



**AGENDA**  
**CITY COUNCIL MEETING**  
**7651 E. Central Park Ave, Bel Aire, KS**  
**September 19, 2023 7:00 PM**



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

**II. ROLL CALL**

Greg Davied \_\_\_\_ Tyler Dehn \_\_\_\_ Emily Hamburg \_\_\_\_  
Justin Smith \_\_\_\_ John Welch \_\_\_\_

**III. OPENING PRAYER:** Pastor Gary Green

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

**V. DETERMINE AGENDA ADDITIONS**

**VI. CONSENT AGENDA**

**A.** Approval of Minutes of the September 5, 2023 regular City Council meeting.

**B.** Approval of Minutes of the September 12, 2023 City Council Special Meeting.

**C.** Confirm the Mayor's appointment of Deryk Faber to the Bel Aire Area Planning Commission. The term will expire on October 1, 2026.

**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 23-17 in the amount of \$392,264.18.

**Action:** Motion to (approve / table / deny) Appropriations Ordinance 23-17.

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

**VIII. CITY REQUESTED APPEARANCES**

**A.** 2022 Audit Presentation- Tara Laughlin from Allen, Gibbs & Houlik

**B. 45th Street - Oliver to Woodlawn, Design Update - Ken Lee, PE, Garver**

**IX. PUBLIC HEARING:** *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.*

**A. The purpose of public hearing is to hear any and all written or oral objections to the respective assessments considered in the Ordinance Levying special assessments on the agenda.**

**Action:** Motion to close the Public Hearing.

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

**X. 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.*

**XI. REPORTS**

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

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

**A. Consideration of An Ordinance Levying Special Assessments, Including Benefit Fees, On Certain Property To Pay The Costs Of Internal Improvements In The City Of Bel Aire, Kansas, As Heretofore Authorized By Resolution Nos. R-20-01, R-20-02, R-20-03, R-20-04, R-20-05, R-20-06, R-20-07, R-20-12, R-20-13, And R-20-14; And Providing For The Collection Of Such Special Assessments And Benefit Fees.**

**Action:** Motion to (approve / deny / table) An Ordinance Levying Special Assessments, Including Benefit Fees, On Certain Property To Pay The Costs Of Internal Improvements In The City Of Bel Aire, Kansas, As Heretofore Authorized By Resolution Nos. R-20-01, R-20-02, R-20-03, R-20-04, R-20-05, R-20-06, R-20-07, R-20-12, R-20-13, And R-20-14; And Providing For The Collection Of Such Special Assessments And Benefit Fees and authorize the Mayor to sign.

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

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

Justin Smith \_\_\_\_\_ John Welch \_\_\_\_\_

**B. Consideration of the proposal from The Traffic Group for 24-hour video vehicle classification turning movement counts at various intersections for the 45<sup>th</sup> – Oliver to Woodlawn Street Reconstruction project in the amount of \$14,800.00.**

**Action:** Motion to (approve / deny / table) the quote from The Traffic Group in the amount of \$14,800.00 for 24-hour Video Vehicle Classification Turning Movement Counts at various intersections for the 45<sup>th</sup> – Oliver to Woodlawn Street Reconstruction project, and authorize the Mayor to sign all related documents.

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

**C. Consideration of an Agreement for Professional Services with Garver for the Design, Construction Staking, Construction Administration and Construction Observation services for the Arthur Heights in the amount of \$110,900.00.**

**Action:** Motion to (approve / deny / table) an Agreement for Professional Services with Garver for Design, Construction Staking, Construction Administration and Construction Observation services for the Arthur Heights in the amount of \$110,900.00 and authorize the Mayor to sign.

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

**D. Consideration of a Supplemental Agreement for Professional Services with Garver for extending their Construction Engineering services for the Woodlawn Project.**

**Action:** Motion to (approve / deny / table) a Supplemental Agreement for Professional Services with Garver for extending their Construction Engineering services for the Woodlawn Project in the amount of \$125,464.95 and authorize the Mayor to sign.

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

**E. Consideration of a quote for Repair and Plastering of Central Park Pool. Three quotes were received:**

Mid-West Plastering LLC	\$47,200
Mid America Pool Renovation	\$67,070
Mid America Pool Renovation	\$81,650 (exposed aggregate finish)

**Action:** Motion to accept the quote from \_\_\_\_\_ in the amount of \$\_\_\_\_\_ for Repair and Plastering of Central Park Pool, and authorize the Mayor to sign all related documents.

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

**F. Consideration of acquiring Right-of-Way from Envision Management LLC for the 53rd Street Reconstruction Project.**

**Action:** Motion to (approve / deny / table) the receipt of right-of-way from Envision Management LLC for the 53rd Street Reconstruction Project and authorize the Mayor to sign.

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

### **XIII. EXECUTIVE SESSION**

**Action:** Motion to go into executive session for the sole purpose of discussion the subject of: (\_\_\_\_\_), pursuant to the KSA 75-4319 exception for: (\_\_\_\_\_\_). Invite the City Manager and the City Attorney. The meeting will be for a period of (\_\_) minutes, and the open meeting will resume in City Council Chambers at (\_\_\_\_\_) PM.

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

### **XIV. DISCUSSION AND FUTURE ISSUES**

### **XV. ADJOURNMENT**

**Action:** Motion to adjourn.

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

#### *Additional Attachments*

- A.** PD Monthly Report August 2023
- B.** Recreation Update August 2023
- C.** Task Force Draft Minutes - September 11, 2023
- D.** Manager's Report - September 19, 2023

#### **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.belaireks.gov](http://www.belaireks.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**  
**September 05, 2023 7:00 PM**



**I. CALL TO ORDER:** Mayor Jim Benage called the meeting to order at 7:00 p.m.

**II. ROLL CALL**

Present were Councilmembers Greg Davied, Tyler Dehn, Emily Hamburg, Justin Smith, and John Welch.

Also present were City Manager Ty Lasher, Assistant City Manager Ted Henry, City Attorney Pro Tempore Jennifer Hill, City Engineer Anne Stephens, Director of Public Works Marty McGee, and City Clerk Melissa Krehbiel.

**III. OPENING PRAYER:** Mark Posson provided the opening prayer.

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

Mayor Benage led the pledge of allegiance.

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

**VI. CONSENT AGENDA**

**A. Minutes of the August 15, 2023 City Council meeting.**

**MOTION:** Councilmember Smith moved to approve the Consent Agenda as listed and authorize the Mayor to sign. Councilmember Davied seconded the motion. ***Motion carried 5-0.***

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

**A. Consideration of Appropriations Ordinance 23-16 in the amount of \$925,612.51.**

**MOTION:** Councilmember Davied moved to approve Appropriations Ordinance 23-16. Councilmember Dehn seconded the motion. ***Motion carried 5-0.***

**VIII. CITY REQUESTED APPEARANCES**

**A. Woodlawn Construction Update - Pat Herman, Garver**

Pat Herman gave a brief update on the Woodlawn construction project.

## IX. PUBLIC HEARING

### A. **Revenue Neutral Rate - The purpose of the public hearing is to give property owners and other interested parties the opportunity to speak on exceeding the Revenue Neutral Rate of 36.409 mills.**

Carol Russell, 6218 E 45<sup>th</sup> St N, asked questions of the Council regarding the proposed mill levy and her property taxes. Mayor Benage and City Manager Lasher responded with general information about the increase in assessed property values throughout the city and the increases in the costs of providing City services.

**MOTION:** Councilmember Hamburg moved to close the public hearing. Councilmember Welch seconded the motion. *Motion carried 5-0.*

### B. **Consideration of A Resolution Of The City Of Bel Aire, Kansas To Levy A Property Tax Rate Exceeding The Revenue Neutral Rate.**

**MOTION:** Councilmember Welch moved to approve A Resolution Of The City Of Bel Aire, Kansas To Levy A Property Tax Rate Exceeding The Revenue Neutral Rate and authorize the Mayor to sign. Councilmember Smith seconded the motion.

Roll Call Vote:

Greg Davied - Aye Tyler Dehn - Aye Emily Hamburg - Aye

Justin Smith - Aye John Welch – Aye

*Motion carried 5-0.*

### C. **2024 City of Bel Aire Budget - The purpose of the public hearing is to give property owners and other interested parties the opportunity to speak on the proposed 2024 City of Bel Aire Budget.**

**MOTION:** Councilmember Smith moved to close the public hearing. Councilmember Dehn seconded the motion. *Motion carried 5-0.*

### D. **Consideration of Approving the 2024 City of Bel Aire Budget.**

**MOTION:** Councilmember Smith moved to approve the 2024 City of Bel Aire Budget as presented and authorize all required signatures. Councilmember Davied seconded the motion. *Motion carried 5-0.*

## X. CITIZEN CONCERNS: No one spoke.

## XI. REPORTS

### A. **Council Member Reports**

In response to a phone call from a resident, Councilmember Hamburg briefly reported about the best way to get emergency services. She reported that the best way is to call 911 directly and stay on the line. She also reported that Fall sports will begin soon, and she encouraged residents to patronize the Lions Club concessions to support the community.

Councilmember Welch reported that 911 will provide assistance for any medical need. If you have a medical need, please don't hesitate to call.

Councilmembers Davied and Smith gave brief reports on the latest Chisholm Creek Utility Authority (CCUA) meeting.

Councilmember Dehn briefly reported on the joint water/ wastewater conference he recently attended. Regarding upcoming events, he noted that the Bel Aire Area Chamber will hold their monthly lunch tomorrow at City Hall. On September 20-22, KDOT will host the Walk/Bike/Roll Active Transportation Summit in McPherson.

## **B. Mayor's Report**

Mayor Benage briefly reported on the August 17<sup>th</sup> meeting of the Sedgwick County Fire District No. 1 Steering Committee and the Woodlawn construction project. He noted that Woodlawn is now open to two-way traffic, and the City is investigating solutions to some pavement issues. He encouraged citizens to support businesses on Woodlawn during the construction.

Mayor Benage reported he invited State Representative Patrick Penn to the Bel Aire Area Chamber luncheon this Wednesday. He noted this is an opportunity for residents in the 85<sup>th</sup> district to meet their representative.

Mayor Benage also briefly commented on a quote from the September 1<sup>st</sup> edition of the Wichita Business Journal stating that Bel Aire is “probably the hottest market we have in terms of new industrial and residential growth”. Mayor Benage noted that the City is working on positioning itself to support this growth while maintaining its small-town feeling. Street and water/wastewater studies are currently underway.

## **C. City Attorney Report – No report was given.**

## **D. City Manager Report**

City Manager Lasher reported that Public Works staff worked over the holiday weekend to repair a water main break. Gravel work on 53<sup>rd</sup> street has been completed; the new gravel surface is much smoother. Bids for paving 53<sup>rd</sup> street will be requested next month. Sewer main lining is being completed in the Park Vista and Lawn Terrace neighborhoods. Vance Brothers will be working on scrub seal and slurry seal in certain areas at the end of the month. He encouraged residents to follow the City on Facebook to stay up to date on street repairs or water/sewer repairs.

# **XII. ORDINANCES, RESOLUTIONS AND FINAL ACTIONS**

## **A. Consideration of the Following Actions related to Special Assessments:**

- 1. Approval of the Statement of Final Costs, Assessment Roll Certification, Notice of Public Hearing, and Form of Notice of Hearing and Statement of Cost Proposed to be Assessed;**
- 2. Establish September 19, 2023 at 7:00 p.m. to meet for the purpose of hearing any and all written or oral objections to the respective assessments set forth therein;**
- 3. Authorize the publication by the City Clerk of Exhibit C (Notice of Public Hearing) in the official City newspaper, not less than 10 days prior to such public**

meeting date;

4. Mail Exhibit D (Notice of Public Hearing and Statement of Cost Proposed to be Assessed) to each and all owners of property affected by such assessments at their last known post office address on the same date as the publication of Exhibit C (Notice of Public Hearing); and
5. File each of said documents of record in the office of the City Clerk and make the same available for public inspection.

Kevin Cowan of Gilmore and Bell, PA, bond counsel for the city, stood for questions from the Council.

**MOTION:** Councilmember Davied moved to approve:

1. Approval of the Statement of Final Costs, Assessment Roll Certification, Notice of Public Hearing, and Form of Notice of Hearing and Statement of Cost Proposed to be Assessed;
2. Establish September 19, 2023 at 7:00 p.m. to meet for the purpose of hearing any and all written or oral objections to the respective assessments set forth therein;
3. Authorize the publication by the City Clerk of Exhibit C (Notice of Public Hearing) in the official City newspaper, not less than 10 days prior to such public meeting date;
4. Mail Exhibit D (Notice of Public Hearing and Statement of Cost Proposed to be Assessed) to each and all owners of property affected by such assessments at their last known post office address on the same date as the publication of Exhibit C (Notice of Public Hearing); and
5. File each of said documents of record in the office of the City Clerk and make the same available for public inspection.

Councilmember Dehn seconded the motion. *Motion carried 5-0.*

**B. Consideration of approving the Sidewalk Replacement Program of \$15,000.00 for Fiscal Year 2023.**

**MOTION:** Councilmember Smith moved to approve the Sidewalk Replacement Program for 2023 at \$15,000.00 and authorize the Mayor to sign. Councilmember Hamburg seconded the motion. *Motion carried 5-0.*

**C. Consideration of accepting a quote for water sampling station equipment. Four quotes were received:**

<u>Suppliers</u>	<u>Quote Per Unit</u>	<u>Total Cost for 45 Units</u>
Hajoca	\$1,446.25	\$65,081.25
Core & Main	\$1,222.00	\$54,990.00
Wichita WinWater	\$1,104.66	\$49,709.70
Municipal Supply	\$1,100.00	\$49,500.00

**MOTION:** Councilmember Hamburg moved to accept the quote from Municipal Supply in the amount not to exceed \$49,500.00 total for water sampling station equipment. Councilmember Dehn seconded the motion. *Motion carried 5-0.*

- D. Consideration of an Agreement for Professional Services with Short Elliott Hendrickson (SEH) for Construction Observation services for the water, sanitary sewer, storm sewer and paving improvements to serve the first phase of Sunflower Commerce Park 3rd in the amount of \$236,000.**

**MOTION:** Councilmember Welch moved to approve an Agreement for Professional Services with Short Elliott Hendrickson (SEH) for Construction Observation services for the water, sanitary sewer, storm sewer and paving improvements to serve the first phase of Sunflower Commerce Park 3rd in the amount of \$236,000 and authorize the Mayor to sign. Councilmember Smith seconded the motion. *Motion carried 5-0.*

- E. Consideration of accepting a bid for Sunflower Commerce Park 3rd Overlot Grading Project. Three bids were received:**

<u>Contractor</u>	<u>Total Bid</u>
<i>Engineer's Estimate</i>	<i>\$1,100,000.00</i>
Andale Construction	\$2,075,000.00
Mies Construction	\$1,361,659.10
Unruh Excavating	\$914,727.95

**MOTION:** Councilmember Smith moved to accept the bid from Unruh Excavating in the amount of \$914,727.95 for the Sunflower Commerce Park 3rd Overlot Grading Project and authorize the Mayor to sign all related documents. Councilmember Welch seconded the motion.

- F. Consideration of the Change Order Request from Pearson Construction for Pedestrian Push Button Poles at 45<sup>th</sup> and Woodlawn in the amount of \$22,127.70.**

Jay Anglemeyer, MKEC, and City Engineer Anne Stephens stood for questions from the Council.

**MOTION:** Councilmember Hamburg moved to approve the Change Order Request from Pearson Construction in the amount of \$22,127.70 for pedestrian push button poles at 45th and Woodlawn and authorize the Mayor to sign all related documents.

Mayor Benage requested an executive session. Councilmember Hamburg tabled her previous motion.

**MOTION:** Councilmember Hamburg moved to go into executive session for the sole purpose of discussing the subject of: attorney-client consultation regarding contractual obligations pursuant to K.S.A. 75-4319(b)(2) for consultation with an attorney for the public body or agency which would be deemed privileged in the attorney-client relationship. Invite the City Manager, City Attorney Ms. Hill, and City Engineer. The meeting will be for a period of 10 minutes and be back at 8:08 p.m. here in Council

Chambers for the open meeting to resume. Councilmember Davied seconded the motion. ***Motion carried 5-0.***

The Council then held an executive session. At 8:10 p.m. Mayor Benage called the meeting back to order in open session. He stated that no binding action had been taken.

**MOTION:** Councilmember Hamburg moved to approve the Change Order Request from Pearson Construction in the amount of \$22,127.70 for pedestrian push button poles at 45th and Woodlawn and authorize the Mayor to sign all related documents. Councilmember Davied seconded the motion. ***Motion carried 5-0.***

**G. Consideration of a Supplemental Agreement for Professional Services with Garver for Construction Engineering services for the Woodlawn Project in the amount of \$199,297.70.**

Dakota Zimmerman, Garver, gave a brief presentation and stood for questions from the Council.

**MOTION:** Councilmember Smith moved to go into executive session for the sole purpose of discussing the subject of: attorney-client consultation regarding contractual obligations pursuant to K.S.A. 75-4319(b)(2) for consultation with an attorney for the public body or agency which would be deemed privileged in the attorney-client relationship. Invite the City Manager, Jennifer Hill, and City Engineer. The meeting will be for a period of 10 minutes and the open meeting will resume in City Council Chambers at 8:31 p.m. Councilmember Davied seconded the motion. ***Motion carried 5-0.***

The Council then held an executive session. At 8:33 p.m. Mayor Benage called the meeting back to order in open session. He stated that no binding action had been taken.

**MOTION:** Councilmember Smith moved to table a Supplemental Agreement for Professional Services with Garver for Construction Engineering services for the Woodlawn Project until the next meeting. Councilmember Welch seconded the motion. ***Motion carried 5-0.***

**H. Consideration of the Change Order Request from Nowak Construction for additional backyard easement grading in the amount of \$29,624.93 in Cedar Pass.**

**MOTION:** Councilmember Smith moved to approve the Change Order Request from Nowak Construction in the amount of \$29,624.93 for additional backyard easement grading in Cedar Pass and authorize the Mayor to sign all related documents. Councilmember Davied seconded the motion. ***Motion carried 5-0.***

**I. Consideration of accepting a bid for Cedar Pass Paving Improvements. Four bids were received:**

<u>Contractor</u>	<u>Asphalt</u>	<u>Concrete</u>
<i>Engineer's Estimate</i>	\$746,040.00	\$746,040.00
APAC	\$649,328.35	\$747,030.35
Kansas Paving	\$578,085.10	\$650,739.86

Pearson	\$624,745.60	\$829,031.60
Prado	No Bid	\$692,678.40

**MOTION:** Councilmember Welch moved to accept the bid from Kansas Paving for concrete paving in the amount of \$650,739.86 for the Cedar Pass Paving Improvements and authorize the Mayor to sign all related documents. Councilmember Smith seconded the motion. *Motion carried 5-0.*

**J. Consideration of a Consent and Agreement to Annexation by and between the City of Bel Aire, Kansas and James and Narnie Woolley.**

**MOTION:** Councilmember Welch moved to approve the Consent and Agreement to Annexation by and between the City of Bel Aire, Kansas and James and Narnie Woolley, and authorize the Mayor to sign. Councilmember Dehn seconded the motion. *Motion carried 5-0.*

**K. Consideration of An Ordinance Annexing And Incorporating A Portion Of Section 20-26-2E Into The Boundaries Of The City Of Bel Aire, Kansas (Woolley property).**

**MOTION:** Councilmember Dehn moved to accept An Ordinance Annexing And Incorporating A Portion Of Section 20-26-2E Into The Boundaries Of The City Of Bel Aire, Kansas, and authorize the Mayor to sign. Councilmember Hamburg seconded the motion.

Roll Call Vote:

Greg Davied - Aye Tyler Dehn - Aye Emily Hamburg - Aye  
Justin Smith - Aye John Welch – Aye

*Motion carried 5-0.*

**L. Consideration of a Resolution of the governing body of the City of Bel Aire, Kansas making application in accordance with K.S.A. 74-4954b to become a participating employer in the Kansas Police and Fireman's Retirement System to provide for the inclusion of all currently eligible Police Officers and to transfer the membership of all Police Officers presently covered under the Kansas Public Employees Retirement System to the Kansas Police and Firemen's Retirement System.**

**MOTION:** Councilmember Smith moved to accept a Resolution makes application in accordance with K.S.A. 74-4954b to become a participating employer in the Kansas Police and Fireman's Retirement System to provide for the inclusion of all currently eligible Police Officers and to transfer the membership of all Police Officers presently covered under the Kansas Public Employees Retirement System to the Kansas Police and Firemen's Retirement System effective January 1, 2024, and authorize the Mayor to sign. Councilmember Welch seconded the motion. *Motion carried 5-0.*

### **XIII. EXECUTIVE SESSION**

**MOTION:** Councilmember Smith moved to take a 10-minute recess. Councilmember Welch seconded the motion. *Motion carried 5-0.*

**MOTION:** Councilmember Welch moved to go into executive session for the sole purpose of discussing the subject of: attorney-client consultation regarding contractual obligations pursuant to K.S.A. 75-4319(b)(2) for consultation with an attorney for the public body or agency which would be deemed privileged in the attorney-client relationship. Invite the City Manager, City Attorney, and City Engineer. The meeting will be for a period of 30 minutes, and the open meeting will resume in City Council Chambers at 9:26 p.m. Councilmember Davied seconded the motion. *Motion carried 5-0.*

The Council then held an executive session. At 9:28 p.m., Mayor Benage called the meeting back to order in open session. He stated that no binding action had been taken.

**MOTION:** Councilmember Smith moved to extend the executive session for an additional 30 minutes with the open meeting to resume in Council Chambers at 9:58 p.m. Councilmember Dehn seconded the motion. *Motion carried 5-0.*

The Council then held an executive session. At 9:58 p.m., Mayor Benage called the meeting back to order in open session. He stated that no binding action had been taken.

#### **XIV. DISCUSSION AND FUTURE ISSUES**

##### **A. Workshop - September 12th at 6:30 p.m.?**

The Council briefly discussed the time and agenda for the next City Council workshop, which will be held on September 12th at 6:30 p.m.

#### **XV. ADJOURNMENT**

**MOTION:** At 10:01 p.m. Councilmember Welch moved to adjourn. Councilmember Dehn seconded the motion. *Motion carried 5-0.*





# MINUTES CITY COUNCIL SPECIAL MEETING

7651 E. Central Park Ave, Bel Aire, KS  
September 12, 2023 6:00 PM



**I. CALL TO ORDER:** Mayor Jim Benage called the meeting to order at 6:03 p.m.

**II. ROLL CALL**

Present were Councilmembers Greg Davied, Emily Hamburg, and Justin Smith. Councilmember Tyler Dehn arrived at 6:10 p.m. Councilmember John Welch was absent. Also present were City Manager Ty Lasher, City Attorney Maria Schrock, Director of Public Works Marty McGee, and City Engineer Anne Stephens.

**III. EXECUTIVE SESSION**

**MOTION:** Councilmember Smith moved to go into executive session for the sole purpose of discussing the subject of: attorney-client consultation regarding contractual obligations pursuant to K.S.A. 75-4319(b)(2) for consultation with an attorney for the public body or agency which would be deemed privileged in the attorney-client relationship. Invite the City Manager, City Attorney, and City Engineer. The meeting will be for a period of 20 minutes, and the open meeting will resume in City Council Chambers at 6:25 p.m. Councilmember Hamburg seconded the motion. *Motion carried 3-0.*

The Council then held an executive session. At 6:27 p.m. Mayor Benage called the meeting back to order in open session and stated that no binding action had been taken.

**MOTION:** Councilmember Smith moved to extend the executive session for an additional 10 minutes with the open meeting resuming in Council Chambers at 6:39 p.m. Councilmember Dehn seconded the motion. *Motion carried 4-0.*

The Council then returned to executive session. At 6:39 p.m. Mayor Benage called the meeting back to order in open session and stated that no binding action had been taken.

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

**A. Consideration of a stop order for Woodlawn.**

**MOTION:** Councilmember Smith moved to deny the stop order for Woodlawn. Councilmember Davied seconded the motion. *Motion carried 4-0.*

**B. Consideration of a sewer main replacement on Kreuger. The following bids were received:**

<u>Contractor</u>	<u>Total Bid</u>
UMC	\$18,890.00
Nowak	\$14,300.00
Pearsons	No Bid
Dondlinger	No Bid

Director of Public Works Marty McGee stood for questions from Council. He noted that in the staff report there was a typo in the total bid from UMC: the correct total bid is \$18,890.00.

**MOTION:** Councilmember Davied moved to accept the bid from Nowak in an amount not to exceed \$14,300.00 and authorize the Mayor to sign. Councilmember Dehn seconded the motion. ***Motion carried 4-0.***

**C. Consideration of sidewalk repairs in Eagle Lake. The following bids were received:**

<u>Contractor</u>	<u>Total Bid</u>
Calvin Opp	\$11,794.50
PP&J	\$12,925.00
UMC	\$15,700.00
Nowak	No Bid
Pearsons	No Bid
Dondlinger	No Bid

**MOTION:** Councilmember Hamburg moved to accept the bid from Calvin Opp in an amount not to exceed \$11,794.50 for sidewalk repair and authorize the Mayor to sign. Councilmember Smith seconded the motion. ***Motion carried 4-0.***

**V. ADJOURNMENT**

**MOTION:** At 6:50 p.m. Councilmember Smith moved to adjourn. Councilmember Davied seconded the motion. ***Motion carried 4-0.***

Date Submitted: 4/25/2023

Date

mm/dd/yyyy

First Name\*

Deryk

Last Name\*

Faber

Address\*

6550 E St James Pl

City

Bel Aire

State

Kansas

Zip Code

67226

Phone Number\*

3162148554

Number of years living in Bel Aire\*

10

Email Address\*

deryk@scarlettarrow.com

Please mark what events or departments you are interested in volunteering for below.

- ☐ Utility Advisory Committee
- ☒ Tree Board
- ☒ Planning Commission
- ☐ Community Events
- ☐ Senior Center
- ☐ Other

Please provide a brief explanation or attach a letter of why you are interested in volunteering with the City:

As a Bel Aire resident, I take great pride in our community and want to be more active in it. Serving on the board will allow me to contribute to the well-being and sustainability of the community that I love.

Attachment (optional)

Choose File No file chosen

Filling out this form shows that you are interested in volunteering in your community. Staff will be in contact with this form is received to better determine the best way you can serve and also to fill our the volunteer application form. Background check may be required.

CITY OF BEL AIRE		
AP ORD 23-17		
Vendor and Payroll Checks 08/30-09/12/23		
AIR CAPITOL EXTERMINATING	RODENT/INSECT EXTERMINATION	\$ 78.00
AMAZON	OFFICE EQUIP/SUPPLIES	\$ 2,229.40
ARC DOCUMENT SOLUTIONS	MAP PRINTER:MONTHLY PRINTING	\$ 8.40
BIG SKY PARTY RENTALS,LLC	NNO:INFLATABLES	\$ 590.00
CHISHOLM CREEK UTILITY AU	09/23 CUA CONTINGENCY	\$ 5,820.00
CINTAS CORPORATION	PD MATS/PW UNIFORMS/TOWEL	\$ 2,101.48
CINTAS FIRST AID & SAFETY	PD:RESTOCK FIRST AID	\$ 264.63
CORE & MAIN LP	WATER SYS MAINT/REPAIR SUPPLIES	\$ 241.74
COUNTRYSIDE LAWN & TREE C	CH-FERTILIZER APPLICATION	\$ 1,226.54
CULLIGAN OF WICHITA	WATER SERVICE	\$ 59.65
DIGITAL OFFICE SYSTEMS	OVERAGE 07/27-08/26/23	\$ 20.86
ECITY TRANSACTIONS, LLC	08/23 ONLINE PYT SERVICE	\$ 450.00
ELLIOTT ELECTRIC SUPPLY	CH POLE LIGHTS	\$ 110.24
EMPOWER RETIREMENT 457	EMP VLNTRY 457	\$ 562.00
EVERGY - FUND/DEPT BILLIN	ELEC SVC:PUBIC AREAS	\$ 2,741.63
EVERGY - STREET LIGHTS	ELEC SVC:STREET LIGHTING	\$ 146.64
EVERGY-PUBLIC BLDGS	ELEC SVC:CITY BLDGS	\$ 4,672.20
FICA/FEDERAL W/H	FED/FICA TAX	\$ 24,562.43
FRIESEN & ASSOCIATES INC	AUG COMMUNICATIONS COUNSEL	\$ 1,400.00
GALLS, LLC	PD UNIFORMS/SUPPLIES	\$ 737.68
HESS, MARTY	YOGA INSTRUCTOR	\$ 135.00
IDEATEK TELECOM	08/23 HOSTED PHONE SERV	\$ 752.99
IMAGINE IT, INC	MICROSOFT LICENSING	\$ 1,418.89
KANSAS GENERAL WIRE & SUP	CH PARKING LOT FENCE	\$ 2,074.71
KANSAS GOLF AND TURF-WICH	OIL FILTERS/OIL	\$ 84.38
KANSAS ONE-CALL SYSTEMS	LOCATE FEES:351 FOR 08/23	\$ 421.20
KS DEPT REV:WITHHOLDING T	STATE TAX	\$ 4,323.34
KS DEPT TRANSPORTATION	RAIL SPUR LOAN PYMNT #97	\$ 3,877.06
KS PUBLIC EMPL RETIRE SYS	KPERS	\$ 16,274.19
MCCOSKEY, CRAIG A	CONTRACT MOWING	\$ 400.00
NATIONAL SCREENING BUREAU	NEW HIRE BKGRD CK	\$ 42.50
NCSI	COACH BACKGROUND CHECKS	\$ 472.50
OREILLY AUTO PARTS	PW AUTO SUPPLIES	\$ 103.68
PAYLOCITY	FSA EMPLOYEE EXPENSE	\$ 1,067.18
PUBLIC WORKS & UTILITIES	26,580,750 GAL:07/06-08/03/23	\$ 127,987.79
QUILL CORP	OFFICE EQUIP/SUPPLIES	\$ 1,691.29
REBECCA HOFFMAN	REFUND VOLLEYBALL	\$ 58.00
RESCUESTAT	AED MEDICAL FEE: CH,REC,POOL	\$ 525.00
RUSTY ECK FORD PARTS & SE	PD #35 WINDOW REPAIR	\$ 362.38
SURENCY	09/23 VISION INSURANCE	\$ 478.11
SYMBOLARTS, LLC	PD BADGE	\$ 372.50
TCS TRAFFIC CONTROL SERV	53RD:ROAD CLOSED & DETOUR SIGN	\$ 4,750.00
TRAVELERS COMMERCIAL LINS	NOTARY INS MCELHANEY	\$ 90.00

TREE TOP NURSERY A	RAB & CH-CONTRACT MOWING	\$ 1,134.60
TRIPLETT,WOOLF&GARRETSON	ZONING, ECO-DEV, CCUA CONSULTING	\$ 7,447.00
UNDERGROUND VAULTS & STOR	DOC SHREDDING SERVICES	\$ 52.00
UTILITY MAINTENANCE CONTR	MANHOLE REHAB, MAIN & HYDRANT REP	\$ 41,560.03
VERIZON WIRELESS:CELL PHS	CELL PHONE SVC	\$ 1,294.10
VERSASPORT	CP PLAYGROUND TURF:FINAL PYMNT	\$ 3,307.00
WADE, TERESA	TAEKWONDO INSTRUCTOR	\$ 200.00
WASTE CONNECTIONS, INC-UB	08/23 RECYCLE OR TRASH SVC	\$ 42,658.64
WEST BEND MUTUAL	EVENT INS:NAT'L NITE OUT	\$ 361.00
WICHITA TRACTOR	PARKS-AIR FILTER PART	\$ 31.46
WILKS UNDERGROUND	ELK CREEK 3RD EXCAVATING	\$ 925.00
WILLIAMS, JOY:ATTY AT LAW	PROSECUTOR SVC	\$ 637.50
PAYROLL CHECKS	PAYROLL CHECKS ON 08/30/2023	\$ 76,033.10
	<b>CLAIMS TOTAL</b>	<b>\$ 392,264.18</b>

*Handwritten signature*  
SEP 13 2023

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, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Organization's financial reporting process.

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

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's 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.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

#### **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 February 6, 2023. 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 February 6, 2023, 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 or Unusual Transactions - We did not identify any significant or 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, 2022 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, 2022, 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, 2022 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 the City are as follows:

- 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 and *Government Accountability Office* (GAO) 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 and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. AGH is to ensure that the AICPA and GAO'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, 2022, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 significant deficiencies or material weaknesses. 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 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 deficiency in the City's internal control to be a material weakness:

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 to improve the financial reporting process by identifying adjustments and disclosures required 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 projects; 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 deficiencies in the City's internal control to be significant 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 each payroll cycle that is reviewed by both the payroll clerk and the Director of Finance. 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. We viewed these reports noting the City Managers signatures for the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2022.
- 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 did have 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 starting where the City Clerk did review the rate changes made by the Director of Finance or accuracy.
- 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.

Potential effects of the above noted significant deficiencies include recording of fraudulent transactions resulting in potential misappropriation of assets that may not be detected in a timely manner. The City

is currently evaluating or, as noted above, implemented additional mitigating controls during the year in these areas to assist in mitigating these risks.

## Other Matters

### Cybersecurity Risk

An effective cybersecurity risk management program provides 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. Elements of an effective cyber risk management program should include:

- A comprehensive and documented risk assessment. Such assessment should not fall solely on the IT team. It is a governance and management challenge that should involve executive management and others charged with governance.
- Control assessments should include, at a minimum, an information technology systems general controls review, social engineering testing and, potentially, internal and/or external penetration testing.
- A vulnerability assessment will identify potential network vulnerabilities that can leave a company open to significant risk. Using automated scanners, this will help the organization identify and resolve vulnerabilities before they are exploited by cybercriminals.

**Both control assessments and vulnerability assessments should be completed on a periodic basis which is dependent on the annual risk assessment. At a minimum, we strongly believe these assessments should be done on an annual basis, IF NOT MORE OFTEN. Executive managers should be involved with the review and summary reports should also be shared with the governance team.**

### 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  
July 18, 2023

City of Bel Aire, Kansas

## STAFF REPORT



DATE: 9/5/2023

TO: Ty Lasher, City Manager

FROM: Ted Henry, Assistant City Manager/ Director of Finance

RE: Report on Implementation of Auditor's Recommendations from 2022 Governance Letter

Auditors from Allen, Gibbs & Houlik L.C. (AGH) have completed the audit of the City's 2022 financial statements. Accompanying the audit was a Governing Body Communication letter dated July 18, 2023 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.

### 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. The auditors 2022 Governance Letter confirms this change was made.

### Accounting System and Controls:

Similar to payroll, the auditors recommended a secondary checkoff when inputting the annual budget and any changes to our utility rates. With a small staff, I have access to all areas of our accounting system. Following the July 2022 recommendation, we developed a process where the City Clerk confirms the annual budget and any utility rate changes are correctly entered into the system. The auditors 2022 Governance Letter confirms this change was made.

### 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. (report not available with our current software provider)

### 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.

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 2022.

In summary, I am pleased with the strides we have made. Despite our staffing constraints, we have used cross-departmental cooperation to establish enhanced internal controls. I am committed to sustaining this momentum and driving further progress on this issue. If you find yourself in need of additional information or if any aspect requires further clarification, please feel free to reach out to me without any hesitation.

***CITY OF BEL AIRE, KANSAS***

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

AND

INDEPENDENT AUDITOR'S REPORT

CITY OF BEL AIRE, KANSAS  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2022  
AND  
INDEPENDENT AUDITOR'S REPORT

Financial Statements  
With Supplementary Information

Year Ended December 31, 2022

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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, 2022, 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, 2022, 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  
July 18, 2023

## 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, 2022. 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 \$45,072,491 (net position).
- The City's total net position increased during this fiscal year by \$2,399,090.
- At the close of 2022, the City's governmental funds reported combined ending fund balances of \$22,357,218, an increase of \$7,739,343 over the prior year.
- At the close of 2022, unassigned fund balance for the General Fund was \$4,264,378 or 55% 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						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 48,914,923	\$ 40,112,469	\$ 6,903,105	\$ 6,410,211	\$ 55,818,028	\$ 46,522,680
Capital assets	46,937,334	47,337,805	22,833,527	21,559,166	69,770,861	68,896,971
Total assets	95,852,257	87,450,274	29,736,632	27,969,377	125,588,889	115,419,651
Deferred outflows	3,043,079	2,847,454	200,261	100,219	3,243,340	2,947,673
Long-term liabilities	75,519,064	68,614,626	1,335,752	1,173,024	76,854,816	69,787,650
Other liabilities	2,836,565	1,884,676	177,230	147,788	3,013,795	2,032,464
Total liabilities	78,355,629	70,499,302	1,512,982	1,320,812	79,868,611	71,820,114
Deferred inflows	3,890,280	3,784,137	847	89,672	3,891,127	3,873,809
Net position						
Net investment in capital assets	(4,359,089)	(553,978)	21,987,506	20,648,922	17,628,417	20,094,944
Restricted	5,701,049	2,328,271	-	-	5,701,049	2,328,271
Unrestricted	15,307,467	14,239,996	6,435,558	6,010,190	21,743,025	20,250,186
Total net position	\$ 16,649,427	\$ 16,014,289	\$ 28,423,064	\$ 26,659,112	\$ 45,072,491	\$ 42,673,401

Certain items in 2021 have been reclassified to match 2022 presentation.

### 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 \$45,072,491 at the close of 2022.

The City's net investment in capital assets of \$17,628,417 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 \$5,701,049. Restricted net position includes:

- Debt service: \$120,118
- Capital projects: \$275,615
- Public Building Commission: \$22,253
- Land Bank: \$5,279,410 and
- Drug forfeiture: \$3,653

The City's total unrestricted net position is \$21,743,025.

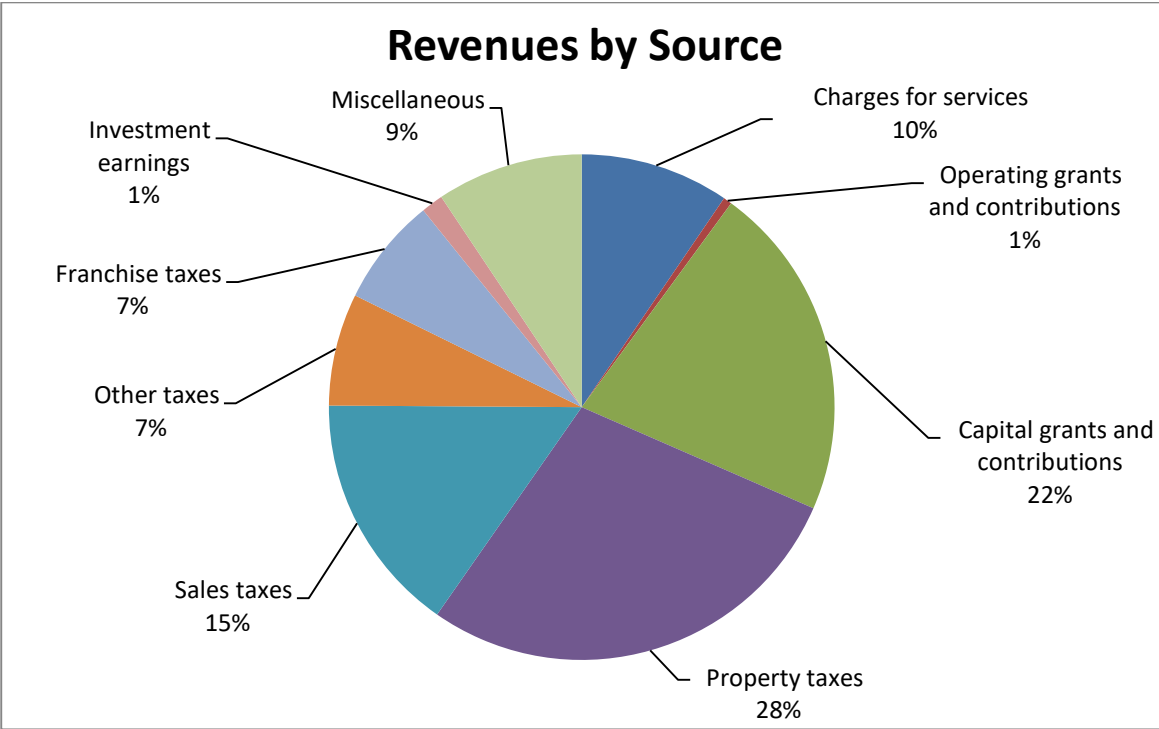
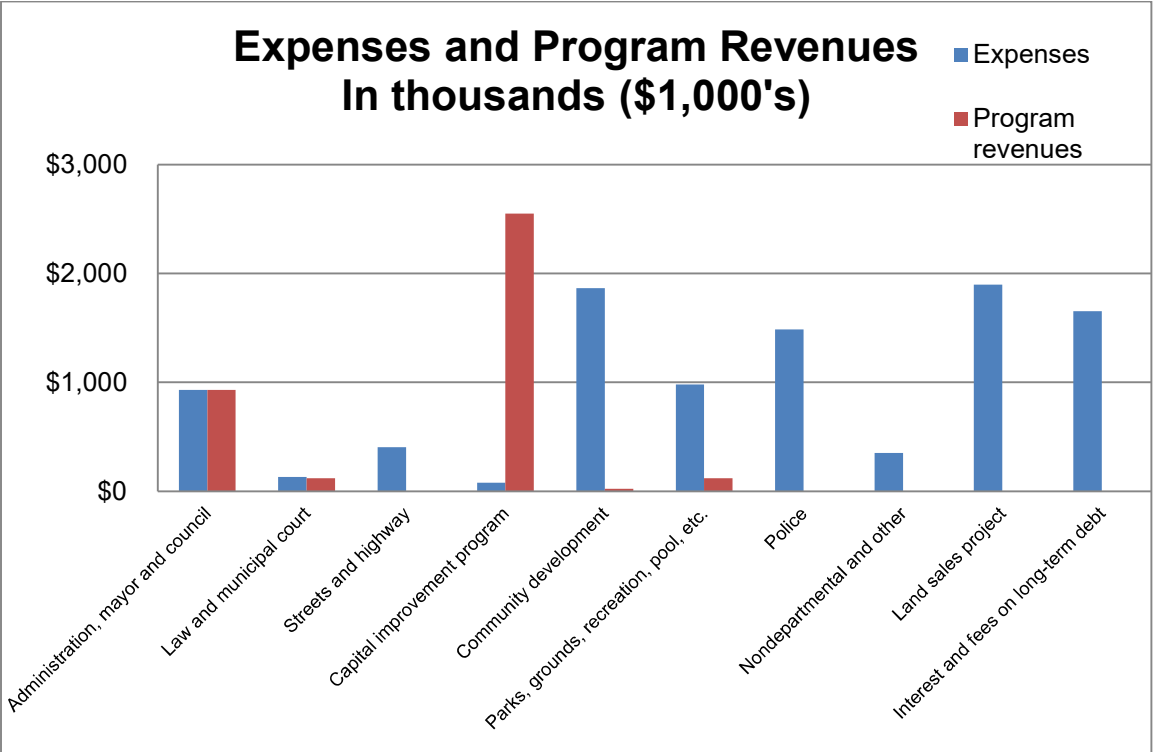
<b>Condensed Statement of Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Revenues:						
Program revenues:						
Charges for services	\$ 1,128,630	\$ 489,970	\$ 7,430,099	\$ 6,571,128	\$ 8,558,729	\$ 7,061,098
Operating grants and contributions	64,205	204,773	-	-	64,205	204,773
Capital grants and contributions	2,547,407	5,783,824	-	-	2,547,407	5,783,824
General revenues:						
Property taxes	3,336,694	3,202,287	-	-	3,336,694	3,202,287
Sales taxes	1,826,006	1,676,913	-	-	1,826,006	1,676,913
Other taxes	852,177	967,178	-	-	852,177	967,178
Franchise taxes	821,467	720,680	-	-	821,467	720,680
Investment earnings	167,293	1,402	54,422	148	221,715	1,550
Miscellaneous	1,110,586	319,438	23,488	20,019	1,134,074	339,457
Total revenues	11,854,465	13,366,465	7,508,009	6,591,295	19,362,474	19,957,760
Expenses:						
Administration, mayor and council	929,351	885,010	-	-	929,351	885,010
Law and municipal court	130,756	105,583	-	-	130,756	105,583
Streets and highway	405,715	423,331	-	-	405,715	423,331
Capital improvement program	77,004	77,004	-	-	77,004	77,004
Community development	1,864,295	2,300,739	-	-	1,864,295	2,300,739
Parks, grounds, recreation, pool, etc.	981,163	825,205	-	-	981,163	825,205
Police	1,486,280	1,222,902	-	-	1,486,280	1,222,902
Nondepartmental and other	351,364	306,046	-	-	351,364	306,046
Land sales project	1,895,323	799,939	-	-	1,895,323	799,939
Interest and fees on long-term debt	1,652,054	1,929,907	-	-	1,652,054	1,929,907
Water	-	-	3,771,404	2,581,926	3,771,404	2,581,926
Sewer	-	-	2,926,338	2,309,322	2,926,338	2,309,322
Solid Waste and Stormwater	-	-	492,337	516,074	492,337	516,074
Total expenses	9,773,305	8,875,666	7,190,079	5,407,322	16,963,384	14,282,988
Increase in net position before transfers	2,081,160	4,490,799	317,930	1,183,973	2,399,090	5,674,772
Transfers	(1,446,022)	(3,270,915)	1,446,022	3,270,915	-	-
Increase (decrease) in net position	635,138	1,219,884	1,763,952	4,454,888	2,399,090	5,674,772
Net position - beginning of year	16,014,289	14,427,105	26,659,112	22,204,224	42,673,401	36,631,329
Prior period adjustment	-	367,300	-	-	-	367,300
Net position - end of year	\$ 16,649,427	\$ 16,014,289	\$ 28,423,064	\$ 26,659,112	\$ 45,072,491	\$ 42,673,401

### **Analysis of Changes in Net Position**

The City's net position increased during the fiscal year by a total of \$2,399,090 including these changes:

- Charges for services increased \$1,497,631 mostly due to an increase in water and sewer services provided of \$858,971 and increase in governmental activities due to increase of building permit activity.
- Capital grants and contributions decreased by \$3,236,417 due to a decrease in special assessments.
- General revenues increased \$1,284,068 due to increases in property taxes and sales taxes of \$134,407 and \$149,093 due to increases in property valuation and increase in area sales. Investment earnings increased \$220,165 with an increase in market conditions. Miscellaneous revenue increased \$794,617 due to proceeds received from sale of land in 2022.
- Expenses of governmental activities increased by \$897,639 due to recording impairment on remaining land held for sale of \$1,393,152 offset by a decrease in community development costs of \$436,444 due to a decrease in non-capital repair and maintenance costs.
- Expenses of business-type activities increased \$1,782,757 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 land sales projects represent the largest portion of 2022 expenses followed by community development and interest on long-term debt.

For governmental activities overall, property tax revenues are the largest source of revenue followed by intergovernmental revenue received for cost sharing arrangements on capital projects. 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 2022, the City's governmental funds reported combined ending fund balances of \$22,357,218 including:

- Nonspendable: \$1,896,317;
- Restricted by external requirements and laws: \$13,995,325;
- Assigned to capital projects or other uses: \$2,201,198; and
- Unassigned funds available for use at the City's discretion: \$4,264,378.

The General Fund is the primary operating fund for the City. At the end of 2022, total fund balance of the General Fund was \$4,442,822. The fund balance increased by \$249,485 during the fiscal year due to increases in taxes.

The Bond and Interest Fund had a decrease in fund balance of \$103,293 due to a decrease in special assessment revenue.

The Capital Projects Fund had an increase in fund balance of \$4,081,488 due to the issuance of general obligation bonds for capital projects offset by capital outlay expenditures.

The Public Building Commission had a decrease in fund balance of \$146,592 due to bond payments exceeding revenues.

The Land Bank had an increase in fund balance of \$2,759,822 due to an increase in land sales during the year.

Nonmajor government had a combined increase in fund balance of \$898,433 due to transfer activity involving the nonmajor funds and decrease in capital outlay activity.

The Water Fund had an increase in net position of \$600,755 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 \$1,056,205 due to an increase in charges for services offset by an increase in repair and maintenance costs.

Nonmajor proprietary funds remained comparable to the prior year with increases in net position of \$106,992.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Variances between the final budget and actual amounts are not expected to impact either liquidity or future services. Majority of revenues were more than budgeted for 2022, while ad valorem tax, court fines 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 \$69,770,891 as of December 31, 2022. These capital assets include land, buildings, improvements, equipment, drainage improvements, streets, bridges, streetlights, and traffic signals.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,395,801	\$ 4,395,801	\$ 534,040	\$ 534,040	\$ 4,929,841	\$ 4,929,841
Land project	1,390,152	4,724,108	-	-	1,390,152	4,724,108
Construction in progress	2,847,960	6,879,172	2,334,382	2,990,953	5,182,342	9,870,125
City hall	1,714,462	1,780,843	-	-	1,714,462	1,780,843
Swimming pool	418,826	444,469	-	-	418,826	444,469
Other structures and equipment	1,323,632	1,126,626	19,965,105	18,034,173	21,288,737	19,160,799
Infrastructure	34,846,501	27,986,786	-	-	34,846,501	27,986,786
Total	<u>\$ 46,937,334</u>	<u>\$ 47,337,805</u>	<u>\$ 22,833,527</u>	<u>\$ 21,559,166</u>	<u>\$ 69,770,861</u>	<u>\$ 68,896,971</u>

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, 2022, the City had total long-term bonds outstanding of \$71,495,000. This amount included \$32,625,000 of general obligation bonds backed by the full faith and credit of the City, \$24,115,000 in temporary notes which will be repaid with an issuance of general obligation bonds and \$14,755,000 in revenue bonds with the Public Building Commission.

Total long-term bonds payable increased by \$6,185,000 during the fiscal year due to bond issuances being more than the repayment of debt made during the year.

The City had \$846,021 of outstanding revolving loan funds for water and sewer fund projects and \$120,717 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 \$29,071,613 and debt outstanding subject to the limit is \$20,846,145, leaving \$8,225,468 in legal debt margin.

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

Outstanding Bonds General Obligation and Revenue Bonds		
	Governmental Activities	
	2022	2021
General obligation bonds	\$ 32,625,000	\$ 31,495,000
Temporary notes	24,115,000	17,890,000
Revenue bonds -		
Public Building Commission	14,755,000	15,925,000
Total	<u>\$ 71,495,000</u>	<u>\$ 65,310,000</u>

### **Economic Factors**

Property tax collections increased 4.2% over 2021 and the positive trend has continued into the first half of 2023. The assessed valuation increased 9.0% in 2022.

### **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, 2022

Section VIII, Item A.

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash, including investments	\$ 22,489,382	\$ 6,380,448	\$ 28,869,830
Receivables, net	24,707,668	522,657	25,230,325
Property held for resale	1,717,873	-	1,717,873
Capital assets:			
Land and construction in progress	8,633,913	2,868,422	11,502,335
Other capital assets, net of depreciation	38,303,421	19,965,105	58,268,526
Total assets	<u>95,852,257</u>	<u>29,736,632</u>	<u>125,588,889</u>
<b>Deferred outflows of resources:</b>			
Deferred refunding	2,066,423	-	2,066,423
Deferred outflows - OPEB	154,658	-	154,658
Deferred outflows - pensions	821,998	200,261	1,022,259
Total deferred outflows of resources	<u>3,043,079</u>	<u>200,261</u>	<u>3,243,340</u>
<b>Liabilities:</b>			
Accounts payable	1,209,466	132,589	1,342,055
Accrued wages	84,882	44,641	129,523
Unearned grant revenue	1,267,227	-	1,267,227
Interest payable	274,990	-	274,990
Long-term liabilities			
Due within one year	8,696,293	74,371	8,770,664
Due in more than one year	66,822,771	1,261,381	68,084,152
Total liabilities	<u>78,355,629</u>	<u>1,512,982</u>	<u>79,868,611</u>
<b>Deferred inflows of resources:</b>			
Deferred property tax receivable	3,700,561	-	3,700,561
Deferred inflows - OPEB	186,247	-	186,247
Deferred inflows - pensions	3,472	847	4,319
Total deferred inflows of resources	<u>3,890,280</u>	<u>847</u>	<u>3,891,127</u>
<b>Net position:</b>			
Net investment in capital assets	(4,359,089)	21,987,506	17,628,417
Restricted for:			
Debt service	120,118	-	120,118
Capital projects	275,615	-	275,615
Public Building Commission	22,253	-	22,253
Land Bank	5,279,410	-	5,279,410
Drug forfeiture	3,653	-	3,653
Unrestricted	15,307,467	6,435,558	21,743,025
Total net position	<u>\$ 16,649,427</u>	<u>\$ 28,423,064</u>	<u>\$ 45,072,491</u>

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, 2022**

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	\$ 929,351	\$ 865,947	\$ 64,205	\$ -	\$ 801	\$ -	\$ 801
Law and municipal court	130,756	120,936	-	-	(9,820)	-	(9,820)
Streets and highway	405,715	-	-	-	(405,715)	-	(405,715)
Community development	1,864,295	21,829	-	-	(1,842,466)	-	(1,842,466)
Parks, grounds, recreation, pool, etc.	981,163	119,918	-	-	(861,245)	-	(861,245)
Police	1,486,280	-	-	-	(1,486,280)	-	(1,486,280)
Nondepartmental and other	351,364	-	-	-	(351,364)	-	(351,364)
Land sales project	1,895,323	-	-	-	(1,895,323)	-	(1,895,323)
Capital improvement program	77,004	-	-	2,547,407	2,470,403	-	2,470,403
Interest and fees on long-term debt	1,652,054	-	-	-	(1,652,054)	-	(1,652,054)
Total governmental activities	9,773,305	1,128,630	64,205	2,547,407	(6,033,063)	-	(6,033,063)
<b>Business-type activities:</b>							
Water	3,771,404	3,654,188	-	-	-	(117,216)	(117,216)
Sewer	2,926,338	3,076,582	-	-	-	150,244	150,244
Nonmajor business-type funds	492,337	699,329	-	-	-	206,992	206,992
Total business-type activities	7,190,079	7,430,099	-	-	-	240,020	240,020
<b>Total</b>	<b>\$ 16,963,384</b>	<b>\$ 8,558,729</b>	<b>\$ 64,205</b>	<b>\$ 2,547,407</b>	<b>(6,033,063)</b>	<b>240,020</b>	<b>(5,793,043)</b>
<b>General revenues:</b>							
Property taxes					3,336,694	-	3,336,694
Sales taxes					1,826,006	-	1,826,006
Other taxes					852,177	-	852,177
Franchise fees					821,467	-	821,467
Investment earnings					167,293	54,422	221,715
Miscellaneous					1,110,586	23,488	1,134,074
Transfers					(1,446,022)	1,446,022	-
Total general revenues					6,668,201	1,523,932	8,192,133
Change in net position					635,138	1,763,952	2,399,090
<b>Net position, beginning of year</b>					16,014,289	26,659,112	42,673,401
<b>Net position, end of year</b>					<u>\$ 16,649,427</u>	<u>\$ 28,423,064</u>	<u>\$ 45,072,491</u>

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

# City of Bel Aire, Kansas

## Balance Sheet Governmental Funds December 31, 2022

Section VIII, Item A.

	General	Bond and Interest	Capital Projects	Public Building Commission	Land Bank	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>							
Cash, including investments	\$ 3,830,775	\$ 395,108	\$ 8,929,893	\$ 22,253	\$ 5,279,410	\$ 4,031,943	\$ 22,489,382
Receivables (net of allowance for uncollectibles)							
Property taxes	3,700,561	-	-	-	-	-	3,700,561
Special assessments	-	20,295,569	-	-	-	-	20,295,569
Motor vehicle and RV tax	70,807	-	-	-	-	-	70,807
Real estate mortgage note receivable	178,444	-	-	-	-	-	178,444
Sales tax	329,793	-	-	-	-	-	329,793
Franchise taxes and fees	65,267	-	-	-	-	-	65,267
Other	59,638	-	-	-	-	7,589	67,227
Property held for resale	-	-	-	-	1,717,873	-	1,717,873
Total assets	\$ 8,235,285	\$ 20,690,677	\$ 8,929,893	\$ 22,253	\$ 6,997,283	\$ 4,039,532	\$ 48,914,923
<b>Liabilities:</b>							
Accounts payable	\$ 9,072	\$ -	\$ 910,607	\$ -	\$ -	\$ 289,787	\$ 1,209,466
Accrued liabilities	82,830	-	-	-	-	2,052	84,882
Unearned grant revenue	-	-	-	-	-	1,267,227	1,267,227
Total liabilities	91,902	-	910,607	-	-	1,559,066	2,561,575
<b>Deferred inflows of resources:</b>							
Deferred property tax receivable	3,700,561	-	-	-	-	-	3,700,561
Unavailable revenue - special assessments	-	20,295,569	-	-	-	-	20,295,569
Total deferred inflows of resources	3,700,561	20,295,569	-	-	-	-	23,996,130
<b>Fund balance:</b>							
Nonspendable	178,444	-	-	-	1,717,873	-	1,896,317
Restricted	-	395,108	8,019,286	22,253	5,279,410	279,268	13,995,325
Assigned	-	-	-	-	-	2,201,198	2,201,198
Unassigned	4,264,378	-	-	-	-	-	4,264,378
Total fund balance	4,442,822	395,108	8,019,286	22,253	6,997,283	2,480,466	22,357,218
Total liabilities, deferred inflows of resources and fund balance	\$ 8,235,285	\$ 20,690,677	\$ 8,929,893	\$ 22,253	\$ 6,997,283	\$ 4,039,532	\$ 48,914,923

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, 2022**

Section VIII, Item A.

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

<b>Total fund balance -- governmental funds</b>		<b>\$ 22,357,218</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 69,519,241	
Accumulated depreciation	<u>(22,581,907)</u>	46,937,334
Special assessments receivable are not available to pay for current period expenditures and, therefore, are reported as unavailable in the fund statements		20,295,569
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		2,066,423
Deferred outflows - OPEB		154,658
Deferred outflows - pensions		821,998
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	(274,990)	
General obligation bonds payable	(32,625,000)	
Temporary notes	(24,115,000)	
Revenue bonds - Public Building Commission	(14,755,000)	
Rail loan	(120,717)	
Premiums	(1,830,777)	
Net pension liability	(1,937,507)	
Total OPEB liability	(37,534)	
Compensated absences	<u>(97,529)</u>	(75,794,054)
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		(186,247)
Deferred inflows - pensions		<u>(3,472)</u>
<b>Total net position -- governmental activities</b>		<b><u>\$ 16,649,427</u></b>

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

# City of Bel Aire, Kansas

Section VIII, Item A.

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2022

	General	Bond and Interest	Capital Projects	Public Building Commission	Land Bank	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes and shared revenues	\$ 5,652,154	\$ 32,477	\$ -	\$ -	\$ -	\$ 330,246	\$ 6,014,877
Intergovernmental revenues	64,205	-	572,659	-	-	-	636,864
Franchise fees	821,467	-	-	-	-	-	821,467
Court fines	120,936	-	-	-	-	-	120,936
Licenses, permits and fees	985,865	-	-	-	-	-	985,865
Rents and sales	21,829	-	-	63,591	-	-	85,420
Special assessments	-	2,152,492	-	-	-	-	2,152,492
Other	24,052	23,974	68,041	-	40,655	50,542	207,264
Total revenues	7,690,508	2,208,943	640,700	63,591	40,655	380,788	11,025,185
<b>Expenditures:</b>							
Current:							
Administration, mayor and council	894,765	-	-	-	-	-	894,765
Law and municipal court	127,819	-	-	-	-	-	127,819
Streets and highway	-	-	-	-	-	393,483	393,483
Community development	307,391	-	-	-	-	-	307,391
Parks, grounds, recreation, pool, etc.	883,986	-	-	-	-	-	883,986
Police	1,354,282	-	-	-	-	-	1,354,282
Nondepartmental and other	343,474	-	-	2,458	-	-	345,932
Land project	138,510	-	-	-	363,661	-	502,171
Capital outlay/projects	-	-	5,911,264	-	-	888,872	6,800,136
Debt Service:							
Principal retirement	-	2,505,000	2,903,636	1,170,000	-	-	6,578,636
Interest and other	-	924,049	129,682	357,241	-	-	1,410,972
Debt issuance costs	-	-	189,405	-	-	-	189,405
Total expenditures	4,050,227	3,429,049	9,133,987	1,529,699	363,661	1,282,355	19,788,978
Excess (deficiency) of revenues over (under) expenditures	3,640,281	(1,220,106)	(8,493,287)	(1,466,108)	(323,006)	(901,567)	(8,763,793)
<b>Other financing sources (uses):</b>							
Issuance of general obligation bonds	157,115	164,481	12,398,404	-	-	-	12,720,000
Premium on issuance of general obligation bonds	-	-	176,371	-	-	-	176,371
Land sales	-	-	-	-	2,947,828	-	2,947,828
Transfers in	-	952,332	-	1,319,516	135,000	1,800,000	4,206,848
Transfers out	(3,547,911)	-	-	-	-	-	(3,547,911)
Total other financing sources (uses)	(3,390,796)	1,116,813	12,574,775	1,319,516	3,082,828	1,800,000	16,503,136
Net change in fund balance	249,485	(103,293)	4,081,488	(146,592)	2,759,822	898,433	7,739,343
<b>Fund balance, beginning of year</b>	4,193,337	498,401	3,937,798	168,845	4,237,461	1,582,033	14,617,875
<b>Fund balance, end of year</b>	\$ 4,442,822	\$ 395,108	\$ 8,019,286	\$ 22,253	\$ 6,997,283	\$ 2,480,466	\$ 22,357,218

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

# City of Bel Aire, Kansas

Section VIII, Item A.

## 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, 2022

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

**Net change in fund balance-- total governmental funds** **\$ 7,739,343**

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.

Depreciation expense	(1,561,610)	
Capital assets capitalized	4,495,095	2,933,485

In the statement of activities, the gain or loss from the sale of capital assets is reported, whereas in the governmental funds, only any proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of capital assets sold. (3,333,956)

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. (177,744)

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. (135,303)

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. (3,186)

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.

General obligation bonds	(3,635,000)	
Temporary Notes	(9,085,000)	
Premiums	(176,371)	(12,896,371)

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.

General obligation bonds	2,505,000	
Temporary notes	2,860,000	
Revenue bond - Public Building Commission	1,170,000	
Rail loan	43,636	6,578,636

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (13,922)

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. (37,755)

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:

Compensated absences earned exceeded benefits paid		(18,089)
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**Change in net position of governmental activities** **\$ 635,138**

*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, 2022

Section VIII, Item A.

	Water	Sewer	Nonmajor Proprietary Funds	Total
<b>Assets:</b>				
Current assets:				
Cash, including investments	\$ 2,439,521	\$ 3,243,879	\$ 697,048	\$ 6,380,448
Receivables, net	240,538	241,735	40,384	522,657
Total current assets	2,680,059	3,485,614	737,432	6,903,105
Noncurrent assets:				
Capital assets:				
Land and construction in progress	1,380,617	1,487,805	-	2,868,422
Other capital assets, net of depreciation	8,228,666	11,736,439	-	19,965,105
Total noncurrent assets	9,609,283	13,224,244	-	22,833,527
Total assets	12,289,342	16,709,858	737,432	29,736,632
<b>Deferred outflows of resources:</b>				
Pension related items	110,711	89,550	-	200,261
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	49,208	44,126	39,255	132,589
Accrued payroll	17,505	27,136	-	44,641
Revolving loan - current	41,713	26,047	-	67,760
Compensated absences	2,995	3,616	-	6,611
Total current liabilities	111,421	100,925	39,255	251,601
Noncurrent liabilities:				
Revolving loan	482,406	295,855	-	778,261
Net pension liability	260,953	211,075	-	472,028
Compensated absences	7,928	3,164	-	11,092
Total noncurrent liabilities	751,287	510,094	-	1,261,381
Total liabilities	862,708	611,019	39,255	1,512,982
<b>Deferred inflows of resources:</b>				
Pension related items	468	379	-	847
<b>Net position:</b>				
Investment in capital assets	9,085,164	12,902,342	-	21,987,506
Unrestricted	2,451,713	3,285,668	698,177	6,435,558
Total net position	\$ 11,536,877	\$ 16,188,010	\$ 698,177	\$ 28,423,064

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

**City of Bel Aire, Kansas**

Section VIII, Item A.

Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2022

	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor Proprietary Funds</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services	\$ 3,654,188	\$ 3,076,582	\$ 699,329	\$ 7,430,099
<b>Operating expenses:</b>				
Personnel	378,375	372,210	-	750,585
Contractual services	166,758	188,204	492,337	847,299
Water purchases	636,228	10,955	-	647,183
Operations and maintenance - CCUA	457,566	446,074	-	903,640
Debt service - CCUA	605,515	706,819	-	1,312,334
Payment in lieu of franchise fees	100,000	100,000	-	200,000
Other operating expenses	1,054,316	600,023	-	1,654,339
Depreciation	372,646	502,053	-	874,699
Total operating expenses	3,771,404	2,926,338	492,337	7,190,079
Operating income	(117,216)	150,244	206,992	240,020
<b>Nonoperating revenues and expenses:</b>				
Interest and other	45,611	32,299	-	77,910
Capital contributions	931,992	1,172,967	-	2,104,959
Total nonoperating revenue	977,603	1,205,266	-	2,182,869
Income before transfers	860,387	1,355,510	206,992	2,422,889
Transfers out	(259,632)	(299,305)	(100,000)	(658,937)
Change in net position	600,755	1,056,205	106,992	1,763,952
<b>Net position, beginning of year</b>	10,936,122	15,131,805	591,185	26,659,112
<b>Net position, end of year</b>	\$ 11,536,877	\$ 16,188,010	\$ 698,177	\$ 28,423,064

*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, 2022**

Section VIII, Item A.

	Water	Sewer	Nonmajor Proprietary Funds	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 3,622,944	\$ 3,041,276	\$ 695,355	\$ 7,359,575
Payments to suppliers for goods and services	(3,010,035)	(2,031,204)	(489,714)	(5,530,953)
Payments to employees for salaries and benefits	(338,148)	(378,753)	-	(716,901)
Net cash flow from operating activities	<u>274,761</u>	<u>631,319</u>	<u>205,641</u>	<u>1,111,721</u>
<b>Cash flows from non-capital financing activities:</b>				
Transfers to other funds	(259,632)	(299,305)	(100,000)	(658,937)
Net cash flow from non-capital financing activities	<u>(259,632)</u>	<u>(299,305)</u>	<u>(100,000)</u>	<u>(658,937)</u>
<b>Cash flows from capital and related financing activities:</b>				
Revolving loan payments	(39,748)	(24,475)	-	(64,223)
Acquisition of capital assets	(3,300)	(40,801)	-	(44,101)
Net cash flow from capital and related financing activities	<u>(43,048)</u>	<u>(65,276)</u>	<u>-</u>	<u>(108,324)</u>
<b>Cash flows from investing activities:</b>				
Interest on investments	45,611	32,299	-	77,910
Net cash flow from investing activities	<u>45,611</u>	<u>32,299</u>	<u>-</u>	<u>77,910</u>
Net increase in cash and cash equivalents	17,692	299,037	105,641	422,370
<b>Cash and cash equivalents, beginning of the year</b>	<u>2,421,829</u>	<u>2,944,842</u>	<u>591,407</u>	<u>5,958,078</u>
<b>Cash and cash equivalents, end of the year</b>	<u><u>\$ 2,439,521</u></u>	<u><u>\$ 3,243,879</u></u>	<u><u>\$ 697,048</u></u>	<u><u>\$ 6,380,448</u></u>
<b>Reconciliation of operating income to net cash flow from operating activities:</b>				
Operating income	\$ (117,216)	\$ 150,244	\$ 206,992	\$ 240,020
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	372,646	502,053	-	874,699
Change in net pension liability	137,764	88,013	-	225,777
Change in deferred outflows - pensions	(60,575)	(39,467)	-	(100,042)
Change in deferred inflows - pensions	(44,391)	(44,434)	-	(88,825)
Change in accounts receivable	(31,244)	(35,306)	(3,974)	(70,524)
Change in accounts payable	10,348	20,871	2,623	33,842
Change in accrued liabilities	7,429	(10,655)	-	(3,226)
Net cash flow from operating activities	<u><u>\$ 274,761</u></u>	<u><u>\$ 631,319</u></u>	<u><u>\$ 205,641</u></u>	<u><u>\$ 1,111,721</u></u>
<b>Schedule of non-cash capital and related financing activities:</b>				
Contributions of capital assets	\$ 931,992	\$ 1,172,967	\$ -	\$ 2,104,959

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

## NOTES TO THE FINANCIAL STATEMENTS

## Notes to the Financial Statements

December 31, 2022

**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, 2022

**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, 2022

**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, 2022

**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, 2022

**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, 2022, 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, 2022. 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, 2022

**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, 2022, 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, 2022, the note balance was \$178,444.

**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, 2022

**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 one to five years continuous service to earn eleven days' vacation pay, six to eleven years continuous service to earn sixteen days and for more than twelve 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 dollar 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, 2022

**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, 2022

**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. 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, 2022

**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 was not in excess of the remaining unrecovered costs and recorded an impairment expense of \$1,393,153. Unrecovered costs, as adjusted for impairment, at December 31, 2022, amounted to \$3,108,025.

The industrial park portion of the land project was financed with Public Building Commission bonds and the amount outstanding at December 31, 2022 was \$12,295,000, 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, 2022

**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 10 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, 2022

**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, 2022, 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, 2022, the City had invested \$26,831,986 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, 2022, 100% of the City's investments, \$26,831,986, 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, 2022 appear in the financial statements as summarized below:

Carrying amount of deposits	\$ 2,037,844
Carrying amount of investments	<u>26,831,986</u>
Total	<u>\$ 28,869,830</u>

## Notes to the Financial Statements

December 31, 2022

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

## B. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Increases	Decreases	Transfer	Balance December 31, 2022
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land and improvements					
Land Project	\$ 4,724,108	\$ --	\$ 3,333,956	\$ --	\$ 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	6,879,172	3,835,422	7,866,634	--	2,847,960
Total capital assets, not being depreciated	15,999,081	3,835,422	11,200,590	--	8,633,913
Capital assets, being depreciated					
Infrastructure	44,870,575	8,097,272	--	--	52,967,847
City Hall	2,950,273	--	--	--	2,950,273
Swimming pool	854,756	--	--	--	854,756
Other structures and equipment	3,683,417	429,035	--	--	4,112,452
Total capital assets, being depreciated	52,359,021	8,526,307	--	--	60,885,328
Less accumulated depreciation					
Infrastructure	16,883,789	1,237,557	--	--	18,121,346
City Hall	1,169,430	66,381	--	--	1,235,811
Swimming pool	410,287	25,643	--	--	435,930
Other structures and equipment	2,556,791	232,029	--	--	2,788,820
Total accumulated depreciation	21,020,297	1,561,610	--	--	22,581,907
Total capital assets, being depreciated, net	31,338,724	6,964,697	--	--	38,303,421
Governmental activities capital assets, net	\$ 47,337,805	\$ 10,800,119	\$ 11,200,590	\$ --	\$ 46,937,334

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

Governmental activities:	
Administration, mayor and council	\$ 13,714
Police	81,192
Capital improvement program	78,456
Community development	1,313,106
Parks, grounds, recreation, pool, etc.	75,142
Total depreciation expense	<u>\$ 1,561,610</u>

## Notes to the Financial Statements

December 31, 2022

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

	Balance January 1, 2022	Increases	Decreases	Transfer	Balance December 31, 2022
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land and improvements	\$ 534,040	\$ --	\$ --	\$ --	\$ 534,040
Construction in process	2,990,953	2,061,959	2,718,530	--	2,334,382
Total capital assets, not being depreciated	3,524,993	2,061,959	2,718,530	--	2,868,422
Capital assets, being depreciated					
Plant and equipment	28,828,566	2,805,631	--	--	31,634,197
Less accumulated depreciation	10,794,393	874,699	--	--	11,669,092
Total capital assets, being depreciated, net	18,034,173	1,930,932	--	--	19,965,105
Proprietary activities capital assets, net	\$ 21,559,166	\$ 3,992,891	\$ 2,718,530	\$ --	\$ 22,833,527
Depreciation expense					\$ 874,699

## C. Long-term debt

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due within one year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 31,495,000	\$ 3,635,000	\$ 2,505,000	\$ 32,625,000	\$ 2,245,000
Temporary notes	17,890,000	9,085,000	2,860,000	24,115,000	5,180,000
Revenue bonds - PBC	15,925,000	--	1,170,000	14,755,000	1,195,000
Rail loan	164,353	--	43,636	120,717	44,517
Premiums/discounts	1,798,880	176,371	144,474	1,830,777	--
Net pension liability	1,027,685	1,179,086	269,264	1,937,507	--
Total OPEB liability	234,268	18,352	215,086	37,534	--
Compensated absences	79,440	118,600	100,511	97,529	31,776
Total Governmental Activities	\$ 68,614,626	\$ 14,212,409	\$ 7,307,971	\$ 75,519,064	\$ 8,696,293
<b>Business-type Activities:</b>					
Revolving loans	\$ 910,244	\$ --	\$ 64,223	\$ 846,021	\$ 67,760
Net pension liability	246,251	287,256	61,479	472,028	--
Compensated absences	16,529	19,417	18,243	17,703	6,611
Total Business-type Activities	\$ 1,173,024	\$ 306,673	\$ 143,945	\$ 1,335,752	\$ 74,371

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

## Notes to the Financial Statements

December 31, 2022

**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, 2022 are as follows:

	Interest Rates	Original Issue	Maturity Date	Outstanding December 31, 2022
Series 2014A	2.000% - 3.750%	\$ 1,100,000	\$ 10/1/2034	\$ 715,000
Series 2015A	2.000% - 2.500%	5,390,000	11/1/2027	1,545,000
Series 2015B	1.500% - 3.250%	575,000	11/1/2027	200,000
Series 2015D	2.000% - 3.500%	3,960,000	11/1/2036	2,945,000
Series 2015E	1.500% - 5.000%	220,000	11/1/2036	165,000
Series 2016A	2.000% - 4.000%	2,820,000	11/1/2037	2,080,000
Series 2017A	3.000% - 3.125%	5,545,000	11/1/2038	4,550,000
Series 2019A	2.000% - 3.000%	6,060,000	11/1/2040	5,585,000
Series 2019B	2.000% - 2.550%	1,430,000	11/1/2029	1,030,000
Series 2020B	1.400% - 2.000%	3,650,000	11/1/2041	3,090,000
Series 2021A	2.000% - 4.000%	5,135,000	11/1/2034	4,740,000
Series 2021C	2.125% - 4.000%	2,440,000	11/1/2041	2,345,000
Series 2022A	4.000% - 4.125%	3,635,000	11/1/2043	3,635,000
Total		<u>\$ 41,960,000</u>		<u>\$ 32,625,000</u>

Temporary notes outstanding at December 31, 2022 are as follows:

	Interest Rates	Original Issue	Maturity Date	Outstanding December 31, 2022
Series 2020A	1.250%	\$ 1,985,000	12/1/2023	\$ 1,985,000
Series 2020C	0.420%	3,195,000	12/1/2023	3,195,000
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
Total		<u>\$ 24,115,000</u>		<u>\$ 24,115,000</u>

## Notes to the Financial Statements

December 31, 2022

**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, 2022 are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Temporary Notes	
	Principal	Interest	Principal	Interest
2023	\$ 2,245,000	\$ 967,922	\$ 5,180,000	\$ 396,172
2024	2,415,000	892,629	9,850,000	309,488
2025	2,485,000	824,098	9,085,000	272,550
2026	2,535,000	751,155	--	--
2027	2,470,000	676,293	--	--
2028 – 2032	9,725,000	2,390,311	--	--
2033 – 2037	6,735,000	1,133,441	--	--
2038 – 2042	3,760,000	313,053	--	--
2043 – 2047	255,000	10,518	--	--
Total	<u>\$ 32,625,000</u>	<u>\$ 7,959,420</u>	<u>\$ 24,115,000</u>	<u>\$ 978,210</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, 2022

**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	\$ 1,820,000
Taxable Revenue Refunding Bonds - Series 2014B	2.000% - 4.600%	1,120,000	2/1/2030	640,000
Taxable Revenue Refunding Bonds - Series 2021	2.000% - 2.220%	13,195,000	5/1/2034	12,295,000
Total		<u>\$ 17,365,000</u>		<u>\$ 14,755,000</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
2023	\$ 1,195,000	\$ 334,038	\$ 1,529,038
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 – 2032	6,260,000	574,125	6,834,125
2033 - 2037	2,265,000	49,545	2,314,545
Total	<u>\$ 14,755,000</u>	<u>\$ 1,990,202</u>	<u>\$ 16,745,202</u>



## Notes to the Financial Statements

December 31, 2022

**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:

Issue	Revenue Pledged	Amount of Pledge	Term of Commitment	Percent of Revenue Pledged	Principal and Interest for 2022	Pledged Revenues Recognized in 2022
<b>Governmental Activities</b>						
2021A	Land sales for industrial use	\$ 13,867,645	Through 2034	100%	\$ 1,158,310	\$ --
2014A	City hall rent and pool operations	\$ 2,125,800	Through 2030	100%	\$ 265,650	\$ 46,086
2014B	Grey water sales	\$ 751,756	Through 2030	100%	\$ 107,978	\$ 59,397

**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, 2022 was \$77,904,377.

## Notes to the Financial Statements

December 31, 2022

**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, 2022, the balance of this loan was \$524,119.

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, 2022, the balance of this loan was \$321,902.

Annual debt service requirements as of December 31, 2022 are as follows:

Year	Business-type Activities			
	Water Fund		Sewer Fund	
	Principal	Interest	Principal	Interest
2023	\$ 41,713	\$ 9,556	\$ 26,047	\$ 6,151
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 - 2032	242,527	19,324	151,017	12,424
2033 - 2037	63,767	1,417	34,980	910
Total	<u>\$ 524,119</u>	<u>\$ 60,764</u>	<u>\$ 321,902</u>	<u>\$ 39,089</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, 2022, the balance of this loan was \$120,717. Annual debt service requirements as of December 31, 2022 are as follows:

Year	Principal	Interest	Total
2023	\$ 44,517	\$ 2,008	\$ 46,525
2024	45,416	1,109	46,525
2025	30,784	231	31,015
Total	<u>\$ 120,717</u>	<u>\$ 3,348</u>	<u>\$ 124,065</u>

## Notes to the Financial Statements

December 31, 2022

**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, 2022 is as follows:

Transfer from:	Transfer to:						Total
	Capital Improvements	Equipment Reserve	Bond and Interest	Land Bank	PBC	Special Street and Highway	
General	\$ 1,400,000	\$ 100,000	\$ 593,395	\$ 135,000	\$ 1,319,516	\$ --	\$ 3,547,911
Solid Waste	--	--	--	--	--	100,000	100,000
Water	--	100,000	159,632	--	--	--	259,632
Sewer	--	100,000	199,305	--	--	--	299,305
Total	<u>\$ 1,400,000</u>	<u>\$ 300,000</u>	<u>\$ 952,332</u>	<u>\$ 135,000</u>	<u>\$ 1,319,516</u>	<u>\$ 100,000</u>	<u>\$ 4,206,848</u>

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 \$931,992 and \$1,172,967 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, 2022

**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	\$ 178,444	\$ --	\$ --	\$ --	\$ 1,717,873	\$ --	\$ 1,896,317
Restricted for:							
Bond and Interest	--	395,108	--	--	--	--	395,108
Land Bank	--	--	--	--	5,279,410	--	5,279,410
Capital projects	--	--	8,019,286	--	--	275,615	8,294,901
Public Building Commission	--	--	--	22,253	--	--	22,253
Drug forfeiture	--	--	--	--	--	3,653	3,653
Assigned to:							
Capital projects	--	--	--	--	--	1,726,522	1,726,522
Equipment Reserve	--	--	--	--	--	474,676	474,676
Unassigned	4,264,378	--	--	--	--	--	4,264,378
Total fund balance	\$ 4,442,822	\$ 395,108	\$ 8,019,286	\$ 22,253	\$ 6,997,283	\$ 2,480,466	\$ 22,357,218

**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, 2022

**IV. OTHER INFORMATION (CONTINUED)****C. Construction Commitments**

The City had outstanding construction commitments for various capital projects and improvements at December 31, 2022 as follows:

Project	Project costs to date	Approved project amount
Woodlawn Construction	\$ 1,540,530	\$ 2,498,705
Woodlawn Water Utility Relocation	675,567	225,000
Woodlawn Sewer Utility Construction	288,242	600,000
Rock Spring 4th Addition Phase 1	555,965	1,748,000
Chapel Landing Phase 2	742,953	1,894,000
Skyview 2nd Phase 2	452,151	941,000
Cedar Pass Phase 1	188,729	2,709,000
Bristol Hollows Phase 2	107,158	984,000
Chapel Landing Homestead	367,709	1,838,000
Chapel Landing Phase 5	61,393	1,310,700
Elk Creek 3rd	385	443,301
Homestead	136,071	236,000
53rd & Oliver/Woodlawn	65,489	94,500
	<u>\$ 5,182,342</u>	<u>\$ 15,522,206</u>

**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.

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

## Notes to the Financial Statements

December 31, 2022

**IV. OTHER INFORMATION (CONTINUED)**

to all debt service payments. Provisions of the revenue bond rate covenant were complied with for 2022.

At year-end, the Authority had revenue bonds and a land contract outstanding in the principal and interest amount of \$22,792,542. 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, 2022 are as follows:

Year	Interest and Principal
2023	2,062,258
2024	2,057,394
2025	2,064,532
2026	2,022,876
2027	2,011,744
2028 and thereafter	12,573,738
Total	<u>\$ 22,792,542</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, 2022

**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, 2022

**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 8.90% for KPERS for the fiscal year ended December 31, 2022.

Contributions to the pension plan from the City were \$221,292 for KPERS for the year ended December 31, 2022.

**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, 2022, the City reported a liability of \$2,409,535 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, 2022, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2021 which was rolled forward to June 30, 2022. 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, 2022. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2022, the City's proportion and change from its proportion measured as of June 30, 2022 were as follows:

<b>Net pension liability as of December 31, 2022</b>					<b>Increase in proportion from June 30, 2021</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Proportion as of June 30, 2022</b>	
KPERS (local)	\$ 1,937,507	\$ 472,028	\$ 2,409,535	0.121%	0.015%



## Notes to the Financial Statements

December 31, 2022

**IV. OTHER INFORMATION (CONTINUED)**

For the year ended December 31, 2022, the City recognized pension expense of \$395,502 for KPERS. At December 31, 2022, 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	\$ 73,285	\$ 17,854	\$ 3,472	\$ 847
Net difference between projected and actual earnings on pension plan investments	164,010	39,957	--	--
Changes in proportionate share	183,233	44,640	--	--
Changes in assumptions	309,699	75,451	--	--
City contributions subsequent to measurement date	91,771	22,359	--	--
Total	<u>\$ 821,998</u>	<u>\$ 200,261</u>	<u>\$ 3,472</u>	<u>\$ 847</u>

The \$114,130 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, 2022. 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
2023	\$ 207,675	\$ 50,595
2024	191,036	46,542
2025	108,510	26,436
2026	208,091	50,696
2027	11,443	2,786
	<u>\$ 726,755</u>	<u>\$ 177,055</u>

**Actuarial assumptions.** The total pension liability for KPERS in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

## Notes to the Financial Statements

December 31, 2022

**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, 2022, 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 actuarial assumptions changes adopted by the pension plan for all groups based on the experience study included a decrease in the investment return assumption which was lowered from 7.25% to 7.00%.

For the KPERS Group the interest crediting rate assumption for KPERS 3 members was lowered from 6.25% to 6.00% and the annuity interest rate assumption for KPERS 3 members was lowered from 5.75% to 5.00%.

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, a provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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, 2022

**IV. OTHER INFORMATION (CONTINUED)**

**Discount rate.** The discount rate used by KPERS to measure the total pension liability at June 30, 2022 was 7.00%. The discount rate used to measure the total pension liability at the prior measurement date of June 30, 2021 was 7.25%. 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 2022 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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
City's KPERS proportionate share of the net pension liability	\$ 3,461,367	\$ 2,409,535	\$ 1,533,196
	<u>\$ 3,461,367</u>	<u>\$ 2,409,535</u>	<u>\$ 1,533,196</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 2022 were \$27,009.

**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, 2022

**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 5 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 5 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, 2022

**IV. OTHER INFORMATION (CONTINUED)**

*Employees covered by benefit terms.* At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	39
	<u>39</u>

**Total OPEB Liability**

The City's total OPEB liability of \$37,534 was measured as of June 30, 2022 and was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022.

*Actuarial assumptions and other inputs.* The total OPEB liability in the December 31, 2021 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	3.54%
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, 2022 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, 2021 KPERS pension valuation.

	<b>Total OPEB Liability</b>
<b>Balance at fiscal year-end 12/31/21</b>	<b>\$ 234,268</b>
<b>Changes for the year:</b>	
Service cost	8,764
Interest	5,086
Effect of economic/demographic gains or losses	(179,541)
Effect of assumptions changes or inputs	(15,878)
Benefit payments	(15,165)
<b>Net changes</b>	<b>(196,734)</b>
<b>Balance at fiscal year-end 12/31/22</b>	<b>\$ 37,534</b>

## Notes to the Financial Statements

December 31, 2022

**IV. OTHER INFORMATION (CONTINUED)**Changes in the Total OPEB Liability

*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 decreased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.

*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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
Total OPEB liability	\$ 39,577	\$ 37,534	\$ 35,431

*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, 2022, the City recognized OPEB expense of \$10,769. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 131,488	\$ 170,799
Changes in assumptions	15,587	15,448
Benefit payments subsequent to the measurement date	7,583	--
Total	<u>\$ 154,658</u>	<u>\$ 186,247</u>

The \$7,583 benefit payments made subsequent to the measurement date will be recognized as a reduction in the total OPEB liability for the year ended December 31, 2022. 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, 2022

**IV. OTHER INFORMATION (CONTINUED)**

		<b>Deferred (Inflows) &amp; Outflows of Resources</b>
<b>Year ended December 31:</b>		
2023	\$	(742)
2024		(742)
2025		(742)
2026		(672)
2027		(344)
Thereafter		(35,930)
	\$	<u>(39,172)</u>

**G. Concentrations**

The City buys all of its wastewater services from the Chisholm Creek Utility Authority. All water purchases are made from the Chisholm Creek Utility Authority and the City of Wichita.

**H. Tax Abatements**

The City follows GASB Statement No. 77 *Tax Abatement Disclosures*, which enhances comparability of financial statements among governments by establishing disclosures about the nature and magnitude of tax abatements enabling users to understand 1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and 2) the impact those abatements have on a government's financial position and economic condition.

GASB 77 defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the citizens of those governments.

The City enters into property tax abatement agreements with local businesses under the state Economic Development Opportunity Act of 2006. Under the Act, localities may grant property tax abatements of a maximum of ten years at up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City. See further information regarding IRB's, including the amount outstanding at December 31, 2022, at Footnote III.C. - Conduit Debt.

The County Appraiser determines the full value of the property, noting the value that has been exempted through the program. The County Treasurer computes the taxes due on the appraised value only on the taxable portion of the property. For the fiscal year ended December 31, 2022, all of the buildings associated with tax abatements were still under construction; therefore, the City abated property taxes totaling \$352,903 under this program. These agreements also include performance measurements that the business must achieve. If the performance measurements are not met, the tax abatement will be removed, and the business will have to pay their full property taxes.

## Notes to the Financial Statements

December 31, 2022

**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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the City's fiscal year ending December 31, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides new accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs), which have become increasingly common among state and local governments in recent years. Statement 96 is based on the standards established in Statement 87, *Leases*. The new guidance defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The guidance requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability (with an exception for short-term SBITAs, those with a maximum possible term of 12 months) and provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The provisions of this statement will be effective for the City's fiscal year ending December 31, 2023.

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.



## Notes to the Financial Statements

December 31, 2022

**IV. OTHER INFORMATION (CONTINUED)**

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.

**J. Subsequent Events**

On July 6, 2021, the City issued \$5,135,000 of General Obligation Refunding Bonds, Series 2021A with a stated maturity of November 1, 2034 with interest rates ranging from 2.00%-4.00% and \$9,850,000 of General obligation Temporary Notes, Series 2021B with a stated maturity of December 1, 2024 with an interest rate of 0.375%.

## REQUIRED SUPPLEMENTARY INFORMATION

**Notes to Required Supplementary Information****December 31, 2022**

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
- 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 Seven Ten Fiscal Years
- Other Post Employment Plans - Schedule of Changes in the City's Death & Disability Total OPEB Liability and Related Ratios Last Six 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

Section VIII, Item A.

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis General Fund Year ended December 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Taxes and shared revenue:				
Ad valorem tax	\$ 3,172,680	\$ 3,397,681	\$ 3,336,694	\$ (60,987)
Delinquent tax	25,000	10,000	17,466	7,466
Motor vehicle tax	424,820	466,332	474,480	8,148
Sales tax	1,466,014	1,631,479	1,805,999	174,520
Franchise tax	791,958	759,645	808,745	49,100
Court fines	130,437	137,194	120,936	(16,258)
Licenses, permits and fees	262,000	602,600	865,947	263,347
Recreation fees	93,750	93,750	119,918	26,168
Rents and note collections	45,675	45,675	47,545	1,870
Intergovernmental	72,194	72,194	64,205	(7,989)
Interest	10,000	10,000	25,622	15,622
Other	38,500	24,500	181,279	156,779
Total revenues	6,533,028	7,251,050	7,868,836	617,786
<b>Expenditures:</b>				
City Administration:				
Personnel services	672,058	734,800	761,692	26,892
Contractual services	60,450	59,000	17,761	(41,239)
Operating expenses	24,000	30,500	26,343	(4,157)
Capital outlay	10,000	10,000	-	(10,000)
Community Development:				
Personnel services	161,851	263,600	243,881	(19,719)
Contractual services	23,600	24,856	32,557	7,701
Operating expenses	13,300	20,800	30,953	10,153
Law and Municipal Court:				
Personnel services	67,861	80,100	75,575	(4,525)
Contractual services	63,670	60,387	48,390	(11,997)
Operating expenses	4,800	6,800	3,854	(2,946)
Parks and Grounds:				
Personnel services	109,094	104,880	109,041	4,161
Contractual services	63,717	63,717	58,461	(5,256)
Operating expenses	32,355	37,355	37,705	350
Capital outlay	12,500	12,500	14,838	2,338
Police:				
Personnel services	1,218,570	1,147,500	1,148,780	1,280
Contractual services	104,624	97,184	100,520	3,336
Operating expenses	101,200	112,600	88,733	(23,867)
Capital outlay	-	-	16,249	16,249
Recreation:				
Personnel services	253,564	268,257	259,051	(9,206)
Contractual services	73,693	64,782	59,876	(4,906)
Operating expenses	53,200	53,200	46,755	(6,445)
Senior Center:				
Personnel services	24,041	18,000	18,000	-
Contractual services	5,419	5,419	4,706	(713)
Operating expenses	9,550	9,550	3,644	(5,906)

# City of Bel Aire, Kansas

Section VIII, Item A.

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis General Fund Year ended December 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Mayor and Council:				
Personnel services	22,757	22,657	22,026	(631)
Contractual services	26,079	25,579	24,668	(911)
Operating expenses	26,500	33,800	42,275	8,475
Central Park Pool:				
Personnel services	28,300	27,657	25,214	(2,443)
Contractual services	10,900	10,900	9,904	(996)
Operating expenses	12,000	12,000	9,014	(2,986)
Economic Development:				
Personnel services	192,311	183,441	184,451	1,010
Contractual services	16,237	16,074	10,738	(5,336)
Operating expenses	30,200	30,200	32,588	2,388
Capital outlay	3	-	-	-
Nondepartmental:				
Personnel services	30,000	30,000	1,093	(28,907)
Contractual services	171,700	196,700	60,793	(135,907)
Operating expenses	31,600	15,800	281,588	265,788
Capital outlay	50,000	55,000	-	(55,000)
Transfer out	3,371,833	3,752,869	3,547,911	(204,958)
Land project	45,000	153,000	138,510	(14,490)
Total expenditures	7,228,537	7,851,464	7,598,138	(253,326)
Net change in fund balance	\$ (695,509)	\$ (600,414)	270,698	\$ 871,112
<b>Fund balance, beginning of year</b>			3,527,813	
<b>Fund balance, end of year</b>			\$ 3,798,511	
Explanation of difference between budgetary and GAAP fund balance:				
Accrued revenues			644,311	
GAAP fund balance at end of year			\$ 4,442,822	

# City of Bel Aire, Kansas

Section VIII, Item A.

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis Land Bank For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Residential lot sales	\$ -	\$ -	\$ 2,050,786	\$ 2,050,786
Commercial lot sales	-	-	1,797,042	1,797,042
Interest	100	100	23,934	23,834
Miscellaneous	-	-	16,721	16,721
Transfer in	200,000	200,000	135,000	(65,000)
Total revenues	200,100	200,100	4,023,483	3,823,383
<b>Expenditures:</b>				
Land bank subjected to budget:				
Special assessments	237,500	237,500	131,444	(106,056)
Contractual services	-	-	351	351
Total land bank subjected to budget	237,500	237,500	131,795	(105,705)
Land bank not subjected to budget:				
Special assessments	-	-	3,406	3,406 **
Contractual services	-	-	228,460	228,460 **
Total land bank not subjected to budget	-	-	231,866	231,866
Total expenditures	237,500	237,500	363,661	126,161
Net change in fund balance	\$ 200,100	\$ 200,100	3,659,822	\$ 3,459,722
<b>Fund balance, beginning of year</b>			1,619,588	
<b>Fund balance, end of year</b>			<u>\$ 5,279,410</u>	
Explanation of difference between budgetary and GAAP fund balance:				
Property held for resale			1,717,873	
GAAP fund balance at end of year			<u>\$ 6,997,283</u>	

\*\* Not subject to the legal annual operating budget. Fees paid with proceeds of land sale revenue.

**CITY OF BEL AIRE, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2022**

Section VIII, Item A.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement Date	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	June 30, 2013
City's proportionate share of the collective net pension liability	0.121%	0.106%	0.104%	0.098%	0.096%	0.090%	0.087%	0.076%	0.076%	0.070%
City's proportionate share of the net pension liability	\$ 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	\$ 1,065,989
City's covered payroll^	\$ 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	\$ 1,128,446
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	99%	62%	93%	77%	83%	88%	93%	80%	77%	94%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%

GASB 68 requires presentation of ten years.

^ Covered payroll is measured as of the measurement date ending June 30.

**CITY OF BEL AIRE, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2022**

Section VIII, Item A.

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

	<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>	<u>2013</u>
Contractually required contribution	\$ 221,292	\$ 197,781	\$ 168,081	\$ 166,245	\$ 145,716	\$ 133,898	\$ 138,160	\$ 130,342	\$ 107,294	\$ 97,298
Contributions in relation to the contractually required contribution	<u>(221,292)</u>	<u>(197,781)</u>	<u>(168,081)</u>	<u>(166,245)</u>	<u>(145,716)</u>	<u>(133,898)</u>	<u>(138,160)</u>	<u>(130,342)</u>	<u>(107,294)</u>	<u>(97,298)</u>
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 ^	\$2,496,991	\$2,240,888	\$ 1,998,715	\$ 1,870,020	\$ 1,736,656	\$ 1,569,560	\$ 1,337,466	\$ 1,374,918	\$ 1,107,270	\$ 1,106,921
Contributions as a percentage of covered payroll	8.86%	8.83%	8.41%	8.89%	8.39%	8.53%	10.33%	9.48%	9.69%	8.79%

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, 2022**  
**Kansas Public Employees Retirement System**  
**Last Ten Fiscal Years**  
**(Continued)**

Section VIII, Item A.

*Changes in benefit terms for KPERS.* Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increased to 6.0 percent, with an increase in benefit multiplier to 1.85 percent 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 percent 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 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

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 6.50% 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 7.50%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% 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 3.50%.

December 31, 2021, assumption changes included the following:

- For all groups, the investment rate of return assumption decreased from 7.25% to 7.00%.
- Interest crediting rate assumption for KPERS 3 members was lowered from 6.25% to 6.00%.
- Annuity interest rate assumption for KPERS 3 members was lowered from 5.75% to 5.00%.

**CITY OF BEL AIRE, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2022**

Section VIII, Item A.

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

Last Six Fiscal Years\*

Measurement Date	2022 June 30, 2022	2021 June 30, 2021	2020 June 30, 2020	2019 June 30, 2019	2018 June 30, 2018	2017 June 30, 2017
<b>Total OPEB liability</b>						
Service cost	\$ 8,764	\$ 8,277	\$ 6,988	\$ 6,349	\$ 6,313	\$ 6,051
Interest	5,086	4,444	1,860	3,007	3,627	3,515
Effect of economic/demographic gains or losses	(179,541)	40,698	141,938	(11,096)	(5,304)	-
Effect of assumptions changes or inputs	(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>	<b>(196,734)</b>	<b>28,700</b>	<b>147,742</b>	<b>(25,953)</b>	<b>(26,017)</b>	<b>(22,339)</b>
<b>Total OPEB liability - beginning</b>	<b>234,268</b>	<b>205,568</b>	<b>57,826</b>	<b>83,779</b>	<b>109,796</b>	<b>132,135</b>
<b>Total OPEB liability - ending</b>	<b>37,534</b>	<b>\$ 234,268</b>	<b>\$ 205,568</b>	<b>\$ 57,826</b>	<b>\$ 83,779</b>	<b>\$ 109,796</b>
<b>Covered-employee payroll</b>	<b>2,438,123</b>	<b>\$ 2,065,726</b>	<b>\$ 1,932,044</b>	<b>\$ 1,786,806</b>	<b>\$ 1,594,160</b>	<b>\$ 1,477,171</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>1.54%</b>	<b>11.34%</b>	<b>10.64%</b>	<b>3.24%</b>	<b>5.26%</b>	<b>7.43%</b>

\* GASB 75 requires presentation of ten years. As of December 31, 2022, only six 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 3.50% on June 30, 2019.
- The discount rate decreased from 3.50% 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.

## SUPPLEMENTARY INFORMATION

**City of Bel Aire, Kansas**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2022

Section VIII, Item A.

	<b>Special Revenue Funds</b>				<b>Capital Project Funds</b>		<b>Total Nonmajor Governmental Funds</b>
	Special Street and Highway	Local Drug Forfeiture	State Drug Forfeiture	Federal Forfeiture	Capital Improvement	Equipment Reserve	
<b>Assets:</b>							
Cash, including investments	\$ 272,718	\$ 880	\$ 1,552	\$ 1,221	\$ 3,280,896	\$ 474,676	\$ 4,031,943
Receivables	7,589	-	-	-	-	-	7,589
Total assets	<u>\$ 280,307</u>	<u>\$ 880</u>	<u>\$ 1,552</u>	<u>\$ 1,221</u>	<u>\$ 3,280,896</u>	<u>\$ 474,676</u>	<u>\$ 4,039,532</u>
<b>Liabilities</b>							
Accounts and retainage payable	\$ 2,640	\$ -	\$ -	\$ -	\$ 287,147	\$ -	\$ 289,787
Accrued liabilities	2,052	-	-	-	-	-	2,052
Unearned grant revenue	-	-	-	-	1,267,227	-	1,267,227
Total liabilities	<u>4,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,554,374</u>	<u>-</u>	<u>1,559,066</u>
<b>Fund balance:</b>							
Restricted	275,615	880	1,552	1,221	-	-	279,268
Assigned	-	-	-	-	1,726,522	474,676	2,201,198
Total fund balance	<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>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 280,307</u>	<u>\$ 880</u>	<u>\$ 1,552</u>	<u>\$ 1,221</u>	<u>\$ 3,280,896</u>	<u>\$ 474,676</u>	<u>\$ 4,039,532</u>

# City of Bel Aire, Kansas

Section VIII, Item A.

## Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2022

	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>Revenues:</b>							
Taxes and shared revenues	\$ 330,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,246
Miscellaneous	-	-	-	-	28,322	22,220	50,542
Total revenues	330,246	-	-	-	28,322	22,220	380,788
<b>Expenditures:</b>							
Streets and highways	393,483	-	-	-	-	-	393,483
Capital outlay	-	-	-	-	453,240	435,632	888,872
Total expenditures	393,483	-	-	-	453,240	435,632	1,282,355
Excess of revenues over (under) expenditures	(63,237)	-	-	-	(424,918)	(413,412)	(901,567)
<b>Other financing sources (uses):</b>							
Transfers in	100,000	-	-	-	1,400,000	300,000	1,800,000
Total other financing sources (uses)	100,000	-	-	-	1,400,000	300,000	1,800,000
Net change in fund balance	36,763	-	-	-	975,082	(113,412)	898,433
<b>Fund balance, beginning of year</b>	238,852	880	1,552	1,221	751,440	588,088	1,582,033
<b>Fund balance, end of year</b>	\$ 275,615	\$ 880	\$ 1,552	\$ 1,221	\$ 1,726,522	\$ 474,676	\$ 2,480,466

# City of Bel Aire, Kansas

Section VIII, Item A.

## 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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Special assessments	\$ 2,459,484	\$ 2,459,484	\$ 2,152,492	\$ (306,992)
Delinquent tax	35,000	35,000	32,477	(2,523)
Interest	300	300	23,974	23,674
Bond proceeds	-	-	164,481	164,481
Transfer in	1,148,324	1,148,324	952,332	(195,992)
Total revenues	3,643,108	3,643,108	3,325,756	(317,352)
<b>Expenditures:</b>				
Principal payments	2,555,000	2,555,000	2,505,000	(50,000)
Interest expense	947,823	947,823	924,049	(23,774)
Total expenditures	3,502,823	3,502,823	3,429,049	(73,774)
Net change in fund balance	\$ 140,285	\$ 140,285	(103,293)	\$ (243,578)
<b>Fund balance, beginning of year</b>			498,401	
<b>Fund balance, end of year</b>			<u>\$ 395,108</u>	

**City of Bel Aire, Kansas**

Section VIII, Item A.

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Governmental Fund - Actual (Budget Basis)  
Capital Projects Fund  
For the Year Ended December 31, 2022

	<b>Actual Amounts Budgetary Basis</b>
<b>Revenues:</b>	
Bond proceeds	\$ 9,085,000
Bond premiums	176,371
Capital contributions	572,659
Interest	68,041
Refunding proceeds	3,313,404
Total revenues	<u>13,215,475</u>
<b>Expenditures:</b>	
Cost of issuance	189,405
Rock Spring	4,085,350
Chapel Landing	448,695
Bristol Hollows	16,080
Prestwick	562,562
Deer Run	20,000
Skyview	778,577
Temporary note and bond principal	2,903,636
Temporary note and bond interest	129,682
Total expenditures	<u>9,133,987</u>
Net change in fund balance	4,081,488
<b>Fund balance, beginning of year</b>	<u>3,937,798</u>
<b>Fund balance, end of year</b>	<u><u>\$ 8,019,286</u></u>

**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, 2022

	<b>Actual Amounts Budgetary Basis</b>
<b>Revenues:</b>	
Industrial land sales	\$ 63,591
Transfer in	1,319,516
Total revenues	<u>1,383,107</u>
<b>Expenditures:</b>	
Fees	2,458
Bond principal	1,170,000
Bond interest	357,241
Total expenditures	<u>1,529,699</u>
Net change in fund balance	(146,592)
<b>Fund balance, beginning of year</b>	<u>168,845</u>
<b>Fund balance, end of year</b>	<u><u>\$ 22,253</u></u>



**City of Bel Aire, Kansas**

Section VIII, Item A.

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, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
<b>Revenues:</b>				
Taxes and Shared Revenue:				
State gas tax	\$ 213,430	\$ 213,430	\$ 228,748	\$ 15,318
County gas tax	92,730	92,730	101,498	8,768
Transfer in	100,000	100,000	100,000	-
Total revenues	406,160	406,160	430,246	24,086
<b>Expenditures:</b>				
Personnel services	85,803	85,803	84,285	(1,518)
Contractual services	118,567	118,567	125,219	6,652
Operating expense	142,050	142,050	158,770	16,720
Capital outlay	55,000	55,000	25,209	(29,791)
Total expenditures	401,420	401,420	393,483	(7,937)
Net change in fund balance	\$ 4,740	\$ 4,740	36,763	\$ 32,023
<b>Fund balance, beginning of year</b>			238,852	
<b>Fund balance, end of year</b>			<u>\$ 275,615</u>	

**City of Bel Aire, Kansas**

Combining Balance Sheet  
Nonmajor Enterprise Funds  
December 31, 2022

Section VIII, Item A.

	Solid Waste	Stormwater	Total Nonmajor Enterprise
<b>Assets:</b>			
Cash, including investments	\$ 303,400	\$ 393,648	\$ 697,048
Accounts receivable	40,384	-	40,384
Total assets	343,784	393,648	737,432
<b>Liabilities:</b>			
Accounts payable	39,255	-	39,255
Total liabilities	39,255	-	39,255
<b>Net position:</b>			
Unrestricted	304,529	393,648	698,177
Total net position	\$ 304,529	\$ 393,648	\$ 698,177

**City of Bel Aire, Kansas**

Section VIII, Item A.

Combining Statement of Revenues, Expenses and Changes in Net Position  
 Nonmajor Enterprise Funds  
 December 31, 2022

	Solid Waste	Stormwater	Total Nonmajor Enterprise
<b>Operating revenues:</b>			
Utility income	\$ 608,885	\$ 90,444	\$ 699,329
Total operating revenues	608,885	90,444	699,329
<b>Operating expenses:</b>			
Contractual services	486,584	5,753	492,337
Total operating expenses	486,584	5,753	492,337
Operating income (loss)	122,301	84,691	206,992
<b>Non-operating revenues (expenses):</b>			
Transfers out	(100,000)	-	(100,000)
Change in net position	22,301	84,691	106,992
<b>Net position, beginning of year</b>	282,228	308,957	591,185
<b>Net position, end of year</b>	\$ 304,529	\$ 393,648	\$ 698,177

**City of Bel Aire, Kansas**  
Combining Statement of Cash Flows  
Non-Major Enterprise Funds  
For the Year Ended December 31, 2022

Section VIII, Item A.

	Solid Waste	Stormwater	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 604,911	\$ 90,444	\$ 695,355
Payments to suppliers for goods and services	(483,961)	(5,753)	(489,714)
Net cash flow from operating activities	120,950	84,691	205,641
<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)
Net increase in cash and cash equivalents	20,950	84,691	105,641
<b>Cash and cash equivalents, beginning of the year</b>	282,450	308,957	591,407
<b>Cash and cash equivalents, end of the year</b>	<u>\$ 303,400</u>	<u>\$ 393,648</u>	<u>\$ 697,048</u>
<b>Reconciliation of operating income to net cash flow from operating activities:</b>			
Operating income	\$ 122,301	\$ 84,691	\$ 206,992
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in accounts receivable	(3,974)	-	(3,974)
Change in accounts payable	2,623	-	2,623
Net cash flow from operating activities	<u>\$ 120,950</u>	<u>\$ 84,691</u>	<u>\$ 205,641</u>

**City of Bel Aire, Kansas**

Section VIII, Item A.

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Enterprise Funds - Budget and Actual (Budget Basis)  
Water Fund  
For the Year Ended December 31, 2022

	<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	\$ 2,763,000	\$ 3,192,000	\$ 3,616,510	\$ 424,510
Interest income	1,500	4,500	22,123	17,623
Miscellaneous	10,000	10,000	23,488	13,488
Total revenues	<u>2,774,500</u>	<u>3,206,500</u>	<u>3,662,121</u>	<u>455,621</u>
<b>Expenditures:</b>				
Personnel services	351,635	342,034	342,142	108
Contractual services	1,852,075	2,012,816	1,866,067	(146,749)
Commodities	311,550	413,050	1,157,616	744,566
Capital outlay	-	600,000	-	(600,000)
Debt service	51,714	51,714	39,748	(11,966)
Transfer out	259,632	259,632	259,632	-
Total expenditures	<u>2,826,606</u>	<u>3,679,246</u>	<u>3,665,205</u>	<u>(14,041)</u>
Net change in fund balance	<u>\$ (52,106)</u>	<u>\$ (472,746)</u>	(3,084)	<u>\$ 469,662</u>
<b>Fund balance, beginning of year</b>			2,411,459	
<b>Fund balance, end of year</b>			<u>\$ 2,408,375</u>	

**City of Bel Aire, Kansas**

Section VIII, Item A.

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Enterprise Funds - Budget and Actual (Budget Basis)  
Sewer Fund  
For the Year Ended December 31, 2022

	<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	\$ 2,535,135	\$ 2,815,135	\$ 3,041,276	\$ 226,141
Interest income	300	10,000	32,299	22,299
Total revenues	<u>2,535,435</u>	<u>2,825,135</u>	<u>3,073,575</u>	<u>248,440</u>
<b>Expenditures:</b>				
Personnel services	351,635	371,451	370,359	(1,092)
Contractual services	1,462,508	1,568,200	1,352,052	(216,148)
Commodities	298,500	401,000	740,824	339,824
Capital outlay	-	631,793	-	(631,793)
Debt service	31,689	31,689	24,475	(7,214)
Transfer out	299,305	299,305	299,305	-
Total expenditures	<u>2,443,637</u>	<u>3,303,438</u>	<u>2,787,015</u>	<u>(516,423)</u>
Net change in fund balance	<u>\$ 91,798</u>	<u>\$ (478,303)</u>	286,560	<u>\$ 764,863</u>
<b>Fund balance, beginning of year</b>			2,886,057	
<b>Fund balance, end of year</b>			<u>\$ 3,172,617</u>	

**City of Bel Aire, Kansas**

Section VIII, Item A.

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, 2022

	<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	\$ 561,000	\$ 561,000	\$ 604,911	\$ 43,911
Total revenues	561,000	561,000	604,911	43,911
<b>Expenditures:</b>				
Contractual services	534,193	534,193	486,584	(47,609)
Transfers out	100,000	100,000	100,000	-
Total expenditures	634,193	634,193	586,584	(47,609)
Net change in fund balance	\$ (73,193)	\$ (73,193)	18,327	\$ 91,520
<b>Fund balance, beginning of year</b>			245,818	
<b>Fund balance, end of year</b>			<u>\$ 264,145</u>	

**City of Bel Aire, Kansas**

Section VIII, Item A.

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Enterprise Funds - Budget and Actual (Budget Basis)  
Stormwater Fund  
For the Year Ended December 31, 2022

	<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	\$ 85,600	\$ 85,600	\$ 90,444	\$ 4,844
Total revenues	85,600	85,600	90,444	4,844
<b>Expenditures:</b>				
Contractual services	5,000	5,000	5,753	753
Capital outlay	239,711	239,711	-	(239,711)
Total expenditures	244,711	244,711	5,753	(238,958)
Net change in fund balance	<u>\$ (159,111)</u>	<u>\$ (159,111)</u>	84,691	<u>\$ 243,802</u>
<b>Fund balance, beginning of year</b>			308,957	
<b>Fund balance, end of year</b>			<u>\$ 393,648</u>	



Gilmore & Bell, P.C.  
09/12/2023

**EXCERPT OF MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
THE CITY OF BEL AIRE, KANSAS  
HELD ON SEPTEMBER 19, 2023**

The governing body met in regular session at the usual meeting place in the City, at 7:00 p.m., the following members being present and participating, to-wit:

Absent:

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

\* \* \* \* \*  
(Other Proceedings)

The Mayor opened a public hearing for the purpose of receiving written or oral objections and considering proposed assessments for the costs of certain internal improvements heretofore authorized by the governing body of the City. It was determined by the governing body that notice of the public hearing was duly published and mailed in accordance with K.S.A. 12-6a01 *et seq.* Thereafter, the Mayor adjourned the public hearing.

Thereupon, an Ordinance was presented entitled:

**AN ORDINANCE LEVYING SPECIAL ASSESSMENTS, INCLUDING BENEFIT FEES, ON CERTAIN PROPERTY TO PAY THE COSTS OF INTERNAL IMPROVEMENTS IN THE CITY OF BEL AIRE, KANSAS, AS HERETOFORE AUTHORIZED BY RESOLUTION NOS. R-20-01, R-20-02, R-20-03, R-20-04, R-20-05, R-20-06, R-20-07, R-20-12, R-20-13, AND R-20-14; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENTS AND BENEFIT FEES.**

The Ordinance was considered and discussed; and on motion of Councilmember \_\_\_\_\_ seconded by Councilmember \_\_\_\_\_, the Ordinance as a whole was passed by the following roll call vote:

Yea: \_\_\_\_\_

Nay: \_\_\_\_\_

Thereupon, a majority of the members of the governing body having voted in favor of the adoption of the Ordinance, it was given No. [\_\_\_\_], was approved and signed by the Mayor and attested by the City Clerk; and the City Clerk was ordered to cause the Ordinance or a summary thereof to be published one time in the official City newspaper as required by law, and to cause to be mailed a Notice of Assessment to each and all of the known property owners affected thereby on the same date that the Ordinance or summary thereof is published.

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Bel Aire, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

\_\_\_\_\_  
Clerk

Gilmore & Bell, P.C.  
09/12/2023

(Published in the *Ark Valley News* on September 21, 2023)

## ORDINANCE NO. [ ]

**AN ORDINANCE LEVYING SPECIAL ASSESSMENTS, INCLUDING BENEFIT FEES, ON CERTAIN PROPERTY TO PAY THE COSTS OF INTERNAL IMPROVEMENTS IN THE CITY OF BEL AIRE, KANSAS, AS HERETOFORE AUTHORIZED BY RESOLUTION NOS. R-20-01, R-20-02, R-20-03, R-20-04, R-20-05, R-20-06, R-20-07, R-20-12, R-20-13, AND R-20-14; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENTS AND BENEFIT FEES.**

**WHEREAS**, the governing body of the City of Bel Aire, Kansas (the "City") has heretofore authorized certain improvements (the "Improvements") to be constructed pursuant to K.S.A. 12-6a01 *et seq.* (the "Act"); and

**WHEREAS**, the governing body has heretofore conducted a public hearing in accordance with the Act and desires to levy assessments and benefit fees on certain property benefited by the construction of the Improvements and certain other prior improvements, all pursuant to the Act, K.S.A. 12-6a19 and Article 12, Section 5 of the Kansas Constitution.

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

**Section 1. Levy of Assessments.** For the purpose of paying the costs of the following described Improvements, there are hereby levied and assessed the amounts, including benefit fees (with such clerical or administrative amendments thereto as may be approved by the City Attorney), against the property described on *Exhibit A* attached hereto:

**Project No. 1 – Bristol Hollows Phase 1 - Drainage Improvements**  
**Authorized by Resolution No. R-20-01**

Construction of drainage improvements and mass grading, including tree and bush removal, all in accordance with City standards and plans and specifications prepared or approved by the City Engineer.

**Project No. 2 – Bristol Hollows Phase 1 - Paving Improvements**  
**Authorized by Resolution No. R-20-02**

Grading, paving, curb and gutter appurtenant improvements, and otherwise improve Bristol Street from the south line of 53<sup>rd</sup> Street North to termination at Lot 22, Block B; and Bristol Circle; all in Bristol Hollows Addition, Bel Aire, Sedgwick County, Kansas, with plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

**Project No. 3 – Bristol Hollows Phase 1 – Sanitary Sewer Improvements**  
**Authorized by Resolution No. R-20-03**

Install a sanitary sewer main, manholes, easement grading and appurtenant improvements in the following locations in Bristol Hollows Addition, Bel Aire, Sedgwick County, Kansas: Running along Lots 20-31, Block A, Bristol Hollows Addition, beginning near the east line of said Lot 20 and ending

near the east line of said Lot 31; and Running along lots 23-30, Block B, Bristol Hollows Addition, beginning near the west line of said Lot 23 and ending near the north line of said Lot 30; all in accordance with City of Bel Aire standards and plans and specifications prepared or approved by the City Engineer.

**Project No. 4 – Bristol Hollows Phase 1 – Water Main Improvements**  
**Authorized by Resolution No. R-20-04**

Install a water main along with appurtenant improvements in the following locations in Bristol Hollows Addition, Bel Aire, Sedgwick County, Kansas: Beginning at the existing water main built in the south right of way of 53<sup>rd</sup> Street north, then running south along the east right-of-way of Bristol Street. Temporary termination at the west line of Lot 22, Bristol Hollows Addition, Bel Aire Sedgwick County ; and

Install a water main along with appurtenant improvements in the following locations in Bristol Hollows Addition, Bel Aire, Sedgwick, County, Kansas: Beginning at the proposed water main built in the east right of way of Bristol Street, then running west along the north right-of-way of Bristol Circle and across Bristol Street. Then looping back into a connection on the north side of Bristol Circle; all in accordance with City standards and plans and specifications prepared or approved by the City Engineer.

**Project No. 5 – Central Park 3rd Addition Phase 2 - Paving Improvements**  
**Authorized by Resolution No. R-20-05**

That there be constructed pavement on Gabriel from the north line of Lot 12, Block A, north to the south line of Hampton; on Hampton from the south line of Gabriel north to the west line of Pheasant Ridge St.; on Pheasant Ridge St. from the west line of Hampton, east to the east line of Lot 31, Block A; on Holder Ln. from the north line of Lot 12, Block B, north to the south line of Pheasant Ridge St. That said pavement between aforesaid limits be constructed for a width of twenty-six (26) feet from gutter line to gutter line, and each gutter to be two (2) feet in width, making a total roadway width of thirty (30) feet with plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas. Drainage to be installed where necessary.

**Project No. 6 – Central Park 3rd Addition Phase 2 – Sanitary Sewer Improvements**  
**Authorized by Resolution No. R-20-06**

That there be constructed a lateral sanitary sewer, according to plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

**Project No. 7 – Central Park 3rd Addition Phase 2 – Water Distribution Improvements**  
**Authorized by Resolution No. R-20-07**

That there be constructed a water distribution system, including necessary water mains, pipes, valves, hydrants, meters and appurtenances, according to plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

**Project No. 8 – Rock Spring Addition Phase 7 –Paving Improvements**  
**Authorized by Resolution No. R-20-12**

That there be constructed pavement on CHRIS from east return of Chris and Pebblecreek Street to the East line of Rock Spring Addition (Phase 7); CHERRYWOOD CT. from east return of Cherrywood Ct. and Pebblecreek Street to and including the cul-de-sac. That said pavement on Chris and Cherrywood Ct. between aforesaid limits be constructed for a width of twenty-four (24) feet from gutter line to gutter line,

and each gutter to be two and one-half (2-1/2) feet in width; making a total roadway width of twenty-nine (29) feet with plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas. Drainage to be installed where necessary. A 5' sidewalk shall be installed on the south side of Chris adjacent to the new pavement.

**Project No. 9 – Rock Spring Addition Phase 7 – Sanitary Sewer Improvements**  
**Authorized by Resolution No. R-20-13**

Construction of a lateral sanitary sewer to serve the area described below, to be constructed with plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

**Project No. 10 – Rock Spring Addition Phase 7 –Water Improvements**  
**Authorized by Resolution No. R-20-14**

Construction of a water distribution system, including necessary water mains, pipes, valves, hydrants, meters and appurtenances to serve the area described below, according to plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

**Section 2. Payment of Assessments.** The amounts so levied and assessed in *Section 1* of this Ordinance shall be due and payable from and after the date of publication of this Ordinance. Such amounts may be paid in whole or in part within fifteen (15) days from the date of this Ordinance.

**Section 3. Notification.** The City Clerk shall notify the owners of the properties described in *Exhibit A* attached hereto insofar as known to said City Clerk, of the amounts of their respective assessments and benefit fees; and, said notice shall further state that unless such assessments are paid within fifteen (15) days from the date of this Ordinance, bonds will be issued therefor, and the amount of such assessment will be collected in installments with interest.

**Section 4. Certification.** Any amount of special assessments or benefit fees not paid within the time prescribed in *Section 2* hereof shall be certified by the City Clerk to the Clerk of Sedgwick County, Kansas, in the same manner and at the same time as other taxes are certified and will be collected in twenty (20) annual installments, together with interest on such amounts at a rate not exceeding the maximum rate therefor as prescribed by the Act. Interest on the assessed amount remaining unpaid between the effective date of this Ordinance and the date the first installment is payable, but not less than the amount of interest due during the coming year on any outstanding bonds issued to finance the Improvements, shall be added to the first installment. The interest for one year on all unpaid installments shall be added to each subsequent installment until paid.

**Section 5. Effective Date.** This Ordinance shall take effect and be in force from and after its passage, approval and publication once in the official City newspaper.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**PASSED** by the governing body of the City of Bel Aire, Kansas, on September 19, 2023, and signed and **APPROVED** by the Mayor.

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of the original ordinance; that said Ordinance was passed on September 19, 2023; that the record of the final vote on its passage is found on page \_\_\_\_ of journal \_\_\_\_; and that the Ordinance or a summary thereof was published in the *Ark Valley News* on September 21, 2023.

DATED: September 19, 2023.

\_\_\_\_\_  
City Clerk

**EXHIBIT A**

<b>Legal Description (Bristol Hollows Phase 1)</b>	<b>Drainage Res. R-20-01</b>	<b>Paving Res. R-20-02</b>	<b>Sanitary Sewer Res. R-20-03</b>	<b>Water Main Res. R-20-04</b>
Block A Lot 1	\$11,230.07		\$7,601.50	
Block A Lot 2	11,230.07		7,601.50	
Block A Lot 3	11,230.07		7,601.50	
Block A Lot 4	11,230.07		7,601.50	
Block A Lot 5	11,230.07		7,601.50	
Block A Lot 6	11,230.07		7,601.50	
Block A Lot 7	11,230.07		7,601.50	
Block A Lot 8	11,230.07		7,601.50	
Block A Lot 9	11,230.07		7,601.50	
Block A Lot 10	11,230.07		7,601.50	
Block A Lot 11	11,230.07		7,601.50	
Block A Lot 12	11,230.07		7,601.50	
Block A Lot 13	11,230.07		7,601.50	
Block A Lot 14	11,230.07		7,601.50	
Block A Lot 15	11,230.07		7,601.50	
Block A Lot 16	11,230.07		7,601.50	
Block A Lot 17	11,230.07		7,601.50	
Block A Lot 18	11,230.07		7,601.50	
Block A Lot 19	11,230.07		7,601.50	
Block A Lot 20	11,230.07	\$22,293.95	7,601.50	\$6,358.50
Block A Lot 21	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 22	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 23	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 24	11,230.07	22,293.95	7,601.50	6,358.50

Block A Lot 25	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 26	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 27	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 28	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 29	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 30	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 31	11,230.07	22,293.95	7,601.50	6,358.50
Block B Lot 1	11,230.07		1,094.13	
Block B Lot 2	11,230.07		1,094.13	
Block B Lot 3	11,230.07		1,094.13	
Block B Lot 4	11,230.07		1,094.13	
Block B Lot 5	11,230.07		1,094.13	
Block B Lot 6	11,230.07		1,094.13	
Block B Lot 7	11,230.07		1,094.13	
Block B Lot 8	11,230.07		1,094.13	
Block B Lot 9	11,230.07		1,094.13	
Block B Lot 10	11,230.07		1,094.13	
Block B Lot 11	11,230.07		1,094.13	
Block B Lot 12	11,230.07		1,094.13	
Block B Lot 13	11,230.07		1,094.13	
Block B Lot 14	11,230.07		1,094.13	
Block B Lot 15	11,230.07		1,094.13	
Block B Lot 16	11,230.07		1,094.13	
Block B Lot 17	11,230.07		1,094.13	
Block B Lot 18	11,230.07		1,094.13	
Block B Lot 19	11,230.07		1,094.13	
Block B Lot 20	11,230.07		1,094.13	



Block B Lot 21	11,230.07		1,094.13	
Block B Lot 22	11,230.07	22,293.95	7,598.62	6,358.50
Block B Lot 23	11,230.07	22,293.95	7,598.62	6,358.50
Block B Lot 24	11,230.07	22,293.95	7,598.62	6,358.50
Block B Lot 25	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 26	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 27	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 28	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 29	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 30	11,230.07	22,293.95	959.16	6,358.50

<b>Legal Description (Central Park 3rd Addition Phase 2)</b>	<b>Paving Res. R-20-05</b>	<b>Sanitary Sewer Res. R-20-06</b>	<b>Water Distribution Res. R-20-07</b>
Block A Lot 13	\$11,197.71		\$2,969.86
Block A Lot 14	11,197.71		2,969.86
Block A Lot 15	11,197.71	\$7,689.00	2,969.86
Block A Lot 16	11,197.71	7,689.00	2,969.86
Block A Lot 17	11,197.71	7,689.00	2,969.86
Block A Lot 18	11,197.71	7,689.00	2,969.86
Block A Lot 19	11,197.71	7,689.00	2,969.86
Block A Lot 20	11,197.71	7,689.00	2,969.86
Block A Lot 21	11,197.71	7,689.00	2,969.86
Block A Lot 22	11,197.71	7,689.00	2,969.86
Block A Lot 23	11,197.71	7,689.00	2,969.86
Block A Lot 24	11,197.71	7,689.00	2,969.86
Block A Lot 25	11,197.71	7,689.00	2,969.86
Block A Lot 26	11,197.71	7,689.00	2,969.86

Block A Lot 27	11,197.71	7,689.00	2,969.86
Block A Lot 28	11,197.71	7,689.00	2,969.86
Block A Lot 29	11,197.71	7,689.00	2,969.86
Block A Lot 30	11,197.71	7,689.00	2,969.86
Block A Lot 31	11,197.71	7,689.00	2,969.86
Block B Lot 13	11,197.71	-	2,969.86
Block B Lot 14	11,197.71	-	2,969.86
Block B Lot 15	11,197.71	-	2,969.86
Block C Lot 3	11,197.71	-	2,969.86
Block C Lot 4	11,197.71	7,689.00	2,969.86
Block C Lot 5	11,197.71	7,689.00	2,969.86
Block C Lot 6	11,197.71	7,689.00	2,969.86
Block C Lot 7	11,197.71	7,689.00	2,969.86
Block C Lot 8	11,197.71	7,689.00	2,969.86
Block C Lot 9	11,197.71	7,689.00	2,969.86
Block C Lot 10	11,197.71	7,689.00	2,969.86
Block C Lot 11	11,197.71		2,969.86
Block C Lot 12	11,197.71		2,969.86

<b>Legal Description (Rock Spring Addition Phase 7)</b>	<b>Paving Res. R-20-12</b>	<b>Sewer Res. R-20-13</b>	<b>Water Res. R-20-14</b>
Block 1 Lot 13	\$11,942.04		\$2,871.00
Block 1 Lot 14	11,942.04		2,871.00
Block 1 Lot 15	11,942.04		2,871.00
Block 1 Lot 16	11,942.04		2,871.00
Block 1 Lot 17	11,942.04		2,871.00
Block 1 Lot 18	11,942.04		2,871.00

Block 1 Lot 19	11,942.04		2,871.00
Block 3 Lot 1	11,942.04	\$3,182.84	2,871.00
Block 3 Lot 2	11,942.04	3,182.84	2,871.00
Block 3 Lot 3	11,942.04	3,182.84	2,871.00
Block 3 Lot 4	11,942.04	3,182.84	2,871.00
Block 3 Lot 5	11,942.04	3,182.84	2,871.00
Block 3 Lot 6	11,942.04	3,182.84	2,871.00
Block 3 Lot 7	11,942.04	3,182.84	2,871.00
Block 3 Lot 8	11,942.04	3,182.84	2,871.00
Block 3 Lot 9	11,942.04	3,182.84	2,871.00
Block 3 Lot 10	11,942.04	3,182.84	2,871.00
Block 3 Lot 11	11,942.04	3,182.84	2,871.00
Block 3 Lot 12	11,942.04	3,182.84	2,871.00
Block 3 Lot 13	11,942.04	3,182.84	2,871.00
Block 3 Lot 14	11,942.04	3,182.84	2,871.00
Block 3 Lot 15	11,942.04	3,182.84	2,871.00
Block 3 Lot 16	11,942.04	3,182.84	2,871.00
Block 3 Lot 17	11,942.04	3,182.84	2,871.00
Block 3 Lot 18	11,942.04	3,182.84	2,871.00
Block 3 Lot 19	11,942.04	3,182.84	2,871.00
Block 3 Lot 20	11,942.04	3,182.84	2,871.00
Block 3 Lot 21	11,942.04	3,182.84	2,871.00

**NOTICE OF ASSESSMENT**

September 19, 2023  
Bel Aire, Kansas

Property Owner:

You are hereby notified, as owner of record of the property described on ***Schedule I*** attached hereto, that pursuant to Ordinance No. \_\_\_\_\_ (the "Ordinance") of the City of Bel Aire, Kansas (the "City") there has been assessed against said property, the costs of certain internal improvements heretofore authorized by the governing body of the City (the "Improvements"). The description of the Improvements, the resolution number authorizing the same and the amount of assessment are set forth on ***Schedule I*** attached hereto.

You may pay this assessment in whole or in part to the City Treasurer of the City within fifteen (15) days from September 19, 2023; and if the amount is not paid within said time period, bonds will be issued therefor, and the balance of such assessment will be collected in twenty (20) annual installments, together with interest on such amounts remaining unpaid at a rate not exceeding the maximum rate therefor as prescribed by K.S.A. 12-6a01 *et seq.*, including K.S.A. 12-6a19. Interest accruing between the date set forth above and the date the first installment is payable, but not less than the amount of interest due during the coming year on any outstanding bonds issued to finance the Improvements, shall be added to the first installment. The interest for one year on all unpaid installments shall be added to each subsequent installment until paid.

Melissa Krehbiel, City Clerk

**SCHEDULE I**

<b>Legal Description (Bristol Hollows Phase 1)</b>	<b>Drainage Res. R-20-01</b>	<b>Paving Res. R-20-02</b>	<b>Sanitary Sewer Res. R-20-03</b>	<b>Water Main Res. R-20-04</b>
Block A Lot 1	\$11,230.07		\$7,601.50	
Block A Lot 2	11,230.07		7,601.50	
Block A Lot 3	11,230.07		7,601.50	
Block A Lot 4	11,230.07		7,601.50	
Block A Lot 5	11,230.07		7,601.50	
Block A Lot 6	11,230.07		7,601.50	
Block A Lot 7	11,230.07		7,601.50	
Block A Lot 8	11,230.07		7,601.50	
Block A Lot 9	11,230.07		7,601.50	
Block A Lot 10	11,230.07		7,601.50	
Block A Lot 11	11,230.07		7,601.50	
Block A Lot 12	11,230.07		7,601.50	
Block A Lot 13	11,230.07		7,601.50	
Block A Lot 14	11,230.07		7,601.50	
Block A Lot 15	11,230.07		7,601.50	
Block A Lot 16	11,230.07		7,601.50	
Block A Lot 17	11,230.07		7,601.50	
Block A Lot 18	11,230.07		7,601.50	
Block A Lot 19	11,230.07		7,601.50	
Block A Lot 20	11,230.07	\$22,293.95	7,601.50	\$6,358.50
Block A Lot 21	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 22	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 23	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 24	11,230.07	22,293.95	7,601.50	6,358.50

Block A Lot 25	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 26	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 27	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 28	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 29	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 30	11,230.07	22,293.95	7,601.50	6,358.50
Block A Lot 31	11,230.07	22,293.95	7,601.50	6,358.50
Block B Lot 1	11,230.07		1,094.13	
Block B Lot 2	11,230.07		1,094.13	
Block B Lot 3	11,230.07		1,094.13	
Block B Lot 4	11,230.07		1,094.13	
Block B Lot 5	11,230.07		1,094.13	
Block B Lot 6	11,230.07		1,094.13	
Block B Lot 7	11,230.07		1,094.13	
Block B Lot 8	11,230.07		1,094.13	
Block B Lot 9	11,230.07		1,094.13	
Block B Lot 10	11,230.07		1,094.13	
Block B Lot 11	11,230.07		1,094.13	
Block B Lot 12	11,230.07		1,094.13	
Block B Lot 13	11,230.07		1,094.13	
Block B Lot 14	11,230.07		1,094.13	
Block B Lot 15	11,230.07		1,094.13	
Block B Lot 16	11,230.07		1,094.13	
Block B Lot 17	11,230.07		1,094.13	
Block B Lot 18	11,230.07		1,094.13	
Block B Lot 19	11,230.07		1,094.13	
Block B Lot 20	11,230.07		1,094.13	

Block B Lot 21	11,230.07		1,094.13	
Block B Lot 22	11,230.07	22,293.95	7,598.62	6,358.50
Block B Lot 23	11,230.07	22,293.95	7,598.62	6,358.50
Block B Lot 24	11,230.07	22,293.95	7,598.62	6,358.50
Block B Lot 25	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 26	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 27	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 28	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 29	11,230.07	22,293.95	959.16	6,358.50
Block B Lot 30	11,230.07	22,293.95	959.16	6,358.50

<b>Legal Description (Central Park 3rd Addition Phase 2)</b>	<b>Paving Res. R-20-05</b>	<b>Sanitary Sewer Res. R-20-06</b>	<b>Water Distribution Res. R-20-07</b>
Block A Lot 13	\$11,197.71		\$2,969.86
Block A Lot 14	11,197.71		2,969.86
Block A Lot 15	11,197.71	\$7,689.00	2,969.86
Block A Lot 16	11,197.71	7,689.00	2,969.86
Block A Lot 17	11,197.71	7,689.00	2,969.86
Block A Lot 18	11,197.71	7,689.00	2,969.86
Block A Lot 19	11,197.71	7,689.00	2,969.86
Block A Lot 20	11,197.71	7,689.00	2,969.86
Block A Lot 21	11,197.71	7,689.00	2,969.86
Block A Lot 22	11,197.71	7,689.00	2,969.86
Block A Lot 23	11,197.71	7,689.00	2,969.86
Block A Lot 24	11,197.71	7,689.00	2,969.86
Block A Lot 25	11,197.71	7,689.00	2,969.86
Block A Lot 26	11,197.71	7,689.00	2,969.86

Block A Lot 27	11,197.71	7,689.00	2,969.86
Block A Lot 28	11,197.71	7,689.00	2,969.86
Block A Lot 29	11,197.71	7,689.00	2,969.86
Block A Lot 30	11,197.71	7,689.00	2,969.86
Block A Lot 31	11,197.71	7,689.00	2,969.86
Block B Lot 13	11,197.71	-	2,969.86
Block B Lot 14	11,197.71	-	2,969.86
Block B Lot 15	11,197.71	-	2,969.86
Block C Lot 3	11,197.71	-	2,969.86
Block C Lot 4	11,197.71	7,689.00	2,969.86
Block C Lot 5	11,197.71	7,689.00	2,969.86
Block C Lot 6	11,197.71	7,689.00	2,969.86
Block C Lot 7	11,197.71	7,689.00	2,969.86
Block C Lot 8	11,197.71	7,689.00	2,969.86
Block C Lot 9	11,197.71	7,689.00	2,969.86
Block C Lot 10	11,197.71	7,689.00	2,969.86
Block C Lot 11	11,197.71		2,969.86
Block C Lot 12	11,197.71		2,969.86

Legal Description (Rock Spring Addition Phase 7)	Paving Res. R-20-12	Sewer Res. R-20-13	Water Res. R-20-14
Block 1 Lot 13	\$11,942.04		\$2,871.00
Block 1 Lot 14	11,942.04		2,871.00
Block 1 Lot 15	11,942.04		2,871.00
Block 1 Lot 16	11,942.04		2,871.00



Block 1 Lot 17	11,942.04		2,871.00
Block 1 Lot 18	11,942.04		2,871.00
Block 1 Lot 19	11,942.04		2,871.00
Block 3 Lot 1	11,942.04	\$3,182.84	2,871.00
Block 3 Lot 2	11,942.04	3,182.84	2,871.00
Block 3 Lot 3	11,942.04	3,182.84	2,871.00
Block 3 Lot 4	11,942.04	3,182.84	2,871.00
Block 3 Lot 5	11,942.04	3,182.84	2,871.00
Block 3 Lot 6	11,942.04	3,182.84	2,871.00
Block 3 Lot 7	11,942.04	3,182.84	2,871.00
Block 3 Lot 8	11,942.04	3,182.84	2,871.00
Block 3 Lot 9	11,942.04	3,182.84	2,871.00
Block 3 Lot 10	11,942.04	3,182.84	2,871.00
Block 3 Lot 11	11,942.04	3,182.84	2,871.00
Block 3 Lot 12	11,942.04	3,182.84	2,871.00
Block 3 Lot 13	11,942.04	3,182.84	2,871.00
Block 3 Lot 14	11,942.04	3,182.84	2,871.00
Block 3 Lot 15	11,942.04	3,182.84	2,871.00
Block 3 Lot 16	11,942.04	3,182.84	2,871.00
Block 3 Lot 17	11,942.04	3,182.84	2,871.00
Block 3 Lot 18	11,942.04	3,182.84	2,871.00
Block 3 Lot 19	11,942.04	3,182.84	2,871.00
Block 3 Lot 20	11,942.04	3,182.84	2,871.00
Block 3 Lot 21	11,942.04	3,182.84	2,871.00

CERTIFICATE OF MAILING

STATE OF KANSAS                    )  
  ) ss:  
COUNTY OF SEDGWICK         )

The undersigned, City Clerk of the City of Bel Aire, Kansas, does hereby certify that on or before September 21, 2023, the date on which Ordinance No. \_\_\_\_ (the "Ordinance") of the City was published, I caused to be mailed to the owners of the properties liable for the assessments set out in the Ordinance, at their last known post office addresses, a Notice of Assessment showing the respective assessments levied against their properties and stating the manner in which said assessments will be collected.

A sample copy of the form of such Notice of Assessment is attached hereto.

WITNESS my hand and seal as of September \_\_\_, 2023.

(Seal)

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

[attach sample copy of form]

(PUBLISHED IN THE *ARK VALLEY NEWS* ON SEPTEMBER 21, 2023)

**SUMMARY OF ORDINANCE NO. \_\_\_\_\_**

On September 19, 2023, the governing body of the City of Bel Aire, Kansas passed an ordinance entitled:

**AN ORDINANCE LEVYING SPECIAL ASSESSMENTS, INCLUDING BENEFIT FEES, ON CERTAIN PROPERTY TO PAY THE COSTS OF INTERNAL IMPROVEMENTS IN THE CITY OF BEL AIRE, KANSAS, AS HERETOFORE AUTHORIZED BY RESOLUTION NOS. R-20-01, R-20-02, R-20-03, R-20-04, R-20-05, R-20-06, R-20-07, R-20-12, R-20-13, AND R-20-14; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENTS AND BENEFIT FEES.**

The Ordinance levies special assessments and benefit fees on certain property located in Bristol Hollows Addition (Phase 1), Central Park 3<sup>rd</sup> Addition (Phase 2), and Rock Spring Addition (Phase 7), which have been benefitted from certain internal improvements constructed pursuant to K.S.A. 12-6a01 *et seq.* and provides an opportunity for prepayment, in whole or in part, of said special assessments or benefit fees. A schedule of the amounts of said special assessments and benefit fees and the property benefitted are attached to the Ordinance. Any amount of special assessments and benefit fees not paid within the time prescribed in the Ordinance shall be certified by the City Clerk to the Clerk of Sedgwick County, Kansas, in the same manner and at the same time as other taxes are certified and will be collected in annual installments, together with interest on such amounts at a rate not exceeding the maximum rate therefor as prescribed by law. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, 7651 E. Central Park Avenue, Bel Aire, Kansas 67226. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at <http://www.belaireks.org>.

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: September 19, 2023.

\_\_\_\_\_  
City Attorney

CERTIFICATE OF CITY TREASURER

STATE OF KANSAS                    )  
  ) ss:  
COUNTY OF SEDGWICK         )

The undersigned, City Treasurer of the City of Bel Aire, Kansas (the "City"), does hereby certify that within the time allowed by Ordinance No. \_\_\_\_\_ of the City for the payment of special assessments and benefit fees in cash, property owners specially assessed for the costs of certain internal improvements heretofore authorized by the governing body of the City, paid in cash the amounts set forth below:

Resolution No.	Amount
R-20-01	
R-20-02	
R-20-03	
R-20-04	
R-20-05	
R-20-06	
R-20-07	
R-20-12	
R-20-13	
R-20-14	
TOTAL	\$ _____

WITNESS my hand on \_\_\_\_\_, 2023.

\_\_\_\_\_  
City Treasurer

City of Bel Aire, Kansas



STAFF REPORT

DATE: September 12, 2023  
TO: Ty Lasher, City Manager  
FROM: Anne Stephens, City Engineer  
RE: 45<sup>th</sup> – Oliver to Woodlawn Traffic Counts

**Proposal Focus:**

Our Mission

- Attractive growth and safe living – We have a clean city, people are proud of our community. Encourage attractive neighborhoods and new developments through code enforcement and planning/zoning.

Our Values

- Small Town Pride, regardless of size – Regardless of how big we get, keep that hometown feeling and attitude.
- Creativity and Innovation – Be open to new ideas, creativity and innovation within the organization and from the community.

**Current Situation:**

A large part of the decision regarding the configuration of 45<sup>th</sup> Street rests upon the traffic counts, particularly the turning movements at each intersection. As part of Garver’s agreement for the design of the project, they presented budgetary numbers for an agreement with The Traffic Group to collect data for the traffic study.

**Goals:**

- To collect data for use in the traffic study of the 45<sup>th</sup> Street corridor to assist in determining lengths of turn-bays and intersection needs at 45<sup>th</sup> and Oliver.

**Discussion:**

Garver proposed working with The Traffic Group in their initial scoping of the project and has provided us with an agreement for obtaining the traffic counting services. The agreement has two groups – the first group is intersections that have been identified as the most important with the second group of intersections being “nice to have”. It should be noted that there is an error in the first intersection of Group 2. This intersection is intended to be 37<sup>th</sup> and Oliver and not 44<sup>th</sup> and Oliver.

**Financials:**

The City is required to pay 100% of all engineering design costs related to the 45<sup>th</sup> Street – Oliver to Woodlawn Reconstruction Project. The City’s portion of this project will be paid for with temporary note proceeds. After three years, the temporary note will be refinanced with a GO Bond and the City will pay annual debt service payment over the next 20 years.

**Recommendation:**

If Council wants a comprehensive view of the current traffic loading on 45<sup>th</sup> Street, the approval of the full count (parts 1 and 2) is recommended. This ensures that nothing is missed, nor left up to an assumption during the design of the road.



A SERVICE DISABLED  
VETERAN-OWNED  
SMALL BUSINESS

**MBE Certified**  
Charles County  
Howard County  
Prince George's County

**MFD Certified**  
Montgomery County

**CORPORATE OFFICE**  
**Baltimore, MD**  
Suite H  
9900 Franklin Square Drive  
Baltimore, Maryland 21236  
410.931.6600  
fax: 410.931.6601  
1.800.583.8411

**DELMARVA OFFICE**  
443.290.4060

**SOUTH CAROLINA OFFICES**  
Columbia: 803.422.9965  
Rock Hill: 410.446.3992

**FIELD OFFICE LOCATIONS**  
Arkansas  
Florida  
Maine  
Mississippi  
New York  
North Carolina  
Ohio  
Pennsylvania  
South Carolina  
Texas  
Utah  
Virginia  
West Virginia

September 11, 2023

Section XII, Item B.

Ms. Anne Stephens, PE  
City Engineer  
City of Bel Aire  
7651 E. Central Park Ave.  
Bel Aire, KS 67226

RE: City of Bel Aire Data Collection  
**TRAFFIC COUNTS**  
Bel Aire, Kansas  
Our Agreement No.: 2022-1214  
Bill Group No.: 001

Dear Ms. Stephens:

While traffic engineering and transportation planning is our passion, exceptional client service and high value to the client is imperative. There is nothing more important and nothing more satisfying to us at The Traffic Group (TTG) than serving you, the client. We want you to succeed and we will assist you to ensure that happens!

Our team believes strongly that the best planning and design solutions come out of a thoughtful, collaborative approach – a partnership – and we look forward to working with you in that capacity.

Thank you for the confidence you have placed in us and for the opportunity to provide traffic consulting services related to the City of Bel Aire Data Collection (the “Project”). Based upon your email, we are pleased to submit the following agreement (this “Agreement”) for your consideration.

### **DESCRIPTION OF WORK (HEREINAFTER, THE “SERVICES”):**

1. Conduct 24-hour Video Vehicle Classification Turning Movement counts with length-based classification to be collected at the following intersections on a Tuesday, Wednesday, or Thursday:
  - E. 45<sup>th</sup> St. at Oliver
  - E. 45<sup>th</sup> St. at Westlake
  - E. 45<sup>th</sup> St. at School Dr.
  - E. 45<sup>th</sup> St. at Edgemoor
  - E. 45<sup>th</sup> St. at Auburn
  - E. 45<sup>th</sup> St. at Farmstead
  - E. 45<sup>th</sup> St. at Woodlawn
  - E. 37<sup>th</sup> St at Parkwood

*All video classification data will be length-based with four classifications available (passenger vehicles, buses, medium trucks, and heavy trucks) and Pedestrians. All data will be submitted in Excel, and video will also be made available upon request.*

2. Conduct 24-hour Video Vehicle Classification Turning Movement counts with based classification to be collected at the following intersections on a Tuesday, Wednesday, or Thursday:
- E. 44<sup>th</sup> St. at Oliver

➤ E. 45<sup>th</sup> St. at Dundee St.

➤ E. 45<sup>th</sup> St. at N Hillcrest

➤ E. 45<sup>th</sup> St. at S Hillcrest

*All video classification data will be length-based with four classifications available (passenger vehicles, buses, medium trucks, and heavy trucks) and Pedestrians. All data will be submitted in Excel, and video will also be made available upon request.*

**NOTE:** If additional services are requested by you or a government agency, we will provide an additional cost agreement or conduct the work on an hourly basis with your authorization.

**ESTIMATED TIME OF COMPLETION:**

Two weeks from Notice to Proceed. Counts submitted 1 week from completion.

**FEE:**

1. Lump Sum = \$9,850.00.
2. Lump Sum = \$4,950.00.

Meetings and hearings are not included.

Travel time, meetings, and hearings will be billed on an hourly basis. Our hourly rates are available upon request.

This Agreement, the obligations of the parties hereto, and the Services provided by The Traffic Group, Inc. shall be governed by the Standard Terms & Conditions attached hereto as Exhibit A, which are expressly incorporated herein in their entirety and made a part of this Agreement.

While The Traffic Group, Inc. will not discuss details of the work it is performing on behalf of the Client, the firm is permitted to promote the fact that it has been retained by the Client through posts on its website or in social media, or through news releases or other promotional vehicles.

If the terms and conditions of this Agreement are acceptable to you, please countersign below, return this copy to me, and keep a copy for your files. Each executed counterpart of this Agreement will be deemed to be an original copy of this Agreement and all counterparts together will be deemed to constitute one and the same agreement. Faxed or other electronically delivered signatures may be used in lieu of original signatures and shall constitute effective execution and delivery of this Agreement.



We look forward to working with you on this Project.

Sincerely,



John A. Blair  
Vice President, Data Division

JAB:amr

(M:\Proposals\2022-2014\_City of Bel Aire Data CollectionP\DOCS\PROPOSALS\BG001\_Proposal\_Traffic Counts\_Stephens.docx)

This Agreement (including the Standard Terms & Conditions attached hereto as Exhibit A, w expressly acknowledged as being received) as stated herein is hereby accepted by the undersigned. The undersigned is an authorized officer or representative of the Client and possesses the power and authority to execute this Agreement on behalf of the Client. The undersigned hereby agrees to unconditionally and irrevocably guarantee full payment and performance of the obligations of Client set forth herein. The undersigned hereby executes this Agreement, under seal, as of the date first set forth above, and upon such execution, authorization to proceed is hereby granted.

Company Name/Responsible Party:

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)

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

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

Company Address: \_\_\_\_\_

\_\_\_\_\_

Phone No.: \_\_\_\_\_

Email: \_\_\_\_\_

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

Special Billing Instructions: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT A**

**STANDARD TERMS & CONDITIONS**

Capitalized terms used herein shall have the means set forth in the agreement between The Traffic Group, Inc. and the Client.

**PAYMENT FOR SERVICES:**

Invoices for Service may be issued semi-monthly or as otherwise appropriate for the level of work activity as determined in the sole and absolute discretion of The Traffic Group, Inc. Payment is due thirty (30) calendar days from date of invoice. Any late payment shall constitute a material breach of, and default under, the attached Agreement and the unpaid balance shall accrue interest at the monthly rate of one and one-half (1½%) percent per month. Any collection efforts undertaken by The Traffic Group, Inc. (including but not limited to referral to an attorney or collection agency, by judicial proceeding or otherwise) commenced to enforce this Agreement (including recover amounts due under the Agreement), shall become the responsibility of Client and all of The Traffic Group, Inc.'s reasonable costs and expenses associated with the enforcement, including without limitation, attorney's fees, court costs and expenses, whether incurred prior to or during the enforcement action, shall be added to the balance due under the Agreement. The Traffic Group, Inc.'s remedies under the Agreement are cumulative and in addition to, and not in lieu of, any other remedies allowed by law or equity except where specifically stated otherwise herein.

Should invoices remain outstanding for a period in excess of thirty (30) days from the date of the invoice, The Traffic Group, Inc. shall have the sole right to suspend and/or discontinue the Services associated with the Project without penalty. Upon payment of invoice, Client and The Traffic Group, Inc. shall readjust schedules accordingly. No work product, deliverable or other materials will be released or provided to the Client until delinquent accounts have been satisfied in full.

If Client materially breaches this Agreement in any respect, The Traffic Group, Inc. shall be entitled to the immediate payment from Client of all amounts which are or would become due and payable to The Traffic Group, Inc., throughout the full term of the Project including this Agreement, plus interest, in addition to any other remedies allowed by law or under this Agreement.

Should Client decide to terminate this Agreement prior to the completion of the Services contemplated in this Agreement, Client agrees to compensate The Traffic Group, Inc. in full for all Services performed to date prior to the termination.

To the extent that Client's Project constitutes or involves the improvement of property, Client acknowledges that The Traffic Group, Inc.'s Services constitute work for or about the improvement and, as such, constitutes an integral part of said construction or development as set forth in the Maryland Mechanics Lien Law.

In the event Client is a corporation, partnership, limited liability company or any other legal entity, the individual whose signature appears on the Agreement, whether executing the Agreement on behalf of Client or otherwise, hereby agrees to be bound by the terms and conditions set forth in this Agreement and does hereby personally guarantee, jointly and severally with Client, payment for any and all Services, costs, fees, charges, and expenses arising out of or due in connection with the Agreement or The Traffic Group, Inc.'s work for Client.

**COMPLIANCE WITH STANDARDS; WAIVER OF REPRESENTATIONS AND WARRANTIES; SPECIAL AND EXTRA SERVICE**

The Traffic Group, Inc. shall provide all work, services, and activities in accordance with the Description of Work set forth in this Agreement, in a manner consistent with all applicable codes, laws, regulations, standards and ordinances ("Standards") for the location of the Project, using all commercially reasonable efforts and in a timely manner. Any request by Client which The Traffic Group, Inc. believes could cause or result in a violation of the applicable Standards, The Traffic Group, Inc. shall so advise Client. If Client disagrees with The Traffic Group, Inc.'s assessment, The Traffic Group, Inc. may terminate this Agreement upon five (5) days-notice without penalty. Client shall remain liable to The Traffic Group, Inc. for all services provided through the date of termination.

OTHER THAN COMPLIANCE WITH THE STANDARDS IN A COMMERCIALY REASONABLE MANNER, THE TRAFFIC GROUP, INC. MAKES NO OTHER REPRESENTATION, EXPRESS OR IMPLIED, AND NO WARRANTY AND/OR GUARANTEE IS INCLUDED OR INTENDED TO BE INCLUDED IN THIS AGREEMENT OR IN RELATION TO THE SERVICES PROVIDED BY THE TRAFFIC GROUP, INC. UNDER THIS AGREEMENT.

The Traffic Group, Inc. will provide certain services in addition to those listed in the Agreement when such services are requested in writing and authorized by the Client and subsequently agreed to by The Traffic Group, Inc. Such services may include special requests, other than those required by the Agreement; additional meetings requested beyond those identified in the Agreement; changes due to causes beyond the control of The Traffic Group, Inc.; changes due to modifications in the Land Use Plan submitted to The Traffic Group, Inc.; special additional services which may be required if the work is suspended, abandoned, or extended; or any other special engineering services not included above which may be requested. Payment to The Traffic Group, Inc. when authorized, as compensation for these services, shall be in accordance with our hourly rates set forth in the Agreement, and under the same invoicing scheduled as set forth herein.

**FILES AND DRAWINGS**

Upon satisfaction of all outstanding invoices, Client shall be entitled to make and retain a copy of all data, files, drawings and, if applicable, reports generated by The Traffic Group, Inc. relating to this Project. It is expressly acknowledged and agreed that the ORIGINAL data, files, drawings and, if applicable, reports, are the property of The Traffic Group, Inc. The Traffic Group, Inc. shall retain all such data, files, and original drawings generated in the performance of the Services for a period of time necessary will remain in possession of The Traffic Group, Inc. for a maximum of five (5) years after being generated.

**LIABILITY FOR ACCURACY OF DATA PROVIDED TO THE TRAFFIC GROUP, INC.**

Client shall provide The Traffic Group, Inc. with all information necessary for rendering the services under the Agreement and the Client shall be liable for the accuracy or completeness of the data provided by the Client or any of Client's agents. Client shall obtain from the owner thereof any and all consents required to reproduce data protected by patent, trademark, service mark, copyright or trade secret, and Client indemnifies and holds The Traffic Group, Inc. harmless from any claims, demands, suits, actions, losses or damages against The Traffic Group, Inc. resulting or arising from the reproduction, use or distribution of such materials.

**LIMITATION OF LIABILITY/WAIVER OF CONSEQUENTIAL DAMAGES AND INDEMNIFICATION/NON-ASSIGNABILITY**

CLIENT AGREES TO ALLOCATE CERTAIN OF THE RISKS ASSOCIATED WITH THE PROJECT BY LIMITING THE TRAFFIC GROUP, INC.'S TOTAL LIABILITY TO CLIENT, SUBJECT TO AVAILABLE INSURANCE PROCEEDS, ARISING FROM THE TRAFFIC GROUP, INC.'S SERVICES, ERRORS, OR OMISSIONS AND FOR ANY AND ALL CAUSES INCLUDING NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, OR BREACH OF WARRANTY, INJURIES, DAMAGES, CLAIMS, LOSSES, EXPENSES, OR CLAIM EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES) UNDER THIS AGREEMENT TO THE FULLEST EXTENT PERMITTED BY LAW. THE TRAFFIC GROUP, INC.'S LIABILITY SHALL BE LIMITED TO THE LESSER OF THE ACTUAL COSTS OF THE TRAFFIC GROUP, INC.'S SERVICES PAID THROUGH THE DATE OF THE EVENT TRIGGERING LIABILITY OR AVAILABLE AND APPLICABLE INSURANCE PROCEEDS.

The Client further agrees that The Traffic Group, Inc. shall not be liable for any special, incidental, indirect, punitive, or consequential damages. Rather, Client's sole remedies, upon proper notice to The Traffic Group, Inc., shall be to (a) permit The Traffic Group, Inc. the opportunity to address any and all claims relating to unsatisfactory services provided the Client provides such notice within 30 days of the completion of such Service; and (b) if Client remains unsatisfied with The Traffic Group, Inc.'s Services, to terminate this Agreement.

Client shall indemnify and hold The Traffic Group, Inc. harmless against any claim, demand, suit, action, loss or damage resulting or arising from injury to or death of any employee or agent of The Traffic Group, Inc. (including consultants, subcontractors, or associates retained by The Traffic Group, Inc. for the purpose of fulfilling the terms of the Agreement) while on Client's property or arising out of any act or omission of the Client, its employees or agents.

No part of the Agreement or any other understanding or agreement between The Traffic Group, Inc. and Client may be assigned by Client without The Traffic Group, Inc.'s express written approval, executed by an authorized officer of The Traffic Group, Inc., such approval to be granted at the sole and absolute discretion of The Traffic Group, Inc.

**CONSENT TO JURISDICTION AND FORUM SELECTION**

The parties hereto agree that all actions or proceedings arising in connection with the Agreement shall be tried and litigated exclusively in the Courts of the State of Maryland, County of Baltimore (not City). The aforementioned choice of venue is intended by the parties to be mandatory and not permissive in nature, thereby precluding the possibility of litigation between the parties with respect to or arising out of the Agreement in any jurisdiction other than that specified in this paragraph. Each party hereby waives any right it may have to assert the doctrine of forum non conveniens or similar doctrine or to object to venue with respect to any proceeding brought in accordance with this paragraph, and stipulates that the Courts of the State of Maryland shall have in personam jurisdiction and venue over each of them for the purpose of litigating any dispute, controversy, or proceeding arising out of or related to the Agreement. The Client agrees to venue in the District or Circuit Court of Maryland for Baltimore County. Any final judgment rendered against a party in any action or proceeding shall be conclusive as to the subject of such final judgment and may be enforced in other jurisdictions in any manner provided by law.

**MISCELLANEOUS PROVISIONS**

The Agreement is binding upon and shall inure to the benefit of the parties hereto, and their respective, successors-in-interest, and assigns. The Agreement shall be governed by the laws of the State of Maryland without regard to any conflicts of laws rules. Whenever possible, each provision of the Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Agreement is held to be prohibited by or invalid under applicable law, such provision will be deemed severable and ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the Agreement.

The Agreement constitutes the entire and integrated agreement and understanding between the parties with respect to the subject matter hereof and may only be modified by an agreement signed by all of the parties hereto. A waiver of any term herein or the acquiescence by The Traffic Group, Inc. to insist upon strict compliance with any term or condition recited herein shall not constitute a waiver or any subsequent default or failure, whether similar or dissimilar.

City of Bel Aire, Kansas



## STAFF REPORT

DATE: September 11, 2023  
 TO: Ty Lasher, City Manager  
 FROM: Anne Stephens, City Engineer  
 RE: Arthur Heights Engineering Services

### Proposal Focus:

#### Our Mission

- Attractive growth and safe living – Encourage attractive neighborhoods and new developments.

#### Our Values

- Working Together – Departments working together as one team. Staff working with residents, HOA's and neighborhoods. Citizens working with each other.

### Current Situation:

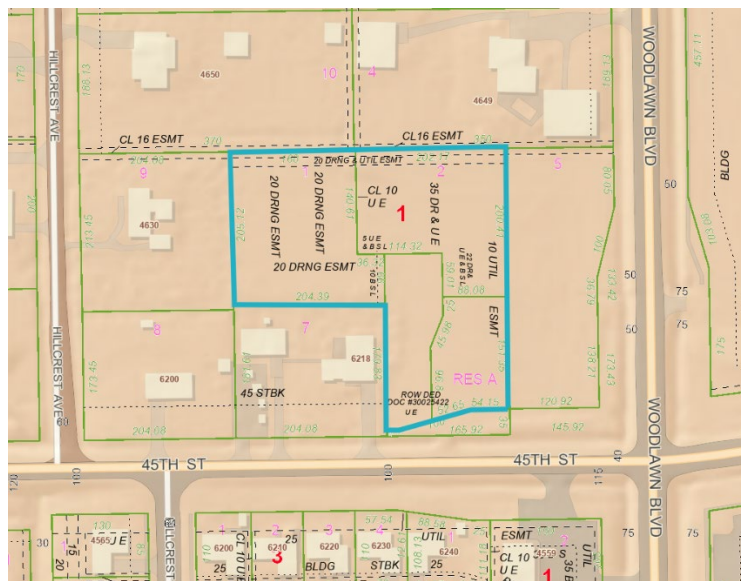
The Developer is ready to initiate the engineering design on Arthur Heights.

### Goals:

- To work with the Developer to grow the City in an attractive, safe manner that is consistent with City standards.

### Discussion:

The Developer has asked Garver to prepare an agreement for Engineering Design services for their development.



**Financials:**

The costs associated with the project will be financed through a bond and spread as special assessments against the benefiting lots.

**Recommendation:**

Staff recommends that the City Council accept the Agreements for Professional Services from KE Miller in the amount of \$110,900.00 for the design, construction staking, construction administration and observation for the water, sanitary sewer and street improvements.



**Agreement  
For  
Professional Services  
City of Bel Aire  
Arthur Heights Engineering Improvements  
Project No. 21T41285**



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**THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”)** is made as of the Effective Date by and between the **City of Bel Aire**(hereinafter referred to as “**Owner**”), and **Garver, LLC** (hereinafter referred to as “**Garver**”). Owner and Garver may individually be referred to herein after as a “**Party**” and/or “**Parties**” respectively.

## RECITALS

**WHEREAS**, Owner intends to install paving, water and sewer infrastructure to Serve Arthur Heights Addition, the “**Project**”).

**WHEREAS**, Garver will provide professional Services related to the Project as further described herein.

**NOW THEREFORE**, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

### 1. DEFINITIONS

In addition to other defined terms used throughout this Agreement, when used herein, the following capitalized terms have the meaning specified in this Section:

“**Effective Date**” means the date last set forth in the signature lines below.

“**Damages**” means any and all damages, liabilities, or costs (including reasonable attorneys’ fees recoverable under applicable law).

“**Hazardous Materials**” means any substance that, under applicable law, is considered to be hazardous or toxic or is or may be required to be remediated, including: (i) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, (ii) any chemicals, materials or substances which are now or hereafter become defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” or any words of similar import pursuant to applicable law; or (iii) any other chemical, material, substance or waste, exposure to which is now or hereafter prohibited, limited or regulated by any governmental instrumentality, or which may be the subject of liability for damages, costs or remediation.

“**Personnel**” means affiliates, directors, officers, partners, members, employees, and agents.

### 2. SCOPE OF SERVICES

2.1. Services. Owner hereby engages Garver to perform the scope of service described in Exhibit A attached hereto (“**Services**”). Execution of this Agreement by Owner constitutes Owner’s written authorization to proceed with the Services. In consideration for such Services, Owner agrees to pay Garver in accordance with Section 3 below.



### 3. PAYMENT

- 3.1. Fee. For the Services described under Section 2.1, Owner will pay Garver in accordance with this Section 3 and Exhibit B. Owner represents that funding sources are in place with the available funds necessary to pay Garver in accordance with the terms of this Agreement.
- 3.2. Invoicing Statements. Garver shall invoice Owner on a monthly basis. Such invoice shall include supporting documentation reasonably necessary for Owner to know with reasonable certainty the proportion of Services accomplished. The Owner's terms and conditions set forth in a purchase order (or any similar document) are expressly rejected.
- 3.3. Payment.
- 3.3.1. Due Date. Owner shall pay Garver all undisputed amounts within thirty (30) days after receipt of an invoice. Owner shall provide notice in writing of any portion of an invoice that is disputed in good faith within fifteen (15) days of receipt of an invoice. Garver shall promptly work to resolve any and all items identified by Owner relating to the disputed invoice. All disputed portions shall be paid promptly upon resolution of the underlying dispute.
- 3.3.2. If any undisputed payment due Garver under this Agreement is not received within forty-five (45) days from the date of an invoice, Garver may elect to suspend Services under this Agreement without penalty.
- 3.3.3. Payments due and owing that are not received within thirty (30) days of an invoice date will be subject to interest at the lesser of a one percent (1%) monthly interest charge (compounded) or the highest interest rate permitted by applicable law.

### 4. AMENDMENTS

- 4.1. Amendments. Garver shall be entitled to an equitable adjustment in the cost and/or schedule for circumstances outside the reasonable control of Garver, including modifications in the scope of Services, applicable law, codes, or standards after the Effective Date ("Amendment"). As soon as reasonably possible, Garver shall forward a formal Amendment to Owner with backup supporting the Amendment. All Amendments should include, to the extent known and available under the circumstances, documentation sufficient to enable Owner to determine: (i) the factors necessitating the possibility of a change; (ii) the impact which the change is likely to have on the cost to perform the Services; and (iii) the impact which the change is likely to have on the schedule. All Amendments shall be effective only after being signed by the designated representatives of both Parties. Garver shall have no obligation to perform any additional services created by such Amendment until a mutually agreeable Amendment is executed by both Parties.

### 5. OWNER'S RESPONSIBILITIES

- 5.1. In connection with the Project, Owner's responsibilities shall include the following:
- 5.1.1. Those responsibilities set forth in Exhibit A.
- 5.1.2. Owner shall be responsible for all requirements and instructions that it furnishes to Garver pursuant to this Agreement, and for the accuracy and completeness of all programs, reports, data, and other information furnished by Owner to Garver pursuant to this



Agreement. Garver may use and rely upon such requirements, programs, instructions, reports, data, and information in performing or furnishing services under this Agreement, subject to any express limitations or reservations applicable to the furnished items as further set forth in Exhibit A.

5.1.3. Owner shall give prompt written notice to Garver whenever Owner observes or otherwise becomes aware of the presence at the Project site of any Hazardous Materials or any relevant, material defect, or nonconformance in: (i) the Services; (ii) the performance by any contractor providing or otherwise performing construction services related to the Project; or (iii) Owner's performance of its responsibilities under this Agreement.

5.1.4. Owner shall include "Garver, LLC" as an indemnified party under the contractor's indemnity obligations included in the construction contract documents.

5.1.5. Owner will not directly or indirectly solicit any of Garver's Personnel during performance of this Agreement and for a period of one (1) year beyond completion of this Agreement.

## **6. GENERAL REQUIREMENTS**

### **6.1. Standards of Performance.**

6.1.1. Industry Practice. Garver shall perform any and all Services required herein in accordance with generally accepted practices and standards employed by the applicable United States professional services industries as of the Effective Date practicing under similar conditions and locale. Such generally accepted practices and standards are not intended to be limited to the optimum practices, methods, techniques, or standards to the exclusion of all others, but rather to a spectrum of reasonable and prudent practices employed by the United States professional services industry.

6.1.2. Owner shall not be responsible for discovering deficiencies in the technical accuracy of Garver's services. Garver shall promptly correct deficiencies in technical accuracy without the need for an Amendment unless such corrective action is directly attributable to deficiencies in Owner-furnished information.

6.1.3. On-site Services. Garver and its representatives shall comply with Owner's and its separate contractor's Project-specific safety programs, which have been provided to Garver in writing in advance of any site visits.

6.1.4. Relied Upon Information. Garver may use or rely upon design elements and information ordinarily or customarily furnished by others including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.

6.1.5. Aside from Garver's direct subconsultants, Garver shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall Garver have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any such contractor, or the safety precautions and programs incident thereto, for security or safety at the Project site, nor for any failure of a contractor to comply with laws and regulations applicable to that contractor's services. Garver shall not be responsible for the acts or omissions of any contractor for whom it does not have a direct contract. Garver neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform



its work in accordance with the construction contract documents applicable to the contractor's work, even when Garver is performing construction phase services.

6.1.6. In no event is Garver acting as a "municipal advisor" as set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission. Garver's Services expressly do not include providing advice pertaining to insurance, legal, finance, surety-bonding, or similar services.

## 6.2. Instruments of Service.

6.2.1. Deliverables. All reports, specifications, record drawings, models, data, and all other information provided by Garver or its subconsultants, which is required to be delivered to Owner under Exhibit A (the "**Deliverables**"), shall become the property of Owner subject to the terms and conditions stated herein.

6.2.2. Electronic Media. Owner hereby agrees that all electronic media, including CADD files ("**Electronic Media**"), are tools used solely for the preparation of the Deliverables. Upon Owner's written request, Garver will furnish to Owner copies of Electronic Media to the extent included as part of the Services. In the event of an inconsistency or conflict in the content between the Deliverables and the Electronic Media, however, the Deliverables shall take precedence in all respects. Electronic Media is furnished without guarantee of compatibility with the Owner's software or hardware. Because Electronic Media can be altered, either intentionally or unintentionally, by transcription, machine error, environmental factors, or by operators, it is agreed that, to the extent permitted by applicable law, Owner shall indemnify and hold Garver, Garver's subconsultants, and their Personnel harmless from and against any and all claims, liabilities, damages, losses, and costs, including, but not limited to, costs of defense arising out of changes or modifications to the Electronic Media form in Owner's possession or released to others by Owner. Garver's sole responsibility and liability for Electronic Media is to furnish a replacement for any non-functioning Electronic Media for reasons solely attributable to Garver within thirty (30) days after delivery to Owner.

6.2.3. Property Rights. All intellectual property rights of a Party, including copyright, patent, and reuse ("**Intellectual Property**"), shall remain the Intellectual Property of that Party. Garver shall obtain all necessary Intellectual Property from any necessary third parties in order to execute the Services. Any Intellectual Property of Garver or any third party embedded in the Deliverables shall remain so imbedded and may not be separated therefrom.

6.2.4. License. Upon Owner fulfilling its payment obligations under this Agreement, Garver hereby grants Owner a license to use the Intellectual Property, but only in the operation and maintenance of the Project for which it was provided. Use of such Intellectual Property for modification, extension, or expansion of this Project or on any other project, unless under the direction of Garver, shall be without liability to Garver and Garver's subconsultants. To the extent permitted by applicable law, Owner shall indemnify and hold Garver, Garver's subconsultants, and their Personnel harmless from and against any and all claims, liabilities, damages, losses, and costs, including but not limited to costs of defense arising out of Owner's use of the Intellectual Property contrary to the rights permitted herein.

## 6.3. Opinions of Cost.



- 6.3.1. Since Garver has no control over: (i) the cost of labor, materials, equipment, or services furnished by others; (ii) the contractor or its subcontractor(s)' methods of determining prices; (iii) competitive bidding; (iv) market conditions; or (v) similar material factors, Garver's opinions of Project costs or construction costs provided pursuant to Exhibit A, if any, are to be made on the basis of Garver's experience and qualifications and represent Garver's reasonable judgment as an experienced and qualified professional engineering firm, familiar with the construction industry. Garver cannot and does not guarantee that proposals, bids, or actual Project or construction costs will not vary from estimates prepared by Garver.
- 6.3.2. Owner understands that the construction cost estimates developed by Garver do not establish a limit for the construction contract amount. If the actual amount of the low construction bid or resulting construction contract exceeds the construction budget established by Owner, Garver will not be required to re-design the Services without additional compensation. In the event Owner requires greater assurances as to probable construction cost, then Owner agrees to obtain an independent cost estimate.
- 6.4. Underground Utilities. Except to the extent expressly included as part of the Services, Garver will not provide research regarding utilities or survey utilities located and marked by their owners. Furthermore, since many utility companies typically will not locate and mark their underground facilities prior to notice of excavation, Garver is not responsible for knowing whether underground utilities are present or knowing the exact location of such utilities for design and cost estimating purposes. In no event is Garver responsible for damage to underground utilities, unmarked or improperly marked, caused by geotechnical conditions, potholing, construction, or other contractors or subcontractors working under a subcontract to this Agreement.
- 6.5. Design with Construction Phase Services.
- 6.5.1. If the Owner requests in writing that Garver provide any specific construction phase services or assistance with resolving disputes or other subcontractor related issues, and if Garver agrees to provide such services, then Garver shall be compensated for the services as an Amendment in accordance with Sections 4 and 10.2.
- 6.5.2. Garver shall be responsible only for those construction phase Services expressly set forth in Exhibit A, if any. With the exception of such expressly required Services, Garver shall have no responsibility or liability for any additional construction phase services, including review and approval of payment applications, design, shop drawing review, or other obligations during construction. Owner assumes all responsibility for interpretation of the construction contract documents and for construction observation and supervision and waives any claims against Garver that may be in any way connected thereto.
- 6.5.3. Owner agrees, to the fullest extent permitted by law, to indemnify and hold Garver, Garver's subconsultants, and their Personnel harmless from any loss, claim, or cost, including reasonable attorneys' fees and costs of defense, arising or resulting from the performance of such construction phase services by other persons or entities and from any and all claims arising from modifications, clarifications, interpretations, adjustments, or changes made to the construction contract documents to reflect changed field or other conditions, except to the extent such claims arise from the negligence of Garver in performance of the Services.



- 6.6. Hazardous Materials. Nothing in this Agreement shall be construed or interpreted as requiring Garver to assume any role in the identification, evaluation, treatment, storage, disposal, or transportation of any Hazardous Materials. Notwithstanding any other provision to the contrary in this Agreement and to the fullest extent permitted by law, Owner shall indemnify and hold Garver and Garver's subconsultants, and their Personnel harmless from and against any and all losses which arise out of the performance of the Services and relating to the regulation and/or protection of the environment including without limitation, losses incurred in connection with characterization, handling, transportation, storage, removal, remediation, disturbance, or disposal of Hazardous Material, whether above or below ground.
- 6.7. Confidentiality. Owner and Garver shall consider: (i) all information provided by the other Party that is marked as "Confidential Information" or "Proprietary Information" or identified as confidential pursuant to this Section 6.7 in writing promptly after being disclosed verbally; and (ii) all documents resulting from Garver's performance of Services to be Confidential Information. Except as legally required, Confidential Information shall not be discussed with or transmitted to any third parties, except on a "need to know basis" with equal or greater confidentiality protection or written consent of the disclosing Party. Confidential Information shall not include and nothing herein shall limit either Party's right to disclose any information provided hereunder which: (i) was or becomes generally available to the public, other than as a result of a disclosure by the receiving Party or its Personnel; (ii) was or becomes available to the receiving Party or its representatives on a non-confidential basis, provided that the source of the information is not bound by a confidentiality agreement or otherwise prohibited from transmitting such information by a contractual, legal, or fiduciary duty; (iii) was independently developed by the receiving Party without the use of any Confidential Information of the disclosing Party; or (iv) is required to be disclosed by applicable law or a court order. All confidentiality obligations hereunder shall expire three (3) years after completion of the Services. Nothing herein shall be interpreted as prohibiting Garver from disclosing general information regarding the Project for future marketing purposes.

## 7. INSURANCE

### 7.1. Insurance.

7.1.1. Garver shall procure and maintain insurance as set forth in Exhibit C until completion of the Service. Upon request, Garver shall name Owner as an additional insured on Garver's General Liability policy to the extent of Garver's indemnity obligations provided in Section 9 of this Agreement.

7.1.2. Upon request, Garver shall furnish Owner a certificate of insurance evidencing the insurance coverages required in Exhibit C.

## 8. DOCUMENTS

- 8.1. Audit. Garver will retain all pertinent records for a period of three (3) years beyond completion of the Services. Owner may have access to such records during normal business hours with three (3) business days advanced written notice. In no event shall Owner be entitled to audit the make-up of lump sum or other fixed prices (e.g., agreed upon unit or hour rates).
- 8.2. Delivery. After completion of the Project, and prior to final payment, Garver shall deliver to the Owner all Deliverables required under Exhibit A.



## 9. INDEMNIFICATION / WAIVERS

### 9.1. Indemnification.

9.1.1. Garver Indemnity. Subject to the limitations of liability set forth in Section 9.2, Garver agrees to indemnify and hold Owner, and Owner's Personnel harmless from Damages due to bodily injury (including death) or third-party tangible property damage to the extent such Damages are caused by the negligent acts, errors, or omissions of Garver or any other party for whom Garver is legally liable, in the performance of the Services under this Agreement.

9.1.2. Owner Indemnity. Subject to the limitations of liability set forth in Section 9.2, Owner agrees to indemnify and hold Garver and Garver's subconsultants and their Personnel harmless from Damages due to bodily injury (including death) or third-party tangible property damage to the extent caused by the negligent acts, errors, or omissions of Owner or any other party for whom Owner is legally liable, in the performance of Owner's obligations under this Agreement.

9.1.3. In the event claims or Damages are found to be caused by the joint or concurrent negligence of Garver and the Owner, they shall be borne by each Party in proportion to its own negligence.

### 9.2. Waivers. Notwithstanding any other provision to the contrary, the Parties agree as follows:

9.2.1. The Parties agree that any claim or suit for Damages made or filed against the other Party will be made or filed solely against Garver or Owner respectively, or their successors or assigns, and that no Personnel shall be personally liable for Damages under any circumstances.

9.2.2. Mutual Waiver. To the fullest extent permitted by law, neither Owner, Garver, nor their respective Personnel shall be liable for any consequential, special, incidental, indirect, punitive, or exemplary damages, or damages arising from or in connection with loss of use, loss of revenue or profit (actual or anticipated), loss by reason of shutdown or non-operation, increased cost of construction, cost of capital, cost of replacement power or customer claims, and Owner hereby releases Garver, and Garver releases Owner, from any such liability.

9.2.3. Limitation. In recognition of the relative risks and benefits of the Project to both the Owner and Garver, Owner hereby agrees that Garver's and its Personnel's total liability under the Agreement shall be limited to one hundred percent (100%) of Garver's fee set forth in Exhibit B.

9.2.4. No Other Warranties. No other warranties or causes of action of any kind, whether statutory, express or implied (including all warranties of merchantability and fitness for a particular purpose and all warranties arising from course of dealing or usage of trade) shall apply. Owner's exclusive remedies and Garver's only obligations arising out of or in connection with defective Services (patent, latent or otherwise), whether based in contract, in tort (including negligence and strict liability), or otherwise, shall be those stated in the Agreement.





9.2.5. The limitations set forth in Section 9.2 apply regardless of whether the claim is based in contract, tort, or negligence including gross negligence, strict liability, warranty, indemnity, error and omission, or any other cause whatsoever.

## 10. DISPUTE RESOLUTION

10.1. Any controversy or claim ("**Dispute**") arising out of or relating to this Agreement or the breach thereof shall be resolved in accordance with the following:

10.1.1. Any Dispute that cannot be resolved by the project managers of Owner and Garver may, at the request of either Party, be referred to the senior management of each Party. If the senior management of the Parties cannot resolve the Dispute within thirty (30) days after such request for referral, then either Party may request mediation. If both Parties agree to mediation, it shall be scheduled at a mutually agreeable time and place with a mediator agreed to by the Parties. Should mediation fail, should either Party refuse to participate in mediation, or should the scheduling of mediation be impractical, either Party may file for arbitration in lieu of litigation.

10.1.2. Arbitration of the Dispute shall be administered by the American Arbitration Association ("AAA") in accordance with its Construction Industry Arbitration Rules. EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY AND ALL RIGHT TO TRIAL BY JURY. The arbitration shall be conducted by a single arbitrator, agreed to by the Parties. In no event may a demand for arbitration be made if the institution of legal or equitable proceedings based on such dispute is barred by the applicable statute of limitations.

10.1.3. The site of the arbitration shall be Sedgwick County, Kansas. Each Party hereby consents to the jurisdiction of the federal and state courts within whose district the site of arbitration is located for purposes of enforcement of this arbitration provision, for provisional relief in aid of arbitration, and for enforcement of any award issued by the arbitrator.

10.1.4. To avoid multiple proceedings and the possibility of inconsistent results, either Party may seek to join third parties with an interest in the outcome of the arbitration or to consolidate arbitration under this Agreement with another arbitration. Within thirty (30) days of receiving written notice of such a joinder or consolidation, the other Party may object. In the event of such an objection, the arbitrator shall decide whether the third party may be joined and/or whether the arbitrations may be consolidated. The arbitrator shall consider whether any entity will suffer prejudice as a result of or denial of the proposed joinder or consolidation, whether the Parties may achieve complete relief in the absence of the proposed joinder or consolidation, and any other factors which the arbitrators conclude should factor on the decision.

10.1.5. The arbitrator shall have no authority to award punitive damages. Any award, order or judgment pursuant to the arbitration is final and may be entered and enforced in any court of competent jurisdiction.

10.1.6. The prevailing Party shall be entitled to recover its attorneys' fees, costs, and expenses, including arbitrator fees and costs and AAA fees and costs.

10.1.7. The foregoing arbitration provisions shall be final and binding, construed and enforced in accordance with the Federal Arbitration Act, notwithstanding the provisions of this





Agreement specifying the application of other law. Pending resolution of any Dispute, unless the Agreement is otherwise terminated, Garver shall continue to perform the Services under this Agreement that are not the subject of the Dispute, and Owner shall continue to make all payments required under this Agreement that are not the subject of the Dispute.

10.1.8. Owner and Garver further agree to use commercially reasonable efforts to include a similar dispute resolution provision in all agreements with independent contractors and subconsultants retained for the Project.

10.2. Litigation Assistance. This Agreement does not include costs of Garver for required or requested assistance to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by Owner, unless litigation assistance has been expressly included as part of Services. In the event Owner requests such services of Garver, this Agreement shall be amended in writing by both Owner and Garver to account for the additional services and resulting cost in accordance with Section 4.

## 11. TERMINATION

11.2. Termination for Convenience. Owner shall have the right at its sole discretion to terminate this Agreement for convenience at any time upon giving Garver ten (10) days' written notice. In the event of a termination for convenience, Garver shall bring any ongoing Services to an orderly cessation. Owner shall compensate Garver in accordance with Exhibit B for: (i) all Services performed and reasonable costs incurred by Garver on or before Garver's receipt of the termination notice, including all outstanding and unpaid invoices, (ii) all costs reasonably incurred to bring such Services to an orderly cessation.

11.3. Termination for Cause. This Agreement may be terminated by either Party in the event of failure by the other Party to perform any material obligation in accordance with the terms hereof. Prior to termination of this Agreement for cause, the terminating Party shall provide at least seven (7) business days written notice and a reasonable opportunity to cure to the non-performing Party. In all events of termination for cause due to an event of default by the Owner, Owner shall pay Garver for all Services properly performed prior to such termination in accordance with the terms, conditions and rates set forth in this Agreement.

11.4. Termination in the Event of Bankruptcy. Either Party may terminate this Agreement immediately upon notice to the other Party, and without incurring any liability, if the non-terminating Party has: (i) been adjudicated bankrupt; (ii) filed a voluntary petition in bankruptcy or had an involuntary petition filed against it in bankruptcy; (iii) made an assignment for the benefit of creditors; (iv) had a trustee or receiver appointed for it; (v) becomes insolvent; or (vi) any part of its property is put under receivership.

## 12. MISCELLANEOUS

12.2. Governing Law. This Agreement is governed by the laws of the State of Kansas, without regard to its choice of law provisions.

12.3. Successors and Assigns. Owner and Garver each bind themselves and their successors, executors, administrators, and assigns of such other party, in respect to all covenants of this Agreement; neither Owner nor Garver shall assign, sublet, or transfer their interest in this



Agreement without the written consent of the other, which shall not be unreasonably withheld or delayed.

12.4. Independent Contractor. Garver is and at all times shall be deemed an independent contractor in the performance of the Services under this Agreement.

12.5. No Third-Party Beneficiaries. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than Owner and Garver. This Agreement does not contemplate any third-party beneficiaries.

12.6. Entire Agreement. This Agreement constitutes the entire agreement between Owner and Garver and supersedes all prior written or oral understandings and shall be interpreted as having been drafted by both Parties. This Agreement may be amended, supplemented, or modified only in writing by and executed by both Parties.

12.7. Severance. The illegality, unenforceability, or occurrence of any other event rendering a portion or provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of the Agreement. Any void provision of this Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void.

12.8. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one Agreement. Delivery of an executed counterpart of this Agreement by fax or transmitted electronically in legible form, shall be equally effective as delivery of a manually executed counterpart of this Agreement.

### 13. EXHIBITS

13.2. The following Exhibits are attached to and made a part of this Agreement:

- Exhibit A – Scope of Services
- Exhibit B – Compensation Schedule
- Exhibit C – Insurance
- Exhibit D – [Reserved]

Owner and Garver, by signing this Agreement, acknowledges that they have independently assured themselves and confirms that they individually have examined all Exhibits, and agrees that all of the aforesaid Exhibits shall be considered a part of this Agreement and agrees to be bound to the terms, provisions, and other requirements thereof, unless specifically excluded.

Acceptance of this proposed Agreement is indicated by an authorized agent of the Owner signing in the space provided below. Please return one signed original of this Agreement to Garver for our records.

*[Signatures follow]*



**IN WITNESS WHEREOF**, Owner and Garver have executed this Agreement effective as of the date last written below.

**City of Bel Aire, Kansas**

**Garver, LLC**

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

By: Christopher M. Bohm  
Signature

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

Name: Christopher M. Bohm  
Printed Name

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

Title: Senior Project Manager

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

Date: August 30th, 2023

Attest: \_\_\_\_\_

Attest: Theresa DL



## EXHIBIT A (SCOPE OF SERVICES)

### 1.1 Garver shall provide the following Services: (Engineering Design and Construction Observation)

Furnish engineering and technical services as required to develop the plans, supplemental specifications and estimates of the quantities of work for the PROJECT in accordance with design standards and in the format and detail required by the City of Bel Aire, Kansas, and as outlined in this Appendix. Plans will include the design of streets, storm water drainage system, sanitary sewer extensions, and water line extensions to serve Chapel Landing 5th Addition Phase 1.

When authorized by the OWNER, proceed with development of plans for the PROJECT based on the preliminary design concepts approved by the OWNER.

1. Field Surveys. Provide engineering and technical personnel and equipment to obtain survey data as required for engineering design.
2. Soils and Foundation Investigations. When recommended by Garver, and/or requested by the OWNER, the OWNER shall direct an approved testing laboratory to perform subsurface borings and soils investigations for the PROJECT for the purpose of determining subgrade compaction and soil stabilization requirements. The testing laboratory shall be responsible for the accuracy and competence of their work. The Owner's contract with the testing laboratory shall provide that the testing laboratory is responsible to the OWNER for the accuracy and competence of their work. The cost of soils and boring investigations shall be directly contracted with and billed directly to the OWNER.
3. Review Preliminary Design Concepts. Review preliminary design concepts with the OWNER or its designated representative prior to progressing to detail aspects of the work unless waived by the OWNER.
4. Prepare engineering plans, plan quantities and supplemental specifications as required.
5. Identify all known potential utility conflicts and, when authorized by the OWNER, provide prints of plans to each utility identifying the problem locations. GARVER shall meet with utility company representatives as required to review the PROJECT design and interpret engineering drawings and effect resolutions of conflicts.
6. Deliver original plan tracings and specification originals to the OWNER.
7. When requested by the OWNER, conduct pre-bid and/or pre-construction conferences and assist the OWNER in the bid process.
8. Provide AutoCAD V. 2020 drawing files for the PROJECT to the OWNER.
9. Provide Construction Phase Services consisting of construction staking and construction observation which include the following general duties:



#### Pre-Construction Activities:

- Assist the City with the preparation and receipt of contracts and project bonds.
- Work with the Contractor to establish a work schedule for the project.
- Receive and review shop drawings and material submittals from the Contractor.
- Verify that on-site underground utility lines have been marked by Kansas One-Call.
- Field check all materials on site to determine compliance with the specifications.
- Notify adjacent property owners concerning construction operations.
- Provide construction staking for line and grade with offsets for marked stakes at the distances specified by the Contractor.

#### Construction Operations – Water, Sanitary Sewer, Pavement and Storm Water Sewer

##### *Sanitary Sewer System*

- Check trench width and depth.
- Ensure that proper care is taken when connecting to existing structures.
- Check that the bedding material meets pipe requirements and trench conditions.
- Check for pipe alignment and grade.
- Check pipe joints and fittings for proper placement.
- Check that pipe backfill meets compaction requirements.
- Coordinate and supervise testing of manholes and sanitary sewer pipe.
- Ensure that site restoration (driveway removal, yard restoration, street restoration, etc.) is completed properly.
- Revise the original plans to reflect the as-built elevations and structure locations.
- Complete all inspection logs and compile all inspection information for submittal to the City upon completion of the project.
- Verify payment requests from the Contractor.

##### *Water Distribution System*

- Check trench width and depth.
- Ensure that proper care is taken when connecting to existing structures.
- Check for pipe alignment and grade.
- Check pipe joints and fittings for proper placement.
- Check that pipe backfill meets compaction requirements.
- Coordinate and supervise testing of water mains.
- Ensure that site restoration (driveway removal, yard restoration, street restoration, etc.) is completed properly.
- Revise the original plans to reflect the as-built elevations and structure locations.
- Complete all inspection logs and compile all inspection information for submittal to the City upon completion of the project.
- Verify payment requests from the Contractor.

##### *Paving, Subgrade and Curb Construction*

- Check earthwork cuts and fill against the stakes to verify accuracy.
- Verify drainage ditches for alignment and grade.
- Order soil testing for the subgrade compaction and for treated subgrade as is required by the specifications. Additional testing will be ordered if conditions warrant, or if on-site testing fails.
- Check placement of geogrid reinforcement (if used on project).
- Check subgrade rock depth and width (if used on project).



- Check that subgrade is trimmed to the bluetop stakes after placement of curb.
- Check string lines for alignment and grade.
- Check expansion joint material.
- Check that curb machine is maintained and operating properly.
- Check curb template for proper size and dimensions.
- Check that air temperature and ground conditions meet specifications.
- Take a minimum of two concrete test cylinders on each pour day.
- Deliver cylinders to testing laboratory for testing.
- Revise the original plans to reflect as-built conditions.
- Complete all inspection logs and compile all inspection information for submittal to the City upon completion of the project.
- Verify payment requests from the Contractor.

#### *Storm Water Sewer System*

- Check trench width and depth.
- Ensure that proper care is taken when connecting to existing structures.
- Check that the bedding material meets pipe requirements and trench conditions.
- Check for pipe alignment and grade.
- Check pipe joints and fittings for proper placement.
- Check that pipe backfill meets compaction requirements.
- Coordinate and supervise TV testing of storm water sewer pipe.
- Ensure that site restoration (driveway removal, yard restoration, street restoration, etc.) is completed properly.
- Revise the original plans to reflect the as-built elevations and structure locations.
- Complete all inspection logs and compile all inspection information for submittal to the City upon completion of the project.
- Verify payment requests from the Contractor.

The list of inspection items presented here provides an outline of the duties and the responsibilities of Garver prior to and during construction of these projects. The enclosed documents provide information concerning the inspection process but cannot detail all the contingencies that may arise during the construction of the projects. The engineer in charge of inspection must be able to deal with a variety of circumstances that may arise during the construction process.

#### 1.2 In addition to those obligations set forth in the Agreement, Owner shall:

- 1.2.1 Give thorough consideration to all documents and other information presented by Garver and informing Garver of all decisions within a reasonable time so as not to delay the Services.
- 1.2.2 Make provision for the Personnel of Garver to enter public and private lands as required for Garver to perform necessary preliminary surveys and other investigations required under the applicable Work Order.
- 1.2.3 Obtain the necessary lands, easements and right-of-way for the construction of the work. All costs associated with securing the necessary land interests, including property acquisition and/or easement document preparation, surveys, appraisals, and abstract work, shall be borne by the Owner outside of this Agreement, except as otherwise described in the Services under Section 2.1.
- 1.2.4 Furnish Garver such plans and records of construction and operation of existing facilities, available aerial photography, reports, surveys, or copies of the same, related to or bearing on the proposed work as may be in the possession of Owner. Such documents or data will be returned upon completion of the Services or at the request of Owner.



- 1.2.5 Pay all plan review and advertising costs in connection with the project.
- 1.2.6 Provide legal, accounting, and insurance counseling services necessary for the project and such auditing services as Owner may require.
- 1.2.7 Furnish permits, permit fees, and approvals from all governmental authorities having jurisdiction over the project and others as may be necessary for completion of the project.
- 1.2.8 Pay for Hydroexcavation Services identified as needed by Garver to identify critical utility crossing conflicts. Cost of services to be billed to the project and paid for by the developer through special assessments.

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**EXHIBIT B  
(COMPENSATION SCHEDULE)**

The table below presents a summary of the fee amounts and fee types for this Agreement.

WORK DESCRIPTION	FEE AMOUNT	FEE TYPE
Street Design Services	\$24,100.00	LUMP SUM
Water System Design Services	\$12,250.00	LUMP SUM
Sanitary Sewer System Design	\$6,450.00	LUMP SUM
Pavement Construction Phase Services		
Construction Staking	\$7,200.00	RATE SCHEDULE
Project Administration and Observation	\$27,200.00	RATE SCHEDULE
Water Construction Phase Services		
Construction Staking	\$5,100.00	RATE SCHEDULE
Project Administration and Observation	\$18,400.00	RATE SCHEDULE
Sanitary Construction Phase Services		
Construction Staking	\$2,700.00	RATE SCHEDULE
Project Administration and Observation	\$7,500.00	RATE SCHEDULE
<b>TOTAL FEE</b>	<b>\$110,900.00</b>	

The lump sum amount to be paid under this Agreement is \$42,800. Any unused portion of the fee, due to delays beyond Garver's control, will be increased four percent (4%) annually with the first increase effective on or about July 1, 2024.

The Owner will pay Garver for Service rendered at the agreed upon rates for each classification of Garver's personnel (may include contract staff classified at Garver's discretion) plus reimbursable expenses including but not limited to printing and reproduction. The total amount paid to Garver by rate schedule under this Agreement is estimated to be \$68,100. The actual total fee may exceed this estimate by supplemental agreement. The agreed upon rates will be increased annually with the first increase effective on or about July 1, 2024. Notwithstanding the foregoing, Garver shall be entitled, in its sole discretion, to substitute a more qualified person (e.g., C-4) with a less qualified person (e.g., C-1); provided however, in such event Garver shall only be entitled to payment at the lesser rate.

Expenses other than salary costs that are directly attributable to performance of our Services will be billed as follows:

1. Direct cost for outside reproduction.
2. The amount allowed by the federal government for mileage.
3. \$15 per hour for GPS survey equipment use.





As directed by the Owner, some billable Services may have been performed by Garver prior to execution of this Agreement. Payment for these Services will be made in accordance with the fee arrangement established herein, as approved by the Owner.

Garver shall provide Owner notice when Garver is within ten percent (10%) of the not-to-exceed amount. In which event, Owner may direct Garver to proceed with the Services up to the not-to-exceed budgetary threshold before ceasing performance of the Services or increase the not-to-exceed amount with notice to Garver. Underruns in any phase may be used to offset overruns in another phase as long as the overall Agreement amount is not exceeded. In no event shall the not-to-exceed amount be interpreted as a guarantee the Services can be performed for the not-to-exceed budgetary threshold.

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## Exhibit B

## Garver Hourly Rate Schedule: July 2023 - June 2024

Classification	Rates	Classification	Rates
<b>Engineers / Architects</b>		<b>Resource Specialists</b>	
E-1	\$ 128.00	RS-1	\$ 102.00
E-2	\$ 148.00	RS-2	\$ 141.00
E-3	\$ 172.00	RS-3	\$ 200.00
E-4	\$ 192.00	RS-4	\$ 261.00
E-5	\$ 219.00	RS-5	\$ 327.00
E-6	\$ 270.00	RS-6	\$ 402.00
E-7	\$ 330.00	RS-7	\$ 457.00
<b>Planners</b>		<b>Environmental Specialists</b>	
P-1	\$ 153.00	ES-1	\$ 102.00
P-2	\$ 192.00	ES-2	\$ 135.00
P-3	\$ 239.00	ES-3	\$ 164.00
P-4	\$ 267.00	ES-4	\$ 203.00
P-5	\$ 308.00	ES-5	\$ 255.00
<b>Designers</b>		ES-6	\$ 311.00
D-1	\$ 119.00	ES-7	\$ 399.00
D-2	\$ 139.00	ES-8	\$ 451.00
D-3	\$ 166.00	<b>Project Controls</b>	
D-4	\$ 192.00	PC-1	\$ 105.00
<b>Technicians</b>		PC-2	\$ 145.00
T-1	\$ 93.00	PC-3	\$ 184.00
T-2	\$ 127.00	PC-4	\$ 236.00
T-3	\$ 140.00	PC-5	\$ 288.00
T-4	\$ 181.00	PC-6	\$ 353.00
<b>Surveyors</b>		PC-7	\$ 454.00
S-1	\$ 63.00	<b>Administration / Management</b>	
S-2	\$ 75.00	AM-1	\$ 74.00
S-3	\$ 114.00	AM-2	\$ 99.00
S-4	\$ 137.00	AM-3	\$ 138.00
S-5	\$ 170.00	AM-4	\$ 175.00
S-6	\$ 193.00	AM-5	\$ 216.00
2-Man Crew (Survey)	\$ 216.00	AM-6	\$ 265.00
3-Man Crew (Survey)	\$ 270.00	AM-7	\$ 320.00
2-Man Crew (GPS Survey)	\$ 236.00	M-1	\$ 510.00
3-Man Crew (GPS Survey)	\$ 290.00		
<b>Construction Observation</b>			
C-1	\$ 113.00		
C-2	\$ 145.00		
C-3	\$ 176.00		
C-4	\$ 192.00		
C-5	\$ 259.00		



**EXHIBIT C  
(INSURANCE)**

Pursuant to Section 7.1 of the Agreement, Garver shall maintain the following schedule of insurance until completion of the Services:

Worker's Compensation	Statutory Limit
Automobile Liability	
Combined Single Limit (Bodily Injury and Property Damage)	\$500,000
General Liability	
Each Occurrence	\$1,000,000
Aggregate	\$2,000,000
Professional Liability	
Each Claim Made	\$1,000,000
Annual Aggregate	\$2,000,000

City of Bel Aire, Kansas



STAFF REPORT

DATE: August 30, 2023  
TO: Ty Lasher, City Manager  
FROM: Anne Stephens, City Engineer  
RE: Woodlawn Construction Services

**Proposal Focus:**

Our Mission

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- Attractive growth and safe living – Encourage attractive neighborhoods and new developments.

Our Values

---

- Working Together – Departments working together as one team. Staff working with residents, HOA’s and neighborhoods. Citizens working with each other.

**Current Situation:**

Garver is running out of fee for their work on the Woodlawn Construction project and is presenting an ‘Hourly, Not to Exceed’ fee for continued work on the Woodlawn project.

**Goals:**

- To work with the Developer to grow the City in an attractive, safe manner that is consistent with City standards.

**Discussion:**

Per KDOT’s guidelines, Garver based their fee on the initial working day count for the project as provided by KDOT. Since then, the project has been granted an additional 70 working days. Not only is a qualified construction inspector required to oversee this project as part of the City’s agreement with KDOT for the funding, Garver’s personnel has been a tremendous help to me in navigating through this project. Their knowledge of the KDOT process, requirements and specifications has saved me a considerable amount of time and allowed me to work on other projects. They have gone over and beyond their specific duties when requested to help work through questions and issues that have arisen on the project. Their public involvement team has taken a considerable load off not only myself, but also Tristin in assisting both of us with answering questions from the public and providing timely information to help communicate with our residents.

Garver will be at the September 5<sup>th</sup> City Council meeting to provide a presentation to further inform Council of their role in this project and what they are continuing to do to not only support City Staff, but also meet KDOT requirements and look out for the City’s best interest as construction progresses.

The original agreement with Garver for Construction Engineering/Inspection Services was for \$873,896.61. Garver initially presented a supplemental agreement for \$219,323.08 for their additional time on the project. Anne and Ty met with Garver to negotiate their fee. After negotiations, Garver agreed to lower their fee to \$199,297.70. Please keep in mind that this is an

‘Hourly, Not to Exceed’ fee. If time is not spent on the project, the City will not be charged the entire fee. Garver has a history of not using their entire construction observation fee on City subdivision projects and I expect the same amount of diligence about providing good service to the City while being cognizant about the amount of time and effort that is spent on the project to do what they can to limit costs to the City.

**Financials:**

The additional cost associated with this Supplemental Agreement will be included in the bonds and paid for out of the general fund. This Supplemental Agreement will increase the total annual debt service payment by approximately \$17,650.

**Recommendation:**

City Staff does not have the necessary qualifications or time to be able to fulfill the construction engineering/inspection requirements of the contract between the City and KDOT. Staff recommends that the Council approve the Supplemental Agreement with Garver for their continued work on the Woodlawn project.

**WORK ESTIMATE FORM****Cost plus Net Fee****Work Scope Defined by Project Plans**Date 8/29/2023

Consultant's Name Garver, LLC (Project # 19C07000.2) Project No. 087 N 0685-01

Mailing Address 1995 Midfield Dr County/City Sedgwick/Bel Aire  
Wichita, KS 67206

Working Days 70

Work Estimate No. \_\_\_\_\_ CMS Contract No. 017221014

Project Location Woodlawn Avenue from 37th to 45th

Name of Project Manager Patrick Herman Phone Number 316-207-5239Name of Chief Inspector Eric Strecker Phone Number 316-305-5379

1. Pre-construction preparation	Eng(s) &/or Mang.	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
	Techn(s)	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
	Coordinator(s)	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
	Clerical	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
Subtotal				<u>\$0.00</u>

2. Field Inspection daily contract documents	Eng(s) &/or Mang.	<u>28 @</u>	<u>\$82.00 =</u>	<u>\$2,296.00</u>
	Techn(s)	<u>1470 @</u>	<u>\$32.60 =</u>	<u>\$47,922.00</u>
	Coordinator(s)	<u>105 @</u>	<u>\$42.00 =</u>	<u>\$4,410.00</u>
	Clerical	<u>14 @</u>	<u>\$23.00 =</u>	<u>\$322.00</u>
Subtotal				<u>\$54,950.00</u>

3. On-site Testing	Eng(s) &/or Mang.	<u>3.5 @</u>	<u>\$82.00 =</u>	<u>\$287.00</u>
	Techn(s)	<u>105 @</u>	<u>\$32.60 =</u>	<u>\$3,423.00</u>
	Coordinator(s)	<u>21 @</u>	<u>\$42.00 =</u>	<u>\$882.00</u>
	Clerical	<u>3.5 @</u>	<u>\$23.00 =</u>	<u>\$80.50</u>
Subtotal				<u>\$4,672.50</u>

4. Surveying	Eng(s) &/or Mang.	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
	Techn(s)	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
	Coordinator(s)	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
	Clerical	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
Subtotal				<u>\$0.00</u>

5. Final Paper Preparation	Eng(s) &/or Mang.	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
	Techn(s)	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
	Coordinator(s)	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
	Clerical	<u>0 @</u>	<u>\$0.00 =</u>	<u>\$0.00</u>
Subtotal				<u>\$0.00</u>

Total Direct Payroll Costs \$59,622.50

## Summary Total Direct Payroll Costs

	Hours	Rate	Extension
Eng(s) &/or Mang.	31.5 @	\$82.00 =	\$2,583.00
Techn(s)	1575 @	\$32.60 =	\$51,345.00
Coordinator(s)	126 @	\$42.00 =	\$5,292.00
Clerical	17.5 @	\$23.00 =	\$402.50
Total Direct Payroll Costs			\$59,622.50
B. Salary Related Overhead	183.49 %		\$109,401.33
C. Total Payroll plus Overhead			\$169,023.83
D. Net Fee			\$25,353.57

## E. Direct Expenses (Travel, Postage, Misc.)

Per Diem & Subsistence	Days	@	=	\$0.00
Mileage	miles	\$0.66/mile		
Auto	@			\$0.00
Pickup	7455 @	\$0.66		\$4,920.30
Postage	@			\$0.00
Testing Laboratory or Consulting Firm to Assist				
(Name of Lab or Firm)	@			\$0.00
(Details Needed)				
Equipment Rental	@			\$0.00
(Details \$500 +)				
Total Other Direct Expenses				\$4,920.30

TOTAL COST PLUS NET FEE ESTIMATE \$199,297.70

Consultant Representative

Date 8/29/23

LPA Authorized Representative

Date \_\_\_\_\_

Approving KDOT Representative

Date \_\_\_\_\_

**WORK ESTIMATE FORM****Cost plus Net Fee****Work Scope Defined by Project Plans****Date** 9/13/2023

Consultant's Name Garver, LLC (Project # 19C07000.2) Project No. 087 N 0685-01

Mailing Address 1995 Midfield Dr County/City Sedgwick/Bel Aire  
Wichita, KS 67206

Working Days 70

Work Estimate No. \_\_\_\_\_ CMS Contract No. 017221014

Project Location Woodlawn Avenue from 37th to 45th

Name of Project Manager Patrick Herman Phone Number 316-207-5239

Name of Chief Inspector Eric Strecker Phone Number 316-305-5379

1. Pre-construction preparation	Eng(s) &/or Mang.	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
	Techn(s)	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
	Coordinator(s)	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
	Clerical	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
Subtotal				<u>\$0.00</u>

2. Field Inspection daily contract documents	Eng(s) &/or Mang.	<u>18</u> @	<u>\$82.00</u> =	<u>\$1,476.00</u>
	Techn(s)	<u>926</u> @	<u>\$32.60</u> =	<u>\$30,187.60</u>
	Coordinator(s)	<u>66</u> @	<u>\$42.00</u> =	<u>\$2,772.00</u>
	Clerical	<u>6</u> @	<u>\$23.00</u> =	<u>\$138.00</u>
Subtotal				<u>\$34,573.60</u>

3. On-site Testing	Eng(s) &/or Mang.	<u>2.5</u> @	<u>\$82.00</u> =	<u>\$205.00</u>
	Techn(s)	<u>66</u> @	<u>\$32.60</u> =	<u>\$2,151.60</u>
	Coordinator(s)	<u>13</u> @	<u>\$42.00</u> =	<u>\$546.00</u>
	Clerical	<u>2.5</u> @	<u>\$23.00</u> =	<u>\$57.50</u>
Subtotal				<u>\$2,960.10</u>

4. Surveying	Eng(s) &/or Mang.	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
	Techn(s)	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
	Coordinator(s)	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
	Clerical	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
Subtotal				<u>\$0.00</u>

5. Final Paper Preparation	Eng(s) &/or Mang.	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
	Techn(s)	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
	Coordinator(s)	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
	Clerical	<u>0</u> @	<u>\$0.00</u> =	<u>\$0.00</u>
Subtotal				<u>\$0.00</u>

Total Direct Payroll Costs \$37,533.70



## Summary Total Direct Payroll Costs

	Hours	Rate	Extension
Eng(s) &/or Mang.	20.5 @	\$82.00 =	\$1,681.00
Techn(s)	992 @	\$32.60 =	\$32,339.20
Coordinator(s)	79 @	\$42.00 =	\$3,318.00
Clerical	8.5 @	\$23.00 =	\$195.50
Total Direct Payroll Costs			\$37,533.70
B. Salary Related Overhead	183.49 %		\$68,870.59
C. Total Payroll plus Overhead			\$106,404.29
D. Net Fee			\$15,960.64

## E. Direct Expenses (Travel, Postage, Misc.)

Per Diem & Subsistence	Days	@	=	\$0.00
Mileage	miles		\$0.66/mile	
Auto		@		\$0.00
Pickup	4697	@	\$0.66	\$3,100.02
Postage		@		\$0.00
Testing Laboratory or Consulting Firm to Assist				
(Name of Lab or Firm)		@		\$0.00
(Details Needed)				
Equipment Rental		@		\$0.00
(Details \$500 +)				
Total Other Direct Expenses				\$3,100.02

TOTAL COST PLUS NET FEE ESTIMATE \$125,464.95

Consultant Representative

Date 9-13-2023

LPA Authorized Representative

Date

Approving KDOT Representative

Date

City of Bel Aire, Kansas



**STAFF REPORT**

DATE: September 14, 2023

TO: Ty Lasher – City Manager  
Bel Aire Governing Body

FROM: Brian Hayes – Recreation Director

RE: Pool Recommendation

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SUMMARY: Per instructions, staff has assembled estimates to re-plaster the Central Park Swimming Pool.

DISCUSSION: After much research and discussion with city administration, governing body, and pool professionals, staff supports repairing the existing crack and replastering the pool as the most feasible path to take at this time.

FINANCIAL: Three quotes to re-plaster were received and are listed below.

	\$47,200	Mid-West Plastering LLC
.	\$67,070	Mid America Pool Renovation
	\$81,650 <i>(exposed aggregate finish)</i>	Mid America Pool Renovation

Per Ted Henry, funds are available in the 2024 Capital Improvement budget.

RECOMMENDATION: Recreation staff recommends accepting the \$47,200 from Mid-West Plastering LLC, Shawnee Kansas. I have spoken with them, and they are available to begin the work in late February as the weather allows.

# Mid-America POOL RENOVATION, Inc.

7/20/2023

City of Bel Aire  
Mr. Brian Hayes  
Recreation Director  
5251 E. 48th St North  
Bel Aire, KS 67226

Re: Pool Renovation

Dear Mr. Hayes,

Thank you for contacting Mid-America Pool Renovation, Inc.  
We specialize in swimming pool re-surfacing and repairs, and have  
over 40 years experience renovating swimming pools.

Our **Major Commercial Reference Lists** are included in this proposal.  
Feel free to contact any of these references in regards to our  
reputation, quality of work and warranty services.

Our reference lists include many prestigious establishments. We would  
be pleased to add City of Bel Aire, Kansas.

Mid-America Pool Renovation, Inc. offers tiling, coping, deck topping,  
and pool interior resurfacing. In addition to re-plastering, we are the  
exclusive manufacturer and area applicators of the INTER-GLASS®  
Reinforced Polymeric System, the only authorized reinforced polymeric  
re-surfacing system for the Host Marriott managed Hotel Group.

Mid-America Pool Renovation, Inc. is fully insured and bondable. We  
are members of the International Concrete Repair Institute, the  
Association of Pool & Spa Professionals, the National Plasterers  
Council, the Waterjet Technology Association, and have an A+ Rating  
with the Better Business Bureau of Greater Kansas City.

Mid-America Pool Renovation, Inc. is an **Illinois Department of  
Public Health Pre-Qualified Illinois Swimming Facility  
Contractor.**

We maintain full insurance coverage and have enclosed a sample  
Certificate of Insurance.

We enforce a drug-free workplace.

Section XII, Item E.

5929 E. 154th Terrace  
Grandview, MO 64030

816.994.3300 Kansas City  
773.278.7349 Chicago  
636.537.0108 St. Louis  
800.253.7349 Other Areas

816.994.3301 FAX

[poolrenovation.com](http://poolrenovation.com)

## COMPLETE SWIMMING POOL RENOVATION

- Polymeric Composite  
Surface Systems  
Madewell® Mainstay®  
Perma-Shield®  
INTER-GLASS®  
Hydro Ester LV Coating
- New Pool Interiors  
INTER-GLASS®  
Re-Plastering  
Sunstone®  
Diamond Brite®  
River Rok®  
Beadcrete®  
Krystalkrete®
- Deck Re-Surfacing  
Texture-Dek  
Kool Deck®
- New Tile  
100s of Patterns  
Depth & No Dive
- New Coping  
Brick  
Cast Stone  
Concrete Bullnose
- Water Features
- Structural Repair  
& Consultation



**PRICING SUMMARY**

*(details for each item are in quote body)*

**Pool Interior Options**

White Plaster:	<b>\$67,070.00 – 5 Yr Warranty</b>
Exposed Aggregate Finish:	<b>\$81,650.00 – 5 Yr Warranty</b>
White INTER-GLASS®:	<b>\$111,430.00 – 25 Yr Warranty</b>

**Additional Interior Items**

Waterline Tile:	<b>\$23,130.00</b>
Depth Markers:	<b>Included with New Tile</b>

**Additional Items:**

Re-Tile 450 Sqft Beach Entry:	<b>\$27,000.00</b>
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Note: All construction agreements will contain an additional line item for Mobilization totaling 4% of the contract total.

## **POOL INTERIOR SURFACES - Alternatives**

For most residential and commercial swimming pools, we recommend and offer a choice of two pool interior surfaces. 1) Polymeric INTER-GLASS®, and 2) Cement-based re-plastering (with pool plaster, or exposed aggregate materials), are both at the pinnacle of their representative categories and known for their proven longevity and reliability.

Pool plaster continues to be the most popular surface used on new concrete pools and residential pools, as well as being the most economical re-surfacing option we offer. For commercial pools, heated pools and spas, pools constructed with panel walls, and pools with structure cracks, the INTER-GLASS® Reinforced Polymeric System presents important advantages over pool plaster due to its tolerance to structural cracking and movement, its resistance to pool chemical abuse, and its lengthy service life.

Both pool plaster and INTER-GLASS® come in traditional white, but for an additional charge are available in robin's egg blue, natural colors such as sand and charcoal, and special order colors. For outdoor residential pools without lights, INTER-GLASS® is also available with MoonGlow, a special surface that absorbs light during the day and glows at night.

## **REPLASTERING**

Cement-based surfaces such as traditional pool plaster or marcite, exposed aggregate (Diamond-Brite, Sunstone, etc), and pebble finishes with either quartz or dolomite aggregates are widely used for new in-ground concrete swimming pools and spas. Pool plaster uses limestone as its aggregate component while exposed aggregate finished use silica quartz as the aggregate in its mix.

Besides being economical, cement-based surfaces are good choices for swimming pools that are kept full of water and always chemically balanced, where stress or structure cracking is not prevalent or expected, and when the pool is not heated.

Some advantages of cement-based linings are:

- Following installation, the pool can be filled almost immediately without a required, dry curing period
- They come in a variety of colors and finishes

Some disadvantages are:

- They must be submerged to avoid shrinkage cracking and delamination
- Their low tensile and flexural strengths make them susceptible to cracking
- Their naturally high alkaline and porous make-up mandate that the pool water chemistry be kept perfectly balanced to avoid reactions to pool chemicals, calcium carbonate growths and metal staining. They increase the pH of the water, have greater chlorine demands, and will affect Total Alkalinity levels.

### **Re-Surfacing Specifications & Pricing for Re-Plastering**

- Clean, environmentally safe 40,000 psi Ultra High Pressure Water Jetting to remove existing paint and loose, hollow or deteriorated sub-surface materials in order to insure the best possible mechanical bond
- Cutting and removing the existing plaster down at least 2" away from the waterline tiling, inlets, lights and other fixtures to achieve a flush finish with the new surface
- Placing contrasting color highlight tiles to demark the edges of all the steps and benches, and to satisfy applicable local codes
- All labor, materials and any clean-up associated with the re-surfacing work, and a 5-year warranty (see below for details)

The price to prepare and re-surface the City of Bel Aire, Kansas **Pool** with white pool plaster is **\$67,070.00.**

The price to resurface with an exposed aggregate finish is **\$81,650.00.**

\*This price reflects standard colors only. Blue, Dark, Pearl, or custom colors may be an additional charge.

**Re-Plastering Warranty**

Mid-America Pool Renovation, Inc. has 5-year warranty from the date of installation on the new cement-based lining against any flaking, peeling, popping-off or excessive color change providing the pool is maintained chemically balanced and full of water (with proper winterization included as per National Spa & Pool Institute's BASIC POOL & SPA GUIDELINES, 4th edition, instructions for Plaster Finish pools). This warranty only applies to the labor and materials on the newly placed surface material and does not cover any DAMAGE including, but not limited to or from: Defects in the structure including structural or hairline cracking; Vandalism, intentional or accidental abuse, or neglect; Improper acid washes; Stains or discoloration due to, but not limited to, the improper use of chemicals, improperly maintained water chemistry, or any introduction of metals or metal ions into the water; Improper winterization; Hydro-static water pressure; Any acts of God; From any intruder after the plaster crew has left the job site, or from any other action outside the course of normal everyday use and care of the surface lining, or from any other action over which Mid-America Pool Renovation, Inc. has no control. Consequential damages such as, but not limited to, loss of revenue, cost of water, etc., are not covered under warranty.

## **THE INTER-GLASS® REINFORCED POLYMERIC SYSTEM**

Mid-America Pool Renovation, Inc.'s INTER-GLASS® Reinforced Polymeric System of surface preparation and base application is the premium of pool re-surfacing choices. Approximately 50% of our residential clients choose INTER-GLASS® over a cement-based interior. Approximately 75% of our commercial pool clients choose INTER-GLASS® and nearly 90% of our clients with indoor pools choose INTER-GLASS®.

The INTER-GLASS® system offers an excellent surface for concrete, acrylic-wall, and metal pools:

- INTER-GLASS® is an inert surface and does not interact with pool chemicals like a cement or painted surface. This is especially important for indoor pools
- The 'silky smooth' yet non-slippery surface is easy to clean and reduces pool chemical usage up to 50%
- The adhesive and sealing qualities of Epoxy Resin produces a placement venue supporting a fully bonded surface, and resulting in making the pool shell stronger
- The INTER-GLASS® surface will not be affected if the pool water chemistry periodically falls out of balance
- INTER-GLASS® is unaffected by salt chlorine generators
- The seamless, non-porous surface stops chemically treated pool water from reaching the reinforcing steel and causing carbonation, metal corrosion and concrete degradation
- INTER-GLASS® cannot shrink-crack, spall or become rough like cement based pool linings
- INTER-GLASS® cannot puncture like PVC or other soft-membrane liners, and it cannot blister like pool paint
- INTER-GLASS® eliminates the need for future sandblastings, acid washings, liner replacements and painting
- INTER-GLASS® is safe for contact with food. INTER-GLASS® meets the national specifications of 21 CFR Parts 117.1580, 175.300 and 177.1640 that cover polymeric materials intended for repeated use in contact with food.
- INTER-GLASS® is **PVC-FREE**

The INTER-GLASS® system is a combination of a hybrid preparation process incorporating sub-surface Protective Barrier System (PBS) technology and including biaxial E-Glass, roving woven, InterSteel (when needed), and a special sealing resin followed by our 6-step surface installation process.



InterSteel is a structural repair method using various aramid fabrics including Kevlar<sup>®</sup> by DuPont (when necessary) in combination with special Type IV sealing resins used extensively around the world to repair structural earthquake damage. This system yields tensile and flexural strengths in the range of 200,000 to 400,000 PSI.

### **INTER-GLASS<sup>®</sup> Specifications & Price**

- Removal of all hollow lifted areas or blisters
- Surface sanding as needed
- Hi-pressure water blasting (5000psi) to completely clean the prepared surface
- Installation of a penetrating, sub-surface sealing Protective Barrier System
- Stress / structural crack repair as needed
- Placing contrasting color diamond tiles to demark the edges of all the steps and benches, and to satisfy applicable local codes
- All labor, materials and clean-up associated with installation of the INTER-GLASS<sup>®</sup> system
- 25-year Limited manufacturers warranty

The price to prepare and re-surface the City of Bel Aire, Kansas **Pool** with white INTER-GLASS<sup>®</sup> is: [\*\*\\$111,430.00.\*\*](#)

### **INTER-GLASS<sup>®</sup> Warranty Information**

The attached Sample copy of the warranty lists all conditions and limitations. Mid-America Pool Renovation, Inc. provides this warranty to the pool owner providing: a) the entire project has been paid in full, b) outdoor pools are winterized per the Association of Pool & Spa Professionals BASIC POOL & SPA GUIDELINES, 4th Edition, instructions for vinyl-lined, or, plaster or painted pools with covers, c) pools are not left drained with the exception of up to 5 days for necessary repairs for those pools not experiencing hydro-static underground water pressure, and d) the pool structure and sub-surface remain sound and intact.

Mid-America Pool Renovation, Inc. produces and installs the INTER-GLASS<sup>®</sup> system and warranty's both the labor and materials for the warranty period.

## WATERLINE TILE

In changing waterline perimeter tiling we offer the option of choosing from our selection of frostproof swimming pool tiles from the major tile distributors across the United States.

To remove the existing tiling, prepare a tile bed, supply and install the frostproof mosaic swimming pool tile of your choice (@ 6" depth) around the **Pool** would cost **\$23,130.00** provided it is contracted at the same time as the pool interior.

Please note that installing tile after the new interior has been installed is more difficult and more expensive.

Note: Depth tiles are placed at a minimum of 25-foot intervals around the waterline of commercial pools, and are included in the above price.

You may choose any of the standard ceramic swimming pool tile patterns for this price. **Please provide us with your first and second choices as sometimes patterns are not in stock.**

- \* Please note that some tiling in the brochures are listed as "Accent", "Trim", or "Deco" tiling and are more expensive and not generally used as perimeter waterline tiling. Please inquire with the office on pricing and information on these or any other types of specialty listed or described tiles.

Mid-America Pool Renovation, Inc. guarantees to use only the best recognized products, the most generally aesthetically appealing application techniques, and the most thorough clean-up procedures recognized by our industry in all of our services to produce a beautiful and safe desired result.

If you have filled out and returned one of our pool specification questionnaires, all above quotes are strictly conditional on the accuracy of the information that you have provided to us.

**All construction agreements will contain an additional line item for Mobilization totaling 4% of the contract total.**

The above prices are valid for a period of 60 days with payment expected upon completion of each contracted phase or as negotiated.

The quoted prices do not reflect Prevailing Wage Scales, costs of Performance Bonds or local or state sales taxes.

The quoted prices are contingent on the use of Mid-America Pool Renovation, Inc.'s modified AIA four (4) page Construction Agreement. Minor changes, additions or modifications to Mid-America Pool Renovation, Inc.'s Agreement are welcome for our review, however all other 'Independent Agreements' including longer AIA Agreements, Supplemental Conditions, Vendor, Service, or Membership required Agreements will be assessed a minimum charge of **\$ 50.00/per page fee** for legal review and legal amendment as required.

**This minimum \$ 50.00/per page fee will need to be paid in advance along with the submittal of such an Independent Agreement (s) as noted above.**

The quoted prices are contingent on the use of Mid-America Pool Renovation, Inc.'s Construction Agreement. Any and all other additional costs that might be incurred regarding independent Agreements (Contracts, Service Agreements), including membership fees with organizations are not included in the above pricing and will be billed to the Owner as an additional expense.

Thank you for giving us the opportunity to present this quote on your project and I look forward to hearing from you again soon.

Sincerely,



**Landon Cole**  
Project Manager  
**Mid-America Pool Renovation, Inc.**



# City of Bel Aire

#0000589

**From: Mid-West Plastering LLC**

12103 W 64th Street  
 Shawnee, KS 66216  
 918-728-1572 or 785-408-0013  
 midwestplasteringllc@gmail.co  
 m

**Bill To: City of Bel Aire**

5251 E 48th St, Bel Aire, KS 67220

**Amount:**

\$47,200.00

**Expiration Date:**

10/31/2023

Item	Rate (excl. tax)	Quantity	Total
<b>Replaster Rec Pool with White Plaster Finish (Site unseen estimate)</b> Prep: Cut underneath tile and chip out 2-3inches under tile. Chip around all returns and lights. Chip-out "hollow" spots making sure the pool is free of loose debris. Power wash and acid wash before putting the bonding agent on entire pool. Plaster pool and trowel smooth. Main Drain cover will be replaced to meet code requirements with documentation to provide.	\$28,800.00	1	\$28,800.00
Travel Fee	\$2,400.00	1	\$2,400.00
Plaster Finish Detail	\$1,000.00	1	\$1,000.00
<b>30' Structural Crack - unseen</b> After plaster prep is completed, access the 30' crack along the belly of the pool. Trouble shoot the number of structural staples needed to install along crack. Install staples and epoxy to a water tight seal. Final price will be determined at the time of repair.	\$15,000.00	1	\$15,000.00

Subtotal	\$4	Section XII, Item E.
Total	\$47,200.00	

**Notes:**

This is an estimate. Approval of this estimate, states you have reviewed and agree to our contract and its terms. Necessary changes due to unforeseen or pre-existing conditions unknown or not included in estimate, may necessitate additional work and expense to allow proper performance of the "Work". Upon discovery of any changes, Contractor shall notify Client and inform Client of additional work, time, and expenses necessary to rectify such deficiency as needed to facilitate proper performance of contracted work.

**Accepted on:** \_\_\_\_\_ **Accepted by:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

**Permanent Utility Access Construction and Maintenance Easement**

The undersigned: Envision Management LLC, owner of the real property described below (Grantor(s)), for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant and convey to the City of Bel Aire, Kansas (Grantee), a permanent easement to access, control, construct, maintain, repair, and secure a right of way, in, over, across and upon the following real property, herein legally described below, to-wit the “Easement Area”:

**See attached (1) Exhibit:**

**Legal description of tract of land with Parcel ID: 00557498: Exhibit #1**

The use of the Easement Area, including the right of ingress and egress, shall be limited to the City, its representatives and contractors.

This grant of access is hereby made exclusively to the City, its successors and assigns, and is binding upon the Grantor(s), it’s/their successors, heirs, and assigns.

Executed and granted this \_\_\_\_ day of September, 2023.

IN WITNESS WHEREOF:

The Grantor authorizes and signs this permanent easement this \_\_\_\_\_ day of September, 2023.

\_\_\_\_\_  
Envision Management LLC, Property Owner  
Representative for Envision Management LLC

Accepted and filed by vote of the City Council on the \_\_\_\_\_ day of September, 2023.

\_\_\_\_\_  
Jim Benage, Mayor, City of Bel Aire

STATE OF KANSAS )  
 ) ss  
COUNTY OF SEDGWICK )

BE IT REMEMBERED, that on this \_\_\_\_\_ day of September, 2023, before me, the undersigned, a Notary Public in and for the county and state aforesaid, came Envision Management LLC, Grantor(s) and they have executed this instrument of writing on the day above first written.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year written above.

\_\_\_\_\_  
Notary Public  
My appointment expires: \_\_\_\_\_

STATE OF KANSAS )  
 ) ss  
COUNTY OF SEDGWICK )

BE IT REMEMBERED, that on this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me, the undersigned, a Notary Public in and for the county and state aforesaid, came Jim Benage, City of Bel Aire, Mayor and he has executed this instrument of writing on the day above first written.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year written above.

\_\_\_\_\_  
Notary Public  
My appointment expires: \_\_\_\_\_



Owner: Envision Management LLC  
14726 E. 9<sup>th</sup> Street  
Wichita, KS 67230

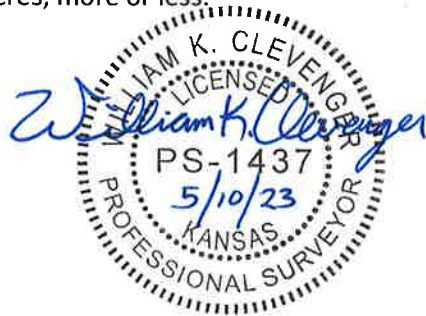
Parcel ID: 00557498

**Right of way, Exhibit #1**

A tract of land for additional right of way purposes, lying in the SW1/4 of Sec. 13, T26S, R1E, Bearings are referenced to the Kansas State Plane Coordinate System, 1983, South Zone, and being more particularly described as follows:

Commencing at the southwest corner of said SW1/4; thence N88°47'30"E along the south line of said SW1/4, 50.00 feet; thence N0°38'56"W, parallel with the west line of said SW1/4, 30.00 feet to the north street right of way of 53<sup>rd</sup> Street North and the point of beginning; thence N88°47'30"E along said north right of way, 353.00 feet; thence N0°38'56"W, parallel with said west line, 30.00 feet to the southwest corner of Lot 2, Block A, Englert, Bel Aire, Sedgwick County, Kansas; thence S88°47'30"W, parallel with said north right of way, 353.00 feet to a point on the east right of way of Oliver; thence S0°38'56"E, along said east right of way, 30.00 feet to the place of beginning; written by William K. Clevenger, PS-1437 on May 10, 2023.

The tract described above contains 10,530 square feet or 0.24 acres, more or less.



By: \_\_\_\_\_  
William K. Clevenger, KS PS #1437  
Garver, LLC  
1995 Midfield Road  
Wichita, KS 67209  
(316) 264-8008

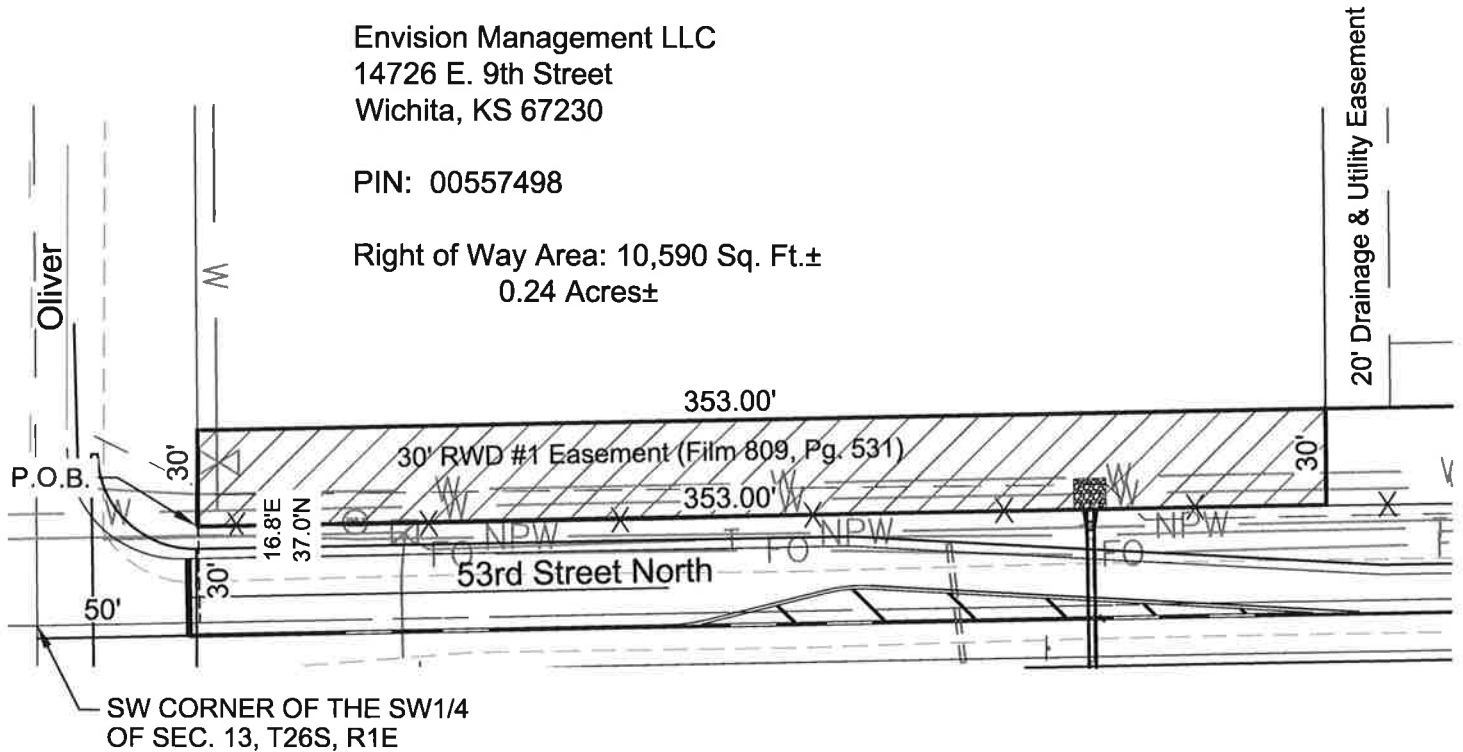
# RIGHT OF WAY, EXHIBIT #1

Section XII, Item F.

Envision Management LLC  
14726 E. 9th Street  
Wichita, KS 67230

PIN: 00557498

Right of Way Area: 10,590 Sq. Ft.±  
0.24 Acres±



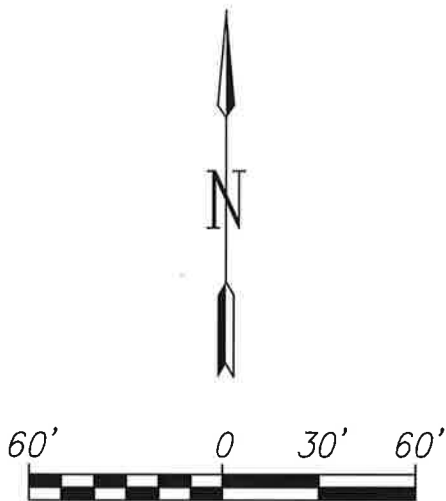
SW CORNER OF THE SW1/4  
OF SEC. 13, T26S, R1E

✕ = PROPOSED TREE REMOVAL

▨ = PROPOSED ADDITIONAL STREET RIGHT OF WAY

(DISTANCE)E = EXISTING EDGE OF PAVEMENT  
TO NEW PROPERTY LINE

(DISTANCE)N = NEW EDGE OF PAVEMENT TO  
NEW PROPERTY LINE



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1995 Midfield Road  
Wichita, KS 67209  
(316) 264-8008

FIGURE NUMBER

SHEET  
NUMBER 182

# City of Bel Aire, Kansas Police Department Monthly Report



August, 2023

## Department Staffing

The Bel Aire Police Department personnel:

Chief Darrell G. Atteberry	Lieutenant Robey Foxx
Sergeant Shaun Davis	Officer Grant Greenwood
Officer Virginia Crice	Officer Oldenettel
Officer Mason Schell	Officer Sooby
Officer Tyler Langford	Open
Officer Kimberly Lopez	
Officer Brandon Gibson	Part-time Officer James Toomey
Officer Joseph Trumbull	
Officer Michael Gordon	

## Municipal Court Administrator

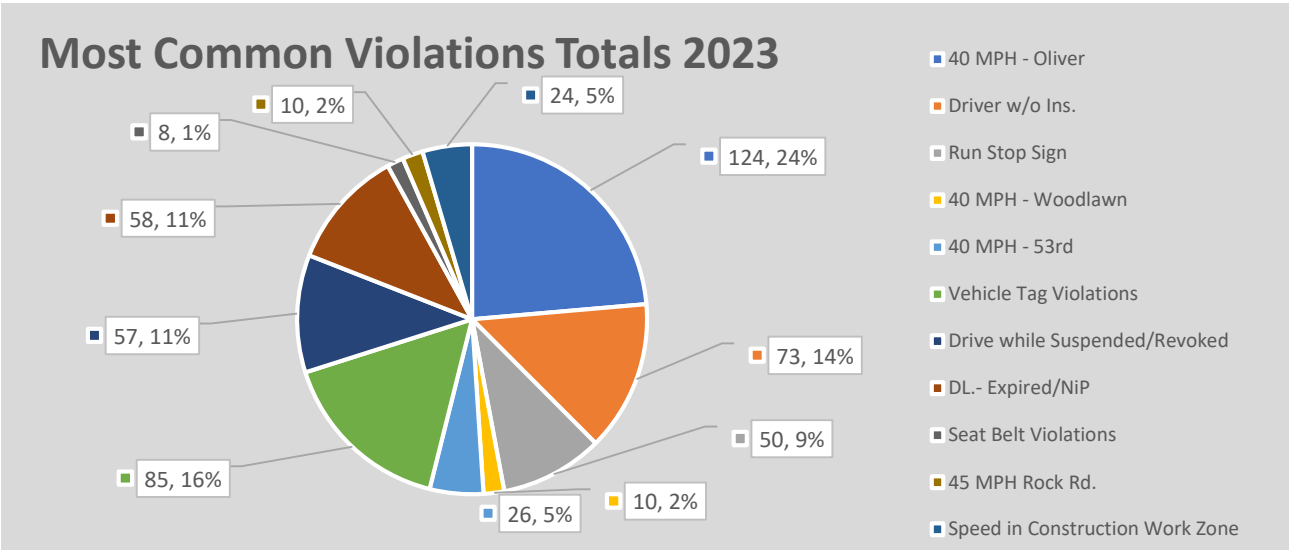
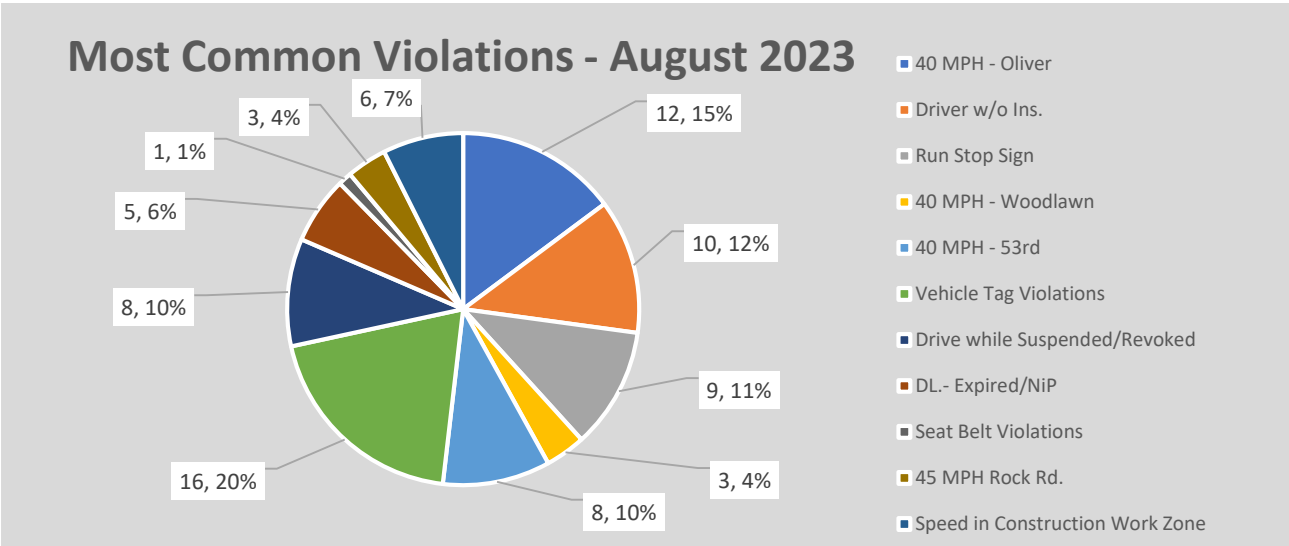
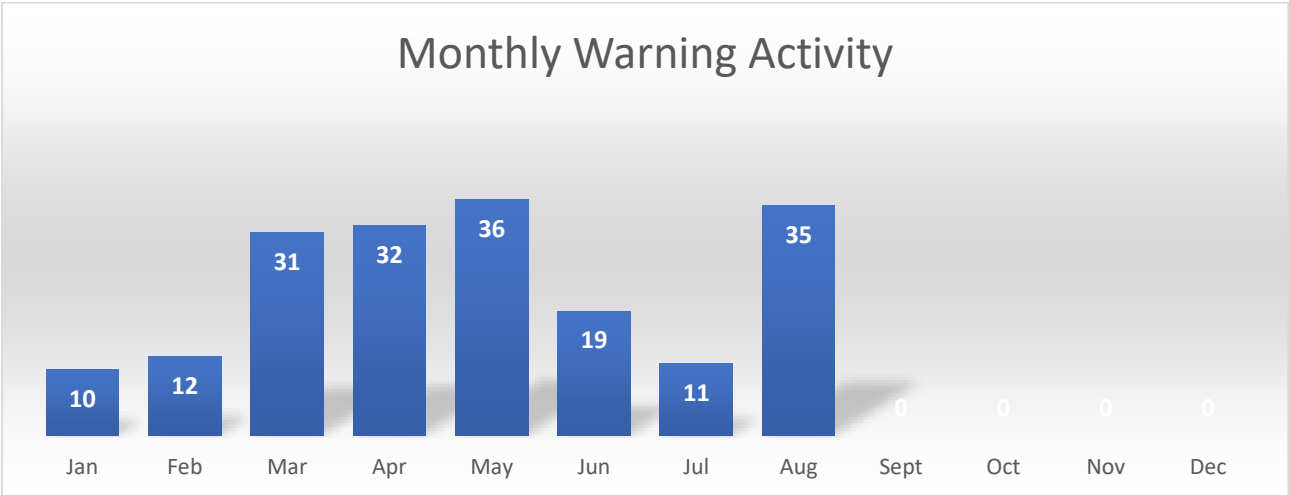
Lindsie Nygaard

## Traffic Enforcement:

The Bel Aire Police Department recognizes the importance of enforcing traffic laws to help make streets safer for motorists and pedestrians. Enforcing speed zones and other traffic laws helps reduce factors associated with traffic crashes that cause personal injury as well as property damage.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
<b>Traffic Related Arrests</b>													
Drive While Suspended/Revoked	5	3	3	9	6	1	5	6	0	0	0	0	38
DUI	1	1	1	2	2	2	1	4	0	0	0	0	14
<b>Total</b>													52
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
<b>Traffic Crashes</b>													
Vehicle Crashes	10	12	10	7	12	10	15	14	0	0	0	0	90

Traffic Enforcement



### Community Event:

8-11-23-The Police Department hosted the yearly National Night Out event at City Hall.

8-14-23-Sgt. Davis and Officer Langford represented the Bel Aire Police Department at the funeral of an officer killed in the line of duty in the Kansas City area.

### Vehicles:

The Bel Aire Police Department currently has seven vehicles. All are fully-marked patrol vehicles equipped with audio/visual recording devices, and used for patrol duties. Below are the year, make, model, and current mileage. As some of the most used vehicles gain mileage, the police department efforts to move the vehicles around to balance out the mileage. As vehicles get to the end of their life cycle, they require more maintenance and it is a challenge, sometimes, to keep the vehicles in operation.

- 2017 Ford Explorer (30) – 110,400
- 2017 Ford Explorer (32) – 77,000
- 2019 Ford Explorer (33) – 44,500
- 2020 Ford Explorer (34) – 43,000
- 2020 Ford Explorer (35) – 49,800
- 2020 Ford Explorer (36) – 40,000
- 2020 Ford Explorer (37) – 8,000

### Warrant Service

When Bel Aire Police Department personnel encounter people with outstanding warrants, they are required by the court to take the person into custody to answer for the warrants. The warrants can be for juveniles or adults, and misdemeanor or felony, local, state, or federal crimes. Each requires the officer to serve the warrant.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
<b>Warrants/Arrests/Commitments</b>													
Outside Warrants	4	1	3	4	6	4	1	2	0	0	0	0	25
Bel Aire Warrants	1	1	0	3	1	2	0	1	0	0	0	0	9
Felony Arrests	1	1	1	0	1	3	1	0	0	0	0	0	8
Misdemeanor Arrests	6	4	3	15	12	8	4	8	0	0	0	0	60
Juvenile Arrests	0	1	0	4	0	0	0	0	0	0	0	0	5
Court Commitments	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>													<b>107</b>

## Crime Statistics

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
<b>Part One Calls for Service</b>													
Homicide	0	0	0	0	0	0	0	0	0	0	0	0	0
Rape	0	0	1	0	0	0	0	1	0	0	0	0	2
Robbery	0	0	0	0	0	0	0	0	0	0	0	0	0
Aggravated Assault	0	0	0	2	0	0	0	0	0	0	0	0	2
Burglary	2	3	2	3	3	2	7	2	0	0	0	0	18
Larceny/Theft	3	4	2	3	2	8	3	4	0	0	0	0	29
Auto Theft	0	0	1	0	0	0	1	0	0	0	0	0	2
Arson	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>													53
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
<b>Part Two Calls for Service</b>													
Simple Assault	1	0	0	3	4	1	1	4	0	0	0	0	14
Assault/Battery/LEO	0	0	0	0	3	0	0	0	0	0	0	0	3
Domestic Battery	0	0	0	0	0	0	1	1	0	0	0	0	2
Battery/Resist LEO	0	0	0	0	0	1	0	0	0	0	0	0	1
Intimidation	0	0	0	0	0	1	1	1	0	0	0	0	3
Forgery	0	0	0	1	0	4	0	0	0	0	0	0	5
Fraud	1	1	1	1	1	1	2	0	0	0	0	0	8
Embezzlement	0	0	0	0	0	0	0	0	0	0	0	0	0
Weapons Violations	0	0	0	0	0	0	0	0	0	0	0	0	0
Prostitution	0	0	0	0	0	0	0	0	0	0	0	0	0
Sex Offense	0	2	1	0	1	0	0	0	0	0	0	0	4
Offense Against Family and Children	0	0	0	0	0	0	0	0	0	0	0	0	0
Narcotic and Drug Law Violations	1	1	2	3	0	2	3	1	0	0	0	0	13
Liquor Law Violations	0	0	0	0	0	0	0	0	0	0	0	0	0
Disorderly Conduct	3	0	1	2	0	1	1	0	0	0	0	0	8
Vagrancy	0	0	0	0	0	0	0	0	0	0	0	0	0
Gambling	0	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Road and Driving Laws	1	2	3	2	2	3	2	1	0	0	0	0	16
Parking Violations	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Traffic Violations	7	5	17	16	18	12	11	16	0	0	0	0	102
Vandalism	0	2	2	1	3	6	3	2	0	0	0	0	19
Miscellaneous Offense	5	2	5	4	3	3	0	2	0	0	0	0	24
<b>Total</b>													222
<b>Total of Both</b>													240

Darrell Atteberry  
Chief of Police  
City of Bel Aire

STAFF REPORT

DATE: September 12, 2023

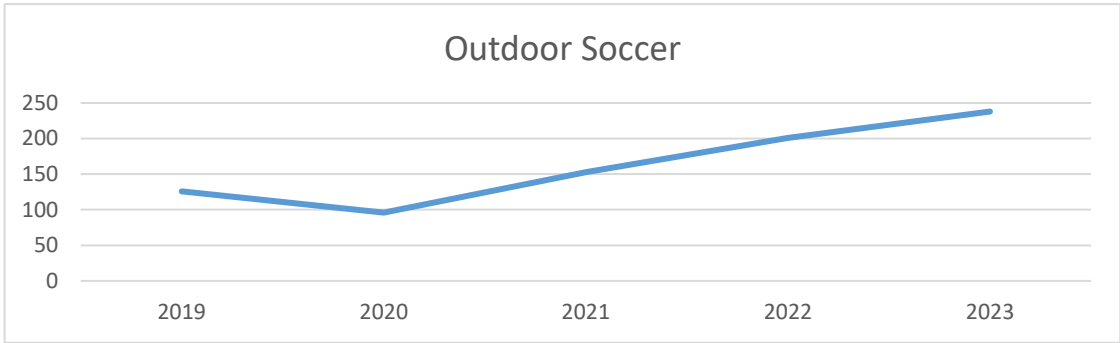
TO: Ty Lasher, City Manager & Bel Aire Governing Body

FROM: Brian Hayes, Recreation Director

RE: August Activities

Recreation

- An **all-time record** 238 participants on 18 teams began practice in this year’s Outdoor Soccer program compared to 201 last year. Games begin September 16 and will run through late October.



- Pickleball participation was steady with 283 compared to 277 participants last month.
- Taekwondo participation was down a bit with 12 students compared to 15 in July.
- Exercise classes were steady with 25 participants.
- Drop-in use was slightly up with 543 compared to 512 in July.
- Routine outdoor maintenance tasks continued with the athletic field Bermudagrass requiring 2 mowings a week. Bindweed and crabgrass areas were spot treated where needed.
- Upcoming Rec programs include Flag Football, Volleyball, Dance, Girls on the Run, Happy Feet & TGA golf.

Seniors

- 895 seniors participated in Tai Chi, cards, line & folk dance, book club, exercise, sewing, walking, educational, & special activities compared to 735 last month.
- Special programs included an ice cream social, another outing, several craft activities, and 7 educational sessions were offered.
- Upcoming Senior activities include, Senior Expo, cornhole, craft activities, presentations, as well as the many ongoing programs and communications.

Swimming Pool

- The pool has been winterized and equipment stored away for the season.



# MINUTES

Aurora Park Gravel Roads Task Force  
 City Hall Community Room  
 7651 E Central Park Avenue  
 Bel Aire  
 September 11, 2023, at 6:00 pm

**CALL TO ORDER:** Sean Matheny called the meeting to order at 6:01 pm. Lisa Bellecci led a prayer.

**PRESENT:** Butch Amey, Lisa Bellecci, Marty Couey, Chad Crittenden, Carolyn Gunzelman, Logan Schrag, Mark Schroeder, Connie White

**ABSENT:** Gary Breault, Judy Schroeder

**Observers Present:** 2 from Aurora Park

**APPROVAL OF MINUTES** From August 14, 2023, Meeting: **Motion to Approve** by Logan Schrag; 2nd by Carolyn Gunzelman. **MOTION CARRIED 9 - 0.**

**Meeting Schedule:** Next Meeting Date & Time: October 9, 2023, at 6:00 pm

## UNFINISHED BUSINESS:

**1. Review of Gravel Road Proposal** which was drafted by Sean Matheny. Discussion ensued with Task Force members addressing their concerns. Sean plans to submit this proposal to Ty Lasher to be sent to City Council immediately, so it will be available for their consideration at the October 3rd, 2023, Council meeting. **Motion to Accept the Proposal as Amended** by Logan Schrag; 2nd by Carolyn Gunzelman. **MOTION CARRIED 9 - 0.**

**2. Presentation of alternate solution to use of hard rock** on unpaved roads: Marty Couey had more information on the option of EnviroKleen. He expressed a desire to have Marty McGee and a few of the Task Force members look into the product due to its performance. He also wants McGee to consider doing a test bed in the spring of 2024 ("spray it, pack it, done"; "takes care of washboarding", "doesn't wash away in water"), eventually to use in lieu of gravel on the other unpaved roads. Task Force members expressed concerns about the labor cost, and about the ability to get equipment to put it down. There was also a concern about getting reviews of other cities that used this product in Kansas. (It's mostly used in northern US and Canada). Marty Couey will follow up with more research and will seek a conversation with Marty McGee outside of the Task Force parameters.

**2. Recommendations for drainage repair and maintenance.** Task Force members referred to the "Recommendation for drainage repair and maintenance" in the August 14th, 2023, minutes. Discussion ensued regarding the water flowing correctly, especially after the "hot spot" intersections are addressed in a 5 year time frame. Also it was pointed out that if there is new 1" rock on the road, without less sand, perhaps the ditches will be less clogged. However, the culverts that need to be cleaned should be cleaned. Members acknowledge it is a complicated situation, made worse by neglect over the years.

**3. Drainage and Maintenance Proposal** - Sean Matheny will type up a draft and circulate to members before the next meeting, to vote on at our final meeting in October.

**4. Speed Limit** Concern. The issue is how to bring this to the Council - (petition) and who initiates a petition - residents or the Council? **Motion to instruct Chad Crittenden to write up a proposal regarding the speed limit reduction on unpaved roads, to be presented at the October Task Force meeting:** Motion made by Sean Matheny, 2nd by Butch Amey. **MOTION CARRIED 9 - 0.**

**ADJOURNMENT: MOTION to Adjourn** by Mark Schroeder, 2nd by Butch Amey **MOTION CARRIED: 9 - 0.**  
**Meeting Adjourned 7:15 pm**

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DRAFT



## MANAGERS REPORT

**DATE:** September 14, 2023  
**TO:** Mayor Benage and City Council  
**FROM:** Ty Lasher, City Manager  
**RE:** September 19, 2023 Agenda

### **Consent Agenda (Item VI)**

Contains the minutes of the September 5<sup>th</sup> regular City Council meeting, and the September 12<sup>th</sup> special City Council meeting.

### **Appropriations Ordinance (Item VII)**

This is a light reporting period which includes one payroll. Expenses were mainly operational expenditures. Utility Maintenance Contractors (UMC) was paid \$41,560.03 for 3 water line service installs, 53rd St manhole rehab, water main repair on Cozy and a hydrant repair at 4041 N Woodlawn.

### **City Requested Appearances (Item VIII)**

There are two City Requested Appearances on the agenda.

- A. *2022 Audit Presentation*- Tara Laughlin from Allen, Gibbs & Houlik will give the annual audit presentation.
- B. *45th Street Design Update* – Ken Lee will present an update from the Garver team on this design project.

### **Public Hearing (Item IX)**

The following projects have been completed:

*Project No. 1 – Bristol Hollows Phase 1 - Drainage Improvements  
 Authorized by Resolution No. R-20-01*

Construction of drainage improvements and mass grading, including tree and bush removal, all in accordance with City standards and plans and specifications prepared or approved by the City Engineer.

*Project No. 2 – Bristol Hollows Phase 1 - Paving Improvements  
 Authorized by Resolution No. R-20-02*

Grading, paving, curb and gutter appurtenant improvements, and otherwise improve Bristol Street from the south line of 53rd Street North to termination at Lot 22, Block B; and Bristol Circle; all in Bristol Hollows

Addition, Bel Aire, Sedgwick County, Kansas, with plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

*Project No. 3 – Bristol Hollows Phase 1 – Sanitary Sewer Improvements  
Authorized by Resolution No. R-20-03*

Install a sanitary sewer main, manholes, easement grading and appurtenant improvements in the following locations in Bristol Hollows Addition, Bel Aire, Sedgwick County, Kansas: Running along Lots 20-31, Block A, Bristol Hollows Addition, beginning near the east line of said Lot 20 and ending near the east line of said Lot 31; and Running along lots 23-30, Block B, Bristol Hollows Addition, beginning near the west line of said Lot 23 and ending near the north line of said Lot 30; all in accordance with City of Bel Aire standards and plans and specifications prepared or approved by the City Engineer.

*Project No. 4 – Bristol Hollows Phase 1 – Water Main Improvements  
Authorized by Resolution No. R-20-04*

Install a water main along with appurtenant improvements in the following locations in Bristol Hollows Addition, Bel Aire, Sedgwick County, Kansas: Beginning at the existing water main built in the south right of way of 53rd Street north, then running south along the east right-of-way of Bristol Street. Temporary termination at the west line of Lot 22, Bristol Hollows Addition, Bel Aire Sedgwick County; and Install a water main along with appurtenant improvements in the following locations in Bristol Hollows Addition, Bel Aire, Sedgwick, County, Kansas: Beginning at the proposed water main built in the east right of way of Bristol Street, then running west along the north right-of-way of Bristol Circle and across Bristol Street. Then looping back into a connection on the north side of Bristol Circle; all in accordance with City standards and plans and specifications prepared or approved by the City Engineer.

*Project No. 5 – Central Park 3rd Addition Phase 2 - Paving Improvements  
Authorized by Resolution No. R-20-05*

That there be constructed pavement on Gabriel from the north line of Lot 12, Block A, north to the south line of Hampton; on Hampton from the south line of Gabriel north to the west line of Pheasant Ridge St.; on Pheasant Ridge St. from the west line of Hampton, east to the east line of Lot 31, Block A; on Holder Ln. from the north line of Lot 12, Block B, north to the south line of Pheasant Ridge St. That said pavement between aforesaid limits be constructed for a width of twenty-six (26) feet from gutter line to gutter line, and each gutter to be two (2) feet in width, making a total roadway width of thirty (30) feet with plans and specifications to be

furnished by the City Engineer of the City of Bel Aire, Kansas. Drainage to be installed where necessary.

*Project No. 6 – Central Park 3rd Addition Phase 2 – Sanitary Sewer Improvements*

*Authorized by Resolution No. R-20-06*

That there be constructed a lateral sanitary sewer, according to plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

*Project No. 7 – Central Park 3rd Addition Phase 2 – Water Distribution Improvements*

*Authorized by Resolution No. R-20-07*

That there be constructed a water distribution system, including necessary water mains, pipes, valves, hydrants, meters and appurtenances, according to plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

*Project No. 8 – Rock Spring Addition Phase 7 –Paving Improvements*

*Authorized by Resolution No. R-20-12*

That there be constructed pavement on CHRIS from east return of Chris and Pebblecreek Street to the East line of Rock Spring Addition (Phase 7); CHERRYWOOD CT. from east return of Cherrywood Ct. and Pebblecreek Street to and including the cul-de-sac. That said pavement on Chris and Cherrywood Ct. between aforesaid limits be constructed for a width of twenty-four (24) feet from gutter line to gutter line, and each gutter to be two and one-half (2-1/2) feet in width; making a total roadway width of twenty-nine (29) feet with plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas. Drainage to be installed where necessary. A 5' sidewalk shall be installed on the south side of Chris adjacent to the new pavement.

*Project No. 9 – Rock Spring Addition Phase 7 – Sanitary Sewer Improvements*

*Authorized by Resolution No. R-20-13*

Construction of a lateral sanitary sewer to serve the area described below, to be constructed with plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

*Project No. 10 – Rock Spring Addition Phase 7 –Water Improvements*

*Authorized by Resolution No. R-20-14*

Construction of a water distribution system, including necessary water mains, pipes, valves, hydrants, meters and appurtenances to serve the area

described below, according to plans and specifications to be furnished by the City Engineer of the City of Bel Aire, Kansas.

As a result, the cost of said improvements are now to be special assessed against those properties benefiting. All properties being assessed have been notified and the public hearing allows property owners the ability to ask questions or share any comments. The mayor will open the public hearing and Council will close.

#### **Special Assessment Ordinance (Item A)**

The City issued Temp Notes to fund certain projects. The work has been completed and the projects are set to be special assessed to the respective benefit districts. Notice was mailed to all affected property owners and a public hearing was held earlier in the meeting. The Ordinance is ready for approval if there were no accounting discrepancies found. This will also move the refinancing along from a temp note to GO bond. Kevin Cowan with Gilmore & Bell will be at the meeting to answer any questions.

#### **Agreement for 45th Street Traffic Counts (Item B)**

Due to their expertise in this area, Garver has proposed working with The Traffic Group for this traffic study. The Traffic Group provided the agreement in your packet. The agreement has two parts – the first part is intersections that have been identified as the most important, and the second part is “nice to have” intersections. The City is required to pay 100% of all engineering design costs related to the 45th Street – Oliver to Woodlawn Reconstruction Project. The City’s portion of this project will ultimately be financed with a GO Bond and the City will pay annual debt service over the next 20 years. Representatives from the Traffic Group will be at the meeting to answer questions.

#### **Arthur Heights Engineering Services (Item C)**

The Developer of Arthur Heights is ready to move forward with engineering design. The Developer would like to work with Garver on the project. The costs associated with the project will be financed through a bond and spread as special assessments against the benefiting lots. Staff recommends that the City Council accept the Agreements for Professional Services from Garver in the amount of \$110,900.00 for the design, construction staking, construction administration and observation for the water, sanitary sewer and street improvements.

#### **Supplemental Agreement, Woodlawn Construction Observation (Item D)**

As part of the City’s agreement with KDOT for the Woodlawn funding, a qualified construction inspector is required to oversee this project. City Staff do not have the necessary qualifications to fulfill the construction engineering / inspection requirements of the contract between the City and KDOT. Garver was selected for this role by the City Council at the beginning of the project. Per

KDOT's guidelines, Garver based their fee on the initial working day count for the project. Since then, the project has been granted an additional 70 working days.

The consensus was to complete the project and therefore additional inspections are needed. Garver has adjusted their agreement based on the estimated time for completion and it is a not-to-exceed price. If additional inspection days are needed, a second supplemental agreement based on more days may be required. Staff recommends approving to ensure the remaining work is done per specs.

### **Central Park Pool Plastering and Repair (Item E)**

The Central Park pool was originally built to be a neighborhood pool for Central Park. At that time, Central Park consisted of the current Central Park development as well as Elk Creek. Since the city has been responsible for the debt and the HOA does not have the dues to fund such a pool, the city has operated it as a municipal pool. It typically breaks even but expenses do not include water costs or rec staff time managing and maintaining the pool. The pool was built in 2005 at a cost of \$790,000. The annual debt service is \$41,000 per year and will be paid off in 2030.

The pool sits in a location with a high-water table that has caused issues in the past. Currently, the plaster is coming off and there are repairs that need to be made. Council ranked the pool as #8 on their capital improvement priority list. Discussion at the workshop included problems and fixes. After considering options and costs, consensus was to replaster the pool and repair any cracks. Quotes were received and the low bid can complete the work prior to the pool opening in 2024. Staff recommend accepting the low quote from Mid-West Plastering LLC at a cost of \$47,200.

### **Executive Session (XIII)**

Staff has no need for an executive session at this time.