



City of Arkansas City

CITY COMMISSION MEETING AGENDA

Tuesday, May 17, 2022 at 5:30 PM – 118 W Central Ave, Arkansas City, KS

Please join my meeting from your computer, tablet or smartphone.

<https://meet.goto.com/203555461>

You can also dial in using your phone.

United States: +1 (571) 317-3122- One-touch: tel:+15713173122,,203555461#

Access Code: 203-555-461

I. Routine Business

1. Roll Call
2. Opening Prayer and Pledge of Allegiance
3. Additions or Deletions (**Voice Vote**)
4. Approval of the Agenda (**Voice Vote**)

II. Awards and Proclamations

- [1.](#) Proclaim June 2022 as Archaeology and Historic Preservation Month in Arkansas City.
- [2.](#) Best Tasting Water in Kansas Award presented by KRWA.

III. Comments from the Audience for Items Not on the Agenda

Per the Kansas Open Meetings Act, the City Commission is not required to entertain any comments from the public during any meeting.

*The following rules **must** be strictly adhered to by all citizens wishing to speak during a virtual/hybrid meeting, **whether they are on the agenda or recognized by the Mayor during the meeting itself:***

- Each speaker will state his or her name and address before making any comments.
- Each speaker will have three (3) minutes to present his or her comments.
- Comments or questions will be directed only to the City Commission.
- Debate or argument between parties in the audience will not be allowed. **“Logged in” citizens will remain muted during the meeting, unless recognized and called upon specifically by the Mayor.**
- Repeated reiterations by speakers will not be allowed.
- Violations of comment procedure will result in being directed to cease speaking or being muted.

IV. Consent Agenda (Voice Vote)

Note: All matters listed below on the Consent Agenda are considered under one motion and enacted by one motion. There should be no separate discussion. If such discussion is desired, any item may be removed from the Consent Agenda and then considered separately under Section VII: New Business.

- [1.](#) Approve the May 3, 2022, regular meeting minutes as written.
- [2.](#) Consider a Resolution concerning an addendum to a purchase contract for certain real estate at 401 W Madison Avenue.
- [3.](#) Receive and file the 2021 Audit by Gordon CPA LLC.

V. New Business

Resolutions for Consideration

- [1.](#) Consider a Resolution authorizing the City of Arkansas City to purchase two Whelen Warning Sirens from Precision Communications, Aberdeen, MS, for an amount not to exceed \$36,058.40. (**Voice Vote**)

Other Items for Consideration

1. Consider for approval the City of Arkansas City 2022 Community Development Block Grant Housing Rehabilitation Plan. **(Voice Vote)**
 - a. Consider for approval the City of Arkansas City 2022 Community Development Block Grant Contractor Guidelines. **(Voice Vote)**

VI. Communications and Reports

- [1.](#) April 2022 Financial Summary

VII. Adjournment

Office of the Mayor
Arkansas City, Kansas

Proclamation

WHEREAS, the National Trust for Historic Preservation created Preservation Week in 1971 to spotlight grassroots preservation efforts in the United States, and it since has grown into an annual celebration observed by small towns and big cities with events ranging from architectural and historic tours and award ceremonies to fundraising events, educational programs, and heritage travel opportunities; and

WHEREAS, the National Trust in 2005 extended the celebration to an entire month and declared it Preservation Month to provide an even longer opportunity to celebrate the diverse and unique heritage of our country’s cities and states, and to enable more Americans to become involved in the growing preservation movement; and

WHEREAS, the National Historic Preservation Act has had a profound impact on Kansas, and historic places listed on the Cowley County, State, and National Registers contribute to the revitalization and recognition of communities through heritage tourism and the preservation of historic places which honor the diverse cultural, agricultural, natural, and built environments of our State; and

WHEREAS, **June** is a very important month for the Etzanoa Conservancy, as ongoing archaeological excavation, educational and training activities take place throughout this month as part of the Etzanoa Field School, offered in conjunction with Cowley College and Wichita State University; and

WHEREAS, Archaeology and Historic Preservation Month is a celebration of our City’s historic heritage.

NOW, THEREFORE, the Mayor of the City of Arkansas City, Kansas, does hereby proclaim that **June 2022** shall be commemorated as

ARCHAEOLOGY AND HISTORIC PRESERVATION MONTH

in Arkansas City, Kansas, and urges all residents to recognize the diverse and unique heritage of Arkansas City, Cowley County, and the State of Kansas with appropriate and suitable activities and celebrations.

In witness thereof I have hereunto set my hand and caused this seal to be affixed.

Name/Title: Kanyon Gingher, Mayor
Date: May 17, 2022



City of Arkansas City, Kansas

Environmental Services Department

Rod Philo

Environmental Services Superintendent

Memo

To: Ark City Mayor & City Commissioners

CC: Randy Frazer

From: Rod Philo

Date: 5/11/22

Re: KRWA to Present Best Tasting Water in Kansas Award 5/17/22

Jason Solomon with the Kansas Rural Water Association will present the Best Tasting Water in Kansas Award at the May 17, 2022 Commission Meeting.

The **best tasting water in Kansas** is produced by the City of Arkansas City. So said the team of professionals who judged water from more than 20 communities at the **Best Tasting Water in Kansas** Contest during the 52nd Annual Conference & Exhibition for water and wastewater utilities sponsored by the Kansas Rural Water Association held March 29-31, 2022 at the Century II Convention Center in Wichita.

I am very proud of Mike Frank, James Herron and Mick David (The Water Treatment Facility Staff) for winning this award for the second time. I commend them for their diligent commitment and pride taken in the quality of water produced for the City of Arkansas City.

2929 N. 2nd Street / Arkansas City, Kansas / 67005-8883
(620) 441-4484 / Fax (620) 441-4456 / rphilo@arkansascityks.gov
www.arkansascityks.gov

“The City of Arkansas City strives to provide a high quality of life for its citizens by furnishing a variety of efficient services in a professional, courteous manner.”



City Commission Agenda Item

Meeting Date: May 17, 2022
From: Lesley Shook, City Clerk
Item: Approve May 3, 2022 Minutes

Purpose: Consent Agenda Item: Approve the May 3, 2022, regular meeting minutes as written.

Background:

Each meeting, the City Commission reviews and approves the minutes of its prior meeting(s).

Commission Options:

- 1. Approve with consent agenda.
- 2. Remove item from consent agenda for further consideration.

Approved for Agenda by:

A handwritten signature in black ink, appearing to read "Randy Frazer", written over a horizontal line.

Randy Frazer, City Manager



City of Arkansas City

CITY COMMISSION MEETING MINUTES

Tuesday, May 03, 2022 at 5:30 PM – 118 W Central Ave, Arkansas City, KS

Routine Business

1. Roll Call

PRESENT

Commissioner Charles Jennings
Commissioner Scott Rogers
Commissioner Diana Spielman
Commissioner Jay Warren
Mayor Kanyon Gingher

Also present: Police Chief Eric Burr, Public Services Superintendent Tony Tapia, City Manager Randy Frazer, City Clerk Lesley Shook, and Deputy City Clerk Tiffany Parsons.

2. Opening Prayer was led by Rachel Jurkovich and Pledge of Allegiance was led by Sarah Jurkovich, Rachel Jurkovich, Emily Plush, and Shae Marrs.
3. There were no additions or deletions to the agenda.
4. Approval of the Agenda
Motion made by Commissioner Rogers, Seconded by Commissioner Warren to approve the agenda as presented.

Voting Yea: Commissioner Jennings, Commissioner Rogers, Commissioner Spielman, Commissioner Warren, Mayor Gingher. Mayor Gingher declared the agenda approved.

Awards and Proclamations

1. Recognize and congratulate Martyna Kowalska, Paul Lyman, and Daniela Salcedo, Arkansas City's Outstanding Student Award scholarship recipients for 2021-2022. Daniela Salcedo, Martyna Kowalska, and Paul Lyman were present to receive their scholarships.
2. Proclaim May 2022 as National Foster Care Month in Arkansas City as read by Emily Plush. Kasha Farmer/TFI was present to receive the proclamation.
3. Proclaim May 5, 2022 as Cinco De Mayo Day in Arkansas City as read by Sarah Jurkovich. Peyton Cravens, Cowley College, was present to receive the proclamation.
4. Proclaim May 5, 2022, as a Day of Prayer in Arkansas City as read by Emily Plush. Pastor Tim Smith Ministerial Alliance, was present to receive the proclamation.

5. Proclaim May 15-21, 2022, as National EMS Week in Arkansas City as read by Shae Marrs.
6. Proclaim May 1-8, 2022, as National Music Week in Arkansas City as read by Rachel Jurkovich. A representative from the Ark City Music Club was present to receive the proclamation.
7. Proclaim May 6-12, 2022, as National Nurses Week and May 8-14, 2022, as National Hospital Week in Arkansas City as read by Rachel Jurkovich. Pam Crain and SCK Health nurses were available to receive the proclamation. A short video prepared by the Nurses at SCK Health was shown to the commission thanking them for the proclamation and the recognition of hospital week.
8. Proclaim May 15-21, 2022, as National Police Week and May 15, 2022, as Peace Officers Memorial Day in Arkansas City as read by Sarah Jurkovich. Police Chief Burr was present at the meeting to receive the proclamation.
9. Proclaim May 1-7, 2022 as Public Service Recognition Week in Arkansas City as read by Shae Marrs. Allyson Payne was present to receive the proclamation.

Consent Agenda

Note: All matters listed below on the Consent Agenda are considered under one motion and enacted by one motion. There should be no separate discussion. If such discussion is desired, any item may be removed from the Consent Agenda and then considered separately under Section VII: New Business.

Motion made by Commissioner Warren, Seconded by Commissioner Rogers to approve the consent agenda as presented.

1. Approve the April 19, 2022, regular meeting minutes as written.
2. Ratify Mayor Kanyon Gingher’s appointment of Katie Boyle to the Arkansas City Public Library Board of Trustees.

Voting Yea: Commissioner Jennings, Commissioner Rogers, Commissioner Spielman, Commissioner Warren, Mayor Gingher. Mayor Gingher declared the consent agenda approved.

New Business

Other Items for Consideration

1. City Clerk Shook presented for discussion approval of City insurance coverage for property, liability, vehicles and equipment. City Manager Frazer stated the premium is up \$19,811 from previous years due to the increase in property values.

Motion made by Commissioner Spielman, Seconded by Commissioner Rogers to approve the City insurance coverage for property, liability, vehicles, and equipment.

Voting Yea: Commissioner Jennings, Commissioner Rogers, Commissioner Spielman, Commissioner Warren, Mayor Gingher. Mayor Gingher declared the motion approved.

Resolutions for Consideration

1. City Clerk Shook presented for discussion a Resolution authorizing the City of Arkansas City to accept a bid submitted by United Rentals, of Park City, KS, to purchase a 6” Super Vac Assist Diesel Pump for the Street/Stormwater Department, for an amount not to exceed \$39,900.00. Public Services Superintendent Tapia noted this piece of equipment was budgeted a few years back at an amount of \$18,000.00. As of 2022, a new one is approximately \$80,000.00. He noted this item is refurbished and does come with a warranty.

Motion made by Commissioner Spielman, Seconded by Mayor Gingher to accept a bid submitted by United Rentals, of Park City, KS, to purchase a 6” Super Vac Assist Diesel Pump for the Street/Stormwater Department, for an amount not to exceed \$39,900.00.

Voting Yea: Commissioner Jennings, Commissioner Rogers, Commissioner Spielman, Commissioner Warren, Mayor Gingher. Mayor Gingher declared the motion approve and given **Resolution No. 2022-05-3481**.

Staff Report Presentations

1. City Manager Frazer provided the commissioners with the following reminders and updates:
 - Budget Work Session/Commission Retreat
 - To The Stars: Celebrating Kansas Businesses Awards Banquet
 - City Commission Work Session
 - City Commission Meeting
 - City Commission Budget Work Session with Outside Agencies
 - Current City Projects Status Update

Adjournment

Motion made by Commissioner Warren, Seconded by Commissioner Spielman to adjourn the meeting.

Voting Yea: Commissioner Jennings, Commissioner Rogers, Commissioner Spielman, Commissioner Warren, Mayor Gingher. Mayor Gingher declared the meeting adjourned.

**THE CITY OF ARKANSAS CITY
BOARD OF CITY COMMISSIONERS**

Kanyon Gingher, Mayor

ATTEST:

Lesley Shook, City Clerk

Prepared by:

Lesley Shook, City Clerk



City Commission Agenda Item

Meeting Date: 4/5/22
From: Josh White, Principal Planner/Randy Frazer, City Manager
Item: Property Transfer-401 W Madison Ave

Purpose: Consider a resolution concerning a addendum to a purchase contract for certain real estate at 401 W Madison Avenue (Voice vote)

Background:

On April 5, 2022, the City of Arkansas City (Seller) entered into real estate sales contract with Rupe Helmer Group LLC (Buyer) for purchase of real estate owned by the Seller at 401 W. Madison Avenue, Arkansas City, Kansas, and an anticipated vacation of a portion of 10th Street which runs adjacent to that property. The real estate offered for sale was legally described in the real estate sales contract.

The executed real estate sales agreement was for 401 W. Madison Avenue and the western 35 feet of 10th street which runs adjacent to that property. This portion of 10th street is expected to be vacated by the City. The parties now wish to include all of 10th street which runs along 401 W. Madison in this transaction, instead of only the western 35 feet originally agreed to in the executed real estate sales agreement.

The original contract still contains a contingency of approval of the rezone and vacation requests previously submitted. The Planning Commission voted to recommend approval of these requests at their meeting on Tuesday, May 10, 2022. Those requests will come before the City Commission on Tuesday, June 7, 2022 for consideration.

Commission Options:

- 1. Approve
- 2. Disapprove
- 3. Table

Fiscal Impact:

Amount: \$0

Fund: _____ Department: _____ Expense Code: _____
 Included in Budget Grant Bonds Other (explain):

Attachments: Contract for purchase, Addendum

Approved for Agenda by:

Randy Frazer, City Manager

RESOLUTION NO. 2022-05-

A RESOLUTION APPROVING AN ADDENDUM TO A PURCHASE CONTRACT FOR CERTAIN REAL ESTATE AT 401 W MADISON AVENUE

NOW, THEREFORE, IN CONSIDERATION OF THE AFORESTATED PREMISES, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ARKANSAS CITY, KANSAS:

SECTION ONE: The Governing Body of the City of Arkansas City hereby authorizes the City to enter into a purchase agreement addendum with Rupe Helmer Group LLC for property located at 401 West Madison Avenue, the contract for purchase addendum is hereby attached to this resolution as if fully set forth herein.

SECTION TWO: That the Governing Body of the City of Arkansas City hereby authorizes the Mayor and/or City Manager of the City of Arkansas City to take such further and other necessary actions that are required to effectuate the intent and purposes of this Legislative Enactment.

SECTION THREE: This Resolution will be in full force and effect from its date of passage by the City Commission of the City of Arkansas City.

PASSED AND RESOLVED by the Governing Body of the City of Arkansas City, Kansas, on this 17th day of May, 2022.

(Seal)

Kanyon Gingher, Mayor

ATTEST:

Lesley Shook, City Clerk

APPROVED AS TO FORM:

Larry R. Schwartz, City Attorney

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 2022-05-____ of the City of Arkansas City, Kansas, adopted by the Governing Body thereof on May 17, 2022 as the same appears of record in my office.

DATED: _____.

Lesley Shook, City Clerk

ADDENDUM

To

REAL ESTATE CONTRACT AGREEMENT

Between the City of Arkansas City (Seller) and Rupe Helmer Group, LLC (Buyer)

- A. On April 5, 2022, the City of Arkansas City (Seller) entered into real estate sales contract with Rupe Helmer Group, LLC (Buyer) for purchase of real estate owned by the Seller at 401 W. Madison Avenue, Arkansas City, Kansas, and an anticipated vacation of a portion of 10th Street which runs adjacent to that property. The real estate offered for sale was legally described in the real estate sales contract.

- B. The executed real estate sales agreement was for 401 W. Madison Avenue and the western 35 feet of 10th street which runs adjacent to that property. This portion of 10th street is expected to be vacated by the City. The parties now wish to include all of 10th street which runs along 401 W. Madison in this transaction, instead of only the western 35 feet originally agreed to in the executed real estate sales agreement.

- C. All real estate which the parties desire to be included in this transaction with the above-outlined amendment is legally described as follows:

LOTS 21 AND 22, BLOCK 2, PARK PLACE ADDITION TO ARKANSAS CITY, COWLEY COUNTY, KANSAS.

AND

LOTS 1 AND 2, BLOCK 2, PARK PLACE ADDITION TO ARKANSAS CITY, COWLEY COUNTY, KANSAS.

AND

ALL OF THE 10TH STREET RIGHT OF WAY ADJOINING LOTS 1-7 OF BLOCK 2, PARK PLACE ADDITION TO ARKANSAS CITY, COWLEY COUNTY, KANSAS.

AND

A PORTION OF LOTS 3-7 OF BLOCK 2, PARK PLACE ADDITION TO ARKANSAS CITY, COWLEY COUNTY, KANSAS MORE PARTICULAR DESCRIBES AS:

BEGINNING ON THE NORTH LINE OF SAID LOT 3, 24.01 FEET EAST OF THE NORTHWEST CORNER THEREOF; THENCE SOUTH 89°37'42" EAST ALONG SAID NORTH LINE, A DISTANCE OF 107.98 FEET TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00°22'04" WEST ALONG THE EAST LINE OF SAID LOTS 3-7, A DISTANCE OF 125.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 7; THENCE NORTH 89°37'42" WEST ALONG THE SOUTH LINE OF

SAID LOT 7, A DISTANCE OF 20.42 FEET; THENCE NORTH 34°38'24" WEST, A DISTANCE OF 152.62 FEET TO THE POINT OF BEGINNING.

D. The parties desire to add this addendum to the previously executed real estate sales contract with all other provisions to remain in full force and effect.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and terms contained herein, the parties therefore agree that the Seller will offer for sale and Buyer will purchase the above-described real estate as amended and updated. All other provisions of the previously executed real estate sales agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto do hereby execute this Agreement.

CITY OF ARKANSAS CITY, KANSAS

RUPE HELMER GROUP, LLC

Randy Frazer
City Manager

Mike Mantle
Senior Vice-President

Approved as to Form:

Larry R. Schwartz
City Attorney

REAL ESTATE SALES CONTRACT

THIS AGREEMENT made and entered this 5th day of April 2022, by and between THE CITY OF ARKANSAS CITY, KANSAS, herein referred to as SELLER, and RUPE HELMER GROUP, LLC, herein referred to as BUYER.

WITNESSETH:

WHEREAS, SELLER has agreed to sell, and BUYER has agreed to buy property pursuant to the provisions set forth below; and

WHEREAS, SELLER does hereby covenant and agree that in consideration of the payments and performance of the covenants herein recited to be made and performed by BUYER, SELLER shall convey unto the BUYER, in fee simple, subject to any covenants, declarations, restrictions, zoning laws, or easements of record, but clear of all mortgage or financial encumbrances whatsoever, by Quit Claim Deed, the real estate described below in Section One and all improvements located thereon situate in Arkansas City, Cowley County, Kansas.

SECTION ONE: PROPERTY:

All real property owned by SELLER located at 401 W Madison Avenue, Arkansas City, Cowley County, Kansas and legally described as:

LOTS 21 AND 22, BLOCK 2, PARK PLACE ADDITION TO ARKANSAS CITY, COWLEY COUNTY, KANSAS.

AND

LOTS 1 AND 2, BLOCK 2, PARK PLACE ADDITION TO ARKANSAS CITY, COWLEY COUNTY, KANSAS.

AND

THE WESTERN 35' OF THE 10TH STREET RIGHT OF WAY ADJOINING LOTS 1-7 OF BLOCK 2, PARK PLACE ADDITION TO ARKANSAS CITY, COWLEY COUNTY, KANSAS.

AND

A PORTION OF LOTS 3-7 OF BLOCK 2, PARK PLACE ADDITION TO ARKANSAS CITY, COWLEY COUNTY, KANSAS MORE PARTICULAR DESCRIBES AS:

BEGINNING ON THE NORTH LINE OF SAID LOT 3, 24.01 FEET EAST OF THE NORTHWEST CORNER THEREOF; THENCE SOUTH 89°37'42" EAST ALONG SAID NORTH LINE, A DISTANCE OF 107.99 FEET TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00°22'04" WEST ALONG THE EAST LINE OF SAID LOTS 3-7, A DISTANCE OF 125.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 7; THENCE NORTH 89°37'42" WEST ALONG THE SOUTH LINE OF SAID LOT 7, A DISTANCE OF 20.43 FEET; THENCE NORTH 34°38'24" WEST A DISTANCE OF 152.62 FEET TO THE POINT OF BEGINNING.

SECTION TWO: PURCHASE PRICE:

BUYER hereby covenants and agrees to pay unto SELLER the full sum of: One Dollar (\$1.00), on the date of closing, which shall occur after the conditions set forth in Section Seven, below, are satisfied, but no later than 180 days after execution of this Contract.

SECTION THREE: TAXES:

BUYER shall pay all taxes due and owing from and after the date of closing on this Contract.

SECTION FOUR: POSSESSION OF PROPERTY:

SELLER shall give possession of the afordescribed property immediately upon closing.

SECTION FIVE: TITLE INSURANCE:

BUYER shall have the option of obtaining Title Insurance at BUYER'S own expense.

SECTION SIX: CONDITION OF PREMISES:

The property is sold as-is, and SELLER makes no warranty as to the suitability of the property for any proposed use by BUYER.

SECTION SEVEN: ADDITIONAL PROVISIONS:

Closing on this real estate transaction is conditioned upon the Buyer receiving approval of Buyer's requests from the City of Arkansas City, Kansas, for rezoning of the above-described real estate and for vacation by the City of an adjoining alley and adjoining closed street. These conditions will be satisfied at the time the ordinance(s) granting both requests go into legal effect. Closing on this agreement will occur after the date these conditions are satisfied.

SECTION EIGHT: APPLICABLE LAW:

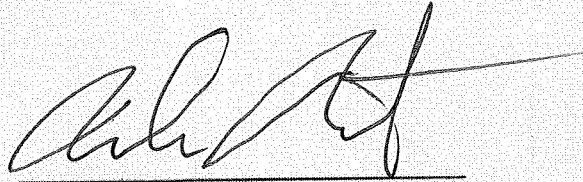
This contract shall be governed by, construed, and enforced in accordance with the laws of the State of Kansas. In the event any action is filed in relation to this real estate purchase, the unsuccessful party in the action shall pay to the successful party in addition to all other sums that may be declared due and payable, a reasonable sum for the prevailing party's attorney's fees, expert fees and costs related thereto.

IT IS MUTUALLY AGREED that all covenants and agreements herein contained shall extend to and be obligatory upon the parties hereto, their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the Parties have hereunto set their hands the day and year first above appearing.

BUYER:

RUPE HELMER GROUP, LLC




By: Mike Mantle
Senior Vice President

ACKNOWLEDGMENT

STATE OF KANSAS)
COUNTY OF Cowley) ss:

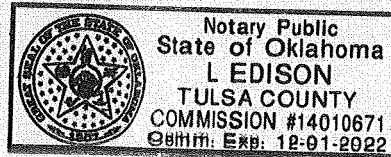
Be it remembered, that on this 6th day of May 2022, before me, the undersigned, a Notary Public in and for the aforesaid County and State aforesaid, came Mike Mantle, who is personally known to me to be the same persons who executed the within instrument in writing, and duly acknowledged the execution of same.

In witness whereof, I have hereunto subscribed my name and affixed my official seal the day and year last above written.



Notary Public

My appointment expires: 12-1-22



SELLER:

THE CITY OF ARKANSAS CITY, KANSAS

By: Kanyon Gingher
Mayor

ACKNOWLEDGMENT

STATE OF KANSAS)
COUNTY OF Cowley) ss:

Be it remembered, that on this 3rd day of May 2022, before me, the undersigned, a Notary Public in and for the aforesaid County and State aforesaid, came Kanyon Gingher, who is personally known to me to be the same person who executed the within instrument in writing, and duly acknowledged the execution of same as the authorized act and deed of the City of Arkansas City, Kansas Landbank Board of Trustees.

In witness whereof, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

Notary Public

My appointment expires: 7-28-2022





City Commission Agenda Item

Meeting Date: May 17, 2022
From: Jennifer Waggoner, Finance Director/Treasurer
Item: 2021 Audit

Purpose: Consent Agenda Item - Receive and file the 2021 Audit by Gordon CPA LLC.

Background:

A key duty of the City Commission is oversight of the financial affairs of the City. A primary tool in performing this oversight is the annual audit and financial report. The Commission had authorized a GAAP waiver for 2021 allowing the records to be maintained and reported in compliance with the Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting. This regulatory basis is in compliance with the cash basis and budget laws of the State of Kansas and not in compliance with Generally Accepted Accounting Principles (GAAP) generally accepted in the United States. The Independent Auditors' Report and Financial Statement with Supplemental Information for the year ended December 31, 2021 was completed by Gordon CPA LLC. Since the City received federal funds in excess of \$750,000 in 2021, a Single Audit in accordance with OMB Circular A-133 was also required.

The City is required to file this report with various agencies.

Commission Options:

1. Receive and file the 2021 Audit by Gordon CPA LLC.

Fiscal Impact:

Amount: \$17,560

Fund: **01 General** Department: **209 Finance** Expense Code: **6211 Auditing**

Included in budget Grant Bonds Other Not Budgeted

Approved for Agenda by:

Randy Frazer, City Manager

CITY OF ARKANSAS CITY, KANSAS
Financial Statements
For the Year Ended December 31, 2021

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CITY OF ARKANSAS CITY, KANSAS
 Financial Statements
 For the Year Ended December 31, 2021
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Arkansas City, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Arkansas City, Kansas, (the City), as of and for the year ended December 31, 2021 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse and Unmodified Opinions" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2021, or the changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and the summary of receipts and disbursements-agency (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Matter

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Arkansas City, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated April 8, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/oar/municipalservices>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 6, 2022

CITY OF ARKANSAS CITY, KANSAS
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended December 31, 2021

Funds	Beginning	Prior Year	Receipts	Expenditures	Ending	Add:	Ending
	Unencumbered	Cancelled			Unencumbered	Encumbrances	
	Cash Balance	Encumbrances			Cash Balance	and Accounts Payable	Balance
General Funds:							
General Fund	\$ 2,036,661	\$ -	\$ 9,866,322	\$ 10,148,316	\$ 1,754,667	\$ 625,336	\$ 2,380,003
Special Purpose Funds:							
Special Recreation and Parks Fund	35,614	-	12,918	12,619	35,913	-	35,913
Special Street and Highway Fund	785,482	-	576,414	584,011	777,885	127,566	905,451
Tourism Fund	28,280	-	132,493	124,365	36,408	-	36,408
Special Alcohol Fund	93,482	-	13,619	12,876	94,225	2,731	96,956
Library Fund	-	-	392,710	392,710	-	-	-
Land Bank Fund	986	-	8,000	200	8,786	-	8,786
Healthcare Sales Tax Fund	-	-	1,892,217	1,892,217	-	-	-
Unpledged Healthcare Sales Tax Fund	189,526	-	313,063	290,704	211,885	-	211,885
CID Sales Tax Fund	-	-	63,750	63,750	-	-	-
Special Law Enforcement Trust Fund	11,144	-	611	8,215	3,540	-	3,540
Equipment Reserve Fund	200,946	-	-	-	200,946	-	200,946
Capital Improvements Reserve Fund	1,470,323	285,992	601,072	577,834	1,779,553	45,922	1,825,475
Bond and Interest Funds:							
Bond and Interest Fund	254,022	-	426,166	567,080	113,108	-	113,108
Business Funds:							
Water Utility Fund	4,077,294	279,677	4,675,428	6,021,426	3,010,973	566,313	3,577,286
Sewer Utility Fund	3,920,208	45,880	2,968,365	3,536,071	3,398,382	1,377,360	4,775,742
Sanitation Utility Fund	1,086,036	-	1,557,286	1,203,612	1,439,710	61,546	1,501,256
Stormwater Utility Fund	291,651	-	241,087	157,879	374,859	4,829	379,688
Total Reporting Entity [Excluding Agency Funds]	\$ 14,481,655	\$ 611,549	\$ 23,741,521	\$ 25,593,885	\$ 13,240,840	\$ 2,811,603	\$ 16,052,443

Composition of Cash:		
RCB Bank	Checking	\$ 14,989,417
Union State Bank	Checking	75,380
The Stock Exchange Bank	CD	1,000,000
	Petty Cash	<u>1,625</u>
	Total Cash	16,066,422
	Less: Agency Funds per Schedule 3	<u>[13,979]</u>
	Total Reporting Entity [Excluding Agency Funds]	\$ 16,052,443

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies

The City of Arkansas City, Kansas, (the City) is incorporated as a City of the second class, under the provisions of K.S.A. 13-101 et seq. The City operates under a Commission-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water and sewer, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The financial statement and schedules of the City of Arkansas City, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

Financial Reporting Entity

The City of Arkansas City, Kansas (the City) is a municipal corporation governed by an elected five-member commission. This financial statement presents the City of Arkansas City, Kansas.

Related Municipal Entity. A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Arkansas City Public Library - The City of Arkansas City Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate audited financial statements are available at the Library.

South Central Kansas Regional Medical Center - The Medical Center Board of Trustees operates the City's hospital. The hospital can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Separate audited financial statements are available at the Medical Center.

Arkansas City Public Building Commission - The City of Arkansas City Public Building Commission was created to oversee the construction of the Regional Medical Center facility. Acquisition or disposition of real property or bond issuances must be approved by the City. The City is acting as the fiduciary agent for the Commission. Separate financial statements are not prepared by the Commission.

Strother Field Airport and Industrial Park - The City has adopted Ordinance No. 98-11-3793 providing for an interlocal cooperation agreement between the City of Arkansas City, the City of Winfield and Strother Field to provide financing of water systems improvements at Strother Field. The agreement provides for \$500,000 in G.O. bonds to be issued by the City of Winfield to finance the improvements. If Strother Field defaults on the bond issue, the cities of Arkansas City and Winfield would each be responsible for 50% of the remaining liability. The agreement acknowledges that the obligations of Arkansas City are subject to K.S.A. 10-1101 et seq., and as such, Arkansas City is obligated only to the extent that it has funds actually on hand in its treasury at the time for such purpose. The Strother Field Airport and Industrial Park joint venture have had an audit of their financial statements completed separately.

Arkansas City/Winfield Recycling Center - The cities of Arkansas City and Winfield, Kansas entered into an interlocal agreement to jointly purchase and operate a recycling center. Records are maintained by the City of Winfield; both cities share equally in the costs and recycling revenues. Separate financial information can be obtained from the Center.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation - Regulatory Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Reimbursed Expense

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 of each year, such taxes become a lien on the property.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Arkansas City, Kansas, for the year of 2021:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Agency Fund - funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did not hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The original budget was amended for the Library Fund, Healthcare Sales Tax Fund, Unpledged Healthcare Sales Tax Fund, and Water Utility Fund budget during the year ended December 31, 2021.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the following special purpose and business funds:

- Special Law Enforcement Trust Fund
- Equipment Reserve Fund
- Capital Improvements Reserve Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

NOTE 2 - Deposits and Investments

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main branch or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the bank provides an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured as of December 31, 2021.

As of December 31, 2021, the City's carrying amount of deposits was \$16,066,422 and the bank balance was \$16,249,350. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$575,380 was covered by federal depository insurance and the balance of \$15,673,970 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name.

NOTE 3 - Interfund Transfers

Operating transfers were as follows during the year ended December 31, 2021:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Water Utility Fund	General Fund	\$ 250,000	K.S.A. 12-825d
Sewer Utility Fund	General Fund	300,000	K.S.A. 12-825d
Sewer Utility Fund	Stormwater Utility Fund	<u>50,000</u>	K.S.A. 12-825d
		<u>\$ 600,000</u>	

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 4 - Defined Benefit Pension Plan

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. KPERs has multiple benefit structures and contribution rates depending on whether the employee is a KPERs 1, KPERs 2 or KPERs 3 member. KPERs 1 members are active and contributing members hired before July 1, 2009. KPERs 2 members were first employed in a covered position on or after July 1, 2009, and KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate at 6% of covered salary for KPERs 1, KPERs 2 and KPERs 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERs 1, KPERs 2, KPERs 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for KPERs and 22.80% for KP&F for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$268,722 for KPERs and \$622,362 for KP&F for the year ended December 31, 2021.

Net Pension Liability. At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERs was \$1,888,731 and \$4,693,394 for KP&F. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERs, relative to the total employer and non-employer contributions of the Local subgroup within KPERs. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report, including all actuarial assumptions and methods, and the report on the allocation of the KPERs collective net pension liability to all participating employers are publicly available on the KPERs website at www.kpers.org or can be obtained as described above.

NOTE 5 - Other Long-Term Obligations from Operations

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 5 - Other Long-Term Obligations from Operations (Continued)

Compensated Absences. It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

Vacation Leave. All employees shall accrue vacation leave each pay period according to their position and months of continuous full-time employment with the City as summarized by the following table:

Non - Fire/EMS personnel			Fire/EMS personnel		
Months of Continuous Full-time Employment	Vacation Hours Accrued Per year	Maximum Accrual Hours	Months of Continuous Full-time Employment	Vacation Hours Accrued Per year	Maximum Accrual Hours
0 - 59	80	160	0 - 59	112	224
60 - 119	120	240	60 - 119	168	336
120 - 179	160	320	120 - 179	224	448
180 +	200	400	180 +	280	560

Sick Leave. All full-time employees, except fire/EMS personnel, shall accrue paid sick leave at a rate of 4 hours per pay period. Fire/EMS personnel shall accrue 5.25 hours per pay period.

Employees hired prior to April 1, 2020, may accumulate sick leave to a maximum of 960 hours. Employees hired on or after April 1, 2020, may accumulate sick leave to a maximum of 720 hours.

Accumulated Leave Payout. All regular full-time employees separating from City employment that have given and satisfactorily completed an appropriate 14-day notice period will receive payment for all accumulated accrued and unused vacation, and depending upon the employee's length of service with the City, a percentage of their accrued unused sick leave as follows:

	Months of Continuous Full-time Employment				
	0 - 47	48 - 95	96 - 143	144 - 191	192 +
Sick Leave Payout %	0%	25%	50%	75%	100%

For employees hired prior to April 1, 2020, the maximum sick leave hours any employee can be paid out is 480 hours. For employees hired on or after April 1, 2020, the maximum sick leave hours any employee can be paid out is 360 hours.

Compensatory Time. All employees who are eligible, except firefighters, can elect to receive compensatory time off at a rate of not less than one and one-half hours for each overtime hour worked in lieu of cash overtime compensation. All eligible City employees, except police, may accrue up to twenty-four hours of compensatory time. Police personnel may accumulate up to sixty hours of compensatory time.

Banked Holiday Time. All non-exempt police, wastewater treatment plant, water treatment facility, and fire/emergency medical services personnel may accumulate one hour for every hour worked on an official City holiday, up to eight hours (12 hours for fire/EMS). Police, wastewater treatment plant and water treatment facility personnel shall not accumulate in excess of 24 hours. Fire/EMS personnel shall not accumulate in excess of 48 hours.

Personal Business Day Leave. All full-time employees after two months of continuous employment will accrue 8 hours of personal business day leave, then each January 1st thereafter shall be awarded an additional 8 hours of personal business day leave. Personal business day leave must be used within the calendar year and may not be accumulated.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 5 - Other Long-Term Obligations from Operations (Continued)

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for annual leave, sick time, compensatory time, and banked holiday time, which has been earned, but not taken, by City employees. The estimated liability at December 31, 2021, was \$410,845 for annual leave, \$434,001 for sick leave, \$3,659 for compensatory time, and \$12,990 for banked holiday time.

NOTE 6 - Long-Term Debt

The following table summarizes changes in the City's long-term liabilities during the year ended December 31, 2021:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
General Obligation Bonds	\$21,840,000	\$ -	\$ 1,635,000	\$20,205,000	\$ 416,745
Revenue Bonds	17,280,000	-	425,000	16,855,000	638,913
Capital Leases	664,895	-	118,373	546,522	23,578
Total	<u>\$39,784,895</u>	<u>\$ -</u>	<u>\$ 2,178,373</u>	<u>\$37,606,522</u>	<u>\$1,079,236</u>

General Obligation Bonds. The follow table details the City's outstanding general obligation bonds:

<u>General Obligation Bonds</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid with taxes and utility revenues Series 2020	1.00% - 3.00%	<u>\$ 20,205,000</u>	<u>\$ 21,840,000</u>	10/13/20	08/01/36

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,595,000	\$ 470,925	\$ 2,065,925
2023	1,650,000	422,625	2,072,625
2024	1,695,000	372,825	2,067,825
2025	1,170,000	325,800	1,495,800
2026	1,195,000	290,625	1,485,625
2027 - 2031	6,465,000	985,463	7,450,463
2032 - 2036	6,435,000	328,600	6,763,600
Total	<u>\$20,205,000</u>	<u>\$ 3,196,863</u>	<u>\$23,401,863</u>

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - Long-Term Debt (Continued)

Revenue Bonds. The follow table details the City's outstanding revenue bonds:

<u>Revenue Bonds</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid with taxes					
Public Building Commission	3.00% - 5.00%	<u>\$ 16,855,000</u>	<u>\$ 17,630,000</u>	07/23/19	09/01/44

On July 23, 2019, the Arkansas City Public Building Commission issued Refunding Revenue Bonds, Series 2019, in the amount of \$17,630,000. The bonds were issued to refund the Commission's outstanding Series 2009 Revenue Bonds. The refunded bonds were originally issued to finance the costs to construct, furnish and equip an acute care hospital known as the South-Central Kansas Regional Medical Center. The Public Building Commission will continue to lease the land and the medical center constructed thereon to the City and the City will continue to sublease the project to the Board of Trustees of the Medical Center.

As part of the 2019 revenue bond issue, the City approved a 1% sales tax. The City has pledged to appropriate 95% of the revenues derived from the sales tax to the Bond's Trustee for debt service payments. The City has accounted for these transactions in the Healthcare Sales Tax and Unpledged Healthcare Sales Tax funds. Any amount appropriated to the Trustee in excess of the scheduled debt service is held by the Trustee in an escrow account invested in U.S. Government Securities and reserved for future debt service payments. The City does not have control over this escrow account, and therefore, the City's financial statements do not include the escrow balance. As of December 31, 2021, the balance of this escrow account was \$3,675,119.

Annual debt service requirements to maturity for the revenue bonds are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 440,000	\$ 626,163	\$ 1,066,163
2023	460,000	608,563	1,068,563
2024	480,000	585,563	1,065,563
2025	505,000	561,563	1,066,563
2026	530,000	536,313	1,066,313
2027 - 2031	3,080,000	2,262,013	5,342,013
2032 - 2036	3,820,000	1,559,013	5,379,013
2037 - 2041	4,490,000	899,506	5,389,506
2042 - 2044	<u>3,050,000</u>	<u>192,656</u>	<u>3,242,656</u>
Total	<u>\$ 16,855,000</u>	<u>\$ 7,831,353</u>	<u>\$ 24,686,353</u>

Capital Leases. The follow table details the City's outstanding capital lease obligations:

<u>Capital Leases</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid with taxes					
2013 Pumper Truck	2.82%	\$ 97,598	\$ 587,667	08/01/13	02/01/23
2019 Pumper Truck	3.55%	<u>448,924</u>	<u>620,775</u>	01/28/19	08/01/28
		<u>\$ 546,522</u>	<u>\$ 1,208,442</u>		

CITY OF ARKANSAS CITY, KANSAS
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

NOTE 6 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the capital leases are as follows:

Year ending December 31,	Principal	Interest	Total
2022	\$ 122,162	\$ 17,855	\$ 140,017
2023	92,619	13,943	106,562
2024	61,781	11,327	73,108
2025	64,010	9,097	73,107
2026	66,320	6,788	73,108
2027 - 2028	139,630	6,310	145,940
Total	<u>\$ 546,522</u>	<u>\$ 65,320</u>	<u>\$ 611,842</u>

Revolving Loan. On December 9, 2021, the City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) to finance the cost of wastewater treatment plant improvements. The loan is for a maximum principal of \$10,500,000, carries a gross interest rate of 1.31%, and is payable in semi-annual installments. \$0 were drawn against the agreement during the year ended December 31, 2021. Annual debt service requirements to maturity are not available as the loan was not finalized as of December 31, 2021.

NOTE 7 - Economic Development Bonds

The City has entered into various agreements to induce businesses to locate or expand operations in Arkansas City, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's), which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2021, there were three industrial revenue bond issues with principal balances due totaling \$16,161,576.

NOTE 8 - Capital Projects

The following is a summary of capital project authorizations and expenditures to date:

Project Name	Project Authorization	Expenditures Through 12/31/2021	Estimated Completion
2019 Summit St Mill & Overlay CCLIP	\$ 328,433	\$ 325,857	2021
Offset Well #5 (Well #15)	615,252	615,252	2021
Waterline Relocate for Westar Easement	650,000	98,865	2021
Wilson Park Planning - Phase 1 Upgrades	66,000	75,592	2021
Wilson Park Site Improvements	356,177	246,118	2022
Westar Hike/Bike Trail	1,275,745	352,714	2022
2020 Brad Meek/Hillside Waterline Replacement	1,274,307	1,274,307	2021
WWTP Upgrades	2,980,157	1,828,642	2023
North Pressure Zone High Service Pump Station	848,567	518,900	2022
Madison Avenue CCLIP Summit to 8th St	462,749	23,288	2023
Poplar Walking Trail Improvements	20,827	20,827	2021
KS to Radio Ln Mill/Overlay	1,050,777	56,524	2022
15th Street Bridge Replacement	451,491	27,568	2023
Sanitary Sewer Replacement (5th Ave to Adams)	46,400	15,560	2022
Truck Stop	22,000	18,813	2023
WWTP Admin Building	270,704	33,448	2022

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 9 - Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statement to maintain consistency between periods presented. The reclassifications had no impact on previously reported unencumbered cash balances.

NOTE 10 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

NOTE 11 - Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on the financial statement of the City at December 31, 2021.

The City is a party to various claims, none of which is expected to have material financial impact on the City.

NOTE 12 - Subsequent Events

On March 16, 2022, the City entered into a lease-purchase agreement with a local financial institution for the acquisition of a street sweeper. The agreement carries an annual interest rate of 1.87%, requires annual payments of \$44,099, and is scheduled to mature on February 1, 2025.

On March 16, 2022, the City entered into two operating lease agreements with a fleet management company for the usage of two vehicles. These leases require combined monthly payments of \$1,110.

CITY OF ARKANSAS CITY, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General Fund	\$ 10,702,736	\$ -	\$ 10,702,736	\$ 10,148,316	\$ [554,420]
Special Purpose Funds:					
Special Recreation and Parks Fund	46,068	-	46,068	12,619	[33,449]
Special Street and Highway Fund	1,357,500	-	1,357,500	584,011	[773,489]
Tourism Fund	139,145	-	139,145	124,365	[14,780]
Special Alcohol Fund	90,524	-	90,524	12,876	[77,648]
Library Fund	409,950	-	409,950	392,710	[17,240]
Land Bank Fund	3,500	-	3,500	200	[3,300]
Healthcare Sales Tax Fund	1,946,000	-	1,946,000	1,892,217	[53,783]
Unpledged Healthcare Sales Tax Fund	507,706	-	507,706	290,704	[217,002]
CID Sales Tax Fund	65,000	-	65,000	63,750	[1,250]
Bond and Interest Funds:					
Bond and Interest Fund	673,385	-	673,385	567,080	[106,305]
Business Funds:					
Water Utility Fund	6,510,616	-	6,510,616	6,021,426	[489,190]
Sewer Utility Fund	14,169,544	-	14,169,544	3,536,071	[10,633,473]
Sanitation Utility Fund	1,495,989	-	1,495,989	1,203,612	[292,377]
Stormwater Utility Fund	306,139	-	306,139	157,879	[148,260]

CITY OF ARKANSAS CITY, KANSAS
 General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,814,332	\$ 3,233,585	\$ 3,238,670	\$ [5,085]
Delinquent tax	132,773	173,392	75,000	98,392
Motor vehicle tax	408,290	431,262	434,683	[3,421]
Recreational vehicle tax	3,396	3,981	3,988	[7]
16/20M truck tax	6,986	7,674	9,969	[2,295]
Neighborhood revitalization	[81,221]	[86,855]	[83,754]	[3,101]
Compensating use tax	311,666	368,502	290,000	78,502
Sales tax	1,805,442	1,836,649	1,580,000	256,649
Franchise tax	1,154,854	1,220,180	1,142,000	78,180
Special assessments	26,727	44,629	30,000	14,629
Intergovernmental				
Local alcoholic liquor tax	10,092	12,918	13,460	[542]
Federal grant	14,423	80,749	68,245	12,504
State grant	22,686	22,654	-	22,654
Licenses and permits				
Licenses, permits and fees	248,152	75,613	98,500	[22,887]
Charges and services				
Cemetery permits/deeds	28,885	25,195	23,000	2,195
Rural fire contracts	379,160	386,596	350,000	36,596
County ambulance fees	191,100	195,130	176,500	18,630
Other ambulance fees	560,638	536,298	600,000	[63,702]
Fines, forfeitures and penalties				
Fines	372,131	380,767	409,100	[28,333]
Use of money and property				
Interest	13,080	3,593	12,000	[8,407]
Sale of assets	17,177	113,508	-	113,508
Rental income	28,864	45,528	38,500	7,028
Other receipts				
Donations	6,951	10,982	10,000	982
Reimbursed expense	397,552	183,072	97,500	85,572
Miscellaneous	460,623	10,720	61,000	[50,280]
Operating transfers from				
Water Utility Fund	400,000	250,000	400,000	[150,000]
Sewer Utility Fund	550,000	300,000	550,000	[250,000]
Sanitation Utility Fund	200,000	-	200,000	[200,000]
Total Receipts	<u>10,484,759</u>	<u>9,866,322</u>	<u>\$ 9,828,361</u>	<u>\$ 37,961</u>

CITY OF ARKANSAS CITY, KANSAS
 General Fund - Continued
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Expenditures				
General administrative services				
Personal services	\$ 931,934	\$ 799,645	\$ 949,423	\$ [149,778]
Contractual services	358,627	403,933	346,405	57,528
Commodities	45,676	33,607	40,000	[6,393]
Capital outlay	<u>42,076</u>	<u>14,639</u>	<u>27,000</u>	<u>[12,361]</u>
Total general administrative services	<u>1,378,313</u>	<u>1,251,824</u>	<u>1,362,828</u>	<u>[111,004]</u>
Municipal court/legal				
Personal services	47,583	87,902	47,655	40,247
Contractual services	131,252	151,122	121,050	30,072
Commodities	1,400	2,192	1,450	742
Capital outlay	<u>2,958</u>	<u>3,106</u>	<u>3,000</u>	<u>106</u>
Total municipal court/legal	<u>183,193</u>	<u>244,322</u>	<u>173,155</u>	<u>71,167</u>
Neighborhood services				
Personal services	202,218	247,614	222,976	24,638
Contractual services	45,087	46,864	27,550	19,314
Commodities	15,062	32,280	61,750	[29,470]
Capital outlay	<u>1,812</u>	<u>1,737</u>	<u>39,000</u>	<u>[37,263]</u>
Total neighborhood services	<u>264,179</u>	<u>328,495</u>	<u>351,276</u>	<u>[22,781]</u>
Fire/EMT services				
Personal services	2,035,662	2,287,797	2,273,671	14,126
Contractual services	90,341	116,726	99,600	17,126
Commodities	219,260	207,553	177,750	29,803
Capital outlay	332,396	460,424	70,500	389,924
Debt service	<u>140,017</u>	<u>140,017</u>	<u>140,000</u>	<u>17</u>
Total fire/EMT services	<u>2,817,676</u>	<u>3,212,517</u>	<u>2,761,521</u>	<u>450,996</u>
Law enforcement				
Personal services	2,458,488	2,631,713	2,737,387	[105,674]
Contractual services	117,805	131,743	128,700	3,043
Commodities	90,301	117,838	136,000	[18,162]
Capital outlay	<u>206,270</u>	<u>188,685</u>	<u>224,500</u>	<u>[35,815]</u>
Total law enforcement	<u>2,872,864</u>	<u>3,069,979</u>	<u>3,226,587</u>	<u>[156,608]</u>
Parks and facilities				
Personal services	518,908	570,101	553,655	16,446
Contractual services	141,939	146,172	159,300	[13,128]
Commodities	163,141	129,963	225,250	[95,287]
Capital outlay	<u>43,730</u>	<u>140,335</u>	<u>183,000</u>	<u>[42,665]</u>
Total parks and facilities	<u>867,718</u>	<u>986,571</u>	<u>1,121,205</u>	<u>[134,634]</u>

CITY OF ARKANSAS CITY, KANSAS
 General Fund - Continued
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Expenditures - Continued				
Public works/streets				
Personal services	\$ 414,560	\$ 429,674	\$ 454,910	\$ [25,236]
Contractual services	428,119	269,041	318,400	[49,359]
Commodities	58,727	55,910	72,100	[16,190]
Capital outlay	635	1,150	2,000	[850]
Total public works/streets	<u>902,041</u>	<u>755,775</u>	<u>847,410</u>	<u>[91,635]</u>
Northwest Community Center				
Personal services	45,248	47,759	46,875	884
Contractual services	6,430	8,995	10,000	[1,005]
Commodities	2,751	3,440	5,750	[2,310]
Capital outlay	144	433	500	[67]
Total Northwest Community Center	<u>54,573</u>	<u>60,627</u>	<u>63,125</u>	<u>[2,498]</u>
Senior center				
Personal services	191,427	194,817	209,479	[14,662]
Contractual services	28,229	27,118	29,950	[2,832]
Commodities	14,473	16,271	26,000	[9,729]
Capital outlay	-	-	1,200	[1,200]
Total senior center	<u>234,129</u>	<u>238,206</u>	<u>266,629</u>	<u>[28,423]</u>
Operating transfers to				
Healthcare Sales Tax Fund	-	-	79,000	[79,000]
Emergency Reserve	-	-	450,000	[450,000]
Total Expenditures	<u>9,574,686</u>	<u>10,148,316</u>	<u>\$ 10,702,736</u>	<u>\$ [554,420]</u>
Receipts Over [Under] Expenditures	910,073	[281,994]		
Unencumbered Cash, Beginning	<u>1,126,588</u>	<u>2,036,661</u>		
Unencumbered Cash, Ending	<u>\$ 2,036,661</u>	<u>\$ 1,754,667</u>		

CITY OF ARKANSAS CITY, KANSAS
 Special Recreation and Parks Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Local alcoholic liquor tax	\$ 10,092	\$ 12,918	\$ 13,460	\$ [542]
Total Receipts	<u>10,092</u>	<u>12,918</u>	<u>\$ 13,460</u>	<u>\$ [542]</u>
Expenditures				
Culture and recreation				
Contractual services	-	9,119	\$ -	\$ 3,500
Commodities	88	3,500	5,000	4,119
Capital outlay	-	-	41,068	[41,068]
Total Expenditures	<u>88</u>	<u>12,619</u>	<u>\$ 46,068</u>	<u>\$ [33,449]</u>
 Receipts Over [Under] Expenditures	 10,004	 299		
 Unencumbered Cash, Beginning	 <u>25,610</u>	 <u>35,614</u>		
 Unencumbered Cash, Ending	 <u>\$ 35,614</u>	 <u>\$ 35,913</u>		

CITY OF ARKANSAS CITY, KANSAS
 Special Street and Highway Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Highway gas tax	\$ 305,269	\$ 337,818	\$ 268,200	\$ 69,618
County gas tax	51,371	56,468	39,580	16,888
Intergovernmental				
KDOT federal exchange funds	282	128,786	145,000	[16,214]
CCLIP Grant		-	300,000	[300,000]
Other receipts				
Reimbursed expense	6,144	20,192	-	20,192
Sale of materials	-	33,150	-	33,150
Total Receipts	<u>363,066</u>	<u>576,414</u>	<u>\$ 752,780</u>	<u>\$ [176,366]</u>
Expenditures				
General government				
Contractual services	49,530	140,107	\$ 65,000	\$ 75,107
Commodities	157,022	201,561	174,500	27,061
Capital outlay	55,824	242,343	260,000	[17,657]
Capital improvements	-	-	858,000	[858,000]
Total Expenditures	<u>262,376</u>	<u>584,011</u>	<u>\$ 1,357,500</u>	<u>\$ [773,489]</u>
Receipts Over [Under] Expenditures	100,690	[7,597]		
Unencumbered Cash, Beginning	<u>684,792</u>	<u>785,482</u>		
Unencumbered Cash, Ending	<u>\$ 785,482</u>	<u>\$ 777,885</u>		

CITY OF ARKANSAS CITY, KANSAS
 Tourism Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
State guest tax	\$ 127,670	\$ 127,489	\$ 130,000	\$ [2,511]
Other receipts				
Donations	<u>-</u>	<u>5,004</u>	<u>-</u>	<u>5,004</u>
Total Receipts	<u>127,670</u>	<u>132,493</u>	<u>\$ 130,000</u>	<u>\$ 2,493</u>
Expenditures				
Culture and recreation				
Contractual services	<u>127,497</u>	<u>124,365</u>	<u>\$ 139,145</u>	<u>\$ [14,780]</u>
Total Expenditures	<u>127,497</u>	<u>124,365</u>	<u>\$ 139,145</u>	<u>\$ [14,780]</u>
Receipts Over [Under] Expenditures	173	8,128		
Unencumbered Cash, Beginning	<u>28,107</u>	<u>28,280</u>		
Unencumbered Cash, Ending	<u>\$ 28,280</u>	<u>\$ 36,408</u>		

CITY OF ARKANSAS CITY, KANSAS
 Special Alcohol Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Local alcoholic liquor tax	\$ 10,092	\$ 12,919	\$ 13,460	\$ [541]
Other receipts				
Donations	<u>1,450</u>	<u>700</u>	<u>-</u>	<u>700</u>
Total Receipts	<u>11,542</u>	<u>13,619</u>	<u>\$ 13,460</u>	<u>\$ 159</u>
Expenditures				
Culture and recreation				
Contractual services	1,000	1,000	\$ 1,000	\$ -
Commodities	<u>1,876</u>	<u>11,876</u>	<u>89,524</u>	<u>[77,648]</u>
Total Expenditures	<u>2,876</u>	<u>12,876</u>	<u>\$ 90,524</u>	<u>\$ [77,648]</u>
Receipts Over [Under] Expenditures	8,666	743		
Unencumbered Cash, Beginning	<u>84,816</u>	<u>93,482</u>		
Unencumbered Cash, Ending	<u>\$ 93,482</u>	<u>\$ 94,225</u>		

CITY OF ARKANSAS CITY, KANSAS
 Library Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Ad valorem property tax	\$ 318,480	\$ 331,457	\$ 331,932	\$ [475]
Delinquent tax	15,811	20,041	12,000	8,041
Motor vehicle tax	46,200	48,796	74,188	[25,392]
Recreational vehicle tax	384	451	451	-
Commercial vehicle tax	-	-	714	[714]
16/20M truck tax	801	868	415	453
Neighborhood revitalization	[9,191]	[8,903]	[9,750]	847
Total Receipts	<u>372,485</u>	<u>392,710</u>	<u>\$ 409,950</u>	<u>\$ [17,240]</u>
Expenditures				
Culture and recreation				
Appropriation to library board	<u>372,485</u>	<u>392,710</u>	<u>\$ 409,950</u>	<u>\$ [17,240]</u>
Total Expenditures	<u>372,485</u>	<u>392,710</u>	<u>\$ 409,950</u>	<u>\$ [17,240]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF ARKANSAS CITY, KANSAS
 Land Bank Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Use of money and property				
Rental income	\$ -	\$ -	\$ 1,000	\$ [1,000]
Sale of assets	<u>1,000</u>	<u>8,000</u>	<u>2,500</u>	<u>5,500</u>
Total Receipts	<u>1,000</u>	<u>8,000</u>	<u>\$ 3,500</u>	<u>\$ 4,500</u>
Expenditures				
General government				
Contractual	<u>14</u>	<u>200</u>	<u>\$ 3,500</u>	<u>\$ [3,300]</u>
Total Expenditures	<u>14</u>	<u>200</u>	<u>\$ 3,500</u>	<u>\$ [3,300]</u>
Receipts Over [Under] Expenditures	986	7,800		
Unencumbered Cash, Beginning	<u>-</u>	<u>986</u>		
Unencumbered Cash, Ending	<u>\$ 986</u>	<u>\$ 8,786</u>		

CITY OF ARKANSAS CITY, KANSAS
 Healthcare Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Sales tax	\$ 1,715,169	\$ 1,744,817	\$ 1,701,000	\$ 43,817
Use tax	62,334	147,400	166,000	[18,600]
Operating transfers from				
General Fund	-	-	79,000	[79,000]
Total Receipts	<u>1,777,503</u>	<u>1,892,217</u>	<u>\$ 1,946,000</u>	<u>\$ [53,783]</u>
Expenditures				
Debt Service				
Principal	350,000	425,000	\$ 425,000	\$ -
Interest	717,962	638,913	638,913	-
Appropriations to trustee	709,541	828,304	882,087	[53,783]
Total Expenditures	<u>1,777,503</u>	<u>1,892,217</u>	<u>\$ 1,946,000</u>	<u>\$ [53,783]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF ARKANSAS CITY, KANSAS
 Unpledged Healthcare Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Sales tax	\$ 90,272	\$ 91,833	\$ 104,180	\$ [12,347]
Use tax	249,333	221,101	214,000	7,101
Use of money and property				
Interest	245	129	-	129
Total Receipts	339,850	313,063	\$ 318,180	\$ [5,117]
Expenditures				
Healthcare appropriations	136,143	287,704	\$ 507,706	\$ [220,002]
Debt appropriations	90,272	-	-	-
Miscellaneous	3,000	3,000	-	3,000
Total Expenditures	229,415	290,704	\$ 507,706	\$ [217,002]
Receipts Over [Under] Expenditures	110,435	22,359		
Unencumbered Cash, Beginning	79,091	189,526		
Unencumbered Cash, Ending	\$ 189,526	\$ 211,885		

CITY OF ARKANSAS CITY, KANSAS
 CID Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Sales tax	\$ 51,940	\$ 63,750	\$ 65,000	\$ [1,250]
Total Receipts	<u>51,940</u>	<u>63,750</u>	<u>\$ 65,000</u>	<u>\$ [1,250]</u>
Expenditures				
Appropriations	<u>52,919</u>	<u>63,750</u>	<u>\$ 65,000</u>	<u>\$ [1,250]</u>
Total Expenditures	<u>52,919</u>	<u>63,750</u>	<u>\$ 65,000</u>	<u>\$ [1,250]</u>
Receipts Over [Under] Expenditures	[979]	-		
Unencumbered Cash, Beginning	<u>979</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF ARKANSAS CITY, KANSAS
 Special Law Enforcement Trust Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

	<u>2020</u>	<u>2021</u>
Receipts		
Other receipts		
Donations	\$ 16,464	\$ 611
Total Receipts	16,464	611
Expenditures		
Capital improvements		
Contractual services	705	8,215
Capital outlay	20,348	-
Total Expenditures	21,053	8,215
Receipts Over [Under] Expenditures	[4,589]	[7,604]
Unencumbered Cash, Beginning	15,733	11,144
Unencumbered Cash, Ending	\$ 11,144	\$ 3,540

* - This fund is not required to be budgeted.

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CITY OF ARKANSAS CITY, KANSAS
 Equipment Reserve Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

	<u>2020</u>	<u>2021</u>
Receipts		
Operating transfers from		
General Fund	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Capital improvements		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>200,946</u>	<u>200,946</u>
Unencumbered Cash, Ending	<u>\$ 200,946</u>	<u>\$ 200,946</u>

* - This fund is not required to be budgeted.

CITY OF ARKANSAS CITY, KANSAS
 Capital Improvements Reserve Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

	<u>2020</u>	<u>2021</u>
Receipts		
Use of money and property		
Interest	\$ 5,378	\$ 1,284
Other receipts		
Donations	271,558	299,788
Reimbursed expense	<u>206,474</u>	<u>300,000</u>
Total Receipts	<u>483,410</u>	<u>601,072</u>
Expenditures		
General government		
Commodities	19,910	917
Capital outlay	<u>598,474</u>	<u>576,917</u>
Total Expenditures	<u>618,384</u>	<u>577,834</u>
Receipts Over [Under] Expenditures	[134,974]	23,238
Unencumbered Cash, Beginning	1,605,297	1,470,323
Prior Year Cancelled Encumbrances	<u>-</u>	<u>285,992</u>
Unencumbered Cash, Ending	<u>\$ 1,470,323</u>	<u>\$ 1,779,553</u>

* - This fund is not required to be budgeted.

CITY OF ARKANSAS CITY, KANSAS
 Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Ad valorem property tax	\$ 581,310	\$ 302,885	\$ 303,357	\$ [472]
Delinquent tax	35,572	40,013	30,000	10,013
Motor vehicle tax	84,286	89,003	89,767	[764]
Recreational vehicle tax	693	822	824	[2]
Commercial vehicle tax	-	-	1,302	[1,302]
16/20M truck tax	1,553	1,579	757	822
Neighborhood revitalization	[16,774]	[8,136]	[17,296]	9,160
Debt proceeds				
Sale of bonds	21,840,000	-	-	-
Bond premium	1,254,936	-	-	-
Total Receipts	<u>23,781,576</u>	<u>426,166</u>	<u>\$ 408,711</u>	<u>\$ 17,455</u>
Expenditures				
Debt service				
Principal	23,114,128	515,000	\$ 525,000	\$ [10,000]
Interest	169,746	52,080	48,285	3,795
Cost of insurance	373,361	-	-	-
Miscellaneous	-	-	100	[100]
Cash basis reserve	-	-	100,000	[100,000]
Total Expenditures	<u>23,657,235</u>	<u>567,080</u>	<u>\$ 673,385</u>	<u>\$ [106,305]</u>
Receipts Over [Under] Expenditures	124,341	[140,914]		
Unencumbered Cash, Beginning	<u>129,681</u>	<u>254,022</u>		
Unencumbered Cash, Ending	<u>\$ 254,022</u>	<u>\$ 113,108</u>		

CITY OF ARKANSAS CITY, KANSAS
 Water Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services				
Water receipts	\$ 4,264,988	\$ 4,524,363	\$ 4,300,000	\$ 224,363
Connection fees	67,563	73,552	83,000	[9,448]
Use of money and property				
Interest	12,348	3,759	15,000	[11,241]
Other receipts				
Bad debt collection	178	502	-	502
Penalties	24,752	27,529	29,000	[1,471]
Reimbursed expense	137,651	2,193	-	2,193
Miscellaneous	43,367	43,530	37,500	6,030
Total Receipts	<u>4,550,847</u>	<u>4,675,428</u>	<u>\$ 4,464,500</u>	<u>\$ 210,928</u>
Expenditures				
Treatment				
Personal services	195,602	202,992	\$ 188,654	\$ 14,338
Contractual services	1,185,193	525,417	716,700	[191,283]
Commodities	543,444	496,235	436,700	59,535
Capital outlay	1,177	777,860	1,000,000	[222,140]
Total treatment	<u>1,925,416</u>	<u>2,002,504</u>	<u>2,342,054</u>	<u>[339,550]</u>
Distribution				
Personal services	509,746	537,611	632,433	[94,822]
Contractual services	44,928	140,555	108,300	32,255
Commodities	129,139	178,451	136,200	42,251
Capital outlay	104,261	1,271,067	1,285,000	[13,933]
Total distribution	<u>788,074</u>	<u>2,127,684</u>	<u>2,161,933</u>	<u>[34,249]</u>
Administration				
Personal services	13,337	11,812	11,600	212
Contractual services	69,311	85,479	55,300	30,179
Commodities	17,985	27,383	14,700	12,683
Capital outlay	25,857	31,899	34,500	[2,601]
Total administration	<u>126,490</u>	<u>156,573</u>	<u>116,100</u>	<u>40,473</u>
Debt service				
Principal	918,341	1,120,000	943,629	176,371
Interest	572,189	364,665	546,900	[182,235]
Total debt service	<u>1,490,530</u>	<u>1,484,665</u>	<u>1,490,529</u>	<u>[5,864]</u>
Operating transfers to General Fund	400,000	250,000	400,000	[150,000]
Total Expenditures	<u>4,730,510</u>	<u>6,021,426</u>	<u>\$ 6,510,616</u>	<u>\$ [489,190]</u>
Receipts Over [Under] Expenditures	[179,663]	[1,345,998]		
Unencumbered Cash, Beginning	4,256,957	4,077,294		
Prior Year Cancelled Encumbrances	-	279,677		
Unencumbered Cash, Ending	<u>\$ 4,077,294</u>	<u>\$ 3,010,973</u>		

CITY OF ARKANSAS CITY, KANSAS
 Sewer Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services				
Wastewater receipts	\$ 1,958,039	\$ 2,026,383	\$ 2,000,000	\$ 26,383
Use of money and property				
Interest	12,202	4,048	15,800	[11,752]
Sale of assets	-	46	-	46
Other receipts				
Penalties	13,020	20,520	20,000	520
Reimbursed expense	1,177	-	-	-
Federal grant	-	890,398	-	890,398
Miscellaneous	30,635	26,970	5,000	21,970
Loan proceeds	-	-	12,000,000	[12,000,000]
Total Receipts	<u>2,015,073</u>	<u>2,968,365</u>	<u>\$ 14,040,800</u>	<u>\$ [11,072,435]</u>
Expenditures				
Treatment				
Personal services	294,314	395,770	\$ 429,721	\$ [33,951]
Contractual services	148,552	151,658	165,160	[13,502]
Commodities	354,733	72,231	106,400	[34,169]
Capital outlay	357,693	2,223,152	12,004,000	[9,780,848]
Total treatment	<u>1,155,292</u>	<u>2,842,811</u>	<u>12,705,281</u>	<u>[9,862,470]</u>
Collections				
Personal services	160,013	96,993	170,363	[73,370]
Contractual services	80,632	80,556	39,950	40,606
Commodities	53,774	64,614	46,850	17,764
Capital outlay	-	24,076	557,500	[533,424]
Total collections	<u>294,419</u>	<u>266,239</u>	<u>814,663</u>	<u>[548,424]</u>
Administration				
Personal services	8,612	7,087	5,500	1,587
Contractual services	16,503	31,732	13,100	18,632
Commodities	10,659	17,039	10,500	6,539
Capital outlay	15,540	21,163	20,500	663
Total administration	<u>51,314</u>	<u>77,021</u>	<u>49,600</u>	<u>27,421</u>
Operating transfers to				
General Fund	550,000	300,000	550,000	[250,000]
Stormwater Utility Fund	50,000	50,000	50,000	-
Total Expenditures	<u>2,101,025</u>	<u>3,536,071</u>	<u>\$ 14,169,544</u>	<u>\$ [10,633,473]</u>
Receipts Over [Under] Expenditures	[85,952]	[567,706]		
Unencumbered Cash, Beginning	4,006,160	3,920,208		
Prior Year Cancelled Encumbrances	-	45,880		
Unencumbered Cash, Ending	<u>\$ 3,920,208</u>	<u>\$ 3,398,382</u>		

CITY OF ARKANSAS CITY, KANSAS
 Sanitation Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services				
Sanitation fees	\$ 1,511,146	\$ 1,491,895	\$ 1,450,000	\$ 41,895
Service fees	4,147	15,494	10,000	5,494
Use of money and property				
Interest	3,410	1,057	4,500	[3,443]
Sale of assets	170	29,755	-	29,755
Other receipts				
Penalties	9,354	13,779	14,500	[721]
Miscellaneous	3,363	5,306	200	5,106
Total Receipts	<u>1,531,590</u>	<u>1,557,286</u>	<u>\$ 1,479,200</u>	<u>\$ 78,086</u>
Expenditures				
General utility services				
Personal services	610,213	645,099	\$ 661,464	\$ [16,365]
Contractual services	365,873	343,967	421,150	[77,183]
Commodities	142,746	152,541	177,550	[25,009]
Capital outlay	216,461	549	1,000	[451]
Total general utility services	<u>1,335,293</u>	<u>1,142,156</u>	<u>1,261,164</u>	<u>[119,008]</u>
Administration				
Personal services	8,250	20,450	3,800	16,650
Contractual services	14,478	15,955	12,425	3,530
Commodities	7,119	10,900	5,600	5,300
Capital outlay	10,715	14,151	13,000	1,151
Total administration	<u>40,562</u>	<u>61,456</u>	<u>34,825</u>	<u>26,631</u>
Operating transfers to				
General Fund	200,000	-	200,000	[200,000]
Total Expenditures	<u>1,575,855</u>	<u>1,203,612</u>	<u>\$ 1,495,989</u>	<u>\$ [292,377]</u>
Receipts Over [Under] Expenditures	[44,265]	353,674		
Unencumbered Cash, Beginning	<u>1,130,301</u>	<u>1,086,036</u>		
Unencumbered Cash, Ending	<u>\$ 1,086,036</u>	<u>\$ 1,439,710</u>		

CITY OF ARKANSAS CITY, KANSAS
 Stormwater Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services				
Stormwater receipts	\$ 187,504	\$ 188,905	\$ 186,000	\$ 2,905
Intergovernmental				
Federal grants	53,094	-	-	-
Use of money and property				
Interest	572	253	1,500	[1,247]
Other receipts				
Penalties	1,338	1,923	2,100	[177]
Miscellaneous	12,305	6	-	6
Operating transfers from				
Sewer Utility Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Receipts	<u>304,813</u>	<u>241,087</u>	<u>\$ 239,600</u>	<u>\$ 1,487</u>
Expenditures				
General utility services				
Personal services	142,831	131,372	\$ 175,939	\$ [44,567]
Contractual services	628	1,670	23,000	[21,330]
Commodities	5,859	24,837	17,200	7,637
Capital outlay	<u>9,921</u>	<u>-</u>	<u>90,000</u>	<u>[90,000]</u>
Total Expenditures	<u>159,239</u>	<u>157,879</u>	<u>\$ 306,139</u>	<u>\$ [148,260]</u>
Receipts Over [Under] Expenditures	145,574	83,208		
Unencumbered Cash, Beginning	<u>146,077</u>	<u>291,651</u>		
Unencumbered Cash, Ending	<u>\$ 291,651</u>	<u>\$ 374,859</u>		

CITY OF ARKANSAS CITY, KANSAS
 Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2021

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Municipal Court	\$ 15,923	\$ 84,185	\$ 86,129	\$ 13,979
	<u>\$ 15,923</u>	<u>\$ 84,185</u>	<u>\$ 86,129</u>	<u>\$ 13,979</u>

CITY OF ARKANSAS CITY, KANSAS
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of the Interior</u>		
Passed Through Kansas Historical Society:		
Community Development Block Grants/Entitlement Grants	15.904	\$ 11,000
Total U.S. Department of the Interior		<u>11,000</u>
<u>U.S. Department of Justice</u>		
Bulletproof Vest Partnership Program		
Public Safety Partnership and Community Policing Program	16.607	4,275
	16.710	44,761
Passed Through Crime Victims Compensation Board:		
Equitable Sharing Program	16.922	<u>500</u>
Total U.S. Department of Justice		<u>49,536</u>
<u>U.S. Department of Health and Human Services</u>		
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	<u>29,906</u>
Total U.S. Department of Health and Human Services		<u>29,906</u>
<u>U.S. Department of the Treasury</u>		
Passed Through Kansas Governor's Office:		
Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>1,343,829</u>
Total U.S. Department of the Treasury		<u>1,343,829</u>
<u>U.S. Department of Transportation</u>		
Passed Through Kansas Department of Transportation:		
Highway Safety Cluster:		
State and Community Highway Safety	20.600	<u>1,807</u>
Total Highway Safety Cluster		<u>1,807</u>
Total U.S. Department of Transportation		<u>1,807</u>
Total Expenditures of Federal Awards		<u>\$ 1,436,078</u>

CITY OF ARKANSAS CITY, KANSAS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

1. Organization

The City of Arkansas City, Kansas, (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2021.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants as of December 31, 2021.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

CITY OF ARKANSAS CITY, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (Regulatory Basis)
Adverse (GAAP)

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance? _____ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

CITY OF ARKANSAS CITY, KANSAS
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2021

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Mayor and City Commissioners
City of Arkansas City, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the City of Arkansas City, Kansas (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 6, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 6, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Commissioners
City of Arkansas City, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Arkansas City, Kansas (the City), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grants agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion of the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Example Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies, and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended December 31, 2021, and have issued our report thereon dated April 6, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 6, 2022



City Commission Agenda Item

Meeting Date: May 17, 2022
From: Bob Frazee, Emergency Management Coordinator
Item: New Warning Sirens

Purpose: Consider a Resolution authorizing the City of Arkansas City to purchase two Whelen Warning Sirens from Precision Communications, Aberdeen, MS, for an amount not to exceed \$36,058.40.
(Voice Vote)

Background:

The City requested bids for two new warning sirens. Three bids were received, with Precision Communications submitting the lowest bid.

The two sirens will replace two 1975 mechanical sirens with Whelen Electronic Sirens which will have battery operations in case of an electrical power failure. One will be located at 7th & Birch, the other will be relocated from 500 Blk S. 6th to approximately 800 Blk. S. 6th.

Commission Options:

1. Approve the Resolution.
2. Disapprove the Resolution.
3. Table the Resolution for futher consideration.

Fiscal Impact:

Amount: \$36,058.40

Fund: **01-General** Department: **207-Neighborhood Services** Expense Code: **7405-Machinery/Equipment**

Included in budget Grant Bonds Other Not Budgeted

Approved for Agenda by:

Randy Frazer, City Manager

A RESOLUTION AUTHORIZING THE CITY OF ARKANSAS CITY TO PURCHASE TWO WHELEN WARNING SIRENS FROM PRECISION COMMUNICATIONS, ABERDEEN, MS, FOR AN AMOUNT NOT TO EXCEED \$36,058.40.

WHEREAS, the City of Arkansas City, Kansas, is in need of two outdoor warning sirens to replace old, outdated sirens located at 7th & Birch, and 500 Blk. S. 6th; and

WHEREAS, the proposed new Whelen warning sirens would provide better sound coverage and continue the process of installing battery backup-enabled outdoor warning sirens in all four quadrants of Arkansas City, providing citywide redundancy in the case of an electrical power failure.

NOW, THEREFORE, IN CONSIDERATION OF THE AFORESTATED PREMISES, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ARKANSAS CITY, KANSAS:

SECTION ONE: The Governing Body of the City of Arkansas City, Kansas, hereby authorizes the City of Arkansas City, Kansas, to purchase two Whelen Warning Sirens from Precision Communications, Aberdeen, MS, for an amount not to exceed \$36,058.40.

SECTION TWO: The Governing Body of the City of Arkansas City, Kansas, hereby authorizes the Mayor and/or City staff of the City of Arkansas City, Kansas, to take such further and other necessary actions that are required to effectuate the intent and purposes of this Legislative Enactment.

SECTION THREE: This Resolution shall be in full force and effect from its date of passage by the Governing Body of the City of Arkansas City, Kansas.

PASSED AND RESOLVED by the Governing Body of the City of Arkansas City, Kansas, on this 17th day of May, 2022.

(Seal)

Kanyon Gingher, Mayor

ATTEST:

Lesley Shook, City Clerk

APPROVED AS TO FORM:

Larry R. Schwartz, City Attorney

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution No. 2022-05-_____ of the City of Arkansas City, Kansas, adopted by the Governing Body thereof on May 17, 2022, as the same appears of record in my office.



DATED: _____.

Lesley Shook, City Clerk

UPGRADE 1975 MECHANICAL SIRENS WITH WHELEN ELECTRONIC WARNING SIRENS BID TABULATION

COMPANY	Precision Communications, Inc. Aberdeen, Mississippi	CDL Electric Co., Inc. Pittsburg, Kansas	Emergency Fire Equipment, Inc. Mayfield, Kansas
TOTAL UPGRADE COST	\$ 36,058.40	\$ 38,955.24	\$ 39,237.00

NEW SIRENS WILL HAVE BATTERY OPERATIONS THUS WILL WORK WHEN POWER IS OUT.

	MASTER DISTRIBUTOR <small>10372 HWY 276 W152 Amory, MS 38720</small>	
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P.O. BOX 298 - AMORY, MS. 38821		Quote / ESTIMATE		NAME:	
				PHONE: (620) 441-3757	
				EMAIL: birazee@arkansascityks.gov	
DATE:				SHIPPING ADDRESS:	
NAME: City of Arkansas City				CITY:	
ATTN: Robert L. Frazer				STATE:	
BILING ADDRESS:				ZIP:	
CITY:				PURCHASE ORDER:	
STATE:					
ZIP:					

ITEM #	QTY	MODEL #	DESCRIPTION	PRICE EA	EXTENDED
1	2	WPS2905S	Five Cell Omni-Directional High Power Voice and Siren	\$ 15,927.77	\$ 31,855.54
2	2	C2030NV	Two-Way 10 Digit DTMF Narrow Band VHF 144-174 MHz Radio Option	\$ 1,509.93	\$ 3,019.86
3				\$	-
4				\$	-
5				\$	-
6				\$	-
7				\$	-
8				\$	-
9				\$	-
10				\$	-
11				\$	-
12				\$	-
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31				\$	-
32				\$	-
33				\$	-
34				\$	-
35				\$	-
36				\$	-
37				\$	-
38				\$	-
39				\$	-
40				\$	-
41				\$	-

SPECIAL INSTRUCTIONS:
 If paying by Credit Card, there will be a 3% fee on total Order.

	SYSTEM SUB TOTAL	\$ 34,875.40
	TAX	
	SHIPPING	\$ 1,183.00
	LABOR/INTALLATION/OPTIMIZATION	
	SYSTEM TOTAL	\$ 36,058.40

David Butts
 CELL - 205-456-8085
 EMAIL - david.butts.precision@gmail.com



CDL

ELECTRIC

one company many solutions

Order Date: 12/17/2021
Company Name: Arkansas City KS
Purchase Order #:

Please Deliver To:

Contact Person: Robert Frazee
Contact Cell #: (620) 441-3757 (cell)
Contact Email: bfrazee@arkansascityks.gov

Site Contact: Robert
Phone: 620-441-3757
Email:

Requested Delivery Date:

SP: Timothy McDade

Cell: 620-719-0253 timothy.mcdade@cdl-electric.com
 Cell: MIKE.MCLEOD@CDL-ELECTRIC.COM

Line	Part #	Description	Qty	Unit Cost	Total Cost
1	01-1486937-05	WPS2905A - Five Cell Omni-Directional High Power Voice and Siren	2	\$17,288.77	\$34,577.54
2	01-1418319-03	Two-Way 10 Digit DTMF Narrow Band VHF 144-174 MHz Radio Option	2	\$1,634.85	\$3,269.70
3			0	\$0.00	\$0.00
4			0	\$0.00	\$0.00
5			0	\$0.00	\$0.00
6	01-1469500-00	WPS 80 Watt Solar Option. OPTIONAL	0	\$3,195.00	\$0.00
7			0	\$0.00	\$0.00
8			0	\$0.00	\$0.00
9			0	\$0.00	\$0.00
10			0	\$0.00	\$0.00

	Sub Total	\$37,847.24
	Freight Charges	\$1,108.00
	Sales Tax	\$0.00
	Grand Total	\$38,955.24

Special Requirements/Notes:



a division of Invena Corporation

Quote Number 37451

Quote Date: 22 Dec 2021

414 N. Osborn
Mayfield, KS 67103
800-544-6038

416 E. 5th St.
Eureka, KS 67045
620-583-8630

Terms: **TBD -**

Bill To: **Arkansas City, City of**
City Hall
118 W. Central Ave.
Arkansas City, KS 67005

Ship To: **City of Arkansas City**
1407 W. Madison
Arkansas City, KS 67005

F.O.B.: **EXWORKS**

Ship Via: **PPAY & ADD-**

Phone:

Fax:

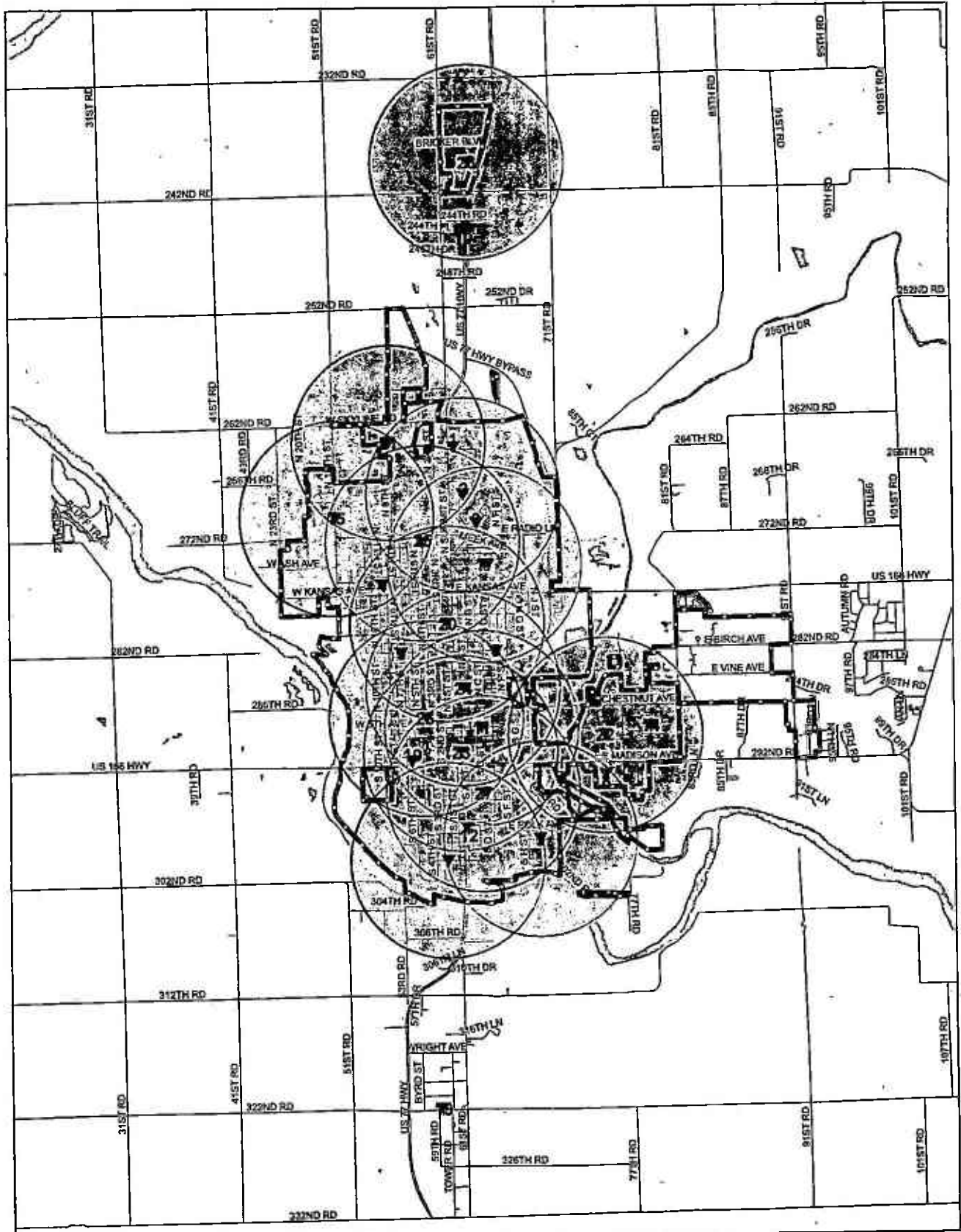
Line #	Item	Description	Qty Ordered, UOM	Price, UOM	Extended Price
1	200077155	SIREN,OMNI DIRECTIONAL 5 CELL HIGH POWER W/ ALUM CONT CAB WPS2905A	2.00 EA	17,451.00 EA	34,902.0000
<p>WPS2905A Series Omni-Directional High Power Voice and Sirens. WPS2901A has (1) Power Amplifier, WPS2905A has (5) Power Amplifiers. This models includes Speaker Array, Speaker Drivers, 50' of Speaker Cable and Pole Top Mounting Bracket. Aluminum Type II Control Cabinet, ESC2030 Siren Controller, 10A 110/120 VAC 50/60 Hz Battery Charger and RDVM1G Digital Voice Option Board (Supports up to 28 Messages for an Additional Charge), No Additional Charge if Using Existing Customer Messages on File (Customer to Verify and Supply Message List to be Used) (Batteries Not Included)</p>					
2	200073402	CONTROLLER,RADIO ONE-WAY 10 DIGIT DTMF NARROW BAND VHF 138-174 MHz Option	2.00 EA	1,576.00 EA	3,152.0000
<p>D2030NV One-Way 10 Digit DTMF Narrow Band VHF 138-174 MHz Radio Option (Supply Siren RX Frequency with Order)</p>					
3	SHIPPING	SHIPPING	1.00 EA	1,183.00 EA	1,183.0000



Note: Manufacturer warranty applies.

Sub-Total:	39,237.0000
Misc. Charges:	0.0000
Freight:	0.0000
Tax:	0.0000
Total:	39,237.0000

Order Comments: **Quote is valid from Jan. 1st 2022 until March 31st 2022.**

Arkansas City Warning Sirens



- ▼ Tornado Sirens
- Siren Range
- Battery Backup?
-  YES
-  NO

Produced by the City of Arkansas City GIS using the best available data to date. The City makes no warranty or representation, expressed or implied, with respect to the data displayed. April 27, 2021





City Commission Agenda Item

Meeting Date: May 17, 2022
From: Nick Rizzio, Municipal Project Manager
Item: Community Development Block Grant Housing Rehabilitation Plan

Purpose: Consider for approval the City of Arkansas City 2022 Community Development Block Grant Housing Rehabilitation Plan. **(Voice Vote)**

Background:

The United States Department of Housing & Urban Development (HUD) allocates funds used by the Kansas Department of Commerce for the Community Development Block Grant (CDBG) Housing Rehabilitation program. The City of Arkansas City has been awarded a CDBG grant from Commerce for the purpose of housing rehabilitation within the target area. The maximum amount of CDBG federal grant funds to be spent on rehabilitation is \$25,000 per unit. Private match is encouraged to fill the gap in financing if a rehabilitation will exceed this threshold. This program is designed to provide housing rehabilitation for low- to-moderate income individuals who own (or rent) a housing unit within the target area.

Commission Options:

1. Approve the CDBG Housing Rehabilitation Plan
2. Disapprove the CDBG Housing Rehabilitation Plan
3. Table for further discussion

Fiscal Impact:

Amount:

Fund: Department: Expense Code:

Included in budget Grant Bonds Other Not Budgeted

Approved for Agenda by:



Randy Frazer, City Manager

City of Arkansas City 2022 Community Development Block Grant Housing Rehabilitation Plan

The United States Department of Housing & Urban Development (HUD) allocates funds used by the Kansas Department of Commerce for the Community Development Block Grant (CDBG) Housing Rehabilitation program. The City of Arkansas City has been awarded a CDBG grant from Commerce for the purpose of housing rehabilitation within the target area. The maximum amount of CDBG federal grant funds to be spent on rehabilitation is \$25,000 per unit. Private match is encouraged to fill the gap in financing if a rehabilitation will exceed this threshold. This program is designed to provide housing rehabilitation for low- to-moderate income individuals who own (or rent) a housing unit within the target area.

Applicants will be screened and rated in accordance with eligibility criteria as set out in this Housing Rehabilitation Plan.

The target area is defined as: **an area bounded by North 15th Street to the West, North 10th Street to the East, West Kansas Avenue to the South, and West Colorado Avenue to the North.**

ELIGIBILITY REQUIREMENTS

Only property located within the target area is eligible for rehabilitation. To qualify, total household income for all individuals 18 years or older living in the home must be less than the low- to moderate income guidelines set by HUD for Cowley County, Kansas. The eligible home must be the primary residence of the applicant for owner-occupied units. For rental units, the renter must be income qualified. If the owner of the rental unit is income-qualified, the city will pay 85 percent of the rehabilitation and the Owner will be responsible for 15 percent. If the owner is above income guidelines, he/she must contribute 25 percent of the rehabilitation cost. The owner of the unit must also sign a rent-freeze agreement for a three-year period.

The total household income (income from all sources of family members over 18 years of age) must be less than the following income limitations:

No. In Household	LMI Income
1	\$40,800
2	\$46,600
3	\$52,450
4	\$58,250
5	\$62,950
6	\$67,600
7	\$72,250
8	\$76,900

Note: The LMI income limits will always use the most current income requirements as established by HUD.

1. The real property taxes and utilities must be current for all properties.
2. Hazard insurance naming the City as an additional insured in at least the amount of the rehabilitation contract will be required. If repairs are necessary to obtain the hazard insurance, then evidence is required showing that coverage will be provided upon completion of the rehabilitation.

VERIFICATION OF ELIGIBILITY

All income information will be kept confidential. Applicants must qualify as low- to-moderate income (LMI) prior to the time the inspection for rehabilitation is conducted. Re-verification will be required if a new income tax return has been filed prior to inspection. Also, re-verification will be required if 6 months has lapsed and rehabilitation has not yet begun.

Adjusted Gross Income from the latest years IRS 1040 will be used for income verification. All income tax returns will need to be included for anyone in the household over 18 that are not attending school. The most recent tax return must be used – NO EXCEPTIONS.

NET ASSETS

1. Additionally, the household residents cannot have access to net assets exceeding \$100,000, excluding primary residence, personal vehicle, and household goods.
2. Personal financial statements that list the assets and liabilities of each household member over 18 will be required.
3. Net assets will be the difference between the fair market value of the asset and the liabilities against it.
4. The applicant will be responsible for providing loan balances from the lender in writing or grant permission to the City to obtain.
5. Assessed valuation of the property from the real and personal property tax rolls may be used as a comparison for the value listed for real and personal property assets.
6. Livestock and harvested crops will be valued at current market prices.

TYPES OF FINANCIAL ASSISTANCE

1. Households who income-qualify will be awarded CDBG Housing Rehabilitation funds in the form of a soft or deferred loan for the full amount of the rehabilitation costs or the maximum allowed under CDBG guidelines, whichever is less, for a three-year period.
2. A soft loan may be forgiven and considered a grant if all contractual agreements are followed.
3. The homeowners are required under CDBG guidelines to enter into a contractual agreement with the City, which will place a lien against the rehabilitated property for a three-year period to meet the guidelines as set out by the Housing Rehabilitation Plan.
4. The agreement will also stipulate that the unit must be the homeowners' primary residence (unless a rental agreement has been signed), kept and maintained in a standard condition.
5. If within the three-year lien period the homeowner should move from the housing unit, it's allowable to sell to a low- to-moderate income person, who will occupy the unit as the primary residence and will assume the balance of the prorated lien. The city must verify the income of the person intending to purchase the home, or if the home is sold to someone other than a low- to-moderate income individual, the cost of the rehabilitation will be prorated and must be paid back into the City's Housing program by the homeowner. Proration example is shown below.
6. If a homeowner dies within the three-year lien period and has no spouse, the home may be sold or rented to a low- to-moderate income household. If sold or rented to a non-LMI family, the homeowner's estate must pay back the prorated amount on the lien. For example, if the home is sold in the 13th month following completion of the rehabilitation, then 12/36 or 1/3 of the loan would be forgiven and the homeowner's estate would repay 2/3 of the original amount.

APPLICATION SELECTION CRITERIA

First-Come/First-Served

A public meeting will be held to review and explain the application and grant program. Applications must be turned in to City Hall during business hours or by mail or will be taken at City Hall Monday through Friday between 8 a.m. and 5 p.m. Applications will be accepted on a first-come/first served basis with priority being given to applications received on or before March 1, 2022 and applicants who submitted pre-applications. Applications received after this

date will be processed only if grant funds are still available and will be selected by the following ranking system. If more applications are received than can be served, they will also be determined by the following ranking system. Individuals having received a Housing Rehabilitation grant in the past are not eligible.

Ranking System

Applicants receiving the highest number of points receive first consideration and then in descending order. In the case of equal points, the earliest application filing date will serve as the tiebreaker. Points will be awarded as follows:

	Household Characteristics	Points
1	Less than 70% of the maximum income limit	5
2	Submitted a Pre-Application	5
3	Handicapped/disabled person in the household	5
4	Elderly, 62 years of age or older person in the household	5
5	Single Head of Household with dependent children	5
6	Each dependent in household under 18	2 each

STANDARDS FOR IMPROVEMENTS

This program does not consist of remodeling or cosmetic repairs. The goal of the Housing Rehabilitation program is to add twenty years to the useful life of the housing unit. Housing rehabilitation activities will include only the repairs necessary to meet the Housing Quality Standards (HQS) defined by the Housing Rehabilitation program as determined by the Housing Inspector. Housing units considered for rehabilitation must meet the definitions of a substandard unit and must be suitable for rehabilitation.

“Substandard” is defined as a housing unit that does not adequately meet Housing Quality Standards criteria set for the following: Building Exterior (foundation, roof, gutters, doors, windows, and insulation), Heating System, Plumbing System, Electrical Systems/Appliances or Building Interior (ceilings, walls, floors, doors, ventilation, smoke detectors)

“Suitable for Rehabilitation” is defined as a substandard house for which it is technically and financially feasible to restore it to a standard condition, given the funding limits of the program.

Emergency repairs and handicapped accessibility items may be addressed on a case-by-case basis at the discretion of the Housing Board and City Commission following the CDBG guidelines. Emergency repairs must be verified by the City’s Housing Inspector and must cause an immediate and overwhelming threat to the home’s occupant. The emergency repair must be brought to code standards.

Only one grant per house may be awarded.

LIMITED/INELIGIBLE ACTIVITIES

The following activities are limited to the identified restrictions:

1. Mobile Homes.

Mobile homes will not be considered for rehabilitation under this program.

2. Rental Units.

Rental units are eligible if:

- a. Tenant is documented to be LMI.
 - b. If homeowner is documented to be LMI, an 85 percent grant may be allowed.
 - c. If homeowner is documented to be non-LMI, homeowner must provide at least 25 percent matching funds.
 - d. The homeowner must sign an agreement that all tenants renting this property within the three (3) years from the date of this agreement will have an income that does not exceed the most recently published Department of Housing and Urban Development (HUD) Section 8 LMI guidelines.
 - e. The homeowner of the unit must also sign an agreement indicating that the monthly rental payment will not exceed the current monthly, or the Fair Market Rents (FMR) as published annually by HUD or a three-year period after the rehabilitation is complete.
 - f. The homeowner of any rental unit receiving CDBG grant funds for rehabilitation also agrees to allow the City of Arkansas City or its appointed representative access to the property to perform an annual HQS inspection, for a minimum of the 3 years after the rehab work is finished. Any HQS deficiencies discovered during the annual inspection will need to be brought into compliance at the landlord's expense.
-
- 3. Self-Help.**
- a. The city will not allow self-help projects. In the event that the inspector determines the home cannot be rehabilitated for the CDBG Housing Rehabilitation Limits and/or all bids on a home are above the maximum, the applicant would be permitted to accomplish part of the work, and then the property may be re-evaluated/re-bid after the applicant's work was finished if funding is still available.
-
- 4. Living Trust**
- a. Applicants meeting all other eligible criteria, and who currently reside on a property with a title held by a Living Trust, are eligible for a rehabilitation soft or forgivable loan.

- b. Income eligibility is determined by the income of the person residing at the property.
- c. The holder of the deed will be required to sign all grant documents.
- d. A property held as a Living Trust must be considered as a tenant and handled as such.

5. Land Contracts

Land Contracts are not eligible, or:

- a. Any seller must be unable to use the property as collateral and must be unable to convey title to the property unless such transaction is subject to the land sale contract; legally accepted limitation of the conveyance must exist in record form.
- b. The contract or ownership interest must be recorded.
- c. The seller must be obligated to deliver to the buyer a free simple title to the property on full payment of the contract price, without qualification.
- d. The purchaser must have:
 - 1. Full use, possession and quite enjoyment of the property.
 - 2. Equitable title to the property; and
 - 3. Full rights of redemption for a period of not less than 90 days unless such rights are afforded by local law.
- e. The purchaser and seller jointly sign the repayment agreement. The repayment agreement resolves the following:
 - 1. If the buyer moves from the unit prior to the expiration of the repayment agreement, the seller must do one of the following:
 - a. Rent or sell the dwelling to a LMI person; or
 - b. Repay a prorated portion of the housing rehabilitation cost.
 - 2. If the seller is not willing to enter into the repayment agreement, the dwelling will not be eligible for rehabilitation.

Without these minimum provisions in a contract, the grantee should assume that the seller has ownership interest in the property and should be treated as such regard to state rehabilitation provision, i.e., treated as a rental

The following activities are considered ineligible:

- 6. Homes located in a flood plain are not eligible.
- 7. Homes being purchased under a contract for deed are not eligible.
- 8. Homes held in life estates are not eligible.
- 9. Remodeling or work not required to meet CDBG standards.

“WALK-AWAY” POLICY

If the initial inspection and cost estimate for bringing the home up to Housing Quality Standards indicates that the cost of rehabilitation is expected to exceed the maximum allowable, the homeowner will be notified. The application will be considered a “walk away” until:

1. The homeowner has completed some of the repairs on their own and the estimate of the remaining work would be at or below the maximum allowable. The homeowner is responsible to notify the City when they have the work completed so the property can be re-inspected. All work must be approved by the Housing Inspector.
2. If the homeowner is unable to make repairs, they may provide the necessary additional funds within 45 days after they are notified. If the funds have not been deposited at the City within the allotted time, the City will cancel the application, close the file and “walk away” from the property.

If the original cost estimate is below the maximum allowable, the property will be included in the next bidding process. Homeowners will be notified within 15 days after the bid opening if the lowest contractor bid for their home exceeds the maximum allowable. In that event, the applicant will have the option to supply the additional funds. The applicant will be given 45 days to satisfy the requirements for all necessary additional funding. Additional funds must be received in full by the City prior to the execution of the construction contract. If the homeowner cannot provide the additional funds, the City may “walk away” from that home. If the applicant does not respond in 30 days, the City will cancel the application, close the file and “walk away” from the property.

Lead-based paint risk assessment inspections will be completed after the Housing Quality Standards inspection and if the estimated cost for repairs is below \$25,000. If the lead-based paint risk assessment shows lead and repairs cannot be done with containment, which allows a family use of restroom, cooking and sleeping facilities, and the family must relocate to a lead safe housing unit for the duration of the rehabilitation and until the dwelling passes the clearance test. Refusal to relocate will be grounds to “walk away”.

Children, age six or younger, will be required to relocate if lead activity is necessary, even if containment is possible. Refusal to relocate will be grounds to “walk away”.

LEAD-BASED PAINT REQUIREMENTS

The homeowner, contractor, City, Housing Board, Grant Administrator and Housing Inspector will be required to follow all regulations of all state and federal regulations regarding lead-based paint hazards. The appropriate regulations are hereby made a part of this plan.

Participation in the Housing Rehabilitation program is voluntary for all parties. All property proposed for rehabilitation, and built prior to 1978, will be inspected for lead-based paint.

The city will require that children younger than 6 years of age living in a house built prior to 1978 be tested for an elevated blood lead level. If an applicant refuses to allow the child’s blood to be tested, the city may elect not to rehabilitate the home.

The city is not required to pay any expenses for relocation of the household that may be required by lead-based paint activities during construction. However, the city recognizes that if

relocation is required, it could produce a degree of hardship on the household. It will be the policy of the program to provide the household with \$ 150 per day relocation expense allowance for a household of two persons, plus \$ 30.00 per day for each additional household member. This allowance will be paid for the actual days the members are required to be out of the home. If a family voluntarily relocates during rehabilitation, when relocation is not required, it will be the policy of the City to not pay any relocation expenses.

LEAD-BASED PAINT PRECAUTIONS

All occupants of property to be rehabilitated will be notified of the following:

1. All households will receive both the “Protect Your Family from Lead in Your Home” and “Renovation Right” brochures.
2. All households will receive a copy of the risk assessment report to sign within 15 days after the risk assessment is completed.
3. If lead-based paint is discovered in the assessment, households will receive a “Lead Hazard Reduction Notice” within 15 days after work is completed.
4. All households, which have been identified as having lead-based paint, will receive a copy of the “Lead Hazard Clearance Notice”.
5. Require any individual 6 years of age or younger, residing in the home, to have a blood test for elevated levels of lead.
6. Homeowners may sign a waiver to remain in their home if no child six or under lives in the house and the repairs can be completed with self-containment; and restroom, cooking and sleeping facilities are available.
7. Relocation costs to a lead-free dwelling may be paid to a homeowner or tenant when the risk assessment shows elevated levels of lead in areas where repairs will be done with or without containment and a restroom, cooking, and sleeping facilities are not available.
8. Participation in the Housing Rehabilitation program is voluntary; therefore, temporary relocation expenses are not required.

ROLES AND RESPONSIBILITIES

Homeowner/Tenant

The homeowner/tenant must agree to abide by all the rules and regulations of the Housing Rehabilitation program and allow the rehabilitation work to be performed on his/her home in

accordance with the Housing and Lead Hazard Control Plans, the Material Application Manual, procurement requirements, and/or the CDBG Housing Standards guidelines.

The homeowner/tenant must:

1. Complete a Property Owners' Soft Loan Agreement (Attachment A and, if applicable, Attachment B).
2. Remove all obstacles from inside and outside of the house in order to view and subsequently work on the dwelling. This may include removing any stored items from areas and cutting any weeds or saplings that may obscure the foundation or hauling away items stacked in or around the house, or homeowner/tenant must agree to allow debris to be removed from the premises by the contractor or City.
3. Grant access to the dwelling for additional inspections, pre-bid conference inspections, rehabilitation work, ongoing inspections of work, and state monitoring visit.
4. Provide electricity and water to the contractor at no cost.
5. Sign a waiver of liability for the property identified in the application.
6. Provide proof of property insurance and must keep the dwelling insured for the three-year soft loan period.
7. Shall provide documentation of lead blood level for every child age six (6) and under if the home was constructed prior to 1978, prior to rehabilitation work proceeding.
8. Must agree to relocate should it become necessary in order to perform the lead hazard work.
9. Maintain the rehabilitated property in good condition and repair so it will not become a substandard property.
10. Must fill out an application and supply income documentation for the Weatherization program.
11. **The homeowner will be required to attend the final inspection and sign the final inspection certificate.** If the homeowner has questions or comments on any of the rehabilitation work it should be mentioned at this time and resolution agreed upon, prior to signing the certificate of completion.
12. If requested, the homeowner must make the home available at a CDBG monitoring visit.

GRIEVANCE POLICY

All grievances or concerns regarding civil rights, fair housing, the City Commission, the Grant Administrator, City Manager, the Housing Inspector, the contractor(s), the contractor's workmanship, the bid procedure(s), the awarding of the contracts etc. shall follow the grievance policy included in this application. All grievances and concerns should first be made in writing to the City Clerk/Assistant City Administrator. The City Clerk/Assistant City Manager will then observe the following procedure:

Level 1

The City Manager receives a written complaint.

The City Manager contacts the Grant Administrator if the controversy is regarding workmanship, client treatment or contractor misunderstandings. The Grant Administrator will contact the Housing Inspector and contractor to meet on site and address the client or contractor concerns. A written resolution will be made to the complainant and a copy of the resolution will be forwarded to the City Administrator.

The City Manager will immediately advance the complaint to level 2 if the complaint is on fair housing, civil rights, procurement, or an environmental issue.

The complainant has the right to appeal the decision and must do so in writing to the City Manager within five days from the date of the written resolution.

Level 2

The written complaint concerning fair housing, civil rights, procurement, the environment or an appeal of a previous decision will be reviewed by the Mayor, City Manager and City Clerk, with the assistance of the Grant Administrator and the City Attorney. If the complaint is a fair housing or civil rights concern, the City may submit the complaint to the Kansas Human Rights Commission, 130 South Market, Suite 7050, Wichita, Kansas, 67202, for investigation and resolution. After review, a written decision will be made to the complainant and the City Commission.

The complainant has the right to appeal the decision and must do so in writing to the City Manager within five days from the date of the written resolution.

Level 3

The City Manager receives a written appeal from the complainant.

The City Commission will review the appeal with assistance from the City Attorney and Grant Administrator. All written evidence will be made available to the City Commission for their deliberation.

The City Commission shall present a written resolution to the complainant within 15 days of the date the appeal was received.

All grievances/concerns regarding this project should first be made in writing. The letter must be submitted to the City Administrator. The City Manager will then refer the complaint to the appropriate party(ies) to resolve the dispute.

Written notice will be given to the complainant within 15 days. If the grievance remains unsolved after this action, the Grant Administrator, Housing Inspector, contractor and the homeowner will review the situation. Subsequently, a written recommendation of resolution will be forwarded to the City Commission.

If this problem still cannot be resolved, the City Commission will make disposition of the complaint from documentation that the complainant, Housing Inspector, contractor and/or Grant Administrator have submitted. Any of the involved parties may be called to appear before the City Commission for clarification of the matter.

The City Commission will then review the complaint at the next City Commission meeting. The City Commission will determine at that meeting if the decision is acceptable or unacceptable. If it is unacceptable, the City Commission has the right to overturn the decision. At that time the final disposition will be made in writing to the complainant.

Final responsibility for the Housing Rehabilitation program rests with the City. The City will be involved with the Housing Rehabilitation program, perform duties as necessary and will have the final decision in local matters involving this grant.

CONFLICT OF INTEREST POLICY

The State of Kansas agreed, when it accepted the CDBG program in 1983, to abide by 24 CFR 570.611 of the Federal regulations (conflict of interest) for the program. The Kansas Department of Commerce developed a conflict-of-interest policy on April 22, 1994, relating to housing. This policy has been broadened to cover all areas of participation in all programs funded by CDBG monies. To clarify this issue for the State's program, the State has adopted, as of July 1, 1996, the following position on conflict of interest, incorporating the April 22, 1994, policy and extending the policy further to address other areas as provided in 24 CFR 570.611.

Standard of Conduct Involving Conflict of Interest

- I. Persons Covered: The conflict-of-interest provision of this policy shall apply to any person who is an employee, elected or appointed official, agent, consultant, officer, or any immediate family member or business partner of the above, of the recipient, or of any designated public agencies, or subrecipients which are receiving funds from the Kansas Community Development block grant Program.

- II. Applicability:
- A. In the area of procurement of supplies, equipment, construction, and services by recipients, subrecipients, or designated public agencies, the conflict-of-interest provisions in public Law 103-355 or OMB Circular A- 110, as applicable, shall apply.
 - B. In all cases not governed by PL 103-355, the provisions of this policy shall apply. Such cases include the acquisition and disposition of real property and the provisions of assistance by the recipient or subrecipients to individuals, businesses and other private entities in the form of grants, loans, or other assistance through eligible activities of the program which authorize assistance.
- III. Conflicts Prohibited: Except for approved administrative or personnel cost, no persons described in I. above who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under the State program or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. For the State CDBG Economic Development program, the above restrictions shall apply to all activities that are a part of the funding approval for all projects, and shall cover any such interest or benefit during, or at any time after, such person's tenure.
- A. An exception may be considered only after the grant applicant has provided the following:
 - 1. A disclosure of the nature of the conflict accompanied by an assurance that there has been a public disclosure of the conflict and a description of how the public disclosure was made;
 - 2. Whether an opportunity was provided for competitive bidding or negotiation;
 - 3. Whether the person affected is a member of a group or class of low-or moderate- income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 - 4. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
 - 5. Whether the interest or benefit was present before the affected person was in a position as described in Section III;

6. Whether undue hardship will result either to the recipient or the person affected when weighted against the public interest served by avoiding the prohibited conflict; and
7. Any other relevant considerations.

If after all considerations, determination is made to grant an exception, the State shall issue a waiver noting such exception and the conditions and the basis for the issuance of the same.

It is the policy of the CDBG program that no waiver will be issued concerning benefit to the chief elected official or governing body members of the grantee, except in dire circumstances affecting performance.

Attachment A

**City of Arkansas City
Repayment Agreement**

THIS AGREEMENT made this _____ day of _____, _____ by and between the CITY OF ARKANSAS CITY (hereinafter the "CITY") and

(Hereinafter referred to as HOMEOWNER (S),

WHEREAS, the CITY is authorized to administer CDBG rehabilitation grants utilizing dollars authorized and provided through the State of Kansas and the Department of Housing and Urban Development; and

WHEREAS, the HOMEOWNER(s) has applied to the CITY to be provided funding through the CDBG grant program; and

WHEREAS, the CITY has determined that the HOMEOWNER(s) qualified for receipt of a homeowner rehabilitation grant in accordance with all program rules; and

WHEREAS, the CITY has the responsibility as the disbursing agent for the proper expenditure of certain federal dollars; and

WHEREAS, the HOMEOWNER(s) desire that the CITY disburse CDBG grant dollars in accordance with the grant application; and

WHEREAS, the CITY has disbursed \$ _____ in CDBG rehabilitation dollars on behalf of HOMEOWNER(s), the HOMEOWNER(s) agree:

1. That the correct legal description for the real property is as follows:
2. To continue to own, occupy and maintain insurance on the structure repaired with CDBG funds for a period of three (3) years after the issuance of a Certificate of Completion; and
3. To maintain the rehabilitated property in a "standard condition" so as to prevent substantial destruction of the improvements due to the negligence of the HOMEOWNER(s); and upon breach of any of the aforesaid covenants, the HOMEOWNER(s) agrees to repay the CITY, 1/36 of the rehabilitation cost for every month prior to the expiration of the repayment agreement
4. The HOMEOWNER(s) further covenants and agrees that if the structure is totally destroyed by fire, natural disaster, public condemnation or through other causes within three (3) years after the issuance of a Certificate of Completion, the HOMEOWNER(s) should repay to the CITY, out of any insurance proceeds or other compensation received, a sum of money to be computed according to the schedule set forth above; provided, however, if the HOMEOWNER(s) received insurance proceeds or other compensation in an amount less than the fair market value of the structure after CDBG funded improvements, then the amount to be repaid shall be limited to the total

insurance proceeds or other compensation received which is in excess of the fair market value of the structure prior to the CDBG funded improvements.

- 5. That in the event the HOMEOWNER(s) reside in and retain the real property for three (3) years from the date of the signed Certificate of Completion, this agreement shall expire and become null and void.

WHEREAS; the CITY and HOMEOWNER(s) agree and acknowledge this agreement will be filed as a public record with the Register of Deeds in the County where the real property is located and is intended to provide full public notice of the existence of this security instrument.

IT IS SO AGREED
City of Arkansas City

By: _____ Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____

HOMEOWNER(s)

_____ Date: _____

Signed:

_____ Date: _____

Signed:

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____

Attachment B

**City of Arkansas City
Property Owner Rental Agreement**

THIS AGREEMENT, entered into on this _____ day of _____, 20____, by and between the City of Arkansas City (hereinafter referred to as the Local Public Body) and _____ Landlord/Owner (hereinafter referred to as the Owner),

WITNESSETH:

WHEREAS, the Local Public Body has provided the Owner financial assistance for the repair and rehabilitation of property located at _____; and

WHEREAS, the Owner, at the time of receipt of financial assistance from the Local Public Body was renting or had plans to rent the aforementioned property to persons of low- and moderate- income, as defined by the Local Public Body on data from the U.S. Department of Housing & Urban Development.

NOW THEREFORE, the parties hereto do mutually agree as follows:

TERM: This Agreement shall be in effect for a period of three (3) years after the issuance of a Certificate of Completion.

In the event the property is sold during the term of this Agreement, the Owner shall compensate the Local Public Body in an amount as set forth in the Repayment Agreement dated _____. Provided, however, that should the purchaser agree, in writing, to all of the terms and conditions herein, the City Commission may allow the purchaser to assume the obligations set forth herein and defer payment.

1. Whereas, the Owner further agrees that any subsequent tenants renting this property within three (3) years from the date of this agreement will have an income that does not exceed the most recently published Department of Housing & Urban Development Section 8 low- to moderate- income guidelines. Also, the monthly rental payment may not exceed the current monthly payment of \$_____ (an annual Federal cost of living increase is allowed), or the Fair Market Rents (FMR) as published annually by HUD, for the county where the real property is located, whichever is less.
2. The homeowner of any rental unit receiving CDBG grant funds for rehabilitation also agrees to allow the City of Arkansas City or its appointed representative access to the property to perform an annual HQS inspection, for a minimum of the 3 years after the rehab work is finished. Any HQS deficiencies discovered during the annual inspection will need to be brought into compliance at the landlord’s expense.

4. The Owner shall not discriminate against a person or persons on the basis of race, creed, color, sex, age, or national origin in the renting or leasing of property repaired with financial assistance provided by the Local Public Body.

Further, any default by the Owner on the above conditions will result in the Owner repaying the grant according to the Repayment Agreement dated _____.

IN WITNESS WHEREOF, the Local Public Body and Owner have executed this Agreement as of the date first above written.

City of Arkansas City

By: _____ Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____

Owner(s)

_____ Date: _____

Signed:

_____ Date: _____

Signed:

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____

Adoption of the Housing Rehabilitation Plan

This Housing Rehabilitation Plan was approved and adopted by the City of Arkansas City on _____, 2022.

City of Arkansas City, Kansas

BY: _____
 , Mayor

ATTEST: _____
 , City Clerk



City Commission Agenda Item

Meeting Date: May 17, 2022
From: Nick Rizzio, Municipal Project Manager
Item: 2022 Community Development Block Grant Contractor Guidelines

Purpose: Consider for approval the City of Arkansas City 2022 Community Development Block Grant Contractor Guidelines. **(Voice Vote)**

Background:

The United States Department of Housing & Urban Development (HUD) allocates funds used by the Kansas Department of Commerce for the Community Development Block Grant (CDBG) Housing Rehabilitation program. The City of Arkansas City has been awarded a CDBG grant from Commerce for the purpose of housing rehabilitation within the target area. The maximum amount of CDBG federal grant funds to be spent on rehabilitation is \$25,000 per unit. Private match is encouraged to fill the gap in financing if a rehabilitation will exceed this threshold. This program is designed to provide housing rehabilitation for low- to-moderate income individuals who own (or rent) a housing unit within the target area.

Contractor Eligibility

- A. Contractors are placed on the Bidders List through contact with the City.
- B. All contractors must be registered with the City of Arkansas City Inspection Department.
- C. All plumbing, electrical and mechanical subcontractors must be licensed and have qualifications information on file with the City.
- D. Contractors may be asked to provide work and credit references.
- E. Contractors must have good references.
- F. Contractors must be in good standing which means they will not appear on the Department of Labor’s debarment list.

Commission Options:

1. Approve the City of Arkansas City 2022 Community Development Block Grant Contractor Guidelines.
2. Disapprove the City of Arkansas City 2022 Community Development Block Grant Contractor Guidelines.
3. Table for further discussion.

Fiscal Impact:

Amount:

Fund: Department: Expense Code:

Included in budget Grant Bonds Other Not Budgeted

Approved for Agenda by:

Randy Frazer, City Manager

City of Arkansas City 2022 Community Development Block Grant Contractor Guidelines

In order to be eligible to work on houses in the Arkansas City Housing Rehabilitation program, contractors must meet the following program requirements.

I. Contractor Eligibility

- A. Contractors are placed on the Bidders List through contact with the City.
- B. All contractors must be registered with the City of Arkansas City Inspection Department.
- C. All plumbing, electrical and mechanical subcontractors must be licensed and have qualifications information on file with the City.
- D. Contractors may be asked to provide work and credit references.
- E. Contractors must have good references.
- F. Contractors must be in good standing which means they will not appear on the Department of Labor's debarment list.

II. Contractor Requirements

- A. Contractors must comply with all federal and state guidelines, rules, regulations and orders issued by the U.S. Department of Housing & Urban Development, the U.S. Department of Labor, and the Kansas Department of Commerce governing the Arkansas City Housing Rehabilitation program.
- B. Contractors may not work on more than two houses in the City at one time, unless the dollar value of a housing rehabilitation contract is less than \$2,500; except under special exceptions granted by the City Commission.
- C. Contractors shall provide and shall require any subcontractors to provide certificates or other evidence of insurance prior to signing a contract certifying that for the period covered by any contract all contractors and subcontractors carry:
 - 1. Workmen's Compensation Insurance for all owners, employees and employees of subcontractors engaged in work on the premises, in accordance with Kansas Workmen's Compensation Laws.
 - 2. Manufacturers and Contractors Public Liability Insurance with limits of \$100,000/\$300,000 to protect the contractor, his subcontractors, and the owners, as their interest may appear, against claims for injury to, or death of, one or more than one person, due to accidents which may occur or result from operations under any contract; such insurance shall cover the use of all equipment, machinery, hoists and motor vehicles used in the performance of work.

3. Property damage insurance in an amount not less than \$25,000 to protect the contractor, his subcontractors and the owners, as their interests may appear, from claims for property damage that might arise from operations under any contract.
 4. Any and all additional insurance required by the laws of the State of Kansas.
 5. Lead Based Paint Certification for themselves, all employees and subcontractors, as applicable by law.
- D. An invitation to bid will be sent to all contractors. Those contractors interested will be sent a bid package which will include:
1. Instructions to bidders, which will include bid tour date and bid opening.
 2. The final bid specifications for each house.
 3. A required Bid Proposal form for each house.
 4. General and Material Specifications.
 5. A notice of where lead hazards have been identified.
 6. A copy of the Construction Contract (for informational purposes only).
- E. Contractors send sealed bids to City Clerk at the City of Arkansas City.
- F. Bid selection will be determined by the following factors for each house:
1. Lowest bid.
 2. Each contractor will only be allowed have three open CDBG housing contracts at one time.
 3. Low bid on individual line items that are selected for inclusion in the final contract document specifications.
 4. Quality of workmanship on previous projects.
 5. Performance on previous contracts with federal and state funds.
 6. References supplied by the contractor.
- G. City Commission approves the best bid.
- H. Conference is held between the Grant Administrator and the contractor to finalize the contract specifications, contract terms and to go over federal and state rules, regulations, and laws. Contract specifications may need to be revised due to a maximum allowable limit per house placed on grants to homeowners. The contract specifications will contain only the highest priority repairs on each house. Change orders must be approved by the inspector and grant administrator.

- I. Conference is held between the Grant Administrator, the contractor and the homeowner to sign the contract and issue the Notice to Proceed.
- J. Terms of payment must be met for payment to be made by the City.
 - 1. Work must pass inspection.
 - 2. Certificate of Completion will be signed.
 - 3. Lien Prevention Document Waiver must be completed and submitted.
 - 4. Contractor will submit an invoice for the amount of the work no later than the Monday prior to the next scheduled payment date of Friday. Checks are normally issued weekly, but payment within 5 days cannot be guaranteed. Submittal of invoices one week prior to the next payment date is encouraged to ensure that payment can be made at the next scheduled payment date.

This Contractor Guidelines and all related attachments was approved and adopted by the City Council of the City of Arkansas City on the ____ day of _____ 2022.

City of Arkansas City

By: _____
Mayor

Attest: _____
City Clerk



**CITY OF ARKANSAS CITY, KANSAS
FINANCIAL SUMMARY
Year-To-Date April 30, 2022**

Fund	Cash Summary					Budget Summary			
	1/1/2022 Beginning Cash Balance	Prior Year Adjustments	Receipts	Disbursements	04/30/2022 Ending Cash Balance	Budget	Encumbrances	Budget Variance Favorable (Unfavorable)	% Remaining (67%)
01 - GENERAL FUND	\$ 2,379,778.27	\$ -	\$ 4,197,316.98	\$ 3,665,843.41	\$ 2,911,251.84	\$ 11,711,410	\$ 125,629.91	\$ 7,919,937	68%
15 - STORMWATER FUND	\$ 379,687.66	\$ -	\$ 72,816.76	\$ 54,510.04	\$ 397,994.38	\$ 342,577	\$ -	\$ 288,067	84%
16 - WATER FUND	\$ 3,575,885.72	\$ -	\$ 1,878,100.32	\$ 2,818,137.78	\$ 2,635,848.26	\$ 4,221,530	\$ 317,230.42	\$ 1,086,162	26%
18 - SEWER FUND	\$ 4,775,741.79	\$ -	\$ 1,657,001.76	\$ 1,475,266.02	\$ 4,957,477.53	\$ 15,112,810	\$ 600,494.71	\$ 13,037,049	86%
19 - SANITATION FUND	\$ 1,501,256.38	\$ -	\$ 586,321.55	\$ 499,660.75	\$ 1,587,917.18	\$ 1,620,877	\$ 98,953.00	\$ 1,022,263	63%
20 - SPECIAL RECREATION FUND	\$ 35,912.64	\$ -	\$ 3,280.56	\$ 3,500.00	\$ 35,693.20	\$ 42,214	\$ -	\$ 38,714	92%
21 - SPECIAL STREET FUND	\$ 905,451.09	\$ -	\$ 293,384.63	\$ 436,728.17	\$ 762,107.55	\$ 1,991,000	\$ -	\$ 1,554,272	78%
23 - TOURISM/CONVENTION FUND	\$ 36,407.70	\$ -	\$ 39,649.18	\$ 58,252.72	\$ 17,804.16	\$ 154,135	\$ -	\$ 95,882	62%
26 - SPECIAL ALCOHOL FUND	\$ 96,955.92	\$ -	\$ 3,305.56	\$ 6,130.39	\$ 94,131.09	\$ 111,282	\$ -	\$ 105,152	94%
27 - PUBLIC LIBRARY FUND	\$ -	\$ -	\$ 213,560.17	\$ 213,560.17	\$ -	\$ 401,700	\$ -	\$ 188,140	47%
29 - SPECIAL LAW ENF TRUST FUND	\$ 3,540.14	\$ -	\$ -	\$ -	\$ 3,540.14	Not a Budgeted Fund			
31 - LAND BANK FUND	\$ 8,786.30	\$ -	\$ -	\$ 79.06	\$ 8,707.24	\$ 4,486	\$ -	\$ 4,407	98%
43 - BOND & INTEREST FUND	\$ 113,107.52	\$ -	\$ 1,897,910.84	\$ 1,036,425.00	\$ 974,593.36	\$ 2,166,025	\$ -	\$ 1,129,600	52%
44 - HEALTHCARE SALES TAX FUND	\$ -	\$ -	\$ 661,225.64	\$ 661,225.64	\$ -	\$ 1,939,000	\$ -	\$ 1,277,774	66%
45 - UNPLEGGED HEALTHCARE SALES TAX FUND	\$ 211,885.12	\$ -	\$ 84,481.48	\$ 231,000.00	\$ 65,366.60	\$ 336,520	\$ -	\$ 105,520	31%
53 - MUNICIPAL COURT FUND	\$ 13,979.42	\$ -	\$ 7,057.94	\$ -	\$ 21,037.36	Not a Budgeted Fund			
54 - EQUIPMENT RESERVE FUND	\$ 200,946.02	\$ -	\$ -	\$ -	\$ 200,946.02	Not a Budgeted Fund \$ 16,200			
57 - CID SALES TAX FUND	\$ -	\$ -	\$ 17,056.99	\$ 17,056.99	\$ -	\$ 65,000	\$ -	\$ 47,943	74%
68 - CAPITAL IMPROVEMENT FUND	\$ 1,825,474.55	\$ -	\$ 623.89	\$ 294,612.81	\$ 1,531,485.63	Not a Budgeted Fund \$ -			
TOTALS	\$ 16,064,796.24	\$ -	\$ 11,613,094.25	\$ 11,471,988.95	\$ 16,205,901.54	\$ 40,220,566.00			

INDEBTEDNESS:

GO 2020 REFUNDING & IMPROVEMENT BOND	\$ 19,410,000
2013 PUMPER FIRE TRUCK LEASE	\$ 65,520
2019 FERRARA PUMPER TRUCK LEASE	\$ 420,677
2019 PBC	\$ 16,855,000
2021 RAVO STREET SWEEPER	\$ 127,500
TOTAL	\$ 36,878,697

Note: Information is Unaudited