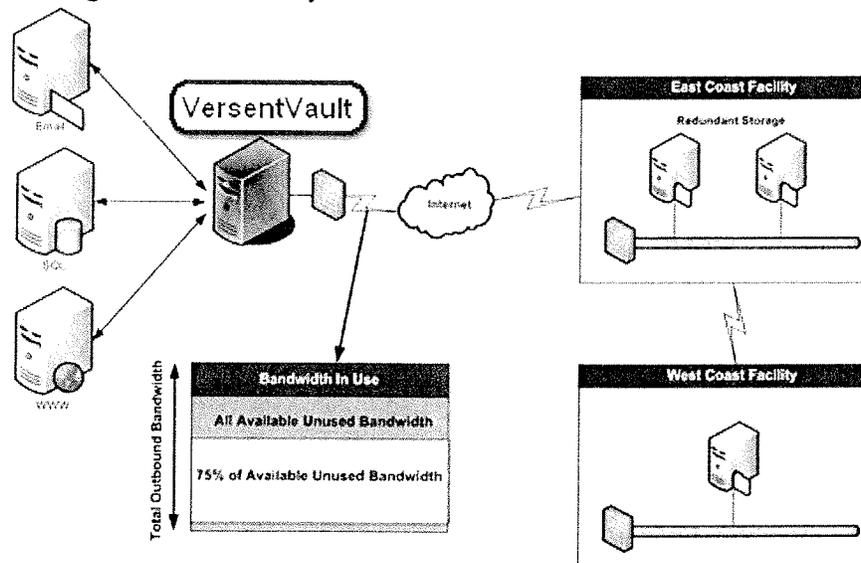
Our Versent Vault tapeless backup allows backups to be taken every hour to the server. The server has multiple drives in a RAID 10 configuration. These backups are then pushed over the internet to a remote data center on the west coast and replicated to a data center on the east coast.

The Versent Vault also serves as a backup server for each production server. The Versent Vault runs virtualization software that allows it to run a virtualized copy of any production server. In the event of a failure of any production server, we guarantee that the server will be back up and running within 8 business hours.

VersentVault™ Details

VersentVault is a physical server deployed on-site at your location that provides:

- **Tapeless Backups** - requiring no end user management. They happen automatically as frequently as once per hour.
- **Business Continuity** - if one or more of your production servers fail. The VersentVault server can be turned into a production server in a matter of hours, keeping you up and running while we troubleshoot your failed production server(s).
- **Disaster Recovery** - in the form of nightly off-site backups. Each night the server backups are encrypted with 256 bit AES encryption (HIPAA and Sarbanes Oxley compliant). The backups are sent over the internet to 2 XO high availability data centers, one on the east coast and one on the west coast. If your physical equipment is lost in a disaster, we can overnight a server with your most recent data and have you back up and running in 1-2 business days.



The schedule and type of backups you can provide

The type of backups are “bare metal restore” capable. The backups are stored locally on the backup server as well as remotely at the redundant data centers.

Due to the nature of the bare metal restore, we are able to restore servers and perform server upgrades very efficiently.

The Versent Vault, in addition to providing a backup of the data, provides a backup of any production server. In the event of a failure of a production server, the Versent Vault can run a virtualized copy of the production server. We guarantee that a failed server will be back up and running within 8 business hours.

The restore process to include customer expectations on restore timeframes

Individual files (Word, Excel documents, etc...) can typically be restored within two hours. Full system restores can be performed within 8 business hours.

The process in place to test recovery capabilities

The backup server (VersentVault) can be used to test restores whenever necessary but typically on an annual basis. The use of this server permits the testing without impacting the production environment.

Remote backups for servers located at our sites

As mentioned above, the backups are pushed remotely to two redundant data centers (one on each coast). The VersentVault is physically located next to the server or servers it is backing up.

Archival process in place

The archival process typically allows for 30 days of retention. A greater archival time can be provided if necessary. Due to the backups being performed every hour, files can be restored on an hour by hour basis from the on-site backups.



Locations and Staffing Overview / FAQ

Description of facility at each location

Main Office: 520 W. Pennway, Suite 300, KC MO 64108

Primary office facility, service desk and all technical engineering dispatch.

Number of staff members at each location and their primary duties.

Main Office

3 – Service Desk Engineers

7 – Field Support Engineers/Supplementary Service Desk

1 – Service Desk Coordinator

1 – Operations Manager

1 – Account Manager/Business Development

1 – Accounting/AP/AR (part time)

1 – President

Hours of operation

Main Office – 8am – 5pm, M-F, On-call 24x7



Additional Services Overview / FAQ

- Cell Phone Support on demand as needed, pricing is T&M
- PDA Phone Support (BlackBerry, Windows Mobile, GoodLink, I-Phone, Treo, etc...)
 - On demand, as needed
 - All setup and synching of mail and calendars
 - Pricing is T&M for support and fixed fee for any hosting services
- Web site hosting, pricing is fixed fee, based on the complexity and size of the site.
- Email filtering (VersentFilter), pricing is included in the fixed fee monthly support
- Hosted Exchange
 - Unlimited Mailbox size
 - \$25/user/month
- Virtual CIO
 - Pricing is included in the fixed fee monthly support.
 - Server as an advisor during annual strategic planning sessions and when setting budgets for the upcoming year.
 - Provide periodic advice on best practices within the industry that could reduce costs and increase efficiencies.

Memo

Date: 10/25/2009
To: Basehor City Council
Cc: Mayor, Terry Hill
From: Mark Loughry, City Administrator *MEL*
RE: Human Resource Outsourcing

The results from the People Wise audit brought forward several issues that need to be addressed with current city processes and procedures. Existing staff does not have the expertise or training to handle these issues internally so proposals for outsourcing were solicited. After reviewing the proposals it was apparent that the expense for outsourcing is much more affordable than attempting to hire a staff member to provide the same services. Additionally outsourcing allows the City to gain access to professional firms with staff and resources that can assist with other items not necessarily identified in the audit. It will also allow staff to focus on other city duties.

The two areas that were identified as good candidates for outsourcing are payroll and Human Resources. After contacting firms that provide human resource support it was determined that it would be best to solicit these services separate from each other. Proposals were solicited and received from Wolf Consulting, HRS and People Wise for human resource support and from Pro Payroll, Pay Time, and People Wise for payroll outsourcing.

After reviewing the payroll outsourcing proposals both Pay Time and Pro Payroll were very competitively priced while People Wise came in considerably higher. Pay Time quoted \$2.16 per employee per payroll, Pro Payroll quoted \$1.75 per employee per payroll plus a \$29 set fee and People Wise quoted \$4.95 per employee per payroll. The quote from Pro Payroll also included information on how their product interfaces with a web based time clock and with an onsite time clock which was very affordable and would reduce staff payroll entry time by roughly 70% to 80%. Both Pro Payroll and Pay Time provided an extensive list of references and staff would be comfortable using either depending on the time clock interface. Staff will work with Pay Time to see what they offer in the way of time and attendance software and hardware to hopefully have two viable choices. Because the Pro Payroll solution with time and attendance and necessary hardware setup will come in below \$6,000 the first year and less than \$3,000 annually after the first year this will not need to come back to a regular meeting. Staff will plan on implementing this as soon as possible unless the Council has any concerns.

Of the firms that responded to staff's request for human resource support proposals only HRS submitted a proposal that wasn't based on an hourly rate. HRS provided a list of services they provide and different support plan packages ranging from \$125 per month up to

Memo

\$2,500 per month. After reviewing the services available and talking with staff the HRS representative proposed a monthly support plan with a cost of \$550. This does not require an annual contract so if after utilizing the service for a few months it needs to change or staff is not happy the City can simply cancel the agreement. Staff received a list of references from HRS and reviewed documents they have created for other clients and both were excellent. The HRS proposal is attached for Council review and for the services offered seems quite affordable. Additionally because the proposal is based on a monthly defined fee it allows for much easier budgeting going forward. Again this expense is below the spending authority of the City Administrator so will not come back to a regular meeting unless the Council has concerns.

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

GENERAL AGREEMENT

THIS AGREEMENT made this 30th day of October 2009, by City of Basehor and Human Resource Solutions.

WITNESSETH: That in consideration of the mutual covenants and agreements to be kept and performed on the part of said parties hereto, respectively as herein stated, the said party of the first part does hereby covenant and agree that it shall:

- I. Provide Human Resource Support Services for one year beginning the date of the contract. The service includes:
 - a) On-call support for all human relation questions pertaining to discipline, hiring, interviewing, terminating and promoting.
 - b) An initial audit of the human resource policies and practices of your company.
 - c) Management coaching on an individual or group basis.
 - d) Additional 14 addendums attached.

- II. And said party of the second part covenants and agrees that it shall:
Compensate Human Resource Solutions \$550.00 per month for 12 months for an annual contract of \$6600.00. Human Resource Solutions will bill on a monthly basis.

- III. This Agreement may be terminated any time by either party with thirty (30) days advance written notice to the other party. Upon notice of such termination, neither party, however, shall be relieved from performing the covenants herein contained during such 30-day period, except that Human Resource Solutions shall be relieved of performing services hereunder if termination is the result of a default in payment for services rendered.

This agreement shall be binding upon the parties, their successors, assigns and personal representatives. This agreement shall be enforced under the laws of the State of Missouri. This is the entire agreement.

Signed in the presence of:

Human Resource Solutions

Date

City of Basehor

Date

Human Resource Support Services for City of Basehor

Human Resource Solutions will assure that City of Basehor is in compliance with all Department of Labor regulations and all other employment related regulators and will agree to the following:

- 1) Complete a full audit of the human resource policies and practices. A detailed written summary will be completed with HRS recommendations.
- 2) Provide unlimited support and research for Senior City of Basehor Management.
- 3) Provide research and examples of updated job descriptions.
- 4) Periodically provide Human Resource News Updates.
- 5) Provide as needed HRS on-site visits. Usually 1 or 2 visits per month.
- 6) Prepare an orientation checklist and packet to be provided to all new hires.
- 8) Prepare an exit checklist and packet to be used for all terminated employees.
- 9) Conduct all exit interviews.
- 10) Assist with salary ranges as needed.
- 11) Provide Unemployment and Work Comp case review.
- 12) Provide personal "coaching" to individual managers to improve productivity and quality.
- 13) Defend all EEOC claims.
- 14) Conduct COBRA administration

All of the above activities will be done for a monthly fee of \$550.00.



This quote has been prepared for:

City of Basehor

The following quote is based on a Bi-Weekly payroll schedule:

- ◆ **Payroll Checks** – Written on ProPayroll checks using the Client’s account
- ◆ **Tax Service** – ProPayroll will deposit and file all applicable payroll taxes and assume full liability for their accuracy and timeliness
- ◆ **ProPay ONLINE** – Internet access 24 / 7
- ◆ **Check Signing** – scans an authorized signature onto each check
- ◆ **Direct Deposit** – electronic deposit of net payroll into bank accounts

Service	Quantity	Cost
Payroll Checks	45 checks Bi-Weekly (\$29 + \$1.75 per employee)	\$107.75
Tax Service	All applicable payroll taxes	Included!
Reports	Unlimited Standard and Custom reports	Included!
Check Signing	All checks	Included!
Direct Deposit	All deposits	Included!
ProPayroll online	24 / 7 / 365 access	Included!
HR Support Center	24 / 7 / 365 access	Included!
Delivery	Electronic	Included!
Total Cost Per Payroll	Bi-Weekly	\$107.75

One Time Fees

New Hire Reporting	\$2.00 per
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Annual Fees

W-2 base fee	\$40.00
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W-2 per employee	\$4.00
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The ProPayroll Solution

Each Payroll

- Payroll Checks
- Complete Tax Filing Service
- Employee Earnings Statements
- Federal Tax Deposits
- State/Local Tax Deposits
- Payroll Journal
- Departmental Cost Summary
- Payroll Tax Summary
- Deduction Register (as required)
- New Hire Report (as required)

Each Month

- Month-end departmental summary
- Federal Tax Deposits
- State/local Tax Deposits

Each Quarter

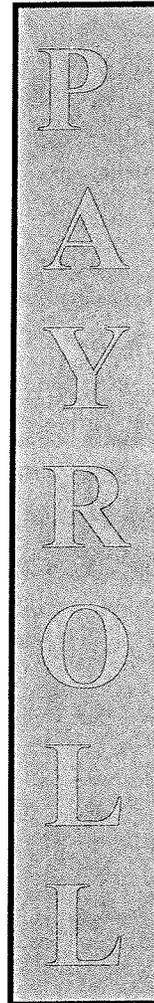
- 941 Federal Tax return
- State Unemployment Tax return(s)
- 940 Federal Unemployment Tax deposit
- State Withholding returns (as required)
- Local Tax returns (as required)
- Quarterly Wage & Tax Detail Report

Each Year

- Auto Mag Media Filing of Employer SSA W-2s
- W-2s for all employees
- W-3 Federal withholding recap
- 940 Federal unemployment tax return
- State/local withholding recap
- All supporting wage/tax detail
- 1099/1096 (if required)
- 8027 Tip Report (if required)

Special Reports & Services

- ProPayroll ONLINE- 24/7 Internet Access
- Bank Reconciliation Report
- General ledger posting report
- Workers' compensation report
- TEFRA reporting
- Time clock interface
- Direct deposit
- Check signing





ProPayroll™

We're with you all the way

www.propayrollinc.com | 1-877-477-6729

It's Your Choice...

EasyChoice®

Time & Attendance

T I M E & A T T E N D A N C E

It's About Workforce Management

Improving how your company collects and manages time and attendance information is no longer a luxury. EasyChoice® Time & Attendance provides your company with the ability to better manage your workforce via leading edge internet-based tools.

Our time and attendance solution eliminates manual time tracking, but that's only the beginning. EasyChoice Time & Attendance provides HR functionality including leave requests, an accrual policy rules engine, rate calculations, payroll audit trails, ad-hoc reporting and tiered security access. It's everything you need to accurately manage a growing workforce. Prices start at \$2.50 per employee, per month.

Isn't it time you brought your time and attendance solutions to the next level, it's an EasyChoice!

- Easy deployment
- Low cost
- Reduce labor costs up to 5%.
- Reduce payroll preparation time up to 80%

Data Collection

- Badge readers
- PC entry
- Biometric readers – hand and fingerprint
- Web punch and timesheet

Benefits

- Improve payroll accuracy
- Reduces pay errors and adjustments
- Reduces OT expenses
- Automates administrative tasks
- Employee/Supervisor approval system
- Reduce supervisors time on admin tasks
- Empower employees with self service
- Employee point management system
- Automates business processes
- Provides accurate labor data
- Full audit trail of payroll data
- Track unlimited accrual policies
- Built in ad-hoc reporting
- Paperless leave requests





**EasyChoice TimeVantage Price Quote
for
City of Basehor**

EasyChoice Time & Attendance (web based system):

- ASP Small Business Version - \$2.50 per employee per month
(no accruals or leave requests)
- ASP Enterprise Version - \$3.50 per employee per month
(includes accruals and leave requests)

Web Clock:

- Included

Swipe Clock:

- Tranz 380 (lifetime warranty) - \$299.00 each

Clock Deposit - N/A

One Time Implementation Cost:

Set Up, Configuration and Training

- ASP Small Business Version - N/A
- ASP Enterprise Version - \$400.00

Generic Magnetic Strip Badges - \$2.00 each

561.243.4948
Fax 561.243.4969

1200 NW 17th Ave, Suite 19
Delray Beach, FL 33445

www.propayroll.com

MEMORANDUM

To: Mayor & Council
From: Mary Mogle, City Clerk
cc: Mark Loughry, City Administrator
Date: November 2, 2009

Re: Outside Agency Funding Requests

During the budget process, Basehor Historical Society requested a \$7,400 donation to help pay for utilities and a survey. This action prompted Council to question what other organizations in town needed assistance.

Attached is a list of donations that were paid out from 2006 to 2009 (as of 10/23/09).

The following organizations are budgeted to receive funds in year 2010:

Basehor PRIDE (fireworks-promote Basehor)	\$4,000
Basehor Dairy Days Festival (promote Basehor)	\$5,000
Chamber of Commerce Signage & Advertising	.00
Library Summer Reading	\$ 100
Project Graduation	\$ 175
Basehor Historical Society	\$6,000
Leavenworth County Humane Society	\$ 675
Kansas Sampler	\$3,364
State of the City Meeting (joint w/ Chamber)	\$ 500
Misc.	\$ 325

Other possible organizations to benefit from donation:

- Basehor-Linwood Assistance Services (BLAS)
- Boy Scout Summer Camp Scholarship
- Girl Scout Summer Camp Scholarship
- BLHS Sponsorship or Scholarship

To date BLAS and BLHS are the only other organizations to call or send information regarding their programs.

COMMUNITY CONTRIBUTIONS

2006 - 2009

ORGANIZATION	PURPOSE	AMOUNT	DATE
Basehor Community Library	Summer Reading	\$100.00	04/25/08
	Summer Reading	\$100.00	03/30/09
Basehor Chamber of Commerce	Ingram's Article	\$1,500.00	11/13/06
	Holiday Lighting Contest	\$100.00	12/07/06
	Sign Improvement	\$1,000.00	12/27/06
	Signage/24-40 & 155	\$6,000.00	08/24/07
	Adv./Destination KC.com	\$3,000.00	04/30/08
	Ingram's Article	\$1,200.00	03/30/09
Basehor Dairy Days	2007 Festival	\$1,000.00	02/26/07
	2008 Festival	\$5,000.00	03/24/08
	2009 Festival	\$5,000.00	03/30/09
Basehor Pride	2006 Fireworks	\$1,500.00	04/10/06
	2007 Fireworks	\$1,500.00	04/05/07
	2008 Fireworks	\$3,500.00	04/10/08
	2009 Fireworks	\$3,500.00	03/30/09
Basehor-Linwood Project Graduation	2008 Project	\$175.00	04/25/08
	2009 Project	\$175.00	03/30/09
Basehor VFW Post #11499	2007	\$1,000.00	12/21/07
	2008	\$1,000.00	10/22/08
	2009	\$1,000.00	10/23/09
Kansas Sampler Festival	2009 Festival	\$3,361.63	02/09/09

**BASEHOR-LINWOOD
ASSISTANCE SERVICES**



Caring for Our Communities

Basehor-Linwood Assistance Services • P.O. Box 314 • Basehor, KS 66007

Neighbors helping neighbors



October 2009

Caring for Our Communities

Basehor-Linwood Assistance Services • P.O. Box 314 • Basehor, KS 66007

Dear Neighbor,

We want you to get to know us! Basehor Linwood Assistance Services (BLAS) has been providing a helping hand in the community for over 15 years. It was started in 1994 by concerned citizens to assist families and individuals living within the boundaries of USD 458. BLAS is a not-for-profit 501(c) (3), with a volunteer board of directors. All assistance provided remains strictly confidential.

We would welcome an opportunity to tell you more about our organization for the following purposes:

- Raise community awareness about who we are and the services we provide
- See that families who need assistance know how to reach us
- Provide opportunities for those who want to assist us in our efforts
- Recruit additional volunteers to assist with the Adopt-a-Family program during the weeks before Christmas
- Broaden the representation of our community within the BLAS organization

Enclosed is a copy of our brochure with additional information.

We would be happy to provide you with additional brochures and/or make a brief presentation to your organization/club/church. Please contact us at 913-724-2077.

Sincerely,

Karen Taylor
BLAS Community Liaison

MEMORANDUM

To: Mayor & Council
From: Mary Mogle, City Clerk
cc: Mark Loughry, City Administrator
Date: November 2, 2009

Re: Article R. Employee Recognition Policy

Last year was the first year for the City of Basehor to recognize employees with ten or more years of service.

The Council approved using LKM's service award program allowing employees to pick and choose their award based on the dollar amount designated within the policy (Article R. Employee Recognition Policy). The employees felt the products purchased were not worth what the City paid and suggested making a change.

Example – The policy allocates a \$100 service award to a ten-year employee. Two employees received a duffle bag and a portfolio with a little ID showing their years of service. I estimated the actual cost if purchased from a retail store would be around \$40 for both items. Two employees picked items for their spouses because there was nothing on the list that they wanted for themselves. (See attached LKM booklet of items)

I spoke with the IRS regarding various program options such as savings bonds, jackets, gift certificates. Most items would have to be considered as "taxable" income.

Based on conversations with the city administrator and staff, it is our recommendation that the policy be amended to allow the city administrator to set what service award would be offered on an annual basis based on the dollar amount designated by Council at the adoption of the policy. The policy would also recognize employee's that have one year (certificate) and five years (\$50) of service.

If adopted, changes would take effect with this year's qualified employees.

City of Basehor

ARTICLE R. EMPLOYEE RECOGNITION POLICY

R-1. Employee Recognition Policy. In an effort to recognize employees for their dedicated service and longevity to the City of Basehor, a recognition program has been established *by the City Council as listed below. Service Awards listed below shall remain in effect until such time as the City Council deems it necessary to amend.*

On an annual basis, the City Clerk *or designee* shall review employees' years of service and submit to the city administrator a list of eligible employees. *It shall be at the discretion of the city administrator as to the form of service awards to be distributed annually.* Upon approval, the city clerk shall contact the employee requesting they select a gift from the League of Kansas Municipalities catalogue. The city clerk or designee shall forward the completed applications to the League of Kansas Municipalities for processing. *purchase or prepare the designated service award and have it available for distribution prior to December 15th of each year.*

<u>Years of Service</u>	<u>Service Award Gift Amount</u>
1	Certificate
5	\$ 50
10	\$100
15	\$150
20	\$200
25	\$250
30	\$300
35	\$350
40	\$400

~~In addition to the service award, the employee will be recognized in the League of Kansas Municipalities Government Journal and at their annual meeting.~~

It is understood by the employee, that this is a taxable gift in accordance with IRS Fringe Benefit Schedule 15 and will be liable for any and all withholding taxes.

(adopted: June 18, 2007, Ord. 523 20071203)

MEMORANDUM

To: Mayor & Council
From: Mary Mogle, City Clerk
cc: Mark Loughry, City Administrator
Date: November 2, 2009

Re: Collection of Delinquent Debt

As the economy declines our delinquent sewer and solid waste balance increases. A large portion of our past due balance comes from tenants that have moved out. With the change in law where we can no longer assess the landlord, it has been difficult to collect. Two years ago we started using the State Setoff Program. This has not been a successful method of collection. The State is so understaffed that by the time they process our claims, the tax season has gone by and nothing left to collect from.

During a work session pertaining to the re-codification of the Basehor City Code, I brought up changing the Code to incorporate the new tenant law and incorporate a means of collecting through a collection agency in addition to a lien on property and the State Setoff Program. Since the re-codification has yet to be finalized, I am requesting we pass an ordinance incorporating language to allow the City to collect bad debt by way of a collection agency.

An ordinance was prepared by the city attorney for your review.

Mary Mogle

From: Patrick Reavey [patrick@reaveylaw.com]
Sent: Tuesday, October 27, 2009 4:17 PM
To: cityclerk@cityofbasehor.org
Cc: Patrick Reavey
Subject: Delinquent Accounts
Attachments: Ordinance Amending Code 10-27-09.doc

Mary,

Existing Ordinance 491 indicates "the Administration Department shall have the discretion to pursue collection of the delinquent account by any legal means." Accordingly, under the existing Ordinance, a lien can be placed on property that has been supplied a city utility but has not paid the bill. Thus, I don't believe the Ordinance needs to be expanded.

Unfortunately, with regard to rental properties, the below statute prohibits placing a lien on rental property, and prohibits the city from passing an Ordinance mandating that the city will only contract with a landlord for utility services, and will not contract with a tenant. However, the City can still hold the landowner responsible for the delinquencies of their tenants but collection of such delinquencies must be via a method other than a lien.

The attached revisions that I made to the City Code several months ago hold the landlord responsible but, in compliance with the below statute, indicate that a lien cannot be placed on the landlord's property -- I have put the revisions in the form of an Ordinance for adoption by the Council.

Please let me know if you need anything else.

Thanks.

12-808c. Municipalities; lien for utility services

(a) Except as provided in subsection (b), if any person, firm, corporation, organization, political or taxing subdivision of the state or other entity other than the state of Kansas and the federal government residing, occupying, using or operating on property to which is provided utility services by a utility owned or operated by a municipality, neglects, fails or refuses to pay the fees or charges for such service, the unpaid fees or charges shall constitute a lien upon the property to which such utility service is provided. The amount of the unpaid fees or charges shall be certified by the governing body of the municipality to the county clerk of the county in which such property is located, to be placed on the tax roll for collection, subject to the same penalties and collected in the same manner as other taxes are collected by law. The governing body may refuse the delivery of such utility service as otherwise permitted by law until such time as such charges are fully paid.

(b) A lien shall not attach to property for unpaid **utility** fees or charges, when the **utility** service has been contracted for by a **tenant** and not by the landlord or owner of the property to which such service is provided.

(c) Except as provided by this subsection, no municipality which provides **utility** services shall refuse to contract with a **tenant** for provision of such services to property occupied by such

10/28/2009

tenant. A municipality shall not be required to contract with any person if such person has outstanding or unpaid charges for **utility** services provided by such municipality.

(d) A municipality may require a single deposit to be paid by a customer for all utility services, except that such deposit shall not exceed an amount equal to the expected average bills for a three month period for such utility services.

(e) When used in this section:

(1) "Municipality" means any city, county, township, water district, improvement district or other political or taxing subdivision of the state or any agency or instrumentality of a municipality which provides utility services but does not include any rural water district organized pursuant to K.S.A. 82a-612 et seq., and amendments thereto.

(2) "Utility services" means refuse, trash, garbage or other solid waste collection and disposal, sewer, water, gas and electric power services.

Laws 2006, ch. 95, § 1.

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ORDINANCE NO. 562

**AN ORDINANCE AMENDING ARTICLE 1 OF CHAPTER XV OF THE CITY CODE
PERTAINING TO UTILITY SERVICES**

WHEREAS, the Governing Body deems it necessary to amend the City Code to set forth new provisions pertaining to collection of delinquent city utility accounts.

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

SECTION 1: Article 1 of Chapter XV of the City Code is amended to read as follows:

ARTICLE 1. GENERAL PROVISIONS

- 15-101. **DEFINITION.** For purposes of this article "utility services" shall include sewer, solid waste (refuse) and other utility services provided by the city. (Code 1989)
- 15-102. **MONTHLY CHARGES.** Charges for utility services shall be made each month of the calendar year. All bills are due on or before the close of business on the fifteenth day of the month following the month for which charges are made. The billing date shall be the last day of each month for which charges are made. Past due bills shall accrue a late charge (penalty) of 10% on any unpaid balance.
- (a) All utility customers shall be required to complete a "Utility Service Contract" and pay a Processing Fee as set forth in the Fee Schedule prior to using utility services.
 - (b) Property owners who rent or lease to customers of the city's utility services shall be responsible for advising the Administrative Department of the customers' current address and any changes that may occur from customers moving in or moving out of said address.
 - (b) **Person Responsible for Payment.** The rates and charges herein established in the Fee Schedule shall be collected from the customers of the City of Basehor for utility services. Where payment is delinquent and the customer owns the property they shall be responsible for the delinquency. If payment is delinquent and the customer is renting or leasing, they shall be responsible for the delinquency. However, the landlord is ultimately responsible and the delinquency may be pursued through legal action.
- 15-103. **DELINQUENCY AND HEARING.** On an annual basis, the City Clerk or designated officer (hereafter referred to as "City Clerk") shall compile a list of all customers who are at least two (2) months delinquent in their utility bill payments. The City Clerk shall prepare a delinquency notice quarterly for each delinquent

account, and mail such notice to the customer (and the property owner, if known and different from the customer) at the address shown in the records of the city. The notice shall indicate: (1) the amount due, plus accumulated late charges; (2) the customer's right to a hearing before the city administrator or, if requested, another officer designated by the City; and (3) that such hearing shall be requested in writing, filed with the City Clerk within five (5) working days after the mailing date of the delinquency notice. Upon receiving a request for such hearing, the City Clerk shall advise the applicant of the date and time of the hearing. At the hearing, the customer and the city may present such evidence as is pertinent to the issue, may be represented by counsel, may examine and cross-examine witnesses, but formal rules of evidence shall not be followed. If the hearing officer determines that there is a delinquency, he may impose a delinquency charge in an amount associated with the method of collection as set forth in section 15-107 and Fee Schedule. Hearings may be conducted by any officer appointed by the Mayor and confirmed by the City Council.

15-104. FINDING. Following the hearing, if the hearing officer finds that collection of the debt should not be pursued, then notice of such finding shall be presented to the City Clerk. If the officer finds that collection of debt should be pursued, an order shall be issued five days after the date of the order directing the City Clerk to proceed with collection of delinquent debt set out in section 15-107. An order shall be mailed to the property owner or customer no later than five days after the hearing advising them of the outcome of the hearing. The customer shall be notified either in person or by mailing a letter to his or her last known address by certified mail, return receipt requested. However, if the order is made at the hearing in the presence of the customer, then no further notice need be given. The hearing officer has a right, for good cause, to grant an extension, not to exceed 10 days, for the collection of debt for such service. (Code 1989).

15-105. LANDLORD LIABILITY. (a) Owners of premises served by utility services under this ordinance shall be liable for payment of the costs of any utility services account delinquency arising from services provided to such premises, regardless of whether the utility services were furnished upon the application and request of the owner or lessee of the premises. This provision shall also apply when the premises are leased by or through an agent or other representative of the owner.

(b) In the event that a delinquency arises involving leased premises, in addition to the tenant, the owner or owner's agent shall be notified in writing of the delinquency of the lessee by first class regular mail within 10 days after the billing to the lessee becomes delinquent. Notice shall be sufficient if mailed to the last known address of the owner or owner's agent known to city personnel responsible for said mailing, after reasonable inquiry.

(c) If utility services are furnished to a leased premises on the application or request of the lessor of the premises, then all billings for utilities furnished to such leased premises shall be made directly to the lessor, and the lessor shall be fully liable for the cost of services furnished.

(d) The city may collect the amount of the unpaid bill for utility services by any lawful means. Provided, however, that in no event may the city place a lien, as provided in subsection (a) of Section 15-106, on real estate of the lessor.

15-106. DENIAL OF SERVICE. If at the time of application for utility services the applicant has an outstanding balance or unpaid fees or charges for utility

services provided by the city, the application shall not be accepted until all fees or charges are paid in full.

15-107 ACCEPTABLE METHODS OF COLLECTION. The City of Basehor may, as authorized under applicable law, use the following methods to collect delinquent utility accounts.

(a) Real Estate Lien. Delinquent charges shall constitute a lien upon the customer's real estate, and shall be certified by the City Clerk to the County clerk, to be placed on the tax roll for collection, subject to the same penalties and collected in like manner as other taxes collectible by law.

(b) State of Kansas Setoff Program. This method of collection shall be used at the discretion of the City Clerk in accordance with K.S.A. 75-6201 et seq. In the event properties have been foreclosed on or tenants moved leaving an outstanding balance of \$25 or more, this shall be the preferred method of collection.

(c) Collection Agency and/or City Attorney. In the event a real estate lien or State Setoff Program is not an acceptable method of collection, the City Clerk may contract with an Agency and/or the City Attorney to collect delinquent accounts.

15-108. PENALTY ASSESSMENT. There shall be a _____ penalty assessed against any delinquent customer and/or landlord for any delinquent account submitted to the clerk of Leavenworth County, State of Kansas Setoff Program, or Collection Agency as provided in section 15-107 of this article. The notice required to be sent to any delinquent customer shall contain a disclosure that the penalty will be assessed in the event such delinquent charge is so submitted. (Ord. 238, Sec. 1)

SECTION 2. REPEALER. Existing Article 1 of Chapter XV of the City Code is hereby repealed.

SECTION 3. EFFECTIVE DATE. This ordinance shall take effect upon approval by the Mayor and publication in the official City newspaper.

ADOPTED BY THE GOVERNING BODY AND APPROVED BY THE MAYOR OF BASEHOR, KANSAS ON THE _____ DAY OF _____, 2009.

TERRY HILL, Mayor

ATTEST:

MARY MOGLE, City Clerk

APPROVED AS TO FORM:

PATRICK G. REAVEY, City Attorney

MEMORANDUM

To: Mayor & Council
From: Mary Mogle, City Clerk
cc: Mark Loughry, City Administrator
Date: November 2, 2009

Re: Renewal of Auditing Services
Lowenthal, Webb & Odermann, P.A.

Attached is a copy of the proposed contract for auditing services with Lowenthal, Webb & Odermann, P.A. for year 2009.

Gross fee, including all expenses, shall not exceed \$18,400. Last years audit fee was \$17,800.

Funds will be taken from the General Fund (01-001-785).

LOWENTHAL, WEBB & ODERMANN, P.A.

David A. Lowenthal, CPA
Patricia L. Webb, CPA
Audrey M. Odermann, CPA

CERTIFIED PUBLIC ACCOUNTANTS

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Members of American Institute
and Kansas Society of
Certified Public Accountants

September 8, 2009

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

We are pleased to confirm our understanding of the services we are to provide the City of Basehor, Kansas, (the City) for the year ended December 31, 2009. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparison schedules and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City as of and for the year ended December 31, 2009.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management discussion and analysis (MD&A), to accompany the City's basic financial statements. You have advised us that this information will not be presented and we will modify our auditor's report on the financial statements accordingly.

Supplementary information other than RSI, such as combining and individual fund financial statements, also accompanies the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on them in relation to the basic financial statements: combining statements and individual fund statements.

Audit Objective

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

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You have requested that we prepare the financial statements that are the subject matter of this audit and the capital assets depreciation schedule for the year ended December 31, 2009, hereinafter referred to as nonattest services. You are responsible for those financial statements and for the selection of useful lives, depreciation methods and capitalization thresholds used in this capital assets depreciation schedule. You are responsible for making management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes and any other nonattest services we provide; and evaluating the adequacy and results of those services and accepting responsibility for them.

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

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud and illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud and illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. With regards to the electronic dissemination of audited financial statements, including financial statements published electronically on your website (if any), you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures-General

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

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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

Audit Procedures-Internal Control

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

Audit Procedures-Compliance

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

Audit Administration, Fees and Other

We understand that this agreement is subject to the following specifications: the gathering of preliminary information will be done by November 15, 2009; the fieldwork will be completed by April 15, 2010; and the final report shall be delivered to the City by June 1, 2010, absent circumstances beyond our control. When delivered to the City, the audit reports and financial statements produced in connection with this engagement letter are public records and may be used (a) to fulfill the requirements of continuing disclosure under SEC Rule 15c2-12, (b) as inserts or incorporated by reference in offering documents issued by the City, and (c) for any lawful purpose of the City, all without subsequent consent from us. Any official statements in connection with debt issuances which include the above mentioned audit reports and financial statements shall contain the following: "Our independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this official statement."

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

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

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

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

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

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

Audrey M. Odermann, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We agree that our gross fee, including all expenses, for the above services shall not exceed \$18,400, except as noted above. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit, including delays resulting from the untimely delivery of and incomplete preparation of schedules and questionnaires we have requested from your staff. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

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

Very truly yours,

LOWENTHAL, WEBB & ODERMANN, P.A.
Certified Public Accountants

By Audrey M. Odermann

RESPONSE:

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

By: _____

Title: _____

Date: _____