AGENDA
CITY COUNCIL WORKSHOP
7651 E. Central Park Ave, Bel Aire, KS
Video Available at belaireks.gov
July 14, 2026 7:00 PM

I. Manager's Report - July 14, 2026 Workshop

A. Manager's Report - July 14, 2026 Workshop

II. 2027 Budget Workshop #4

A. Utility Funds

III. Comprehensive Financial Policy

A. Draft Comprehensive Financial Policy

IV. Purchasing Policy

A. Draft Bel Aire Purchasing Policy

B. Current Bel Aire Purchasing Policy

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 on www.belaireks.gov and on YouTube. Please make sure all cell phones and other electronics are turned off and put away.

City of Bel Aire

DATE: July 9, 2026
TO: Ted Henry, City Manager
FROM: Bel Aire City Council
SUBJECT: Workshop Agenda 7/14/26

1. 2027 Budget (Utility Funds)

Director of Finance Barry Smith will present the staff's recommended 2027 budgets for the City's utility funds (Water, Sewer, Stormwater, and Solid Waste)

2. Comprehensive Financial Policy (Spending Authority and Purchasing Policy Updates)

The City Council adopted the current Comprehensive Financial Policy in May 2017. This policy establishes the City's guiding principles for fiscal management, debt, long-term financial stability, and financial reporting.

Staff is recommending two minor updates to the policy. First, the policy will be updated to reflect the City Council's action in late 2025 increasing the City Manager's spending authority from $10,000 to $15,000. Second, staff is recommending revisions to the purchasing policy language to clarify the process for adopting and updating the City's Purchasing Policy, with future updates requiring City Council approval.

3. Purchasing Policy

Attached are the current Purchasing Policy and a draft of the proposed revised policy for discussion. Director of Finance Barry Smith will present the proposed changes and explain the rationale behind the recommended updates.

City of Bel Aire

FY2027 Budget Workshop 4

7/14/2026

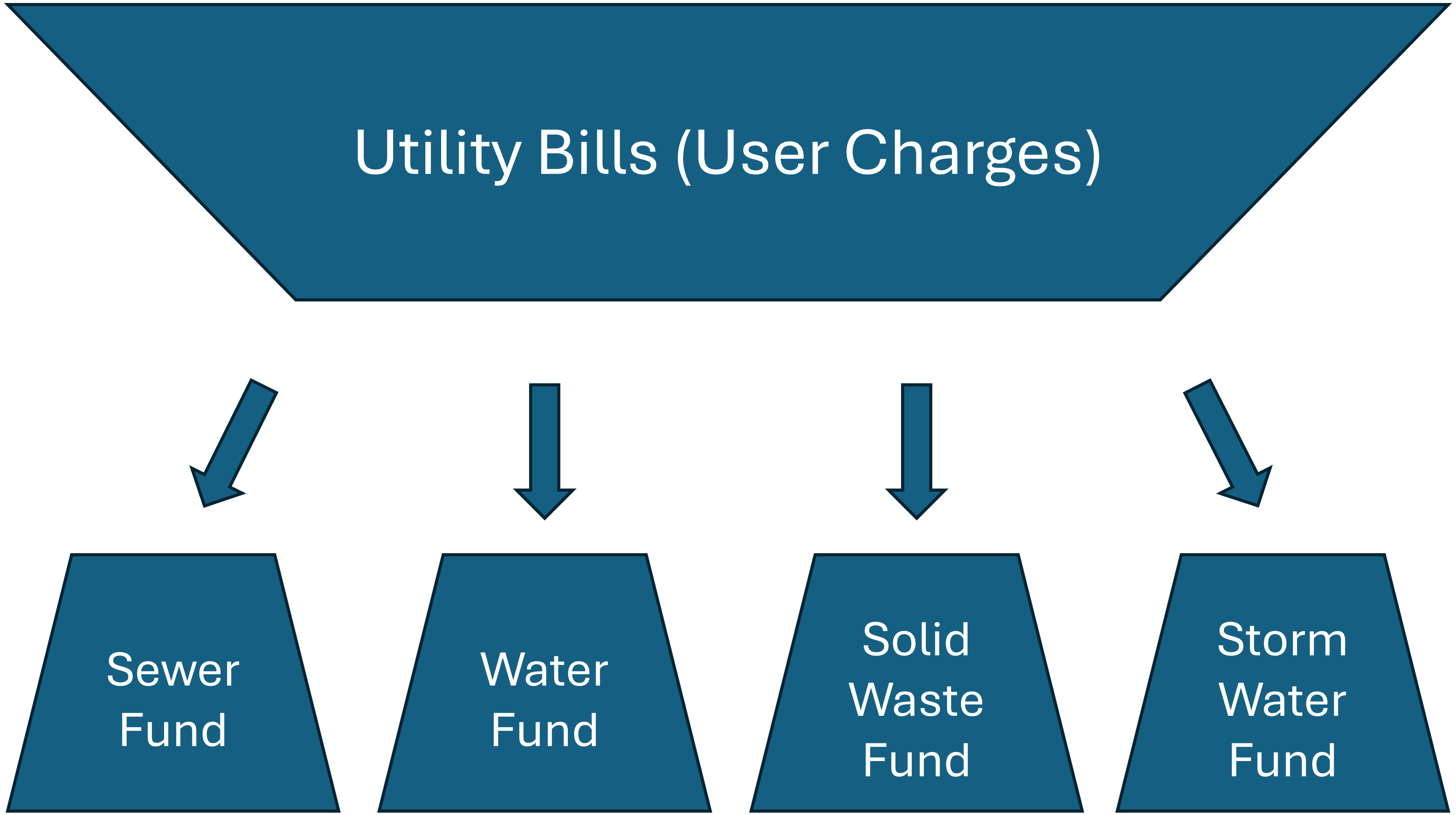
Enterprise Funds (Utility Funds)

2027 Budget Workshop 4: Agenda

Review Enterprise Fund 2027 Proposed Budgets

Water
Sewer
Solid Waste
Storm Water

Utility Funds: Where does the money come from?



Water Fund: Highlights

Water Fund Highlights:

- Revenues
  - Revenue estimates are blended between 2024 and 2025 due to permanent watering restrictions

- Expenditures
  - Additional $75,000 in wages/benefits for pay study implementation
  - Maintained Water Tower Maintenance: $75,000
  - Water Meter Replacement Program: $45,000
  - Continue GIS Information Input: $10,000
  - Maintained Wichita Water Purchase expense: $650,000
  - Updated CCUA Operations and Debt Payments: $1,416,000
  - Planned Waterline Replacements: $931,800
  - Water Sampling Stations: $75,000

  - Other expenses adjusted to match operational needs

Water Purchases - Wichita

D. UNIFORM WHOLESALE VOLUME RATES

Effective January 1, 2026 to December 31, 2026

All Metered Consumption	$6.00	per 1,000 gallons

Effective January 1, 2027 to December 31, 2027

All Metered Consumption	$6.52	per 1,000 gallons

Effective January 1, 2028 and thereafter

All Metered Consumption	$7.09	per 1,000 gallons

City of Wichita Water Rate Ordinance

2027: 8.7% increase

2028: 8.7% increase

Residential

Residential water base rate is $36.29 per monthly billing period.
Usage tiers:

- 0 - 2,999 gallons: $4.47 per thousand gallons
- 3,000 - 5,999 gallons: $6.12 per thousand gallons
- 6000 - 11,999 gallons: $6.67 per thousand gallons
- 12,000 - 16,999 gallons: $6.85 per thousand gallons
- 17,000 - 24,999 gallons: $7.02 per thousand gallons
- 25,000 gallons and over: $7.10 per thousand gallons

City of Bel Aire

The resolution setting water rates allows for a 3% increase each year

Water Purchases - Wichita

The City will need to rely heavily on CCUA water to maintain adequate revenues. CCUA Cost per 1,000 gallons averages $3 to $4.

Bel Aire Rate Structure - 3% Increase Per Year - 25,000 Gallons Used						
Gallons	2026	$/Tier	2027	$/Tier	2028	$/Tier
0-2,999 Gallons	$ 4.47	$ 13.41	$ 4.60	$ 13.81	$ 4.74	$ 14.23
3,000-5,999 Gallons	$ 6.12	$ 18.36	$ 6.30	$ 18.91	$ 6.49	$ 19.48
6000-11,999 Gallons	$ 6.67	$ 40.02	$ 6.87	$ 41.22	$ 7.08	$ 42.46
12,000-16,999 Gallons	$ 6.85	$ 34.25	$ 7.06	$ 35.28	$ 7.27	$ 36.34
17,000-24,999 Gallons	$ 7.02	$ 56.16	$ 7.23	$ 57.84	$ 7.45	$ 59.58
25,000 Gallons	$ 7.10	$ 7.10	$ 7.31	$ 7.31	$ 7.53	$ 7.53
		$ 169.30		$ 174.38		$ 179.61

Wichita Rate Schedule - Uniform Rate $/1,000 Gallons - 25,000 Gallons Purchased						
8.7% Increase Per Year	2026	$/Tier	2027	$/Tier	2028	$/Tier
25,000 Gallons	$ 6.00	$ 150.00	$ 6.52	$ 163.00	$ 7.09	$ 177.25

Revenue for Operations, Maintenance, and Capital Expenditures						
Profit/Loss/25,000 Gallons	2026	$ 19.30	2027	$ 11.38	2028	$ 2[illegible]

Waterworth <> Bel Aire, KS

A financial forecasting and revenue calibration solution adopted by hundreds of organizations across North America. Our job is to help utilities like yours plan financially — so you can avoid surprises, avoid emergency rate hikes, and make well informed decisions about how to invest in your infrastructure.

Our Tool

- Continuous Process
- Full Cost Recovery
- Communication

Presentation Outcomes

City of Bel Aire

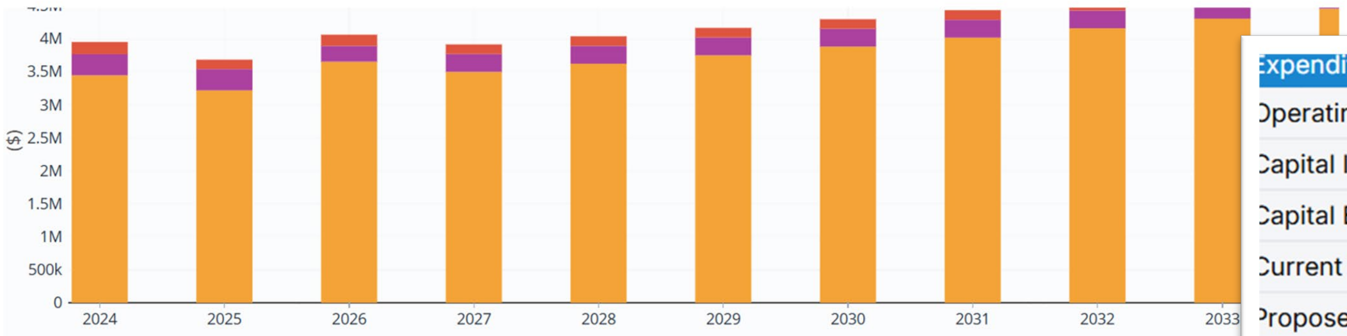
- To have a clear picture on current/forecasted financials
- To know what the revenue requirements are
- To have an actionable plan

W

- Understanding of our tool/process
- To know how we have produced the information
- Have confidence in the results

Our Process

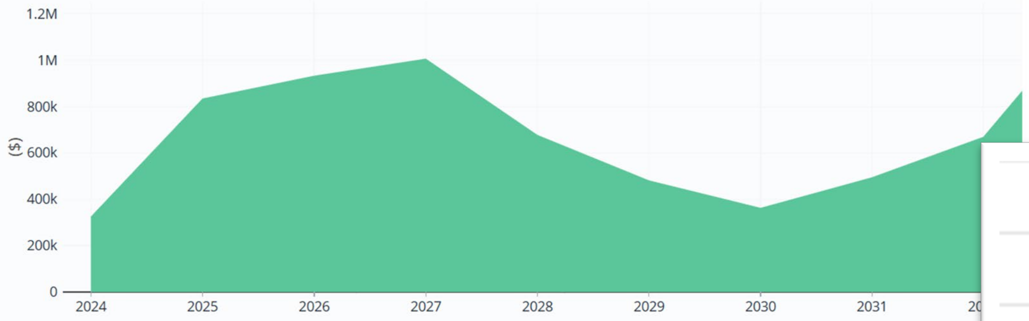
Establish Financial Baseline → Build Long-term Financial Forecasts → Determine Revenue Needs and Funding Strategies → Communicate, Refine and Repeat



	Item Descriptor	Category	In Debt Svc. Cov.	2024	2025	2026	2027	202
20-210-520-4320	CREDIT CARD PROCESSING FEE	Non-Operating Revenue	☐	0	716	0	0	
20-210-520-4600	CONNECTION FEES	Other Operating Revenue	☑	31,650	31,775	20,000	25,000	25,00
20-210-520-4601	DISCONNECT FEE	Non-Operating Revenue	☐	188	34,708	0	0	
20-210-520-4602	HYDRANT METER RENTAL	Other Operating Revenue	☑	1,031	625	350	500	50
20-210-520-4604								12,50
20-210-520-4608								20,00

.FM Actuals & Budget **Capital Expenses** Description

CapEx Chart



Id	Item Descriptor	Category	Inflation	2024	2025	2026	2027
	Water System Improvements FY2027 Budget	Capital Improvements	0.00%	0	0	0	1,006,880
1	2024 Capital	Capital Improvements	0.00%	319,184	0	0	0
520-210-520-6802	Glendale: 46th to 48th	Capital Improvements	0.00%	0	251,000	0	0
520-210-520-6802	Battin: Krueger to 48th	Capital Improvements	0.00%	0	225,000	0	0
520-210-520-6802	Krueger and Harding: 46th to 48th	Capital Improvements	0.00%	0	305,000	0	0
520-210-520-8000	VEH/EQUIP LEASE/PURCHASE	Capital Improvements	0.00%	1,699	0	0	0
520-210-520-8002	BUILDINGS/FIXED EQUIPMENT	Capital Improvements	0.00%	4,984	54,259	0	0
520-210-520-8004	PRODUCTION/CONSTR EQUIP	Capital Improvements	0.00%	0	0	0	0
520-210-520-8016	Clarendon: 41st to 39th	Capital Improvements	0.00%	0	0	347,280	0
520-210-520-8016	Danbury: 41st to Denise	Capital Improvements	0.00%	0	0	338,880	0
520-210-520-8016	40th: Clarendon to Danbury	Capital Improvements	0.00%	0	0	72,480	0
520-210-520-8016	39th: Clarendon to Edgemoor	Capital Improvements	0.00%	0	0	174,960	0

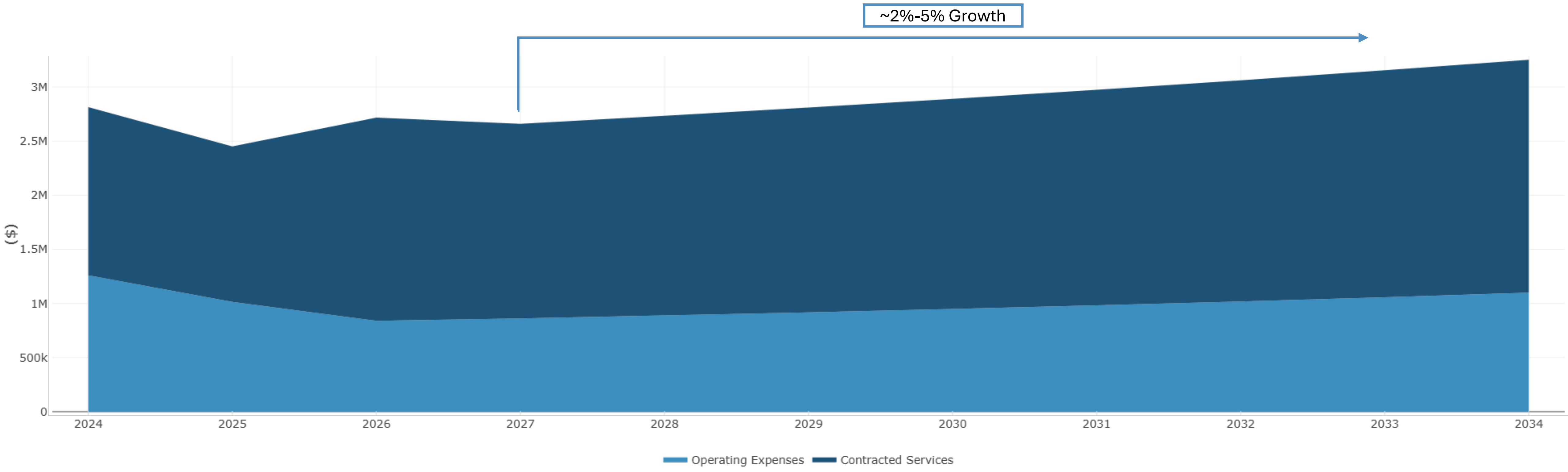
Expenditures					
Operating Expenses	2,815,358	2,451,736	2,717,834	2,660,493	2,734,020
Capital Improvements	325,867	835,259	933,600	1,006,880	678,340
Capital Expansion	0	0	0	0	0
Current Debt Service	775,469	503,798	765,667	763,708	684,161
Proposed Debt Service	0	0	0	0	0
Taxes Other Than Income	0	0	0	0	0
Expenditure Subtotal	**3,916,694**	**3,790,792**	**4,417,101**	**4,431,081**	**4,096,521**
Managed Reserves					
Deposits	0	0	0	0	0
Withdrawals	0	0	0	0	0
Transfers Out	0	0	0	0	0
Transfers In	0	0	0	0	0
Total Deposits & Withdrawals	**0**	**0**	**0**	**0**	**0**
Total Transfers	**0**	**0**	**0**	**0**	**0**
	92	-106,729	-354,203	-515,541	-57,954
	24	2,243,730	2,069,480	1,553,939	1,495,985
	0	0	0	0	0
	24	**2,243,730**	**2,069,480**	**1,553,939**	**1,495,985**
	23	2.16	1.53	1.45	1.69

Gallons
0-2,999 Gallons
3,000-5,999 Gallons
6000-11,999 Gallons
12,000-16,999 Gallons
17,000-24,999 Gallons
25,000 Gallons

Water Utility

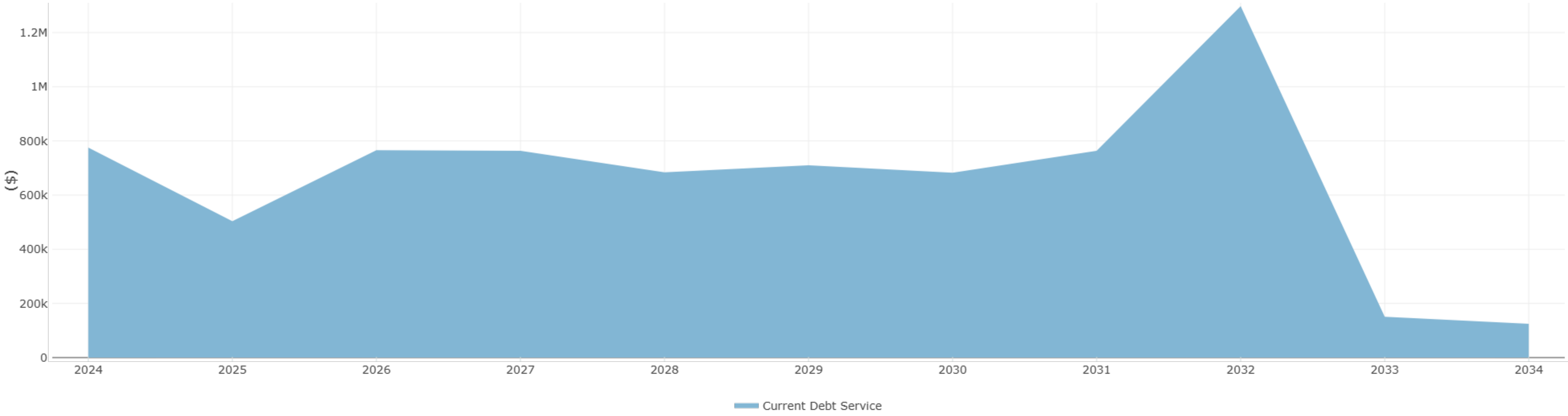
Operating Expenses

This chart illustrates the operating & maintenance expenses. These are the routine costs required to provide safe and reliable water service. For the City of Bel Aire, KS, these include salaries and personnel expenses, treatment expenses, contracted services, administration, and many other operational costs.



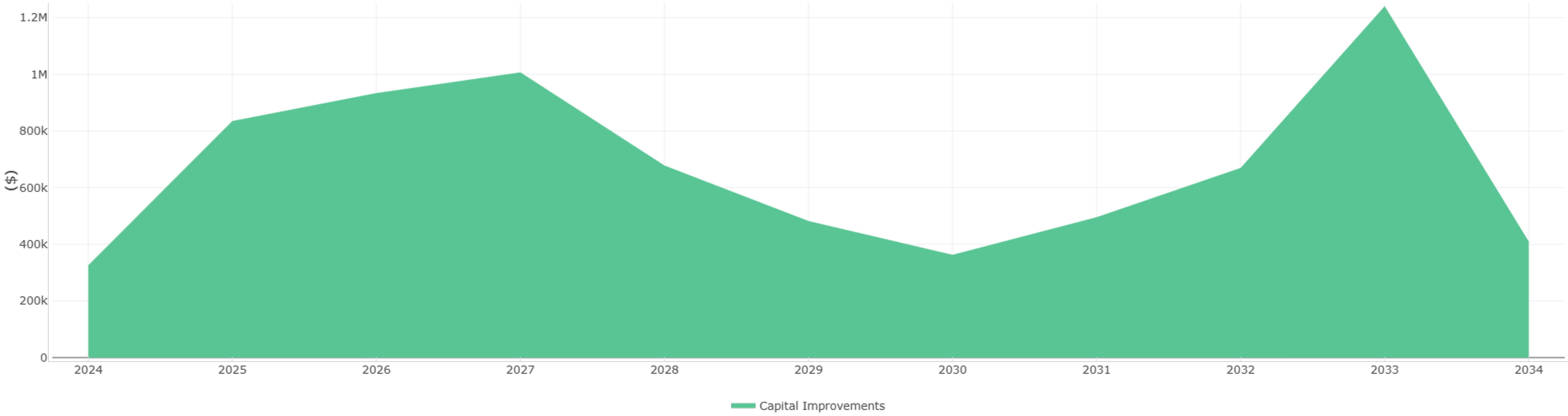
Debt Expense

This chart represents the utility's use of debt to fund capital investments and manage cash flow needs. The data seen below comes from hard-coded repayment schedules from the City of Bel Aire's current debt service.



Capital Expenses

In addition to meeting ongoing operating costs, the City of Bel Aire must continue to reinvest in the water system infrastructure. The area graph below represents those expenses to maintain, renew, and repair the water system. Please see the following page for the current plans associated with the water fund.

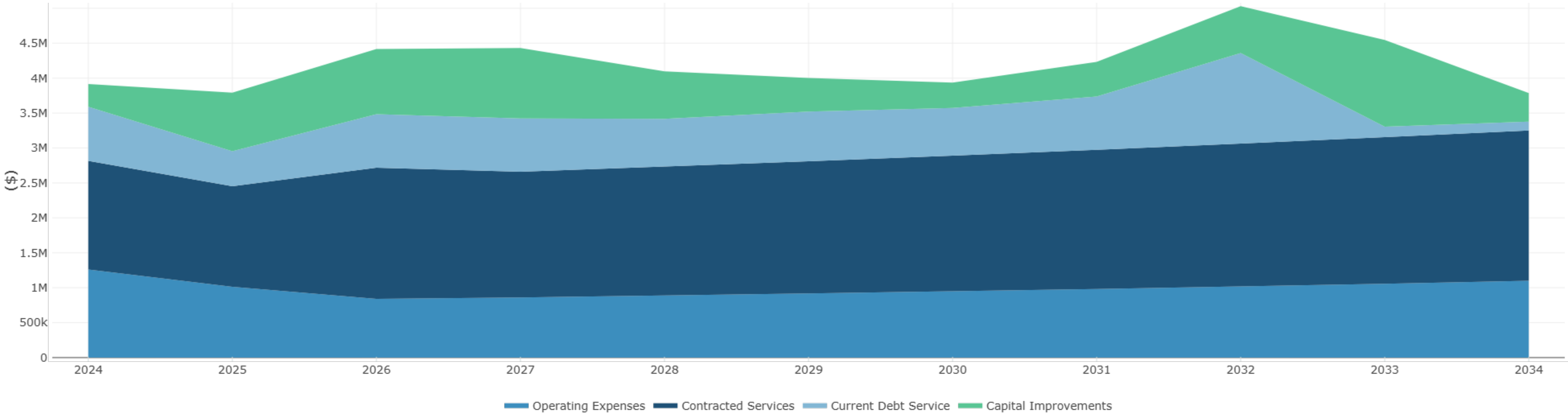


Water Fund: 10-Year Waterline Replacement Plan

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	BUDGETED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
UNENCUMBERED NET POSITION, JANUARY 2	$ -	$ (31,000.00)	$ (214,600.00)	$ (442,600.00)	$ (370,940.00)	$ (102,890.00)	$ 284,310.00	$ 538,990.00	$ 619,690.00	$ 129,690.00	$ 469,770.00	$ 559,110.00
EXPENDITURES												
Glendale: 46th to 48th	$ 251,000.00											
Battin: Krueger to 48th	$ 225,000.00											
Krueger and Harding: 46th to 48th	$ 305,000.00											
Clarendon 41st 39th		$ 347,280.00										
Danbury 41st Denise		$ 338,880.00										
40th Clarendon Danbury		$ 72,480.00										
39th Clarendon Edgemoor		$ 174,960.00										
Denise Farmstead Edgemoor			$ 372,500.00									
Auburn 41st 39th			$ 385,000.00									
Cozy 37th Cozy DE			$ 220,500.00									
Hillcrest 45th Woodlawn				$ 321,100.00								
Woodlow Hillcrest 44th				$ 269,880.00								
Woodlow Ct Woodlow Add lolipop				$ 87,360.00								
Rodeo Woodlawn Rodeo DE					$ 406,350.00							
Rodeo Ct Rodeo Add lolipop					$ 75,600.00							
C&K East Farmstead 41st Denise						$ 24,000.00						
41st Danbury Farmstead						$ 91,000.00						
Perryton Woodlawn 6620 Perryton						$ 247,800.00						
Stratford Danbury Perryton							$ 357,280.00					
Stratford Ct Stratford Add lolipop							$ 138,040.00					
St James Pl Odessa Perryton								$ 183,900.00				
St James Ct St James Pl Add lolipop								$ 122,400.00				
Odessa Woodlawn Stratford								$ 363,000.00				
Catholic Care Center 45th ?									$ 1,240,000.00			
Odessa Auburn Clarendon										$ 238,400.00		
Bellmore Odessa Memphis										$ 171,520.00		
Auburn 45th Perryton											$ 660,660.00	
Flagstaff Auburn Dundee												$ 425,000.00
Dundee Flagstaff 45th												$ [illegible]40.00
Gunnison Dundee Clarendon												$ [illegible]00.00
TOTAL EXPENDITURES	$ 781,000.00	$ 933,600.00	$ 978,000.00	$ 678,340.00	$ 481,950.00	$ 362,800.00	$ 495,320.00	$ 669,300.00	$ 1,240,000.00	$ 409,920.00	$ 660,660.00	$ 850,340.00

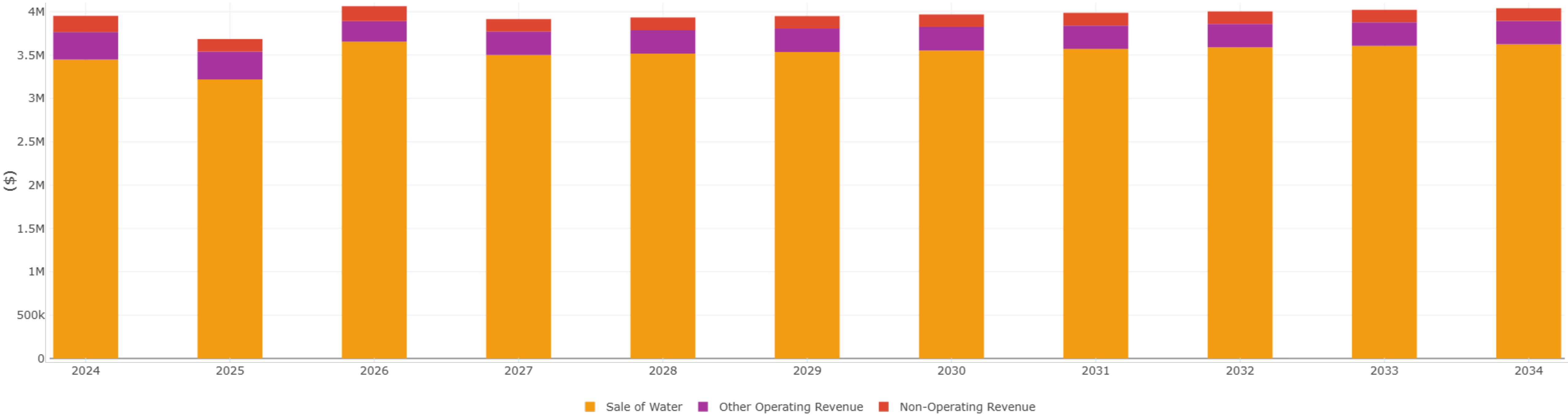
Revenue Requirements

Revenue requirements are the total annual funds needed to operate, maintain, and reinvest in infrastructure sustainably. This includes all the costs previously listed, and it represents the requirements needed to be a self-sustaining fund.



Projected Revenues – Status Quo

Status quo revenues refer to the funding expected under current rates, policies, and practices without any changes. This projection helps determine whether existing revenue streams are sufficient to cover future revenue requirements.

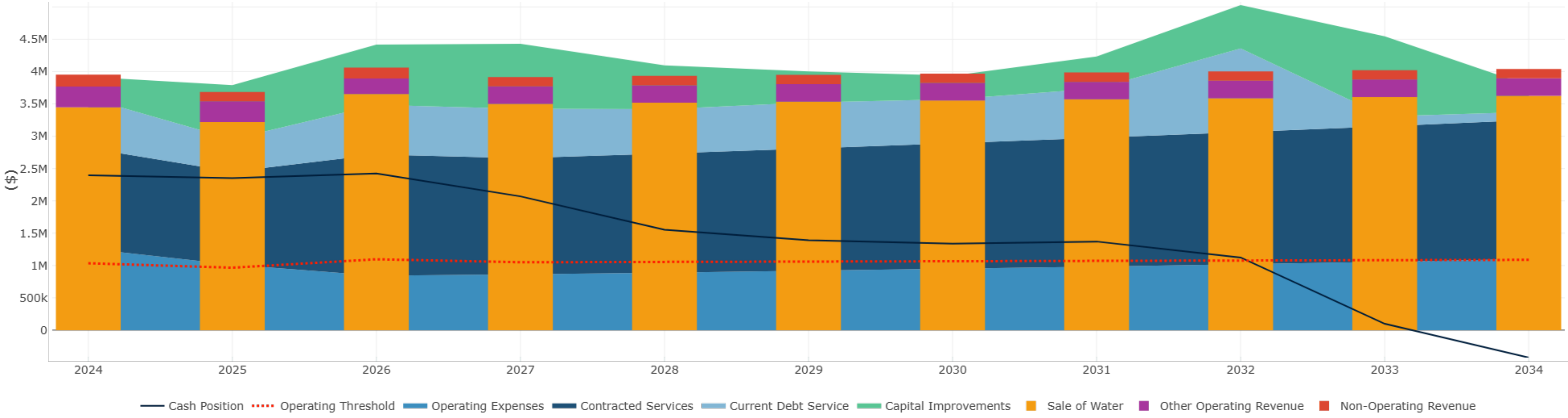


Status Quo

0% Rate Increases

Status Quo - Long Term Financial Model

The status quo long-term financial model reflects the utility's projected financial performance under current rates and policies, before any revenue increases are considered. It shows how existing revenues align with future expenses, capital needs, and cash reserve targets. This model helps identify potential funding gaps, assess long-term sustainability, and determine whether adjustments are needed to maintain financial stability.

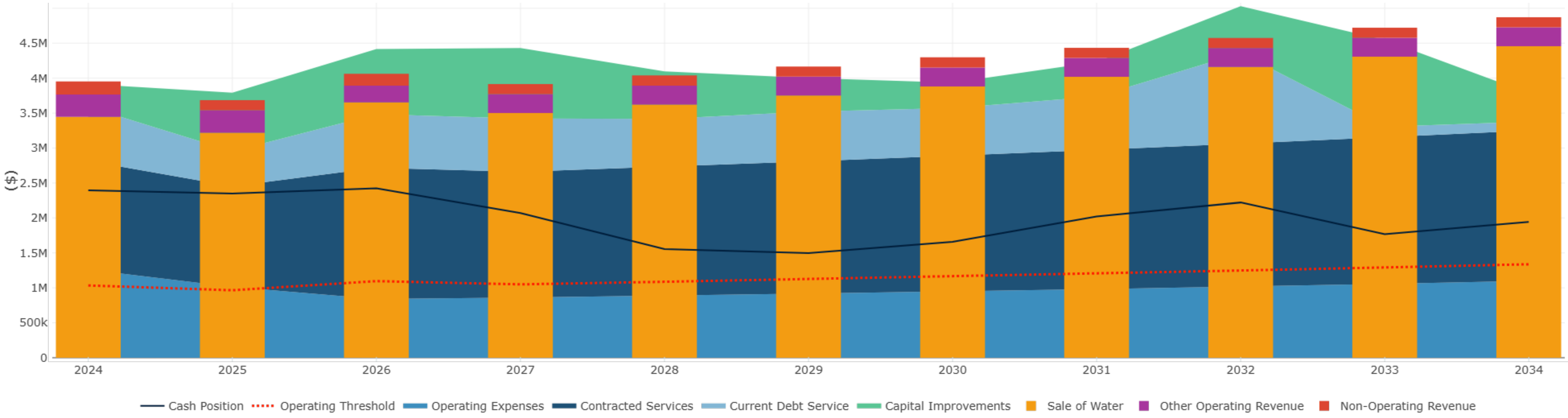


Current Process

3% Increase/Year

Long Term Financial Model – 3% Annual Revenue Increases

The long-term financial model with 3% annual revenue increases shows the utility's projected financial performance after implementing these changes to rates. It illustrates how the additional revenue impacts the ability to cover operating costs, fund capital reinvestment, and maintain target cash reserves. This version of the model helps assess whether these adjustments are sufficient to achieve long-term financial sustainability and meet established financial goals.



Water Fund

	2025 Total Activity	2025 Total Budget	2026 Total Activity	Parent Budget 2026 3. Final Budget	Comparison 1 Budget 2027 1. Dept Head	Comparison 1 to Parent Budget Increase / (Decrease)	%
SubObjec...							
Fund: 520 - Water Utility							
Department: 210 - PUBLIC WORKS							
Division: 520 - WATER							
40 - REVENUES	3,683,977.99	3,697,037.00	1,948,840.47	4,062,898.00	4,025,500.00	-37,398.00	-0.92%
50 - EXPENSES - PERSONNEL	347,835.84	350,000.00	283,714.22	512,605.17	624,900.00	112,294.83	21.91%
60 - EXPENSES - COMMODITIES	1,314,203.74	1,300,000.00	99,289.17	177,700.00	222,675.00	44,975.00	25.31%
70 - EXPENSES - CONTRACTUAL	1,727,779.96	2,490,000.00	916,088.57	2,444,258.00	2,419,467.50	-24,790.50	-1.01%
80 - EXPENSES - CAPITAL PROJECTS	105,973.50	105,975.00	33,126.25	985,314.50	1,058,594.50	73,280.00	7.44%
90 - EXPENSES - TRANSFERS	310,000.00	310,000.00	0.00	298,200.00	297,587.00	-613.00	-0.21%
Total Division: 520 - WATER:	**-121,815.05**	**-858,938.00**	**616,622.26**	**-355,179.67**	**-597,724.00**	**-242,544.33**	**68.29%**

Water Fund	2025 Actual (Unaudited)	2026 Budgeted	2027 Requested
Fund Balance Beginning	$2,350,459	$2,228,644	$1,873,466
Change in Fund Balance	($121,815)	($355,178)	($597,724)
Fund Balance Ending	$2,228,644	$1,873,466	$1,275,742
% of Revenues		46%	32%

Sewer Fund: Highlights

Sewer Fund Highlights:

- Revenues
  - Increased 3% to match annual increase per resolution plus estimated new customers

- Expenditures
  - Increased Personnel for Classification and Compensation Study: $65,000
  - **Chemicals: $120,000 – Chemical Injections at Lift Stations**
  - Wastewater system maintenance and repair: $80,000
  - Updated CCUA Operations and Debt Payments: $2,020,000
    - Will use some fund balance to cover a portion of this overage until debt services levels out in 2033*.
  - Fence for 37th and Harding Lift Station $60,000
  - Still working on refining a long-range CIP plan for Sewer.

  - Other expenses adjusted to match operational needs

Sewer Fund: Chemical Dosing Program

The City of Bel Aire is experiencing elevated hydrogen sulfide (H2S) levels within the force main running from Rock Road to the 53rd Street Lift Station. These elevated H2S levels have resulted in odor concerns and are an indicator of septic conditions within the wastewater collection system.

Staff had observed deterioration of manholes along the 53rd Street corridor and 14 manholes are needing to be replaced.

The City ran a pilot program which was successful. After analyzing the results of the pilot program, it is estimated that implementation of a comprehensive H2S control program would reduce corrosion rates by approximately 90%.

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Wastewater Utility

Operating Expenses

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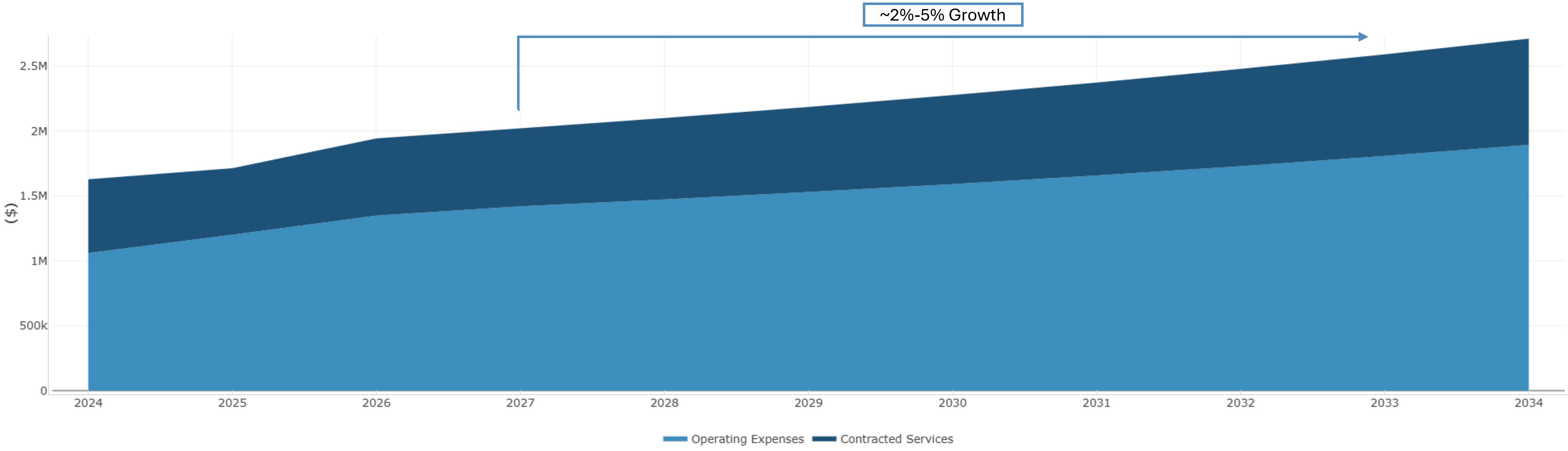

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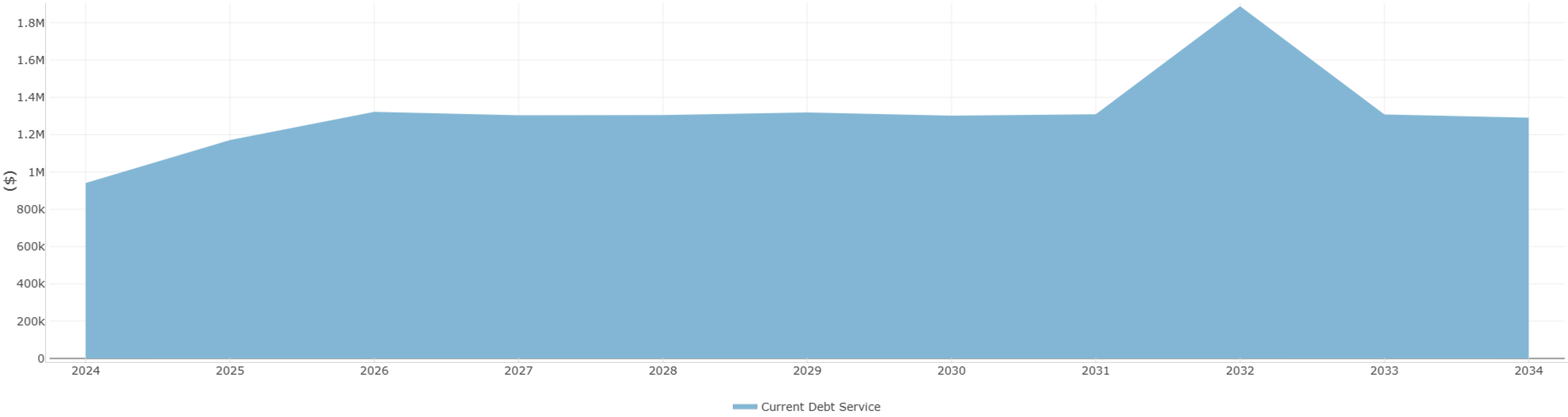

Capital Expenses

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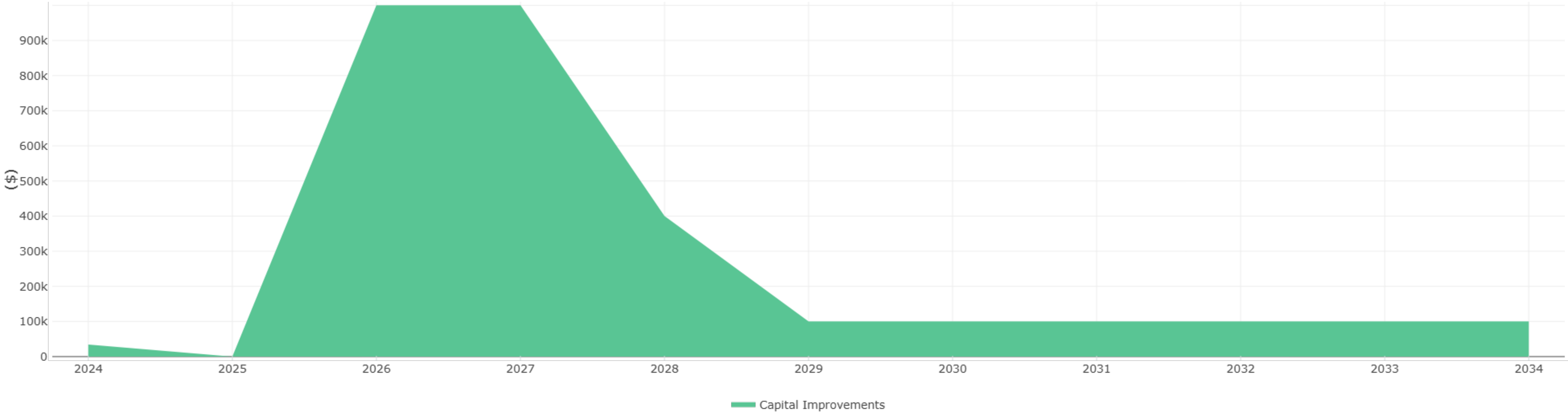

Project	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Sewer System Improvements	$ 1,000,000.00							
Manhole Rehab - Reocurring	$ -	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00
Sewer Main Rehab	$ -	$ 300,000.00						
Totals	$ 1,000,000.00	$ 400,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00

Revenue Requirements

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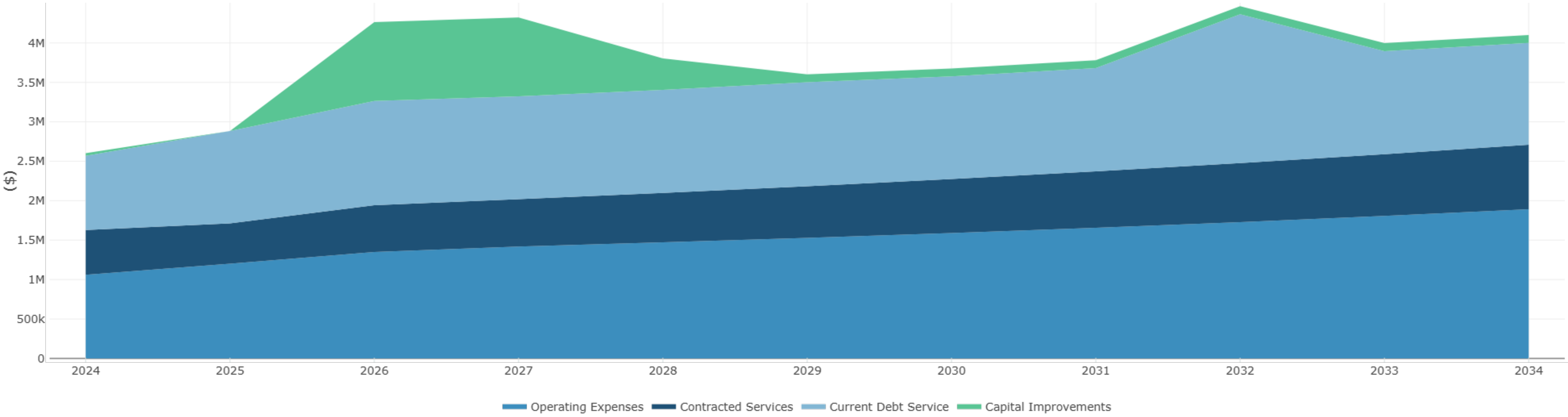

Projected Revenues – Status Quo

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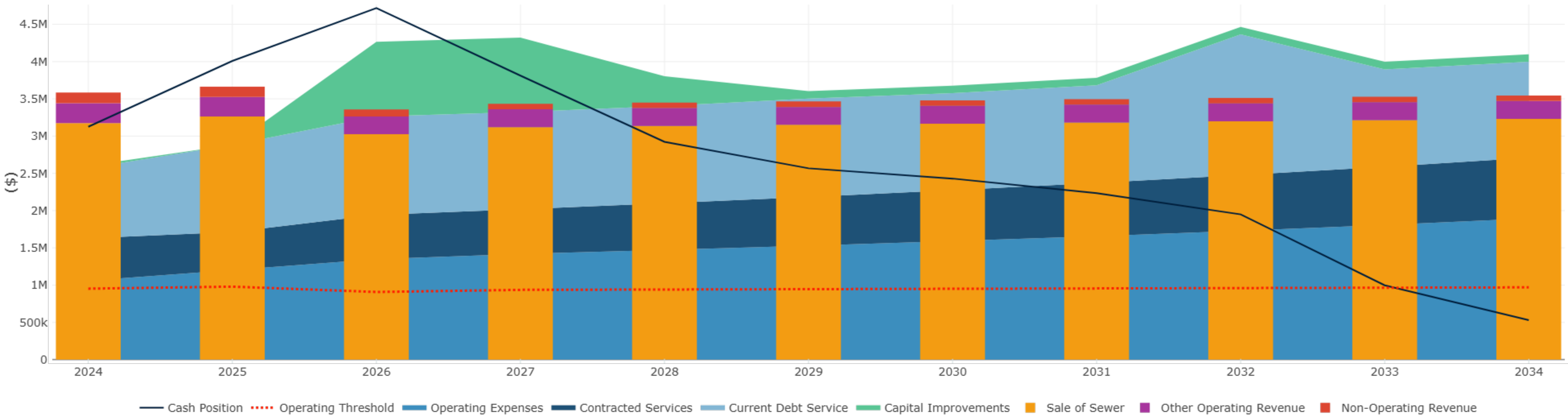
Status Quo

0% Rate Increases

Status Quo - Long Term Financial Model

The status quo long-term financial model reflects the utility's projected financial performance under current rates and policies, before any revenue increases are considered. It shows how existing revenues align with future expenses, capital needs, and cash reserve targets. This model helps identify potential funding gaps, assess long-term sustainability, and determine whether adjustments are needed to maintain financial stability.



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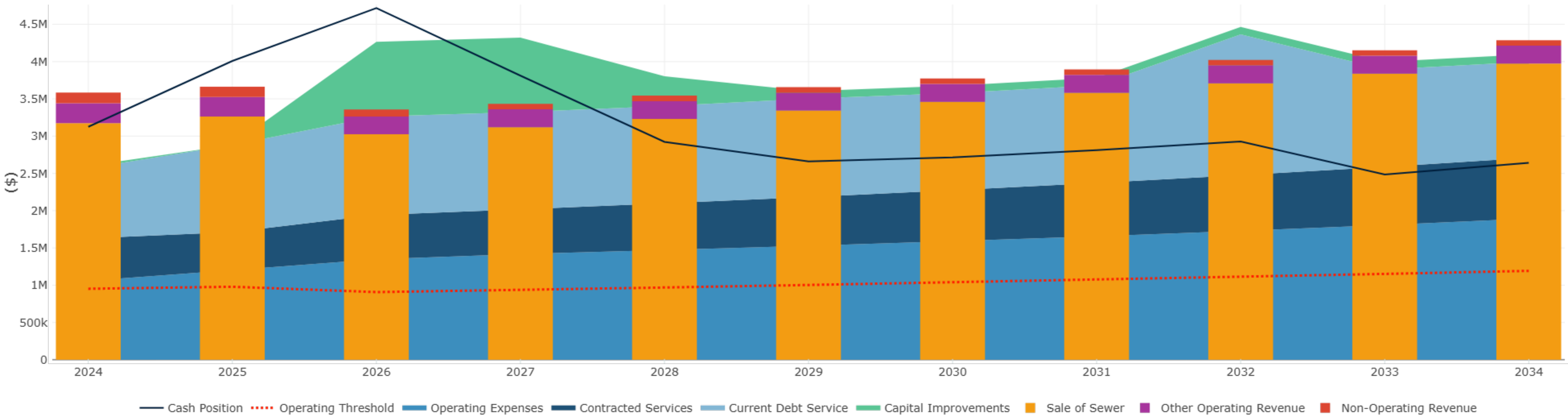
Sewer Main Rehab	$ -	$ 300,000.00						
Totals	$ 1,000,000.00	$ 400,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00

Current Process

3% Increase/Year

Long Term Financial Model – 3% Annual Revenue Increases

The long-term financial model with 3% annual revenue increases shows the utility's projected financial performance after implementing these changes to rates. It illustrates how the additional revenue impacts the ability to cover operating costs, fund capital reinvestment, and maintain target cash reserves. This version of the model helps assess whether these adjustments are sufficient to achieve long-term financial sustainability and meet established financial goals.



Project	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Sewer System Improvements	$ 1,000,000.00							
Manhole Rehab - Reocurring	$ -	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00
Sewer Main Rehab	$ -	$ 300,000.00						
Totals	$ 1,000,000.00	$ 400,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00

Sewer Fund

	2025 Total Activity	2025 Total Budget	2026 Total Activity	Parent Budget 2026 3. Final Budget	Comparison 1 Budget 2027 1. Dept Head	Comparison 1 to Parent Budget Increase / (Decrease)	%
SubObjec...							
Fund: 530 - Sewer Utility							
Department: 210 - PUBLIC WORKS							
Division: 530 - SEWER							
40 - REVENUES	3,663,201.50	3,410,797.00	2,000,127.51	3,357,963.00	3,673,500.00	315,537.00	9.40%
50 - EXPENSES - PERSONNEL	453,984.99	465,000.00	206,504.94	485,333.95	622,400.00	137,066.05	28.24%
60 - EXPENSES - COMMODITIES	278,866.95	501,000.00	48,572.83	394,550.00	299,800.00	-94,750.00	-24.01%
70 - EXPENSES - CONTRACTUAL	1,975,245.78	1,722,400.00	972,016.63	2,166,575.00	2,458,143.00	291,568.00	13.46%
80 - EXPENSES - CAPITAL PROJECTS	107,432.37	431,690.00	15,844.72	1,031,689.44	1,091,689.44	60,000.00	5.82%
90 - EXPENSES - TRANSFERS	330,000.00	330,000.00	0.00	318,315.00	362,416.00	44,101.00	13.85%
Total Division: 530 - SEWER:	**517,671.41**	**-39,293.00**	**757,188.39**	**-1,038,500.39**	**-1,160,948.44**	**-122,448.05**	**11.79%**

Sewer Fund	2025 Actual (Unaudited)	2026 Budgeted	2027 Requested
Fund Balance Beginning	$4,009,189	$4,526,860	$3,488,360
Change in Fund Balance	$517,671	($1,038,500)	($1,160,948)
Fund Balance Ending	$4,526,860	$3,488,360	$2,327,412
% of Revenues		103%	63%

Solid Waste Fund: Highlights

Solid Waste Fund Highlights:

- Revenues
  - Adjusted according to current contract
- Expenditures
  - Transfer to Streets $200,000
  - Other expenses adjusted to match operational needs

				Parent Budget	Comparison 1 Budget	Comparison 1 to Parent Budget	%
	2025 Total Activity	2025 Total Budget	2026 Total Activity	2026 3. Final Budget	2027 1. Dept Head	Increase / (Decrease)	
SubObjec...							
Fund: 540 - Solid Waste Utility							
Department: 540 - SOLID WASTE							
Division: 540 - FUND 12 DEPT 00							
40 - REVENUES	812,440.24	725,000.00	425,878.55	760,000.00	809,000.00	49,000.00	6.45%
70 - EXPENSES - CONTRACTUAL	615,606.89	650,000.00	266,058.17	660,000.00	709,000.00	49,000.00	7.42%
90 - EXPENSES - TRANSFERS	100,000.00	100,000.00	0.00	100,000.00	200,000.00	100,000.00	100.00%
Total Division: 540 - FUND 12 DEPT 00:	**96,833.35**	**-25,000.00**	**159,820.38**	**0.00**	**-100,000.00**	**-100,000.00**	**0.00%**

Water Fund	2025 Actual (Unaudited)	2026 Budgeted	2027 Requested
Fund Balance Beginning	$293,574	$390,407	$390,407
Change in Fund Balance	$96,833	$0	($100,000)
Fund Balance Ending	$390,407	$390,407	$290,407
% of Revenues		51%	35%

Storm Water Fund

The Storm Water Fund has depleted most of its fund balance over the past two years.

In 2025 the City did two replacement projects:

- 45th and Oliver (KDOT Reimbursed $180,000 for this project) City Portion was $231,402.32
- 53rd St. N. and Rock Rd Box Replacement: $142,644

Projected ending Fund Balance for 2027 is $22,484.

As the City puts more focus towards storm water remediation projects, we will need to look at our storm water revenue source. Currently the City bills approximately $113,500 a year in storm water fees.

Bel Aire Currently charges $2 for each residential unit and $4 for each commercial property.

Storm Water Fund

	2025 Total Activity	2025 Total Budget	2026 Total Activity	Parent Budget 2026 3. Final Budget	Comparison 1 Budget 2027 1. Dept Head	Comparison 1 to Parent Budget Increase / (Decrease)	%
SubObjec...							
Fund: 550 - Stormwater Utility							
Department: 550 - STORMWATER							
Division: 550 - FUND 14 DEPT 00							
40 - REVENUES	125,550.38	279,500.00	239,522.07	99,500.00	115,000.00	15,500.00	15.58%
70 - EXPENSES - CONTRACTUAL	4,660.00	10,000.00	5,979.10	10,000.00	10,600.00	600.00	6.00%
80 - EXPENSES - CAPITAL PROJECTS	554,046.32	600,000.00	6,085.94	300,000.00	10,000.00	-290,000.00	-96.67%
90 - EXPENSES - TRANSFERS	0.00	0.00	0.00	0.00	150,000.00	150,000.00	0.00%
Total Division: 550 - FUND 14 DEPT 00:	**-433,155.94**	**-330,500.00**	**227,457.03**	**-210,500.00**	**-55,600.00**	**154,900.00**	**-73.59%**

Water Fund	2025 Actual (Unaudited)	2026 Budgeted	2027 Requested
Fund Balance Beginning	$541,740	$108,584	$78,084
Change in Fund Balance	($433,156)	($30,500)*	($55,600)
Fund Balance Ending	$108,584	$78,084	$22,484
% of Revenues			19.5%

*$180,000 Reimb from KDOT received in 2026 from 2025 Bridge Replacement Project on Oliver

Remaining Schedule:

- August 11th: Will present the Final Draft of the 2027 Budget
- August 13th: Publish RNR and Budget hearing notice in the Ark Valley News and on the City website
- September 1st: Hold RNR hearing, adopt resolution to exceed the RNR with a roll call vote. Hold the 2027 Budget Hearing and adopt the 2027 Budget
- September 3rd: Publish the Resolution to exceed the RNR on the City's website
- September 17th: Submit RNR Resolution and all 2027 Budget documents to Sedgwick County Clerk's Office for certification by October 1st

City of Bel Aire
Comprehensive Financial Policy
Effective Upon Adoption of the Governing Body

PURPOSE

The City of Bel Aire, Kansas (herein after referred to as "City") is committed to wise stewardship of all public funds entrusted to its care. This responsibility includes careful accounting, maximizing revenue, minimizing expenditures, proactive planning for the payment of debt obligations, and funding of services and capital improvements. This Comprehensive Financial Policy (Policy) formally establishes the criteria and guidelines to provide structure for continuing fiscal stability, thereby reducing financial risk and maintaining adequate reserves for future requirements. Implementation of this policy is designed to:

A. Provide advice to citizens and other taxpayers of the City regarding criteria for City financial actions in order to maintain public confidence.

B. Ensure that the Governing Body is informed about the City's financial capacity before making decisions that will result in major changes to the operating program, capital and maintenance activities.

C. Provide for a balanced and dependable revenue structure that is responsive to economic conditions and ensures delivery of City services and maintenance of capital assets.

D. Maintain and improve the City's bond rating by providing a clear picture of the City's financial condition and security to investors.

E. Retain a prudent level of fund balance in the General Fund, to provide a stable financial base for future fiscal periods to facilitate:

   1. Uninterrupted delivery of essential governmental services

   2. Tax rate stability

   3. Financial stability during significant economic downturns or revenue shortfalls

   4. Sufficient cash flow for daily financial/operational needs

   5. Maintaining and improving the City's bond rating.

FINANCIAL PLANNING POLICIES

A. Balanced Budget and Budgetary Basis

The annual budget adopted by the Governing Body shall be prepared in accordance with State budget laws which set specific time constraints and prohibit a budget from projecting spending in excess of available resources (current revenues and available fund balance).

1. The City's budget is prepared on the modified accrual basis for all funds, and assumes that prior year ending cash balances may be utilized to balance the budget. The basis of accounting is also modified accrual.

2. The City avoids the use of non-recurring revenues to finance ongoing expenditures. The City shall pay the full cost of current services with current revenues. However, reserves may be used on a short-term basis to offset the impact of economic downturns or emergencies.

3. Budget Amendment - The City cannot legally exceed approved budgeted expenditures. If a budget amendment is required, it must be approved through the same steps as the original budget adoption.

B. Long Range Financial Planning

1. Five Year Financial Forecasts - The City shall maintain and enhance long-range fiscal planning and budgeting processes which anticipate underlying economic conditions and provide for orderly, year-to-year changes to City taxes, service levels, and responses to unanticipated events to help avoid service disruptions. The budget process shall also incorporate Citywide and departmental strategic planning processes.

   a. In conjunction with the annual budget process, the City Manager shall direct that a Five Year Revenue and Expenditure Forecast be prepared for each budgeted fund. Such forecasts shall be used by the Governing Body in the annual budget process for reviewing proposed capital project, maintenance and operating program requests to ensure long-term financial sustainability.

   b. The assumptions used for revenue projections will incorporate review of national, regional and local economic indicators, such as population growth, personal income growth, inflation, business growth, unemployment, retail trends, and property valuation trends.

   c. The annual budget and Capital Improvement Program shall be in agreement with the long term forecasts.

2. Five Year Capital Improvement Program (CIP)

It shall be the policy of the City to identify and set priorities among the capital improvement needs of the community, and to develop a schedule for making these improvements in accordance with financial capacity. Goals of the CIP include responding to and anticipating future growth of the City, increasing the efficiency of City operations, and encouraging and sustaining economic development. Capital expenditures by their nature have long term useful lives. Generally, equipment, infrastructure or facilities with a value less than $100,000 and a useful life less than 10 years will be acquired through the City's operating budget.

a. Review - The City Manager shall annually provide to the Governing Body an updated five-year CIP for budget planning purposes, proposing projects over the ensuing five year period. The Planning Commission shall review the CIP for consistency with the City's Comprehensive Plan.

b. Content - The CIP shall include:

   i. A clear summary of its contents
   ii. A list of all capital improvements proposed for the ensuing five year period, along with supporting information for each project
   iii. Cost estimates, methods of financing, and recommended time schedules for each project
   iv. The estimated annual operating impact of capital projects (if any)

c. Projects related to development - When possible, capital projects constructed in response to residential or commercial development should be financed through growth in the tax base, development fees, or special assessments.

3. Asset Inventory - In conjunction with the annual financial audit, the City shall review the inventory of capital assets in order to verify possession and assess condition. Information from such inventory shall be used to assist in determining a prudent, orderly replacement of City-owned assets through the operating budget and CIP.

4. Equipment Replacement and Maintenance - The City's goal is to provide for adequate, ongoing funding for required equipment replacement either through the Equipment Reserve Fund or the General Fund. A five-year schedule for Equipment Replacement shall also be submitted along with the Capital Improvement Plan during the annual budget process.

REVENUE POLICIES

The City shall maintain a diverse revenue structure which is dependable and responsive to economic conditions. The City shall pursue a partnership with taxpayers to encourage sharing of public service costs in a fair and equitable manner.

A. One-time (Non-recurring) and Unpredictable Revenues

The City shall avoid the use of non-recurring and unpredictable revenues to fund ongoing expenditures. Ongoing expenditures shall be funded with reliable, ongoing sources of revenue.

B. User Fees and Charges
The City will establish and evaluate fees and charges based on the cost of service, community benefit and cost recovery best practices. The City's goal is to review and consider possible revisions to fees annually to avoid significant adjustment in any single year.

C. Funds from Other Agencies
The City shall seek to partner with other intergovernmental agencies to share operational services, facilities, and equipment-related costs when prudent and beneficial to the City. The City will seek sustainable intergovernmental funding to support ongoing operational and maintenance expenditures. In addition, the City shall aggressively seek funds from federal, state, county and other agencies for use in implementing the CIP, and shall normally give priority to projects which maximize the use of such funds in meeting the objectives of the CIP.

DEBT POLICIES

The City's debt policy provides a framework to e~~i~~nsure that debt is issued in accordance with established public policy, and managed in a fiscally prudent manner which seeks to maintain or improve current credit ratings, comply with federal and state laws, minimize cost to taxpayers, and not adversely affect future generations. The debt policy shall provide general guidelines for debt issuance and management. The City's Governing Body shall approve all debt issuances.

A. Use of Debt Financing

The City shall limit the use of debt to the financing of capital projects and equipment through the City's CIP or related to the development of newly developing benefit areas in accordance with Council approval. The City shall avoid the use of debt to fund recurring operating expenditures. The City may issue debt in those instances where public policy, equity and efficient use of limited resources favor debt financing over funding with current revenues. Decision criteria shall include the following:

1. City's current and projected debt level, legal debt limit, overall financial health and economic conditions.

2. Availability of alternative financing sources, including use of current revenues (pay-as-you-go financing) and leveraged revenue sources from private and intergovernmental contributions. Projects which include a substantial portion of leveraged financing shall normally be given priority.

3. Purpose and useful life of the asset. Debt shall be issued in a manner in which the term of the debt financing does not exceed the asset's useful life. Debt shall be issued primarily as a financing tool of the City's CIP or as a conduit for economic development.

   a. Debt related to capital improvements shall normally be issued as general obligation debt for ten to twenty years. The length of the issue is based on the type of asset and expected useful life.

   b. Debt for equipment may be bonded for a period of less than ten years; however, it shall not be bonded for a period of time longer than the anticipated useful life.

B. Debt Capacity

The total amount of outstanding debt the City will incur is based on a review of various factors, including the following:

1. Debt shall not exceed 30% of the assessed valuation, as authorized under K.S.A. 10-308.

2. Rating agency criteria - in order to maintain and improve the City's bond rating, the Finance Director will monitor reports and financial statements indicating the City's financial position and results of operations. The Finance Director will also periodically consult with the City's financial advisor to review municipal bond markets and trends in municipal finance.

3. The City's financial planning standards include monitoring of several key guidelines related to the amount of debt outstanding, including:

   a. Total Direct Debt per Capita - the amount of per capita debt directly issued by the City, for which the City has pledged its full faith and credit.

   b. Percentage of Direct and Overlapping Debt to Market Value - the City's direct bonded debt and overlapping debt of other taxing jurisdictions as a percentage of estimated market valuation of property within the City ~~of Bel Aire~~.

   c. Percentage of debt service cost to operating expenditures - the City's annual principal and interest debt service cost divided by the total operating expenditures (excluding transfers) of the General Fund and other applicable funds.

   d. Ratio of principal retirement within ten years.

   e. City staff will evaluate the capacity of the Bond and Interest Fund to service each proposed bond issue.

C. Debt Instruments

1. General Obligation Bonds

2. Special Assessment Bonds
3. Revenue Bonds
4. Temporary Notes
5. Lease-Purchase Agreements
6. Industrial Revenue Bonds (Conduit financing)

D. Debt Issuance and Management Policies

1. Debt should be marketed on a competitive bid basis. A negotiated sale may be undertaken upon the recommendation of the City's financial advisor, if one or more of the following conditions exist: issue lacks sufficient credit quality, the principal amount is extremely large or small, the issue appeals to a relatively narrow investor base, the bonds are issued under a new statutory authority, or the market is experiencing extreme volatility.

   a. If a negotiated sale is advised, the City will competitively select the underwriter(s) needed to accomplish the structuring, marketing, pricing and sale of the bonds.

   b. The financial advisor shall maintain complete independence from the underwriting process.

2. Debt structure shall be designed in accordance with the following, unless the City's financial advisor recommends an alternative approach:

   a. Fixed rate obligations only.

   b. Optional prepayment provisions may be included in each bond issuance.

   c. Derivative transactions are prohibited unless specifically approved by the City's Governing Body.

3. Refundings or prepayment of outstanding debt may occur when the possibility of interest cost reduction exists, or the city wishes to restructure its debt service and/or amend its contractual bond requirements.

4. The City shall have the ability to add an administrative fee of up to 5% on any temporary note and/or bond issuance.

5. The City shall hire qualified bond counsel and financial advisors in a competitive process whenever feasible and cost beneficial.

6. The City shall insure that it fully complies with all state and federal regulatory requirements, including post-issuance compliance related to continuing disclosure, private use and arbitrage rebate.

E. Tax-Exempt Financing Compliance - The City is required under the Continuing Disclosure Undertaking to provide disclosures of certain financial information and operating data and to file notices of certain material events to the marketplace to facilitate informed secondary market trading in Tax-Exempt Bonds issued by the City. The City is committed to full compliance with the tax and securities law requirements for all of its outstanding and future Tax-Exempt Bonds. This Compliance Procedure is in accordance with the IRS and SEC directives.

F. The City will appoint a Bond Compliance Officer who shall be responsible for adherence to the specific procedures outlined in the separate Adopted Tax Exempt Financing Compliance Policies.

FUND BALANCE POLICY

A. General Fund Unassigned Fund Balance Target - The City's targeted General Fund unassigned fund balance is at least 30% of the subsequent year's budgeted revenues. The target amount is expressed as a goal, and may fluctuate from year to year in the normal course of operations. The targeted minimum for the General Fund unrestricted fund balance is 17%, which represents the Government Finance Officers Association (GFOA) recommended minimum of no less than 2 months of operating revenues/expenditures.

1. Use of Unassigned Fund Balance - May be reduced to a level below the 30% target level to provide temporary funding for emergency needs in the case of a natural disaster, prolonged economic downturn, or other non-recurring need at the Governing Body's discretion.

2. Replenishment of Unassigned Fund Balance - If it is anticipated at the completion of any fiscal year that the projected amount of unassigned fund balance in the General Fund will be less than the minimum established target, the City Manager shall prepare and submit in conjunction with the Five Year Financial Forecasts a plan for the expenditure reduction and/or revenue increases necessary to restore the minimum target amount within a five year period.

B. Fund Balance Classifications - The following classifications, defined by governmental accounting standards, serve to enhance the usefulness of fund balance information:

1. Non-spendable: Assets legally or contractually required to be maintained, or assets not in spendable form, such as inventory or prepaid items. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.

2. Restricted: Assets with externally imposed constraints, such as those mandated by creditors, granters or contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, law or regulations.

3. Committed: Assets with a purpose formally imposed by resolution of the Governing Body of the City, binding unless modified or rescinded by the Governing Body.

4. Assigned: Assets constrained by the express intent of the Governing Body, City Manager or Deputy City Manager. Encumbrances shall be considered to be assigned, unless they specifically meet the requirements to be committed or restricted.

5. Unassigned: All amounts not included in other fund balance classifications. The unassigned fund balance serves as a measure of expendable available financial resources.

C. Order of Unrestricted Fund Balance Expenditure- For unrestricted fund balance, committed amounts should be reduced first, followed by assigned amounts, followed by unassigned amounts.

FINANCIAL ACCOUNTING AND REPORTING

A. General Policies

1. The City will adhere to generally accepted accounting principles (GAAP), including pronouncements by the Government Accounting Standards Board (GASB).

2. The City will adhere to a policy of full and open public disclosure of all financial activity and information. The City will strive to provide transparent financial information which is easily accessible by the public.

3. Each year, the City will employ an independent public accounting firm to perform the annual audit in accordance with K.S.A. 75-1122.

B. Expenditure Accountability

1. The City will maintain a budgetary control process and will produce monthly financial reports that measure actual revenues and expenditures compared to budgeted revenues and expenditures.

    a. Department Directors will have primary responsibility for ensuring that expenditures adhere to the appropriations of the adopted budget. Department Directors have individual spending authority up to 5,000.00 on items included in their respective budget.

b. The Finance Director and City Manager will monitor the City's financial position by department and fund, including revenues and expenditures, in relation to the adopted budget and long-term financial forecast. The City Manager has the authority to approve individual purchases up to $~~10,000.00~~15,000.00. However, that limit may be waived in emergency situations.

2. The City Manager with input from the Director will ~~establish and~~ enforce uniform Purchasing Policies and Procedures in order to maximize the use of financial resources through sound procurement practices.

3. Management will enforce appropriate internal controls and procedures for processing invoices for payment. Expenditures will be recorded in the proper accounts.

4. If adjustments are needed in the City's planned expenditures in order to ensure the City's long term financial sustainability, the City Manager may:

   a. Administratively reduce or redistribute annual budget allocations, and/or

   b. Provide information to the Governing Body regarding options for expenditure adjustments.

INVESTMENT POLICY

A. Investment Objectives

1. Safety: The primary objective of the City~~ of Bel Aire~~'s investment policy is safety of capital. All investments will first seek to minimize risk to capital and insure the preservation of taxpayers' investments.

2. Liquidity: Potential changes in economic conditions, revenue projections or unanticipated expenditures require a portion of the investment portfolio of the City to be invested in easily liquidated instruments.

3. Yield: The investment portfolio of the City shall seek to maintain a market average rate of return to withstand changes in the marketplace.

B. Investment Parameters

1. The City is authorized to invest only in investments vehicles as those set forth in Kansas Statutes:

   a. Kansas Municipal Investment Pool

   b. US Treasury Instruments or direct obligations thereof

c. Certificates of Deposit, Savings Accounts, Money Market Accounts in a qualified public depository

COORDINATION AND REVIEW

City staff shall review this policy annually, coordinating with other related policies. The policy will be submitted to the Governing Body for review and approval ~~of any updates~~ at least every three years and upon any requested updates.

This policy supersedes all prior financial policies adopted to date.

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Adopted by the Governing Body of the City of Bel Aire, Kansas on the ___st day of ____, 2026.

CITY OF BEL AIRE, KANSAS

____
Jim Benage, Mayor

ATTEST:

____
Melissa Krehbiel, City Clerk

CITY OF BEL AIRE PURCHASING POLICY

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SECTION 1: GENERAL PROVISIONS

1) Policy Objective

It is the objective of the Governing Body to maximize the purchasing power and value of public funds and ensure the purchasing process is conducted in an ethical, fair and open manner.

2) Acquisition of Goods and Services

The acquisition of goods and services by or on behalf of the City of Bel Aire, its departments, officials and authorized agents, should be made in a manner and method which

- provides for the prudent expenditure of City funds
- provides the best value for the taxpayer
- prevents waste, conflict, and impropriety
- provides for equal access and opportunity in an open and competitive environment to all suppliers
- evaluates choices based on quality, cost and availability of the goods and services
- complies with all applicable federal, state and local laws, rules and regulations.

3) Self-imposed Constraints

Even though the Governing Body approves a level of expenditure for any given department, that approval, in and of itself, is neither a permit nor a directive to expend funds unless the purchase meets a current need and the goods or services to be purchased are within the budget limits.

4) Familiarity with Policy

All personnel of the City responsible for purchases must be familiar with and follow the City's policies and procedures as they relate to purchasing. Supervisors shall be cognizant of their respective budget limitations and only initiate purchases accordingly. It is the responsibility of the individual departments to anticipate requirements and initiate action to purchase goods and services in advance of the time they are needed. Inventory control and planning are expected supervisory skills across all departments.

5) Application

This Policy applies to all purchases and contracts entered into by the City. It shall apply to every expenditure of public funds for supplies, services, and materials by a City department for public purchasing irrespective of the source of the funds. Whenever City staff or resources are used in any manner, this policy shall apply. When the purchase involves the expenditure of federal or state assistance or contract funds, the purchase shall be conducted in accordance with any mandatory applicable federal and/or state laws and regulations. Nothing in this Policy shall prevent any City department from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with law.

SECTION 2: DEFINITIONS

1) **CHANGE IN SCOPE OF WORK** – a modification or amendment that alters the project outcomes from those expressed in the contract documents.
2) **CHANGE ORDER** – a modification of the contract that changes the original contract time or contract price.
3) **CITY EMPLOYEE** – an individual drawing a salary or wages from the City who is not a Department Director or City Manager.
4) **CITY MANAGER** – the Chief Administrative Officer of the City hired by the Governing Body.
5) **CONSTRUCTION** – the process of planning, designing, building, altering, repairing, improving or demolishing any public structure or facility or other public improvement of any kind.
6) **CONTRACT** – a legally binding promise enforceable by law.
7) **DEPARTMENT DIRECTOR** – the individual designated by the City Manager to direct the administration of their department and is charged with certain duties and responsibilities.
8) **GOVERNING BODY** – the elected officials comprising the ruling body of the City that performs the legislative function for the City regarding policies and procedures; currently the City Council.
9) **MODIFICATION** – any written alteration to a provision of any contract accomplished by mutual agreement of the parties to the contract.
10) **PROFESSIONAL SERVICES** – Examples include architectural, engineering, specialized consulting, legal and accounting services.
11) **PURCHASING** – Buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction.
12) **RESPONSIBLE BIDDER** – a contractor, business entity or individual who is fully capable to meet all the requirements of the solicitation and subsequent contract; who must possess the full capability, including financial and technical, to perform as contractually required; and who must be able to fully document the ability to provide good faith performance. Documented poor performance on prior contracts for goods or services may suspend a contractor from consideration for award.
13) **REQUEST FOR BIDS (RFB)** – all documents, whether attached or incorporated by reference, utilized for soliciting sealed bids based on price.
14) **REQUEST FOR PROPOSALS (RFP)** – all documents, whether attached or incorporated by reference, utilized for soliciting proposals when price is a factor in selection.
15) **REQUEST FOR QUALIFICATIONS (RFQ)** - all documents, whether attached or incorporated by reference, utilized for soliciting proposals when price is considered

after selection. This is applicable for professional services including but not limited to engineering, architectural, consulting and other specialized or technical services.

16) **SCOPE OF SERVICES** – a detailed description of the tasks to be performed by the successful bidder.

17) **SUBSTANTIAL INTEREST** – Substantial Interest means any of the following:

  a) If an individual or an individual's spouse, either individually or collectively, has owned within the preceding 12 months a legal or equitable interest exceeding $5,000 or 5% of any business, whichever is less, the individual has a substantial interest in that business.

  b) If an individual or an individual's spouse, either individually or collectively, has received during the preceding calendar year compensation which is or will be required to be included as taxable income on federal income tax returns of the individual and spouse in an aggregate amount of $2,000 from any business or combination of businesses, the individual has a substantial interest in that business or combination of businesses.

  c) If an individual or an individual's spouse, either individually or collectively, has received in the preceding 12 months, without reasonable and valuable consideration, goods or services having an aggregate value of $500 or more from a 2 business or combination of businesses, the individual has a substantial interest in that business or combination of businesses.

  d) If an individual or individual's spouse holds the position of officer, director, associate, partner or proprietor of any business, other than an organization exempt from federal taxation of corporations under section 501(c)(3), (4), (6), (7), (8), (10) or (19) of chapter 26 of the United States Code, the individual has a substantial interest in that business irrespective of the amount of compensation received by the individual or individual's spouse.

  e) If an individual or an individual's spouse received compensation which is a portion or percentage of each separate fee or commission paid to a business or combination of businesses, the individual has a substantial interest in any client or customer who pays fees or commissions to the business or combination of businesses from which fees or commissions the individual or the individual's spouse, either individually or collectively, received an aggregate of $2,000 or more in the preceding calendar year. As used in this subsection, "client or customer" means a business or combination of businesses.

SECTION 3. PURCHASING AUTHORITY AND REQUIREMENTS FOR GOODS & NON-PROFESSIONAL SERVICES

1) City Employees
- **a)** Minor purchases up to $1,000 can be made by City Employees with authorization from the Department Director or Designee. Quotes are encouraged but not required.
- **b)** Purchases of less than $1,000 should be distributed equitably among suppliers if no loss in price or quality would result.

2) Department Directors
- **a)** Department Director's must authorize purchases above $1,000 and up to $5,000, with 3 written price quotations required.
- **b)** Inform subordinate City Employees of purchasing requirements and ensure adherence.
- **c)** Plan purchases above $5,000 and up to $15,000 to allow sufficient time for the City Manager to review and approve the purchase.
- **d)** Plan purchases over $15,000 to allow sufficient time for the item to be bid through competitive sealed bidding process for City Council approval and award.

3) City Manager
- **a)** Authorize purchases above $5,000 and up to $15,000.
- **b)** Present purchasing recommendations to the City Council for purchases over $15,000.
- **c)** Implement and enforce provisions of this purchasing policy.
- **d)** Exercise discretion and authority to override specific aspects of this policy when determined necessary to provide for the best interest of the City and inform the City Council of such decisions.

4) Governing Body
- **a)** Adopt the annual operating budget to determine levels of expenditure by fund, department, and program.
- **b)** Adopt a policy for the purchasing of all goods and services.
- **c)** Purchases over $15,000 will be awarded by the Governing Body.

5) Emergency Purchases
- **a)** An emergency purchase is a purchase made when delaying the purchase would threaten:
  - **i)** The functioning of city government.
  - **ii)** The preservation or protection of property, machinery, or equipment,
  - **iii)** The health or safety of any person.
  - **iv)** Increasing cost to the City.
- **b)** In case of an emergency as defined above, the City Manager may waive all provisions for competitive bidding. Emergency needs shall be purchased by informal open-market procedure or negotiated.

6) Emergency Purchase Procedures

a) During normal business hours, the department shall notify the City Manager of the emergency situation and request verbal approval to proceed with the emergency purchase. The department shall provide the following:

i) The nature of the emergency.

ii) The estimated cost of the services/goods required.

iii) The vendor recommended to receive the order.

b) In the event of an emergency during non-working hours, the highest authority personnel on hand must contact their immediate supervisor, Department Director, or City Manager and obtain approval to purchase directly any supplies whose immediate procurement is essential as described above. For expenditures of $5,001 or more, the Department Director shall submit by close of business the next workday a written report to the City Manager explaining the circumstances of the emergency.

c) When emergency expenditures are $15,001 or more, the City Manager will provide a report of the purchase and the circumstances necessitating the emergency action shall be given to the City Council at its next available meeting.

7) Split Purchasing or Order Splitting

a) The deliberate practice of splitting a transaction, order or project into two or smaller parts to keep the purchase beneath the purchaser's approved purchasing threshold is expressly prohibited. Employees who violate this provision will be subject to discipline as outlined in the City of Bel Aire Personnel Policy Manual.

8) Unauthorized Purchases

a) Any purchase of an item(s), which does not comply with this Policy shall be considered an unauthorized purchase and therefore voidable by the City Council. Anyone with knowledge of an unauthorized purchase being made, shall report the matter in writing to the Department Director or City Manager for investigative purposes.

9) Prohibited Purchases

a) The following purchases cannot be made from City funds:

i) The purchase of any illegal substance or services, except when a purchase is pursuant to a criminal investigation or operation conducted by the Bel Aire Police Department.

ii) Gambling-related purchases.

iii) Purchases made for personal benefit with no value to the City.

b) All prohibited purchases will be treated as unauthorized purchases.

10) Kansas Cash Basis Law (K.S.A. 10-1101 et seq.)

a) Kansas law (K.S.A. 10-1101 et seq.) requires the City to operate on a cash basis. Except as otherwise provided by law, it is unlawful for the City to create any indebtedness in excess of the amount of funds actually on hand for such purpose. Any contract that would create financial obligations to the City beyond the current, fiscal year must include provisions for non-appropriation of funds, such as the following: The City's financial obligations contained herein are subject to annual appropriations of funding in the municipal budget during each calendar year the agreement remains in effect. The City shall make a good faith effort to fund said financial obligations on an annual basis. If the City determines not to do so, the agreement shall be cancelled as of the date of non-appropriation, without penalty or additional liability to either party.

SECTION 4. VENDOR SELECTION

1) Vendor Participation

a) Vendors interested in receiving requests for bids and proposals should sign up for the Notify Me service on the City's website at www.belaireks.gov/bids. In an effort to attract bids from local and knowledgeable vendors, the requesting department is encouraged to notify vendors known to have adequate expertise. The City's notification software relies on email addresses to have been correctly input in the system by vendors. In the event of an error or change in personnel, a follow-up email by staff of the requesting department will provide reasonable notice of the opportunity and will encourage competition, thereby lowering the cost of goods and services to the City.

2) Irresponsible Vendors

a) Any vendor who fails to comply with the terms of an awarded bid, quote or required specifications may be declared an irresponsible vendor upon recommendation of a Department Director and approval of the City Manager or his/her designee. Any vendor wishing to appeal this decision may request the City Manager or his/her designee present the appeal to the governing body for review and final determination. An appeal shall be submitted in writing within five (5) working days after the aggrieved knows or should have known of the facts. If Federal funds are utilized for acquisition of goods or services, the potential vendor, contractor, or subrecipients must not have a suspended or disbarred status on SAM.gov.

SECTION 5. COMPETETIVE SEALED BIDDING

1) **Public Notice**
   a) Request For Bids shall be prepared by the user department and submitted to the Finance Department designee for posting. The request shall be posted on the City's website, and vendors who have previously signed up for notification will receive an email alert for the posting. Requests shall be posted on the City's website no less than 15 business days in advance of the due date for submission. Items requiring publication in the newspaper shall also be published no less than 15 business days in advance of the due date for submission of responses. Notice shall be filed with the City Clerk or designee, and shall be open to public inspections.

2) **Bid Opening**
   a) Sealed bids shall be submitted as set forth in the published notice and shall be identified with the bid number written on the outside of the envelope and opened by the City Manager, or designee, in the presence of one or more witnesses at a time and place stated in the published notice. A tabulation of all bids received shall be open for public inspection at Bel Aire City Hall.

3) **Product Specifications**
   a) It is the responsibility of the department to write their specifications and establish the quality of the product or service required. Specifications shall be written to require competition at the manufacturer's level when possible. Use of a brand name specification shall include the designation "or an approved alternate." A "no substitute" request must be justified by the department as to why no other brand will meet the need.

4) **Bid Evaluation**
   a) Bids shall be evaluated based on requirements set forth in request, which may include criteria to determine acceptability, such as inspection, testing, quality, and suitability for a particular purpose. No criteria may be used in the bid evaluation that are not set forth in the Invitation to Bid.

5) **Tie Bids**
   a) If two (2) or more bids are received for the same total amount or unit price and all other applications being found equal, the Governing Body may accept either bid.

6) Late Bids

a) Bids not submitted by the required deadline are ineligible for consideration and will not be opened.

7) Bid Award

a) The contract shall be awarded or rejected with reasonable promptness. Awards shall be made to the lowest responsible bidder who submits a responsive bid which is most advantageous to the City.

8) Bid Rejection and Re-advertisement

a) The Governing Body may, at its discretion, reject any and all bids and may re-advertise bids pursuant to the procedures prescribed by this policy.

9) Competitive Sealed Bidding over $15,000 (requires Council approval)

a) Unless otherwise exempted pursuant to this policy or state law, purchases or service contracts exceeding $15,000 shall be awarded by the City Council through competitive bidding or a formal selection process unless it is determined by the City Manager that this method is not practical.

b) Process for Obtaining Council Approval

i) Purchases totaling more than $15,000 but less than $50,000 in which the item is in the approved budget and the low bid is recommended shall be included in a consent agenda item for approval by the Governing Body.

ii) Budgeted purchases over $50,000 shall require a regular agenda item for the City Council to consider.

iii) Non-budgeted purchases over $15,000 shall require a regular agenda item for the City Council to consider.

iv) All contracts for construction of infrastructure will be placed on a regular agenda item.

SECTION 6. REQUEST FOR PROPOSAL (RFP) OR REQUEST FOR STATEMENT OF QUALIFICATIONS (RFSQ)

1) Request for proposals

a) Requests shall be prepared by the user department and submitted to the Finance Department designee for posting. The request for proposal shall be posted on the City's website, and vendors who have previously signed up for notification will receive an email alert of the posting. Requests shall be posted on the City's website no less than 15 business days in advance of the due date for submission. Items requiring publication in the newspaper shall also be published no less than 15 business days in advance of the due date for submission of responses. Notice shall be filed with the City Clerk or designee, and shall be open to public inspections.

2) Opening

a) The opening of Requests for Proposals and Requests for Statement of Qualifications shall be performed as provided for in the request.

3) Evaluation

a) Proposals shall be evaluated based on requirements set forth in the request, which may include criteria to determine acceptability, such as experience, ability, quality, and suitability for a particular purpose.

SECTION 7. PURCHASES NOT SUBJECT TO COMPETETIVE SEALED BIDDING

1) **Purchases made under the following circumstances shall not require competitive sealed bidding:**
   - **a)** When the purchase is of an emergency nature, as described in Section 3.
   - **b)** When the price or method of acquisition is prescribed by law.
   - **c)** Ongoing maintenance or software costs after initial approval.
   - **d)** When the supplier is the sole source of supply, as described below. A sole source letter from the supplier or a written explanation from the department Director must be submitted with the purchase request.
     - **i)** Only one manufacturer makes the item meeting specifications; that manufacturer only sells direct/exclusively through one representative.
     - **ii)** Items required must be similar to equipment already in use by the end user, to ensure compatibility of equipment, and the purchase of a different brand/style of equipment would negatively impact standardization requirements.
     - **iii)** Proprietary content, which are only available from the patent or copyright holder.
   - **e)** When the good or service is available from another governmental entity.
   - **f)** When the purchase is made using a purchasing program at a price deemed less than commercially available. Cooperative purchasing is a process by which two or more jurisdictions cooperate to purchase items from the same vendor. This form of purchasing has the benefit of reducing administrative costs, eliminating duplication of effort, lowering prices, sharing information, and taking advantage of expertise and information that may be available in only one of the jurisdictions. General Services Administration (GSA) and Sourcewell are examples of purchasing programs.
   - **g)** Professional services. Examples include architectural, engineering, specialized consulting, legal and accounting services. A Request for Proposals (RFP) is routinely used to begin a process of selection based on qualifications, fit and value.
   - **h)** In the case of repairs of heavy equipment or vehicles when the extent of repair cannot be determined or when specifications cannot practically be prepared.
   - **i)** When a purchase can be made at reduced cost due to a project that is in progress.
   - **j)** When the purchase is of government surplus property and/or a purchase made through a public auction.
   - **k)** Utility bills for water, sewer, electricity, and natural gas consumption.

SECTION 8. CHANGE ORDERS

1) **Change Orders**
   a) Change orders are issued to address changes in terms and conditions associated with unforeseen problems not addressed in the bid or contract document or changes/modifications recommended after a contract is awarded.
      i) Change orders for projects under $1,000,000 can be approved by the City Manager up to an aggregate amount of $25,000. All change orders approved by the City Manager will be included in the consent agenda at the next available City Council meeting for ratification.
      ii) Change orders for projects over $1,000,000 can be approved by the City Manager up to an aggregate amount of $50,000. All change orders approved by the City Manager will be included in the consent agenda at the next available City Council meeting for ratification.
   b) Change orders must be approved by the City Council if:
      i) The change order significantly alters or increases the scope of the project.
      ii) The change order, whether singular or in aggregate, exceeds $25,000 for projects under $1,000,000.
      iii) The change order, whether singular or in aggregate, exceeds $50,000 for projects over $1,000,000.

2) **Emergency Situations**
   a) In certain limited emergency situations or due to the state of construction in progress, to prevent a lengthy delay in a project, safety concerns, and the protection of City assets and resources, the City Manager, with notification to the Governing Body, can approve change orders over the thresholds stated in 8.1.

SECTION 9. GENERAL INSTRUCTIONS

1) **Local Business Preferences**
   a) Purchasing goods and services from local vendors is desired because it stimulates the local economy and recognizes that our local vendors are valued members of our community. Local vendors located within the corporate limits of the City of Bel Aire may receive preference in an amount up to 1 percent (1%) or $500, whichever is higher, with a maximum bid difference of $1,500 over the lowest, responsible, and responsive bid.

2) **Other Considerations**
   a) Goods and services purchased by the City shall be purchased from local merchants and businesses, unless:
      i) Such goods of like quality and services are not immediately available locally; or
      ii) The cost of such goods or services plus shipping and handling exceeds that allowed by the local preference limits; or
      iii) Federal/State funds or other funds are used that prohibit the application of the preference; or
      iv) The business entity has any outstanding liens, fines or violations or other debts with the City of Bel Aire.

3) **City Attorney Review**
   a) All agreements or quotes for goods and services over $15,000 must be sent to the City Attorney for review and preparation of a purchase contract. The purchase contract will then be placed on the City Council agenda according to the applicable requirements within this Purchasing Policy for City Council consideration.

4) **Municipal Tax Exemption**
   a) The City is tax exempt as a political subdivision under Section 4221(b) of the IRS Code and K.S.A. 79-3606, except for personal property used in a business setting. Department Directors are responsible for obtaining the latest tax-exempt certificate and for remitting it to the appropriate vendor prior to every purchase.

5) **State and Federal Laws**
   b) The City will comply with all state statutes, federal laws, and regulations related to local government purchases.

SECTION 10. BUDGET

1) Annual Budget Approvals

a) The Governing Body determines expenditure levels through the formulation and approval of the annual budget. In performing this policy-making function, the Governing Body establishes a set of goals, priorities, and performance standards by which the City organization directs its collective effort toward accomplishing. The adoption of the annual budget is the approval of a level of expenditure necessary to accomplish the goals and objectives that have been established for each City program. All purchases made by the City are presented for approval by the Governing Body through appropriation ordinances presented at each regular meeting of the Governing Body.

2) City Manager Authority

a) The City Manager is delegated the responsibility by the Governing Body to carry out a program of services to the community. It is the City Manager's responsibility to manage the annual budget in such a way that the goals and priorities of the Governing Body are accomplished.

3) Department Director Authority

a) Department Directors are responsible for meeting the goals and objectives established by City Management and are provided budgeted funds to attain those goals. Each Department Director has the responsibility and authority to make certain that purchases are within the scope of the adopted budget. Although City Management has established goals and levels of expenditure for each program, approved budget authority is not a permit nor a directive to expend funds, unless the need for the product continues to exist at the time of purchase and the price of the product is within the parameters of the budget as stated above. In addition, these criteria must be ultimately weighed against the availability of funds and the relationship of the department goals to overall City priorities.

4) Governing Body Authority

a) No increases to dollar limitations or changes to the intent of this policy shall be made without approval of the Governing Body.

SECTION 11. DISPOSAL OF CITY ASSETS

1) **K.S.A. 12-101**
   a) K.S.A. 12-101 allows cities to "sell and convey real or personal estate owned by the City." When an item no longer is needed by a City Department, the respective Department Director should attempt to redistribute the item within City Departments. Should there be no need for the item across City departments, such items may be given to other local governmental agencies, local not-for-profit agencies, or may be sold or traded outside of the city. If sold, departments shall determine an applicable fair market value which is financially most advantageous to the City. Unusable property or parts that have a market value will be sold "as is" through available markets approved by City Management. Usable property which cannot be relocated across City departments will be disposed of in accordance with the following procedures:
   b) Limitations. Any asset which, at the time of purchase, was paid by City warrant in the amount of $2,500 or more, must receive approval by the City Manager.
   c) Prohibitions. Under no circumstances will any employee, or family-member of an employee, have access to or ownership of any asset that is being disposed of in accordance with this policy unless such asset is being offered for sale to the general public and the process for such sale is open to any individual intending to offer a bid on such asset.
   d) Documents. All documents will be disposed of in accordance with State policies governing the same. Any document which has, or appears to have, historical value will be separated for further examination by officials approved through the Kansas State Historical Society.
   e) Computing Technology. The IT Department or current IT Managed Services Provider shall be responsible for disposing of City computing technology assets. It is the responsibility of the IT Department or current IT Managed Services Provider and their employees to see that all data residing on any type of storage device is removed from any computing technology prior to the equipment leaving their possession.

2) **Notification**
   a) Prior to transferring or disposing of City assets, each Department Head will determine whether such asset is part of the City's ongoing fixed asset inventory. If so, a complete description of the asset being transferred or disposed of, and all accompanying documentation, will be sent to the Finance Department.

SECTION 12. ETHICAL STANDARDS

1) **General Standards of Ethical Conduct**
   a) General Ethical Standard for Employees: Any attempt to realize personal gain through City employment by conduct inconsistent with the proper discharge of an employee's duties is a breach of public trust. Employees must comply with all conduct requirements as set forth in the Personnel Policy Manual.
   b) General Ethical Standard for Non-Employees: Any effort to influence City employees to breach the standards set forth in this policy is also a breach of ethical standards.
   c) **Employee Conflict of Interest**
      i) Pursuant to K.S.A 75-4304, no City employee in his or her capacity as such employee, shall make or participate in the making of a contract with any person or business by which he or she is employed or in which he or she has a substantial interest. A City officer or employee does not make or participate in the making of a contract if he or she abstains from any action in regard to the contract. Department Directors should be notified of situations where a conflict of interest may exist prior to the bid request. The Department head should consult with the City Attorney to address any concerns.
      ii) This section shall not apply to the following:
         (1) Contracts let after competitive bidding has been advertised by published notice.
         (2) Contracts for property or services for which the price or rate is fixed by law.
   d) **Employee Disclosure Requirements**
      i) An employee who has or obtains any benefit from any City contract with a business in which the employee has a substantial financial interest shall report such benefit to the Finance Director. Any employee who knows or should have known of such benefit and fails to report such benefit to the Finance Director is in breach of ethical standards.
   e) **Gratuities and Kickbacks**
      i) Gratuities. No vendor shall offer or give any employee or former employee a gratuity or an offer of employment in connection with a purchasing decision. It shall be a breach of ethical standards for any employee or former employee to solicit or accept a gratuity or an offer of employment in connection with any City purchasing decision. Gratuities shall not include pens, calendars, or other novelty items used for advertising purposes, or occasional meals.
      ii) Kickbacks. It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor as an inducement for award of a subcontract or order.

f) Use of Confidential Information

- **i)** It shall be a breach of ethical standards for any employee or public official to knowingly use confidential information for actual or anticipated personal gain.

g) Remedies for Breach of Ethical Standards

- **i)** Remedies against Employees: In accordance with the Personnel Policy, employees who violate the ethical guidelines will be subject to the following:
  - **(1)** Oral or written warnings or reprimands.
  - **(2)** Suspension with or without pay for specified periods of time.
  - **(3)** Termination of employment.
- **ii)** Remedies against Non-Employees: Violations of ethical guidelines by nonemployees involved in purchasing transactions with the City may result in any of the following:
  - **(1)** Written warnings.
  - **(2)** Termination of transactions.
  - **(3)** Disbarment or suspension from contracting with the City.

- **iii) Recovery of Value Transferred or Received**
  - **(1)** The City reserves the right to pursue recovery of the value of anything transferred or received in breach of the ethical standards laid out in this policy from both employees and non-employees.

- **iv) Criminal Sanctions**
  - **(1)** To the extent that a violation of the ethical standards of conduct set forth in this section also constitutes a violation of federal, state, or city law, it shall be punishable as provided therein. Such sanctions shall be in addition to the remedies set forth in this policy.

SECTION 13. EQUAL OPPORTUNITY IN PUBLIC CONTRACTING

1) **Equal Opportunity**
   - **a)** The City of Bel Aire shall comply with all applicable state and federal laws, executive orders, AND rules and regulations that govern equal employment opportunity and affirmative action in public contract, and shall only do business with contractors and vendors who also comply.

2) **Kansas Act Against Discrimination**
   - **a)** The State of Kansas requires that all contracts entered into with the state or any political subdivision of the state for construction, alteration or repair of any public building or public work or for acquisition of materials, equipment, supplies or services shall contain provisions by which the contractor agrees to observe provisions of the Kansas Acts Against Discrimination. The Kansas Acts Against Discrimination (K.S.A. 44-1030, et seq.) requires that those entering into contracts with governmental entities shall not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry. Vendors subject to these statutes are those:
     - i) That employ four or more employees during the term of such contract; and
     - ii) Whose contracts with the City of Bel Aire cumulatively total more than $5,000 during the City's fiscal year.

3) **Failure to Comply**
   - **a)** Failure to comply with federal or state statutes and regulations governing equal opportunity and non-discrimination in public contracting shall be a material breach of contract. In addition, unless otherwise noted, failure to comply with state or federal provisions shall be a breach of the contract for which the city may suspend further performance under the contract or terminate the contract in whole or in part.

Amount of Purchase	Type of Bid/Quote Required	In the Approved Budget?	Approval Required
Minor Purchases up to $1,000	Quotes are encouraged but not required	N/A	Department Director or Designee
$1,001 to $5,000	Three written quotes	N/A	Department Director
$5,001 to $15,000	Three written quotes	N/A	City Manager
More than $15,000	Competitive Bid Process	No	City Council – New Business Item
$15,001 to $50,000	Competitive Bid Process	Yes	City Council – Consent Agenda Item
More than $50,000	Competitive Bid Process	Yes	City Council – New Business Item
Change Orders (CO) (applicable to all bids and contracts)	Each CO must be in writing and attached to the original contract	N/A	City Council approves change orders over an aggregate amount of $25,000 for projects under $1,000,000; over an aggregate amount of $50,000 for projects over $1,000,000

CITY OF BEL AIRE

PURCHASING POLICY

1. POLICY STATEMENT

Acquire the best <u>value</u> in every City purchase, taking into account price, quality, market selection, turnaround-time, service and durability needed to maintain efficient operations and good stewardship of City funds.

2. PURPOSE

The purpose of this policy is to:

- Maximize the purchasing value of public funds.
- Create a practical high level guideline for all city purchase decisions
- Help prevent waste, conflict and corruption.

3. POLICY

The Governing Body determines the level of expenditures for each department by adoption of the annual budget and approving purchases over $10,001. The City Manager is authorized to approve purchases above $5,001 up to $10,000. Department Heads are authorized to approve purchases up to $5,000 and assign spending limits to members of their department. Even though the Governing Body appropriates a level of expenditures for each department, that in and of itself is not a permit, nor directive, to expend funds unless the need is present at the time of purchase and the item to be purchased is within the budget limits.

The quantity of items purchased should be determined through an examination of factors such as the **taking into account price, quality, market selection, turnaround-time, service durability** obsolescence, and the present or expected future availability of an item.

Amount of Purchase (Dollars)	Description	Type of Bid/Quote Required	Other Requirement
0.01- $500	Any purchase not falling within a special category listed below	One quote	Dept head approval
$501-$4,999		One quote	Dept head approval
$5,000-$10,000		Internal value assessment	City Manager and Finance Director approval
Above $10,000		3 bids/quotes or explanation	Council Approval
Above $50,000		Sealed Bidding	Council Approval

Special Categories of Purchases Exempted			
Type	Description	Type of Bid/Quote Required	Other Requirements
Sole Source	Item available from only one supplier	None	Dept. head approval
Substantial interest purchase	Employee requesting purchase has $5000 or 5% interest in supplier or has received $500 or more in valuable consideration, goods or services.	Employee with substantial interest shall disclose and not be included in purchase decision.	Employee should report ANY personal interest even if not defined as substantial interest
Leases of equipment	Above $10,000 per year	3 bids/quotes or explanation	Council Approval
Change Order		If under $10,000, City Manager approves. If over $10,000, Council approves unless the project is still within budget or is in the best interest of the City for a CO to be implemented prior to the next council meeting	Advise council of change orders above 10,000. Ratify change orders above 10,000 at next available council meeting.
Emergency purchases	City manager determines an emergency or Emergency Operation Plan is in effect	None	EOP supersedes this policy Ratification of council at next meeting.

4. PURCHASING PROCEDURES

A. Department Approval of Purchases. The City Manager and Finance Director have authority to oversee and review department purchases. Department Directors are responsible for making purchases and keeping purchases within the scope of their respective budget.

a. Documentation. Department Directors should document reasonable basis for purchases when making requests for purchases that are not typical or obviously the lowest price. It is the responsibility of each Department

Director to become familiar with the available equipment and be able to explain the appropriate quality required in order to meet specifications.

b. Contracts. Purchases requiring a signed agreement or contract will be reviewed by the City Manager, Finance Director, and the City Attorney prior to signing. It is the Department Director's responsibility to provide the City Manager, Finance Director, and City Attorney a copy of the contract and adequate time to review. Such contract will be filed with the City Clerk.

B. Manager Approval of Purchases. The City Manager has authority to approve purchases up to $10,000. For purchases between $5,000 and $10,000, **both** the City Manager and Finance Director shall provide approval. Manager shall apply his or her good judgment and the guidelines in this policy when reviewing purchases and may delegate research and review of purchases to Department Directors. Purchases exceeding $10,000.00 shall be approved by Council.

C. Council Approval of Purchases. Requests for purchases $10,001 must be approved by Council. Those purchases shall be reviewed by the City Manager or designee, then provided to the City Council accompanied by a written explanation of need including:

- Description of Need
- Bid amounts
- Whether item is budgeted or not
- Recommendation from Staff

In cases of Emergency, the written explanation may be provided after the purchase is completed.

D. Procedures for All Types of Sealed Bidding. Invitation for bids will be sent out to local and knowledgeable vendors who are known to have adequate expertise. Bids shall be opened by the City Clerk or designee in the presence of one or more witnesses. The amount of each bid and other relevant information shall be recorded along with the name of each bidder. Bids shall be evaluated based on requirements set forth in the invitation to bid, which may include criteria to determine acceptability, such as inspection, testing, quality, and suitability for a particular purpose. Award shall be made to the lowest responsible bidder who submits a responsive bid which is most advantageous to the City. Final approval of the contract shall be approved by the City Council.

5. PROHIBITED PURCHASES

The following purchases cannot be made from City funds

- Purchases for personal family uses. Purchases for employees or employees' family. City employees are also prohibited from using the City's name or the employee's position to obtain special consideration in personal purchases.
- Gambling related purchases.
- Purchases where City's representative has a conflict of interest. When the City's employee responsible for approving a purchase has a conflict of interest regarding that purchase, another member of staff shall be responsible for assessing and approving the purchase on behalf of the City, making the decision solely based on this policy and good judgment. Where there is a conflict, conflicted employee shall not participate in purchase decision making. A conflict of interest exists where the employee's immediately family, a partner of an employee, or an organization that employs, or organization that is about to employ a City employee, or where an employee stands to gain from the purchase. It is the responsibility of the employee to advise City leadership of any known conflicts of interest.

6. MISCELLANEOUS

The Governing Body may purchase professional services such as architects, engineers, attorneys, auditors, etc. without entering into a competitive bidding process. However, the governing body may choose to require Request for Proposals or Request for Qualifications for such services. Such contracts or agreements may be negotiated by the City Manager and City Attorney.

This policy will be adhered to by all City employees.

Any deviation of the purchasing policy shall first be approved by the City Manager.

The City is exempt from federal excise taxes and state sales tax with the exception of certain items.

Any officer, employee or agent of the City of Bel Aire who violates this policy may be subject to disciplinary action up to and including reprimand, suspension or termination.

7. BASE GRANT 2.0

All purchases related to the BASE Grant 2.0 for any expenditure, including labor services and equipment, at $5,000 or more, RFP's, RFQ's or Sealed Bids must be obtained prior to awarding funds.

Approved this 11 day of July, 2024.

Ted Henry, City Manager

Approved as to Form Only

Maria A. Schrock

Maria A. Schrock, City Attorney