



**AGENDA**  
**CITY COUNCIL MEETING**  
7651 E. Central Park Ave, Bel Aire, KS  
August 06, 2024 7:00 PM



**I. CALL TO ORDER:** Mayor Jim Benage

**II. ROLL CALL**

Greg Davied \_\_\_\_ Tyler Dehn \_\_\_\_ Emily Hamburg \_\_\_\_  
Tom Schmitz \_\_\_\_ John Welch \_\_\_\_

**III. OPENING PRAYER:** Father Terry Hedrick

**IV. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**

**V. DETERMINE AGENDA ADDITIONS**

**VI. CONSENT AGENDA**

**A. Approval of Minutes of the July 16, 2024 City Council meeting.**

**B. Approval of the Mayor's Appointment of Jesse Miller to the Sedgwick County Fire District No. 1 Steering Committee to fill the unexpired term of Jim Benage. If approved, Jesse Miller's term will end on February 1, 2027.**

**Action:** Motion to (approve / table / deny) the Consent Agenda as (listed / amended) and authorize the Mayor to sign.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**VII. DISCUSSION AND APPROVAL OF APPROPRIATIONS ORDINANCE**

**A. Consideration of Appropriations Ordinance No. 24-14 in the amount of \$936,802.73.**

**Action:** Motion to (approve / deny / table) Appropriations Ordinance No. 24-14.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**VIII. CITY REQUESTED APPEARANCES**

**A. Annual Audit Presentation – Tara Laughlin of Allen, Gibbs & Houlik, L.C. (AGH)**

**Action:** Accept, receive, and file the 2023 audit for the City of Bel Aire prepared by Allen, Gibbs & Houlik, L.C. (AGH)

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**IX. CITIZEN CONCERNS:** *If you wish to speak, please fill out a "Request to Speak" card at the podium and give it to the City Clerk before the meeting begins. When you are called on by the Mayor, please go to the podium, speak into the microphone, and state your name and address before giving your comments. Please limit your comments to 3 minutes in the interest of time. If more time is needed, you may request an extension from the Mayor.*

**X. REPORTS**

- A. Council Member Reports**
- B. Mayor's Report**
- C. City Attorney Report**
- D. City Manager Report**

**XI. ORDINANCES, RESOLUTIONS AND FINAL ACTIONS**

**A. Consideration of An Ordinance Changing The Zoning District Of Certain Lands Located In The City Of Bel Aire, Kansas, from the current R-4 zoning district classification to AG Agricultural Use (ZON-24-01).**

**Action:** Motion to (adopt / deny / table) An Ordinance Changing The Zoning District Of Certain Lands Located In The City Of Bel Aire, Kansas, Under The Authority Granted By The Zoning Regulations Of The City (ZON-24-01) and authorize the Mayor to sign.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Roll Call Vote:

Greg Davied \_\_\_\_\_ Tyler Dehn \_\_\_\_\_ Emily Hamburg \_\_\_\_\_

Tom Schmitz \_\_\_\_\_ John Welch \_\_\_\_\_ Jim Benage \_\_\_\_\_

**B. Consideration of An Ordinance Changing The Zoning District Of Certain Lands Located In The City Of Bel Aire, Kansas Under The Authority Granted By The Zoning Regulations Of The City (Sunflower Commerce Park 4th, PUD-24-01).**

**Action:** Motion to (adopt/ deny / table) the Ordinance An Ordinance Changing The Zoning District Of Certain Lands Located In The City Of Bel Aire, Kansas Under The Authority Granted By The Zoning Regulations Of The City (Sunflower Commerce Park 4th, PUD-24-01) and authorize the Mayor to sign.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Roll Call Vote:

Greg Davied \_\_\_\_\_ Tyler Dehn \_\_\_\_\_ Emily Hamburg \_\_\_\_\_

Tom Schmitz \_\_\_\_\_ John Welch \_\_\_\_\_ Jim Benage \_\_\_\_\_

**C. Consideration of the dedication of streets and other public ways, service and utility easements and land dedicated for public use as shown on the Final Plat of Sunflower Commerce Park 4th.**

**Action:** Motion to (accept / deny / table) the dedications within the Final Plat for Sunflower Commerce Park 4th and authorize all required signatures.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**D. Consideration of a Planned Unit Development Agreement for Sunflower Commerce Park 4th.**

**Action:** Motion to (accept / deny / table) the Planned Unit Development Agreement for Sunflower Commerce Park 4th and authorize all required signatures.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**E. Consideration of selecting an Architecture and Engineering Firm for Utilities and Public Works Facility project. Four firms responded to a Request for Proposal: Gravity Works Architecture, LK Architecture, Schaefer Architecture, and Tessere.**

**Action:** Motion to accept the Proposal from \_\_\_\_\_ and authorize staff to (negotiate an agreement / reject all proposals / table this item).

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**F. Consideration of an Agreement with Professional Engineering Consultants (PEC) for owner representation/ project management services for the City of Bel Aire New Public Works Facility Project (Work Order No. 24-08, PEC Master Services Agreement).**

**Action:** Motion to (approve / deny / table) Work Order No 24-08 with PEC for owner representation/ project management services for the City of Bel Aire New Public Works Facility Project in the amount not to exceed \$6,704,710.00 and authorize the Mayor to sign.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**XII. EXECUTIVE SESSION**

**A. Action:** Motion to recess into executive session to discuss with legal counsel and receive legal advice related to the Woodlawn Roadway Project. The discussion will be pursuant to K.S.A. 75-4319 (b)(2) for legal consultation with the City Attorney which would be deemed privileged in the attorney-client relationship. Invite the City Manager, City Attorney, City Engineer, and Neil Gosch. The meeting will be for a period of (\_\_\_\_\_) minutes, and the open meeting will resume in City Council Chambers at (\_\_\_\_\_) p.m.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**XIII. DISCUSSION AND FUTURE ISSUES**

**A. City Council Work Session - August 13, 2024 at 6:30 p.m.?**

**XIV. ADJOURNMENT**

**Action:** Motion to adjourn.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

*Additional Attachments:*

**A. Manager's Report - August 6, 2024**

**Notice**

*It is possible that sometime between 6:30 and 7:00 PM immediately prior to this meeting, during breaks, and directly after the meeting, a majority of the Governing Body may be present in the Council Chambers or the lobby of City Hall. No one is excluded from these areas during these times. Video of this meeting can be streamed at [www.belaires.gov](http://www.belaires.gov) and on YouTube. Please make sure all cell phones and other electronics are turned off and put away.*





**MINUTES**  
**CITY COUNCIL MEETING**  
**7651 E. Central Park Ave, Bel Aire, KS**  
**July 16, 2024 7:00 PM**



**I. CALL TO ORDER:** Council President Greg Davied called the meeting to order at 7:00 p.m.

**II. ROLL CALL**

Present were Council President Greg Davied, and Councilmembers Tyler Dehn, Tom Schmitz, and John Welch. Councilmember Emily Hamburg participated via videoconference. Mayor Jim Benage was absent.

Also present were City Manager Ted Henry, City Attorney Maria Schrock, City Engineer Anne Stephens, Director of Human Resources Deborah Appel, Director of Finance Barry Smith, Director of Public Works Marty McGee, and City Clerk Melissa Krehbiel.

**III. OPENING PRAYER:** Gary Green provided the opening prayer.

**IV. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**

Council President Davied led the pledge of allegiance.

**V. DETERMINE AGENDA ADDITIONS:** There were no additions.

**VI. CONSENT AGENDA**

**A. Approval of the Minutes of the July 2, 2024 regular City Council meeting.**

**B. Approval of the Minutes of the July 9, 2024 Special City Council Meeting.**

**MOTION:** Councilmember Welch moved to approve the Consent Agenda as listed and authorize the Council President to sign. Councilmember Dehn seconded the motion.  
*Motion carried 5-0.*

**VII. DISCUSSION AND APPROVAL OF APPROPRIATIONS ORDINANCE**

**A. Consideration of Appropriations Ordinance No. 24-13 in the amount of \$693,275.96.**

**MOTION:** Councilmember Dehn moved to approve Appropriations Ordinance No. 24-13. Councilmember Schmitz seconded the motion. *Motion carried 5-0.*

**VIII. CITY REQUESTED APPEARANCES:** None.

**IX. CITIZEN CONCERNS**

David Landoll, 4743 N Krueger Street, spoke regarding concerns about an overgrown ditch in his neighborhood. He believes it is the City’s responsibility to mow the ditch, not the neighbor’s responsibility. He also spoke regarding the proper treatment of people who speak at city council meetings.

**X. REPORTS**

**A. Council Member Reports**

Councilmember Hamburg reported on her recent tour of the Wichita Northwest Water Treatment Facility. She thanked the Utility Advisory Committee for organizing the tour.

Councilmember Welch urged everyone to be respectful of other viewpoints in light of the recent attempted assassination of President Trump. Violence is not necessary.

Councilmember Schmitz briefly reported on the tour of the Wichita Northwest Water Treatment Facility.

Councilmember Dehn briefly reported on the July 13<sup>th</sup> community walking event, and the first meeting of the WAMPO Safe Routes to School Consultant Selection Committee. He also met with two members of the USD 259 Wichita School Board regarding the new Master Plan for the school district. He reported that Kansas Department of Transportation (KDOT) will hold three open houses regarding the K-254 Corridor Management Plan. More information can be found on KDOT’s website.

**B. Mayor's Report:** Mayor Benage was absent. No report was given.

**C. City Attorney Report**

City Attorney Maria Schrock briefly reported on a new Environmental Protection Agency rule regarding PFAS chemicals. Over the next few years, public water systems will be required to monitor levels of PFAS chemicals in drinking water. By 2027 public water systems will be required to mitigate or reduce PFAS chemicals if they exceed limits set by the EPA.

**D. City Manager Report**

City Manager Ted Henry briefly reported on the street projects. Phase one of the 53<sup>rd</sup> Street paving project began today on schedule. The micro surfacing of certain neighborhoods will begin July 23<sup>rd</sup>. He also reported on some upcoming events: a community clean-up will be held in Bel Aire Park from 9-10 a.m. on July 27<sup>th</sup>, Family night at the pool will be July 27<sup>th</sup>, and Hot Dawgs Pool Party will happen on August 5<sup>th</sup>.

**XI. ORDINANCES, RESOLUTIONS AND FINAL ACTIONS**

**A. Consideration of submitting a Notice of Revenue Neutral Rate Intent form to the Sedgwick County Clerk's Office.**

**MOTION:** Councilmember Welch moved to approve the Notice of Revenue Neutral Rate Intent document as presented and authorize the Council President to sign. Councilmember Dehn seconded the motion. *Motion carried 5-0.*

**B. Consideration of a bid for Storm Sewer infrastructure replacement and repair at Denise Park. Three companies submitted bids:**

<u>Company</u>	<u>Bid</u>
Apex Excavating	\$27,370
Dondlinger Construction	\$32,812
UMC	\$33,800

**MOTION:** Councilmember Schmitz moved to accept the bid from Dondlinger Construction in the amount not to exceed \$32,812 for Storm Sewer infrastructure replacement and repair at Denise Park and authorize the Council President to sign. Councilmember Davied seconded the motion. *Motion carried 5-0.*

**C. Consideration of selecting an Owners Representative for Utilities and Public Works Facility project. PEC, Burns & McDonnell, and SEH submitted RFQ's.**

**MOTION:** Councilmember Dehn moved to accept the Request for Qualifications from PEC and authorize staff to negotiate an agreement. Councilmember Welch seconded the motion. *Motion carried 5-0.*

**D. Consideration of Approving Change Order No 4 from Kansas Paving for work related to Stormwater Pollution Prevention (SWPPP) for the 53rd Street - Oliver to Woodlawn paving project.**

**MOTION:** Councilmember Davied moved to accept Change Order No. 4 from Kansas Paving for the 53rd Street - Oliver to Woodlawn paving project in the amount not to exceed \$16,387.50 and authorize the Mayor to sign. Councilmember Dehn seconded the motion. *Motion carried 5-0.*

**E. Consideration of A Street Right of Way Dedication for Reserve C, Chapel Landing 3rd, Bel Aire, Sedgwick County, Kansas.**

**MOTION:** Councilmember Welch moved to accept the Street Right of Way Dedication for Reserve C, Chapel Landing 3rd, Bel Aire, Sedgwick County, Kansas and authorize the Mayor to sign. Councilmember Schmitz seconded the motion. *Motion carried 5-0.*

**F. Consideration of adopting updates to the Personnel Policy Manual.**

**MOTION:** Councilmember Dehn moved to adopt updates to the Personnel Policy Manual as presented. Councilmember Hamburg seconded the motion. Discussion followed.

**AMENDED MOTION:** Councilmember Dehn moved to adopt updates to Section II and Section III of the Personnel Policy Manual as presented tonight. Councilmember Hamburg seconded the motion. *Motion carried 4-1*, with Councilmember Welch voting against the motion.

**EXECUTIVE SESSION**

**MOTION:** Councilmember Dehn moved to recess into executive session to discuss CCUA contract negotiations pursuant to K.S.A. 75- 4319(b)(2) for legal consultation with the City Attorney which would be deemed privileged in the attorney-client relationship. Invite the City Manager, City Attorney, and Justin Smith. The meeting will be for a period of 30 minutes, and the open meeting will resume in City Council Chambers at 8:38 p.m. Councilmember Davied seconded the motion. *Motion carried 5-0.*

The council then recessed for Executive Session. At 8:40 p.m., Council President Davied called the meeting back to order in open session and stated that no binding action had been taken.

**MOTION:** Councilmember Welch moved to extend the Executive Session for an additional 15 minutes, and the open meeting will resume in City Council Chambers at 8:55 p.m. Councilmember Dehn seconded the motion. *Motion carried 4-0*, with Councilmember Hamburg absent from the vote.

The council then returned to Executive Session. At 8:57 p.m., Council President Davied called the meeting back to order in open session and stated that no binding action had been taken.

**G. Consideration of a service agreement with the Chisholm Creek Utility Authority (CCUA) concerning a cost-of-service methodology for water and wastewater.**

**MOTION:** Councilmember Welch moved to accept the 6th Supplemental Service Agreement with Chisholm Creek Utility Authority (CCUA) and authorize the Mayor to sign. Councilmember Davied seconded the motion. *Motion carried 5-0.*

**XII. EXECUTIVE SESSION:** This item was addressed earlier in the meeting.

**XIII. DISCUSSION AND FUTURE ISSUES**

The Council briefly discussed upcoming meetings and noted that the Primary Election will be held on August 6<sup>th</sup>.

**XIV. ADJOURNMENT**

**MOTION:** Councilmember Dehn moved to adjourn. Councilmember Welch seconded the motion. *Motion carried 5-0.*



City of Bel Aire, KS

Section VII, Item A.

# AP ORDINANCE 2024-14

## By Vendor Name

Payment Dates 7/1/2024 - 7/25/2024

Vendor Name	Description (Payable)	Post Date	Payment Date	Project Account Key	Amount
<b>Vendor: 2558 - CALVIN OPP CONCRETE INC</b>					
CALVIN OPP CONCRETE INC	CP HOA CITY PROJECT	07/24/2024	07/25/2024		4,260.00
<b>Vendor 2558 - CALVIN OPP CONCRETE INC Total:</b>					<b>4,260.00</b>
<b>Vendor: 2095 - CENTRAL MECHANICAL WICHITA,LLC</b>					
CENTRAL MECHANICAL WICH...	PD EXHAUST MOTOR REPAIR	07/24/2024	07/25/2024		504.74
CENTRAL MECHANICAL WICH...	POOL UNIT REPAIR	07/24/2024	07/25/2024		490.97
<b>Vendor 2095 - CENTRAL MECHANICAL WICHITA,LLC Total:</b>					<b>995.71</b>
<b>Vendor: 0383 - CITY OF BEL AIRE</b>					
CITY OF BEL AIRE	WATER REBATE JULY 2024	07/24/2024	07/25/2024		475.00
<b>Vendor 0383 - CITY OF BEL AIRE Total:</b>					<b>475.00</b>
<b>Vendor: 2141 - CITY OF NEWTON KANSAS</b>					
CITY OF NEWTON KANSAS	PRE-SCREENING EMPLOYMENT	07/24/2024	07/25/2024		100.00
<b>Vendor 2141 - CITY OF NEWTON KANSAS Total:</b>					<b>100.00</b>
<b>Vendor: 0685 - COUNTRYSIDE LAWN &amp; TREE CARE</b>					
COUNTRYSIDE LAWN & TREE ...	IRRIGATION REPAIR-BROOKH...	07/24/2024	07/25/2024		350.00
COUNTRYSIDE LAWN & TREE ...	FERTILIZER-ALLEY PARK	07/24/2024	07/25/2024		865.00
<b>Vendor 0685 - COUNTRYSIDE LAWN &amp; TREE CARE Total:</b>					<b>1,215.00</b>
<b>Vendor: 1978 - CRAIG A MCCOSKEY</b>					
CRAIG A MCCOSKEY	CONTRACT MOWING	07/25/2024	07/25/2024		400.00
<b>Vendor 1978 - CRAIG A MCCOSKEY Total:</b>					<b>400.00</b>
<b>Vendor: 0032 - DELTA DENTAL PLAN of KANSAS</b>					
DELTA DENTAL PLAN of KANS...	06/24 MONTHLY PREMIUM	07/24/2024	07/25/2024		1,867.43
DELTA DENTAL PLAN of KANS...	06/24 MONTHLY PREMIUM	07/24/2024	07/25/2024		280.49
DELTA DENTAL PLAN of KANS...	06/24 MONTHLY PREMIUM	07/24/2024	07/25/2024		439.63
DELTA DENTAL PLAN of KANS...	**/** MONTHLY PREMIUM	07/24/2024	07/25/2024		1,913.27
DELTA DENTAL PLAN of KANS...	**/** MONTHLY PREMIUM	07/24/2024	07/25/2024		246.87
DELTA DENTAL PLAN of KANS...	**/** MONTHLY PREMIUM	07/24/2024	07/25/2024		439.63
<b>Vendor 0032 - DELTA DENTAL PLAN of KANSAS Total:</b>					<b>5,187.32</b>
<b>Vendor: 0120 - EMPLOYERS MUTUAL CASUALTY CO</b>					
EMPLOYERS MUTUAL CASUAL...	2023 RAM CRANE TRUCK	07/24/2024	07/25/2024		2,223.38
<b>Vendor 0120 - EMPLOYERS MUTUAL CASUALTY CO Total:</b>					<b>2,223.38</b>
<b>Vendor: 0587 - FEDERAL EXPRESS CORPORATION</b>					
FEDERAL EXPRESS CORPORAT...	WATER SAMPLES	07/24/2024	07/25/2024		122.28
<b>Vendor 0587 - FEDERAL EXPRESS CORPORATION Total:</b>					<b>122.28</b>
<b>Vendor: 2686 - FELIX'S LANDSCAPING-IRRIGATION</b>					
FELIX'S LANDSCAPING-IRRIGAT..	FOUNTAIN REPAIR	07/24/2024	07/25/2024		380.00
<b>Vendor 2686 - FELIX'S LANDSCAPING-IRRIGATION Total:</b>					<b>380.00</b>
<b>Vendor: 2582 - IMAGINE IT INC</b>					
IMAGINE IT INC	COMPUTER MAINTENANCE	07/24/2024	07/25/2024		1,615.00
<b>Vendor 2582 - IMAGINE IT INC Total:</b>					<b>1,615.00</b>
<b>Vendor: 2715 - INFOSEND INC</b>					
INFOSEND INC	UTILITY NOTICES POSTAGE/PR...	07/24/2024	07/25/2024		233.28
INFOSEND INC	UTILITY NOTICES POSTAGE/PR...	07/24/2024	07/25/2024		233.28
<b>Vendor 2715 - INFOSEND INC Total:</b>					<b>466.56</b>
<b>Vendor: T1548 - JASON HAMLIN</b>					
JASON HAMLIN	POOL RENTAL PARTIAL REFU...	07/24/2024	07/25/2024		60.00
<b>Vendor T1548 - JASON HAMLIN Total:</b>					<b>60.00</b>
<b>Vendor: 1665 - JOY K WILLIAMS, ATTY AT LAW</b>					
JOY K WILLIAMS, ATTY AT LAW	PROSECUTOR SVC	07/25/2024	07/25/2024		409.50
<b>Vendor 1665 - JOY K WILLIAMS, ATTY AT LAW Total:</b>					<b>409.50</b>

**AP ORDINANCE 2024-14**

Payment Period: 24

Vendor Name	Description (Payable)	Post Date	Payment Date	Project Account Key	Amount
<b>Vendor: 1822 - JR SIMPLOT COMPANY</b>					
JR SIMPLOT COMPANY	REC: HERBICIDE	07/03/2024	07/25/2024		648.00
JR SIMPLOT COMPANY	REC: HERBICIDE	07/09/2024	07/25/2024		110.00
JR SIMPLOT COMPANY	REC: HERBICIDE	07/17/2024	07/25/2024		343.08
JR SIMPLOT COMPANY	REC: HERBICIDE	07/18/2024	07/25/2024		114.00
<b>Vendor 1822 - JR SIMPLOT COMPANY Total:</b>					<b>1,215.08</b>
<b>Vendor: 0274 - KANSAS GOLF &amp; TURF, INC</b>					
KANSAS GOLF & TURF, INC	PW MOWER REPAIR	07/25/2024	07/25/2024		203.32
<b>Vendor 0274 - KANSAS GOLF &amp; TURF, INC Total:</b>					<b>203.32</b>
<b>Vendor: 0122 - KDHE - BUREAU OF WATER</b>					
KDHE - BUREAU OF WATER	WOODLAWN STORMWATER ...	07/25/2024	07/25/2024		60.00
<b>Vendor 0122 - KDHE - BUREAU OF WATER Total:</b>					<b>60.00</b>
<b>Vendor: 0516 - KDHE</b>					
KDHE	2ND QTR 2024 ANALYTICAL S...	07/24/2024	07/25/2024		440.00
<b>Vendor 0516 - KDHE Total:</b>					<b>440.00</b>
<b>Vendor: 0208 - KEY EQUIPMENT &amp; SUPPLY CO</b>					
KEY EQUIPMENT & SUPPLY CO	PW VEHICLE REPAIR	07/25/2024	07/25/2024		1,014.72
<b>Vendor 0208 - KEY EQUIPMENT &amp; SUPPLY CO Total:</b>					<b>1,014.72</b>
<b>Vendor: 0179 - LEAGUE OF KS MUNICIPALITIES</b>					
LEAGUE OF KS MUNICIPALITIES	TRAINING-MARIA	07/25/2024	07/25/2024		25.00
<b>Vendor 0179 - LEAGUE OF KS MUNICIPALITIES Total:</b>					<b>25.00</b>
<b>Vendor: 2687 - LEASE FINANCE PARTNERS</b>					
LEASE FINANCE PARTNERS	36822QT: 07/24:PD COPIER	07/25/2024	07/25/2024		141.63
<b>Vendor 2687 - LEASE FINANCE PARTNERS Total:</b>					<b>141.63</b>
<b>Vendor: 2560 - LINSTAR INC</b>					
LINSTAR INC	ID CARDS-PD	07/25/2024	07/25/2024		12.80
<b>Vendor 2560 - LINSTAR INC Total:</b>					<b>12.80</b>
<b>Vendor: 1326 - LOGO DEPOT</b>					
LOGO DEPOT	EMPLOYEE RECOGNITION	07/25/2024	07/25/2024		54.83
LOGO DEPOT	EMPLOYEE RECOGNITION	07/25/2024	07/25/2024		54.83
<b>Vendor 1326 - LOGO DEPOT Total:</b>					<b>109.66</b>
<b>Vendor: 1348 - MAYER SPECIALTY SERVICES,LLC</b>					
MAYER SPECIALTY SERVICES,L...	STORMWATER REPAIR	07/25/2024	07/25/2024		603.75
<b>Vendor 1348 - MAYER SPECIALTY SERVICES,LLC Total:</b>					<b>603.75</b>
<b>Vendor: 2421 - MCDONALD TINKER PA</b>					
MCDONALD TINKER PA	LEGAL: GENERAL CONSULT	07/25/2024	07/25/2024		122.50
<b>Vendor 2421 - MCDONALD TINKER PA Total:</b>					<b>122.50</b>
<b>Vendor: 0460 - NATIONAL SIGN COMPANY, INC.</b>					
NATIONAL SIGN COMPANY, I...	ROAD WORK SIGN	07/25/2024	07/25/2024		174.18
<b>Vendor 0460 - NATIONAL SIGN COMPANY, INC. Total:</b>					<b>174.18</b>
<b>Vendor: 2395 - NORTHRIDGE SAND</b>					
NORTHRIDGE SAND	CP/WOODLAWN BERM & STO...	07/25/2024	07/25/2024		2,754.20
<b>Vendor 2395 - NORTHRIDGE SAND Total:</b>					<b>2,754.20</b>
<b>Vendor: T1547 - PATRICE GAUBERGER</b>					
PATRICE GAUBERGER	WCONCT REFUND	07/24/2024	07/25/2024		25.00
<b>Vendor T1547 - PATRICE GAUBERGER Total:</b>					<b>25.00</b>
<b>Vendor: 2324 - PROFESSIONAL ENGINEERING CONSU</b>					
PROFESSIONAL ENGINEERING...	STORMWATER/SUB GIS	07/24/2024	07/25/2024		297.50
PROFESSIONAL ENGINEERING...	STORMWATER/SUB GIS	07/24/2024	07/25/2024		297.50
PROFESSIONAL ENGINEERING...	STORMWATER/SUB GIS	07/24/2024	07/25/2024		297.50
PROFESSIONAL ENGINEERING...	2024 ST MAINT PROGRAM	07/24/2024	07/25/2024		4,421.08
PROFESSIONAL ENGINEERING...	PAVEMENT MAINT IMPROVE...	07/24/2024	07/25/2024		895.00
PROFESSIONAL ENGINEERING...	COMPREHENSIVE LAND USE P...	07/24/2024	07/25/2024		7,950.00
<b>Vendor 2324 - PROFESSIONAL ENGINEERING CONSU Total:</b>					<b>14,158.58</b>



Vendor Name	Description (Payable)	Post Date	Payment Date	Project Account Key	Amount
<b>Vendor: 0105 - PUBLIC WORKS &amp; UTILITIES</b>					
PUBLIC WORKS & UTILITIES	18,098,250 GAL: 06/05-07/05...	07/25/2024	07/25/2024		93,160.41
<b>Vendor 0105 - PUBLIC WORKS &amp; UTILITIES Total:</b>					<b>93,160.41</b>
<b>Vendor: 0456 - QUILL</b>					
QUILL	QUILL - OFFICE SUPPLIES	07/25/2024	07/25/2024		36.89
QUILL	QUILL - OFFICE SUPPLIES	07/25/2024	07/25/2024		33.81
QUILL	QUILL - OFFICE SUPPLIES	07/25/2024	07/25/2024		102.55
QUILL	QUILL - OFFICE SUPPLIES	07/25/2024	07/25/2024		46.51
QUILL	QUILL - OFFICE SUPPLIES	07/25/2024	07/25/2024		77.63
QUILL	QUILL - OFFICE SUPPLIES	07/25/2024	07/25/2024		32.38
QUILL	QUILL - OFFICE SUPPLIES	07/25/2024	07/25/2024		32.38
QUILL	QUILL - OFFICE SUPPLIES	07/25/2024	07/25/2024		32.38
QUILL	QUILL - OFFICE SUPPLIES	07/25/2024	07/25/2024		32.38
<b>Vendor 0456 - QUILL Total:</b>					<b>426.91</b>
<b>Vendor: T0473 - SCOTT SCHIRMER</b>					
SCOTT SCHIRMER	REC PROGRAM REFUND	07/25/2024	07/25/2024		10.00
<b>Vendor T0473 - SCOTT SCHIRMER Total:</b>					<b>10.00</b>
<b>Vendor: 0216 - SEDGWICK CO DEPT OF FINANCE</b>					
SEDGWICK CO DEPT OF FINA...	06/24 PRISONER HOUSING FE...	07/05/2024	07/25/2024		3,990.96
<b>Vendor 0216 - SEDGWICK CO DEPT OF FINANCE Total:</b>					<b>3,990.96</b>
<b>Vendor: 2704 - SEDGWICK COUNTY ZOO</b>					
SEDGWICK COUNTY ZOO	REC FIELD TRIP	07/22/2024	07/25/2024		25.00
<b>Vendor 2704 - SEDGWICK COUNTY ZOO Total:</b>					<b>25.00</b>
<b>Vendor: 2726 - SHORT ELLIOTT HENDRICKSON INC</b>					
SHORT ELLIOTT HENDRICKSON..	SCP 3RD CONST SVC	07/17/2024	07/25/2024		1,075.00
SHORT ELLIOTT HENDRICKSON..	SCP 3RD CONST SVC	07/17/2024	07/25/2024		1,075.00
SHORT ELLIOTT HENDRICKSON..	SCP 3RD CONST SVC	07/17/2024	07/25/2024		1,075.00
SHORT ELLIOTT HENDRICKSON..	SCP 3RD CONST SVC	07/17/2024	07/25/2024		1,075.00
<b>Vendor 2726 - SHORT ELLIOTT HENDRICKSON INC Total:</b>					<b>4,300.00</b>
<b>Vendor: 2589 - STATE OF KANSAS FOP</b>					
STATE OF KANSAS FOP	LODGE 55 DUES	07/22/2024	07/25/2024		200.00
<b>Vendor 2589 - STATE OF KANSAS FOP Total:</b>					<b>200.00</b>
<b>Vendor: 1953 - SUMNER GROUP INC</b>					
SUMNER GROUP INC	SUMNER ONE PRINTING CHA...	07/25/2024	07/25/2024		49.78
SUMNER GROUP INC	SUMNER ONE PRINTING CHA...	07/25/2024	07/25/2024		77.35
SUMNER GROUP INC	SUMNER ONE PRINTING CHA...	07/25/2024	07/25/2024		49.78
SUMNER GROUP INC	SUMNER ONE PRINTING CHA...	07/25/2024	07/25/2024		49.78
<b>Vendor 1953 - SUMNER GROUP INC Total:</b>					<b>226.69</b>
<b>Vendor: 0297 - SUN LIFE &amp; HEALTH INS CO</b>					
SUN LIFE & HEALTH INS CO	07/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		21.51
SUN LIFE & HEALTH INS CO	07/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		474.11
SUN LIFE & HEALTH INS CO	07/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		0.90
SUN LIFE & HEALTH INS CO	07/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		111.60
SUN LIFE & HEALTH INS CO	07/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		0.80
SUN LIFE & HEALTH INS CO	07/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		12.40
SUN LIFE & HEALTH INS CO	07/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		4.91
SUN LIFE & HEALTH INS CO	07/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		51.76
SUN LIFE & HEALTH INS CO	08/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		17.04
SUN LIFE & HEALTH INS CO	08/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		447.54
SUN LIFE & HEALTH INS CO	08/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		0.90
SUN LIFE & HEALTH INS CO	08/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		111.60
SUN LIFE & HEALTH INS CO	08/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		0.04
SUN LIFE & HEALTH INS CO	08/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		-1.28
SUN LIFE & HEALTH INS CO	08/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		1.05
SUN LIFE & HEALTH INS CO	08/24 VOLUNTARY AD&D/VO...	07/25/2024	07/25/2024		21.79
<b>Vendor 0297 - SUN LIFE &amp; HEALTH INS CO Total:</b>					<b>1,276.67</b>

**AP ORDINANCE 2024-14**

Payment 24

Vendor Name	Description (Payable)	Post Date	Payment Date	Project Account Key	Amount
<b>Vendor: 0433 - SYMBOLARTS, LLC</b>					
SYMBOLARTS, LLC	PD BADGES	07/18/2024	07/25/2024		292.50
<b>Vendor 0433 - SYMBOLARTS, LLC Total:</b>					<b>292.50</b>
<b>Vendor: 1421 - TRANSYSTEMS CORPORATION</b>					
TRANSYSTEMS CORPORATION	53RD RECON WOODLAWN-OL...	06/28/2024	07/25/2024		31,521.70
<b>Vendor 1421 - TRANSYSTEMS CORPORATION Total:</b>					<b>31,521.70</b>
<b>Vendor: 2788 - TYLER TECHNOLOGIES INC</b>					
TYLER TECHNOLOGIES INC	ERP PRO FINANCIALS	07/10/2024	07/25/2024		580.00
<b>Vendor 2788 - TYLER TECHNOLOGIES INC Total:</b>					<b>580.00</b>
<b>Vendor: 2286 - UTILITY MAINTENANCE CONTRACTOR</b>					
UTILITY MAINTENANCE CONT...	MANHOLE REPAIR	07/16/2024	07/25/2024		17,600.00
UTILITY MAINTENANCE CONT...	MANHOLE REPAIR	07/16/2024	07/25/2024		16,600.00
UTILITY MAINTENANCE CONT...	WATER SERVICE INSTALL	07/24/2024	07/25/2024		4,400.00
UTILITY MAINTENANCE CONT...	WATER SERVICE INSTALL	07/24/2024	07/25/2024		1,445.00
UTILITY MAINTENANCE CONT...	WATER SERVICE INSTALL	07/24/2024	07/25/2024		4,400.00
UTILITY MAINTENANCE CONT...	WATER SERVICE INSTALL	07/24/2024	07/25/2024		4,400.00
<b>Vendor 2286 - UTILITY MAINTENANCE CONTRACTOR Total:</b>					<b>48,845.00</b>
<b>Vendor: 1205 - WASTE CONNECTIONS OF KANSAS</b>					
WASTE CONNECTIONS OF KA...	07/24 RECYCLE/TRASH SVC	07/01/2024	07/25/2024		81.65
WASTE CONNECTIONS OF KA...	07/24 RECYCLE/TRASH SVC	07/01/2024	07/25/2024		81.65
WASTE CONNECTIONS OF KA...	07/24 RECYCLE/TRASH SVC	07/01/2024	07/25/2024		81.64
WASTE CONNECTIONS OF KA...	07/24 RECYCLE/TRASH SVC	07/01/2024	07/25/2024		34,233.89
WASTE CONNECTIONS OF KA...	07/24 RECYCLE/TRASH SVC	07/01/2024	07/25/2024		12,588.24
WASTE CONNECTIONS OF KA...	PORTABLE RESTROOM-REC	07/15/2024	07/25/2024		85.00
<b>Vendor 1205 - WASTE CONNECTIONS OF KANSAS Total:</b>					<b>47,152.07</b>
<b>Grand Total:</b>					<b>270,978.08</b>



**Report Summary**

**Fund Summary**

Fund	Payment Amount
100 - General Fund	17,075.95
200 - Special Street & Highway	9,112.64
320 - Capital Projects Fund 2	35,881.70
355 - Capital Improvement Reserve	9,425.00
520 - Water Utility	112,379.81
530 - Sewer Utility	36,922.90
540 - Solid Waste Utility	46,822.13
550 - Stormwater Utility	3,357.95
<b>Grand Total:</b>	<b>270,978.08</b>

**Account Summary**

Account Number	Account Name	Payment Amount
100-000-000-2056	DENTAL INS PAYABLE	3,780.70
100-000-000-2058	VOLUNTARY AD&D PAY...	38.55
100-000-000-2060	VOLUNTARY LIFE PAYAB...	921.65
100-000-000-4400	RECREATION PROGRAM ...	10.00
100-000-000-4422	CP POOL RENTALS	60.00
100-100-110-6014	OFFICE SUPPLIES	36.89
100-100-140-6014	OFFICE SUPPLIES	33.81
100-100-140-6028	PUBLICATIONS/PRINTING	49.78
100-100-160-6014	OFFICE SUPPLIES	102.55
100-100-170-6046	TRAINING/CONFERENCES	25.00
100-100-170-7804	LEGAL SERVICES	122.50
100-120-240-6014	OFFICE SUPPLIES	46.51
100-120-240-7064	INMATE HOUSING FEES	3,990.96
100-120-240-7804	LEGAL SERVICES	409.50
100-120-250-6008	PROFESSIONAL DUES/M...	200.00
100-120-250-6014	OFFICE SUPPLIES	90.43
100-120-250-6040	UNIFORMS/CLOTHING	292.50
100-120-250-7016	SOFTWARE/HARDWARE...	1,615.00
100-120-250-7024	CONTRACTUAL SERVICES	604.74
100-120-250-8000	VEH/EQUIP LEASE/PURC...	141.63
100-130-330-7024	CONTRACTUAL SERVICES	490.97
100-130-340-6010	COMMUNITY RELATION...	25.00
100-130-350-6000	AGRICULT/HORTICULT S...	457.08
100-130-350-6004	CHEMICALS	758.00
100-130-350-6006	IRRIGATION MAINT/REP...	380.00
100-130-350-7024	CONTRACTUAL SERVICES	85.00
100-140-440-7022	MOWING SERVICES	400.00
100-150-510-6004	CHEMICALS	865.00
100-150-510-6006	IRRIGATION MAINT/REP...	350.00
100-150-510-6014	OFFICE SUPPLIES	32.38
100-150-510-6602	VEH/EQUIP REPAIRS & ...	203.32
100-150-510-7048	UTILITIES	81.65
100-160-610-7800	ENGINEERING SERVICES	297.50
100-160-620-6028	PUBLICATIONS/PRINTING	77.35
200-210-200-2058	VOLUNTARY AD&D PAY...	1.80
200-210-200-2060	VOLUNTARY LIFE PAYAB...	223.20
200-210-200-6014	OFFICE SUPPLIES	32.38
200-210-200-6104	SIGNS, MATERIAL/SUPPL...	174.18
200-210-200-7800	ENGINEERING SERVICES	4,421.08
200-210-200-8010	PUBLIC GROUNDS IMPR...	4,260.00
320-320-091-8608	WOODLAWN: FEES	60.00
320-320-094-8706	53RD STREET RECONST...	31,521.70
320-320-094-8708	SCP 3RD: WATER	1,075.00
320-320-094-8710	SCP 3RD: SEWER	1,075.00
320-320-094-8712	SCP 3RD: PAVING	1,075.00

**Account Summary**

Account Number	Account Name	Payment Amount
320-320-094-8714	SCP 3RD: DRAINAGE	1,075.00
355-355-355-7024	CONTRACTUAL SERVICES	580.00
355-355-355-8014	STREET IMPROVEMENTS	8,845.00
520-210-520-2056	DENTAL INS PAYABLE	527.36
520-210-520-2058	VOLUNTARY AD&D PAY...	0.84
520-210-520-2060	VOLUNTARY LIFE PAYAB...	11.12
520-210-520-4600	CONNECTION FEES	25.00
520-210-520-6014	OFFICE SUPPLIES	32.38
520-210-520-6026	POSTAGE	122.28
520-210-520-6028	PUBLICATIONS/PRINTING	283.06
520-210-520-6038	MERCHANDISE TSF OR D...	54.83
520-210-520-6802	WATER SYSTEM MAINT/...	14,645.00
520-210-520-7024	CONTRACTUAL SERVICES	440.00
520-210-520-7028	LIABILITY INSURANCE	2,223.38
520-210-520-7048	UTILITIES	81.65
520-210-520-7058	WATER PURCHASED	93,635.41
520-210-520-7800	ENGINEERING SERVICES	297.50
530-210-530-2056	DENTAL INS PAYABLE	879.26
530-210-530-2058	VOLUNTARY AD&D PAY...	5.96
530-210-530-2060	VOLUNTARY LIFE PAYAB...	73.55
530-210-530-6014	OFFICE SUPPLIES	32.38
530-210-530-6028	PUBLICATIONS	283.06
530-210-530-6038	MERCHANDISE TSF OR D...	54.83
530-210-530-6604	VEHICLE REPAIR/MAINT	1,014.72
530-210-530-7048	UTILITIES	81.64
530-210-530-7800	ENGINEERING SERVICES	297.50
530-210-530-8012	SEWER SYSTEM IMPROV...	34,200.00
540-540-540-7042	SOLID WASTE SERVICES ...	34,233.89
540-540-540-7044	RECYCLING SERVICES	12,588.24
550-550-550-8018	DRAINAGE SYSTEM IMP...	3,357.95
	<b>Grand Total:</b>	<b>270,978.08</b>


**Project Account Summary**

Project Account Key	Payment Amount
**None**	270,978.08
<b>Grand Total:</b>	<b>270,978.08</b>

CITY OF BEL AIRE		
AP ORD 2024-14		
Vendor & Payroll Checks 07/09-07/25/2024		
AIRGAS	CYLINDER LEASE RENEWAL	\$ 182.00
ARK VALLEY NEWS	BREEZE AD	\$ 921.76
ARMSCOR CARTRIDGE INC	PD SUPPLIES	\$ 1,080.00
ATTEBERRY, DARRELL	FBINAA CONF PER DIEM	\$ 255.00
BEALL & MITCHELL, LLC	07/24 JUDGE TERRY BEALL	\$ 1,237.98
BEST BEST & KRIEGER LLP	WATER SAMPLER STATION SUPPLIES	\$ 361.93
BLUE CROSS AND BLUE SHIEL	08/24 ID:0421210	\$ 46,676.78
BOESEN PLUMB ELEVATOR SOL	ELEVATOR PHONE LINE REPAIR	\$ 672.83
BURNS & MCDONNELL ENGINE	PROJECT MGT: SEWER FRAMEWORK	\$ 4,699.50
CHISHOLM CREEK UTILITY AU	08/24 CCUA CONTINGENCY	\$ 6,180.00
CITY OF BEL AIRE	COURT PYT 2024-00347	\$ 794.52
CITY OF WICHITA	REC DAY CARE CAMP LICENSE	\$ 247.50
CMD-WSU CENTER MGT DEVELO	SUPERVISOR CERT COURSE:SHERWOOD	\$ 4,000.00
COUNTRYSIDE LAWN & TREE C	FERTILIZER CITY HALL	\$ 3,845.59
COX COMMUNICATIONS	INTERNET/PHONE SVC	\$ 1,497.09
CULLIGAN OF WICHITA	WATER SERVICE	\$ 69.65
EMPAC	EMPLOYEE ASSIST PROG:QTR #3	\$ 365.70
EMPOWER RETIREMENT 457	EMP VLNTRY 457	\$ 1,047.00
FICA/FEDERAL W/H	FED/FICA TAX	\$ 27,494.88
FOP LEGAL DEFENSE PLAN	LEGAL DEF PLAN:SCHELL	\$ 648.00
GALLS, LLC	PD SUPPLIES/UNIFORM	\$ 690.20
GSI ENGINEERING LLC	53RD ST WOODLAWN TO OLIVER	\$ 1,147.50
IMA, INC.	HEALTH BENEFITS ADMIN AUG #11	\$ 833.00
IMAGINE IT, INC	MTHLY COMPUTER SUPPORT SERVICE	\$ 8,014.17
KANSAS ONE-CALL SYSTEMS	LOCATE FEES:381 FOR 06/24	\$ 457.20
KANSAS PAVING	53RD RECONSTRUCT:WOODLWN-OLIVE	\$ 250,577.37
KANZA CO-OPERATIVE ASSOC	BULK FUEL	\$ 2,889.66
KPTS	2024 CITY PARTNERSHIP	\$ 4,000.00
KS DEPT REV:WITHHOLDING T	STATE TAX	\$ 4,921.51
KS DEPT REVENUE:TAXATION	WATER FEES	\$ 3,561.14
KS DEPT TRANSPORTATION	RAIL SPUR LOAN PYMNT #107	\$ 3,877.06
KS PUBLIC EMPL RETIRE SYS	KP&F	\$ 22,386.53
OREILLY AUTO PARTS	MOWER REPAIRS	\$ 92.50
PACE ANALYTICAL SERVICES	SW:SUSPENDED SOLIDS TESTING	\$ 1,134.20
PEC	BASE MONTHLY SERVICES	\$ 10,000.00
PUBLIC WORKS & UTILITIES	146,250 GAL SEWER 05/31-06/30	\$ 489.94
RAVENS CRAFT IMPLEMENT INC	TRACTOR BLADES	\$ 656.86
SHABAN MFAUME	CASE 2023-00686 OVERPYT	\$ 2.16
SIGNS NOW 124	EAGLE LAKE BLUE ALGAE SIGNS	\$ 197.85
SIMPLE CLEAN	08/24 JANITORIAL SVC:CH	\$ 2,824.60
SUMNERONE	KYOCERA MA4500-REC	\$ 4,158.56
TRIPLETT,WOOLF&GARRETSON	CITY ATTY MATTERS	\$ 2,468.50

UNDERGROUND VAULTS & STOR	DOCUMENT SHREDDING	\$ 20.50
UNIVERSITY OF KANSAS	PD TRAINING:TRUMBULL	\$ 75.00
UNRUH EXCAVATING	SUNFLOWER COMM GRADING/EROSION	\$ 91,552.84
USPS	BACKFLOW REMINDER LETTERS	\$ 210.45
UTILITY SERVICE CO., INC	S WATER TOWER CONTRACT	\$ 5,045.50
WASTE CONNECTIONS	06/24 RECYCLE OR TRASH SVC	\$ 47,067.07
WEX BANK	FLEET FUEL	\$ 4,132.77
WHITE STAR MACHINERY	BOBCAT EXCAVATOR MAINTENANCE	\$ 2,220.43
WICHITA BAR ASSOCIATION	MARIA SCHROCK DUES	\$ 285.00
PAYROLL CHECKS	PAYROLL CHECKS ON 07/17/2024	\$ 87,556.87

Total payments from GWORKS	\$ 665,824.65
Total payments from TYLER	\$ 270,978.08
<b>Grand Total AP ORD 2024-14</b>	<b>\$ 936,802.73</b>
NOTES	
1 payroll cycle	\$ 87,556.87
Project Expenses	\$ 91,552.84

*Approved 7-30-24*  


***CITY OF BEL AIRE, KANSAS***  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2023  
AND  
INDEPENDENT AUDITOR'S REPORT

CITY OF BEL AIRE, KANSAS  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2023  
AND  
INDEPENDENT AUDITOR'S REPORT

Financial Statements  
With Supplementary Information

Year Ended December 31, 2023

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FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members  
**City of Bel Aire, Kansas**

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bel Aire, Kansas (City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Statements 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 audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 statements.

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 statements, 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 statements.

- 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 statements.
- 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.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS  
June 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Bel Aire's (City) financial statements provides a narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2023. This discussion follows guidelines prescribed by the Governmental Accounting Standards Board (GASB) Statement 34, which enhances comparability between governments. The information presented here should be read in conjunction with the accompanying basic financial statements and the notes to those basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,168,222 (net position).
- The City's total net position decreased during this fiscal year by \$904,269.
- At the close of 2023, the City's governmental funds reported combined ending fund balances of \$21,623,680, a decrease of \$733,538 over the prior year.
- At the close of 2023, unassigned fund balance for the General Fund was \$3,598,965 or 46% of revenues for the fund.

### OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which include three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements use the accrual basis of accounting, which means that the current year's revenues and expenses are recorded as they are earned or incurred, regardless of when cash is received or paid.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. These statements include infrastructure assets as well as all known liabilities, including long-term debt. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* provides information detailing *how* the City's net position changed.

The government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) separately from other functions that are intended to recover all or a significant portion of costs through user fees and charges (business-type activities). Governmental activities of the City include general government, law enforcement, public works, capital improvement, community development, and parks and recreation. The City has four business-type activities which are used to account for the assets, deferred outflows of resources liabilities, deferred inflows of resources, revenues and expenses associated with water, sewer, and solid waste and storm water functions.

## **Fund Financial Statements**

A fund is a fiscal entity with a set of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to demonstrate compliance with legal requirements, such as state statutes or bond covenants. There are three types of funds: governmental, proprietary, and fiduciary.

### *Governmental Funds*

Governmental fund accounting focuses on 1) cash flow and how financial assets can readily be converted to available resources, and 2) the balances left at the end of the fiscal year for future spending. The focus is on the budgetary, short-term financial picture of the reported operations rather than on the longer-term economic picture of the City as a whole.

Governmental funds are reported using the *modified accrual* basis of accounting, which measures cash and other financial assets that can readily be converted to cash. Under this basis of accounting, revenues are recognized when they become measurable and available, and expenditures are generally recognized when the related fund liability is incurred. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Therefore, both the governmental activities in the government-wide financial statements and the government fund financial statements present different useful aspects of the City's financial picture. They are designed to be compared and interpreted together. The reconciliations at the end of the fund financial statements detail the relationship and differences between the two types of financial statements.

### *Proprietary Funds*

The City maintains proprietary funds that are used to report the same functions presented as business-type activities in the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the sewer and water funds, which are considered major funds of the City.

## **Notes to the Basic Financial Statements**

The notes to the basic financial statements are an integral part of the basic financial statements. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **Other Supplementary Information**

Required budgetary data related to the General Fund, Land Bank Fund, combining statements for nonmajor governmental and nonmajor enterprise funds and fund budgetary schedules are presented immediately following the notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Government-Wide Financial Statements**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 45,879,648	\$ 48,914,923	\$ 7,057,974	\$ 6,903,105	\$ 52,937,622	\$ 55,818,028
Capital assets	50,549,956	46,937,334	24,602,141	22,833,527	75,152,097	69,770,861
Total assets	96,429,604	95,852,257	31,660,115	29,736,632	128,089,719	125,588,889
Deferred outflows	2,733,314	3,043,079	160,582	200,261	2,893,896	3,243,340
Long-term liabilities	79,175,209	75,519,064	1,249,397	1,335,752	80,424,606	76,854,816
Other liabilities	1,599,719	2,836,565	210,536	177,230	1,810,255	3,013,795
Total liabilities	80,774,928	78,355,629	1,459,933	1,512,982	82,234,861	79,868,611
Deferred inflows	4,573,215	3,890,280	7,317	847	4,580,532	3,891,127
Net position						
Net investment in capital assets	(5,594,823)	(4,359,089)	23,821,729	21,987,506	18,226,906	17,628,417
Restricted	6,693,542	5,701,049	-	-	6,693,542	5,701,049
Unrestricted	12,716,056	15,307,467	6,531,718	6,435,558	19,247,774	21,743,025
Total net position	<u>\$ 13,814,775</u>	<u>\$ 16,649,427</u>	<u>\$ 30,353,447</u>	<u>\$ 28,423,064</u>	<u>\$ 44,168,222</u>	<u>\$ 45,072,491</u>

**Analysis of Net Position**

As previously mentioned, net position may serve as a useful indicator of a government’s financial position. The City’s assets plus deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$44,168,222 at the close of 2023.

The City’s net investment in capital assets of \$18,226,906 represents capital assets (e.g., land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. These assets are used on an ongoing basis to provide services to citizens and are thus not available for future spending. The City’s investment in its capital assets is reported net of related debt; however, the resources needed to repay this debt must come from other sources. The capital assets themselves cannot be liquidated to satisfy these liabilities.

The City’s net position that represents resources that are subject to external restrictions on how they may be used of \$6,693,542. Restricted net position includes:

- Debt service: \$411,555
- Capital projects: \$357,525
- Public Building Commission: \$7,863
- Land Bank: \$5,912,946 and
- Drug forfeiture: \$3,653

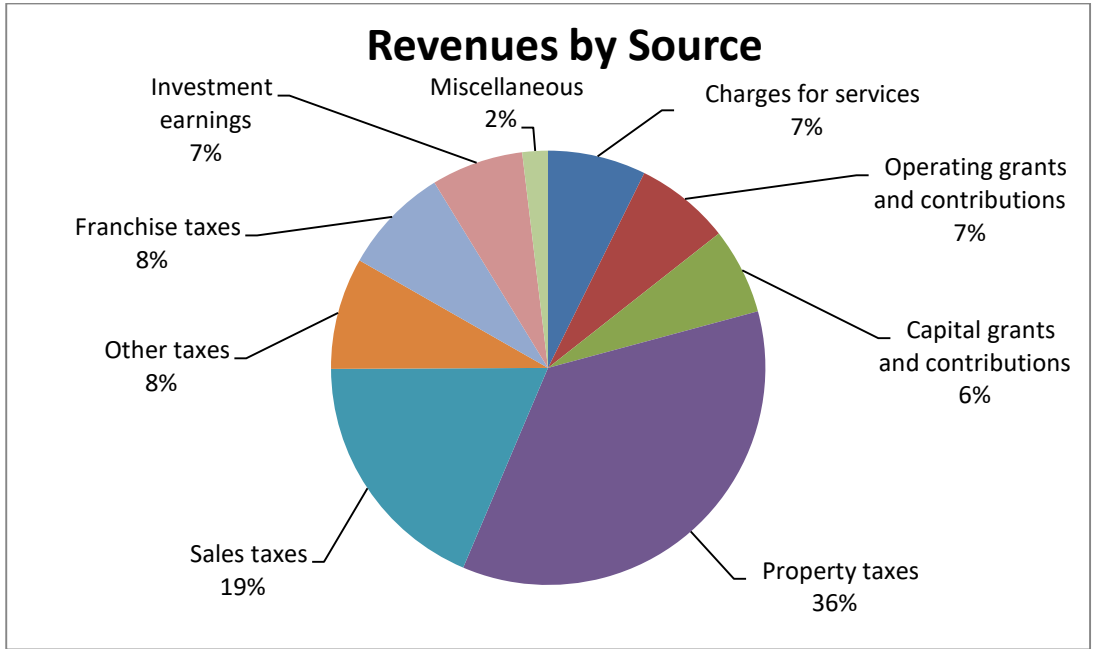
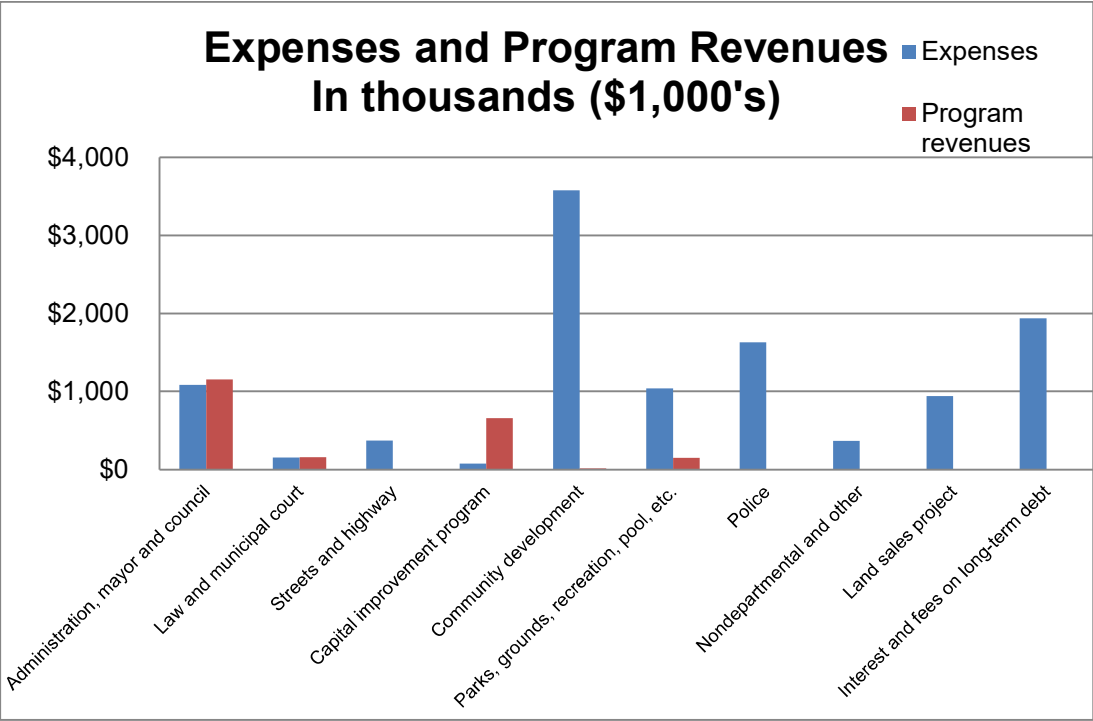
The City’s total unrestricted net position is \$19,247,774

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 747,895	\$ 1,128,630	\$ 7,882,876	\$ 7,430,099	\$ 8,630,771	\$ 8,558,729
Operating grants and contributions	728,070	64,205	-	-	728,070	64,205
Capital grants and contributions	657,160	2,547,407	-	-	657,160	2,547,407
General revenues:						
Property taxes	3,650,201	3,336,694	-	-	3,650,201	3,336,694
Sales taxes	1,899,149	1,826,006	-	-	1,899,149	1,826,006
Other taxes	854,389	852,177	-	-	854,389	852,177
Franchise taxes	819,101	821,467	-	-	819,101	821,467
Investment earnings	703,027	167,293	200,680	54,422	903,707	221,715
Miscellaneous	196,262	1,110,586	26,104	23,488	222,366	1,134,074
Total revenues	10,255,254	11,854,465	8,109,660	7,508,009	18,364,914	19,362,474
Expenses:						
Administration, mayor and council	1,082,109	929,351	-	-	1,082,109	929,351
Law and municipal court	152,309	130,756	-	-	152,309	130,756
Streets and highway	368,649	405,715	-	-	368,649	405,715
Capital improvement program	77,004	77,004	-	-	77,004	77,004
Community development	3,574,749	1,864,295	-	-	3,574,749	1,864,295
Parks, grounds, recreation, pool, etc.	1,036,781	981,163	-	-	1,036,781	981,163
Police	1,627,028	1,486,280	-	-	1,627,028	1,486,280
Nondepartmental and other	367,294	351,364	-	-	367,294	351,364
Land sales project	939,472	1,895,323	-	-	939,472	1,895,323
Interest and fees on long-term debt	1,937,287	1,652,054	-	-	1,937,287	1,652,054
Water	-	-	4,065,074	3,771,404	4,065,074	3,771,404
Sewer	-	-	3,493,426	2,926,338	3,493,426	2,926,338
Solid Waste and Stormwater	-	-	548,001	492,337	548,001	492,337
Total expenses	11,162,682	9,773,305	8,106,501	7,190,079	19,269,183	16,963,384
Increase in net position before transfers	(907,428)	2,081,160	3,159	317,930	(904,269)	2,399,090
Transfers	(1,927,224)	(1,446,022)	1,927,224	1,446,022	-	-
Increase (decrease) in net position	(2,834,652)	635,138	1,930,383	1,763,952	(904,269)	2,399,090
Net position - beginning of year	16,649,427	16,014,289	28,423,064	26,659,112	45,072,491	42,673,401
Net position - end of year	\$ 13,814,775	\$ 16,649,427	\$ 30,353,447	\$ 28,423,064	\$ 44,168,222	\$ 45,072,491

**Analysis of Changes in Net Position**

The City’s net position decreased during the fiscal year by a total of \$904,269 including these changes:

- Charges for services increased \$72,042 mostly due to an increase in water and sewer services provided of \$452,777 offset by a decrease in governmental activities due to decrease of building permit activity.
- Capital grants and contributions decreased by \$1,890,247 due to a decrease in special assessments.
- General revenues increased \$156,780 due to increases in property taxes and sales taxes of \$313,507 and \$73,143 due to increases in property valuation and increase in area sales. Investment earnings increased \$681,992 with an increase in market conditions. Miscellaneous revenue decreased \$911,708 due to proceeds received in the prior year from sale of land in 2022.
- Expenses of governmental activities increased by \$1,389,377 due to an increase in community development costs of \$1,710,454 and an increase in interest expense of \$285,233 offset by a decrease in land sales project expense of \$955,851 due to recording prior year impairment on remaining land held for sale costs.
- Expenses of business-type activities increased \$916,422 due mainly to increases in repair and maintenance costs in both the Water and Sewer funds.



The charts above illustrate the City’s governmental expenses and program revenues by function, and revenues by source. The community development represent the largest portion of 2023 expenses followed by interest on long-term debt and police expenses.



For governmental activities overall, property tax revenues are the largest source of revenue followed by sales tax revenues. Other revenues and expense functions fall within anticipated ranges.

## **ANALYSIS OF THE FUND FINANCIAL STATEMENTS**

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds.

At the end of 2023, the City's governmental funds reported combined ending fund balances of \$21,623,680 including:

- Nonspendable: \$631,718;
- Restricted by external requirements and laws: \$14,613,953;
- Assigned to capital projects or other uses: \$2,779,044; and
- Unassigned funds available for use at the City's discretion: \$3,598,965.

The General Fund is the primary operating fund for the City. At the end of 2023, the total fund balance of the General Fund was \$3,750,310. The fund balance decreased by \$692,512 during the fiscal year due to increases in transfers to other funds.

The Bond and Interest Fund had an increase in fund balance of \$295,135 due to an increase in special assessment revenue.

The Capital Projects Fund had a decrease in fund balance of \$377,563 due to the retirement of general obligation bonds and capital outlay expenditures offset by the issuance of general obligation bonds for capital projects.

The Public Building Commission had a decrease in fund balance of \$14,390 due to bond payments exceeding revenues.

The Land Bank had a decrease in fund balance of \$603,694 due to a loss on land sales during the year.

Nonmajor government had a combined increase in fund balance of \$659,756 due to transfer and grant activity involving the nonmajor funds offset by an increase in capital outlay activity.

The Water Fund had an increase in net position of \$488,824 due to an increase in charges for services offset by an increase in repair and maintenance costs.

The Sewer Fund had an increase in net position of \$1,312,391 due to an increase in capital contributions offset by an increase in repair and maintenance costs.

Nonmajor proprietary funds remained comparable to the prior year with increases in net position of \$129,168.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Variances between the final budget and actual amounts are not expected to impact either liquidity or future services. The majority of revenues were more than budgeted for 2023, while court fines, license and permit fees, and intergovernmental revenues came in under budget. Overall budgeted expenditures were comparable to actual results.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City’s investment in capital assets, net of accumulated depreciation, was \$75,152,097 as of December 31, 2023. These capital assets include land, buildings, improvements, equipment, drainage improvements, streets, bridges, streetlights, and traffic signals.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,395,801	\$ 4,395,801	\$ 534,040	\$ 534,040	\$ 4,929,841	\$ 4,929,841
Land project	1,390,152	1,390,152	-	-	1,390,152	1,390,152
Construction in progress	5,565,877	2,847,960	4,225,617	2,334,382	9,791,494	5,182,342
City hall	1,648,081	1,714,462	-	-	1,648,081	1,714,462
Swimming pool	393,183	418,826	-	-	393,183	418,826
Other structures and equipment	1,606,278	1,323,632	19,842,484	19,965,105	21,448,762	21,288,737
Infrastructure	35,550,584	34,846,501	-	-	35,550,584	34,846,501
Total	\$ 50,549,956	\$ 46,937,334	\$ 24,602,141	\$ 22,833,527	\$ 75,152,097	\$ 69,770,861

Additional information about the City’s capital assets may be found in Note III. B. to the financial statements.

**Long-Term Debt**

At December 31, 2023, the City had total long-term bonds outstanding of \$75,155,000. This amount included \$35,805,000 of general obligation bonds backed by the full faith and credit of the City, \$25,790,000 in temporary notes which will be repaid with an issuance of general obligation bonds and \$13,560,000 in revenue bonds with the Public Building Commission.

Total long-term bonds payable increased by \$3,660,000 during the fiscal year due to bond issuances being more than the repayment of debt made during the year.

The City had \$780,412 of outstanding revolving loan funds for water and sewer fund projects and \$76,200 of outstanding rail loan funds for a capital project.

Standard and Poor’s rated the City’s most recent bond issue AA and affirmed this rating for all existing debt.

Kansas statutes limit the amount of general obligation debt a governmental entity may issue to 30% of its total assessed valuation. After subtracting deductions allowed by the statutes, the current debt limit for the City is \$34,187,285 and debt outstanding subject to the limit is \$22,678,448, leaving \$11,508,837 in legal debt margin.

Additional information on the City’s long-term debt can be found in Note III. C. of the financial statements.

<b>Outstanding Bonds</b>		
<b>General Obligation and Revenue Bonds</b>		
	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
General obligation bonds	\$ 35,805,000	\$ 32,625,000
Temporary notes	25,790,000	24,115,000
Revenue bonds -		
Public Building Commission	13,560,000	14,755,000
Total	<u>\$ 75,155,000</u>	<u>\$ 71,495,000</u>

**Economic Factors**

Property tax collections increased 9.4% over 2022 and the positive trend has continued into the first half of 2024. The assessed valuation increased 19.4% in 2023.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide an overview of the City’s finances for all interested parties. Questions concerning any of the information provided in the report or requests for additional information should be directed to the Finance Director, City of Bel Aire, 7651 E. Central Park Ave., Bel Aire, KS 67226.

BASIC FINANCIAL STATEMENTS

**City of Bel Aire, Kansas**  
**Statement of Net Position**  
**December 31, 2023**

Section VIII, Item A.
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	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash, including investments	\$ 21,786,998	\$ 6,471,794	\$ 28,258,792
Receivables, net	23,612,277	586,180	24,198,457
Property held for resale	480,373	-	480,373
Capital assets:			
Land and construction in progress	11,351,830	4,759,657	16,111,487
Other capital assets, net of depreciation	39,198,126	19,842,484	59,040,610
Total assets	96,429,604	31,660,115	128,089,719
<b>Deferred outflows of resources:</b>			
Deferred refunding	1,884,194	-	1,884,194
Deferred outflows - OPEB	126,415	-	126,415
Deferred outflows - pensions	722,705	160,582	883,287
Total deferred outflows of resources	2,733,314	160,582	2,893,896
<b>Liabilities:</b>			
Accounts payable	598,437	155,694	754,131
Accrued wages	89,367	54,842	144,209
Unearned grant revenue	633,227	-	633,227
Interest payable	278,688	-	278,688
Long-term liabilities			
Due within one year	13,574,428	76,302	13,650,730
Due in more than one year	65,600,781	1,173,095	66,773,876
Total liabilities	80,774,928	1,459,933	82,234,861
<b>Deferred inflows of resources:</b>			
Deferred property tax receivable	4,370,478	-	4,370,478
Deferred inflows - OPEB	169,803	-	169,803
Deferred inflows - pensions	32,934	7,317	40,251
Total deferred inflows of resources	4,573,215	7,317	4,580,532
<b>Net position:</b>			
Net investment in capital assets	(5,594,823)	23,821,729	18,226,906
Restricted for:			
Debt service	411,555	-	411,555
Capital projects	357,525	-	357,525
Public Building Commission	7,863	-	7,863
Land Bank	5,912,946	-	5,912,946
Drug forfeiture	3,653	-	3,653
Unrestricted	12,716,056	6,531,718	19,247,774
Total net position	\$ 13,814,775	\$ 30,353,447	\$ 44,168,222

*The accompanying notes are an integral part of the basic financial statements.*

**City of Bel Aire, Kansas**  
**Statement of Activities**  
For the Year Ended December 31, 2023

Section VIII, Item A.

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total
<b>Governmental activities:</b>							
Administration, mayor and council	\$ 1,082,109	\$ 426,559	\$ 728,070	\$ -	\$ 72,520	\$ -	\$ 72,520
Law and municipal court	152,309	155,280	-	-	2,971	-	2,971
Streets and highway	368,649	-	-	-	(368,649)	-	(368,649)
Community development	3,574,749	15,287	-	-	(3,559,462)	-	(3,559,462)
Parks, grounds, recreation, pool, etc.	1,036,781	150,769	-	-	(886,012)	-	(886,012)
Police	1,627,028	-	-	-	(1,627,028)	-	(1,627,028)
Nondepartmental and other	367,294	-	-	-	(367,294)	-	(367,294)
Land sales project	939,472	-	-	-	(939,472)	-	(939,472)
Capital improvement program	77,004	-	-	657,160	580,156	-	580,156
Interest and fees on long-term debt	1,937,287	-	-	-	(1,937,287)	-	(1,937,287)
<b>Total governmental activities</b>	<b>11,162,682</b>	<b>747,895</b>	<b>728,070</b>	<b>657,160</b>	<b>(9,029,557)</b>	<b>-</b>	<b>(9,029,557)</b>
<b>Business-type activities:</b>							
Water	4,065,074	3,938,020	-	-	-	(127,054)	(127,054)
Sewer	3,493,426	3,173,580	-	-	-	(319,846)	(319,846)
Nonmajor business-type funds	548,001	771,276	-	-	-	223,275	223,275
<b>Total business-type activities</b>	<b>8,106,501</b>	<b>7,882,876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(223,625)</b>	<b>(223,625)</b>
<b>Total</b>	<b>\$ 19,269,183</b>	<b>\$ 8,630,771</b>	<b>\$ 728,070</b>	<b>\$ 657,160</b>	<b>(9,029,557)</b>	<b>(223,625)</b>	<b>(9,253,182)</b>
<b>General revenues:</b>							
Property taxes					3,650,201	-	3,650,201
Sales taxes					1,899,149	-	1,899,149
Other taxes					854,389	-	854,389
Franchise fees					819,101	-	819,101
Investment earnings					703,027	200,680	903,707
Miscellaneous					196,262	26,104	222,366
Transfers					(1,927,224)	1,927,224	-
<b>Total general revenues</b>					<b>6,194,905</b>	<b>2,154,008</b>	<b>8,348,913</b>
Change in net position					(2,834,652)	1,930,383	(904,269)
<b>Net position, beginning of year</b>					<b>16,649,427</b>	<b>28,423,064</b>	<b>45,072,491</b>
<b>Net position, end of year</b>					<b>\$ 13,814,775</b>	<b>\$ 30,353,447</b>	<b>\$ 44,168,222</b>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Bel Aire, Kansas**

Balance Sheet  
Governmental Funds  
December 31, 2023

	<u>General</u>	<u>Bond and Interest</u>	<u>Capital Projects</u>	<u>Public Building Commission</u>	<u>Land Bank</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>							
Cash, including investments	\$ 3,179,308	\$ 690,243	\$ 8,173,901	\$ 7,863	\$ 5,912,946	\$ 3,822,737	\$ 21,786,998
Receivables (net of allowance for uncollectibles)							
Property taxes	4,370,478	-	-	-	-	-	4,370,478
Special assessments	-	18,564,459	-	-	-	-	18,564,459
Motor vehicle and RV tax	45,565	-	-	-	-	-	45,565
Real estate mortgage note receivable	151,345	-	-	-	-	-	151,345
Sales tax	340,514	-	-	-	-	-	340,514
Franchise taxes and fees	55,767	-	-	-	-	-	55,767
Other	75,383	-	-	-	-	8,766	84,149
Property held for resale	-	-	-	-	480,373	-	480,373
<b>Total assets</b>	<b>\$ 8,218,360</b>	<b>\$ 19,254,702</b>	<b>\$ 8,173,901</b>	<b>\$ 7,863</b>	<b>\$ 6,393,319</b>	<b>\$ 3,831,503</b>	<b>\$ 45,879,648</b>
<b>Liabilities:</b>							
Accounts payable	\$ 10,636	\$ -	\$ 532,178	\$ -	\$ -	\$ 55,623	\$ 598,437
Accrued liabilities	86,936	-	-	-	-	2,431	89,367
Unearned grant revenue	-	-	-	-	-	633,227	633,227
<b>Total liabilities</b>	<b>97,572</b>	<b>-</b>	<b>532,178</b>	<b>-</b>	<b>-</b>	<b>691,281</b>	<b>1,321,031</b>
<b>Deferred inflows of resources:</b>							
Deferred property tax receivable	4,370,478	-	-	-	-	-	4,370,478
Unavailable revenue - special assessments	-	18,564,459	-	-	-	-	18,564,459
<b>Total deferred inflows of resources</b>	<b>4,370,478</b>	<b>18,564,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,934,937</b>
<b>Fund balance:</b>							
Nonspendable	151,345	-	-	-	480,373	-	631,718
Restricted	-	690,243	7,641,723	7,863	5,912,946	361,178	14,613,953
Assigned	-	-	-	-	-	2,779,044	2,779,044
Unassigned	3,598,965	-	-	-	-	-	3,598,965
<b>Total fund balance</b>	<b>3,750,310</b>	<b>690,243</b>	<b>7,641,723</b>	<b>7,863</b>	<b>6,393,319</b>	<b>3,140,222</b>	<b>21,623,680</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 8,218,360</b>	<b>\$ 19,254,702</b>	<b>\$ 8,173,901</b>	<b>\$ 7,863</b>	<b>\$ 6,393,319</b>	<b>\$ 3,831,503</b>	<b>\$ 45,879,648</b>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Bel Aire, Kansas**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2023**

Section VIII, Item A.
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Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balance - governmental funds</b>		\$ 21,623,680
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 74,834,662	
Accumulated depreciation	<u>(24,284,706)</u>	50,549,956
Special assessments receivable are not available to pay for current period expenditures and, therefore, are reported as unavailable in the fund statements		
		18,564,459
Deferred outflows of resources are not available and payable in the current period and, therefore, are not reported in the funds.		
Deferred outflows - deferred refunding		1,884,194
Deferred outflows - OPEB		126,415
Deferred outflows - pensions		722,705
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Accrued interest payable	(278,688)	
General obligation bonds payable	(35,805,000)	
Temporary notes	(25,790,000)	
Revenue bonds - Public Building Commission	(13,560,000)	
Rail loan	(76,200)	
Premiums	(1,766,513)	
Net pension liability	(2,020,652)	
Total OPEB liability	(39,497)	
Compensated absences	<u>(117,347)</u>	(79,453,897)
Other deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred inflows - OPEB		(169,803)
Deferred inflows - pensions		<u>(32,934)</u>
<b>Total net position - governmental activities</b>		<b><u>\$ 13,814,775</u></b>

*The accompanying notes are an integral part of the basic financial statements.*



**City of Bel Aire, Kansas**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2023**

	General	Bond and Interest	Capital Projects	Public Building Commission	Land Bank	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes and shared revenues	\$ 6,067,202	\$ -	\$ -	\$ -	\$ -	\$ 336,537	\$ 6,403,739
Intergovernmental revenues	94,070	-	-	-	-	634,000	728,070
Franchise fees	819,101	-	-	-	-	-	819,101
Court fines	155,280	-	-	-	-	-	155,280
Licenses, permits and fees	577,328	-	-	-	-	-	577,328
Rents and sales	15,287	-	-	58,975	-	-	74,262
Special assessments	-	2,388,270	-	-	-	-	2,388,270
Other	109,055	61,869	285,940	-	233,460	149,990	840,314
<b>Total revenues</b>	<b>7,837,323</b>	<b>2,450,139</b>	<b>285,940</b>	<b>58,975</b>	<b>233,460</b>	<b>1,120,527</b>	<b>11,986,364</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Administration, mayor and council	1,042,626	-	-	-	-	-	1,042,626
Law and municipal court	147,887	-	-	-	-	-	147,887
Streets and highway	-	-	-	-	-	354,627	354,627
Community development	397,189	-	-	-	-	-	397,189
Parks, grounds, recreation, pool, etc.	951,338	-	-	-	-	-	951,338
Police	1,489,165	-	-	-	-	-	1,489,165
Nondepartmental and other	356,178	-	-	2,796	-	-	358,974
Land project	102,048	-	-	-	25,846	-	127,894
Capital outlay/projects	-	-	6,925,171	-	-	2,564,015	9,489,186
<b>Debt Service:</b>							
Principal retirement	-	2,245,000	5,224,517	1,195,000	-	-	8,664,517
Interest and other	-	967,922	398,180	335,047	-	-	1,701,149
Debt issuance costs	-	-	220,180	-	-	-	220,180
<b>Total expenditures</b>	<b>4,486,431</b>	<b>3,212,922</b>	<b>12,768,048</b>	<b>1,532,843</b>	<b>25,846</b>	<b>2,918,642</b>	<b>24,944,732</b>
<b>Excess (deficiency) of revenues</b>							
over (under) expenditures	<u>3,350,892</u>	<u>(762,783)</u>	<u>(12,482,108)</u>	<u>(1,473,868)</u>	<u>207,614</u>	<u>(1,798,115)</u>	<u>(12,958,368)</u>
<b>Other financing sources (uses):</b>							
Issuance of general obligation bonds	114,640	-	12,165,360	-	-	-	12,280,000
Premium on issuance of general obligation bonds	-	-	105,705	-	-	-	105,705
Land sales	-	-	-	-	(811,578)	-	(811,578)
Transfers in	-	1,057,918	-	1,459,478	-	2,457,871	4,975,267
Transfers out	(4,158,044)	-	(166,520)	-	-	-	(4,324,564)
<b>Total other financing sources (uses)</b>	<b>(4,043,404)</b>	<b>1,057,918</b>	<b>12,104,545</b>	<b>1,459,478</b>	<b>(811,578)</b>	<b>2,457,871</b>	<b>12,224,830</b>
Net change in fund balance	(692,512)	295,135	(377,563)	(14,390)	(603,964)	659,756	(733,538)
<b>Fund balance, beginning of year</b>	<b>4,442,822</b>	<b>395,108</b>	<b>8,019,286</b>	<b>22,253</b>	<b>6,997,283</b>	<b>2,480,466</b>	<b>22,357,218</b>
<b>Fund balance, end of year</b>	<b>\$ 3,750,310</b>	<b>\$ 690,243</b>	<b>\$ 7,641,723</b>	<b>\$ 7,863</b>	<b>\$ 6,393,319</b>	<b>\$ 3,140,222</b>	<b>\$ 21,623,680</b>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Bel Aire, Kansas**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of activities are different because:

<b>Net change in fund balance - total governmental funds</b>		\$	(733,538)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>			
Depreciation expense	(1,702,799)		
Capital assets capitalized	<u>5,315,421</u>		3,612,622
<p>Payments received on certain assets are recognized as revenue when received in the fund. However, in the statement of net position, revenue is recognized when earned.</p>			
			(1,731,110)
<p>Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities.</p>			
			(211,900)
<p>Payment of OPEB contributions is an expenditure in the governmental funds, but reduces the total OPEB liability in the statement of net position. Additionally, the effect of changes in deferred inflows and deferred outflows for OPEB are only recorded in the statement of activities.</p>			
			(13,762)
<p>Bond and loan proceeds and premiums provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.</p>			
General obligation bonds	(5,425,000)		
Temporary Notes	(6,855,000)		
Premiums	<u>(105,705)</u>		(12,385,705)
<p>Repayment of bond principal and other long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>			
General obligation bonds	2,245,000		
Temporary notes	5,180,000		
Revenue bond - Public Building Commission	1,195,000		
Rail loan	<u>44,517</u>		8,664,517
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>			
			(3,698)
<p>The amortization of bond premiums and deferred refundings affect long-term assets and liabilities on the statement of net position, but does not provide or use current financial resources to governmental funds.</p>			
			(12,260)
<p>In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item is measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the following difference was noted:</p>			
Compensated absences earned exceeded benefits paid			<u>(19,818)</u>
<b>Change in net position of governmental activities</b>		\$	<u><u>(2,834,652)</u></u>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Bel Aire, Kansas**

Statement of Net Position

Proprietary Funds

December 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor Proprietary Funds</u>	<u>Total</u>
<b>Assets:</b>				
Current assets:				
Cash, including investments	\$ 2,439,959	\$ 3,205,824	\$ 826,011	\$ 6,471,794
Receivables, net	<u>276,544</u>	<u>263,800</u>	<u>45,836</u>	<u>586,180</u>
Total current assets	<u>2,716,503</u>	<u>3,469,624</u>	<u>871,847</u>	<u>7,057,974</u>
Noncurrent assets:				
Capital assets:				
Land and construction in progress	1,877,942	2,881,715	-	4,759,657
Other capital assets, net of depreciation	<u>8,157,009</u>	<u>11,685,475</u>	<u>-</u>	<u>19,842,484</u>
Total noncurrent assets	<u>10,034,951</u>	<u>14,567,190</u>	<u>-</u>	<u>24,602,141</u>
Total assets	<u>12,751,454</u>	<u>18,036,814</u>	<u>871,847</u>	<u>31,660,115</u>
<b>Deferred outflows of resources:</b>				
Pension related items	<u>79,585</u>	<u>80,997</u>	<u>-</u>	<u>160,582</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	70,073	41,119	44,502	155,694
Accrued payroll	15,953	38,889	-	54,842
Revolving loan - current	42,619	26,602	-	69,221
Compensated absences	<u>4,369</u>	<u>2,712</u>	<u>-</u>	<u>7,081</u>
Total current liabilities	<u>133,014</u>	<u>109,322</u>	<u>44,502</u>	<u>286,838</u>
Noncurrent liabilities:				
Revolving loan	440,888	270,303	-	711,191
Net pension liability	222,514	226,465	-	448,979
Compensated absences	<u>5,296</u>	<u>7,629</u>	<u>-</u>	<u>12,925</u>
Total noncurrent liabilities	<u>668,698</u>	<u>504,397</u>	<u>-</u>	<u>1,173,095</u>
Total liabilities	<u>801,712</u>	<u>613,719</u>	<u>44,502</u>	<u>1,459,933</u>
<b>Deferred inflows of resources:</b>				
Pension related items	<u>3,626</u>	<u>3,691</u>	<u>-</u>	<u>7,317</u>
<b>Net position:</b>				
Investment in capital assets	9,551,444	14,270,285	-	23,821,729
Unrestricted	<u>2,474,257</u>	<u>3,230,116</u>	<u>827,345</u>	<u>6,531,718</u>
Total net position	<u>\$ 12,025,701</u>	<u>\$ 17,500,401</u>	<u>\$ 827,345</u>	<u>\$ 30,353,447</u>

The accompanying notes are an integral part of the basic financial statements.

**City of Bel Aire, Kansas**

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended December 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor Proprietary Funds</u>	<u>Total</u>
<b>Operating revenues:</b>				
Charges for services	\$ 3,938,020	\$ 3,173,580	\$ 771,276	\$ 7,882,876
<b>Operating expenses:</b>				
Personnel	359,585	392,109	-	751,694
Contractual services	279,554	258,870	548,001	1,086,425
Water purchases	794,018	143	-	794,161
Operations and maintenance - CCUA	630,118	496,874	-	1,126,992
Debt service - CCUA	616,047	702,797	-	1,318,844
Payment in lieu of franchise fees	100,000	100,000	-	200,000
Other operating expenses	942,967	1,009,912	-	1,952,879
Depreciation	342,785	532,721	-	875,506
Total operating expenses	<u>4,065,074</u>	<u>3,493,426</u>	<u>548,001</u>	<u>8,106,501</u>
Operating income	<u>(127,054)</u>	<u>(319,846)</u>	<u>223,275</u>	<u>(223,625)</u>
<b>Nonoperating revenues and expenses:</b>				
Interest and other	107,111	113,780	5,893	226,784
Capital contributions	<u>758,603</u>	<u>1,819,324</u>	<u>-</u>	<u>2,577,927</u>
Total nonoperating revenue	<u>865,714</u>	<u>1,933,104</u>	<u>5,893</u>	<u>2,804,711</u>
Income before transfers	<u>738,660</u>	<u>1,613,258</u>	<u>229,168</u>	<u>2,581,086</u>
Transfers out	<u>(249,836)</u>	<u>(300,867)</u>	<u>(100,000)</u>	<u>(650,703)</u>
Change in net position	488,824	1,312,391	129,168	1,930,383
<b>Net position, beginning of year</b>	<u>11,536,877</u>	<u>16,188,010</u>	<u>698,177</u>	<u>28,423,064</u>
<b>Net position, end of year</b>	<u><u>\$ 12,025,701</u></u>	<u><u>\$ 17,500,401</u></u>	<u><u>\$ 827,345</u></u>	<u><u>\$ 30,353,447</u></u>

*The accompanying notes are an integral part of the basic financial statements.*

**City of Bel Aire, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended December 31, 2023

	Water	Sewer	Nonmajor Proprietary Funds	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 3,902,014	\$ 3,151,515	\$ 765,824	\$ 7,819,353
Payments to suppliers for goods and services	(3,341,839)	(2,571,603)	(542,754)	(6,456,196)
Payments to employees for salaries and benefits	(366,550)	(349,540)	-	(716,090)
	193,625	230,372	223,070	647,067
<b>Cash flows from non-capital financing activities:</b>				
Transfers to other funds	(249,836)	(300,867)	(100,000)	(650,703)
	(249,836)	(300,867)	(100,000)	(650,703)
<b>Cash flows from capital and related financing activities:</b>				
Revolving loan payments	(40,612)	(24,997)	-	(65,609)
Acquisition of capital assets	(9,850)	(56,343)	-	(66,193)
	(50,462)	(81,340)	-	(131,802)
<b>Cash flows from investing activities:</b>				
Interest on investments	107,111	113,780	5,893	226,784
	107,111	113,780	5,893	226,784
Net increase (decrease) in cash and cash equivalents	438	(38,055)	128,963	91,346
<b>Cash and cash equivalents, beginning of the year</b>	2,439,521	3,243,879	697,048	6,380,448
<b>Cash and cash equivalents, end of the year</b>	\$ 2,439,959	\$ 3,205,824	\$ 826,011	\$ 6,471,794
<b>Reconciliation of operating income to net cash flow from operating activities:</b>				
Operating income	\$ (127,054)	\$ (319,846)	\$ 223,275	\$ (223,625)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	342,785	532,721	-	875,506
Change in net pension liability	(38,439)	15,390	-	(23,049)
Change in deferred outflows - pensions	31,126	8,553	-	39,679
Change in deferred inflows - pensions	3,158	3,312	-	6,470
Change in accounts receivable	(36,006)	(22,065)	(5,452)	(63,523)
Change in accounts payable	20,865	(3,007)	5,247	23,105
Change in accrued liabilities	(2,810)	15,314	-	12,504
	\$ 193,625	\$ 230,372	\$ 223,070	\$ 647,067
<b>Schedule of non-cash capital and related financing activities:</b>				
Contributions of capital assets	\$ 758,603	\$ 1,819,324	\$ -	\$ 2,577,927

*The accompanying notes are an integral part of the basic financial statements.*

NOTES TO THE FINANCIAL STATEMENTS

## Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Bel Aire, Kansas (City) is incorporated under the laws of the State of Kansas. The City adopted a Council-Manager form of City government in January 2010, consisting of an elected Mayor and Council and an appointed City Manager to oversee the daily operations.

The City provides services to the citizens in the areas of streets, water service, wastewater service, community development, public safety, planning and zoning, parks and recreation, public works and general administrative services.

The more significant accounting and reporting policies and practices employed by the City are as follows:

**A. Reporting Entity**

Generally accepted accounting principles require that the basic financial statements present the City (the primary government) and its component units. Component units are required to be included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

*Blended Component Unit:* The statements include the financial data of the Public Building Commission (PBC). The PBC was formed several years ago in order to finance and build the 1) City Hall, 2) the swimming pool 3) an effluent line for the sale of "gray water" to Willowbend and 4) to finance the industrial park of the land project. The PBC issued debt instruments (revenue bonds) to finance the projects and leases the City Hall and swimming pool to the City. All revenues from City Hall rents, gray water sales and pool operations are pledged for debt service on the respective PBC revenue bonds.

Although the PBC is a legally separate organization, the City is financially accountable for the component unit in accordance with Governmental Accounting Standards Board (GASB) standards. The PBC's governing body is substantially the same as the governing body of the City; therefore, the PBC is "blended" with the City's financial statements. For financial reporting, the activities of the PBC are accounted for within the special revenue funds within the City's financial statements.

Separate audited financial statements are not prepared for the PBC.

On August 4, 2015, the City established the Bel Aire Land Bank (Land Bank) in conformance with K.S.A. 12-5901 et seq. Although the Land Bank is a legally separate organization, the City is financially accountable for the component unit in accordance with GASB standards. The Land Bank's governing body is substantially the same as the governing body of the City; therefore, the Land Bank is "blended" with the City's financial statements. For financial reporting, the activities of the Land Bank are accounted for within the special revenue funds within the City's financial statements.

Separate audited financial statements are not prepared for the Land Bank.

## Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Related Organizations:* The Chisholm Creek Utility Authority (Authority) is a quasi-municipal governmental entity formed in 2001 in accordance with Kansas Statutes 12-2901 through 2909, referred to as the Kansas Interlocal Cooperation Act. It was formed through the joint action of the Cities of Park City and Bel Aire, Kansas, for the purpose of providing “wholesale” water, wastewater and utility services to the cities.

The Authority’s purpose is to serve the two cities and the function of the cities is to ensure that the expenses of the Authority related to the water and wastewater operations of the project constructed by the revenue bonds are paid. The cities forming the Authority have planned that the Authority shall not create surplus cash balances from the use of City funds.

The Authority does not meet GASB requirements to be reported as a component unit but does meet the criteria as joint venture in the City’s financial statements; however, no asset will be recorded as the City does not have an equity interest. Payments made by the City for debt service and subsidizing operating costs will be recorded as operating expenses of the City. See also Note IV.D.

Audited financial statements are available for the Chisholm Creek Utility Authority at the office of the City of Park City, 6110 N. Hydraulic, Park City, Kansas 67219.

**B. Basis of Presentation**

The City’s basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City’s major funds).

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Eliminations of interfund charges and balances have been made in these statements to minimize the double-counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each program of the governmental activities. Direct expenses are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.



## Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

**Fund Financial Statements**

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The major governmental funds of the City are described below:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Bond and Interest Fund* is used to pay the general obligation and revenue bond debt service requirements of the City.

The *Capital Projects Fund* is used to account for temporary debt issued funds that are used to finance specific projects in the short-term.

The *Public Building Commission* is used to finance and pay for certain projects using revenue bonds.

The *Land Bank Fund* is used to account for maintaining and selling real property located within the City.

The major proprietary funds of the City are the *Water Fund* and the *Sewer Fund* and are used to account for revenues and expenses of those activities.

**C. Measurement Focus and Basis of Accounting and Fund Financial Statement Presentation**

**Government-wide Financial Statements** - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the City are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the budget year for which they are levied. Special assessments are recognized when levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Revenues are recognized as soon as they are both measurable and available. Revenues are

## Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state fuel tax, and franchise taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by merchants and/or the state at year-end on behalf of the City are recognized as revenue. Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year during which the entitlement is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds are charges to customers for sales and services. Operating expenses include the cost of sales and service, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources, as they are needed.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position****1. Deposits and Investments**

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. Investments are reported at fair value based on quoted market prices.

For the purposes of the statement of cash flows, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

## Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The investments of proceeds of long-term debt are governed by specific statutes and authorize the City to invest in the following:

- Investments authorized by K.S.A. 12-1675
- Direct obligations of the U.S. government or any other agency thereof
- Money market funds comprised entirely of obligations of the U.S. Treasury and agencies thereof
- Obligations of any municipality of Kansas
- Investment agreements with a financial institution rated in the three highest rating categories by Moody's or Standard and Poor's

The City pools temporarily idle cash from all funds for investments purposes. Each fund's portion of the pool is shown on the Statement of Net Position as cash, including investments. Deposits during the year included cash in interest bearing and demand bank accounts. Interest is allocated to each fund based on the respective invested balance.

The City follows GASB 72, *Fair Value Measurement and Application*, which establishes a framework for measuring fair value that requires or permits fair value measurement and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The guidance requires three levels of fair value measurement based on the respective inputs.

At December 31, 2023, investments consisted of funds invested in the Kansas Municipal Investment Pool (KMIP). The KMIP is an external investment pool not SEC (Securities and Exchange Commission) registered, which is regulated by the state and is valued at cost.

**2. Receivables**

Property tax receivable - In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 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 the 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 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are recorded as taxes receivable with a corresponding amount recorded as deferred inflows of resources on the balance sheets of the appropriate funds. It is not practical to apportion delinquent taxes held by the County Treasurer as of December 31, 2023. Estimated delinquencies are insignificant and have not been recorded.

Special assessment receivable - As required by state statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond

## Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

and Interest Fund. Further, state statutes require levying additional general ad valorem property taxes in the Bond and Interest Fund to finance delinquent special assessments.

The City's special assessment taxes are levied over a 15 to 20-year term of the bonds and the annual installments are due and payable with annual ad valorem property taxes. Liens may be foreclosed against the property benefited by the special assessments when delinquent assessments are two years in arrears. At December 31, 2023, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the Bond and Interest Fund with a corresponding amount recorded as deferred inflows of resources in the fund financial statements.

Real estate mortgage note receivable - The note receivable is from the sale of the previous City Hall. The note was entered into on June 1, 2004, for \$495,000, with an initial interest rate of 4.5%, for a period not to exceed 24.5 years. At December 31, 2023, the note balance was \$151,345.

**3. Property Held for Resale**

The City has transferred property to the Land Bank Fund. The purpose of the fund is to maintain and sell real property located within the City. The properties have been included as property held for resale in the Land Bank Fund.

**4. Capital Assets and Depreciation**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the governmental activities column of the government-wide statement of net position. Capital assets used by proprietary funds are reported in both the proprietary activities column of the government-wide statement of net position and in the individual proprietary funds. Donated assets are recorded at acquisition value as of the date of the donation.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Capital assets in the proprietary funds are accounted for in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets.

The City follows the policy of capitalizing assets with unit costs of \$2,500 or more. Depreciation of capital assets is computed and recorded by the straight-line method and is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Asset Class	Estimated Useful Lives
Buildings	40 years
Improvements/infrastructure	20-40 years
Equipment	5-10 years
Water System	35-40 years
Sewer System	40 years

**5. Accrued Compensated Absences**

The City’s policy regarding vacation permits employees with zero to five years continuous service to earn twelve days’ vacation pay, six to eleven years continuous service to earn fifteen days and for twelve or more years continuous service to earn eighteen days’ vacation pay. Earned vacation pay in excess of five days must be taken prior to the employee’s next earning date (January 1 of the following year) or be forfeited. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements.

The sick leave policy of the City provides that all regular employees shall earn one day of sick leave for each calendar month of service. The maximum accumulation of sick leave is 120 days. After ten years of continuous service with the City an employee shall receive compensation for up to 60 days (maximum of \$5,000) for unused accumulated sick leave when permanently separated from service by reason of death or retirement. Employees with continuous employment that started prior to 1990 shall be compensated for up to 50 days (no maximum amount) for unused accumulated sick leave when permanently separated from service by reason of death or retirement. All other accumulated sick leave is cancelled upon termination of employment.

**6. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond issuance costs are expensed in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**7. Pensions**

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan’s fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of

## Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERs) and additions to/deductions from KPERs fiduciary net position have been determined on the same basis as they are reported by KPERs. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**8. Fund Equity**

In the government-wide statements, equity is shown as net position and classified into three components:

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - consisting of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- Unrestricted net position - consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

In the governmental funds, equity is shown as fund balance and classified into five components:

- Nonspendable - Nonspendable consists of amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained.
- Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions or enabling legislation.

## Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Committed - This classification consists of amounts that can be used only for the specific purposes imposed by a resolution made by the City Council and cannot be used for any other purpose unless removed or changed by taking the same type of action that previously committed those amounts.
- Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the City Council or a City official delegated that authority. Encumbrances are considered as assigned unless they specifically meet the requirements to be restricted or committed.
- Unassigned - This consists of the residual balance for the general fund not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from expenditures exceeding amounts that had been restricted, committed or assigned.

The City applies restricted resources first to finance qualifying expenditures, when either restricted or unrestricted amounts are available. For unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts.

**9. *Deferred Inflows of Resources/Deferred Outflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category in the government-wide statement of net position, deferred outflows for pensions, deferred outflows for OPEB and deferred charges on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note IV. E. and IV. F. for more information on the deferred outflows for pensions and OPEB, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items, unavailable revenue, deferred revenue, deferred inflows for pensions and deferred inflows for OPEB that qualify for reporting in this category that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable.

## Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property taxes are not recognized as revenue until the period for which they are levied. The third and fourth items, deferred inflows for pensions and OPEB, are reported on the government-wide statement of net position. See Note IV. E. and IV. F., respectively, for more information on these deferred inflows.

**10. Land Project**

The City invested in the land project for projected growth and future development.

The land project originally consisted of approximately 1,600 acres of land (600 acres residential, 200 acres commercial and 800 acres industrial park) and is being accounted for by using the cost recovery method as allowed under GASB 62.

Capitalized costs of the land project include but are not limited to:

- Land acquisition and title costs
- Capitalized interest and debt issuance costs
- Street, sewers, grading, excavating, improvements and infrastructure
- Other development costs

Under the hybrid cost recovery method, as parcels of land are sold, the proceeds are offset against the total accumulated costs of the project. Other methods of matching costs, such as the specific identification method, the gross profit method and the unit/area method were not practical in the circumstances.

Management deemed that the current estimated fair value of the project is in excess of the remaining unrecovered costs. Unrecovered costs at December 31, 2023, amounted to \$1,870,525.

The industrial park portion of the land project was financed with Public Building Commission bonds and the amount outstanding at December 31, 2023 was \$11,380,000, also see Note III. C.

**11. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriations.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriations.



Notes to the Financial Statements

December 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

12. *Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities, (2) disclosures such as contingencies, and (3) the reported amounts of revenues and expenses included in such financial statements. Actual results could differ from those estimates.

Estimates significant to the financial statement include the valuation of land held for resale; see the Land Project discussion in No. 10 above.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Kansas statutes require budgets be adopted for all funds, unless exempted by a specific statute. The statutes provide for the following sequence and timetable in the adoption of the legal budget.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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 any time.

If the municipality is holding a revenue neutral rate hearing the budget timeline for adoption of the final budget has been adjusted to on or before September 20<sup>th</sup>. The City did hold a revenue neutral rate hearing this year.

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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Expenditures include disbursements accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments such as purchase orders or contracts.

A legal operating budget is not required for the following funds: Capital Improvement, Equipment Reserve, Capital Projects, Local Drug Forfeiture Fund, State Drug Forfeiture Fund, Federal Drug Forfeiture Fund, and the Public Building Commission.

Notes to the Financial Statements

December 31, 2023

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Deposits and Investments**

*Custodial Credit Risk.* For deposits, custodial credit risk is the risk that, in the event of a bank failure, the City will not be able to recover the value of its deposits. For deposits, the City’s policy follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less insured amounts, and that the collateral be held in safekeeping in the City’s name at other than the depository financial institution. To comply with the statutes, the City requires the issuance of joint custody receipts as evidence of the pledged collateral. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

At December 31, 2023, the City’s deposits were fully covered by federal depository insurance or collateralized by securities held by the City’s agent in the City’s name.

At December 31, 2023, the City had invested \$25,012,849 in the state’s municipal investment pool not SEC (Securities and Exchange Commission) registered. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the state pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The investment in the municipal investment pools is valued at cost.

*Credit Risk and Concentration of Credit Risk.* Kansas law limits the types of investments that can be made by the City, which inherently reduces its credit risk. Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. This risk can be measured by the assignment of a rating by a nationally recognized statistical rating organization. On December 31, 2023, 100% of the City’s investments, \$25,012,849, were invested in the Kansas Municipal Investment Pool, which is not rated.

*Interest Rate Risk.* As a means of managing its exposure to fair value losses arising from increasing interest rates, the City follows state statutes which generally limit investment maturities to two years. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. Investments in U.S. treasury coupon securities have a maturity of less than one year.

Deposits and investments at December 31, 2023 appear in the financial statements as summarized below:

Carrying amount of deposits	\$ 3,245,943
Carrying amount of investments	<u>25,012,849</u>
Total	<u>\$ 28,258,792</u>

Notes to the Financial Statements

December 31, 2023

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023	Increases	Decreases	Transfer	Balance December 31, 2023
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land and improvements					
Land Project	\$ 1,390,152	\$ --	--	\$ --	\$ 1,390,152
Parks, recreation, etc.	3,421,063	--	--	--	3,421,063
City Hall	400,752	--	--	--	400,752
Other	573,986	--	--	--	573,986
Construction in process	2,847,960	4,684,924	1,967,007	--	5,565,877
Total capital assets, not being depreciated	<u>8,633,913</u>	<u>4,684,924</u>	<u>1,967,007</u>	<u>--</u>	<u>11,351,830</u>
Capital assets, being depreciated					
Infrastructure	52,967,847	2,066,342	--	--	55,034,189
City Hall	2,950,273	--	--	--	2,950,273
Swimming pool	854,756	--	--	--	854,756
Other structures and equipment	4,112,452	531,162	--	--	4,643,614
Total capital assets, being depreciated	<u>60,885,328</u>	<u>2,597,504</u>	<u>--</u>	<u>--</u>	<u>63,482,832</u>
Less accumulated depreciation					
Infrastructure	18,121,346	1,362,259	--	--	19,483,605
City Hall	1,235,811	66,381	--	--	1,302,192
Swimming pool	435,930	25,643	--	--	461,573
Other structures and equipment	2,788,820	248,516	--	--	3,037,336
Total accumulated depreciation	<u>22,581,907</u>	<u>1,702,799</u>	<u>--</u>	<u>--</u>	<u>24,284,706</u>
Total capital assets, being depreciated, net	<u>38,303,421</u>	<u>894,705</u>	<u>--</u>	<u>--</u>	<u>39,198,126</u>
Governmental activities capital assets, net	<u>\$ 46,937,334</u>	<u>\$ 5,579,629</u>	<u>\$ 1,967,007</u>	<u>\$ --</u>	<u>\$ 50,549,956</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Administration, mayor and council	\$ 10,994
Police	73,697
Capital improvement program	77,004
Community development	1,485,493
Parks, grounds, recreation, pool, etc.	55,611
Total depreciation expense	<u>\$ 1,702,799</u>

Notes to the Financial Statements

December 31, 2023

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

	Balance January 1, 2023	Increases	Decreases	Transfer	Balance December 31, 2023
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land and improvements	\$ 534,040	\$ --	--	\$ --	\$ 534,040
Construction in process	2,334,382	2,577,927	686,692	--	4,225,617
Total capital assets, not being depreciated	<u>2,868,422</u>	<u>2,577,927</u>	<u>686,692</u>	<u>--</u>	<u>4,759,657</u>
Capital assets, being depreciated					
Plant and equipment	31,634,197	752,885	--	--	32,387,082
Less accumulated depreciation	11,669,092	875,506	--	--	12,544,598
Total capital assets, being depreciated, net	<u>19,965,105</u>	<u>(122,621)</u>	<u>--</u>	<u>--</u>	<u>19,842,484</u>
Proprietary activities capital assets, net	<u>\$ 22,833,527</u>	<u>\$ 2,455,306</u>	<u>\$ 686,692</u>	<u>\$ --</u>	<u>\$ 24,602,141</u>
Depreciation expense					<u>\$ 875,506</u>

C. Long-term debt

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due within one year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 32,625,000	\$ 5,425,000	\$ 2,245,000	\$ 35,805,000	\$ 2,415,000
Temporary notes	24,115,000	6,855,000	5,180,000	25,790,000	9,850,000
Revenue bonds - PBC	14,755,000	--	1,195,000	13,560,000	1,225,000
Rail loan	120,717	--	44,517	76,200	45,416
Premiums/discounts	1,830,777	105,705	169,969	1,766,513	--
Net pension liability	1,937,507	566,092	482,947	2,020,652	--
Total OPEB liability	37,534	30,206	28,243	39,497	--
Compensated absences	97,529	133,134	113,316	117,347	39,012
Total Governmental Activities	<u>\$ 75,519,064</u>	<u>\$ 13,115,137</u>	<u>\$ 9,458,992</u>	<u>\$ 79,175,209</u>	<u>\$ 13,574,428</u>
<b>Business-type Activities:</b>					
Revolving loans	\$ 846,021	\$ --	\$ 65,609	\$ 780,412	\$ 69,221
Net pension liability	472,028	125,783	148,832	448,979	--
Compensated absences	17,703	21,621	19,318	20,006	7,081
Total Business-type Activities	<u>\$ 1,335,752</u>	<u>\$ 147,404</u>	<u>\$ 233,759</u>	<u>\$ 1,249,397</u>	<u>\$ 76,302</u>

Compensated absences for the governmental activities are liquidated in the General Fund.

Notes to the Financial Statements

December 31, 2023

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**General Obligation Bonds and Notes**

The general obligation bonds to be paid with tax levies were issued to construct or acquire capital assets. Debt service payments are primarily made by the Bond and Interest Fund and the Public Building Commission. Temporary notes are generally paid from the Capital Projects Fund after bonds are issued.

General obligation bonds outstanding at December 31, 2023 are as follows:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Outstanding December 31, 2023</u>
Series 2014A	2.000% - 3.750%	\$ 1,100,000	10/1/2034	\$ 665,000
Series 2015A	2.000% - 2.500%	5,390,000	11/1/2027	1,250,000
Series 2015B	1.500% - 3.250%	575,000	11/1/2027	160,000
Series 2015D	2.000% - 3.500%	3,960,000	11/1/2036	2,765,000
Series 2015E	1.500% - 5.000%	220,000	11/1/2036	155,000
Series 2016A	2.000% - 4.000%	2,820,000	11/1/2037	1,925,000
Series 2017A	3.000% - 3.125%	5,545,000	11/1/2038	4,285,000
Series 2019A	2.000% - 3.000%	6,060,000	11/1/2040	5,335,000
Series 2019B	2.000% - 2.550%	1,430,000	11/1/2029	890,000
Series 2020B	1.400% - 2.000%	3,650,000	11/1/2041	2,795,000
Series 2021A	2.000% - 4.000%	5,135,000	11/1/2034	4,265,000
Series 2021C	2.125% - 4.000%	2,440,000	11/1/2041	2,255,000
Series 2022A	4.000% - 4.125%	3,635,000	11/1/2043	3,635,000
Series 2023A	4.000% - 5.000%	5,425,000	11/1/2044	5,425,000
Total		<u>\$ 47,385,000</u>		<u>\$ 35,805,000</u>

Temporary notes outstanding at December 31, 2023 are as follows:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Outstanding December 31, 2023</u>
Series 2021B	0.375%	\$ 9,850,000	12/1/2024	\$ 9,850,000
Series 2022B	3.000%	9,085,000	12/1/2025	9,085,000
Series 2023B	4.000%	6,855,000	12/1/2026	6,855,000
Total		<u>\$ 25,790,000</u>		<u>\$ 25,790,000</u>

Notes to the Financial Statements

December 31, 2023

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

The annual debt service requirements to amortize the general obligation bonds and temporary notes outstanding as of December 31, 2023 are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Temporary Notes	
	Principal	Interest	Principal	Interest
2024	\$ 2,415,000	\$ 1,114,265	\$ 9,850,000	\$ 585,973
2025	2,655,000	1,063,705	9,085,000	546,750
2026	2,715,000	982,261	6,855,000	274,200
2027	2,660,000	898,399	--	--
2028	2,210,000	810,499	--	--
2029 – 2033	10,325,000	3,009,020	--	--
2034 – 2038	7,730,000	1,564,621	--	--
2039 – 2043	4,700,000	525,378	--	--
2044 – 2047	395,000	17,281	--	--
Total	<u>\$ 35,805,000</u>	<u>\$ 9,985,429</u>	<u>\$ 25,790,000</u>	<u>\$ 1,406,923</u>

**City of Bel Aire Public Building Commission**

The City of Bel Aire Public Building Commission (PBC) is a component unit of the City. The City has authority to issue revenue bonds to finance the cost of acquiring and/or constructing land and facilities operated for a public purpose by a governmental entity. The PBC finances the debt service of the revenue bonds by leasing the land and facilities to the governmental entity which operates it. The operating governmental entity guarantees the rentals under the PBC lease. The PBC has no power to levy taxes, and revenue bonds issued by the PBC are not included in any legal debt limitation of the City. All revenues from City Hall rents, gray water sales, pool operations, and industrial land sales are pledged for debt service on the revenue bonds.

For the payment of its lease obligations, if necessary, the City may levy taxes on all taxable tangible property within its territorial jurisdiction. For the land project bonds, in addition to the lease payments, other revenue pledged for debt service include sales of land for industrial purposes.

Notes to the Financial Statements

December 31, 2023

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

The outstanding revenue bonds are as follows:

Purpose	Interest Rate	Original Issue	Maturity Date	Amount
Revenue Refunding Bonds - Series 2014A	2.000% - 4.000%	\$ 3,050,000	2/1/2030	\$ 1,620,000
Taxable Revenue Refunding Bonds - Series 2014B	2.000% - 4.600%	1,120,000	2/1/2030	560,000
Taxable Revenue Refunding Bonds - Series 2021	2.000% - 2.220%	<u>13,195,000</u>	5/1/2034	<u>11,380,000</u>
Total		<u>\$ 17,365,000</u>		<u>\$ 13,560,000</u>

The City has entered into capital lease agreements with the PBC for leases of the City Hall, swimming pool and the land project. Lease payments are to be in amounts adequate to pay the PBC's principal and interest maturities on its bonds payable. Future payments due from the City are reflected below:

Year	PBC Bonds		
	Principal	Interest	Total
2024	\$ 1,225,000	\$ 304,344	\$ 1,529,344
2025	1,245,000	273,950	1,518,950
2026	1,265,000	243,000	1,508,000
2027	1,300,000	211,200	1,511,200
2028	1,330,000	178,400	1,508,400
2029 – 2033	6,050,000	432,675	6,482,675
2034 – 2037	<u>1,145,000</u>	<u>12,595</u>	<u>1,157,595</u>
Total	<u>\$ 13,560,000</u>	<u>\$ 1,656,164</u>	<u>\$ 15,216,164</u>

Notes to the Financial Statements

December 31, 2023

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**Pledged Revenues**

The City has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The following table lists those revenues, the amount and term of pledge remaining, the current year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year, and approximate percentage of the revenue stream that has been committed. Annual principal and interest payments not funded by the pledged revenues noted below are budgeted and paid from the City’s general tax revenues:

<u>Issue</u>	<u>Revenue Pledged</u>	<u>Amount of Pledge</u>	<u>Term of Commitment</u>	<u>Percent of Revenue Pledged</u>	<u>Principal and Interest for 2023</u>	<u>Pledged Revenues Recognized in 2023</u>
<b>Governmental Activities</b>						
2021A	Land sales for industrial use	\$ 12,712,485	Through 2034	100%	\$ 1,155,160	\$ --
2014A	City hall rent and pool operations	\$ 1,857,000	Through 2030	100%	\$ 268,800	\$ 47,031
2014B	Grey water sales	\$ 646,679	Through 2030	100%	\$ 105,077	\$ 58,723

**Conduit Debt**

From time to time, the City has sponsored the issuance of Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership for the acquired facilities transfers to the private-sector entity served by the bond issuance. The City, state nor any political subdivision thereof is obligated in any manner for repayment of the bonds. The total amount outstanding at December 31, 2023 was \$80,159,509.



Notes to the Financial Statements

December 31, 2023

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**Revolving Loans**

The City entered into a loan agreement with the Kansas Department of Health and Environment for a project to reroute certain waterlines and replace existing user meters. The maximum amount of the loan is not to exceed \$858,942. Principal and interest payments commenced August 1, 2014 at 2.16% interest. At December 31, 2023, the balance of this loan was \$483,507.

The City entered into a loan agreement with the Kansas Department of Health and Environment for a project to provide for various improvements to the sanitary sewer system including manhole rehabilitation, replacement of several sewer lines, upgrade to wastewater pumping station and SCADA system. The maximum amount of the loan is not to exceed \$535,980. Principal and interest payments commenced September 1, 2014 at 2.12% interest. At December 31, 2023, the balance of this loan was \$296,905.

Annual debt service requirements as of December 31, 2023 are as follows:

Year	Business-type Activities			
	Water Fund		Sewer Fund	
	Principal	Interest	Principal	Interest
2024	\$ 42,619	\$ 8,797	\$ 26,602	\$ 5,662
2025	43,545	8,022	27,169	5,162
2026	44,491	7,229	27,748	4,651
2027	45,457	6,419	28,339	4,129
2028	46,444	5,592	28,943	3,596
2029 – 2033	247,794	14,911	122,074	8,827
2033 – 2037	13,157	238	36,030	910
Total	<u>\$ 483,507</u>	<u>\$ 51,208</u>	<u>\$ 296,905</u>	<u>\$ 32,937</u>

**Rail Loan**

The City entered into a loan agreement with the Kansas Department of Transportation for a project to build a railroad spur in the Sunflower Commerce Park. The maximum amount of the loan is not to exceed \$421,358. Payments commence upon the completion of the railroad spur at 2% interest. At December 31, 2023, the balance of this loan was \$76,200. Annual debt service requirements as of December 31, 2023 are as follows:

Year	Principal	Interest	Total
2024	\$ 45,416	\$ 1,109	\$ 46,525
2025	30,784	231	31,015
Total	<u>\$ 76,200</u>	<u>\$ 1,340</u>	<u>\$ 77,540</u>

Notes to the Financial Statements

December 31, 2023

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**D. Interfund Transfers**

A summary of interfund transfers by fund type for the year ended December 31, 2023 is as follows:

	Transfer to:					Total
	Capital Improvements	Equipment Reserve	Bond and Interest	PBC	Special Street and Highway	
Transfer from:						
General	\$ 1,957,871	\$ 100,000	\$ 640,695	\$ 1,459,478	\$ --	\$ 4,158,044
Capital Projects	--	--	166,520	--	--	166,520
Solid Waste	--	--	--	--	100,000	100,000
Water	--	150,000	99,836	--	--	249,836
Sewer	--	150,000	150,867	--	--	300,867
<b>Total</b>	<b>\$ 1,957,871</b>	<b>\$ 400,000</b>	<b>\$ 1,057,918</b>	<b>\$ 1,459,478</b>	<b>\$ 100,000</b>	<b>\$ 4,975,267</b>

Transfers are used to (1) move revenues from the fund that a statute or the budget requires to collect them to the fund that a statute or the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Bond and Interest Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds have been eliminated in the government-wide Statement of Activities.

Additionally, the Capital Projects Fund constructed assets in the amount of \$758,603 and \$1,819,324 to the Water and Sewer Funds, respectively. This activity is shown as an expenditure from the Capital Projects Fund and capital contribution revenue to the Water and Sewer Funds, in the fund financial statements. However, this activity is shown within transfers in the government-wide financial statements.

Notes to the Financial Statements

December 31, 2023

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**E. Fund Balances**

A summary of the components of governmental fund balance, by purpose, is as follows:

	General	Bond and Interest	Capital Projects	Public Building Commission	Land Bank	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	\$ 151,345	\$ --	\$ --	\$ --	\$ 480,373	\$ --	\$ 631,718
Restricted for:							
Bond and Interest	--	690,243	--	--	--	--	690,243
Land Bank	--	--	--	--	5,912,946	--	5,912,946
Capital projects	--	--	7,641,723	--	--	357,525	7,999,248
Public Building Commission	--	--	--	7,863	--	--	7,863
Drug forfeiture	--	--	--	--	--	3,653	3,653
Assigned to:							
Capital projects	--	--	--	--	--	2,382,360	2,382,360
Equipment Reserve	--	--	--	--	--	396,684	396,684
Unassigned	3,598,965	--	--	--	--	--	3,598,965
Total fund balance	\$ 3,750,310	\$ 690,243	\$ 7,641,723	\$ 7,863	\$ 6,393,319	\$ 3,140,222	\$ 21,623,680

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss from torts: theft, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

**B. Contingent Liabilities**

Various legal actions and claims against the City are currently pending. The ultimate liability that might result from their resolution is not presently determinable; however, in the opinion of management and counsel, the probability of material aggregate liabilities resulting from these claims is remote.

Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)**

**C. Construction Commitments**

The City had outstanding construction commitments for various capital projects and improvements at December 31, 2023 as follows:

Project	Project costs to date	Approved project amount
Woodlawn Construction	\$ 1,855,481	\$ 2,498,705
Woodlawn Water Utility Relocation	714,117	225,000
Woodlawn Sewer Utility Construction	288,242	600,000
Skyview 2nd Phase 2	-	1,547,000
Cedar Pass Phase 1	2,166,353	2,709,000
Chapel Landing Homestead	1,426,691	1,838,000
Chapel Landing Phase 2	1,655,926	1,894,000
Chapel Landing Phase 5	73,637	1,689,000
Elk Creek 3rd	-	443,305
Homestead	276,572	236,000
53rd Street Reconstruction	122,331	2,600,000
BA Lakes	134	2,991,000
Authur Heights	32,358	479,000
Aurora Park Phase 1	47,073	677,000
Cozy Drive	30,318	465,000
SCP 3rd	699,095	3,600,000
Street Improvement Discovery & Design	403,165	858,258
	\$ 9,791,493	\$ 25,350,268

**D. Commitments to Chisholm Creek Utility Authority**

The City’s Service Agreement with Chisholm Creek Utility Authority (Authority) requires the City to pay for minimum amounts of water and treated wastewater, whether such water is actually received by the City or whether such wastewater is actually accepted by the Authority and treated.

The Service Agreement also requires the City to maintain and collect rates and charges for service sufficient to a) pay its share of the expenses of the Authority, b) pay its share of the Authority’s debt service payments, c) enable the City to have in each fiscal year a coverage ratio, as defined by the agreement, of not less than 1.25 on all debt service requirements and of not less than 1.10 on any Additional Indebtedness, as defined by the agreement, and d) provide reasonable and adequate reserves for the payment of Additional Indebtedness.

The City’s obligations under the Service Agreement are several; no member of the Authority is responsible for payment obligations of any other member of the Authority.

Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)**

Similarly, as required by the bond covenants relating to bonds issued by the Authority, the rates charged by each city participating in the Authority to its residents and businesses should result in the funds necessary for the cities to pay for all the water and wastewater costs of the Authority in addition to all debt service payments. Provisions of the revenue bond rate covenant were complied with for 2023.

At year-end, the Authority had revenue bonds and a land contract outstanding in the principal and interest amount of \$21,067,834. The debt is more fully described in the audited financial statements of the Authority. Debt administration is handled by the Bank of New York and Security Bank of Kansas City, excluding the land contract.

During 2009, a temporary financing agreement was approved by the City for the Authority to make certain capital improvements to the wastewater treatment facilities. The improvements were approved up to \$3,918,306, of which the City of Bel Aire is liable for \$1,322,934. The temporary financing by the City will be repaid through the issuance of revenue bonds by the Authority. The payment of the revenue bonds will be through monthly payments by the cities to the Authority from revenues in utility funds.

Bel Aire’s scheduled share of payments due to the Authority for currently issued revenue bonds and interest as of December 31, 2023 are as follows:

Year	Interest and Principal
2024	\$ 2,057,394
2025	2,064,532
2026	2,022,876
2027	2,011,744
2028	2,012,612
2029 and thereafter	10,898,676
Total	<u>\$ 21,067,834</u>

The above payments are recognized as expenses incurred for water and sewer operations. Funding is to be provided by user charges.

## Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)****E. Pension and Other Post-Employment Benefit Plans****Defined Benefit Plans****General Information about the 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 <http://www.kpers.org> or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Benefits provided.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees with ten or more years of credited service may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points".

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)**

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions 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. 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 and KPERS 3 be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. 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 8.43% for KPERS for the fiscal year ended December 31, 2023.

Contributions to the pension plan from the City were \$224,749 for KPERS for the year ended December 31, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The City participates in the local (KPERS) group.

At December 31, 2023, the City reported a liability of \$2,470,631 for KPERS for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2023, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2022 which was rolled forward to June 30, 2023. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS, relative to the total employer and nonemployer contributions of the KPERS for the fiscal year ended June 30, 2023. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2023, the City's proportion and change from its proportion measured as of June 30, 2022 were as follows:

	<u>Net pension liability as of December 31, 2023</u>				
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Proportion as of June 30, 2023</u>	<u>Increase in proportion from June 30, 2022</u>
KPERS (local)	\$ 2,020,652	\$ 449,979	\$ 2,470,631	0.118%	-0.003%

Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)**

For the year ended December 31, 2023, the City recognized pension expense of \$457,867 for KPERS. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business - Type Activities	Governmental Activities	Business - Type Activities
Difference between expected and actual experience	\$ 167,974	\$ 37,323	\$ 284	\$ 64
Net difference between projected and actual earnings on pension plan investments	118,017	26,223	--	--
Changes in proportionate share	127,949	28,430	32,650	7,253
Changes in assumptions	214,161	47,585	--	--
City contributions subsequent to measurement date	94,604	21,021	--	--
<b>Total</b>	<b>\$ 722,705</b>	<b>\$ 160,582</b>	<b>\$ 32,934</b>	<b>\$ 7,317</b>

The \$115,625 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31:	Deferred Outflows (Inflows) of Resources	
	Governmental Activities	Business-Type Activities
2024	\$ 209,722	\$ 46,599
2025	127,827	28,403
2026	226,076	50,233
2027	30,910	6,868
2028	632	141
	<b>\$ 595,167</b>	<b>\$ 132,244</b>

*Actuarial assumptions.* The total pension liability for KPERS in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:



Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)**

Actuarial cost method	Entry age normal
Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2016. The experience study is dated January 7, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US equities	23.5%	5.20%
Non-US equities	23.5%	6.40%
Fixed income	11%	1.55%
Yield driven	8%	4.70%
Real return	11%	3.25%
Private real estate	11%	4.45%
Private equity	8%	9.50%
Short-term investments	4%	0.25%
	<u>100.0%</u>	

Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)**

*Discount rate.* The discount rate used by KPERS to measure the total pension liability at June 30, 2023 was 7.00%, which was unchanged from the prior year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for the state fiscal year 2023 was 1.2%. The local employers are currently contributing the full actuarial contribution rate. The expected employer actuarial contribution rate was modeled for future years, assuming all actuarial assumptions are met in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's KPERS proportionate share of the net pension liability	\$ 3,541,190	\$ 2,469,631	\$ 1,576,914
	<u>\$ 3,541,190</u>	<u>\$ 2,469,631</u>	<u>\$ 1,576,914</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

**Defined Contribution Plan 457 plan**

The City established a defined contribution plan for certain employees. The plan is administered by the ICMA Retirement Corporation, and any changes to the plan's provisions or the contribution requirements are determined by the governing body of the City. The contribution percentage is 7% and there is no match. The contributions by the City for 2023 were \$23,293.

**F. Other Post Employment Benefits**

**COBRA**

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. There is no cost to the City under this program.

## Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)****KPERS Death and Disability OPEB Plan**

*Plan Description.* The City participates in an agent multiple-employer defined benefit other post-employment benefit (OPEB) plan which is administered by KPERS. The plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

*Benefits provided:*

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

Long-term disability benefit: Monthly benefit is 60% of the member's monthly compensation, with a minimum of \$100 and maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of living increase.

Group life waiver of premium benefit: Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of disability or the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance policy.

Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)**

*Employees covered by benefit terms.* At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	39
	39
	39

Total OPEB Liability

The City’s total OPEB liability of \$39,497 was measured as of June 30, 2023 and was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023.

*Actuarial assumptions and other inputs.* The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50 to 10%, including price inflation
Discount rate	3.65%
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree share of benefit cost	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on an actuarial experience study for the period January 1, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2022 KPERS pension valuation.

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at fiscal year-end 12/31/22</b>	<b>\$ 37,534</b>
<b>Changes for the year:</b>	
Service cost	5,924
Interest	1,539
Effect of economic/demographic gains or losses	(5,244)
Effect of assumptions changes or inputs	(256)
<b>Net changes</b>	<b>1,963</b>
<b>Balance at fiscal year-end 12/31/23</b>	<b>\$ 39,497</b>

Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)**

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period and demographic assumption updates based on the most recent KPERS experience study. The discount rate increased from 3.54% on June 30, 2022 to 3.65% on June 30, 2023.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB liability	\$ 41,805	\$ 39,497	\$ 37,150

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS. Therefore, there is no sensitivity to a change in healthcare trend rates.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the City recognized OPEB expense of \$13,762. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 113,090	\$ 155,992
Changes in assumptions	13,325	13,811
Total	<u>\$ 126,415</u>	<u>\$ 169,803</u>

There were no benefit payments made subsequent to the measurement date to be recognized as a reduction in the total OPEB liability for the year ended December 31, 2023. The remaining amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:



## Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)****I. Pending Governmental Accounting Standards**

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

GASB Statement No. 99, Omnibus 2022, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including: 1) classification and reporting of derivative instruments within the scope of Statement No. 53 that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; 2) clarification of certain provisions in Statement No. 87, Statement No. 94 and Statement No. 96; 3) extension of the period during which the London Interbank offered Rate (LIBOR) is considered an appropriate benchmark interest rate of the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; 4) accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program; 5) disclosures related to nonmonetary transactions; 6) pledges of future revenues when resources are not received by the pledging government; 7) clarification of provisions in Statement No 34 related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63; and 8) terminology used in Statement No. 53 to refer to resource flows statements. The provisions of this statement for items 1 and 2 are effective for financial statements for the City's fiscal year ending December 31, 2024, and December 31, 2023, respectively. All other provisions of this statement are effective upon issuance.

GASB statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. This statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement also requires disclosure in the notes to the financial statements of descriptive information about accounting changes and error corrections. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2024.

GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2024.

Notes to the Financial Statements

December 31, 2023

**IV. OTHER INFORMATION (CONTINUED)**

GASB Statement No. 102, Certain Risk Disclosures, will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2025.



REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information

December 31, 2023

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.

For the City, this information includes:

- A budgetary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund
- A budgetary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budget Basis - Land Bank Fund
- Defined Benefit Pension Plans - Share of the Collective Net Pension Liability Kansas Public Employee Retirement System Last Ten Fiscal Years
- Defined Benefit Pension Plans - Schedule of City's Contributions Kansas Public Employees Retirement System Last Ten Years
- Other Post Employment Plans - Schedule of Changes in the City's Death & Disability Total OPEB Liability and Related Ratios Last Seven Fiscal Years

**Budgetary Comparison Schedule**

The City utilizes encumbrances for budgetary reporting purposes. Encumbrances relating to certain contractual agreements, supplies and equipment that have been ordered but not received are reported in the year the commitment arises for budgetary reporting purposes. However, for financial reporting purposes, the goods or services are reported when they are received. Also see Note II to the financial statements for additional budgetary information.

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
General Fund  
Year ended December 31, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Taxes and shared revenue:				
Ad valorem tax	\$ 3,700,561	\$ 3,650,201	\$ 3,650,201	\$ -
Delinquent tax	11,179	36,724	36,806	82
Motor vehicle tax	467,070	467,070	481,559	14,489
Sales tax	1,509,994	1,886,088	1,888,428	2,340
Franchise tax	734,428	820,243	828,601	8,358
Court fines	149,504	167,261	155,280	(11,981)
Licenses, permits and fees	402,600	434,284	426,559	(7,725)
Recreation fees	93,750	150,000	150,769	769
Rents and note collections	46,503	42,371	42,386	15
Intergovernmental	72,194	95,320	94,070	(1,250)
Interest	18,000	73,000	75,221	2,221
Other	41,307	53,306	173,203	119,897
<b>Total revenues</b>	<b>7,247,090</b>	<b>7,875,868</b>	<b>8,003,083</b>	<b>127,215</b>
<b>Expenditures:</b>				
City Administration:				
Personnel services	837,306	790,849	789,762	(1,087)
Contractual services	59,795	91,500	79,604	(11,896)
Operating expenses	53,500	39,000	43,883	4,883
Capital outlay	10,000	-	-	-
Community Development:				
Personnel services	332,197	309,317	305,399	(3,918)
Contractual services	62,202	64,218	68,019	3,801
Operating expenses	25,000	28,500	23,771	(4,729)
Law and Municipal Court:				
Personnel services	92,843	97,076	95,110	(1,966)
Contractual services	60,491	51,437	48,370	(3,067)
Operating expenses	7,200	6,200	4,407	(1,793)
Parks and Grounds:				
Personnel services	108,101	113,082	113,083	1
Contractual services	40,769	28,981	26,380	(2,601)
Operating expenses	40,600	47,650	49,515	1,865
Capital outlay	15,000	30,050	20,581	(9,469)
Police:				
Personnel services	1,322,747	1,204,735	1,263,181	58,446
Contractual services	110,252	118,330	115,630	(2,700)
Operating expenses	124,100	120,600	110,354	(10,246)
Recreation:				
Personnel services	282,591	289,830	285,030	(4,800)
Contractual services	59,460	65,471	62,293	(3,178)
Operating expenses	53,600	59,100	51,858	(7,242)
Senior Center:				
Personnel services	18,000	18,000	18,000	-
Contractual services	5,419	5,491	5,314	(177)
Operating expenses	5,550	3,500	3,526	26

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
General Fund (Continued)  
Year ended December 31, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Mayor and Council:				
Personnel services	22,631	22,631	22,891	260
Contractual services	26,279	49,649	72,096	22,447
Operating expenses	38,800	38,700	34,390	(4,310)
Central Park Pool:				
Personnel services	27,632	29,140	29,140	-
Contractual services	10,900	9,696	11,328	1,632
Operating expenses	14,000	9,016	8,913	(103)
Capital outlay	-	-	5,517	5,517
Economic Development:				
Personnel services	207,692	212,116	211,844	(272)
Contractual services	16,781	18,239	16,376	(1,863)
Operating expenses	30,200	33,700	32,640	(1,060)
Nondepartmental:				
Contractual services	199,700	290,800	268,972	(21,828)
Operating expenses	22,800	51,300	45,283	(6,017)
Capital outlay	55,000	60,000	41,923	(18,077)
Transfer out	3,510,065	4,289,163	4,158,044	(131,119)
Land project	108,000	105,136	102,048	(3,088)
	<u>8,017,203</u>	<u>8,802,203</u>	<u>8,644,475</u>	<u>(157,728)</u>
Net change in fund balance	<u>\$ (770,113)</u>	<u>\$ (926,335)</u>	(641,392)	<u>\$ 284,943</u>
<b>Fund balance, beginning of year</b>			<u>3,798,511</u>	
<b>Fund balance, end of year</b>			<u>\$ 3,157,119</u>	
Explanation of difference between budgetary and GAAP fund balance:				
Accrued revenues			<u>593,191</u>	
GAAP fund balance at end of year			<u>\$ 3,750,310</u>	

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - Budget Basis  
Land Bank Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Residential lot sales	\$ -	\$ -	\$ 425,922	\$ 425,922
Interest	50,000	50,000	233,460	183,460
Transfer in	135,000	135,000	-	(135,000)
	<u>185,000</u>	<u>185,000</u>	<u>659,382</u>	<u>474,382</u>
<b>Expenditures:</b>				
Land bank subjected to budget:				
Special assessments	200,000	200,000	1,071	(198,929)
Contractual services	-	-	24,775	24,775
	<u>200,000</u>	<u>200,000</u>	<u>25,846</u>	<u>(174,154)</u>
Net change in fund balance	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	633,536	<u>\$ 648,536</u>
<b>Fund balance, beginning of year</b>			<u>5,279,410</u>	
<b>Fund balance, end of year</b>			<u>\$ 5,912,946</u>	
Explanation of difference between budgetary and GAAP fund balance:				
Property held for resale			<u>480,373</u>	
GAAP fund balance at end of year			<u>\$ 6,393,319</u>	

**CITY OF BEL AIRE, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

Schedule of City's Proportionate Share of the Collective Net Pension Liability  
 Kansas Public Employees Retirement System  
 Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
City's proportion of the collective net pension liability	0.118%	0.121%	0.106%	0.104%	0.098%	0.096%	0.090%	0.087%	0.076%	0.076%
City's proportionate share of the net pension liability	\$ 2,469,631	\$ 2,409,535	\$ 1,273,936	\$ 1,799,776	\$ 1,369,673	\$ 1,331,099	\$ 1,298,316	\$ 1,353,388	\$ 1,002,884	\$ 931,409
City's covered payroll <sup>^</sup>	\$ 2,567,023	\$ 2,438,123	\$ 2,065,726	\$ 1,932,044	\$ 1,786,806	\$ 1,594,160	\$ 1,477,171	\$ 1,450,432	\$ 1,257,280	\$ 1,208,004
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	96%	99%	62%	93%	77%	83%	88%	93%	80%	77%
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%

GASB 68 requires presentation of ten years.

<sup>^</sup> Covered payroll is measured as of the measurement date ending June 30.

**CITY OF BEL AIRE, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

Schedule of City's Contributions  
 Kansas Public Employees Retirement System  
 Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 224,749	\$ 221,292	\$ 197,781	\$ 168,081	\$ 166,245	\$ 145,716	\$ 133,898	\$ 138,160	\$ 130,342	\$ 107,294
Contributions in relation to the contractually required contribution	(224,749)	(221,292)	(197,781)	(168,081)	(166,245)	(145,716)	(133,898)	(138,160)	(130,342)	(107,294)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll ^	\$ 2,672,804	\$ 2,496,991	\$ 2,240,888	\$ 1,998,715	\$ 1,870,020	\$ 1,736,656	\$ 1,569,560	\$ 1,337,466	\$ 1,374,918	\$ 1,107,270
Contributions as a percentage of covered payroll	8.41%	8.86%	8.83%	8.41%	8.89%	8.39%	8.53%	10.33%	9.48%	9.69%

GASB 68 requires presentation of ten years.

^ Covered payroll is measured as of the the fiscal year end December 31

**CITY OF BEL AIRE, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

Kansas Public Employees Retirement System  
Last Ten Fiscal Years

*Changes in benefit terms for KPERS. Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5% and then on January 1, 2015, increase to 6%, with an increase in benefit multiplier to 1.85% for future years of service. For KPERS 2 members retired after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85% multiplier for all years of service.*

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

Changes in assumptions for KPERS. As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3% to 2.75%.
- The investment return assumption was lowered from 8% to 7.75%.
- The general wage growth assumption was lowered from 4% to 3.5%.
- The payroll growth assumption was lowered from 4% to 3%.

Changes from the November 2016 experience study that impacted KPERS are listed below:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.5% to 6.25%.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.5%.
- The general wage growth assumption was lowered from 3.5% to 3.25%.
- The payroll growth assumption was lowered from 3% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

December 31, 2020 assumption changes included a decrease of the investment return assumption from 7.75% to 7.25% and increase in general wage growth assumption from 3.25% to 3.5%.

December 31, 2021, assumption changes included the following:

- For all groups, the investment rate of return assumption decreased from 7.25% to 7%.
- Interest crediting rate assumption for KPERS 3 members was lowered from 6.25% to 6%.
- Annuity interest rate assumption for KPERS 3 members was lowered from 5.75% to 5%.



**CITY OF BEL AIRE, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

Schedule of Changes in the City's  
 Death & Disability Total OPEB Liability and Related Ratios

Last Seven Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB liability</b>							
Service cost	\$ 5,924	\$ 8,764	\$ 8,277	\$ 6,988	\$ 6,349	\$ 6,313	\$ 6,051
Interest	1,539	5,086	4,444	1,860	3,007	3,627	3,515
Effect of economic/demographic gains or losses	(5,244)	(179,541)	40,698	141,938	(11,096)	(5,304)	-
Effect of assumptions changes or inputs	(256)	(15,878)	933	20,544	895	(778)	(2,030)
Benefit payments	-	(15,165)	(25,652)	(23,588)	(25,108)	(29,875)	(29,875)
<b>Net change in total OPEB liability</b>	1,963	(196,734)	28,700	147,742	(25,953)	(26,017)	(22,339)
<b>Total OPEB liability - beginning</b>	37,534	234,268	205,568	57,826	83,779	109,796	132,135
<b>Total OPEB liability - ending</b>	<u>\$ 39,497</u>	<u>\$ 37,534</u>	<u>\$ 234,268</u>	<u>\$ 205,568</u>	<u>\$ 57,826</u>	<u>\$ 83,779</u>	<u>\$ 109,796</u>
<b>Covered-employee payroll</b>	\$ 2,567,023	\$ 2,438,123	\$ 2,065,726	\$ 1,932,044	\$ 1,786,806	\$ 1,594,160	\$ 1,477,171
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	1.54%	1.54%	11.34%	10.64%	3.24%	5.26%	7.43%

\* GASB 75 requires presentation of ten years. As of December 31, 2023, only seven years of information is available  
 There are no assets accumulated in the trust to pay related benefits.

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.5% on June 30, 2019.
- The discount rate decreased from 3.5% on June 30, 2019 to 2.21% on June 30, 2020.
- The discount rate decreased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.
- The discount rate decreased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.
- The discount rate increased from 3.54% on June 30, 2022 to 3.65% on June 30, 2023.

SUPPLEMENTARY INFORMATION

**City of Bel Aire, Kansas**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023

	Special Revenue Funds				Capital Project Funds		Total Nonmajor Governmental Funds
	Special Street and Highway	Local Drug Forfeiture	State Drug Forfeiture	Federal Forfeiture	Capital Improvement	Equipment Reserve	
<b>Assets:</b>							
Cash, including investments	\$ 353,830	\$ 880	\$ 1,552	\$ 1,221	\$ 2,762,745	\$ 702,509	\$ 3,822,737
Receivables	8,766	-	-	-	-	-	8,766
Total assets	\$ 362,596	\$ 880	\$ 1,552	\$ 1,221	\$ 2,762,745	\$ 702,509	\$ 3,831,503
<b>Liabilities</b>							
Accounts and retainage payable	\$ 2,640	\$ -	\$ -	\$ -	\$ 52,983	\$ -	\$ 55,623
Accrued liabilities	2,431	-	-	-	-	-	2,431
Unearned grant revenue	-	-	-	-	633,227	-	633,227
Total liabilities	5,071	-	-	-	686,210	-	691,281
<b>Fund balance:</b>							
Restricted	357,525	880	1,552	1,221	-	-	361,178
Assigned	-	-	-	-	2,076,535	702,509	2,779,044
Total fund balance	357,525	880	1,552	1,221	2,076,535	702,509	3,140,222
Total liabilities, deferred inflows of resources and fund balance	\$ 362,596	\$ 880	\$ 1,552	\$ 1,221	\$ 2,762,745	\$ 702,509	\$ 3,831,503

**City of Bel Aire, Kansas**

Combining Schedule of Revenues, Expenditures and Changes in  
Fund Balances - Nonmajor Governmental Funds  
For the Year Ended December 31, 2023

	<u>Special Revenue Funds</u>				<u>Capital Project Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Special Street and Highway</u>	<u>Local Drug Forfeiture</u>	<u>State Drug Forfeiture</u>	<u>Federal Forfeiture</u>	<u>Capital Improvement</u>	<u>Equipment Reserve</u>	
<b>Revenues:</b>							
Taxes and shared revenues	\$ 336,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336,537
Intergovernmental revenues	-	-	-	-	634,000	-	634,000
Miscellaneous	-	-	-	-	124,633	25,357	149,990
Total revenues	<u>336,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>758,633</u>	<u>25,357</u>	<u>1,120,527</u>
<b>Expenditures:</b>							
Streets and highways	354,627	-	-	-	-	-	354,627
Capital outlay	-	-	-	-	2,366,491	197,524	2,564,015
Total expenditures	<u>354,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,366,491</u>	<u>197,524</u>	<u>2,918,642</u>
Excess of revenues over (under) expenditures	(18,090)	-	-	-	(1,607,858)	(172,167)	(1,798,115)
<b>Other financing sources (uses):</b>							
Transfers in	100,000	-	-	-	1,957,871	400,000	2,457,871
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,957,871</u>	<u>400,000</u>	<u>2,457,871</u>
Net change in fund balance	81,910	-	-	-	350,013	227,833	659,756
<b>Fund balance, beginning of year</b>	<u>275,615</u>	<u>880</u>	<u>1,552</u>	<u>1,221</u>	<u>1,726,522</u>	<u>474,676</u>	<u>2,480,466</u>
<b>Fund balance, end of year</b>	<u>\$ 357,525</u>	<u>\$ 880</u>	<u>\$ 1,552</u>	<u>\$ 1,221</u>	<u>\$ 2,076,535</u>	<u>\$ 702,509</u>	<u>\$ 3,140,222</u>

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
 Fund Balance - Governmental Fund - Budget and Actual (Budget Basis)  
 Bond and Interest Fund  
 For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Special assessments	\$ 2,307,075	2,307,075	\$ 2,388,270	\$ 81,195
Interest	300	300	61,869	61,569
Transfer in	1,129,838	1,129,838	1,057,918	(71,920)
Total revenues	<u>3,437,213</u>	<u>3,437,213</u>	<u>3,508,057</u>	<u>70,844</u>
<b>Expenditures:</b>				
Principal payments	2,317,100	2,317,100	2,245,000	(72,100)
Interest expense	1,101,004	1,101,004	967,922	(133,082)
Total expenditures	<u>3,418,104</u>	<u>3,418,104</u>	<u>3,212,922</u>	<u>(205,182)</u>
Net change in fund balance	<u>\$ 19,109</u>	<u>\$ 19,109</u>	295,135	<u>\$ 276,026</u>
<b>Fund balance, beginning of year</b>			<u>395,108</u>	
<b>Fund balance, end of year</b>			<u>\$ 690,243</u>	

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Governmental Fund - Actual (Budget Basis)  
Capital Projects Fund  
For the Year Ended December 31, 2023

	<b>Actual Amounts Budgetary Basis</b>
<b>Revenues:</b>	
Bond proceeds	\$ 6,855,000
Bond premiums	105,705
Interest	209,552
Refunding proceeds	5,310,360
Miscellaneous	76,388
Total revenues	12,557,005
 <b>Expenditures:</b>	
Cost of issuance	220,180
Rock Spring	4,196,418
Chapel Landing	1,278,718
Bristol Hollows	1,002,308
Skyview	447,727
Temporary note and bond principal	5,224,517
Temporary note and bond interest	398,180
Transfer out	166,520
Total expenditures	12,934,568
Net change in fund balance	(377,563)
<b>Fund balance, beginning of year</b>	8,019,286
<b>Fund balance, end of year</b>	\$ 7,641,723

**City of Bel Aire, Kansas**

Section VIII, Item A.

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Governmental Fund - Actual (Budget Basis)  
Public Building Commission  
For the Year Ended December 31, 2023

	<b>Actual Amounts Budgetary Basis</b>
<b>Revenues:</b>	
Industrial land sales	\$ 58,975
Transfer in	1,459,478
Total revenues	<u>1,518,453</u>
<b>Expenditures:</b>	
Fees	2,796
Bond principal	1,195,000
Bond interest	335,047
Total expenditures	<u>1,532,843</u>
Net change in fund balance	(14,390)
<b>Fund balance, beginning of year</b>	<u>22,253</u>
<b>Fund balance, end of year</b>	<u>\$ 7,863</u>

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Governmental Fund - Budget and Actual (Budget Basis)  
Special Street and Highway Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Taxes and Shared Revenue:				
State gas tax	\$ 230,770	\$ 230,770	\$ 233,645	\$ 2,875
County gas tax	100,050	100,050	102,892	2,842
Transfer in	100,000	100,000	100,000	-
<b>Total revenues</b>	<b>430,820</b>	<b>430,820</b>	<b>436,537</b>	<b>5,717</b>
<b>Expenditures:</b>				
Personnel services	90,455	90,455	101,346	10,891
Contractual services	126,716	126,716	132,114	5,398
Operating expense	154,250	154,250	111,497	(42,753)
Capital outlay	105,000	105,000	9,670	(95,330)
<b>Total expenditures</b>	<b>476,421</b>	<b>476,421</b>	<b>354,627</b>	<b>(121,794)</b>
<b>Net change in fund balance</b>	<b>\$ (45,601)</b>	<b>\$ (45,601)</b>	<b>81,910</b>	<b>\$ 127,511</b>
<b>Fund balance, beginning of year</b>			<b>275,615</b>	
<b>Fund balance, end of year</b>			<b>\$ 357,525</b>	



**City of Bel Aire, Kansas**  
Combining Balance Sheet  
Nonmajor Enterprise Funds  
December 31, 2023

	<u>Solid Waste</u>	<u>Stormwater</u>	<b>Total Nonmajor Enterprise</b>
<b>Assets:</b>			
Cash, including investments	\$ 340,523	\$ 485,488	\$ 826,011
Accounts receivable	<u>45,836</u>	<u>-</u>	<u>45,836</u>
Total assets	<u>386,359</u>	<u>485,488</u>	<u>871,847</u>
<b>Liabilities:</b>			
Accounts payable	<u>44,502</u>	<u>-</u>	<u>44,502</u>
Total liabilities	<u>44,502</u>	<u>-</u>	<u>44,502</u>
<b>Net position:</b>			
Unrestricted	<u>341,857</u>	<u>485,488</u>	<u>827,345</u>
Total net position	<u>\$ 341,857</u>	<u>\$ 485,488</u>	<u>\$ 827,345</u>

**City of Bel Aire, Kansas**

Combining Statement of Revenues, Expenses and Changes in Net Position  
 Nonmajor Enterprise Funds  
 December 31, 2023

	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total Nonmajor Enterprise</u>
<b>Operating revenues:</b>			
Utility income	\$ 672,585	\$ 98,691	\$ 771,276
Total operating revenues	<u>672,585</u>	<u>98,691</u>	<u>771,276</u>
<b>Operating expenses:</b>			
Contractual services	<u>535,257</u>	<u>12,744</u>	<u>548,001</u>
Total operating expenses	<u>535,257</u>	<u>12,744</u>	<u>548,001</u>
Operating income (loss)	<u>137,328</u>	<u>85,947</u>	<u>223,275</u>
<b>Non-operating revenues (expenses):</b>			
Interest and other	-	5,893	5,893
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Change in net position	<u>37,328</u>	<u>91,840</u>	<u>129,168</u>
<b>Net position, beginning of year</b>	<u>304,529</u>	<u>393,648</u>	<u>698,177</u>
<b>Net position, end of year</b>	<u>\$ 341,857</u>	<u>\$ 485,488</u>	<u>\$ 827,345</u>

**City of Bel Aire, Kansas**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2023

	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total Nonmajor Enterprise</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 667,133	\$ 98,691	\$ 765,824
Payments to suppliers for goods and services	(530,010)	(12,744)	(542,754)
Net cash flow from operating activities	137,123	85,947	223,070
<b>Cash flows from non-capital financing activities:</b>			
Transfers to other funds	(100,000)	-	(100,000)
Net cash flow from non-capital financing activities	(100,000)	-	(100,000)
<b>Cash flows from investing activities:</b>			
Interest on investments	-	5,893	5,893
Net cash flow from investing activities	-	5,893	5,893
Net increase in cash and cash equivalents	37,123	91,840	128,963
<b>Cash and cash equivalents, beginning of the year</b>	<b>303,400</b>	<b>393,648</b>	<b>697,048</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 340,523</b>	<b>\$ 485,488</b>	<b>\$ 826,011</b>
<b>Reconciliation of operating income to net cash flow from operating activities:</b>			
Operating income	\$ 137,328	\$ 85,947	\$ 223,275
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in accounts receivable	(5,452)	-	(5,452)
Change in accounts payable	5,247	-	5,247
Net cash flow from operating activities	<b>\$ 137,123</b>	<b>\$ 85,947</b>	<b>\$ 223,070</b>

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Enterprise Funds - Budget and Actual (Budget Basis)  
Water Fund

For the Year Ended December 31, 2023

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget Over/ (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Utility income	\$ 3,171,000	\$ 3,776,005	\$ 3,907,146	\$ 131,141
Interest income	5,000	79,000	81,007	2,007
Miscellaneous	10,000	20,000	26,104	6,104
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	3,186,000	3,875,005	4,014,257	139,252
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>				
Personnel services	372,434	372,434	364,998	(7,436)
Contractual services	2,096,602	2,446,905	2,419,737	(27,168)
Commodities	473,600	588,600	597,474	8,874
Capital outlay	300,000	400,000	344,240	(55,760)
Debt service	51,715	51,715	51,715	-
Transfer out	249,836	249,836	249,836	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,544,187	4,109,490	4,028,000	(81,490)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	<u>\$ (358,187)</u>	<u>\$ (234,485)</u>	(13,743)	<u>\$ 220,742</u>
<b>Fund balance, beginning of year</b>			<u>2,408,375</u>	
<b>Fund balance, end of year</b>			<u>\$ 2,394,632</u>	

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Enterprise Funds - Budget and Actual (Budget Basis)  
Sewer Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Utility income	\$ 2,787,289	\$ 3,087,383	\$ 3,151,515	\$ 64,132
Interest income	10,000	112,000	113,780	1,780
Total revenues	<u>2,797,289</u>	<u>3,199,383</u>	<u>3,265,295</u>	<u>65,912</u>
<b>Expenditures:</b>				
Personnel services	376,526	376,526	361,293	(15,233)
Contractual services	1,591,876	1,663,335	1,558,684	(104,651)
Commodities	493,500	504,500	265,709	(238,791)
Capital outlay	300,000	900,000	793,855	(106,145)
Debt service	31,689	31,689	31,688	(1)
Transfer out	300,867	300,867	300,867	-
Total expenditures	<u>3,094,458</u>	<u>3,776,917</u>	<u>3,312,096</u>	<u>(464,821)</u>
Net change in fund balance	<u>\$ (297,169)</u>	<u>\$ (577,534)</u>	(46,801)	<u>\$ 530,733</u>
<b>Fund balance, beginning of year</b>			<u>3,172,617</u>	
<b>Fund balance, end of year</b>			<u>\$ 3,125,816</u>	

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Enterprise Funds - Budget and Actual (Budget Basis)  
Solid Waste Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Utility income	\$ 587,077	\$ 587,077	\$ 667,133	\$ 80,056
Total revenues	587,077	587,077	667,133	80,056
<b>Expenditures:</b>				
Contractual services	544,177	544,177	535,257	(8,920)
Transfers out	100,000	100,000	100,000	-
Total expenditures	644,177	644,177	635,257	(8,920)
Net change in fund balance	<u>\$ (57,100)</u>	<u>\$ (57,100)</u>	31,876	<u>\$ 88,976</u>
Fund balance, beginning of year			264,145	
Fund balance, end of year			<u>\$ 296,021</u>	

**City of Bel Aire, Kansas**

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Enterprise Funds - Budget and Actual (Budget Basis)  
Stormwater Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Utility income	\$ 86,600	\$ 86,600	\$ 98,691	\$ 12,091
Interest income	-	-	5,893	5,893
Total revenues	86,600	86,600	104,584	17,984
<b>Expenditures:</b>				
Contractual services	5,000	5,000	12,744	7,744
Capital outlay	446,157	446,157	-	(446,157)
Total expenditures	451,157	451,157	12,744	(438,413)
Net change in fund balance	<u>\$ (364,557)</u>	<u>\$ (364,557)</u>	91,840	<u>\$ 456,397</u>
Fund balance, beginning of year			393,648	
Fund balance, end of year			<u>\$ 485,488</u>	

The Honorable Mayor and City Council Members  
**City of Bel Aire, Kansas**

We are pleased to present this report related to our audit of the basic financial statements of the City of Bel Aire, Kansas (the City) as of and for the year ended December 31, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process.

This report is intended solely for the information and use of the City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Auditing Standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

This letter includes other comments and suggestions with respect to matters that came to our attention in connection with our audit of the City financial statements. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the City's practices and procedures.

### **Our Responsibilities with Regard to the Financial Statement Audit**

Our responsibilities under auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide* have been described to you in our arrangement letter dated January 29, 2024. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated January 29, 2024 regarding the planned scope and timing of our audit and identified significant risks. We made no significant changes to the scope or timing of our procedures.

### **Accounting Policies and Practices**

Preferability of Accounting Policies and Practices - Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies - Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. The City did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.



Significant Accounting Policies - We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions - We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates - Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the City's December 31, 2023 basic financial statements.

- Land project valuation - Management evaluates the valuation of the land held for sale by comparing current year sales to asking prices and utilizing appraisals in the selling documents. As a basis for our conclusions, we compared asking prices to actual sales.
- Net pension liability - The City followed guidelines in GASB Statement No. 68 for reporting its proportionate share of KPERS' collective net pension liability. This included obtaining KPERS' report on Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2023, which was audited by other auditors. The City compared contributions made by the City to amounts included in this report. As a basis for our conclusions, we reviewed KPERS' report for reasonableness and verified and recalculated the City's information provided in the report.
- Total Other Post-Employment Benefit (OPEB) Liability - The City participates in KPERS' death and disability OPEB plan. The City followed guidelines in GASB statement No. 75 for reporting its share of the KPERS' death and disability OPEB plan. This included obtaining an actuary report as of June 30, 2023 provided by KPERS' on the City's share of this plan liability. As a basis for our conclusion, we reviewed KPERS' report for reasonableness and verified and recalculated the City's information provided in the report.

### **Audit Adjustments and Uncorrected Misstatements**

Audit adjustments proposed by us and recorded by management are summarized below:

- to adjust beginning fund balance in various funds related to prior year audit adjustments
- to record debt activity for amounts paid directly by the trustee
- to adjust accounts payable and other accrued liabilities
- to properly record sales tax, mortgage, property tax, franchise tax, water and sewer and other operating receivables for amounts collected after year-end
- to adjust special assessments receivable
- to properly record the movement of funds to record long term debt activity
- various capital asset adjustments
- to record the net pension liability and total OPEB liability and related deferred inflows and outflows of resources
- to convert fund data for proper inclusion into the government-wide financial statements
- to record purchases and sales during the year of land held for sale
- to record unearned revenue for ARPA grant revenue received in advance of eligibility requirements being met

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

### Management Representations

In connection with our audit procedures, we have obtained a written management representation letter. This representation letter constitutes written acknowledgments by management that it has the primary responsibility for the fair presentation of the financial statements in conformity with generally accepted accounting principles and also includes the more significant and specific oral representations made by officers and employees during the course of the audit. The letter is intended to reduce the possibility of misunderstandings between us and the City and reminds the signing officers to consider seriously whether all material liabilities, commitments and contingencies or other important financial information have been brought to our attention.

### Observations About the Audit Process

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit year; we encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements; we are not aware of any consultations management had with other accountants about accounting or auditing matters; no significant issues arising from the audit were discussed or the subject of correspondence with management; we did not encounter any difficulties in dealing with management relating to the performance of the audit; and we did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

### Shared Responsibilities for Independence

Independence is a **joint responsibility** and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with AICPA independence rules. For Allen, Gibbs & Houlik, L.C. (AGH) to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and AGH each play an important role.

### Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. AGH is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality control over compliance with independence rules and firm policies.

### The City's Responsibilities

- Timely inform AGH, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, officers, or persons in financial reporting and compliance oversight roles.
  - Changes in the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, and component units.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the City and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with AGH.

- Not entering into arrangements of nonaudit services resulting in AGH being involved in making management decisions on behalf of the City.
- Not entering into relationships resulting in AGH, AGH covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the City.

**Internal Control Matters**

In planning and performing our audit of the financial statements of the City as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, 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 opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* 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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

*A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the City’s internal control to be material weaknesses:

Accounting and Financial Reporting: The City’s management is responsible for the accuracy, completeness and fairness of the data presented in the basic financial statements, including all disclosures. Management generated budgetary fund-level financial statements and provided supporting information to assist the auditors in compiling components of the footnotes, fund level statements and government-wide financial statements that are in accordance with generally accepted accounting principles. Throughout the course of the audit, the auditors identified several adjusting entries to prepare the fund level statements, government-wide financial statements and complete set of notes to the financial statements. Management does review the adjusting entries and financial statements prepared by the auditors. We recommend the City develop policies and procedures by generally accepted accounting principles and ensure personnel receive ongoing training related to the preparation of the annual financial statements.

- A deficiency exists in controls over procedures used to initiate, authorize, record and process certain journal entries into the general ledger, and record recurring and nonrecurring adjustments to the financial statement including: activity recorded for capital assets (see more

detail below); activity recorded for debt; and adjustments for accounts receivable, accounts payable, and other liabilities. We recommend that the City develop policies and procedures to identify, evaluate and properly record all activity in the general ledger or as top-side report entries, as applicable.

- Certain adjustments to the capital asset records were required as a result of our procedures including: identification of completed construction in process (CIP) projects, and removal of those project; recording of expenses to proper CIP projects; recording CIP in the water and sewer funds; and recording of land project transactions. We recommend that the City develop procedures to capture, track and record all capital asset activity.

The deficiency described above could result in misstatements to the basic financial statements.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the City's internal control to be a significant deficiency:

- Municipal Court receivable/revenue segregation of duties: One employee has the ability to enter traffic violations and violations of City ordinances and has the ability to accept payments as well. Compensating controls include that all cash and checks collected by the court clerk are processed and posted into the system by the Treasurer's Department. We recommend the City evaluate if the system can produce a report that shows changes made to tickets within the system.

The deficiencies below are deficiencies in internal control that have compensating controls put into place by management, to help mitigate, but not eliminate the risk of material misstatement. We consider the following to be classified as internal control deficiencies:

Segregation of duties:

- Payroll - One employee inputs employee master file information (can enter data for new employees and change pay rates), enters pay period information and processes payroll. Compensating controls include: the financial statements are reviewed and compared to budget monthly by department heads and the City Council. A calculation verification report is reviewed by both the payroll clerk and the Director of Finance each payroll cycle. Starting mid-2021, the system allowed for the Director of Finance to limit his access so he no longer can make pay changes. However, he can still grant himself this access and does when needing to fill in for the payroll clerk. We recommended in the 2021 governance letter that the City implement an authorization or approval process for changes made to the payroll system through review of master file change reports. In September 2022, the City Manager, who does not have access to make payroll changes, did begin reviewing payroll change reports quarterly and has continued this review through 2023. We viewed these reports, noting the City Manager's signatures for all quarters of 2023. As of April 2024, the City Manager now reviews these reports every pay period.
- Accounting system - One employee has access to all areas of the accounting software, which provides for the opportunity for management override of controls. Compensating controls include: the financial statements are reviewed and compared to budget monthly by department heads and the City Council. Additionally, all journal entries recorded in the system are reviewed by both the Director of Finance and Treasurer. We recommended in the 2021 governance letter

that someone independent of the accounting process reviews the entered budget and compares to the legal budget. For fiscal year 2023, the City had the City Clerk, who does not have access to the system, review the budget entered into the system for accuracy to approved budget.

- Accounts receivable/revenue - One employee has the ability to enter and adjust approved rates into the utility billing system, to accept payments for utilities, and to prepare and make the bank deposits. Starting mid-2021, access to make changes to utility rates was limited to only the Director of Finance. We recommended in the 2021 governance letter that someone independent of the rate approval process reviews changes to utility rates. For fiscal year 2023, the City implemented an additional control where the City Clerk did review the rate changes made by the Director of Finance for accuracy.

Potential effects of the above noted significant and control deficiencies include recording of fraudulent transactions resulting in potential misappropriation of assets that may not be detected in a timely manner. For the remaining significant deficiency, the City is currently evaluating additional mitigating controls in that area to assist in mitigating risk of misstatement.

### **Other Matters**

Cybersecurity - Effective cybersecurity risk management continues to be more important than ever in today's environment. Those charged with governance and executive management (the governance team) face an enormous challenge: to oversee how the organization manages cybersecurity risk.

An effective cybersecurity risk management program includes assessments of your comprehensive risk, controls and vulnerabilities to provide reasonable, but not absolute, assurance that material breaches are prevented or detected, and mitigated in a timely manner. The combined effects of an organization's dependency on IT, the complexity of IT networks and business applications, extensive reliance on third parties and human nature (i.e., susceptibility to social engineering) are only likely to increase the need for effective cybersecurity risk management programs.

As a best practice, we encourage executive management to be intimately involved with the risk management program and to share the results with the governance team.

Comprehensive Policy and Procedure Review - Given the broad and deep scope of your operations, you should consider completing a comprehensive evaluation of the adequacy and effectiveness of the entity's internal financial policies, processes and procedures, including a comparison to best practices among organizations the same size.

For entities that have experienced budget cuts in the finance area or those that have experienced turnover, a periodic review of controls is imperative. Even if your finance team has been stable over the years, we remind you that even the best design of controls is only as good as the people who carryout and execute such controls.

Financial policies, procedures and processes are a key element of sound fiscal administration. When policies are effective, they can preserve or enhance the fiscal health and wealth of the organization and create efficiencies for staff members.

This comprehensive evaluation could include:

1. Evaluation of existing controls
2. Identification of financial policies that could lead to vulnerability to fraud and/or abuse
3. For those identified weaknesses and risks, recommendations for improvements

AGHUniversity Resources - As part of AGH's ongoing commitment to serve as a trusted advisor, we offer these resources as a key part of the additional value AGH provides beyond the engagement itself:

- AGHUniversity.com - a full schedule of complimentary CPE or current and relevant topics and other updates to clients throughout the year. Free registration and webinars are available for the Company's staff and board members at aghuniversity.com. A sample of recent topics include Lease accounting; Become a destination employer: 5 factors you must get right; 6 steps to improving employee soft skills - Along with productivity and profitability; Measuring what matters in your 401(k) plan for recruitment, retention and reward; Cybersecurity: Protect your organization from cybercriminals; and 10 steps to prepare your business for a sale.
- AGH alerts and newsletters - This includes periodic mailings or emails to alert clients to new accounting standards or regulatory changes.

**Closing**

We will be pleased to respond to any questions you have about this report or set up an introductory meeting to discuss the other recommendations at no charge. We appreciate the opportunity to continue to be of service to the City of Bel Aire, Kansas.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS  
June 27, 2024

City of Bel Aire, Kansas



## STAFF REPORT

DATE: 8/6/2024

TO: Ted Henry, City Manager

FROM: Barry Smith, Director of Finance

RE: Report on Implementation of Auditor's Recommendations from 2023 Governance Letter

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Auditors from Allen, Gibbs & Houlik L.C. (AGH) have completed the audit of the City's 2023 financial statements. Accompanying the audit was a Governing Body Communication letter dated June 27, 2024 that identifies areas of needed improvement in the City's internal control processes.

This memo highlights those deficiencies, and the corrective actions staff has already taken or will be taking in the future to address the concerns. AGH auditors have assured staff that the identified areas are due to the City's small staff size which is common among cities of the second class. These are the same weaknesses identified in the past audit years.

Below, we provide an overview of the actions taken in response to each recommendation.

### Accounting and Financial Reporting:

**Financial Statement Preparation:** City staff members do not currently possess the level of training required to prepare the annual financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Although the American Society of CPA's indicates that financial statements and note disclosures should be prepared "in-house" by a staff accountant, this requirement is not very realistic for most small municipalities, and many have this issue identified during their audit. The Finance department will begin working with our auditor on selecting training to begin completing these tasks for our next audit period.

**Journal Entry/ Capital Asset:** This deficiency is related to capital asset recording. Prior to the audit, capital projects funded with temporary notes were not considered to be assets until the permanent financing (GO bond) was issued. Auditors will continue to work with staff to ensure that going forward, capital projects will be moved from the "Construction In Progress" report to the schedule of assets when they are placed in service, not when they are bonded, however this improvement was not enough to fully remove this deficiency for 2023.

### Municipal Court receivable/revenue

One employee has the ability to enter traffic violations and violations of City ordinances and has the ability to accept payments as well. Compensating controls include that all cash and checks collected by the court clerk are processed and posted into the system by the Treasurer's Department. We recommend the City evaluate if the system can produce a report that shows changes made to tickets within the system.

### Payroll System Authorization and Approval Process:

The auditors in the 2021 Governance Letter (published in July of 2022) recommended the establishment of an authorization or approval process for changes made to the payroll system through the review of master file change reports. Currently, the City Manager reviews all pay increases and approves with his signature. Following the July 2022 recommendation, we developed a process where the City Manager quarterly reviews payroll change reports from the accounting system. This new process simply confirms the pay amount is correctly entered into our accounting system. As stated in the governance letter, in April of 2024 the quarterly reviews of payroll change reports were changed to every pay period. Also,

the Finance Director reviews each payroll upon it being entered into our software and after the bank file has been created to ensure no changes were made between approval steps.

In summary, we have made progress as a staff over the past several years. One of our biggest headaches is the inability of our current software to address some of these concerns. As we move forward with our software implementation with Tyler Technologies, it has allowed us to begin reviewing every single operational process throughout our organization. Reviewing these processes has been beneficial to all of us as we implement our new software in a way to mitigate, if not remove, most of the items of concern from our auditor. We look forward to reducing this list as we continue our new software implementation.



(Published in the *Ark Valley News* on \_\_\_\_\_.)

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE CHANGING THE ZONING DISTRICT OF CERTAIN LANDS LOCATED IN THE CITY OF BEL AIRE, KANSAS, UNDER THE AUTHORITY GRANTED BY THE ZONING REGULATIONS OF THE CITY**

WHEREAS, the Governing Body of the City of Bel Aire, Kansas (the “City”) has received a recommendation from the Bel Aire Planning Commission; and

WHEREAS, the Governing Body finds proper notice was given and a public hearing was held as provided by law and under authority and subject to the provisions of the Zoning Regulations of the City.

**BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF BEL AIRE, KANSAS.**

**Case No. ZON-24-01**

**SECTION 1.** The Governing Body supports the first recommendation of the Bel Aire Planning Commission and approves the rezoning request for approximately 80 acres of the parcel from R-4 Single-Family Residential District to AG Agricultural District on property legally described as:

E1/2 SW1/4 SEC 13-26-1E, Bel Aire, Sedgwick County, Kansas.  
(PIN Number 00520983)

**SECTION 2.** The Governing Body supports the second recommendation of the Bel Aire Planning Commission and approves the request to build a barn on land rezoned, in the location as presented.

**SECTION 3.** This Ordinance shall take effect and be in force from and after its adoption by the Governing Body of the City, approval by the Mayor, and publication in the official newspaper of the City.

*[Reminder of Page Intentionally Left Blank]*

PASSED AND APPROVED by the Governing Body of the City of Bel Aire, Kansas this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Jim Benage, Mayor

ATTEST:

\_\_\_\_\_  
Melissa Krehbiel, City Clerk

(SEAL)

Approved as to Form Only:

\_\_\_\_\_  
Maria A. Schrock, City Attorney

City of Bel Aire

STAFF REPORT

DATE: 07/05/2024

TO: Bel Aire Planning Commission
FROM: Keith Price
RE: Agenda

Table with 2 columns: FOR MEETING OF, 7/11/24. Rows include CITY COUNCIL and INFORMATION ONLY.

SUMMARY:

ZON2024-00031 (county)

Brad Eatherly, will present 5601 N 127th Street East and they are looking to rezone from RR to GI General Industrial in order to bring their tree service business into conformance. This case falls within the area of influence of the City of Bel Aire, an area recognized by MAPC. The Bel Aire code sections below provide the purpose of the Extraterritorial Zoning once established and is the reason this case is brought to this commission for review.

18.1.2. Authority and jurisdiction.

These regulations are adopted under authority established by K.S.A. 12-741 et seq., and as amended, including K.S.A. 12-736, 12-753 to 12-761, 12-763, 12-764, 12-766, 12-3301 - 12-3302, and 12-3009 to 12-3012. These regulations shall apply to all buildings, structures and land within the corporate limits of the City of Bel Aire, Kansas, as presently exist, as may be hereafter established, or as incorporated within by annexation. Nothing herein shall be construed to preclude the City from engaging in extraterritorial planning activities pursuant to K.S.A. 12-743, and amendments thereto.

18.1.3. Purpose.

These regulations are intended to serve the following purposes:

To promote the public health, safety, morals, comfort and general welfare;

To establish a variety of zoning district classifications according to the use of land and buildings with varying intensities of uses and standards whose interrelationships of boundary zones form a compatible pattern of land uses and buffer areas which enhance the value of each zone;

To regulate and restrict the location, use and appearance of buildings, structures and land within each district and to zone for residential, commercial, industrial and other purposes including flood plains;

To regulate and restrict the height, number of stories and size of buildings and structures; their distance from any street or highway; the percentage of each lot that may be occupied by buildings and other structures; and size of yards, courts and other open spaces;

To protect property values and conserve energy and natural resources;

To provide for adequate light and air and acceptable noise levels;

To avoid the undue concentration of population and vehicular traffic and to prevent overcrowding the use of land and public facilities;

To facilitate the adequate provision of transportation, water supply, sewage disposal, schools, parks and other public improvements;

To provide adequate public notice on proposed changes in these regulations and zoning maps and an opportunity to be heard on such zoning matters;

To establish and provide procedures for the Board of Zoning Appeals to consider appeals, variances and exceptions; and

To implement the goals, policies and proposals of the comprehensive plan for the zoning jurisdiction.

**ZON-24-01. Proposed re-zoning approximately 80+/- acres zoned R-4, to an AG Agricultural Use to allow a non-business horse-riding barn and stable.**

The city placed an ad in the Ark Valley Newspaper and sent out notifications to the property owners within the 200' and 1,000' notification area as required by the city code. A city review to the representative went out to Chris Morlan that is in your packets. A staff report was provided for the sketch plan for the May 9<sup>th</sup>, 2024 meeting that contained relevant information for review.

**History**

The current zoning has been in place since 2006 as an R-4 residential zoned district. The land has been vacant since that time.

The neighboring property to the west near 53<sup>rd</sup> st is still zoned R-4 that was approved with a conditional use permit during the platting process completed in 2016. Future growth was a factor in retaining the R-4 zoning district. Property north of the platted area is unplatted and not developed. Animals were removed to meet city code.

The property north of the Englert addition is unplatted and the north line lines up near the half section line of the subject property. North properties are in the county and Kechi and are zoned rural residential and agriculture respectively.

East of the property is zoned Ag that has three different residences on four parcels.

South of the property is Bel Aire. The parcel west was recently annexed into the City limits in 2023 by Ordinance 702 without mention of zoning to a certain district. Currently it is

zoned Agriculture by the 2024 zoning map. Further east on the south side of 5 single family dwellings in a duplex constructed layout.

**Discussion**

• **The character of the neighborhood;**

The Kechi and county are rural residential, Bel Aire has housing that is built and utilized for the current zoning. Undeveloped grass land is near the location of the structures shown in the packet.

• **The zoning and uses of nearby properties;**

North- Rural residential, Agriculture  
East-Rural residential  
South-R-4 single family, Agriculture  
West-R-4 single family

• **The suitability of the subject property for the uses to which it has been restricted;**

Many of the agriculture uses listed wouldn't be a good fit for the residential housing. The agriculture district is considered a holding district for future developments. At the same time R-4 is what the future zoning has been planned for by Bel Aire.

• **The extent to which removal of the restrictions will detrimentally affect nearby property;**

Agriculture permitted partial uses listed of concern from the Bel Aire zoning code and a definition added for ag services from the web:  
Agricultural production – crops  
Agricultural production – livestock and animal specialties  
Agricultural services- Such as i.e. The production, processing, marketing, supply, and distribution of agricultural products and services.  
Activities such as crop and animal husbandry, agricultural processing, marketing, trade and distribution, and food services.  
Actions made under the direction of a farmer provide value to another entity.  
Accessory Structures typically associated with agricultural services, and ordinary domestic household needs.  
Accessory structures associated with other types of businesses shall comply with such regulations as set forth within Section 6.06 of this Zoning Code.

• **The length of time the property has been vacant as zoned;**

2006 to 2024, 18 years.

- **The relative gain to the public health, safety, and welfare by the destruction of value of petitioner’s property as compared to the hardship imposed upon the individual landowners;**

The landowner resides east of the location for the request on 30 acres that would support a barn and stable. The land contained in the application has been included in future modeling, design and construction for water and sewer design sizing to provide city services to the area. The land was purchased after the current zoning and master plan was in place. Water and sewer services are readily available to develop the area. No gain to the public is perceived; the meeting will help determine the hardship for Mr Smith and family.

- **Recommendations of permanent staff; and**

A proposal of rezoning only the north half of the parcel is the recommendation to the planning commission by staff. Agriculture zoned districts can also be used as a holding district, but there is no reason to revert back to Agriculture for more than the requested building area. Agriculture districts are used for holding zones when utilities are not available; utilities are available from the south. The legal description can be done by metes and bounds, or lot split could be part of the upcoming processes if easements can be granted.

- **Conformance of the requested change to the adopted or recognized master plan being utilized by the city.**

The City adopted 2014 Comprehensive plan vision map indicates this would be R-4 residential, the request doesn’t meet that category.

The adopted 2018 Master growth plan balanced growth preferred map 3.4 indicates residential use with a future park service area north of 53<sup>rd</sup> Street. The request doesn’t meet the master plan preferred use.

The City adopted codified 2023 zoning, (18.3.4) and subdivision codes, (19.3.6) indicates the land would need to be platted. KSA 12-752 indicates the governing body must follow the act as written for platting. Additional processes would need to follow any zoning approval.

The 2012 International Residential Code is limited to 3,000 s.f. buildings. The city commercial code, 2006 International Building Code would need to be used for this type of agriculture building. The request is to allow a private hobby building for horse riding. The Agriculture district listed this use as Agricultural production – livestock and animal specialties.

Sedgwick County Animal control provides Bel Aire animal control services with incorporated codes adopted in 2021. 10,000 f.t. per animal and 300 feet from neighboring housing is required to avoid a nuisance complaint section 5-161 of Article 5. Bel Aire ZC 18.70 (C) (5) and (6) requires 100 f.t. setback from the land for all activities and 300 f.t. related to debris and products generated or brought in that may cause odors or other health concerns, respectively. Bel Aire code may conflict with the

Sedgwick County animal code. 18.2.1 of the zoning code indicates the most shall govern. According to the county code 79 acres could have up to 344 horses or livestock before reducing based on setbacks. 40 acres with 100 f.t. setback from residential zoned property for horses in Bel Aire would be approximately 144 maximum number.

Article 4 of the Bel Aire Code would require a business license to operate a commercial agriculture business. The described use in this application wouldn't require a business license. This does create a gray area of the code as descriptions indicate business uses.

**The opinions of other property owners may be considered as one element of a decision in regard to the amendment associated with a single property, however, a decision either in support of or against any such rezoning may not be based upon a plebiscite of the neighbors.**

Bel Aire did receive a letter in support of rezoning the land to Agriculture, that letter is in the packet.

**SD.24.-01, final plat; Final PUD-24-01F. Proposed a Final PUD for office/warehouse uses in a M-1 Industrial zoned district as part of the Sunflower Commerce Park 4<sup>th</sup> platting**

The city placed an ad in the Ark Valley Newspaper and sent out notifications to the property owners within the 200' and 1,000' notification area as required by the city code.

The city review of the plat is in your packet. The most recent revision is contained in the packet after staff had worked with Tessere. The listed ownership of the application area changed from the preliminary process to the final processes.

The PUD elevations and design concepts were contained in the preliminary process will be brought forward with any changes discussed. Additional work is needed for the final PUD document that will go to the governing body for approval.

The final plat and final PUD will be a separate action.

**CHAIR AND VICE CHAIR**

Reminder that you can be nominated and approved even if you are absent during the process. Please attend.



City of Bel Aire, Kansas  
7651 E. Central Park Ave  
Bel Aire, Kansas 67226



### REZONING REVIEW

Address of proposed project: Rezoning of land to construct a horse-riding barn and attached stable  
This report is to document that on 6/28/24 the Zoning Administrator from the City of Bel Aire evaluated the above property plan for compliance of zoning and building requirements submittal for a hearing:

- |  |  |
|--|--|
| <input type="checkbox"/> SETBACKS                  | <input type="checkbox"/> ELEVATIONS                          |
| <input type="checkbox"/> EFFECTIVE CODE COMPLIANCE | <input checked="" type="checkbox"/> REQUIRED PLAN SUBMITTALS |
| <input type="checkbox"/> EROSION CONTROL           | <input checked="" type="checkbox"/> EASEMENTS                |
| <input type="checkbox"/> LANDSCAPE                 | <input type="checkbox"/> SCREENING                           |
| <input type="checkbox"/> STORM DRAINAGE            | <input checked="" type="checkbox"/> NEIGHBORHOOD IMPACT      |
| <input type="checkbox"/> ADA ACCESSIBLE            | <input type="checkbox"/> UTILITIES TO BUILDING               |

The review of the above property plan has been:

- APPROVED, as noted
- DELAYED, as noted
- DENIED, as noted

DATE 6/27/24

Keith Price  
REVIEWED BY 

Comments: Planning commission Meeting 5/9/24 reviewed the request for a 100'x120' private horse-riding barn with an attached 50'x 96' stable with storage as a sketch plan. The suggestion was to file a zoning change request based on the minutes filed from the meeting.

An application containing two aerial drawings, site map, and ownership list of surround owners, and remittance for a zoning hearing was received.

Bel Aire has received one comment to date from the abutting neighbor in favor of the rezoning.

- The current zoning R-4 matches the current city comprehensive plan and the 2018 Master growth plan. A proposal of rezoning only the north half of the parcel is the recommendation to the planning commission by staff. Agriculture zoned districts can also be used as a holding district. The legal description can be done by metes and bounds or lot split could be part of the upcoming processes if easements can be granted.
- The agriculture district by rights has many businesses uses listed, The Bel Aire home-based business license rules require a residence. The rezoning of the parcel could allow something other than passive use for grandchildren. This doesn't match the city growth plan, how could this be resolved?



- The distance from residential zoned land and the holding pen is minimum 100'. , so a fenced area would need to reflect that to meet code if approved
- Fence permit issued as a temporary fence with conditions 2/21/24 with address 5500 E 53<sup>rd</sup> St N shown on the plan. Parcel 00520983, permit BLD-24-47. The fence is not approved as a master fence or screening for the current zoning. A fence for zoning purposes isn't a structure but is subject to easement rules and other Bel Aire codes.
- KSA 12-752€ and the Bel Aire code discuss the requirement for platting before issuing a building permit. How should this be resolved?
- Bel Aire code for private garages is limited to 3,000 s.f..The building code for the Bel Aire and related SFCD rules would apply if approved. What would be the method to resolve this?
- Contact Anne Stephens, City Engineer, for any easement and drainage concerns.
- <http://www.belaireks.citycode.net/> is the link to find the requirements for platting and zoning.

# ZONE CHANGE REC Section XI, Item A.

## R-4 to AG

Legal Description:

**East 1/2 of the Southwest 1/4  
Section 13 Range 26 Township 1E**

**Kirby K. & Kim Smith**

5650 E 53rd St. N.  
Kechi, KS

Existing Conditions:

The only structure on the property is fencing. There is a top rail with cable fence on the east and south sides, and will be continued on the north & west sides soon. There is hedgerow around the perimeter of the property. Electric overhead service poles run along east of the property line. Access to the property from 53rd St. N. is in the southeast corner, and from the adjoining Smith home site. The property generally drains to the northwest.

City of Bel Aire & Chisholm Creek Utility Authority have water lines in the 53rd St. N. road right-of-way. ATT has communication lines in the utility easement.

**Legend**

- Subject Property
- Smith Home Site
- Property Lines
- Topology Contours
- ROW & Utility Easements
- Top Rail & Cable Fence



Page 2 shows existing structures on adjoining properties.

Page 3 shows recent storage building & future buildings.



It is understood that the Sedgwick County GIS, Division of Information and Operations, has no indication or reason to believe that there are inaccuracies in information incorporated in the base map.

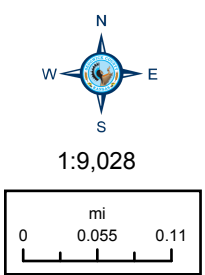
The GIS personnel make no warranty or representation, either expressed or implied, with respect to the information or the data displayed.

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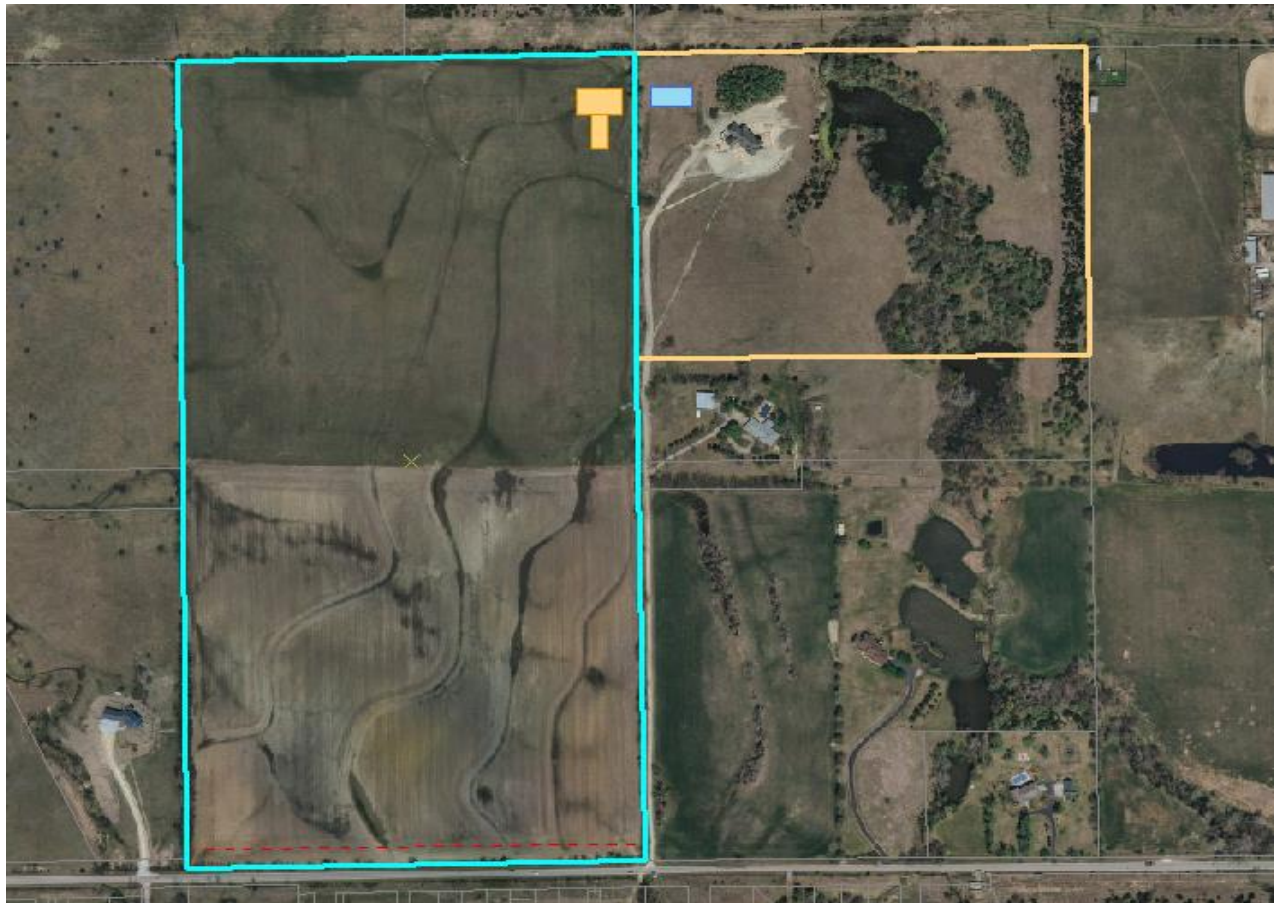
**K. Smith 2021 Aerial**

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**Sedgwick County, Kansas**







= 2023 70ft x 100ft Garage/Workshop Bldg w/ concrete floor



= Proposed 100ft x 120ft Equestrian Barn w/ dirt floor & 50ft x 96ft Stable w/ concrete & dirt floor



## OWNERSHIP LIST

PROPERTY DESCRIPTION		PROPERTY OWNER
The E/2 of the SW/4, 13-26-1E <b>Subject Property</b>		Kirby Kay Smith Family Trust 5650 E. 53rd St. N. Kechi, KS 67067
The NW/4 of the SW/4, EXC for road, 13-26-1E AND The SW/4 of the SW/4, EXC the N 565' of the S 955' of the W 403' thereof; & EXC for roads; & EXC that part platted as Englert Add, 13-26-1E		Envision Management, LLC 14726 E. 9th St. N. Wichita, KS 67230
The S 1,320' of the NW/4, E of Railroad r.o.w., EXC the E 660' thereof; & EXC for Cond. Case AB-19603; & EXC the W 30' for road, 13-26-1E		Stephanie R. Thomison & Ollie E. Thomison & Oscar W. Thomison 1213 E. Evanston St. Wichita, KS 67219
The S 1,258' of the E/2 of E/2 of NW/4, 13-26-1E		David J. Jacobs PO Box 333 Kechi, KS 67067
The S/2 of the NE/4, EXC begin at NE corner; th. S 522'; th. W 520'; th. NW 570' to point 273.5' S of N line of S/2 of NE/4; th. NW 221.19' to point 132' S of N line of S/2; th. NW 81.6' to point 105' S of N line of S/2; th. N 105' to N line of S/2; th. E 1,279.98' to begin, 13-26-1E		Thomas E. Jacobs Living Trust 5865 N. Woodlawn Kechi, KS 67067
Lot 1, Blk A	Englert Addition	Jeffrey J. & Mary K. Englert Revocable Trust 5140 E. 53rd St. N. Kechi, KS 67067
Lot 1, Blk A	McKay Acres Addition	Kirby Kay Smith Family Trust 5650 E. 53rd St. N. Kechi, KS 67067



The SW/4 of the SE/4, EXC the S 440' of the E 495' thereof; & EXC begin 1,230' N of SW corner of SE/4; th. N 90'; th. E 475'; th. S 90'; th. W 475' to begin, 13-26-1E		Teresa McNeil & Brian McNeil PO Box 39 Kechi, KS 67067
That part of the SW/4 of the SE/4, begin 1,230' N of SW corner of SE/4; th. N 90'; th. E 475'; th. S 90'; th. W 475' to begin, 13-26-1E AND The N 332.24' of the S 1,652.24' of the W/2 of the SE/4, 13-26-1E		Robert R. & Melinda M. Gleason 5600 E. 53rd St. N. Kechi, KS 67067
The S 440' of the E 495' of the W/2 of the SE/4, 13-26-1E		McNeil Properties, LLC PO Box 39 Kechi, KS 67067
Lots 1 & 2, Blk B	Bristol Hollows Addition	Double Down Developers, LLC 13201 E. Pawnee Rd. Wichita, KS 67230
Lot 20, Blk A	Chapel Landing 3rd Addition	Diony Paillant 5493 N. Colburn Ct. Bel Aire, KS 67220
Lot 21, Blk A	"	Chan Nghi Tu & Lang T. Le 2028 S. Michelle St. Wichita, KS 67207
Lot 22, Blk A	"	Supreme Construction, LLC 13303 W. Maple, Ste. 139 Wichita, KS 67235
Lots 23 & 25, Blk A	"	Adam Hamilton 1018 N. Wisteria Dr. Derby, KS 67037
Lot 24, Blk A	"	Kirby Kay Smith Family Trust 5650 E. 53rd St. N. Kechi, KS 67067



Lot 26, Blk A	“	Lone Star Homes, LLC 1018 N. Wisteria Dr. Derby, KS 67037
Lot 27, Blk A	“	Northwind Real Estate Holdings, LLC 4050 N. Stone Barn St. Maize, KS 67101
Lot 28, Blk A	“	Hina Rauf Ansari & Mohammed Hussain 14306 E. Churchill Cir. Wichita, KS 67230
Reserve A, EXC that part lying generally S of & abutting this described line, begin at NW corner of Lot 1, Blk A, Chapel Landing 3rd Add; th. W coincident with NWly prolongation of N line of said Lot 1, 34’ to intersection with W line of said Reserve A & point of termination AND Reserve C	“	53rd & Oliver, LLC PO Box 75337 Wichita, KS 67275
Reserves A & B	Chapel Landing 6th Addition	TW Renovations, LLC 1815 S. Southwest Blvd Wichita, KS 67213
Reserve EE	Chapel Landing Addition	Leonal W. Kilgore Revocable Trust 5201 E. 53rd St. N. Kechi, KS 67067
The W 328.7’ of the N 1,123’ of the E/2 of the NW/4, EXC begin 318.85’ E of NW corner of E/2 of NW/4; th. E 9.86’; th. S 532.22’; th. NWly 447.95’; th. N 84.30’ to begin; & EXC for road on the N, 24-26-1E AND The E 135’ of the N 1,123’ of the W/2 of the NW/4, 24-26-1E		Leonal W. Kilgore Revocable Trust 5201 E. 53rd St. N. Kechi, KS 67067



# Security 1<sup>st</sup> Title

Section XI, Item A.

We hereby certify the foregoing to be a true and correct list of the property owners of the herein before described tracts and lots as shown by the last deed of record filed in the Office of the Register of Deeds, Sedgwick County, Kansas, on the 30th day of May, 2024, at 7:00 A.M

SECURITY 1<sup>ST</sup> TITLE

By:   
LICENSED ABSTRACTER

The Above list shows property owners within either a 200 foot radius or a 1,000 foot radius of the below described tracts. No certification is made as to the relation of any of the tracts and lots described herein within the city limits of Bel Aire.

**The East Half of the Southwest Quarter of Section 13, Township 26 South, Range 1 East of the 6<sup>th</sup> P.M., Sedgwick County, Kansas.**

Order: 3080008  
KJK



# Affidavit of Publication

STATE OF KANSAS,  
SEDGWICK COUNTY, ss.

Chris Strunk, being first duly sworn, deposes and says: That he is Publisher of The Ark Valley News, formerly The Valley Center Index, a weekly newspaper printed in the State of Kansas, and published in and of general circulation in Sedgwick County Kansas, with a general paid circulation on a yearly basis in Sedgwick County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a weekly published at least weekly 50 times a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Valley Center in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks, the first publication thereof being made as aforesaid on the 20th day of June, 2024, with subsequent publications being made on the following dates:

\_\_\_\_\_, 2024      \_\_\_\_\_, 2024  
\_\_\_\_\_, 2024      \_\_\_\_\_, 2024  
\_\_\_\_\_, 2024      \_\_\_\_\_, 2024

Chris Strunk

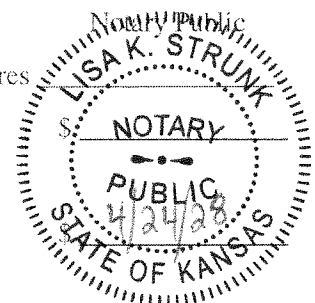
Subscribed and sworn to before me this 20th day of June, 2024.

Notary Signature

My commission expires

Additional copies

Printer's fee



## Bel Aire public notice

(Published in The Ark Valley News on June 20, 2024.)

### OFFICIAL NOTICE OF ZONING HEARING

#### TO WHOM IT MAY CONCERN AND TO ALL PERSONS INTERESTED:

Notice is Hereby Given that on July 11, 2024, the City of Bel Aire Planning Commission will consider the following re-zoning hearing in the order placed on the agenda after 6:30 p.m. in the City Council Chamber at City Hall in Bel Aire, Kansas:

**ZON-24-01.** Proposed re-zoning approximately 80+/- acres zoned R-4, to an AG Agricultural Use to allow a non-business horse-riding barn and stable.

**Legal Description:** (A complete legal description is available for public inspection which is on file with the Zoning Administrator at City Hall.)

**General Location:** Frontage on the north side, between N Oliver, and N Woodlawn, on E 53rd St N.

You may appear at this time either in person or by agent or attorney, if you so desire, and be heard on the matter. After hearing the views and wishes of all the persons interested in the case, the Planning Commission may close the hearing and consider a recommendation to the Governing Body, which, if approved under the City Zoning and Sub-Division regulations, would be effectuated by city code. The public hearing may be recessed and continued from time to time without notice.

DATED this 18 day of June 2024.

/s/ Anne Stephens  
Bel Aire Planning Commission Secretary

(Published in the *Ark Valley News* on \_\_\_\_\_.)

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE CHANGING THE ZONING DISTRICT OF CERTAIN LANDS LOCATED IN THE CITY OF BEL AIRE, KANSAS UNDER THE AUTHORITY GRANTED BY THE ZONING REGULATIONS OF THE CITY.**

WHEREAS, the Governing Body of the City of Bel Aire, Kansas (the “City”) has received a recommendation from the Bel Aire Planning Commission; and

WHEREAS, the Governing Body finds proper notice was given and a public hearing was held as provided by law and under authority and subject to the provisions of the Zoning Regulations of the City.

**BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF BEL AIRE, KANSAS.**

**Case No. PUD-24-01**

**SECTION 1.** The Governing Body adopts the recommendation of the Bel Aire Planning Commission and approves changing the zoning classification allowed in the final Sunflower Commerce Park 4<sup>th</sup> Planned Unit Development to include uses permitted in the “M-1” Planned Unit Development – Industrial District as presented, on property legally described as:

Lots 1, 2, 3, Block 1, and Lots 1, 2, Block 2, and Reserve A and B, SUNFLOWER COMMERCE PARK 4<sup>TH</sup>, Bel Aire, Sedgwick County, Kansas.

**SECTION 2.** This Ordinance shall take effect and be in force from and after its adoption by the Governing Body of the City, approval by the Mayor, and publication in the official newspaper of the City.

*[Reminder of Page Intentionally Left Blank]*

PASSED AND APPROVED by the Governing Body of the City of Bel Aire, Kansas this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Jim Benage, Mayor

ATTEST:

\_\_\_\_\_  
Melissa Krehbiel, City Clerk

(SEAL)

Approved as to Form Only:

\_\_\_\_\_  
Maria A. Schrock, City Attorney

# SUNFLOWER COMMERCE PARK 4TH

## BEL AIRE, SEDGWICK COUNTY, KANSAS

### SURVEYOR'S CERTIFICATE

State of Kansas )  
                          ) SS  
County of Sedgwick )

I, Chad R. Abbott, do hereby certify that I am a duly licensed and registered professional surveyor in the State of Kansas. That the heretofore described property was surveyed and subdivided by me or under my direct supervision; that all subdivision regulations of Bel Aire have been complied with in the preparation of this plat; that this plat and the survey on which it is based were made in accordance with the Kansas Minimum Standards for boundary surveys, and that all the monuments shown herein actually exist and their positions are correctly shown to the best of my knowledge and belief, given under my hand and seal at Bel Aire, Kansas, this \_\_\_\_ day of \_\_\_\_\_ 2024.

Date of Survey:  
Date of Preparation:

Existing public easements and dedications being vacated by virtue of K.S.A. 12-512(b).

\_\_\_\_\_  
Chad R. Abbott P.S. #1340  
Abbott Land Survey

### RECORD DESCRIPTION

The West Half of the Southwest Quarter of Section 16, Township 26 South, Range 2 East of the 6th P.M., Sedgwick County, Kansas, EXCEPT that portion thereof commencing at the southwest corner of the Southwest Quarter of Section 16, Township 26 South, Range 2 East of the 6th P.M.; thence on a bearing based in the Kansas Coordinate System of 1983, N 88°50'35" E along the south line of said Southwest Quarter 70.00 feet; thence N 00°52'43" W parallel with the west line of said Southwest Quarter 30.00 feet to a point lying east 70.00 feet from the west line of said Southwest Quarter and north 30.00 feet from the south line of said Southwest Quarter for the point of beginning; thence N 00°52'43" W 55.00 feet to a point lying north 85.00 feet from the south line of said Southwest Quarter; thence S 46°01'04" E 14.11 feet to a point lying north 75.00 feet from the south line of said Southwest Quarter; thence N 88°50'35" E parallel with the south line of said Southwest Quarter 1247.10 feet, more or less, to the east line of the West Half of said Southwest Quarter; thence southerly along said east line 45.00 feet to a point lying north 30.00 feet from the south line of said Southwest Quarter; thence S 88°50'35" W 1257.10 feet, more or less, to the point of beginning.

### OWNER'S CERTIFICATE

State of Kansas )  
                          ) SS  
County of Sedgwick )

This is to certify that the undersigned owner(s) of the land described in the land Surveyor's description have caused the same to be surveyed and subdivided on the accompanying plat into Lots, Blocks, a Street, and Reserves under the name of Sunflower Commerce Park 4th. That all highways, streets, easements and public sites as denoted on the plat are hereby dedicated to and for the use of the public for the limited purpose of constructing, operating, maintaining, and repairing public improvements and franchise utilities within the City of Bel Aire; and further that the land contained herein is held and shall be conveyed subject to any applicable restrictions, reservations and covenants now on file or hereafter filed in the Office of the Register of Deeds of Sedgwick County, Kansas.

Reserve A and Reserve B shown hereon are hereby reserved for open space, landscaping, drainage purposes, entry monuments, fences, and utilities as confined to easement.

No private drainage systems shall be located within public drainage easements unless a commercial drainage relief permit is obtained from the City of Bel Aire.

A Master Drainage Plan has been developed for this plat all drainage easements, rights-of-way, and reserves shall remain at established grades (unless modified with the approval of the City Engineer) and shall be unobstructed to allow for the conveyance of stormwater in accordance with the stormwater manual. The maintenance of all drainageways and drainage facilities in backyard drainage easements and reserves shall be the responsibility of the property owner, and shall be enforced by the City of Bel Aire.

Plat is shown to be located in Zone "X" (areas of minimal flood hazard) and Zone "A" (with BFE or depth), as said property plots by scale on the Flood Insurance Rate Map Number 20173C0240G. FEMA floodplain and regulatory floodway boundaries are subject to periodic change and such change may affect the intended use within the subdivision.

\_\_\_\_\_  
Aspen Sunflower Industrial, LLC  
Dan Schulte

### NOTARY CERTIFICATE

State of Kansas )  
                          ) SS  
County of Sedgwick )

Be it remembered that on this \_\_\_\_ day of \_\_\_\_\_, 2024, before me a notary public in and for said County and State, came Dan Schulte for Aspen Sunflower Industrial, LLC, to me personally known to be the same person who executed the foregoing instrument of writing and duly acknowledged the execution of the same. In testimony whereof, I have hereunto set my hand and affixed my notarial seal the day and year above written.

Sworn before me this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_, Notary Public  
(Print Name)

My appointment expires: \_\_\_\_\_

### MORTGAGE HOLDERS CERTIFICATE

We the undersigned, holders of a mortgage on the above described property, do hereby consent to this plat of " \_\_\_\_\_ ", to Sedgwick County, Kansas.

\_\_\_\_\_  
? \_\_\_\_\_, (Title)  
?

### NOTARY CERTIFICATE

State of Kansas )  
                          ) SS  
County of Sedgwick )

Be it remembered that on this \_\_\_\_ day of \_\_\_\_\_, 2024, before me a notary public in and for said County and State, came \_\_\_\_\_ to me personally known to be the same person who executed the foregoing instrument of writing and duly acknowledged the execution of the same. In testimony whereof, I have hereunto set my hand and affixed my notary seal the day and year above written.

Sworn before me this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_, Notary Public  
(Print Name)

My appointment expires: \_\_\_\_\_

### COUNTY SURVEYOR CERTIFICATE

This plat has been reviewed in accordance with K.S.A. 58-2005 on this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Tricia L. Robello, L.S. #1246  
Deputy County Surveyor  
Sedgwick County, Kansas

### PLANNING COMMISSION CERTIFICATE

State of Kansas )  
                          ) SS  
County of Sedgwick )

This plat of Sunflower Commerce Park 4th, Bel Aire, Sedgwick County, Kansas has been submitted to and approved by the Bel Aire Planning Commission, Bel Aire, Kansas, and is hereby transmitted to the city council of Bel Aire, Kansas, with the recommendation that such plat be approved as proposed. Dated this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_, Chair  
James Schmidt

\_\_\_\_\_, Secretary  
Anne Stephens

### CITY ATTORNEY CERTIFICATE

The title evidence of the land included in this plat has been reviewed by me and this plat is approved pursuant to the provisions of K.S.A. 12-401.

Date Signed: \_\_\_\_\_

\_\_\_\_\_, City Attorney  
Maria Schrock

### GOVERNING BODY CERTIFICATE

State of Kansas )  
                          ) SS  
County of Sedgwick )

This plat is approved and all dedications shown hereon accepted by the city council of the City of Bel Aire, Kansas, this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_, Mayor  
Jim Benage

\_\_\_\_\_, City Clerk  
Melissa Krehbiel

### TRANSFER RECORD

Entered on transfer record this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_, County Clerk  
Kelly B. Arnold

### REGISTER OF DEEDS CERTIFICATE

State of Kansas )  
                          ) SS  
County of Sedgwick )

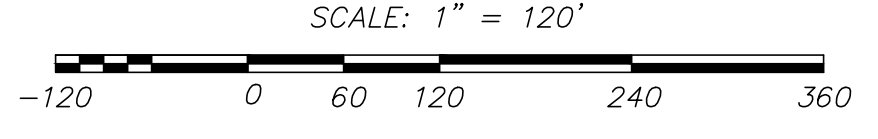
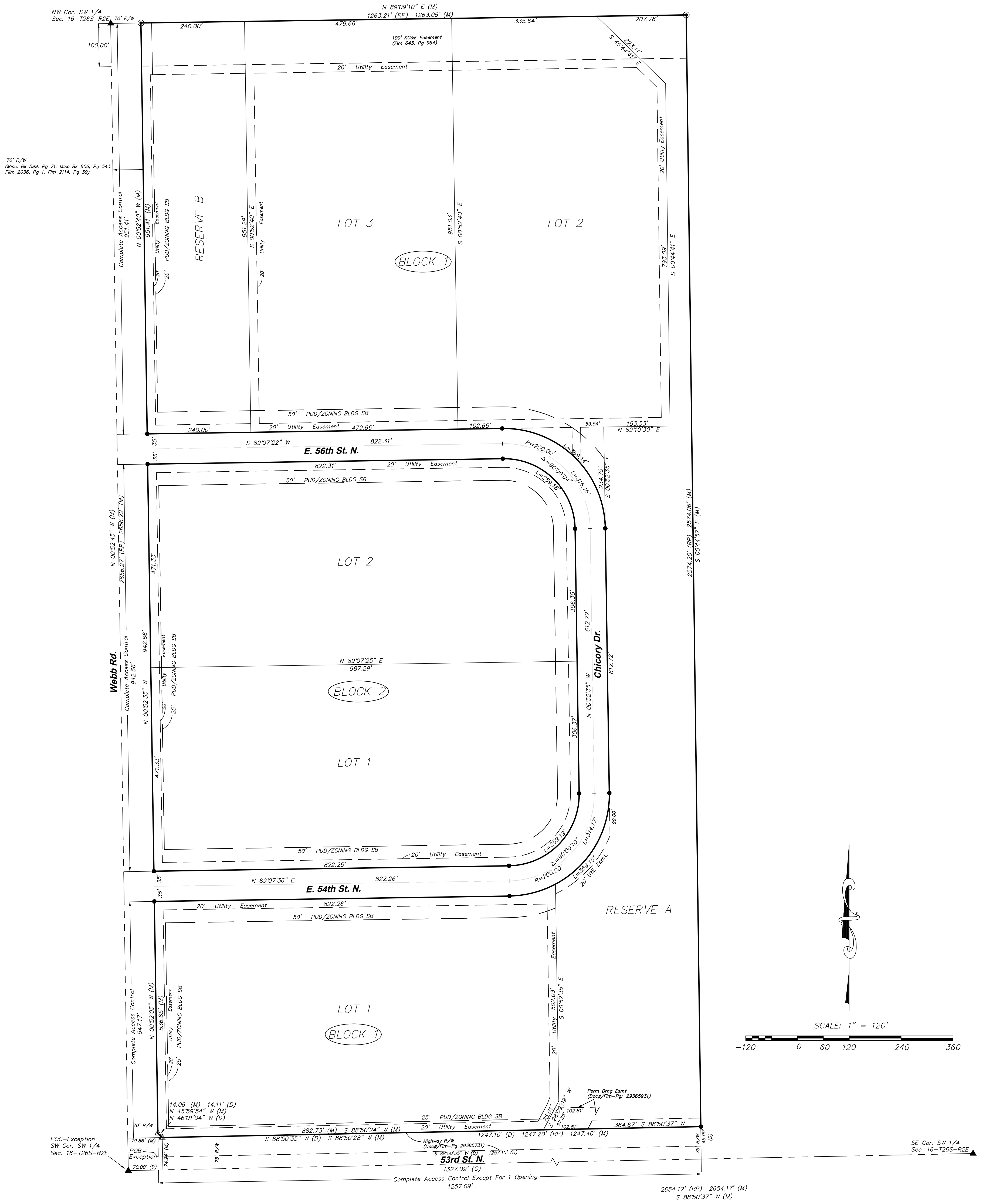
This is to certify that this instrument has been filed for record in the Register of Deeds, this \_\_\_\_ day of \_\_\_\_\_, 2024 at \_\_\_\_ o'clock \_\_\_\_ M; and is duly recorded.

\_\_\_\_\_, Register of Deeds  
Tonya Buckingham

\_\_\_\_\_, Deputy  
Kenly Zehring

# SUNFLOWER COMMERCE PARK 4TH

## BEL AIRE, SEDGWICK COUNTY, KANSAS

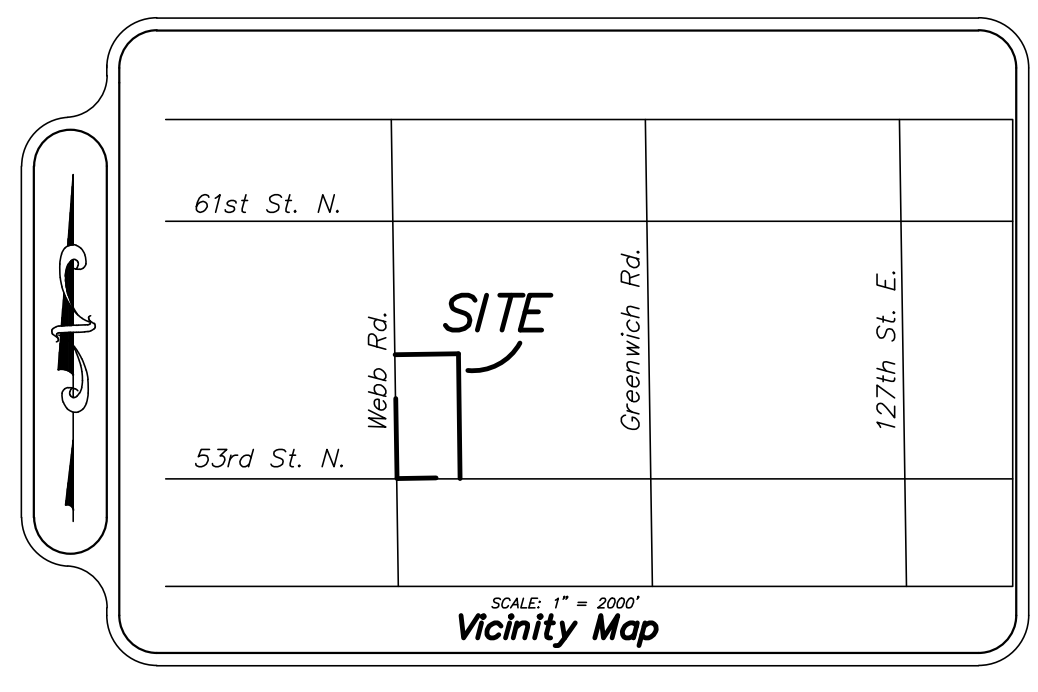


Benchmark: "Chiseled "+"  
 @ SW Cor of Boxed Culvert  
 at NE Corner of Intersection  
 of Webb Rd. & 53rd St. N.  
 EL=1400.73 (NAVD 88)  
 N=1720780.58  
 E=1680358.56

Minimum Pod Elevations For Lots (NAVD 88):  
 Lot 1, Block 1, Finished Floor Elevation - 1405.00'  
 Lot 2, Block 1, Finished Floor Elevation - 1397.50'  
 Lot 3, Block 1, Finished Floor Elevation - 1385.00'  
 Lot 1, Block 2, Finished Floor Elevation - 1402.50'  
 Lot 2, Block 2, Finished Floor Elevation - 1400.50'

### Legend of Symbols & Abbreviations

- (D) Described
- (M) Measured
- (RP) Record Plat (Sunflower Commerce Park 2nd)
- Set 1/2"x24" Rebar with PS#1340 Cap
- ⊙ Found 1/2" Rebar (Origin Unknown)
- △ Found 5/8" Rebar (PEC)
- ▲ Found 5/8" Rebar (Origin Unknown)



**Abbott and Survey**  
 631 N. Kessler, Wichita, KS 67203  
 Ph. 316.262.2262 Fax 316.262.2268  
 surveyors@benchmarks.net

Dwn By: AMF Approved By: CRA  
 Dwg. No: A23-10-045 Scale: 1" = 120'

Sheet 2 of 2

**PLANNED UNIT DEVELOPMENT AGREEMENT  
CONCERNING THE DEVELOPMENT  
OF SUNFLOWER COMMERCE PARK 4<sup>TH</sup>  
TO THE CITY OF BEL AIRE, KANSAS**

THIS AGREEMENT is made and entered into by and between Aspen Sunflower Industrial, LLC, a Kansas Limited Liability Company, hereinafter collectively referred to as the "DEVELOPER" and the City of Bel Aire, Kansas, hereinafter referred to as the "CITY."

WHEREAS, the DEVELOPER desires zoning by a Planned Unit Development (PUD) from the CITY on a portion of land more fully described below and herein referred to as SUNFLOWER COMMERCE PARK 4<sup>TH</sup> to the City of Bel Aire, Kansas; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the DEVELOPER and the CITY agree as follows:

**PURPOSE:** This Agreement is necessary to address certain financial, infrastructure, and drainage conditions arising from the platting process which must be dealt with prior to final plat approval and as such, is a condition precedent to final consideration by the CITY of the DEVELOPER'S request for approval of the final plat on a tract of land more fully described below and herein referred to as the SUNFLOWER COMMERCE PARK 4<sup>th</sup> PUD Project to the City of Bel Aire, Kansas.

This Agreement also assures that the necessary improvements are in place to support development of the SUNFLOWER COMMERCE PARK 4<sup>TH</sup> PUD to the City of Bel Aire, Kansas. Therefore, the DEVELOPER'S compliance with the Terms and Conditions of this Agreement shall be a condition precedent to the granting of building and/or occupancy permits for development on said property. The CITY reserves the right to clarify any conflicts between this Agreement and the plat.

**SUNFLOWER COMMERCE PARK 4<sup>TH</sup> PUD PROJECT LEGAL DESCRIPTION:**  
A portion of SUNFLOWER COMMERCE PARK 4<sup>th</sup> PUD, City of Bel Aire, Kansas, more particularly described as, to-wit:

Lots 1, 2, 3, Block 1, and Lots 1, 2, Block 2, and Reserve A and B, SUNFLOWER COMMERCE PARK 4<sup>TH</sup>, Bel Aire, Sedgwick County, Kansas.

**PERMITTED USE:** The SUNFLOWER COMMERCE PARK 4<sup>TH</sup> to the City of Bel Aire, Kansas shall have the uses permitted in the "M-1" Industrial, as defined in the 2023 revised Bel Aire codified City code, including the following uses:

Sunflower Commerce Park 4<sup>th</sup> shall have the uses permitted in the "M-1" Planned Industrial District, as defined in the City of Bel Aire Planned Industrial District. This is

intended to provide for the development of a wide variety of industrial and commercial uses, including warehousing, manufacturing, and assembly. Where activities shall occur inside a building, however, limited outside storage is permitted, and as further defined in the Sunflower Commerce Park Declaration of Covenants, conditions, restrictions, Disclosures and Easements of Sunflower Commerce Park.

"C-1" and "C-2":

- Accessory structure as approved by the City Manager.
- Special events permits approved by the City Manager.
- C-1 permitted uses as defined in Chapter 7 Zoning Code - Section 7.11, Neighborhood Commercial, Office Retail.

The building setback for "C-1" and "C-2" shall be per the recorded plat of SUNFLOWER COMMERCE PARK 4<sup>TH</sup>. No building shall be constructed within a public utility easement.

**HEIGHT AND AREA REGULATIONS:**

- A. Maximum Height:
  - 1. Buildings: Two stories, not exceeding 75 feet from finished grade.
  - 2. Accessory Structures: One story.
- B. Maximum Lot Coverage: Per approved Drainage Report.
- C. Minimum building setbacks shall be as stated on the recorded Final Plat(s).

**DRAINAGE.** Protecting surrounding platted property from the impacts of changes in drainage across such property resulting from the development of SUNFLOWER COMMERCE PARK 4<sup>TH</sup> PUD must be addressed as part of the platting process. The DEVELOPER shall prepare a storm drainage plan which shall address the various impacts of increased/modified drainage, meet CITY drainage specifications, and be approved by the City Engineer. Prior to approval of said proposed storm drainage plan, the City Engineer may impose modifications upon such proposed plan as Engineer deems necessary to insure the effectiveness of such plan. After approval by the City Engineer of said storm drainage plan, including any necessary modifications, the DEVELOPER shall install, or cause to be installed, the improvements pursuant to the drainage plan.

The DEVELOPER shall maintain a master drainage plan throughout the development stage for each parcel, by providing grass and installing landscaping to ensure the reduced yard requirements have no consequence to the overall drainage of the property and Development as a whole.

**DRAINAGE PLAN.** The DEVELOPER must provide a maintenance plan that will provide adequate provisions to protect the master drainage plan engineered design as such was approved by the CITY. The Maintenance Plan will include but not be limited to: how to initiate the maintenance process for the drainage plan, how to inspect, what to inspect, when to inspect, how to correct drainage problems that are discovered, the appropriate records to be maintained and designating the party responsible for maintaining such records. The CITY may request a copy of the inspection report to monitor compliance on a biannual basis.

**DETENTION PONDS.** Any on-site detention ponds will be designed to control two, twenty-five year storm events and one, hundred year storm event. Additionally, the ponds will act as temporary sedimentation basins during construction but are limited to the amount of sediment allowed and DEVELOPER responsible for any dredging required.

Any on-site detention ponds and associated inflow and outflow systems to the property as well as the reserves, and ditches are to be maintained by the DEVELOPER indefinitely unless transferred to a home owner's association or equal resolution approved by the CITY, excluding paving and utilities within dedicated rights of ways as indicated on plat documents. Failure of the DEVELOPER to maintain such areas and property as described shall be grounds for the CITY to enforce this provisions as a nuisance abatement action, and charge all costs back to the DEVELOPER as set forth in K.S.A. 12-1617e.

**LANDSCAPING AND SCREENING:** The DEVELOPER shall submit and have approved by the CITY a "Landscape Plan" that is representative of the landscaping to be provided as each phase of SUNFLOWER COMMERCE PARK 4<sup>TH</sup> is developed. The Landscaping Plan shall show contours, utilities, size and spread at planting, any type of ground cover, shrubs, and shall coordinate with the Drainage Plan and Site Plan for the Project.

- A. Planting of interior trees shall be approved at the time of the building permit application. Any areas outside of the general boundaries of each development phase shall be planted to appropriate turf or ground cover adequate to prevent undue soil erosion, and shall be maintained in accordance with applicable CITY ordinances.
- B. Any future phases to be constructed shall also be submitted and have approved by the CITY detailed landscape plans for that phase. Within all detailed landscape plans, ground-mounted mechanical equipment and trash receptacles shall have screening requirements set and approved at the time of the building permit application. Deviations from the Sunflower Commerce Park Declaration of Covenants, conditions, restrictions, Disclosures and Easements of Sunflower Commerce Park shall be approved administratively.

**MAINTENANCE:** DEVELOPER and/or Association will be required to provide continuous maintenance for Reserves "A" and "B," and all identified common areas within



said reserves in SUNFLOWER COMMERCE PARK 4<sup>TH</sup>, BelAire, Sedgwick County, Kansas.

**PERMITS:** No construction shall commence on any portion of the tract of land herein referred to as SUNFLOWER COMMERCE PARK 4<sup>TH</sup> without the DEVELOPER having first obtained building and zoning permits from the CITY.

Representatives of the parties shall formally meet and review the existing and proposed phases of development as well as the requirements of this Agreement, prior to the submission of petitions for infrastructure improvements for each phase of development.

Installation of all improvements shall be in compliance with requirements of all applicable Federal, State and local legislation, including the Americans with Disabilities Act (ADA). All electric power, street light service, and telephone service shall be installed underground. The DEVELOPER shall coordinate the engineering design and construction of water mains, sanitary sewer mains, storm water systems, and paving necessary for the platting and development of the SUNFLOWER COMMERCE PARK 4<sup>TH</sup>, Bel Aire, Sedgwick County, Kansas. The CITY shall inspect the construction of water mains, sanitary sewer mains, storm water systems and paving necessary for the platting and development of the tract of land herein referred to as the SUNFLOWER COMMERCE PARK 4<sup>TH</sup>, Bel Aire, Sedgwick County, Kansas. With the exception of storm sewer systems, all other improvements shall be dedicated to and owned and maintained by the CITY. Said improvements shall be installed on CITY-owned property or within public rights-of-way or easements. The DEVELOPER shall be responsible for the actual costs of the engineering design, construction, and inspection of all improvements necessary for the platting and development of the tract of land herein referred to as the SUNFLOWER COMMERCE PARK 4<sup>TH</sup> unless otherwise petitioned and approved by the Governing Body of the City of Bel Aire, Kansas.

The DEVELOPER shall dedicate necessary public rights-of-way and easements and install, or cause to be installed, all improvements necessary for the platting and development of the tract of land herein referred to as the SUNFLOWER COMMERCE PARK 4<sup>TH</sup>. Said improvements include, but are not limited to streets, curb, gutter, street signs, storm water system, water distribution system, sanitary sewer lines, corner pins, and utilities.

The DEVELOPER shall indemnify and hold harmless the CITY from any liability from damages that may occur during construction. The DEVELOPER shall pay one hundred percent (100%) of the cost of the improvements unless otherwise petitioned and approved by the Governing Body of the City of Bel Aire.

Whenever existing sanitary sewer, storm water, water lines, drainage channels, culverts, underground and overhead electric, communications, gas lines, pipe lines, or transmission lines are required to be installed, lowered, encased, modified, or relocated due to the subdivision or construction improvements required, and in the event it was not known at time of platting approval, the DEVELOPER shall pay one hundred percent (100%) of the cost of the improvements unless otherwise petitioned and approved by the Governing Body

of the City of Bel Aire, Kansas. The DEVELOPER shall indemnify and hold harmless the CITY from any liability from damages that may occur during said construction.

**EASEMENTS:** All easements recorded on the face of the final plat of SUNFLOWER COMMERCE PARK 4<sup>TH</sup>, Kansas, shall remain in effect pursuant to this PUD Agreement. The surface of such easements may be used by the Owner for driveways, parking and landscaping, provided that such parking does not block sidewalks.

**FENCING AND SCREENING:** Any provided fencing and screening methods and materials shall be approved at the time of building permit application. Any plans for outside storage facilities shall comply with the applicable ordinances and zoning regulations of the CITY and shall be submitted in writing to the CITY for prior approval. No barbed wire is allowed. If any fencing or screening is installed by the DEVELOPER during development, all future maintenance and upkeep shall be performed by the DEVELOPER or homeowner's association (HOA).

**LIGHTING:** A Street and Parking Lighting Plan shall be submitted to the CITY for approval and shall comply with the CITY zoning ordinance. Outdoor lighting sources shall employ cutoff luminaries to minimize light trespass and glare.

**SIDEWALKS:** Sidewalks are not required for SUNFLOWER COMMERCE PARK 4<sup>TH</sup>.

**SIGNAGE:** Signs, other than street or traffic/regulatory, of such location, type, and size as shall be approved as part of the building permit process giving due regard to the prevailing type, size and pattern of location utilized throughout the area.

- A. All signage shall comply with the applicable ordinances and zoning regulations of the CITY and be submitted in writing to the CITY for written approval.
- B. Signs shall be maintained by the DEVELOPER indefinitely unless transferred to an HOA. Any alternative plan must be approved by the CITY. Failure of the DEVELOPER to maintain such areas and property shall be grounds for the CITY to enforce this provision as a nuisance abatement action, at the cost and expense of the DEVELOPER and/or HOA.
- C. The City Manager can approve a PUD sign request based on review.

**RECORDING:** The CITY shall file an executed copy of this Agreement with the Sedgwick County Register of Deeds. A copy of this Agreement, showing said recording along with a copy of the recorded plat, shall be furnished by the DEVELOPER to the General Contractor before building permits are issued. The CITY shall be reimbursed for all required filing fees.

**BINDING:** Upon full execution hereof and upon attachment of the PUD Site Plan, the Landscape Plan, all approved as provided herein, the Terms and Conditions of this Agreement, as set forth herein, shall be binding upon the CITY and the DEVELOPER, their successors, representatives, trustees, and assigns.

**ELECTRIC:** All electric primary lines shall be installed underground by Evergy and paid for by the DEVELOPER. All public roadway light pole service lines pole mounted light fixtures shall be paid for by the CITY and installed by Evergy.

**EROSION, STORMWATER, AND SEDIMENT CONTROL:** The DEVELOPER must follow all National Pollution Discharge Elimination System (NPDES), Kansas Department of Health and Environment (KDHE), and City of Bel Aire Standards for erosion, storm water, and sediment control on site.

**FIRE HYDRANTS:** All fire hydrants shall be of a type and quality specified by CITY Specification Standards, but not less than the minimum standards of the National Board of Fire Underwriters, and shall be provided and connected to the CITY'S municipal water supply system. Such hydrants shall be subject to the inspection and approval of the applicable Fire Chief.

**FOUNDATION CERTIFICATIONS:** Foundation Certifications will be required on each foundation after construction. Minimum low opening certifications will be required on all lots with minimum pad elevations indicated on the face of the plat. A variance from minimum pad elevations indicated on the face of the plat shall be approved administratively by the CITY. A FEMA LOMR-F and KDA-DWR Floodplain Fill permit shall be obtained prior to the issuance of Building Permits for Lots 1 and 2, Block 2, and Lot 2, Block 1. A copy of the approved FEMA LOMR-F permit and KDA-DWR Floodplain Fill permit shall be provided to the CITY with application for building permit for said lots.

**GENERAL PROVISIONS:** This Agreement shall be subject to all General Provisions as outlined in the Final Plat of SUNFLOWER COMMERCE PARK 4<sup>TH</sup>, a PUD in the City of Bel Aire, Sedgwick County, Kansas as recorded on \_\_\_\_\_.

**BINDING:** The Terms and Conditions of this Agreement, as set forth herein, shall be binding upon the CITY and the DEVELOPER, their successors, representatives, trustees, and assigns. If any discrepancies exist between this agreement and the Sunflower Commerce Park Declaration of Covenants, conditions, restrictions, Disclosures and Easements of Sunflower Commerce Park, this agreement shall govern.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

THIS AGREEMENT is hereby executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

ASPEN SUNFLOWER INDUSTRIAL, LLC,  
a Kansas Limited Liability Company

\_\_\_\_\_  
Dan Schulte, Member

STATE OF KANSAS            )  
COUNTY OF SEDGWICK ) ss:

BE IT KNOWN BY ALL PERSONS that on this \_\_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public, came Dan Schulte, as Member of Aspen Sunflower Industrial, LLC, a Kansas limited liability company, who is known to me and who personally acknowledged execution of the foregoing Agreement concerning the Aspen Sunflower Industrial, LLC PUD to the City of Bel Aire, Kansas, for said limited liability company.

\_\_\_\_\_  
NOTARY PUBLIC

My Appointment Expires: \_\_\_\_\_

THIS AGREEMENT was approved by vote of the City Council of the City of Bel Aire, Kansas on the \_\_\_\_ day of \_\_\_\_\_, 2024, and is hereby executed on this \_\_\_\_ day of \_\_\_\_\_, 2024.

CITY OF BEL AIRE

\_\_\_\_\_  
Jim Benage, Mayor

ATTEST:

\_\_\_\_\_  
Melissa Krehbiel, City Clerk

(SEAL)

STATE OF KANSAS        )  
COUNTY OF SEDGWICK ) ss:

BE IT KNOWN BY ALL PERSONS that on this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public, came Jim Benage, who is known to me to be the Mayor of Bel Aire, Kansas and who personally acknowledged execution of the foregoing Agreement Concerning the Development of Aspen Sunflower Industrial, LLC PUD to the City of Bel Aire, Kansas, and Melissa Krehbiel, who is known to me to be the City Clerk of Bel Aire, Kansas and who personally acknowledged attesting the signature of said Jim Benage.

\_\_\_\_\_  
NOTARY PUBLIC

My Appointment Expires: \_\_\_\_\_



## STAFF REPORT

DATE: 7/31/2024  
TO: City Council  
FROM: Ted Henry, City Manager  
SUB: RFQ for A/E Services

### BACKGROUND:

The City of Bel Aire was awarded BASE Grant funding for improvements to the Sunflower Commerce Park. The purpose of the amended grant award is to improve and enhance the reliability and service capabilities of critical infrastructure, supporting economic development efforts. Specifically, the City is in the process of expanding infrastructure service capabilities by constructing a Utilities and Public Works Facility within the Sunflower Commerce Park. This critical piece of infrastructure will house water and sewer materials and equipment, as well as added administrative space with increased cybersecurity measures.

On July 14, 2024, the Bel Aire City Council selected PEC to be the ownership representative for the project. The next step is to turn our master plan with a conceptual design into a reality.

### DISCUSSION:

On June 24, 2024, a Request for Qualifications (RFQ) was issued to engage an architectural and engineering firm to design and engineer the project. The RFQ was distributed to seven reputable firms, receiving responses from four experienced companies: LK Architecture, Schaefer Architecture, Tessere, and Gravity Works Architecture.

On July 23, 2024, a selection committee consisting of the City Manager and the Ownership Representative was formed to evaluate each proposal and rank each firm based on the completeness of the RFQ responses. The ranking sheet is attached. The top two firms were selected for in-person interviews.

On July 30, 2024, the interview committee, comprised of Council Member Dehn, Council Member Schmitz, the City Engineer, the Public Works Director, and the City Manager, conducted interviews with LK Architecture and Schaefer Architecture. Each firm presented their vision for the project and responded to questions from the committee. Following the interviews, the committee scored the firms (see next page), deliberated, and made a recommendation.

### RECOMENDATION:

The interview committee recommends selecting Schaefer Architecture for the design of the new public works facility. The committee felt that while both firms were well qualified, Schaefer provided the most aggressive schedule (bidding the project at the end of November versus early January with LK) and were more in tune with the City’s desires. They mentioned a few curiosities of the concept drawing presented in the RFQ and had some ideas on how to get the building to flow more cohesively. Schaefer was also more definitive and direct in their fee presentation than LK. Schaefer also seemed more eager and excited to tackle this project and is ready to get started as soon as the project is awarded.

RFQ Interviews for Architectural and Engineering Services  
Bel Aire Public Works Facility  
July 30, 2024

Interview Question Asked:

- Describe how you would implement your process for this project.
- Outline your communication plan for the project.
- Provide any additional information you deem relevant.
- Getting to know the person who will be handling day-to-day connections with Bel Aire and/or the Owner's Representative.
- What potential risks/challenges do you feel could pose issues for this project and how would manage them?
- How do you handle the QA/QC process for your team, Owner, and GC?
- The City is considering CMAR as the construction delivery type, do you feel this is right for this project?
  - Tell us about your experience with the CMAR process?
- Do you have any suggestions to further expedite your proposed schedule?

Overall Interview Grade for LK Architecture: 5

1    2    3    4    5    6    7    8    9    10

Overall Interview Grade for Schaefer Architecture: 7

1    2    3    4    5    6    7    8    9    10

**CITY OF BEL AIRE, KANSAS**

Evaluation by: Selection Committee

Request for Qualifications for Architecture and Engineering Services

Scale:

■ = Does Not Meet Criteria      ■ Meets Criteria      ■ Exceeds Criteria

	Companies			
	Gravity Works	LK	Schaefer	Tessere
<b>Tab 1 - Applicant Firms Information</b>				
Company's Legal Name				
State of Incorporation (if applicable)				
Phone Number				
Principal Office Address				
Internet URL				
Ownership: individual, partnership, corporation or other.				
Project Manager / Project Architect				
Name(s)				
Title(s)				
Office Address				
Phone Number(s)				
E-Mail Addresses				
Engineering Firm (if engineering services are not available in-house)				
Name of Engineering Lead(s)				
Title(s)				
Office Address				
Phone Number(s)				
E-Mail Addresses				
Other pertinent sub-consultants for work not available in-house				
Copy of Applicant's commercial general liability and professional liability insurance				
Date insurance placed	9/11/2023	7/23/2023	10/17/2023	12/31/2023
Date insurance expired/expires	9/11/2024	7/23/2024	10/17/2024	12/31/2024
Services provided	5	5	4	5
Types of insurance coverages placed	5	5	4	5
<i>Sub-Total "Red":</i>	0	3	1	0
<i>Sub-Total "Green":</i>	20	17	19	20
<i>Sub-Total "Gold":</i>	0	0	0	0



Scale:  
■ = Does Not Meet Criteria     ■ Meets Criteria     ■ Exceeds Criteria

	Companies			
	Gravity Works	LK	Schaefer	Tessere
<b>Tab 2 - Qualifications &amp; Experience</b>				
A statement of the applicant's background, experience, and understanding of the services required.				
A description of any characteristics or capabilities, which may make the Applicant uniquely qualified to perform the services specified in the RFQ.				
At least three (3) references (name of business, address, contact person, phone number, date of services, and scope of services) unless your firm has provided similar services to the City.				
Any additional information believed necessary to assist the City in evaluating your qualifications.				
Provide a timeline from award to the completion of the required services including deliverables is desired.				
The Applicant's approach to completing the project.				
An estimated fee range to complete the Scope of Services.				
<i>Sub-Total "Red":</i>	1	0	0	1
<i>Sub-Total "Green":</i>	4	4	7	6
<i>Sub-Total "Gold":</i>	2	3	0	0
<b>Tab 3 - Project Approach</b>				
A detailed description of your firm's approach to the project including any distinguishing factors that sets your firm apart from the competition.				
<i>Sub-Total "Red":</i>	0	0	0	0
<i>Sub-Total "Green":</i>	1	1	1	1
<i>Sub-Total "Gold":</i>	0	0	0	0
<b>Tab 4 - Pending or Existing Litigation or Investigations</b>				
Is there any current or pending litigation with a municipality against you or your firm? Any investigations by any regulatory agency? If yes, provide a detailed explanation.				
<i>Sub-Total "Red":</i>	0	0	0	0
<i>Sub-Total "Green":</i>	1	1	1	1
<i>Sub-Total "Gold":</i>	0	0	0	0
<b>Tab 5 - Exceptions</b>				

Scale:

■ = Does Not Meet Criteria     
 ■ Meets Criteria     
 ■ Exceeds Criteria

	Companies			
	Gravity Works	LK	Schaefer	Tessere
Firm(s) must thoroughly review the RFQ and any attachments. In the event that a Firm desires to take exception to any term or condition set forth in the RFQ or any attachments, said exceptions must be clearly identified and listed in this TAB.				
<i>Sub-Total "Red":</i>	0	0	0	0
<i>Sub-Total "Green":</i>	1	1	1	1
<i>Sub-Total "Gold":</i>	0	0	0	0

**Tab 6 - Supplemental Information**

Firms may submit any supplemental information they deem important to the evaluation of the proposal, including any unique or specialized services not specifically addressed or considered in the RFQ. Any supplemental information or attachments provided by firms must also indicate, on each page, the item in this RFQ to which it pertains.				
<i>Sub-Total "Red":</i>	1	1	0	0
<i>Sub-Total "Green":</i>	0	0	1	1
<i>Sub-Total "Gold":</i>	0	0	0	0

**Selection Criteria:**

Ability and capacity to meet all RFQ conditions and miscellaneous instructions as outlined herein;				
Conformity with all Requirements set out in the RFQ Qualifications;				
Whether services proposed are the most advantageous and cost-effective to the City;				
Demonstration of a clear understanding of the project and any project challenges;				
References for similar services performed in the last 5 years, including for each reference its location, contact person, telephone number, length of contract;				
Experience and qualifications of the Applicant's firm and individual professionals assigned to the project;				
The Applicant's approach to completing the project;				
The Applicant's timeline for completion of the requested services;				
An estimated fee range to complete the Scope of Services; and				
Other pertinent information the Applicant believes will assist the City in evaluating its proposal.				
<i>Sub-Total "Red":</i>	2	2	0	0
<i>Sub-Total "Green":</i>	8	6	10	9
<i>Sub-Total "Gold":</i>	0	2	0	1

Scale:

= Does Not Meet Criteria

Meets Criteria

Exceeds Criteria

	Companies			
	Gravity Works	LK	Schaefer	Tessere
<b>Company:</b>	Gravity Works	LK	Schaefer	Tessere
<b>Grand Total of (Red):</b>	4	6	1	1
<b>Grand Total of (Green):</b>	35	30	40	39
<b>Grand Total of (Gold):</b>	2	5	0	1
<b>Notes:</b>				
<u>Gravity::Works</u> * Timeline was provided but under a different tab (3 instead of 2). * Timeline stretches project drawings out to April 2025. * Reference work 2 of 5 were within last five years. * Cost fee range \$435,806.18 to \$469,329.73 based upon percentage provided. * Did not list what section supplemental should be referenced.	4			
<u>LK</u> * Cost fee range \$340,400.00 with a long list of items not included in Basic Services. Most concerning is not releasing an early foundation package. * No dates on sample projects, so not positive when they were designed/constructed. * Arch. listed relevant experience did not list many similar type projects. * Did not list what section supplemental should be referenced.		1		
<u>Schaefer</u> * Page 32 references a recreational facility (this does not relate to our project) * Cost fee range \$435,806.18 based upon percentage provided.			2	
<u>Tessere</u> * Page 5 shows ICE prior to Tessere firm information, this suggests lack of QA/QC procedures, i.e., attention to detail - who is leading this team? * Timeline was provided but under a different tab (3 instead of 2). * Cost fee range \$399,500.00 with estimated Reimbursables @ \$3,500 - plus list of assumptions/exclusions.				3

City of Bel Aire, Kansas

**STAFF REPORT**



DATE: 7/30/24  
TO: City Council  
FROM: Ted Henry, City Manger  
SUB: RFQ for Owners Representative Contract

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BACKGROUND:

The City of Bel Aire was awarded BASE Grant funding for improvements to the Sunflower Commerce Park. The purpose of the amended grant award is to improve and enhance the reliability and service capabilities of critical infrastructure, supporting economic development efforts. Specifically, the City is in the process of expanding infrastructure service capabilities by constructing a Utilities and Public Works Facility within the Sunflower Commerce Park. This critical piece of infrastructure will house water and sewer materials and equipment, as well as added administrative space with increased cybersecurity measures.

DISCUSSION:

Bel Aire, as one of the fastest-growing communities in our region, faces challenges with limited staff resources and expertise in constructing public facilities. With impending grant deadlines approaching, we have issued a Request for Qualifications (RFQ) to engage an owner's representative who will oversee and ensure the successful completion of this project.

The RFQ was distributed to seven reputable firms, receiving responses from three experienced companies: Burns and McDonnell, PEC, and SEH, all of whom we have previously worked with.

A selection committee was formed to evaluate each proposal and score each firm based on several key areas: their knowledge of Bel Aire, experience with grant management, and ability to handle the project in-house. Additionally, we considered their expertise in public building projects, the experience of their project teams, and their proposed processes and approaches. We also valued their project management skills, particularly in owner representation, as well as their capabilities in staff reporting, financial tracking, and construction. Finally, the local presence of each firm was an important factor in our decision-making process.

Based on the committee's scoring matrix PEC had the best proposal, experience, and knowledge to represent the City. On July 16, 2024 Bel Aire City Council selected PEC as the ownership representative.

RECOMENDATION:

Staff met with PEC on July 23, 2024 to discuss terms of the agreement. Following thorough discussions, we reached a fair resolution. The agreement has been reviewed by Bel Aire's legal counsel and is now prepared for consideration by the City Council.



## WORK ORDER NO.24-08

The City of Bel Aire New Public Works Facility (Project) shall consist of an 8.34-acre new development that will include a multi-use building structure that will accommodate administrative, vehicle maintenance and equipment storage space. Site improvements will include soft and hardscapes, security and supporting utility services.

### SECTION A – SERVICES

#### A.1 Project Description.

1. The Project has an estimated construction budget of \$6,704,710.00
2. The Project delivery method is proposed to be **TBD**

#### A.2 Project Deliverables

1. PEC proposes to provide owner representation/ project management services to the Owner based on the scope of services provided for the stated project.

#### A.3 Scope of Services:

1. **General Scope items for Owner Representation/project management**
  - a) Attendance at project meetings
  - b) Project progress reporting to Client
  - c) Review of project documentation
2. **Pre-Construction Phase Services:**
  - a) General advisory of practices and procedures in the lifecycle of the project.
  - b) Constructability reviews.
  - c) Facilitate cost proposals from Contractor and vendors.
  - d) Establish and monitor Master Schedule. Monitor and report on progress and problems. Advise the Owner of any delays to the design schedule and recommend corrective action to be taken.
  - e) Support any budgetary practices or procedures for the Owner.
  - f) Review and monitor project budget. Review and provide input regarding conceptual project estimates for construction and soft costs.
  - g) Provide Cost Estimates. If necessary, prepare construction cost estimates for all building and site development at the schematic level. Review Design development and construction document completion levels.
  - h) Facilitate Design Coordination Meetings. Meet with the Owner, architect, and consultants to discuss and review all items pertinent to the design phase such as schedule, progress to date, decisions required, problems and any other items important to the design process.
3. **Construction Phase Services:**
  - a) General advisory of practices and procedures in the lifecycle of the project.
  - b) Conduct Pre-Construction Conference. Following award of contracts, organize and direct a pre-construction meeting with the contractors, consultants, and the Owner. Review project organization, lines of authority and project procedures.
  - c) Construction Schedule. Coordinate with Contractors in developing a construction schedule outlining start and finish dates for the procurement and construction activities, milestones, and phasing for each segment of the work.
  - d) Monitor Progress of the Work. Review contractors' construction schedules. Observe construction progress end report deviations from the schedule which will jeopardize

- job progress. Work with contractors to develop and implement correction actions.
- e) Construction Quality Assurance. Perform weekly onsite visits to observe work activities in progress and report defects and deficiencies. Recommend corrective action where required.
  - f) Maintain Job Site Records. Maintain a current record of contracts, drawings, and specifications. Keep a log on shop drawings, submittals, samples, and catalog data. File correspondence, directives, and meeting minutes.
  - g) Process Payment Requests. Review of Contractors monthly progress payment requests and provide recommendation to Owner of disposition for action.
  - h) Change Management. Facilitate and administer the review of any change requests for time and money submitted by the Contractor and their trade partners. Provide recommendation of action for change orders to the Owner.
  - i) Conduct Regular Job Meetings. Schedule and conduct weekly OAC meetings at the job site. Discuss job progress, problems, and required decisions. Track and record these meetings.
  - j) Manage Testing Agencies. Assist in the selection of independent testing agencies. Coordinate their work, review their reports, and make recommendations regarding their findings.
  - k) Project enhancement support. Make recommendations for alternatives or approaches in the work dictated by field conditions or provide opportunity for the Owner to save time or money and improve quality.
  - l) Photographic Record of the Project. Obtain photographs or, if required, video coverage of activities throughout the project.
4. **Close-Out Phase Services:**
- a) General advisory of practices and procedures in the lifecycle of the project.
  - b) Assemble Operating Manuals and Warranties. Collect and catalogue all procedures, manuals, and instructions for the operation of mechanical, plumbing, and electrical equipment. Collect all warranties. Provide these items in an organized manner to the Owner.
  - c) Coordinate Final Inspections. Schedule and direct inspections to develop punch lists. Assist the OAC Team in establishing substantial and final completion dates.
  - d) Close-out Construction Contracts. Work with each contractor to monitor the completion of punch list items and to finalize all outstanding changes in their scope of work. Recommend payment of retainages as work is completed to satisfy release.
  - e) Implement Start-up Procedures. Coordinate and monitor the start-up and adjustment of all building systems. Assist with any Owner activities during start-up, including organizing training from the Prime Contractors on equipment and systems.
5. **Additional Responsibilities of Client.**
- a) The Client agrees to provide the following pursuant to PEC accomplishing the Scope of Services outlined herein.
    - 1) City issued identification badge if applicable
    - 2) Vehicle parking permit if applicable
    - 3) Network access
    - 4) Historical and pertinent information necessary for the management of this project.
6. **Additional Services:**
- a) The following services can be provided by PEC at an additional cost by Supplemental Agreement:
    - 1) Design Engineering Services

- 2) Surveying
- 3) Geotechnical Engineering
- 4) Materials Testing and Inspection

7. **Exclusions:**

- a) The following shall be excluded from the Scope of Services provided by PEC.
  - 1) Printing costs.
  - 2) Plan review and permit fees.
  - 3) Outside consultants.
  - 4) Special inspection services. Special inspections are usually required by building codes, building officials, or designers for structural elements of the project but may include other design disciplines and testing agencies. Any special inspection services required will be covered under a separate or supplemental agreement and are not covered under standard observation services.

**SECTION B – SCHEDULE**

**B.1** PEC shall perform the Services according to the following:

- 1. PEC shall commence its services on the Project immediately after receiving Client’s notice to proceed.
- 2. PEC and Client anticipate that Design (pre-construction phase of the Project) will commence in July 2024 and construction planned to begin in September of 2024.
- 3. Client acknowledges that directed changes, unforeseen conditions, and other delays may affect the completion of PEC’s services. PEC will not have control over or responsibility for any contractor or vendor’s performance schedule.

**SECTION C - COMPENSATION**

**C.1** PEC’s Fees:

- 1. PEC will invoice Client one time per month for services incurred in the previous month.
- 2. PEC’s Fee for its Scope of Services will be 4% percent of the cumulation of Architectural services and cost of construction (material and installation), Fee will be calculated based on actual costs incurred for design and construction.
- 3. Taxes are not included in PEC’s Fees. The client shall reimburse PEC for any sales, use, and value added taxes which apply to these services.

**CITY OF BEL AIRE, KANSAS**

**PROFESSIONAL ENGINEERING CONSULTANTS,  
P.A.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## MANAGERS REPORT

**DATE:** August 1, 2024  
**TO:** Mayor Benage and City Council  
**FROM:** Ted Henry, City Manager  
**RE:** August 6, 2024 Agenda



### Consent Agenda

- Minutes of July 16, 2024 regular City Council meeting.
- Mayor's Appointment of Jesse Miller to the Sedgwick County Fire District No. 1 Steering Committee. Mayor Benage currently serves in this role. If appointed, Jesse will serve out the remaining term, until February 1, 2027. Jesse is a Bel Aire resident and currently serves on the Bel Aire Tree Board.

### Appropriations Ordinance

This appropriation ordinance encompasses 7/09/2024 through 7/25/2024 expenses and one payroll cycle. Expenditures amounted to \$936,802.73. Of the reported expenses, \$91,552.84 are infrastructure costs for new developments. These costs are paid through special assessments.

### City Requested Appearances

Tara Gibbs, Allen, Gibbs & Houlik, L.C. (AGH) will give the annual audit presentation.

### Zoning Ordinance (ZON-24-01)

At their July meeting, the Planning Commission held a public hearing regarding this requested rezoning. The subject property is approximately 80 acres generally located at the frontage on the north side of E 53rd St N, between N Oliver and N Woodlawn. The applicant proposed to rezone the subject property from R-4 to AG Agricultural in order to allow a non-business horse-riding barn and stable to be built. The current zoning has been in place since 2006 when it was zoned R-6, in anticipation of future residential growth. However, since that time, the land has remained vacant. Many of the surrounding properties to the north and east are zoned AG Agricultural or rural residential. The applicant, Kirby Smith, spoke to the commission and stood for questions. No others spoke at the hearing. Bel Aire did receive a letter in support of rezoning the land to Agriculture, which was included in the agenda packet for the meeting. Following the hearing, the Commission discussed the “Golden Factors” in relation to this application including: the suitability of the proposed uses; the character of the neighborhood; the length of time the property has been vacant; and the relative gain to the public health, safety and welfare. Following the discussion, the Commission voted 4-0 to recommend approval of the rezoning request. Now the request comes before the City Council for consideration, in the form of an Ordinance to rezone the property. As this is a zoning matter, a roll call vote of the Governing Body including the Mayor will be necessary.

### **PUD, Sunflower Commerce Park 4<sup>th</sup> Addition**

Also at the July meeting, the Planning Commission heard this request for a Planned Unit Development (PUD). In approximately 2015, this parcel was rezoned M-1 as part of the city project related to Sunflower Commerce Park 2nd addition. The land has remained vacant since that time. The applicant is proposing a Final PUD for office/warehouse uses in a M-1 Industrial zoned district as part of the Sunflower Commerce Park 4th platting. Per state statutes, prior to the hearing, the city placed a Notice of Hearing in the Ark Valley Newspaper and sent out notifications to the property owners within the 200' and 1,000' notification area. At the public hearing during the July meeting, the Planning Commission heard from the applicant. No others spoke. Following the hearing, the Planning Commission voted 4-0 to approve the final PUD as presented. The PUD now comes before the City Council for consideration, in the form of an Ordinance. As this is a zoning matter, a roll call vote of the Governing Body including the Mayor will be necessary.

### **Dedication of streets and public ways, Final Plat of Sunflower Commerce Park 4<sup>th</sup>**

Also at the July meeting, the Planning Commission considered the Final Plat of Sunflower Commerce Park 4<sup>th</sup> Addition. Following the discussion, the Commission voted 4-0 to approve the Final Plat. The plat now comes before the Council for acceptance of the dedication of streets, public easements and other public ways, as presented in the plat.

### **Development Agreement for Sunflower Commerce Park 4th Addition**

City Code requires that the Developer file a Development Agreement with the final plat. The Development Agreement outlines the Developer's responsibilities before and after construction. The agreement now comes before Council for approval.

### **Select Architecture & Engineering Firm for Public Works Facility Project**

The City of Bel Aire was awarded BASE Grant funding for improvements to the Sunflower Commerce Park. The purpose of the amended grant award is to improve and enhance the reliability and service capabilities of critical infrastructure, supporting economic development efforts. Specifically, the City is in the process of expanding infrastructure service capabilities by constructing a Utilities and Public Works Facility within the Sunflower Commerce Park. This critical piece of infrastructure will house water and sewer materials and equipment, as well as added administrative space with increased cybersecurity measures.

On July 14, 2024, the Bel Aire City Council selected PEC to be the ownership representative for the project. The agreement for the ownership representative will be considered later at this same Council meeting.

On June 24, 2024, a Request for Qualifications (RFQ) was issued to engage an architectural and engineering firm to design and engineer the project. The RFQ was distributed to seven reputable firms, receiving responses from four experienced companies: LK Architecture, Schaefer Architecture, Tessere, and Gravity Works Architecture.

On July 23, 2024, a selection committee consisting of the City Manager and the Ownership Representative was formed to evaluate each proposal and rank each firm based on the completeness of the RFQ responses. The top two firms were selected for in-person interviews.

On July 30, 2024, the interview committee, comprised of Council Member Dehn, Council Member Schmitz, the City Engineer, the Public Works Director, and the City Manager, conducted interviews with LK Architecture and Schaefer Architecture. Each firm presented their vision for the project and responded to questions from the committee. Following the interviews, the committee scored the firms (see next page), deliberated, and made a recommendation.

The interview committee recommends selecting Schaefer Architecture for the design of the new public works facility. The committee felt that while both firms were well qualified, Schaefer provided the most aggressive schedule (bidding the project at the end of November versus early January with LK) and were more in tune with the City's desires. They mentioned a few curiosities of the concept drawing presented in the RFQ and had some ideas on how to get the building to flow more cohesively. Schaefer was also more definitive and direct in their fee presentation than LK. Schaefer also seemed more eager and excited to tackle this project and is ready to get started as soon as the project is awarded.

#### **Work Order No 24-08, Owner's Representation for Public Works Facility Project**

Bel Aire, as one of the fastest-growing communities in our region, faces challenges with limited staff resources and expertise in constructing public facilities. With impending deadlines approaching for the BASE grant, we have issued a Request for Qualifications (RFQ) to engage an owner's representative who will oversee and ensure the successful completion of this project.

The RFQ was distributed to seven reputable firms, receiving responses from three experienced companies: Burns and McDonnell, PEC, and SEH, all of whom we have previously worked with.

A selection committee was formed to evaluate each proposal and score each firm based on several key areas: their knowledge of Bel Aire, experience with grant management, and ability to handle the project in-house. Additionally, we considered their expertise in public building projects, the experience of their project teams, and their proposed processes and approaches. We also valued their project management skills, particularly in owner representation, as well as their capabilities in staff reporting, financial tracking, and construction. Finally, the local presence of each firm was an important factor in our decision-making process. Based on the committee's scoring matrix PEC had the best proposal, experience, and knowledge to represent the City.

On July 16, 2024 Bel Aire City Council selected PEC as the ownership representative.

Staff met with PEC on July 23, 2024 to discuss terms of the agreement. Following thorough discussions, we reached a fair resolution. The agreement has been reviewed by Bel Aire's legal counsel and is now prepared for consideration by the City Council.

**Executive Session**

Staff requests one executive session.

**Discussion And Future Issues – Workshop August 13<sup>th</sup> at 6:30 p.m.**

The next City Council workshop is scheduled for 6:30 p.m. on August 13, 2024.