

**SPRING HILL CITY COUNCIL  
REGULAR MEETING  
AGENDA  
THURSDAY, AUGUST 11, 2016  
7:00 P.M.  
SPRING HILL CIVIC CENTER  
401 N. MADISON – ROOM 15**

**CALL TO ORDER**

**INVOCATION** Pastor Janice Hawley, Hillside Community Lutheran Church

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**APPROVAL OF AGENDA**

**CITIZEN PARTICIPATION**

**PRESENTATION:** 2015 Audit, Mize & Houser Company

**CONSENT AGENDA:**

The items on the Consent Agenda are considered by staff to be routine business items. Approval of the items may be made by a single motion, seconded, and a majority vote with no separate discussion of any item listed. Should a member of the Governing Body desire to discuss any item, it will be removed from the Consent Agenda and considered separately.

1. Approval of Minutes: July 28, 2016
2. Consider Approving Statement of Work: Phase 2, Manahan Consulting, LLC
3. Consider Approving Letter of Engagement: Providing harassment training and review and update of Police Department policies, F. Charles Dunlay of McAnany, Van Cleave & Phillips, P.A. law firm

**FORMAL COUNCIL ACTION**

4. Appropriation Order 2016-08-14
5. Resolution 2016-R-23: Consider directing notice of public hearing on special assessments for Estates of Wolf Creek benefit district
6. Resolution 2016-R-24: Consider adopting 2016 First Edition, Spring Hill Employee Handbook, clarifying and expanding upon the reporting, investigation and discipline of harassment and sexual harassment claims made by employees

**ANNOUNCEMENTS and REPORTS**

**ADJOURN**

**CITY OF SPRING HILL, KANSAS**  
**FINANCIAL STATEMENTS**  
**Year ended December 31, 2015**

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City of Spring Hill, Kansas  
FINANCIAL STATEMENTS  
Year ended December 31, 2015

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City of Spring Hill, Kansas  
Financial Statements  
Year ending December 31, 2015

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## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Spring Hill, Kansas

### **Report on the Financial Statements**

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 Spring Hill, Kansas, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the "Kansas Municipal Accounting and Audit Guide." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinions**

In our opinion, the 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 of Spring Hill, Kansas, as of December 31, 2015, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund, fire services fund, and the special highway fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As described in Note IV,G. to the financial statements, the City implemented GASB 68 during the current year. As a result of the implementation, a restatement was made to the net position for the proportionate share of the City's net pension liability at December 31, 2014. Our opinion is not modified with respect to this matter.

### *Prior Period Restatement*

As discussed in Note IV,G. to the financial statements, certain errors resulting in amounts previously reported as bonds payable as of December 31, 2014, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2015, financial statements now presented, and adjustments have been made to net position to correct the error. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, the schedule of funding progress on page 45, the schedule of City's proportionate share of the net pension liability on page 46, and the schedule of City contributions on page 46 be presented to supplement the basic financial statements. Such information, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Mike Houser: Company PA*

Certified Public Accountants  
Lawrence, KS

August 2, 2016

City of Spring Hill, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

Our discussion and analysis of the City of Spring Hill, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2015.

**Financial Highlights**

- The Government-wide net position totaled \$9 million at the end of the current fiscal year.
- Total capital assets, net of accumulated depreciation at December 31, 2015 totaled \$33.5 million.
- Government-wide activities increased the net position of the City by \$.5 million for the year ended December 31, 2015.
- The City's total indebtedness decreased by \$1.5 million.
- The City's net capital assets decreased \$.4 million in the current fiscal year.

**Using This Financial Report**

This annual report consists of two distinct series of financial statements: government-wide and funds. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for both governmental and business-type activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds.

**Reporting on the City as a Whole (Government Wide)**

Statement of Net Position and the Statement of Activities

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net position and current year change in those net position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

City of Spring Hill, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

**Governmental Activities** - Most of the City's programs and services are reported here including general government, public safety, public works, and culture and recreation.

**Business-Type Activities** - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The City's water utility and sewer utility are reported as business-type activities.

**Reporting the City's Most Significant Funds (Fund Financial Statements)**

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

**Governmental Funds** - Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and balances left over at fiscal year end available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Position and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

**Proprietary Funds** - Proprietary funds (Water Utility and Sewer Utility) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the government-wide financial statements.

City of Spring Hill, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

**The City as a Whole**

Government-Wide Assets

The Statement of Net Position provides the financial position of the City as a whole. The following is a summary of the City's Statement of Net Position as of December 31, 2015:

City of Spring Hill  
Condensed Statement of Net Position  
December 31, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 5,908,073	\$ 5,732,246	\$ 2,212,219	\$ 2,322,093	\$ 8,120,292	\$ 8,054,339
Net capital assets	18,917,750	19,374,824	14,582,391	14,556,024	33,500,141	33,930,848
Deferred outflows of resources	<u>214,386</u>	<u>-</u>	<u>21,629</u>	<u>-</u>	<u>236,015</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 25,040,209</u>	<u>\$ 25,107,070</u>	<u>\$ 16,816,239</u>	<u>\$ 16,878,117</u>	<u>\$ 41,856,448</u>	<u>\$ 41,985,187</u>
Current liabilities	\$ 2,971,904	\$ 1,513,431	\$ 988,984	\$ 1,208,844	\$ 3,960,888	\$ 2,722,275
Noncurrent liabilities	16,869,122	16,559,546	9,674,104	10,099,827	26,543,226	26,659,373
Deferred inflows of resources	<u>2,334,191</u>	<u>2,055,999</u>	<u>27,141</u>	<u>-</u>	<u>2,361,332</u>	<u>2,055,999</u>
Total liabilities and deferred inflows of resources	<u>\$ 22,175,217</u>	<u>\$ 20,128,976</u>	<u>\$ 10,690,229</u>	<u>\$ 11,308,671</u>	<u>\$ 32,865,446</u>	<u>\$ 31,437,647</u>
Net Position:						
Invested in capital assets, net of debt	\$ 2,205,610	\$ 1,884,066	\$ 4,173,475	\$ 3,539,567	\$ 6,379,085	\$ 5,423,633
Restricted for:						
Debt Service	153,619	82,720	-	-	153,619	82,720
Unrestricted	<u>505,763</u>	<u>3,011,308</u>	<u>1,952,535</u>	<u>2,029,879</u>	<u>2,458,298</u>	<u>5,041,187</u>
Total net position	<u>\$ 2,864,992</u>	<u>\$ 4,978,094</u>	<u>\$ 6,126,010</u>	<u>\$ 5,569,446</u>	<u>\$ 8,991,002</u>	<u>\$ 10,547,540</u>

The assets of the City are classified as current assets and capital assets. Cash and investments and accounts receivable are the largest current assets. These are assets that are available to provide resources for the near-term operations of the City. Capital assets are used in the operations of the City. These assets include land, buildings, improvements other than buildings, machinery and equipment, and infrastructure.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued liabilities, and current portion of long-term obligations. Current assets exceed current liabilities by \$4.2 million.

The City has \$26.8 million in long-term debt, consisting of general obligation bonds, temporary notes, loans, and capital leases payable, of which \$2.4 million is due within the next fiscal year.

The City had total assets at December 31, 2015, totaling \$41.9 million. The total assets of the City exceeded the total liabilities by \$9 million. Net position invested in capital assets, net of related debt, totaled \$6.4 million, restricted net position totaled \$.1 million and unrestricted net position totaled \$2.5 million.

City of Spring Hill, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2015. Major items of program revenues, grants and general revenues are detailed below. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located on page 14 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of bonds, temporary notes, and leases in the current fiscal year of \$.9 million which are treated as an expenditure in the fund statements and a reduction of long term debt payable in the Government wide financial statements. Also lease proceeds in the amount of \$.2 million are treated as revenues in the fund statements and an increase in long term debt in the Government wide financial statements. In addition, the capital outlays of \$.3 million are treated as expenditures in the fund statements, but are treated as capital assets in the Government wide financial statements.

City of Spring Hill  
Condensed Statement of Changes in Net Position  
For the Years Ending December 31, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 429,780	\$ 471,666	\$ 2,794,875	\$ 2,833,915	\$ 3,224,655	\$ 3,305,581
Operating grants and contributions	1,388,740	1,239,824	710,832	-	2,099,572	1,239,824
General revenues:						
Taxes	4,687,158	4,427,683	-	-	4,687,158	4,427,683
Transfers [net]	[921]	64,001	921	[64,001]	-	-
Other	414,961	251,016	922	702	415,883	251,718
Total revenues	<u>6,919,718</u>	<u>6,454,190</u>	<u>3,507,550</u>	<u>2,770,616</u>	<u>10,427,268</u>	<u>9,224,806</u>
Program expenses:						
General government	2,412,044	2,458,868	-	-	2,412,044	2,458,868
Public safety	1,329,000	1,211,497	-	-	1,329,000	1,211,497
Public works	1,831,097	955,791	-	-	1,831,097	955,791
Culture and recreation	619,135	536,705	-	-	619,135	536,705
Infrastructure depreciation	404,934	404,934	-	-	404,934	404,934
Water utility	-	-	1,286,868	1,219,004	1,286,868	1,219,004
Sewer utility	-	-	1,404,276	1,332,827	1,404,276	1,332,827
Interest on long term debt	638,622	673,379	-	-	638,622	673,379
Total expenses	<u>7,234,832</u>	<u>6,241,174</u>	<u>2,691,144</u>	<u>2,551,831</u>	<u>9,925,976</u>	<u>8,793,005</u>
Increase [decrease] in net position	<u>\$ [315,114]</u>	<u>\$ 213,016</u>	<u>\$ 816,406</u>	<u>\$ 218,785</u>	<u>\$ 501,292</u>	<u>\$ 431,801</u>

City of Spring Hill, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

Governmental Activities decreased the net position by \$.3 million. Business-type activities increased the net position by \$.8 million.

**Financial Analysis of the City's Funds**

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources.

Total fund balances at December 31, 2015 for the governmental funds totaled \$2.7 million. Total unassigned fund balances at December 31, 2015 totaled \$.2 million, of which \$.2 million was attributable to the General Fund. The remainder of fund balance includes; \$2.5 million of restricted fund balance to indicate that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations, and \$56,338 of committed fund balance to indicate amounts that are constrained by the City governing body to be used for specific purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$.2 million, which represents all of the total fund balance. The decrease in the General Fund's fund balance was \$.2 million.

The Fire Services Fund is used to account for fire services provided to the City's citizens. At the end of the current fiscal year, restricted fund balance of the fund was \$47,458, which represents all of the total fund balance. The increase in the fund's fund balance was \$25,497.

The Special Highway Fund is used to account for capital improvements of City streets. At the end of the current fiscal year, restricted fund balance of the fund was \$1.6 million, which represents all of the total fund balance. The increase in the fund's fund balance was \$.2 million.

The Debt Service Fund is used to accumulate tax revenues and other revenues for the payment of principal and interest on general long-term debt.

The City Hall/Civic Center Fund is used to account for capital improvement projects throughout the City.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund at the end of the year amounted to \$.8 million and the unrestricted net position of the Sewer Fund at the end of the year amounted to \$1.1 million. The total change in the two funds was [\$251,967] and \$1,068,373, respectively.

**General Fund Budgeting Highlights**

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The City's General Fund budget was \$4,315,745. The revenues were more than budgetary estimates by \$47,228 and the expenditures were less than budgetary estimates by \$83,746.

City of Spring Hill, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2015  
Unaudited

**Fixed Assets and Debt Administration**

The City's investment in fixed assets for its governmental and business-type activities totaled \$33.5 million (net of accumulated depreciation) as of December 31, 2015.

Major fixed asset events during the current fiscal year included the following:

The City began a sewer line improvement project and purchased an excavator, police vehicles, a public works truck, and server hardware.

At December 31, 2015, the City had total debt outstanding of \$26.8 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2015, in the amount of \$1.5 million. This was a result of the gradual pay down of current outstanding debt.

Additional information on the City's general long term debt can be found in Note III to the financial statements.

**Contacting the City**

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, visit the Finance Director at 401 N. Madison, Spring Hill, Kansas 66083 or (913) 592-3664.

City of Spring Hill, Kansas

STATEMENT OF NET POSITION  
December 31, 2015

	Primary Government		
	Total Governmental Activities	Total Business-type Activities	Total Primary Government
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current assets:			
Cash and cash equivalents	\$ 3,408,320	\$ 1,542,059	\$ 4,950,379
Taxes receivable	2,180,391	-	2,180,391
Accounts receivable	319,362	169,167	488,529
Due from other funds	-	448,487	448,487
Restricted assets			
Cash and cash equivalents	-	52,506	52,506
Total current assets	<u>5,908,073</u>	<u>2,212,219</u>	<u>8,120,292</u>
Noncurrent assets:			
Capital assets, nondepreciable			
Construction in progress	20,670	365,117	385,787
Land	320,279	36,281	356,560
Capital assets, depreciable	25,239,023	28,667,779	53,906,802
Less: accumulated depreciation	<u>6,662,222</u>	<u>14,486,786</u>	<u>21,149,008</u>
Total noncurrent assets	<u>18,917,750</u>	<u>14,582,391</u>	<u>33,500,141</u>
Total assets	<u>24,825,823</u>	<u>16,794,610</u>	<u>41,620,433</u>
Deferred outflows of resources			
Pension - contributions subsequent to the measurement date	123,416	15,046	138,462
Pension - differences between expected and actual experience	8,196	-	8,196
Pension - changes in proportion	82,774	6,583	89,357
Total deferred outflows of resources	<u>214,386</u>	<u>21,629</u>	<u>236,015</u>
Total assets and deferred outflows of resources	<u>\$ 25,040,209</u>	<u>\$ 16,816,239</u>	<u>\$ 41,856,448</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
Liabilities:			
Current liabilities: (payable from current assets):			
Accounts payable	\$ 559,939	\$ 67,704	\$ 627,643
Accrued interest payable	209,813	137,702	347,515
Accrued salaries	68,936	24,794	93,730
Compensated absences payable	66,945	10,417	77,362
Due to other funds	382,092	66,395	448,487
Temporary notes payable	630,000	-	630,000
Current portion of leases payable	106,655	13,555	120,210
Current portion of notes payable	-	468,503	468,503
Current portion of bonds payable	947,524	199,914	1,147,438
Total current liabilities	<u>2,971,904</u>	<u>988,984</u>	<u>3,960,888</u>
(payable from current assets)			
Noncurrent liabilities:			
Leases payable	508,890	45,205	554,095
Net other post employment benefits payable	65,479	-	65,479
Notes payable	-	2,555,544	2,555,544
Net pension liability	1,775,682	242,191	2,017,873
Bonds payable	<u>14,519,071</u>	<u>6,831,164</u>	<u>21,350,235</u>
Total noncurrent liabilities	<u>16,869,122</u>	<u>9,674,104</u>	<u>26,543,226</u>
Total liabilities	<u>19,841,026</u>	<u>10,663,088</u>	<u>30,504,114</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	2,180,107	-	2,180,107
Pension - difference between expected and actual experience	39,875	6,856	46,731
Pension - net difference between projected and actual earnings on pension plan investments	62,682	9,429	72,111
Pension - changes of assumptions	21,246	3,384	24,630
Pension - change in proportion	30,281	7,472	37,753
Total deferred inflows of resources	<u>2,334,191</u>	<u>27,141</u>	<u>2,361,332</u>
Total liabilities and deferred inflows of resources	<u>\$ 22,175,217</u>	<u>\$ 10,690,229</u>	<u>\$ 32,865,446</u>
Net Position			
Invested in fixed assets, net of related debt	\$ 2,205,610	\$ 4,173,475	\$ 6,379,085
Restricted for:			
Debt service	153,619	-	153,619
Unrestricted	<u>505,763</u>	<u>1,952,535</u>	<u>2,458,298</u>
Total net position	<u>\$ 2,864,992</u>	<u>\$ 6,126,010</u>	<u>\$ 8,991,002</u>

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

	Program Revenues			Net [Expenses] Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	
<b>Governmental activities:</b>						
General government	\$ 2,412,044	\$ 317,071	\$ 1,110,575	\$ [984,398]	\$ -	\$ [984,398]
Public safety	1,329,000	-	8,644	[1,320,356]	-	[1,320,356]
Highways and streets	1,831,097	-	252,073	[1,579,024]	-	[1,579,024]
Culture and recreation	619,135	112,709	17,448	[488,978]	-	[488,978]
Infrastructure depreciation	404,934	-	-	[404,934]	-	[404,934]
Interest on long-term debt	<u>638,622</u>	<u>-</u>	<u>-</u>	<u>[638,622]</u>	<u>-</u>	<u>[638,622]</u>
Total governmental activities	<u>7,234,832</u>	<u>429,780</u>	<u>1,388,740</u>	<u>[5,416,312]</u>	<u>-</u>	<u>[5,416,312]</u>
<b>Business-type activities:</b>						
Water	1,286,868	1,034,579	-	-	[252,289]	[252,289]
Sewer	<u>1,404,276</u>	<u>1,760,296</u>	<u>710,832</u>	<u>-</u>	<u>1,066,852</u>	<u>1,066,852</u>
Total business-type activities	<u>2,691,144</u>	<u>2,794,875</u>	<u>710,832</u>	<u>-</u>	<u>814,563</u>	<u>814,563</u>
Total primary government	<u>\$ 9,925,976</u>	<u>\$ 3,224,655</u>	<u>\$ 2,099,572</u>	<u>[5,416,312]</u>	<u>814,563</u>	<u>[4,601,749]</u>
<b>General Revenues:</b>						
Property taxes levied for						
General purposes				4,506,853	-	4,506,853
Debt service				180,305	-	180,305
Investments earnings				30,283	922	31,205
Transfers				[921]	921	-
Miscellaneous				<u>384,678</u>	<u>-</u>	<u>384,678</u>
Total general revenues and transfers				<u>5,101,198</u>	<u>1,843</u>	<u>5,103,041</u>
Change in net position				<u>[315,114]</u>	<u>816,406</u>	<u>501,292</u>
Net position - beginning				4,978,094	5,569,446	10,547,540
Prior period adjustment				<u>[1,797,988]</u>	<u>[259,842]</u>	<u>[2,057,830]</u>
Net position - beginning, restated				<u>3,180,106</u>	<u>5,309,604</u>	<u>8,489,710</u>
Net position - ending				<u>\$ 2,864,992</u>	<u>\$ 6,126,010</u>	<u>\$ 8,991,002</u>

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2015

	<u>General</u>	<u>Fire Services</u>	<u>Special Highway</u>	<u>Debt Service</u>	<u>City Hall/ Civic Center</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and investments	\$ 430,109	\$ 47,458	\$ 1,606,336	\$ 153,619	\$ 61,944	\$ 1,108,854	\$ 3,408,320
Receivables							
Accounts	32,197	-	-	-	-	287,165	319,362
Taxes	<u>1,665,985</u>	<u>502,921</u>	-	-	-	<u>11,485</u>	<u>2,180,391</u>
Total assets	<u>\$ 2,128,291</u>	<u>\$ 550,379</u>	<u>\$ 1,606,336</u>	<u>\$ 153,619</u>	<u>\$ 61,944</u>	<u>\$ 1,407,504</u>	<u>\$ 5,908,073</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 216,721	\$ -	\$ 2,185	\$ -	\$ -	\$ 341,033	\$ 559,939
Accrued salaries payable	68,936	-	-	-	-	-	68,936
Due to other funds	-	-	-	-	-	382,092	382,092
Total liabilities	<u>285,657</u>	<u>-</u>	<u>2,185</u>	<u>-</u>	<u>-</u>	<u>723,125</u>	<u>1,010,967</u>
Deferred inflows of resources:							
Unavailable revenue - property taxes	<u>1,665,701</u>	<u>502,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,485</u>	<u>2,180,107</u>
Total deferred inflows of resources	<u>1,665,701</u>	<u>502,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,485</u>	<u>2,180,107</u>
Total liabilities and deferred inflows of resources	<u>1,951,358</u>	<u>502,921</u>	<u>2,185</u>	<u>-</u>	<u>-</u>	<u>734,610</u>	<u>3,191,074</u>
Fund balance:							
Restricted	-	47,458	1,604,151	153,619	61,944	616,556	2,483,728
Committed	-	-	-	-	-	56,338	56,338
Unassigned	<u>176,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,933</u>
Total fund balance	<u>176,933</u>	<u>47,458</u>	<u>1,604,151</u>	<u>153,619</u>	<u>61,944</u>	<u>672,894</u>	<u>2,716,999</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,128,291</u>	<u>\$ 550,379</u>	<u>\$ 1,606,336</u>	<u>\$ 153,619</u>	<u>\$ 61,944</u>	<u>\$ 1,407,504</u>	<u>\$ 5,908,073</u>

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2015

Total Governmental Fund Balances		\$ 2,716,999
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	25,579,972	
Accumulated depreciation is	<u>6,662,222</u>	18,917,750
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position		
		214,386
Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position		
		[1,929,766]
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. Long term liabilities at year end consist of:		
General obligation bonds payable	15,466,595	
Temporary notes payable	630,000	
Leases payable	615,545	
Interest payable	209,813	
Net other post employment benefits payable	65,479	
Compensated absences payable	<u>66,945</u>	<u>[17,054,377]</u>
Net Position of Governmental Activities		<u>\$ 2,864,992</u>

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2015

	<u>General</u>	<u>Fire Services</u>	<u>Special Highway</u>	<u>Debt Service</u>	<u>City Hall/ Civic Center</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>							
Taxes	\$ 3,441,703	\$ 557,035	\$ 159,112	\$ 180,305	\$ -	\$ 349,003	\$ 4,687,158
Special assessments	-	-	-	1,095,275	-	-	1,095,275
Intergovernmental	300	-	152,761	-	-	140,404	293,465
Reimbursements	-	-	-	-	-	308,005	308,005
Fines and fees	429,780	-	-	-	-	-	429,780
Use of money and property	20,262	98	8,785	379	39	720	30,283
Miscellaneous	18,362	-	-	41,138	-	17,173	76,673
<b>Total revenues</b>	<u>3,910,407</u>	<u>557,133</u>	<u>320,658</u>	<u>1,317,097</u>	<u>39</u>	<u>815,305</u>	<u>6,920,639</u>
<b>EXPENDITURES:</b>							
Current							
General government	1,603,444	531,636	-	-	-	167,622	2,302,702
Law enforcement	1,219,703	-	-	-	-	-	1,219,703
Court services	112,914	-	-	-	-	-	112,914
Highways and streets	598,480	-	70,952	-	-	-	669,432
Culture and recreation	575,458	-	-	-	-	31,851	607,309
Capital outlay	-	-	-	-	30,431	1,359,288	1,389,719
Debt service							
Principal	-	-	-	906,084	-	-	906,084
Interest and other charges	-	-	-	648,175	-	-	648,175
<b>Total expenditures</b>	<u>4,109,999</u>	<u>531,636</u>	<u>70,952</u>	<u>1,554,259</u>	<u>30,431</u>	<u>1,558,761</u>	<u>7,856,038</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[199,592]</u>	<u>25,497</u>	<u>249,706</u>	<u>[237,162]</u>	<u>[30,392]</u>	<u>[743,456]</u>	<u>[935,399]</u>
<b>OTHER FINANCING SOURCES [USES]</b>							
Lease proceeds	-	-	-	-	-	213,942	213,942
Transfers in	5,000	-	-	308,061	-	125,275	438,336
Transfers out	[42,550]	-	[8,450]	-	-	[388,257]	[439,257]
<b>Total other financing sources [uses]</b>	<u>[37,550]</u>	<u>-</u>	<u>[8,450]</u>	<u>308,061</u>	<u>-</u>	<u>[49,040]</u>	<u>213,021</u>
<b>Net change in fund balance</b>	<u>[237,142]</u>	<u>25,497</u>	<u>241,256</u>	<u>70,899</u>	<u>[30,392]</u>	<u>[792,496]</u>	<u>[722,378]</u>
<b>Fund balance - Beginning of year</b>	<u>414,075</u>	<u>21,961</u>	<u>1,362,895</u>	<u>82,720</u>	<u>92,336</u>	<u>1,465,390</u>	<u>3,439,377</u>
<b>Fund balance - End of year</b>	<u>\$ 176,933</u>	<u>\$ 47,458</u>	<u>\$ 1,604,151</u>	<u>\$ 153,619</u>	<u>\$ 61,944</u>	<u>\$ 672,894</u>	<u>\$ 2,716,999</u>

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

Total Net Change In Fund Balances - Governmental Funds \$ [722,378]

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

Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Capital outlays	267,074	
Depreciation expense	<u>[724,148]</u>	[457,074]

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.

9,553

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

[2,310]

Some expenses reported in the statement of activities, such as net other post employment benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

[4,131]

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

11,890

Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.

86,674

Repayment of lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

70,520

Lease proceeds are an other financing source in the governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities

[213,942]

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

906,084

Changes In Net Position of Governmental Activities \$ [315,114]

City of Spring Hill, Kansas

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
GENERAL FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 3,441,703	\$ -	\$ 3,441,703	\$ 3,386,379	\$ 3,386,379	\$ 55,324
Intergovernmental	300	-	300	500	-	300
Fines and fees	429,780	-	429,780	432,000	432,000	[2,220]
Use of money and property	20,262	-	20,262	22,800	22,800	[2,538]
Miscellaneous	<u>18,362</u>	<u>-</u>	<u>18,362</u>	<u>22,000</u>	<u>22,000</u>	<u>[3,638]</u>
Total revenues	<u>3,910,407</u>	<u>-</u>	<u>3,910,407</u>	<u>3,863,679</u>	<u>3,863,179</u>	<u>47,228</u>
Expenditures						
General government	1,603,444	-	1,603,444	1,733,810	1,733,810	130,366
Law enforcement	1,219,703	-	1,219,703	1,195,580	1,195,580	[24,123]
Court services	112,914	-	112,914	102,710	102,710	[10,204]
Highways and streets	598,480	-	598,480	597,975	597,975	[505]
Culture and recreation	<u>575,458</u>	<u>-</u>	<u>575,458</u>	<u>563,670</u>	<u>563,670</u>	<u>[11,788]</u>
Total expenditures	<u>4,109,999</u>	<u>-</u>	<u>4,109,999</u>	<u>4,193,745</u>	<u>4,193,745</u>	<u>83,746</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[199,592]</u>	<u>-</u>	<u>[199,592]</u>	<u>[330,066]</u>	<u>[330,566]</u>	<u>130,974</u>
Other financing sources [uses]						
Transfers in	5,000	-	5,000	-	-	5,000
Transfers [out]	<u>[42,550]</u>	<u>-</u>	<u>[42,550]</u>	<u>[122,000]</u>	<u>[122,000]</u>	<u>79,450</u>
Total other financing sources [uses]	<u>[37,550]</u>	<u>-</u>	<u>[37,550]</u>	<u>[122,000]</u>	<u>[122,000]</u>	<u>84,450</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[237,142]</u>	<u>-</u>	<u>[237,142]</u>	<u>\$ [452,066]</u>	<u>\$ [452,566]</u>	<u>\$ 215,424</u>
Fund balance, January 1	<u>414,075</u>	<u>-</u>	<u>414,075</u>			
Fund balance, December 31	<u>\$ 176,933</u>	<u>\$ -</u>	<u>\$ 176,933</u>			

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - ACTUAL AND BUDGET  
 FIRE SERVICES FUND  
 For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 557,035	\$ -	\$ 557,035	\$ 546,313	\$ 546,313	\$ 10,722
Use of money and property	<u>98</u>	<u>-</u>	<u>98</u>	<u>-</u>	<u>-</u>	<u>98</u>
Total revenues	<u>557,133</u>	<u>-</u>	<u>557,133</u>	<u>546,313</u>	<u>546,313</u>	<u>10,820</u>
Expenditures						
General government						
Contractual services	<u>531,636</u>	<u>-</u>	<u>531,636</u>	<u>536,550</u>	<u>536,550</u>	<u>4,914</u>
Total expenditures	<u>531,636</u>	<u>-</u>	<u>531,636</u>	<u>536,550</u>	<u>536,550</u>	<u>4,914</u>
Excess [deficiency] of revenues over [under] expenditures	25,497	-	25,497	<u>\$ 9,763</u>	<u>\$ 9,763</u>	<u>\$ 15,734</u>
Fund balance, January 1	<u>21,961</u>	<u>-</u>	<u>21,961</u>			
Fund balance, December 31	<u>\$ 47,458</u>	<u>\$ -</u>	<u>\$ 47,458</u>			

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
SPECIAL HIGHWAY FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 159,112	\$ -	\$ 159,112	\$ -	\$ -	\$ 159,112
Intergovernmental	152,761	-	152,761	140,000	140,000	12,761
Use of money and property	8,785	-	8,785	6,000	6,000	2,785
Total revenues	<u>320,658</u>	<u>-</u>	<u>320,658</u>	<u>146,000</u>	<u>146,000</u>	<u>174,658</u>
Expenditures						
Highways and streets						
Commodities	-	-	-	31,000	31,000	31,000
Contractual services	62,172	-	62,172	146,245	146,245	84,073
Capital outlay	8,780	-	8,780	28,830	28,830	20,050
Reserve for capital projects	-	-	-	1,195,360	1,195,360	1,195,360
Total expenditures	<u>70,952</u>	<u>-</u>	<u>70,952</u>	<u>1,401,435</u>	<u>1,401,435</u>	<u>1,330,483</u>
Excess [deficiency] of revenues over [under] expenditures	<u>249,706</u>	<u>-</u>	<u>249,706</u>	<u>[1,255,435]</u>	<u>[1,255,435]</u>	<u>1,505,141</u>
Other financing sources [uses]						
Transfers [out]	<u>[8,450]</u>	<u>-</u>	<u>[8,450]</u>	<u>-</u>	<u>-</u>	<u>[8,450]</u>
Total other financing sources [uses]	<u>[8,450]</u>	<u>-</u>	<u>[8,450]</u>	<u>-</u>	<u>-</u>	<u>[8,450]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>241,256</u>	<u>-</u>	<u>241,256</u>	<u>\$ [1,255,435]</u>	<u>\$ [1,255,435]</u>	<u>\$ 1,496,691</u>
Fund balance, January 1	<u>1,362,895</u>	<u>-</u>	<u>1,362,895</u>			
Fund balance, December 31	<u>\$ 1,604,151</u>	<u>\$ -</u>	<u>\$ 1,604,151</u>			

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2015

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Business-Type Activities: Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Current assets:			
Cash and cash equivalents	\$ 393,882	\$ 1,148,177	\$ 1,542,059
Receivables	58,568	110,599	169,167
Restricted assets			
Cash and cash equivalents	52,506	-	52,506
Due from other funds	448,487	-	448,487
Total current assets	<u>953,443</u>	<u>1,258,776</u>	<u>2,212,219</u>
Noncurrent assets:			
Capital assets, nondepreciable			
Construction in progress	-	365,117	365,117
Land	-	36,281	36,281
Capital assets, depreciable	10,092,258	18,575,521	28,667,779
Less: accumulated depreciation	<u>[7,643,809]</u>	<u>[6,842,977]</u>	<u>[14,486,786]</u>
Total noncurrent assets	<u>2,448,449</u>	<u>12,133,942</u>	<u>14,582,391</u>
Total assets	<u>3,401,892</u>	<u>13,392,718</u>	<u>16,794,610</u>
Deferred outflows of resources			
Pension - contributions subsequent to the measurement date	7,883	7,163	15,046
Pension - changes in proportion	3,449	3,134	6,583
Total deferred outflows of resources	<u>11,332</u>	<u>10,297</u>	<u>21,629</u>
Total assets and deferred outflows of resources	<u>\$ 3,413,224</u>	<u>\$ 13,403,015</u>	<u>\$ 16,816,239</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current liabilities (payable from current assets):			
Accounts payable	\$ 62,997	\$ 4,707	\$ 67,704
Accrued salaries payable	6,505	18,289	24,794
Accrued interest payable	26,504	111,198	137,702
Compensated absences payable	6,706	3,711	10,417
Due to other funds	-	66,395	66,395
Current portion of leases payable	11,627	1,928	13,555
Current portion of notes payable	223,064	245,439	468,503
Current portion of bonds payable	-	199,914	199,914
Total current liabilities	<u>337,403</u>	<u>651,581</u>	<u>988,984</u>
(payable from current assets):			
Noncurrent liabilities			
Leases payable	37,833	7,372	45,205
Notes payable	1,338,983	1,216,561	2,555,544
Net pension liability	126,893	115,298	242,191
Bonds payable	-	6,831,164	6,831,164
Total noncurrent liabilities	<u>1,503,709</u>	<u>8,170,395</u>	<u>9,674,104</u>
Total liabilities	<u>1,841,112</u>	<u>8,821,976</u>	<u>10,663,088</u>
Deferred inflows of resources			
Pension - difference between expected and actual experience	3,592	3,264	6,856
Pension - net difference between projected and actual earnings on pension plan investments	4,940	4,489	9,429
Pension - changes of assumptions	1,773	1,611	3,384
Pension - change in proportion	3,915	3,557	7,472
Total deferred inflows of resources	<u>14,220</u>	<u>12,921</u>	<u>27,141</u>
Total liabilities and deferred inflows of resources	<u>\$ 1,855,332</u>	<u>\$ 8,834,897</u>	<u>\$ 10,690,229</u>
Net position			
Invested in capital assets, net of related debt	\$ 721,676	\$ 3,451,799	\$ 4,173,475
Unrestricted	836,216	1,116,319	1,952,535
Total net position	<u>\$ 1,557,892</u>	<u>\$ 4,568,118</u>	<u>\$ 6,126,010</u>

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2015

	Business-Type Activities: Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Operating revenues			
Charges for services	\$ 1,034,579	\$ 1,760,296	\$ 2,794,875
Total operating revenues	<u>1,034,579</u>	<u>1,760,296</u>	<u>2,794,875</u>
Operating expenses			
Personal services	265,985	225,196	491,181
Contractual services	660,698	339,118	999,816
Commodities	61,813	47,673	109,486
Capital outlay	-	4,222	4,222
Depreciation	<u>257,573</u>	<u>447,927</u>	<u>705,500</u>
Total operating expenses	<u>1,246,069</u>	<u>1,064,136</u>	<u>2,310,205</u>
Operating income [loss]	<u>[211,490]</u>	<u>696,160</u>	<u>484,670</u>
Nonoperating revenues [expenses]			
Interest income	322	600	922
Transfer in [out]	-	921	921
Contributed capital	-	710,832	710,832
Interest expense	<u>[40,799]</u>	<u>[340,140]</u>	<u>[380,939]</u>
Total nonoperating revenues [expenses]	<u>[40,477]</u>	<u>372,213</u>	<u>331,736</u>
Change in net position	<u>[251,967]</u>	<u>1,068,373</u>	<u>816,406</u>
Net position, January 1	1,946,000	3,623,446	5,569,446
Prior period adjustment	<u>[136,141]</u>	<u>[123,701]</u>	<u>[259,842]</u>
Net position, January 1, restated	<u>1,809,859</u>	<u>3,499,745</u>	<u>5,309,604</u>
Net position, December 31	<u>\$ 1,557,892</u>	<u>\$ 4,568,118</u>	<u>\$ 6,126,010</u>

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2015

	Business-Type Activities: Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Cash flows from operating activities			
Cash received from customers	\$ 1,061,657	\$ 1,799,008	\$ 2,860,665
Cash paid to suppliers	[725,391]	[389,453]	[1,114,844]
Cash paid to employees	[269,274]	[222,867]	[492,141]
Net cash provided by [used in] operating activities	66,992	1,186,688	1,253,680
Cash flows from capital and related financing activities			
Capital expenditures	[15,573]	[11,793]	[27,366]
Due to other funds	[157,556]	[221,582]	[379,138]
Transfer in [out]	-	921	921
Interest paid on debt	[41,939]	[344,921]	[386,860]
Principal payments on capital leases	[3,253]	6,479	3,226
Principal payments on bonds and notes	[219,644]	[445,963]	[665,607]
Net cash provided by [used in] capital and related financing activities	[437,965]	[1,016,859]	[1,454,824]
Cash flows from investing activities			
Interest income	322	600	922
Net cash provided by investing activities	322	600	922
Net increase [decrease] in cash and cash equivalents	[370,651]	170,429	[200,222]
Cash and cash equivalents, January 1	817,039	977,748	1,794,787
Cash and cash equivalents, December 31	\$ 446,388	\$ 1,148,177	\$ 1,594,565

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2015

	Business-Type Activities: Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Reconciliation of operating income [loss] to net cash provided by [used in] operating activities			
Operating income [loss]	\$ [211,490]	\$ 696,160	\$ 484,670
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities			
Depreciation and amortization expense	257,573	447,927	705,500
Changes in assets and liabilities			
Accounts receivable [increase] decrease	27,078	38,712	65,790
Deferred outflows [increase] decrease	1,012	919	1,931
Accounts payable increase [decrease]	[2,880]	1,560	[1,320]
Accrued salaries increase [decrease]	1,760	8,995	10,755
Net pension liability increase [decrease]	4,019	3,652	7,671
Deferred inflows increase [decrease]	[11,391]	[10,350]	[21,741]
Accrued compensated absences increase [decrease]	1,311	[887]	424
Net cash provided by [used in] operating activities	<u>\$ 66,992</u>	<u>\$ 1,186,688</u>	<u>\$ 1,253,680</u>

The notes to the financial statements are an integral part of this statement.

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Spring Hill (the City) is a municipal corporation governed by a mayor and five member council. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the City and any component units, entities for which the City is considered to be financially accountable. The City has no component units.

**B. Government-wide and fund financial statements**

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the City.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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 year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are 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 certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest 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. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met.

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

**C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

The *general fund* is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

The *fire services fund* is used to account for the fire services provided to the City's citizens.

The *special highway fund* is used to account for the improvement of City streets.

The *debt service fund* is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *city hall/civic center fund* is used to account for the improvement of city hall and the civic center.

The City reports the following major proprietary funds:

Water fund - To account for the activities of the City's water operations.

Sewer fund – To account for the activities of the City's sewer operations.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

**D. Assets, Liabilities and Equity**

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments (including certificates of deposit) with original maturities of three months or less from the date of acquisition.

Kansas statutes authorize the City and the Cemetery Board to invest in U.S. Treasury bills and notes, repurchase agreements, the Kansas Municipal Investment Pool, and certain other types of federal and Kansas municipal obligations. The remaining proceeds of the issuance of the certificates of participation in 1998 are invested as specified by that agreement.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, if any.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2016.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the accounting period, and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

**D. Assets, Liabilities and Equity (Continued)**

3. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenses when consumed rather than when purchased.

4. Restricted Assets

The City has restricted cash for system development in the Water Fund.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment of the primary government, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Other equipment	5 -20
Vehicles	6 -10
Infrastructure	30 -50

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

**D. Assets, Liabilities and Equity (Continued)**

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation pay. Vacation pay is accrued when incurred in the governmental statement of net position and the proprietary funds and reported as a fund liability.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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.

8. Fund Equity

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city council. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

8. Fund Equity (Continued)

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds					Other Governmental Funds	Total Governmental Funds
	General	Fire Services	Special Highway	Debt Service	City Hall/ Civic Center		
Fund Balances:							
Restricted for:							
Public safety	\$ -	\$ 47,458	\$ -	\$ -	\$ -	\$ 3,178	\$ 50,636
Public works	-	-	1,604,151	-	-	-	1,604,151
Debt payments	-	-	-	153,619	-	-	153,619
Capital improvements	-	-	-	-	61,944	324,681	386,625
Cemetery operations	-	-	-	-	-	187,166	187,166
Culture and recreation	-	-	-	-	-	101,531	101,531
Committed for:							
Capital improvements	-	-	-	-	-	56,338	56,338
Unassigned:	176,933	-	-	-	-	-	176,933
Total Fund Balances	\$ 176,933	\$ 47,458	\$ 1,604,151	\$ 153,619	\$ 61,944	\$ 672,894	\$ 2,716,999

9. Deferred outflows/inflows 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports changes in the pension liability proportion and differences between expected and actual experience are reported as deferred outflows of resources in the government activities.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government funds report unavailable revenues from one source: property taxes. The government-wide statements of net position report only the unavailable revenue for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Differences between expected and actual experience, differences between projected and actual investment earnings, changes in assumptions, and changes in the pension liability proportion are reported as deferred inflows for governmental activities.

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

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

**D. Assets, Liabilities and Equity (Continued)**

11. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt 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 are 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.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service fund, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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 that time. The budget was not amended for the year ended December 31, 2015.

The statutes permit management to transfer budgeted amounts between accounts within an individual fund. However, such statutes prohibit management from incurring expenditures in excess of the total amount of the adopted budget for expenditures of individual funds without first following the amendment procedures mentioned in the above paragraph. Budget comparison statements are presented for certain funds showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end.

A legal operating budget is not required for capital project funds and certain special revenue funds.

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

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds						Total Governmental Funds
	General	Fire Services	Special Highway	Debt Service	City Hall/ Civic Center	Other Governmental Funds	
GAAP FUND BALANCE							
December 31, 2015	\$ 176,933	\$ 47,458	\$ 1,604,151	\$ 153,619	\$ 61,944	\$ 672,894	\$ 2,716,999
Adjustments:							
Fund balances not subject to the Kansas Budget Law:							
Civic Hall/Civic Center	-	-	-	-	[61,944]	-	[61,944]
Nonmajor governmental funds	-	-	-	-	-	[579,714]	[579,714]
Total deductions	-	-	-	-	[61,944]	[579,714]	[641,658]
BUDGETARY FUND BALANCE							
December 31, 2015	\$ 176,933	\$ 47,458	\$ 1,604,151	\$ 153,619	\$ -	\$ 93,180	\$ 2,075,341

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes, the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in K.S.A. 10-131.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate, or custodial credit risks beyond state statutes.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A. 9-1402. All deposits were legally secured at December 31, 2015.

**B. Receivables**

Receivables as of year-end are as follows:

	<u>General</u>	<u>Fire Services</u>	<u>Water</u>	<u>Sewer</u>	<u>Other Governmental</u>	<u>Totals</u>
Receivables:						
Taxes	\$ 1,665,985	\$ 502,921	\$ -	\$ -	\$ 11,485	\$ 2,180,391
Accounts	<u>32,197</u>	<u>-</u>	<u>58,568</u>	<u>110,599</u>	<u>287,165</u>	<u>488,529</u>
Total receivables	<u>\$ 1,698,182</u>	<u>\$ 502,921</u>	<u>\$ 58,568</u>	<u>\$ 110,599</u>	<u>\$ 298,650</u>	<u>\$ 2,668,920</u>

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>Balance</u> <u>12/31/2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2015</u>
City governmental activities:				
Capital assets, not being depreciated				
Land	\$ 320,279	\$ -	\$ -	\$ 320,279
Construction in progress	8,767	29,405	17,502	20,670
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipment	<u>24,983,852</u>	<u>255,171</u>	<u>-</u>	<u>25,239,023</u>
Total capital assets	<u>25,312,898</u>	<u>284,576</u>	<u>17,502</u>	<u>25,579,972</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipment	<u>5,938,074</u>	<u>724,148</u>	<u>-</u>	<u>6,662,222</u>
Total accumulated depreciation	<u>5,938,074</u>	<u>724,148</u>	<u>-</u>	<u>6,662,222</u>
Governmental activities capital assets, net	<u>\$ 19,374,824</u>	<u>\$ [439,572]</u>	<u>\$ 17,502</u>	<u>\$ 18,917,750</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 36,281	\$ -	\$ -	\$ 36,281
Construction in progress	2,923	368,070	5,876	365,117
Capital assets, being depreciated				
Buildings, improvements, vehicles, and equipment	<u>28,291,775</u>	<u>376,004</u>	<u>-</u>	<u>28,667,779</u>
Total capital assets	<u>28,330,979</u>	<u>744,074</u>	<u>5,876</u>	<u>29,069,177</u>
Less accumulated depreciation for:				
Buildings, improvements, vehicles, and equipment	<u>13,774,955</u>	<u>711,831</u>	<u>-</u>	<u>14,486,786</u>
Total accumulated depreciation	<u>13,774,955</u>	<u>711,831</u>	<u>-</u>	<u>14,486,786</u>
Business-type activities capital assets, net	<u>\$ 14,556,024</u>	<u>\$ 32,243</u>	<u>\$ 5,876</u>	<u>\$ 14,582,391</u>

City of Spring Hill, Kansas  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2015

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

The City's depreciation expense was charged as follows:

Governmental Activities:

General government	\$ 157,530
Public safety	61,157
Highways and streets	82,251
Culture and recreation	18,276
Infrastructure	<u>404,934</u>
 Total depreciation	 <u>\$ 724,148</u>

Business-type Activities:

Water	\$ 257,573
Sewer	<u>454,257</u>
 Total depreciation	 <u>\$ 711,830</u>

**D. Leases**

The City has entered into lease agreements for the acquisition of equipment in the current and prior years. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

The following lists the cost of items leased under capital leases as of December 31, 2015.

	Governmental Activities <u>Assets</u>
Equipment	\$ <u>911,291</u>
	 <u>\$ 911,291</u>

During 2015, the City entered into a lease agreement to finance the purchase of three vehicles, an excavator, server hardware and a security camera system in the amount of \$228,000. The lease has an interest rate of 2.45% and a final maturity of September 1, 2025.

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015 are as follows:

Year Ending December 31,	Governmental Activities	Business Type Activities	Total
2016	\$ 119,318	\$ 14,742	\$ 134,060
2017	119,311	14,741	134,052
2018	110,546	14,742	125,288
2019	97,282	14,742	112,023
2020	74,295	2,983	77,278
2021- 2025	<u>146,534</u>	<u>-</u>	<u>146,534</u>
Total minimum lease payments	667,286	61,949	729,235
Less: amount representing interest	<u>51,740</u>	<u>3,189</u>	<u>54,930</u>
Present value of minimum lease payments	<u>\$ 615,545</u>	<u>\$ 58,760</u>	<u>\$674,306</u>

E. Long-term Debt

During the year ended December 31, 2015, the following changes occurred in long term liabilities:

Governmental Activities

	Restated Balance <u>January 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31, 2015</u>	Amounts Due Within <u>One Year</u>
General obligation bonds	\$ 16,384,570	\$ -	\$ 917,975	\$ 15,466,595	\$ 947,524
Temporary notes payable	630,000	-	-	630,000	630,000
Leases payable	472,123	213,942	70,520	615,545	106,655
Compensated absences	<u>64,635</u>	<u>2,310</u>	<u>-</u>	<u>66,945</u>	<u>66,945</u>
	<u>\$ 17,551,328</u>	<u>\$ 216,252</u>	<u>\$ 988,495</u>	<u>\$ 16,779,085</u>	<u>\$ 1,751,124</u>

Business-type Activities

General obligation bonds	\$ 7,246,325	\$ -	\$ 215,247	\$ 7,031,078	\$ 199,914
Loans payable	3,480,737	-	456,690	3,024,047	468,503
Leases payable	55,534	14,060	10,834	58,760	13,555
Compensated absences	<u>9,993</u>	<u>424</u>	<u>-</u>	<u>10,417</u>	<u>10,417</u>
	<u>\$ 10,792,589</u>	<u>\$ 14,484</u>	<u>\$ 682,771</u>	<u>\$ 10,124,302</u>	<u>\$ 692,389</u>

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

*General Obligation Bonds.* The City issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year. General Obligation Bonds currently outstanding are as follows:

	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Current Amount</u>
<u>Governmental Activities</u>					
2007-A general obligation	08/15/07	09/01/32	4.50%	\$ 1,986,315	\$ 1,006,576
2008-A general obligation	05/22/08	09/01/33	3.25 - 5.00%	4,087,453	2,990,594
2008-B general obligation	05/22/08	09/01/16	2.25 - 3.45%	980,907	137,594
2009-B general obligation	09/01/09	09/01/29	1.55 - 6.00%	4,985,000	4,255,000
2011-A general obligation	08/01/11	09/01/36	2.90 - 4.60%	2,070,088	1,741,070
2012-A general obligation	01/27/12	01/27/52	3.75%	338,385	326,626
2012-B general obligation	07/12/12	09/01/32	2.00 - 3.50%	4,236,617	3,704,875
2013-A general obligation	10/10/13	09/01/33	0.65 - 4.50%	1,419,732	1,304,259
<u>Business-type Activities</u>					
2007-A general obligation	08/15/07	09/01/32	4.50%	4,092,795	2,083,192
2008-A general obligation	05/22/08	09/01/33	3.25 - 5.00%	2,870,421	2,323,303
2008-B general obligation	05/22/08	09/01/16	2.25 - 3.45%	124,093	17,407
2009-B general obligation	09/01/09	09/01/19	1.55 - 5.40%	100,000	45,000
2011-A general obligation	08/01/11	09/01/36	2.90 - 4.60%	1,935,000	1,935,000
2012-B general obligation	07/12/12	09/01/22	2.00 - 2.50%	635,605	455,924
2013-A general obligation	10/10/13	09/01/23	0.65 - 2.80%	211,566	171,252
				<u>\$ 30,073,977</u>	<u>\$ 22,497,673</u>

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

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

Year Ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 947,524	\$ 628,021	\$ 199,914	\$ 282,278
2017	830,660	595,791	196,936	276,274
2018	856,647	565,319	256,113	269,297
2019	892,903	533,111	270,028	260,799
2020	939,438	500,497	233,670	252,578
2021 - 2025	4,966,491	1,926,105	1,686,104	1,119,361
2026 - 2030	4,831,321	805,661	2,078,069	734,210
2031 - 2035	997,356	100,643	1,845,244	274,070
2036 - 2040	47,458	34,869	265,000	12,190
2041 - 2045	57,051	25,278	-	-
2046 - 2050	68,579	13,748	-	-
2051 - 2052	31,167	1,764	-	-
Totals	<u>\$ 15,466,595</u>	<u>\$ 5,730,807</u>	<u>\$ 7,031,078</u>	<u>\$ 3,481,057</u>

*State Agency Loans.* In 2001, the City arranged for a \$3,843,815 loan through the Kansas Water Pollution Control Revolving Loan Fund for improving the wastewater system in Spring Hill. The City is obligated to make semi-annual payments of \$147,310 from September 1, 2001 to September 1, 2021. These payments will include a gross interest rate of 3.26% plus a .25% service fee. At December 31, 2015, the outstanding principal balance was \$1,462,000. In 2004, the City arranged for a \$1,835,090 loan through the Kansas Water Public Water Supply Loan Fund for improving the water system in Spring Hill. The City is obligated to make semi-annual payments of \$65,791 from August 1, 2005 to August 1, 2025. These payments will include a gross interest rate of 3.43% plus a .25% service fee. At December 31, 2015, the outstanding principal balance was \$1,042,047.

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

The following displays annual debt service requirements to maturity for state agency loans payable to be paid from service revenues:

Year Ending December 31,	Payment
2016	\$ 467,195
2017	467,195
2018	467,195
2019	467,195
2020	467,195
2021 - 2025	<u>908,820</u>
Total payments	3,244,795
Less: Interest and fees	<u>740,748</u>
Total principal	<u>\$ 2,504,047</u>

*Special Assessments.* As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the debt service fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the debt service fund. The special assessments receivable are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

*Temporary Notes.* In 2014, the City entered into a 0.6% interest rate temporary note in the amount of \$630,000. The annual debt service requirements for these notes are as follows:

Year Ending December 31,	Principal	Interest
2016	<u>\$ 630,000</u>	<u>\$ 3,780</u>
Total	<u>\$ 630,000</u>	<u>\$ 3,780</u>

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. No significant reductions in insurance from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

**B. Commitments**

In connection with certain agreements with AFG Industries, Inc. (AFG) for the construction of infrastructure improvements related to AFG's manufacturing plant, the City was obligated to pay AFG a total of \$2,582,193 in semi-annual payments under an installment purchase agreement without interest over 20 years beginning March 15, 2000.

At December 31, 2015, the remaining balance is due as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Payment</u>
2016	\$ 130,000
2017	130,000
2018	130,000
2019	<u>130,000</u>
Total	<u>\$ 520,000</u>

This liability is recorded in the Water Fund.

**C. Related Party Transaction**

The City paid a company, owned by a board member \$35,973 for pump repairs.

**D. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

**IV. OTHER INFORMATION (Continued)**

**E. Defined Benefit Pension Plan**

*Description of Pension Plan.* The City participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

Public employees, which includes:

- State/School employees
- Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Local employees group and the Kansas Police and Firemen group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at [www.kpers.org](http://www.kpers.org).

*Benefits.* Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85. Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

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

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member'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 members 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.

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

**IV. OTHER INFORMATION (Continued)**

**E. Defined Benefit Pension Plan (Continued)**

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.

*Contributions.* Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.0% of total payroll for the fiscal year ended June 30, 2015.

The actuarially determined employer contribution rates (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows:

	Actuarial <u>Employer Rate</u>	Statutory Employer <u>Capped Rate</u>
Local government employees	9.48%	9.48%
Police and Firemen	21.36%	21.36%

Member contribution rates as a percentage of eligible compensation for the KPERS fiscal year June 30, 2015 are 5.00% or 6.00% for Local employees and 7.15% for Police and Firemen.

*Employer Allocations.* 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 of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2015, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended December 31, 2015.

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

**IV. OTHER INFORMATION (Continued)**

**E. Defined Benefit Pension Plan (Continued)**

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the City's proportion for the Local employees group was 0.085%, which was a decrease of .003% from its proportion measured at June 30, 2014. At June 30, 2015, the City's proportion for the Police and Firemen group was 0.124%, which was an increase of .009% from its proportion measured at June 30, 2014.

*Net Pension Liability.* At December 31, 2015 and 2014, the City reported a liability of \$2,017,873 and \$1,836,228, respectively, for its total proportionate share of the net pension liability for the Local and Police and Firemen groups.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015, using the following actuarial assumptions:

<u>Assumption</u>	<u>Rate</u>
Price inflation	3.00%
Wage inflation	4.00%
Salary increases, including wage increases	4.00 to 16.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	8.00%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, with adjustments to better match actual experience. Separate tables apply for males and females as well as each group (State, School, Local, KP&F and Judges).

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2012.

The long-term expected rate of return of 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 included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47.00%	6.30%
Fixed income	13.00%	0.80%
Yield driven	8.00%	4.20%
Real return	11.00%	1.70%
Real estate	11.00%	5.40%
Alternatives	8.00%	9.40%
Short-term investments	<u>2.00%</u>	[0.50]%
Total	<u>100.00%</u>	

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

IV. OTHER INFORMATION (Continued)

E. *Defined Benefit Pension Plan (Continued)*

*Discount Rate.* The discount rate used to measure the total pension liability was 8.00%. 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 State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERs employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in 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 net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Discount rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Local	\$ 1,589,527	\$ 1,119,738	\$ 721,449
Police and Firemen	<u>1,304,249</u>	<u>898,135</u>	<u>555,107</u>
Total	<u>\$ 2,893,776</u>	<u>\$ 2,017,873</u>	<u>\$ 1,276,556</u>

*Pension Expense.* For the year ended December 31, 2015, the City recognized Local pension expense of \$74,537 and Police and Firemen pension expense of \$93,122, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for Local and Police and Firemen groups from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 8,196	\$ 46,731
Changes in proportion	89,357	37,753
Net difference between projected and actual earnings on pension plan investments	-	72,111
Changes of assumptions	-	<u>24,630</u>
	<u>\$ 97,553</u>	<u>\$ 181,225</u>

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

**IV. OTHER INFORMATION (Continued)**

**E. Defined Benefit Pension Plan (Continued)**

\$138,462 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended <u>June 30,</u>	Local Group Deferred		Police and Firemen Group Deferred		<u>Total</u>
	[Inflows]	Outflows	[Inflows]	Outflows	
	<u>Amount</u>		<u>Amount</u>		
2016	\$	[33,188]	\$	[9,468]	\$ [42,656]
2017		[33,188]		[9,468]	[42,656]
2018		[33,188]		[9,468]	[42,656]
2019		13,524		34,395	47,919
2020		[9,010]		5,387	[3,623]
Total	\$	[95,050]	\$	11,378	\$ [83,672]

**F. Interfund Transfers**

A reconciliation of transfers by fund type for 2015 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General Fund	Nonmajor Governmental Fund	\$ 44,491	K.S.A. 12-1,117 and 12-1,118
Special Highway Fund	Nonmajor Governmental Fund	8,450	K.S.A. 68-590
Nonmajor Governmental Fund	Sewer Fund	921	To close fund
Nonmajor Governmental Fund	Debt Service Fund	308,061	Ord 2008-29
Nonmajor Governmental Fund	Nonmajor Governmental Fund	74,275	K.S.A. 12-1,118
Nonmajor Governmental Fund	General Fund	5,000	K.S.A. 12-1,118
		<u>\$ 441,198</u>	

**G. Restatement of Equity**

The beginning net position was restated as follows:

	Governmental <u>Activities</u>	Business Type <u>Activities</u>	<u>Total</u>
Net position - beginning	\$ 4,978,094	\$ 5,569,446	\$ 10,547,540
Prior period adjustment			
General obligation bonds previous paid	4,065	-	4,065
Net pension liability	[1,802,053]	[259,842]	[2,061,895]
Net position - beginning, restated	<u>\$ 3,180,106</u>	<u>\$ 5,309,604</u>	<u>\$ 8,489,710</u>

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

IV. OTHER INFORMATION (Continued)

H. *Postemployment Healthcare Plan*

Plan Description. The City provides for a continuation of medical and dental insurance benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. Plan participants contributed approximately 100% of the total premiums to the Plan, through their required annual contribution of \$7,486 to \$8,264 for retiree-only coverage and \$10,234 to \$11,279 for retiree and dependent coverage.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the Plan for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation to the Plan:

Annual required contribution (ARC)	\$ 4,974
Interest on Net OPEB Obligation	2,761
Adjustment to the ARC	<u>[3,604]</u>
Annual OPEB cost (expense)	4,131
Benefit payments	<u>-</u>
Change in net OPEB obligation	4,131
Net OPEB obligation - beginning of year	<u>61,348</u>
Net OPEB obligation - end of year	<u>\$ 65,479</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended December 31, 2015 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
December 31, 2012	\$ 9,287	\$ 5,000	\$ 50,301	53.84%
December 31, 2013	13,138	6,000	57,439	45.67%
December 31, 2014	3,909	-	61,348	0.00%
December 31, 2015	4,131	-	65,479	0.00%

City of Spring Hill, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2015

**IV. OTHER INFORMATION (Continued)**

**H. Postemployment Healthcare Plan (Continued)**

Funding Status and Funding Progress. As of July 1, 2013, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$21,690 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$21,690. The covered payroll (annual payroll of active employees covered by the plan) was \$1,804,979, and the ratio of the UAAL to the covered payroll was 1.2%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multiyear trend information about whether the actuarial value of plan assets (if any) are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of July 1, 2013, the most recent actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 7.0% initially, reduced by decrements to an ultimate rate of 5.0% after eight years. The UAAL is being amortized as a level dollar over an open thirty-year period.

**I. Due To/From Other Funds**

A reconciliation of due to/from other funds for 2015 follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Water Fund	\$ 448,487	\$ -
Sewer Fund	-	66,395
Water Tower Paint/Maintenance Fund	-	382,092
 Total	 <u>\$ 448,487</u>	 <u>\$ 448,487</u>

The Water Fund advanced \$1,314,800 in system development fees to the Sewer Fund for principal and interest payments on city-at-large general obligation bonds for improvements. The anticipated payback of this loan is \$200,000 annually from the Sewer Fund to the Water Fund.

The Water Tower Paint/Maintenance Fund advanced \$382,092 to the Water Fund for water tower upgrades and improvements in 2015. The anticipated payback of the loan will occur in 2016.

City of Spring Hill, Kansas

OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 Year ended December 31, 2015

Schedule of Employer Contributions:

Fiscal Year <u>Ended</u>	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Asset
December 31, 2013	\$ 13,740	43.67%	\$ -
December 31, 2014	4,698	-	-
December 31, 2015	4,974	-	-

Schedule of Funding Progress

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets (a)</u>	Actuarial Accrued <u>Liability (b)</u>	Unfund AAL <u>(b) - (a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as Percent of Payroll <u>(b-a)/(c)</u>
7/1/2009	\$ -	\$ 127,326	\$ 127,326	0.00%	\$ 1,790,589	7.11%
7/1/2011	-	74,008	74,008	0.00%	1,695,918	4.36%
7/1/2013	-	21,690	21,690	0.00%	1,804,979	1.20%

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City of Spring Hill, Kansas

OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended December 31, 2015

Schedule of the City's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years\*

	Local <u>12/31/15</u>	Police and Firemen <u>12/31/15</u>
City's proportion of the net pension liability	0.085%	0.124%
City's proportionate share of the net pension liability	\$ 1,119,738	\$ 898,135
City's covered employee payroll	\$ 1,420,633	\$ 542,879
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	78.82%	165.44%
Plan fiduciary net position as a percentage of the total pension liability	71.98%	74.60%

\* - The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

Schedule of the City's Contributions  
Last Ten Fiscal Years\*

	Local <u>12/31/15</u>	Police and Firemen <u>12/31/15</u>
Contractually required contribution	\$ 135,589	\$ 135,758
Contributions in relation to the contractually required contribution	<u>135,589</u>	<u>135,758</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,430,589	\$ 635,570
Contributions as a percentage of covered employee payroll	9.48%	21.36%

\* - Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

City of Spring Hill, Kansas  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2015

ASSETS	Cemetery Taxation	Cemetery Reserve	Special Parks	Gift	Holiday Lights	Law Enforcement Reserve	Water Feature	Storm Sewer	Sales Tax	Scholarship	West Lake Park	Replacement Reserve	Wilson Street Phase 2
Cash and cash equivalents	\$ 5,718	\$ 90,930	\$ 87,462	\$ 4,677	\$ 3,822	\$ 3,178	\$ 3,634	\$ 39,328	\$ 215,963	\$ 1,936	\$ 13,780	\$ 7,455	\$ 26,870
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable	11,485	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 17,203</b>	<b>\$ 90,930</b>	<b>\$ 87,462</b>	<b>\$ 4,677</b>	<b>\$ 3,822</b>	<b>\$ 3,178</b>	<b>\$ 3,634</b>	<b>\$ 39,328</b>	<b>\$ 215,963</b>	<b>\$ 1,936</b>	<b>\$ 13,780</b>	<b>\$ 7,455</b>	<b>\$ 26,870</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>													
<b>Liabilities</b>													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,225	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,225</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>													
Deferred revenue	11,485	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>11,485</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>11,485</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,225</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>													
Restricted	5,718	90,930	87,462	4,677	3,822	3,178	3,634	-	215,963	1,936	-	-	26,870
Committed	-	-	-	-	-	-	-	39,328	-	-	9,555	7,455	-
<b>Total fund balance</b>	<b>5,718</b>	<b>90,930</b>	<b>87,462</b>	<b>4,677</b>	<b>3,822</b>	<b>3,178</b>	<b>3,634</b>	<b>39,328</b>	<b>215,963</b>	<b>1,936</b>	<b>9,555</b>	<b>7,455</b>	<b>26,870</b>
<b>Total liabilities and fund balances</b>	<b>\$ 17,203</b>	<b>\$ 90,930</b>	<b>\$ 87,462</b>	<b>\$ 4,677</b>	<b>\$ 3,822</b>	<b>\$ 3,178</b>	<b>\$ 3,634</b>	<b>\$ 39,328</b>	<b>\$ 215,963</b>	<b>\$ 1,936</b>	<b>\$ 13,780</b>	<b>\$ 7,455</b>	<b>\$ 26,870</b>

Water Tower Paint/ Maintenance	CDBG 2014	Wilson Street Phase 3	Cemetery	Mayor's Tree	Melvin Murphy Playground	Lease 2014	Estates of Wolf Creek 14A	Blackhawk Benefit District	Ridgeview Road Sidewalk	Lease 2015	BNSF Utility Adjustment	Webster Acceleration Lane	Police Facility	Totals
\$ 78	\$ -	\$ 155,136	\$ 90,518	\$ 2,809	\$ 670	\$ -	\$ 105,645	\$ -	\$ 81	\$ 835	\$ 59,552	\$ 4,225	\$ 184,552	\$ 1,108,854
-	-	-	-	-	-	-	-	-	-	-	287,165	-	-	287,165
-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,485
\$ 78	\$ -	\$ 155,136	\$ 90,518	\$ 2,809	\$ 670	\$ -	\$ 105,645	\$ -	\$ 81	\$ 835	\$ 346,717	\$ 4,225	\$ 184,552	\$ 1,407,504
\$ 78	\$ -	\$ 981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 835	\$ 330,689	\$ 4,225	\$ -	\$ 341,033
382,092	-	-	-	-	-	-	-	-	-	-	-	-	-	382,092
382,170	-	981	-	-	-	-	-	-	-	835	330,689	4,225	-	723,125
-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,485
-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,485
382,170	-	981	-	-	-	-	-	-	-	835	330,689	4,225	-	734,610
[382,092]	-	154,155	90,518	2,809	670	-	105,645	-	81	-	16,028	-	184,552	616,556
-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,338
[382,092]	-	154,155	90,518	2,809	670	-	105,645	-	81	-	16,028	-	184,552	672,894
\$ 78	\$ -	\$ 155,136	\$ 90,518	\$ 2,809	\$ 670	\$ -	\$ 105,645	\$ -	\$ 81	\$ 835	\$ 346,717	\$ 4,225	\$ 184,552	\$ 1,407,504

City of Spring Hill, Kansas

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2015

	Cemetery Taxation	Cemetery Reserve	Special Parks	Gift	Holiday Lights	Law Enforcement Reserve	Water Feature	Storm Sewer	Sales Tax	Scholarship	West Lake Park	Replacement Reserve	Wilson Street Phase 2
<b>Revenues</b>													
Taxes	\$ 17,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 331,046	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	17,448	-	-	8,644	-	-	-	-	-	-	-
Use of money and property	4	-	48	-	-	2	-	65	103	3	11	4	-
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	1,301	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>17,961</b>	<b>-</b>	<b>17,496</b>	<b>-</b>	<b>1,301</b>	<b>8,646</b>	<b>-</b>	<b>65</b>	<b>331,149</b>	<b>3</b>	<b>11</b>	<b>4</b>	<b>-</b>
<b>Expenditures</b>													
General government	15,000	-	-	-	-	5,906	-	288	-	-	-	2,720	-
Culture and recreation	-	-	20,756	-	517	-	-	-	-	-	10,578	-	-
Capital outlay	-	-	-	-	798	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>15,000</b>	<b>-</b>	<b>20,756</b>	<b>-</b>	<b>1,315</b>	<b>5,906</b>	<b>-</b>	<b>288</b>	<b>-</b>	<b>-</b>	<b>10,578</b>	<b>2,720</b>	<b>-</b>
Excess [deficiency] of revenues over [under] expenditures	2,961	-	[3,260]	-	[14]	2,740	-	[223]	331,149	3	[10,567]	[2,716]	-
<b>Other financing sources and [uses]</b>													
Transfers in [out]	-	-	8,918	-	-	-	-	[74,275]	[308,061]	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources and [uses]</b>	<b>-</b>	<b>-</b>	<b>8,918</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>[74,275]</b>	<b>[308,061]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess [deficiency] of revenues and other financing sources over [under] expenditures and other financing [uses]	2,961	-	5,658	-	[14]	2,740	-	[74,498]	23,088	3	[10,567]	[2,716]	-
<b>Fund balances - Beginning of year</b>	<b>2,757</b>	<b>90,930</b>	<b>81,804</b>	<b>4,677</b>	<b>3,836</b>	<b>438</b>	<b>3,634</b>	<b>113,826</b>	<b>192,875</b>	<b>1,933</b>	<b>20,122</b>	<b>10,171</b>	<b>26,870</b>
<b>Fund balances, December 31</b>	<b>\$ 5,718</b>	<b>\$ 90,930</b>	<b>\$ 87,462</b>	<b>\$ 4,677</b>	<b>\$ 3,822</b>	<b>\$ 3,178</b>	<b>\$ 3,634</b>	<b>\$ 39,328</b>	<b>\$ 215,963</b>	<b>\$ 1,936</b>	<b>\$ 9,555</b>	<b>\$ 7,455</b>	<b>\$ 26,870</b>

Water Tower Paint/ Maintenance	CDBG 2014	Wilson Street Phase 3	Cemetery	Mayor's Tree	Melvin Murphy Playground	Lease 2014	Estates of Wolf Creek 14A	Blackhawk Benefit District	Ridgeview Road Sidewalk	Lease 2015	BNSF Utility Adjustment	Webster Acceleration Lane	Police Facility	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,003
-	99,312	-	15,000	-	-	-	-	-	-	-	-	-	-	140,404
-	-	-	480	-	-	-	-	-	-	-	-	-	-	720
-	-	-	-	-	-	-	-	-	-	-	308,005	-	-	308,005
-	-	-	12,575	3,127	170	-	-	-	-	-	-	-	-	17,173
-	99,312	-	28,055	3,127	170	-	-	-	-	-	308,005	-	-	815,305
2,857	99,312	2,089	34,350	5,100	-	-	-	-	-	-	-	-	-	167,622
-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,851
383,522	-	4,773	-	-	-	17,721	346,243	1,368	12,219	217,942	366,252	8,450	-	1,359,288
386,379	99,312	6,862	34,350	5,100	-	17,721	346,243	1,368	12,219	217,942	366,252	8,450	-	1,558,761
[386,379]	-	[6,862]	[6,295]	[1,973]	170	[17,721]	[346,243]	[1,368]	[12,219]	[217,942]	[58,247]	[8,450]	-	[446,598]
-	[921]	-	-	-	-	10,964	-	1,368	12,300	4,000	74,275	8,450	-	[262,982]
-	-	-	-	-	-	-	-	-	-	213,942	-	-	-	213,942
-	[921]	-	-	-	-	10,964	-	1,368	12,300	217,942	74,275	8,450	-	[49,040]
[386,379]	[921]	[6,862]	[6,295]	[1,973]	170	[6,757]	[346,243]	-	81	-	16,028	-	-	[792,496]
4,287	921	161,017	96,813	4,782	500	6,757	451,888	-	-	-	-	-	184,552	1,465,390
\$ [382,092]	\$ -	\$ 154,155	\$ 90,518	\$ 2,809	\$ 670	\$ -	\$ 105,645	\$ -	\$ 81	\$ -	\$ 16,028	\$ -	\$ 184,552	\$ 672,894

City of Spring Hill, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - ACTUAL AND BUDGET  
 CEMETERY TAXATION FUND  
 For the Year Ended December 31, 2015

	<u>GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Budgetary Basis</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance Positive [Negative]</u>
Revenues						
Taxes	\$ 17,957	\$ -	\$ 17,957	\$ 17,294	\$ 17,294	\$ 663
Use of money and property	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>
Total revenues	<u>17,961</u>	<u>-</u>	<u>17,961</u>	<u>17,294</u>	<u>17,294</u>	<u>667</u>
Expenditures						
Culture and recreation						
Contractual services	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>17,000</u>	<u>17,000</u>	<u>2,000</u>
Total expenditures	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>17,000</u>	<u>17,000</u>	<u>2,000</u>
Excess [deficiency] of revenues over [under] expenditures	2,961	-	2,961	<u>\$ 294</u>	<u>\$ 294</u>	<u>\$ 2,667</u>
Fund balance, January 1	<u>2,757</u>	<u>-</u>	<u>2,757</u>			
Fund balance, December 31	<u>\$ 5,718</u>	<u>\$ -</u>	<u>\$ 5,718</u>			

See independent auditor's report on the financial statements.

City of Spring Hill, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
SPECIAL PARKS FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Intergovernmental	\$ 17,448	\$ -	\$ 17,448	\$ 9,030	\$ 9,030	\$ 8,418
Use of money and property	48	-	48	-	-	48
Total revenues	<u>17,496</u>	<u>-</u>	<u>17,496</u>	<u>9,030</u>	<u>9,030</u>	<u>8,466</u>
Expenditures						
Culture and recreation						
Commodities	-	-	-	19,000	19,000	19,000
Contractual services	20,192	-	20,192	4,650	4,650	[15,542]
Capital outlay	564	-	564	64,210	64,210	63,646
Total expenditures	<u>20,756</u>	<u>-</u>	<u>20,756</u>	<u>87,860</u>	<u>87,860</u>	<u>67,104</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[3,260]</u>	<u>-</u>	<u>[3,260]</u>	<u>[78,830]</u>	<u>[78,830]</u>	<u>75,570</u>
Other financing sources [uses]						
Transfers in	<u>8,918</u>	<u>-</u>	<u>8,918</u>	<u>8,000</u>	<u>8,000</u>	<u>918</u>
Total other financing sources [uses]	<u>8,918</u>	<u>-</u>	<u>8,918</u>	<u>8,000</u>	<u>8,000</u>	<u>918</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	5,658	-	5,658	<u>\$ [70,830]</u>	<u>\$ [70,830]</u>	<u>\$ 76,488</u>
Fund balance, January 1	<u>81,804</u>	<u>-</u>	<u>81,804</u>			
Fund balance, December 31	<u>\$ 87,462</u>	<u>\$ -</u>	<u>\$ 87,462</u>			

See independent auditor's report on the financial statements.

City of Spring Hill, Kansas

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ACTUAL AND BUDGET  
DEBT SERVICE FUND  
For the Year Ended December 31, 2015

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Original Budget	Final Budget	Variance Positive [Negative]
Revenues						
Taxes	\$ 180,305	\$ -	\$ 180,305	\$ 179,519	\$ 179,519	\$ 786
Special assessments	1,095,275	-	1,095,275	957,096	957,096	138,179
Use of money and property	379	-	379	-	-	379
Miscellaneous	<u>41,138</u>	<u>-</u>	<u>41,138</u>	<u>85,000</u>	<u>85,000</u>	<u>[43,862]</u>
Total revenues	<u>1,317,097</u>	<u>-</u>	<u>1,317,097</u>	<u>1,221,615</u>	<u>1,221,615</u>	<u>95,482</u>
Expenditures						
Principal	906,084	-	906,084	2,146,000	2,146,000	1,239,916
Interest and other charges	648,175	-	648,175	-	-	[648,175]
Revenue for future projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Total expenditures	<u>1,554,259</u>	<u>-</u>	<u>1,554,259</u>	<u>2,161,000</u>	<u>2,161,000</u>	<u>606,741</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[237,162]</u>	<u>-</u>	<u>[237,162]</u>	<u>[939,385]</u>	<u>[939,385]</u>	<u>702,223</u>
Other financing sources [uses]						
Transfers in	<u>308,061</u>	<u>-</u>	<u>308,061</u>	<u>804,325</u>	<u>804,325</u>	<u>[496,264]</u>
Total other financing sources [uses]	<u>308,061</u>	<u>-</u>	<u>308,061</u>	<u>804,325</u>	<u>804,325</u>	<u>[496,264]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	70,899	-	70,899	<u>\$ [135,060]</u>	<u>\$ [135,060]</u>	<u>\$ 205,959</u>
Fund balance, January 1	<u>82,720</u>	<u>-</u>	<u>82,720</u>			
Fund balance, December 31	<u>\$ 153,619</u>	<u>\$ -</u>	<u>\$ 153,619</u>			

See independent auditor's report on the financial statements.

THE FOLLOWING MINUTES ARE SUBJECT TO MODIFICATION  
AND ARE NOT OFFICIAL MINUTES  
UNTIL APPROVED BY THE SPRING HILL CITY COUNCIL

City of Spring Hill, Kansas  
Minutes of City Council Regular Session  
July 28, 2016

A Regular Session of the City Council was held in the Spring Hill Civic Center, 401 N. Madison, Council Chambers, Spring Hill, Kansas on July 28, 2016. The meeting convened at 7:00p.m. with Mayor Steven Ellis presiding and Glenda Gerrity, City Clerk, recording.

Councilmembers in attendance: Chris Leaton  
Clint Gillis  
Floyd Koder  
Scott Snavely  
Andrea Hughes

Staff in attendance: City Administrator Jonathan Roberts  
Finance Director Melanie Landis  
Community Development Director Jim Hendershot  
Police Chief Richard Mann

Consultants in attendance: City Attorney Frank Jenkins  
City Engineer John Brann

**ROLL CALL**

The City Clerk called the roll of the City Council. With a quorum present, the meeting commenced.

**APPROVAL OF THE AGENDA**

The Mayor requested to move Item 5. after Citizen Participation.

**Motion by** Leaton, seconded by Gillis, to approve the agenda as revised. Motion carried 5-0-0

**CITIZEN PARTICIPATION:**

Stephanie Herthel, 20550 Cedar Niles Road, Spring Hill, Kansas, thanked the Governing Body for the opportunity to speak and stated that she is a parent of the Spring Hill School District. Ms. Herthel informed the Governing Body of the upcoming USD 230 bond issue that will be a mail-in ballot from August 19 – September 8<sup>th</sup>.

Sharon Mitchell, Spring Hill Chamber of Commerce, thanked the Governing Body for the opportunity to speak and the generous financial support that the City provides the Chamber. Ms. Mitchell reported that the Chamber submitted a budget request which is the same amount as last year along with the additional funding request for training. Ms. Mitchell provided an update on the training she was able to attend due to the additional funding provided by the City. Ms. Mitchell gave a brief membership update and then thanked the Police Department for the work they do and provided Chief Mann a basket of items donated by Chamber members.

Helen Hecke, 701 W. South Street, Spring Hill, Kansas, requested that if the street vacation is approved (Item 5), then require that both parties establish an escrow account and draw money out of that account for the driveway improvements. The Mayor stated that the City has no authority to act on that since the agreement would be between property owners and the City is not involved with that transaction.

**5. Ordinance 2016-08: Consider vacating a portion of Nichols Street adjacent to 102 E. Nichols St., Mr. Gionelli Pourleamar**  
*Tabled from the July 14<sup>th</sup> City Council meeting.*

The Community Development Director reported that this item was tabled from the July 14<sup>th</sup> City Council meeting to allow the applicant and adjoining property owners an opportunity to discuss the request and develop a plan to meet the needs of access for all parties. The applicant and representatives of the Spring Hill United Methodist Church have

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AND ARE NOT OFFICIAL MINUTES  
UNTIL APPROVED BY THE SPRING HILL CITY COUNCIL

discussed the issue of access from Webster and Nichols Streets and have arrived at a mutual agreement. Once the right-of-way is vacated, the parties will trade portions of each property to allow the church permanent access from Webster Street. In return, the church will deed a portion of the vacated right-of-way to the applicant. Drive entrances from Webster and Nichols will be altered to provide adequate width for two-way entrance/exit from the properties. Vacation of the right-of-way will have no negative impact on the City as a utility easement is maintained in the language of the vacation ordinance.

Staff recommended approval of the ordinance to vacate a portion of Nichols Street adjacent to 102 E. Nichols Street.

**Motion by** Leaton, seconded by Gillis, to approve Ordinance 2016-08.

Motion carried by roll 5-0-0 Koder-aye, Hughes-aye, Leaton-aye, Snavelly-aye, Gillis-aye.

**PRESENTATION: Spring Hill Website, Allysha Walmann**

Ms. Walmann presented the new Spring Hill Website and gave an overview of the new features and enhancements, including the options for audio/video, mobile devices and the capability of signing up for reminders. The new website is scheduled to go live on August 4<sup>th</sup>.

**CONSENT AGENDA:**

**Motion by** Leaton, seconded by Gillis, to approve the Consent Agenda as presented.

1. **Approval of Minutes: July 14, 2016**
2. **Appropriation Order 2016-07-28**
3. **Consider Approval of Temporary Use Permit: TUP-06-16, Outside Display Sales, H.E.R.S. Inc.**
4. **Consider Approval of Change Order No. 1: Subgrade Repairs to Victory Road, Kansas Heavy Construction, LLC**

Motion carried 5-0-0.

**FORMAL COUNCIL ACTION**

**6. Ordinance No. 2016-09: Consider approval of Conditional Use Permit, CU-2016-0001, Child Care Center, 21901 Victory Road, The Wholesome Child, LLC**

The Community Development Director presented the ordinance for a Conditional Use Permit, CU-2016-0001, authorizing a Child Care Center located at 21901 Victory Road. The request was submitted by the applicant Karla Traul, Wholesome Child LLC. The property is zoned C-2, General Business, with P-O, Protective Overlay, which requires a Conditional Use Permit to operate a child care center. The Planning Commission held the required public hearing on July 7th with no opposition voiced. Discussion with the Planning Commission was held to clarify the hours of operation and the outdoor play area. After discussion the Planning Commission voted unanimously to recommend approval of the application subject to the following: 1. Annual review by staff.

Recommendation from staff and the Planning Commission to approve Ordinance 2016-09, approving conditional use permit CU-2016-0001 including the following condition: Annual review by staff

**Motion by** Leaton, seconded by Gillis, to approve Ordinance 216-09 as stated.

Motion carried by roll 5-0-0, Hughes-aye, Leaton-aye, Snavelly-aye, Gillis-aye, Koder-aye.

**7. Resolution No. 2016-R-20: Consider adoption of Resolution adding Article XI to the Spring Hill Employee Handbook relating to weapons in the work place; adopting the 2016 First Edition Spring Hill Employee Handbook; further rescinding Resolution No. 2013-R-13**

The City Attorney presented a revision to the Employee Handbook relating to weapons in the work place. House Bill 2502, adopted by the 2016 State Legislature, authorized legally qualified civilian employees to carry/possess a concealed handgun while engaged in their duties of employment. The City Council specifically discussed the language regarding D) Employees may not store a firearm in a vehicle owned by the City of Spring Hill when they are not in the vehicle, and the rights of a homeowner when they do not want an employees to enter their private residence while carrying a concealed weapon. It was the consensus of the City Council to table this item until

THE FOLLOWING MINUTES ARE SUBJECT TO MODIFICATION  
AND ARE NOT OFFICIAL MINUTES  
UNTIL APPROVED BY THE SPRING HILL CITY COUNCIL

Mayor Ellis, Councilman Gillis, City Attorney and City Administrator can meet and revise the language of the policy.

**Motion by** Leaton, seconded by Gillis, to table Resolution 2016-R-20 until the second meeting in August. Motion passed 5-0-0.

**8. Resolution No. 2016-R-21: Temporary Construction Easement, Webster Street Acceleration Lane, AGC Glass North America, Inc. John Amrein, the City's land acquisition agent, has reached agreement with the landowner for the acquisition of the easement**

The City Attorney presented the resolution accepting a temporary construction easement relating to the Webster Street Acceleration Lane project. AGC Flat Glass North America, LLC, is the adjacent landowner to the acceleration lane. The easement expires on December 31, 2017.

City Staff and Mr. John Amrein recommend approval of the acceptance of the easement.

**Motion by** Leaton, seconded by Gillis, to approve Resolution 2016-R-21. Motion carried 5-0-0.

**9. Resolution No. 2016-R-22: Temporary Construction Easement, Veterans Park Access Road Project**

The City Attorney presented the resolution accepting a temporary construction easement and permanent utility easements relating to the Veterans Park Access Road project. Cory and Sharon Bacon and Sycamore Estates are the adjacent landowners to the project. The temporary construction easement expires on December 31, 2017.

City Staff and Mr. Amrein recommend approval of the acceptance of the easements and payment of the designated compensation.

**Motion by** Leaton, seconded by Gillis, to approve Resolution 2016-R-22. Motion carried 5-0-0.

**RECESS**

At 7:40pm, the Mayor declared a recess until 7:55pm.

At 7:55pm, the meeting reconvened with everyone present.

**DISCUSSION**

**10. 2017 Budget and Capital Improvement Program (CIP)**

The Finance Director stated that the budget process is an opportunity to match a financial plan that will help to accomplish the community needs and council goals. Ms. Landis presented a brief history of the assessed valuation, property tax funds summary for revenue and expenditures, available funds and 2017 requests and the 2017 proposed budget including the draft budget summary. Ms. Landis also provided the property tax revenue history from 2014 to the proposed 2017. This budget continues the levels of service that the residents are currently receiving, continues the commitment to the market pay plan already in place and continuing the funding for outside agencies. Notice of the hearing will be published in the Miami County Newspaper for the August 25<sup>th</sup> City Council meeting.

**ADJOURN**

**Motion by** Leaton, seconded by Snavelly, to adjourn.

The meeting adjourned at 8:35pm.

\_\_\_\_\_  
Glenda Gerrity, City Clerk

Approved by the Governing Body on \_\_\_\_\_.

## AGENDA ITEM REVIEW SHEET

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TO: GOVERNING BODY  
SUBMITTED BY: MELANIE LANDIS, FINANCE DIRECTOR  
MEETING DATE: AUGUST 11, 2016  
DATE: AUGUST 4, 2016

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### **Consent Action Item**

**Issue:** Statement of Work, Phase 2 with Manahan Consulting, LLC

**Background:** Manahan Consulting has been working with the City on Phase 1 of the search for a new enterprise resource planning (ERP) system. The RFP was sent out to eleven potential vendors and also posted on the BidPrime website.

**Analysis:** The process was separated into three phases with the first phase now being complete. The proposed statement of work is for the second phase which is acceptance and review of the proposals, checking vendor references, coordination of vendor presentations to staff, developing a statement of work for contract with the selected vendor and coordination of the contract process.

**Funding Review or Budgetary Impact:** The cost of this phase of consultation will be split between the general fund, water fund and wastewater fund as the result of the services impacting all functions of City service.

**Alternatives:**

1. Approve the statement of work for phase 2 with Manahan Consulting.
2. Deny the statement of work for phase 2 with Manahan Consulting.
3. Table the issue and direct staff to further research.

**Recommendation:** Staff recommends that the Council approval of the statement of work for phase 2 with Manahan Consulting.

**Attachments:** Statement of Work, phase 2



## STATEMENT OF WORK

This Statement of Work (“SOW”) is for services proposed under Phase 2 Vendor Selection Assistance, as outlined in the Professional Services Agreement between the **City of Spring Hill** (“City”) and **Manahan Consulting, LLC** (“Consultant”), previously adopted by the parties. This SOW is effective when signed by the parties. Capitalized terms not otherwise defined herein shall have the meanings as ascribed to them in the Agreement.

**CONSULTANT:** Manahan Consulting, LLC  
Tax. I.D. No.: 47-3549370

**PERSON(S)  
ASSIGNED:** Jack Manahan

**SERVICES:** The following services will be performed on a time and material basis to assist the City in review and selection of vendor for the new system:

1. Assist City staff with review of proposals received for the new system
2. Assist with vendor reference checking
3. Assist with development of demo scripts for vendors’ presentations to support the City’s evaluation of proposed solutions
4. Assist with coordination of vendors’ presentations; participate in vendor presentations
5. Develop Statement of Work for inclusion in the contract with the selected vendor
6. Provide strategic guidance and assistance to the City on contract terms and conditions in support of contract negotiations with selected vendors.

**FEES:** The rates for the consultant assigned to this project for this Statement of Work are shown below. These rates do not include out of pocket expenses, including travel from office to Spring Hill at the current IRS-approved rate related to performance of duties described in this statement of work.

**PHASE 2 SOW ESTIMATE:** 71 hours \$10,807.00 including expenses

<i>Resource</i>	<i>Role(s)</i>	<i>Rate</i>
<i>Jack Manahan</i>	Project Manager & SME (subject-matter expert)	\$150





McAnany, Van Cleave & Phillips  
Attorneys at Law Since 1901

Kansas City • St. Louis  
Springfield • Omaha • Tulsa

**F. Charles Dunlay**

Shareholder

10 East Cambridge Circle Drive, Suite 300

Kansas City, KS 66103

(913) 573-3388

[fcunlay@mvplaw.com](mailto:fcunlay@mvplaw.com)

July 8, 2016

Mayor Steven M. Ellis  
City of Spring Hill  
401 N. Madison St.  
PO Box 424  
Spring Hill, KS 66083

*Transmitted via electronic mail; original mailed*

Re: Letter of Engagement

Dear Mr. Ellis:

I want to thank the City for retaining myself and our firm for legal services representing the City of Spring Hill. This letter sets forth the general terms of the engagement of the firm of McAnany, Van Cleave & Phillips, P.A. to perform legal services for Spring Hill. This letter sets forth the general terms upon which our firm will provide legal services to the City and the manner in which we will bill for services rendered and disbursements incurred.

With respect to our charges for legal services, many factors are taken into account before our billings are rendered. All statements are reviewed before they are issued to insure the amount charged is appropriate.

The principal factor in determining our charges is our hourly rate. The statements for services are the product of the hours worked multiplied by the hourly rates then in effect for the attorneys and legal assistants performing the legal services. Our hourly rates for attorneys and other members of the professional staff are based upon years of experience, specialization, and levels of professional attainment.

Based upon my prior provision of legal services and preventing harassment training for the City of Spring Hill and my discussion with Mr. Frank H. Jenkins, Jr., City Attorney, regarding the provision of preventing harassment training and related counsel, I met with our firm's leadership



10 East Cambridge Circle Drive, Suite 300, Kansas City, Kansas 66103  
[www.mvplaw.com](http://www.mvplaw.com) Ph 913.371.3838 Fax 913.371.4722

KANSAS MISSOURI ILLINOIS ARKANSAS OKLAHOMA NEBRASKA IOWA

to seek approval to offer the City a discounted rate for the provision of legal services. My normal hourly rate is \$265/hour, but McAnany, Van Cleave & Phillips has agreed to provide services to the City of Spring Hill at a fifteen percent (15%) to our ordinary fees. Moreover, rather than limit reduced fees to the provision of preventing harassment training, we will apply the reduced rate to the provision of all legal services to the City.

While our rates are reviewed periodically and they are adjusted from time to time, we will keep the hourly rate agreed upon in effect for the next twelve months. After that time, the rates will be subject to an annual increase not to exceed \$10.00 per hour. The following reduced rates shall apply in connection with the services rendered regarding the provision of preventing harassment training and related legal services, the provision of legal services to the Spring Hill Police Department, and the provision of general legal services to the City, if any:

Title	Rate
Shareholders	\$225.00
Associates	\$165.00
Paralegals and Runners	\$95.00

Our statements will be submitted monthly unless otherwise requested by you. Time entries will be specifically itemized as to the date the services were rendered, the initials of the lawyer or person performing the services, the amount of time necessary to complete the task (billed in increments of .10 hours) and a specific description of the task. In addition, all matters of representation will be specifically identified with a separate matter number to ensure accountability. All statements are reviewed before being submitted to insure the amount charged is appropriate. Any expenses such as document reproduction costs, etc., will be separately itemized on the statements. Generally, non-billable time or services will not be reflected in the statements or will be specifically identified as such. If you desire independent Letters of Engagement for each separate legal matter, I will be happy to furnish you with a separate Letter for each matter.

In the course of our work for you, it may be necessary for us to incur expenses for various items such as filing fees, document reproduction costs, court reporter fees, computerized research charges and other types of expenses. Routine out-of-pocket expenses will be advanced and added as an itemized entry on our monthly statement. In cases where costs are incurred for outside services that exceed \$500.00, we may forward the vendor's statement directly to you for payment. Any necessary charges for travel and mileage will be at the IRS allowable rate.

At the conclusion of each matter for which we provide representation of Spring Hill, the file will be maintained for a minimum of ten (10) years unless otherwise instructed by you. Upon expiration of the retention period, unless otherwise instructed by you, the file may be destroyed in accordance with our firm's retention and file destruction policy.

If the foregoing is agreeable to the City, please sign and return a copy of this letter to me.

I appreciate being considered to serve the City of Spring Hill and look forward to continuing our relationship. If you have any questions or would like additional information, please feel free to contact me at your convenience.

Sincerely,

*F. Charles Dunlay*

F. Charles Dunlay  
Shareholder  
McAnany, Van Cleave & Phillips, P.A.

**On behalf of the City of Spring Hill, Kansas, the City agrees to the terms of this Letter of Engagement.**

By: \_\_\_\_\_  
**Steven M. Ellis, Mayor**

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

ATTEST:

\_\_\_\_\_  
Glenda Gerrity, City Clerk

CC: Mr. Frank H. Jenkins, Jr.  
City Attorney  
Lowe Law Firm LLP  
105 South Kansas Avenue  
Olathe, KS 66061-4434

# CITY OF SPRING HILL, KANSAS

## APPROPRIATION ORDER

NUMBER 2016-08-11

PRESENTED: August 11, 2016

**Be it ordered by the Governing Body of the City of Spring Hill that the above dated order is and shall be approved and all claims honored and paid by the City Clerk.**

### Section 1:

Claims paid prior to approval of the City Council as authorized by Ordinance 2001-08:

Accounts Payable:	\$344,400.39
Payroll:	\$75,357.61
	\$419,758.00

### Section 2:

Claims presented for approval of payment:

Accounts Payable:	<hr/>
	\$0.00

**Total amount of the Appropriation Order: \$419,758.00**

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
		5 STAR PUMP & CONTROL				
1264	6/30/2016	EQUIPMENT MAINTENANCE	25-15-7670	\$ 7,675.00	78479	8/4/2016
1265	6/30/2016	EQUIPMENT MAINTENANCE	25-15-7670	\$ 255.00	78479	8/4/2016
1271	7/18/2016	EQUIPMENT MAINTENANCE	25-15-7670	\$ 1,681.25	78479	8/4/2016
1272	7/18/2016	EQUIPMENT MAINTENANCE	25-15-7670	\$ 1,150.00	78479	8/4/2016
1273	7/18/2016	EQUIPMENT MAINTENANCE	25-15-7670	\$ 137.00	78479	8/4/2016
				-----		
		5 STAR PUMP & CONTROL		\$ 10,898.25		
		ACTIVE NETWORK, INC				
11079878	6/30/2016	POOLHOUSE SUPPLIES	01-12-6110	\$ 367.40	78480	8/4/2016
				-----		
		ACTIVE NETWORK, INC		\$ 367.40		
		AETNA				
PR20160715	7/15/2016	AETNA-457 PLAN	01-00-2035	\$ 257.50	1283471	7/22/2016 E
PR20160715	7/15/2016	AETNA-457 PLAN	01-18-5120	\$ 40.00	1283471	7/22/2016 E
PR20160715	7/15/2016	AETNA-457 PLAN	20-00-2035	\$ 30.00	1283471	7/22/2016 E
				-----		
		AETNA		\$ 327.50		
		ALAMAR UNIFORMS				
514005	6/23/2016	UNIFORMS	01-05-7680	\$ 66.74	216772	7/25/2016
				-----		
		ALAMAR UNIFORMS		\$ 66.74		
		ALEXANDER OPEN SYSTEMS				
BT000903	2/9/2016	CONSULTING SERVICES	01-11-7720	\$ 834.00	216773	7/25/2016
BT000904	2/9/2016	CONSULTING SERVICES	01-11-7720	\$ 834.00	216773	7/25/2016
				-----		
		ALEXANDER OPEN SYSTEMS		\$ 1,668.00		
		ARLAN CO INC				
8662	6/23/2016	POOL CHEMICALS	01-12-6130	\$ 433.61	216774	7/25/2016
8710	7/3/2016	POOL CHEMICALS	01-12-6130	\$ 380.00	216774	7/25/2016
				-----		
		ARLAN CO INC		\$ 813.61		
		ASPHALT SALES COMPANY INC				
131262	6/28/2016	STREET MATERIALS	10-02-6330	\$ 128.35	216775	7/25/2016
				-----		
		ASPHALT SALES COMPANY IN		\$ 128.35		
		BLED SOE EQUIP, INC.				
225221-2	7/27/2016	RENTAL	01-12-6160	\$ 120.00	78481	8/4/2016
				-----		
		BLED SOE EQUIP, INC.		\$ 120.00		
		BLUE VALLEY TRACTOR & SUP				
84203	6/16/2016	HEALTH & WELLNESS	01-09-6091	\$ 83.15	216776	7/25/2016
85910	7/1/2016	HEALTH & WELLNESS	01-09-6091	\$ 83.15	216776	7/25/2016
				-----		
		BLUE VALLEY TRACTOR & SU		\$ 166.30		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
163106	6/30/2016	BRYAN ALFORD SPECIAL EVENTS	01-12-7290	\$ 350.00	78482	8/4/2016
		BRYAN ALFORD		\$ 350.00		
35085715	7/8/2016	CARTER WATERS CONSTRUCTIO STREET MATERIALS	10-02-6330	\$ 110.52	78483	8/4/2016
		CARTER WATERS CONSTRUCTI		\$ 110.52		
5005549371	7/18/2016	CINTAS FIRST AID & SAFETY FIRST AID SUPPLIES	20-14-6090	\$ 45.92	78484	8/4/2016
5005549371	7/18/2016	FIRST AID SUPPLIES	25-15-6090	\$ 45.92	78484	8/4/2016
5005549371	7/18/2016	FIRST AID SUPPLIES	01-02-6090	\$ 82.12	78484	8/4/2016
		CINTAS FIRST AID & SAFET		\$ 173.96		
		CITY OF SPRING HILL				
160408	8/4/2016	REFUSE	01-02-7628	\$ 106.49	78485	8/4/2016
160408	8/4/2016	REFUSE	01-04-7628	\$ 94.48	78485	8/4/2016
160408	8/4/2016	REFUSE	01-17-7628	\$ 188.96	78485	8/4/2016
160408	8/4/2016	REFUSE	20-14-7628	\$ 58.44	78485	8/4/2016
160408	8/4/2016	REFUSE	01-05-7628	\$ 82.46	78485	8/4/2016
160408	8/4/2016	REFUSE	01-12-7628	\$ 139.25	78485	8/4/2016
162607	7/26/2016	REFUSE	01-02-7628	\$ 106.49	78485	8/4/2016
162607	7/26/2016	REFUSE	01-04-7628	\$ 94.48	78485	8/4/2016
162607	7/26/2016	REFUSE	01-17-7628	\$ 188.96	78485	8/4/2016
162607	7/26/2016	REFUSE	20-14-7628	\$ 58.44	78485	8/4/2016
162607	7/26/2016	REFUSE	01-05-7628	\$ 82.46	78485	8/4/2016
162607	7/26/2016	REFUSE	01-12-7628	\$ 139.25	78485	8/4/2016
		CITY OF SPRING HILL		\$ 1,340.16		
228798	6/27/2016	COLEMAN EQUIPMENT INC. EQUIPMENT MAINTENANCE	01-02-7670	\$ 135.30	216777	7/25/2016
		COLEMAN EQUIPMENT INC.		\$ 135.30		
606200926	6/20/2016	COMFORT DESIGNS HEATING POOL BUILDING MAINTENANC	01-12-6160	\$ 271.17	78486	8/4/2016
607050954	6/5/2016	POOL BUILDING MAINTENANC	01-12-6160	\$ 89.00	78486	8/4/2016
		COMFORT DESIGNS HEATING		\$ 360.17		
25446-1	7/21/2016	COMMERCIAL AQUATIC SERV. POOL CHEMICALS	01-12-6130	\$ 32.20	78487	8/4/2016
		COMMERCIAL AQUATIC SERV.		\$ 32.20		
161807	7/18/2016	COREY BACON LAND ACQUISITION	62-00-8111	\$ 12,950.00	78488	8/4/2016
		COREY BACON		\$ 12,950.00		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
215270	6/24/2016	CROFT TRAILER SUPPLY, INC VEHICLE MAINTENANCE	01-02-6150	\$ 2,510.00	216778	7/25/2016
		CROFT TRAILER SUPPLY, IN		\$ 2,510.00		
2546	7/23/2016	DANELLE ABBOTT DEPOSIT REFUND	01-00-2050	\$ 75.00	78489	8/4/2016
		DANELLE ABBOTT		\$ 75.00		
2697	7/23/2016	DIANE MATHEW DEPOSIT REFUND	01-00-2050	\$ 75.00	78490	8/4/2016
		DIANE MATHEW		\$ 75.00		
162607	7/26/2016	DRS. HAWKS, BESLER & ROGE BENEFITS	01-16-5120	\$ 65.60	78491	8/4/2016
		DRS. HAWKS, BESLER & ROG		\$ 65.60		
035464A	7/13/2016	EDWARDS CHEMICALS, INC. POOL CHEMICALS	01-12-6130	\$ 418.95	78492	8/4/2016
		EDWARDS CHEMICALS, INC.		\$ 418.95		
2449	7/16/2016	ELLIS MEGEE DEPOSIT REFUND	01-00-2050	\$ 100.00	78493	8/4/2016
		ELLIS MEGEE		\$ 100.00		
21451	7/9/2016	ETC INSTITUTE CITIZEN SURVEY	01-07-7741	\$ 3,040.00	78494	8/4/2016
		ETC INSTITUTE		\$ 3,040.00		
901	6/17/2016	EXACT MOBILE CONCRETE STREET MATERIALS	10-02-6330	\$ 200.00	216779	7/25/2016
		EXACT MOBILE CONCRETE		\$ 200.00		
SKC1118781	6/24/2016	FASTENAL COMPANY EQUIPMENT	20-14-6360	\$ 60.21	216780	7/25/2016
SKC1118885	6/30/2016	EQUIPMENT MAINTENANCE	01-02-7670	\$ 178.54	216780	7/25/2016
SKC1118886	6/30/2016	HEALTH & WELLNESS	01-09-6091	\$ 184.90	216780	7/25/2016
		FASTENAL COMPANY		\$ 423.65		
S460018888	7/18/2016	FOLEY EQUIPMENT COMPANY EQUIPMENT MAINTENANCE	01-03-7670	\$ 194.69	78495	8/4/2016
S460018943	7/20/2016	EQUIPMENT MAINTENANCE	01-03-7670	\$ 30.94	78495	8/4/2016
S460018944	7/20/2016	EQUIPMENT MAINTENANCE	01-03-7670	\$ 15.34	78495	8/4/2016
		FOLEY EQUIPMENT COMPANY		\$ 240.97		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
		FREEDOM LAWN & LANDSCAPE				
09-4229B	6/16/2016	CODE ENFORCEMENT MOWING	01-18-7740	\$ 150.00	216781	7/25/2016
09-4230B	6/16/2016	CODE ENFORCEMENT MOWING	01-18-7740	\$ 150.00	216781	7/25/2016
09-4231B	6/10/2016	CODE ENFORCEMENT MOWING	01-18-7740	\$ 150.00	216781	7/25/2016
				-----		
		FREEDOM LAWN & LANDSCAPE		\$ 450.00		
		GERKEN RENT-ALL				
318463-PA	7/15/2016	POOL BUILDIGN MAINTENANC	01-12-6160	\$ 130.00	78496	8/4/2016
319333-PA	7/20/2016	PORTABLE RESTROOM	01-03-7240	\$ 110.00	78496	8/4/2016
319334-PA	7/20/2016	PORTABLE RESTROOM	01-03-7240	\$ 110.00	78496	8/4/2016
				-----		
		GERKEN RENT-ALL		\$ 350.00		
		GUARDIAN TRACKING				
20160384	7/1/2016	MEMBERSHIP	01-05-7630	\$ 600.00	216782	7/25/2016
				-----		
		GUARDIAN TRACKING		\$ 600.00		
		HAWKINS INC				
3913430	7/6/2016	CHEMICALS	25-15-6340	\$ 2,093.50	78497	8/4/2016
				-----		
		HAWKINS INC		\$ 2,093.50		
		INLAND POTABLE SERVICES,				
B47-072116	7/22/2016	EQUIPMENT MAINTENANCE	20-14-7670	\$ 2,875.00	78498	8/4/2016
				-----		
		INLAND POTABLE SERVICES,		\$ 2,875.00		
		INLAND TRUCK PARTS COMPAN				
9-51203	7/13/2016	VEHICLE MAINTENANCE	01-02-6150	\$ 63.60	78499	8/4/2016
9-51455	7/22/2016	VEHICLE MAINTENANCE	01-02-6150	\$ 143.95	78499	8/4/2016
				-----		
		INLAND TRUCK PARTS COMPA		\$ 207.55		
		INTEGRITY LOCATING				
163006	6/30/2016	CONTRACTUAL SERVICES	20-14-7740	\$ 841.67	216783	7/25/2016
163006	6/30/2016	CONTRACTUAL SERVICES	25-15-7740	\$ 841.67	216783	7/25/2016
163006	6/30/2016	PROFESSIONAL SERVICES	01-02-7740	\$ 841.66	216783	7/25/2016
				-----		
		INTEGRITY LOCATING		\$ 2,525.00		
		INTERNAL REVENUE SERVICE				
PR20160715	7/15/2016	FED/FICA TAX	01-00-2020	\$ 22,672.43	1283470	7/22/2016 E
PR20160715	7/15/2016	FED/FICA TAX	20-00-2020	\$ 1,077.25	1283470	7/22/2016 E
PR20160715	7/15/2016	FED/FICA TAX	25-00-2020	\$ 1,255.62	1283470	7/22/2016 E
PR20160716	7/16/2016	FED/FICA TAX	01-00-2020	\$ 26.08	1283480	8/03/2016 E
VOID080116	7/1/2016	FED/FICA TAX VOIDED	01-00-2020	\$ (26.08)	1283480	8/03/2016 E
				-----		
		INTERNAL REVENUE SERVICE		\$ 25,005.30		
		JOHNSON COUNTY SHERIFF'S				
162007	7/20/2016	MUNICIPAL COURT	01-00-4240	\$ 400.00	78500	8/4/2016
				-----		
		JOHNSON COUNTY SHERIFF'S		\$ 400.00		
		KANSAS PAYMENT CNTR				

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
PR20160715	7/15/2016	CHILD SUPPORT 1	01-00-2040	\$ 158.31	78385	7/22/2016
		KANSAS PAYMENT CNTR		\$ 158.31		
162107	7/21/2016	KATHLEEN BURGER CABANA RENTAL	01-00-4635	\$ 275.00	78501	8/4/2016
		KATHLEEN BURGER		\$ 275.00		
246888	6/14/2016	KEY EQUIPMENT & SUPPLY CO EQUIPMENT MAINTENANCE	25-15-7670	\$ 1,961.12	78502	8/4/2016
246888	6/14/2016	EQUIPMENT MAINTENANCE	20-14-7670	\$ 1,961.11	78502	8/4/2016
246888	6/14/2016	EQUIPMENT MAINTENANCE	01-02-7670	\$ 1,961.11	78502	8/4/2016
		KEY EQUIPMENT & SUPPLY C		\$ 5,883.34		
PR20160715	7/15/2016	KP&F KP&F LIFE	01-00-2030	\$ 16.20	1283472	7/22/2016 E
PR20160715	7/15/2016	KP&F	01-00-2030	\$ 6,892.27	1283472	7/22/2016 E
		KP&F		\$ 6,908.47		
PR20160715	7/15/2016	KPERS KPERS TIER 1	01-00-2030	\$ 3,912.57	1283469	7/22/2016 E
PR20160715	7/15/2016	KPERS TIER 1	20-00-2030	\$ 524.69	1283469	7/22/2016 E
PR20160715	7/15/2016	KPERS TIER 1	25-00-2030	\$ 353.64	1283469	7/22/2016 E
PR20160715	7/15/2016	KPERS post 7/09	01-00-2030	\$ 2,681.37	1283469	7/22/2016 E
PR20160715	7/15/2016	KPERS post 7/09	25-00-2030	\$ 707.89	1283469	7/22/2016 E
PR20160715	7/15/2016	KPERS TIER 3	01-00-2030	\$ 798.00	1283469	7/22/2016 E
		KPERS		\$ 8,978.16		
31635	7/5/2016	KS STATE TREASURER COURT REINSTATMENT	01-00-2206	\$ 177.00	216784	7/25/2016
31635	7/5/2016	COURT REINSTATMENT	01-00-2206	\$ 110.00	216784	7/25/2016
31635	7/5/2016	COURT JF	01-00-2202	\$ 35.50	216784	7/25/2016
31635	7/5/2016	COURT LET	01-00-2201	\$ 701.50	216784	7/25/2016
31635	7/5/2016	DUI COMM CORR	01-00-2208	\$ 1,750.00	216784	7/25/2016
		KS STATE TREASURER		\$ 2,774.00		
PR20160715	7/15/2016	KS WITHHOLDING TAX STATE TAX	01-00-2020	\$ 2,766.89	1283468	7/22/2016 E
PR20160715	7/15/2016	STATE TAX	20-00-2020	\$ 148.15	1283468	7/22/2016 E
PR20160715	7/15/2016	STATE TAX	25-00-2020	\$ 139.22	1283468	7/22/2016 E
		KS WITHHOLDING TAX		\$ 3,054.26		
I22934	7/11/2016	LOGAN CONTRACTORS SUPPLY, VEHICLE MAINTENANCE	01-02-6150	\$ 57.95	78503	8/4/2016
		LOGAN CONTRACTORS SUPPLY		\$ 57.95		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
		LOWE LAW FIRM, LLP				
160607	7/6/2016	LEGAL CONTRACT	01-01-7710	\$ 3,000.00	216785	7/25/2016
160607B	7/6/2016	LEGAL CONTRACT	01-09-7710	\$ 2,220.50	216785	7/25/2016
160607C	7/6/2016	LEGAL CONTRACT	01-09-7710	\$ 312.50	216785	7/25/2016
160607D	7/6/2016	LEGAL CONTRACT	03-00-7710	\$ 100.00	216785	7/25/2016
160607E	7/6/2016	LEGAL CONTRACT	81-00-7710	\$ 1,616.50	216785	7/25/2016
160607F	7/6/2016	LEGAL CONTRACT	01-16-7710	\$ 62.50	216785	7/25/2016
160607G	7/6/2016	LEGAL CONTRACT	01-09-7710	\$ 250.00	216785	7/25/2016
160607H	7/6/2016	LEGAL CONTRACT	01-16-7710	\$ 788.30	216785	7/25/2016
160607I	7/6/2016	LEGAL CONTRACT	01-09-7710	\$ 100.60	216785	7/25/2016
160607J	7/6/2016	LEGAL CONTRACT	01-16-7710	\$ 500.00	216785	7/25/2016
160607K	7/6/2016	LEGAL SERVICES	01-09-7710	\$ 62.50	216785	7/25/2016
160607L	7/6/2016	LEGAL SERVICES	01-09-7710	\$ 50.00	216785	7/25/2016
160607M	7/6/2016	LEGAL SERVICES	85-00-7710	\$ 250.25	216785	7/25/2016
160607M	7/6/2016	LEGAL SERVICES	62-00-7710	\$ 250.25	216785	7/25/2016
		WEST LAKE PARK				
160607N	7/6/2016	LEGAL SERVICES	01-09-7710	\$ 527.20	216785	7/25/2016
160607O	7/6/2016	LEGAL SERVICES	01-16-7710	\$ 1,169.30	216785	7/25/2016
160607P	7/6/2016	LEGAL SERVICES	20-14-7710	\$ 162.50	216785	7/25/2016
160607R	7/6/2016	LEGAL SERVICES	20-14-7710	\$ 307.00	216785	7/25/2016
160607S	7/6/2016	LEGAL SERVICES	01-05-7710	\$ 62.50	216785	7/25/2016
160607T	7/6/2016	LEGAL SERVICES	80-00-7710	\$ 500.00	216785	7/25/2016
				-----		
		LOWE LAW FIRM, LLP		\$ 12,292.40		
		MAJESTIC FRANCHSING				
7160689	7/12/2016	CLEANING SERVICE	01-04-7610	\$ 340.00	216786	7/25/2016
				-----		
		MAJESTIC FRANCHSING		\$ 340.00		
		MANAHAN CONSULTING				
160108	8/1/2016	CONSULTING SERVICES	01-11-7720	\$ 1,250.64	78504	8/4/2016
160108	8/1/2016	CONSULTING SERVICES	20-14-7720	\$ 630.00	78504	8/4/2016
160108	8/1/2016	CONSULTING SERVICES	25-15-7740	\$ 630.00	78504	8/4/2016
201606	6/30/2016	CONSULTING SERVICES	01-11-7720	\$ 1,835.28	78504	8/4/2016
201606	6/30/2016	CONSULTING SERVICES	20-14-7720	\$ 918.00	78504	8/4/2016
201606	6/30/2016	CONSULTING SERVICES	25-15-7740	\$ 918.00	78504	8/4/2016
				-----		
		MANAHAN CONSULTING		\$ 6,181.92		
		MAPLE RIDHE HOA INC.				
2703	7/21/2016	DEPOSIT REFUND	01-00-2050	\$ 75.00	78505	8/4/2016
				-----		
		MAPLE RIDHE HOA INC.		\$ 75.00		
		MARILYN SANDBERG				
2688	7/24/2016	DEPOSIT REFUND	01-00-2050	\$ 75.00	78506	8/4/2016
				-----		
		MARILYN SANDBERG		\$ 75.00		
		MAYELA DELAGADILLO				
2689	7/17/2016	DEPOSIT REFUND	01-00-2050	\$ 25.00	78507	8/4/2016
		MAYELA DELAGADILLO				
				-----		
		MAYELA DELAGADILLO		\$ 25.00		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
160108	8/1/2016	METLIFE PREMIUM	01-06-5120	\$ 11.10	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	01-05-5120	\$ 165.37	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	01-02-5120	\$ 45.56	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	20-14-5120	\$ 34.46	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	01-03-5120	\$ 34.46	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	01-11-5120	\$ 33.30	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	01-08-5120	\$ 11.68	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	01-01-5120	\$ 33.30	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	01-13-5120	\$ 22.20	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	01-16-5120	\$ 257.04	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	25-15-5120	\$ 33.88	78508	8/4/2016
160108	8/1/2016	METLIFE PREMIUM	01-17-5120	\$ 11.68	78508	8/4/2016
				-----		
		METLIFE SMALL BUSINESS C		\$ 694.03		
20160630	6/30/2016	MIAMI COUNTY SHERIFF OFFI PRISONER BOARDING	01-06-7120	\$ 40.00	78509	8/4/2016
				-----		
		MIAMI COUNTY SHERIFF OFF		\$ 40.00		
57085	7/5/2016	MID-STATES MATERIALS, LLC LINE REPLACEMENT	20-14-7280	\$ 336.39	78510	8/4/2016
				-----		
		MID-STATES MATERIALS, LL		\$ 336.39		
160108	8/1/2016	MOLLY BROWN MILEAGE	01-12-6050	\$ 37.90	78511	8/4/2016
				-----		
		MOLLY BROWN		\$ 37.90		
162207	7/22/2016	NAPA GARDNER AUTO PARTS VEHICLE MAINTENANCE	01-02-6150	\$ 5.49	78512	8/4/2016
				-----		
		NAPA GARDNER AUTO PARTS		\$ 5.49		
317471	7/12/2016	NAPA SPRING HILL, LLC VEHICLE MAINTENANCE	20-14-6150	\$ 6.48	78513	8/4/2016
317553	7/13/2016	VEHICLE MAINTENANCE	01-02-6150	\$ 210.62	78513	8/4/2016
317627	7/15/2016	VEHICLE MAINTENANCE	01-02-6150	\$ 31.31	78513	8/4/2016
317699	7/18/2016	VEHICLE MAINTENANCE	01-02-6150	\$ 7.62	78513	8/4/2016
317819	7/20/2016	VEHICLE MAINTENANCE	01-02-6150	\$ 14.64	78513	8/4/2016
317828	7/20/2016	VEHICLE MAINTENANCE	01-02-6150	\$ 119.99	78513	8/4/2016
317903	7/22/2016	VEHICLE MAINTENANCE	01-02-6150	\$ 11.43	78513	8/4/2016
				-----		
		NAPA SPRING HILL, LLC		\$ 402.09		
102007001	7/17/2016	NAVRAT'S OFFICE PRODUCTS PRINTING	20-14-6120	\$ 310.00	78514	8/4/2016
102007001	7/17/2016	PRINTING	25-15-6110	\$ 310.00	78514	8/4/2016
		NAVRAT'S OFFICE PRODUCTS				
				-----		
		NAVRAT'S OFFICE PRODUCTS		\$ 620.00		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
1828920516	5/4/2016	NPG NEWSPAPERS, INC LEGAL PUBLICATION	01-08-7120	\$ 102.03	216787	7/25/2016
1828920616	6/30/2016	ORD 2016-06 PRAIRIE RIDG CITY COUNCIL VACANCY	01-08-7120	\$ 47.32	216787	7/25/2016
1828920616	6/30/2016	HRG NOTICE DAYCARE CUP	01-16-7120	\$ 98.84	216787	7/25/2016
1828920616	6/30/2016	HRG NOTICE REZONE RPI-RI	01-16-7120	\$ 204.64	216787	7/25/2016
1828920616	6/30/2016	HRG NOTICE BHAWK IRB	01-08-7120	\$ 71.24	216787	7/25/2016
1828920616	6/30/2016	ORD 2016-07 INS PROCEEDS	01-08-7120	\$ 53.76	216787	7/25/2016
		NPG NEWSPAPERS, INC		\$ 633.43		
180651	6/29/2016	OFFICE MAX OFFICE SUPPLIES	01-02-6110	\$ 33.00	216788	7/25/2016
		OFFICE MAX		\$ 33.00		
7202016	6/20/2016	OLATHE FAMILY YMCA CONTRACTUAL SERVICES	01-12-7740	\$ 6,480.00	78515	8/4/2016
		OLATHE FAMILY YMCA		\$ 6,480.00		
112261 00	7/5/2016	OLATHE WINWATER WORKS METERS/SUPPLIES	20-14-6320	\$ 1,189.00	78516	8/4/2016
		OLATHE WINWATER WORKS		\$ 1,189.00		
1660007587	7/8/2016	PACE ANALYTICAL SERVICES, LAB ANALYSIS	25-15-7250	\$ 162.00	78517	8/4/2016
1660007588	7/8/2016	LAB ANALYSIS	25-15-7250	\$ 162.00	78517	8/4/2016
1660007598	7/8/2016	LAB ANALYSIS	25-15-7250	\$ 162.00	78517	8/4/2016
		PACE ANALYTICAL SERVICES		\$ 486.00		
25500485	5/18/2016	PAVING MAINTENANCE SUPPLY EQUIPMENT MAINTENANCE	01-02-7670	\$ 317.22	78518	8/4/2016
		PAVING MAINTENANCE SUPPL		\$ 317.22		
163006	7/20/2016	PONZER - YOUNGQUIST ENGINEERING	85-00-7730	\$ 1,267.50	216789	7/25/2016
163006	7/20/2016	ENGINEERING	62-00-7730	\$ 1,267.50	216789	7/25/2016
163006B	6/30/2016	WILSON ST. PH 3	76-00-7730	\$ 12,337.50	216789	7/25/2016
163006C	6/30/2016	WILSON ST. PH 3	76-00-7730	\$ 1,980.00	216789	7/25/2016
163006D	6/30/2016	CROSSING ROAD	01-09-7730	\$ 135.00	216789	7/25/2016
163006D	6/30/2016	MID AM WATER LINE	20-14-7730	\$ 1,975.50	216789	7/25/2016
163006D	6/30/2016	WASTE WATER TREATMENT PL	25-15-7730	\$ 202.50	216789	7/25/2016
163006D	6/30/2016	CARS APPLICATION	01-09-7730	\$ 270.00	216789	7/25/2016
163006D	6/30/2016	AUTOMN VALLEY DRAINAGE	01-16-7730	\$ 153.00	216789	7/25/2016
163006D	6/30/2016	WESTLAKE PARK ACCESS	62-00-7730	\$ 695.00	216789	7/25/2016
163006D	6/30/2016	DAYTON CREEK	01-16-7730	\$ 540.00	216789	7/25/2016
163006D	6/30/2016	ESTATES OF WOLF CREEK	01-16-7730	\$ 692.96	216789	7/25/2016
163006D	6/30/2016	BACON PROPERTY	62-00-7730	\$ 1,152.00	216789	7/25/2016
		PONZER - YOUNGQUIST		\$ 22,668.46		
701889	6/24/2016	PUR - O - ZONE ADMINISTRATIVE SUPPLIES	01-03-6110	\$ 331.22	216790	7/25/2016

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
702533	6/30/2016	POOLHOUSE SUPPLIES	01-12-6110	\$ 199.68	216790	7/25/2016
		PUR - O - ZONE		\$ 530.90		
7239487	7/8/2016	QUILL OFFICE SUPPLIES	01-05-6110	\$ 65.99	78519	8/4/2016
		QUILL		\$ 65.99		
246785	8/14/2016	REILLY & SONS, INC PUBLIC OFFICIAL BOND	01-06-7130	\$ 350.00	78520	8/4/2016
		REILLY & SONS, INC		\$ 350.00		
49401	7/14/2016	REJIS COMMISSION SUBSCRIPTIONS	01-05-7630	\$ 39.86	78521	8/4/2016
		REJIS COMMISSION		\$ 39.86		
161407	7/14/2016	RICHARD MANN EDUCATION REIMBURSEMENT	01-08-7650	\$ 450.00	78522	8/4/2016
		RICHARD MANN		\$ 450.00		
161807	7/18/2016	ROMARIE TORRES CABANA RENTAL	01-00-4635	\$ 25.00	78523	8/4/2016
		ROMARIE TORRES		\$ 25.00		
162807	7/28/2016	RURAL WATER DISTRICT #2 M WATER SERVICE	20-14-7200	\$ 27.61	1283486	8/01/2016 E
61021080-5	8/1/2016	WATER PURCHASES	20-14-7200	\$ 29,386.05	78524	8/4/2016
		RURAL WATER DISTRICT #2		\$ 29,413.66		
1354-2	7/11/2016	SHERWIN WILLIAMS OLATHE STRIPING	01-02-7160	\$ 130.92	78525	8/4/2016
		SHERWIN WILLIAMS OLATHE		\$ 130.92		
163006	6/30/2016	SPRING HILL OIL (CH) FUEL - '08 ESCAPE	01-16-6140	\$ 67.05	216791	7/25/2016
163006	6/30/2016	FUEL - '05 ESCAPE	01-16-6140	\$ 58.24	216791	7/25/2016
20160629	6/30/2016	FUEL	01-18-6140	\$ 124.43	216791	7/25/2016
20160630	6/30/2016	GASOLINE	01-05-6140	\$ 1,702.93	216791	7/25/2016
		SPRING HILL OIL (CH)		\$ 1,952.65		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
		SPRING HILL OIL (CITY)				
163006	6/30/2016	FUEL	01-02-6140	\$ 1,047.68	216792	7/25/2016
163006	6/30/2016	FUEL	01-03-6140	\$ 682.61	216792	7/25/2016
163006	6/30/2016	FUEL	20-14-6140	\$ 373.58	216792	7/25/2016
163006	6/30/2016	FUEL	25-15-6140	\$ 458.63	216792	7/25/2016
163006	6/30/2016	FUEL	01-13-6140	\$ 111.29	216792	7/25/2016
163006	6/30/2016	PROPANE	01-02-7624	\$ 73.25	216792	7/25/2016
				-----		
		SPRING HILL OIL (CITY)		\$ 2,747.04		
		STATE OF KANSAS/DEPT OF H				
161807	7/18/2016	PRINCIPAL REPAYMENT	25-15-9010	\$ 123,786.91	78526	8/4/2016
161807	7/18/2016	PRINCIPAL REPAYMENT	25-15-9110	\$ 21,847.68	78526	8/4/2016
161807	7/18/2016	PRINCIPAL REPAYMENT	25-15-9210	\$ 1,675.44	78526	8/4/2016
				-----		
		STATE OF KANSAS/DEPT OF		\$ 147,310.03		
		SUMMIT TRUCK GROUP				
110206112	6/27/2016	VEHICLE MAINTENANCE	01-02-6150	\$ 406.78	216793	7/25/2016
				-----		
		SUMMIT TRUCK GROUP		\$ 406.78		
		SYCAMORE LAKE ESTATE				
161307	7/13/2016	LAND AQUISION	62-00-8111	\$ 7,890.00	78527	8/4/2016
				-----		
		SYCAMORE LAKE ESTATE		\$ 7,890.00		
		TAMERA BENEDICT				
2708	7/20/2016	DEPOSIT REFUND	01-00-2050	\$ 75.00	78528	8/4/2016
				-----		
		TAMERA BENEDICT		\$ 75.00		
		U S POSTMASTER				
162007	7/20/2016	POSTAGE	20-14-6020	\$ 215.00	78529	8/4/2016
				-----		
		U S POSTMASTER		\$ 215.00		
		VALIDITY SCREENING				
133944	7/1/2016	PRE-EMPLOYMENT SCREENING	01-12-7740	\$ 40.00	216794	7/25/2016
133944	7/1/2016	PRE-EMPLOYMENT SCREENING	01-16-7720	\$ 53.10	216794	7/25/2016
				-----		
		VALIDITY SCREENING		\$ 93.10		
		WATER DISTRICT #7				
161807	7/18/2016	WATER UTILITIES	25-15-7620	\$ 18.66	78530	8/4/2016
				-----		
		WATER DISTRICT #7		\$ 18.66		
				-----		
		***** REPORT TOTAL *****		\$ 344,400.39		

## AGENDA ITEM REVIEW SHEET

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TO: GOVERNING BODY  
SUBMITTED BY: MELANIE LANDIS, FINANCE DIRECTOR  
MEETING DATE: AUGUST 11, 2016  
DATE: AUGUST 4, 2016

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### **Formal Action**

**Issue:** Resolution 2016-R-23 directing notice of public hearing on special assessments for Estates of Wolf Creek benefit district

### **Background/Analysis:**

An improvement district was created on August 14, 2014 for construction of improvements as follows:

*Construction of approximately 1,950 linear feet of 12" thru 18" PVC gravity sanitary sewers, including engineering design, construction staking, construction observation, as-builts and all related appurtenances, to serve a portion of the preliminarily platted Estates of Wolf Creek subdivision, in the NE 1/4, of Sec. 1, Twp. 15, Rg. 23 in the City of Spring Hill, Johnson County, Kansas*

Construction is complete and the levying of assessments process begins by holding a notice of public hearing for the parcels included in the benefit district. Financing for the general obligation bond will be completed in the fall of 2016 and assessments will be levied for the benefit district beginning with the November 2017 tax roll.

**Legal Review:** Resolution was prepared by Kutak Rock, the City's bond counsel and City attorney, Frank Jenkins, has reviewed.

**Funding Review or Budgetary Impact:** Twenty (20) year financing of this project through general obligation bonds will be paid 100% by the property owners.

### **Alternatives:**

1. Approve Resolution 2016-R-23 authorizing the building demolition and improvement project with the new project total.
2. Table Resolution 2016-R-23 resulting in a delay of the assessment process.

### **Recommended Motion:**

Move to approve resolution 2016-R-23 directing notice to be given of a public hearing on proposed special assessments to be levied in connection with certain improvements in the City of Spring Hill, KS (Estates of Wolf Creek Special Benefit District).

### **Attachments:**

Resolution 2016-R-23

**RESOLUTION NO. 2016-R-23**

**A RESOLUTION DIRECTING NOTICE TO BE GIVEN OF A PUBLIC HEARING ON PROPOSED SPECIAL ASSESSMENTS TO BE LEVIED IN CONNECTION WITH CERTAIN IMPROVEMENTS IN THE CITY OF SPRING HILL, KANSAS (ESTATES OF WOLF CREEK SPECIAL BENEFIT DISTRICT)**

**WHEREAS**, pursuant to Resolution No. 2014-R-09 of the City of Spring Hill, Kansas (the “City”), adopted on August 14, 2014 (the “Improvement Resolution”), the Governing Body of the City has authorized the creation of an improvement district (the “District”) and the construction of the following improvements (the “Improvements”):

Construction of approximately 1,950 linear feet of 12” thru 18” PVC gravity sanitary sewers, including engineering design, construction staking, construction observation, as-builts and all related appurtenances, to serve a portion of the preliminarily platted Estates of Wolf Creek subdivision, in the NE 1/4, of Sec. 1, Twp. 15, Rg. 23 in the City of Spring Hill, Johnson County, Kansas; and

**WHEREAS**, the Improvements are substantially complete and it is necessary and advisable to prepare an assessment roll and to provide notice of a public hearing of such proposed assessments all in accordance with K.S.A. 12-6a09;

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SPRING HILL, KANSAS, AS FOLLOWS:**

**Section 1.** The Finance Director shall prepare a proposed assessment roll for the Improvements which shall set forth the proposed assessment against each lot, piece or parcel of land within the District in the manner set forth in the Improvement Resolution. The proposed assessment roll shall be maintained on file with the City Clerk and be open for public inspection.

**Section 2.** Following preparation of the proposed assessment roll, the Governing Body shall hold a public hearing for the District on the proposed assessments at its regular meeting on September 8, 2016. The City Clerk shall publish notice of the public hearing at least once not less than 10 days prior to September 8, 2016, and shall mail to the owners of the property liable to pay the assessments, at their last known post office address, a notice of the hearing and a statement of the cost proposed to be assessed all in accordance with K.S.A. 12-6a09. The published notice shall be in substantially the form as set forth in *Exhibit A* to this Resolution.

**Section 3.** This Resolution shall be in full force and effect from and after its adoption.

**ADOPTED** by the Governing Body of the City of Spring Hill, Kansas, on August 11, 2016.

**CITY OF SPRING HILL, KANSAS**

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Mayor

(Seal)

ATTEST:

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City Clerk

## EXHIBIT A

[Form of notice of public hearing to be published no later than August 29, 2016.]

### NOTICE OF PUBLIC HEARING (Estates of Wolf Creek Special Benefit District)

Notice is hereby given that the City Council of the City of Spring Hill, Kansas (the "City"), will hold a public hearing at the City Council Chambers, City Hall, 401 N. Madison Street, in the City on **September 8, 2016, at 7:00 p.m.** (or as soon as practical thereafter), for the purpose of considering and hearing any and all complaints and objections to an assessment roll prepared in connection with the following improvements in the City, as authorized by Resolution No. 2014-R-09 of the City, adopted on August 14, 2014:

Construction of approximately 1,950 linear feet of 12" thru 18" PVC gravity sanitary sewers, including engineering design, construction staking, construction observation, as-builts and all related appurtenances, to serve a portion of the preliminarily platted Estates of Wolf Creek subdivision, in the NE 1/4, of Sec. 1, Twp. 15, Rg. 23 in the City of Spring Hill, Johnson County, Kansas; and

The improvements have been completed at a total cost of \$410,000, 0% of which will be chargeable to the City-at-large, and 100% of which will be assessed in the manner set forth in Resolution No. 2014-R-09 of the City, adopted on August 14, 2014, to the property in the improvement district described following the end of this Notice.

The assessment roll is on file in the office of the City Clerk and may be examined by any interested party. Anyone who wishes to make any complaint, comment or objection, written or oral, to the assessment roll may appear and will be heard at the public hearing or at any adjournment of such meeting and the Governing Body of the City will hear and pass on any such objections, and may amend the proposed assessments as described in the assessment roll. Upon completion of the public hearing, the amounts of the assessments will be finally determined by the Governing Body of the City.

DATED August 17, 2016.

Glenda Gerrity, City Clerk

## PROPERTY IN THE IMPROVEMENT DISTRICT

ALL THAT PART OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 15 SOUTH, RANGE 23 EAST, IN THE CITY OF SPRING HILL, JOHNSON COUNTY, KANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 1; THENCE N 02°05'00" W, ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1, A DISTANCE OF 2,599.53 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 1; THENCE N 87°51'10" E, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1, A DISTANCE OF 1,350.00 FEET; THENCE S 02°08'50" E, A DISTANCE OF 409.29 FEET; THENCE S 32°37'51" E, ALONG THE WESTERLY PLAT LINE OF WOLF CREEK ELEMENTARY SCHOOL, A PLATTED SUBDIVISION OF LAND IN THE CITY OF SPRING HILL, JOHNSON COUNTY, KANSAS, AND ITS NORTHWESTERLY EXTENSION, A DISTANCE OF 957.14 FEET TO AN ANGLE POINT ON THE WESTERLY PLAT LINE OF SAID WOLF CREEK ELEMENTARY SCHOOL; THENCE ALONG THE WESTERLY PLAT LINE OF SAID WOLF CREEK ELEMENTARY SCHOOL, FOR THE FOLLOWING THREE (3) COURSES; THENCE S 04°10'12" E, A DISTANCE OF 98.66 FEET; THENCE S 41°12'08" W, A DISTANCE OF 121.61 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE LEFT, SAID CURVE HAVING AN INITIAL TANGENT BEARING OF S 46°55'16" E AND A RADIUS OF 375.00 FEET, AN ARC DISTANCE OF 130.81 FEET TO AN ANGLE POINT ON THE WESTERLY PLAT LINE OF ESTATES OF WOLF CREEK, A PLATTED SUBDIVISION OF LAND IN THE CITY OF SPRING HILL, JOHNSON COUNTY, KANSAS; THENCE ALONG THE WESTERLY PLAT LINE OF SAID ESTATES OF WOLF CREEK, FOR THE FOLLOWING SIX (6) COURSES; THENCE S 23°05'34" W, A DISTANCE OF 50.00 FEET; THENCE S 01°12'00" E, A DISTANCE OF 111.08 FEET; THENCE S 04°30'00" W, A DISTANCE OF 45.66 FEET; THENCE S 01°12'00" E, A DISTANCE OF 137.00 FEET; THENCE S 81°00'00" W, A DISTANCE OF 13.91 FEET; THENCE S 09°00'00" E, A DISTANCE OF 139.64 FEET TO THE NORTHWEST PLAT CORNER OF SAID ESTATES OF WOLF CREEK, 3RD PLAT, A PLATTED SUBDIVISION OF LAND IN THE CITY OF SPRING HILL, JOHNSON COUNTY, KANSAS; THENCE ALONG THE WESTERLY PLAT LINE OF SAID ESTATES OF WOLF CREEK, 3RD PLAT, FOR THE FOLLOWING TWO (2) COURSES; THENCE S 05°00'00" E, A DISTANCE OF 49.00 FEET; THENCE S 10°48'00" E, A DISTANCE OF 254.76 FEET TO THE NORTHWEST PLAT CORNER OF SAID ESTATES OF WOLF CREEK, 5TH PLAT, A PLATTED SUBDIVISION OF LAND IN THE CITY OF SPRING HILL, JOHNSON COUNTY, KANSAS; THENCE ALONG THE WESTERLY PLAT LINE OF SAID ESTATES OF WOLF CREEK, 5TH PLAT, FOR THE FOLLOWING THREE (3) COURSES; THENCE CONTINUING S 10°48'00" E, A DISTANCE OF 205.07 FEET; THENCE S 05°48'00" E, A DISTANCE OF 80.39 FEET; THENCE S 01°12'00" E, A DISTANCE OF 73.32 FEET TO THE SOUTHWEST PLAT CORNER OF SAID ESTATES OF WOLF CREEK, 5TH PLAT, SAID POINT ALSO BEING ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1; THENCE S 88°49'31" W, ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1, A DISTANCE OF 1,912.69 FEET TO THE POINT OF BEGINNING, CONTAINING 4,426,031 SQUARE FEET OR 101.6077 ACRES, MORE OR LESS.

## Agenda Item Review Sheet

**To:** Mayor and City Council  
**From:** Natalie Lazenby, Human Resources/ Risk Manager  
**Date:** August 3, 2016  
**Meeting:** August 11, 2016

**Consent Item:** Adoption of the 2016 First Edition Spring Hill Employee Handbook of the City of Spring Hill, Kansas.

**Issue:** Suggests updates to the City's Handbook have been made by clarifying and expanding upon the reporting, investigation and discipline of harassment and sexual harassment claims made by employees.

- 1 Article IX-4-Reporting. It is recommended the reporting procedure be simplified by requiring all complaints against co-employees, supervisors or department heads be reported directly to the Human Resources Generalist/Risk Manager. In addition, any complaints of retaliation are to be reported directly to Human Resources Generalist/Risk Manager. The proposed amendment recommends special reporting provisions in the event the subject of the complaint is the Human Resources Generalist/Risk Manager, the City Administrator or a member of the Governing Body.
- 2 Article IX-5- Investigation. It is recommended the investigation of complaints to be handled by the Human Resources Generalist/Risk Manager be clarified. The Human Resources Generalist/Risk Manager director only investigates, reports and recommends discipline to the Department Head and City Manager. If the complaint involves the Human Resources Generalist/Risk Manager, the City Administrator or a member of the Governing Body, the City is required to hire someone outside the City's employment to investigate and report findings to the Governing Body.
- 3 Article IX-6-Discipline. It is recommended that any disciplinary action be taken in accordance with Article VI of the Handbook. The grievance procedure is recommended to be eliminated as the City Administrator will have participated in the disciplinary process. The Handbook is further clarified for any discipline recommended for officers or the City Administrator.
- 4 Article IV-3-Performance Evaluation. It is recommended that the language be updated to a more specific date that the annual performance evaluation salary increase take effect.

**Alternatives:**

1. Approve Resolution adopting 2016 First Edition Spring Hill Employee Handbook.
2. Table the issue and direct City staff to provide additional information.

**Funding Review or Budgetary Impact:** Not applicable.

**Recommendation:** Motion to approve Resolution 2016-R-24 adopting 2016 First Edition Spring Hill Employee Handbook.

**Attachments:**

Resolution  
2016 First Edition Spring Hill Employee Handbook.

**RESOLUTION NO. 2016-R-24**

**RESOLUTION ADOPTING THE 2016 EDITION SPRING HILL EMPLOYEE HANDBOOK OF THE CITY OF SPRING HILL, KANSAS; FURTHER, RESCINDING RESOLUTION NO. 2013-R-13.**

**BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SPRING HILL, KANSAS:**

**SECTION ONE: INCORPORATING BY REFERENCE THE 2016 EDITION OF THE SPRING HILL EMPLOYEE HANDBOOK.** There is hereby incorporated by reference the 2016 Edition of the Spring Hill Employee Handbook. One or more copies of said Handbook shall be marked or stamped “Official Copy as Incorporated by Resolution No. 2016-R-24 of the City of Spring Hill, Kansas” and shall be filed with the City Clerk to be open for inspection and available to the public at all reasonable hours. All employees of the City shall be supplied with a copy of such Employee Handbook which shall be similarly marked.

**SECTION TWO: RESCISSION.** Resolution No. 2013-R-13 is hereby rescinded.

**SECTION THREE: EFFECTIVE DATE.** This resolution shall take effect and be in force from and after its adoption by the Governing Body.

**ADOPTED** by the City Council of the City of Spring Hill, Kansas, this 11<sup>th</sup> day of August, 2016.

**APPROVED** by the Mayor this 11<sup>th</sup> day of August, 2016.

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Steven M. Ellis, Mayor

ATTEST:

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Glenda Gerrity, City Clerk

Approved by:

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Frank H. Jenkins, Jr., City Attorney

Official  
Copy

**EMPLOYEE HANDBOOK**  
**FOR THE**  
**CITY OF SPRING HILL, KANSAS**  
**(First Edition of 2016)**

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**NOTICE TO EMPLOYEES**

The City of Spring Hill, Kansas (“City”) operates its employment practices under the legal doctrine known, as “employment at will.” Your relationship with the City is that of an employee-at-will. Your job status does not guarantee your employment for any specific length of time. Within state and federal employment law, the City has the right to terminate an employee at any time and for any reason, with or without notice. This Employee Handbook and the personnel policies referenced do not constitute or imply a contract, agreement, promise or guarantee of employment or continued employment. The City also reserves the right to change, supplement or rescind these policies at any time as it deems appropriate, at its sole and absolute discretion and without prior notice to employees. The only exception is that the City’s employment-at-will policy will never be changed or cancelled. The City will notify you of any changes to the handbook as they occur.

The City is an “Equal Opportunity Employer”. It is the policy of the City that all personnel actions are conducted in a manner that provides equal opportunity to all employees and prospective employees. It is the policy of the City not to tolerate unlawful discrimination with regard to the terms and conditions of employment. The City complies with all federal, state and local laws governing non-discrimination in employment and expressly prohibits discrimination in the work place.

GOVERNING BODY OF THE CITY, SPRING HILL KANSAS

**EMPLOYEE ACKNOWLEDGEMENT AND RECEIPT**

By signing below, I acknowledge that I have received a copy of the Employee Handbook for the City of Spring Hill, Kansas and I understand that it is my responsibility to read, understand and comply with the policies outlined in this Employee Handbook and any revisions made to it. I understand that the Employee Handbook is intended only as a general reference and not a full statement of policies and procedures or a legal contract.

I understand that this Employee Handbook and the policies and procedures contained herein supersede any and all prior practices, oral or written representations or statements regarding the terms and conditions of my employment with the City of Spring Hill. By distributing this Employee Handbook, the City of Spring Hill expressly revokes any and all previous policies and procedures, which are inconsistent with those contained herein.

I agree to keep this Employee Handbook in my possession during my employment tenure and to update it whenever provided with material to do so.

I further understand that each Employee Handbook is the property of the City of Spring Hill and that copying any section of the Employee Handbook is against regulations. I agree to return the book upon terminating my employment with the City of Spring Hill.

I understand and agree that nothing in the Employee Handbook creates, or is intended to create, a promise or representation of continued employment and that employment at the City of Spring Hill, Kansas is employment-at-will, which may be terminated with or without cause and with or without notice at any time by the City of Spring Hill or myself. Furthermore, I acknowledge that the Employee Handbook is neither a contract of employment nor a legal document.

---

Employee's Signature

Date

---

Employee's Printed Name

TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE

## **GENERAL INFORMATION**

### **PURPOSE**

This handbook outlines the employment policies of the City. The policies will inform employees of their benefits and responsibilities of their employment. The City has developed these policies for the purpose of providing fair and consistent practices by Department Heads and employees.

The City's employment practices and policies will apply equally to all employees, unless exempted by law, contract or the terms of a policy. Where federal or state law or regulations supersede City policies, employees will be instructed to observe the requirement of the state and federal laws.

No employee handbook can anticipate every circumstance. This Employee Handbook provides a summary of the employment policies of the City. Further, there may be situations where the need arises for us to revise, add, or cancel policies. Therefore, the City reserves the right to add new policies, and to change or cancel existing policies at any time. Employment practices and policies in their complete form are available in the City Clerk's office.

### **EMPLOYMENT-AT-WILL DISCLAIMER**

The City is a "at-will" employer and operates under the provision that employees have the right to resign their position at any time, with or without notice and with or without cause. We, the employer, have similar rights to terminate the employment relationship at any time with or without cause and with or without notice.

### **EMPLOYEE HANDBOOK DISCLAIMER**

This Employee Handbook is provided as a guide and is not to be considered a contract. Only written statements made by the appropriate organizational representatives specified below are valid and binding employment contracts. The Mayor and City Council as a whole is the only body that can make binding employment contracts. These contracts must be in writing and approved by resolution.

The City reserves the right to unilaterally make changes to the policies, procedures and other statements made in this Employee Handbook. Fiscal conditions, federal and state laws and organizational needs are constantly in flux and may require that portions of the Employee Handbook be re-written. This is necessary to successfully provide the appropriate employment relationship and to obtain the goals of the City.

### **EQUAL EMPLOYMENT OPPORTUNITY**

It is the policy of the City to provide equal employment opportunity to employees and applicants for employment without regard to race, creed, religion, color, sex, age, national origin, disability, military status, or any other classification protected under applicable law.

Equal employment opportunity applies to all terms, conditions and privileges of employment, including hiring, probation, training promotion, transfer, compensation, benefits and assistance, layoff, recall, employee facilities, discharge and retirement.

## **WORKPLACE DISCRIMINATION**

The City prohibits any unlawful discrimination. The use of racial, sexual, ethnic or other inappropriate jokes or derogatory remarks will not be tolerated, will be investigated, and disciplinary action will be taken, if warranted.

Furthermore, any type of retaliation for reporting discrimination is prohibited, will be investigated, and disciplinary action taken, if warranted.

## **SAFETY AND HEALTH**

The City requires employees to conduct job tasks safely to protect themselves and others at work. Every accident, near miss, or injury shall be reported to a supervisor immediately. The supervisor or Department Head will file an incident report, first report of injury, and/or incident investigation report, as appropriate.

In the case of an injury requiring medical attention, employees should seek the nearest medical facility in case of serious injury. In the other cases, the injured employee should seek medical attention using the City's preferred workers compensation health provider list. Upon return to work, a physician's statement of medical condition and release to return to work must be submitted to the City Administrator's office.

If a workplace injury requires long -term medical attention, the injured employee will work with the supervisor and the City Administrator's office to decide on return to work, restricted duty job opportunities, and eligibility for continuing employment. In the case of permanent disability due to job injury, a final release settlement will be arranged, if appropriate.

## **CRIMINAL CONDUCT**

Employees will not engage in any criminal conduct or conduct which, even though not criminal, may reflect adversely upon the City or its officials. Activity of this nature will result in disciplinary action, up to and including termination.

## **EQUIPMENT AND PROPERTY**

Employees are provided adequate tools, equipment, and vehicles to perform their job. It is the responsibility of the employees to use them safely and to cooperate in the maintenance of equipment owned by City. Any employee operating a City vehicle is required to have a current state driver's license. When using a personal vehicle for conducting City business, the employee must provide proof of personal automobile liability coverage.

Any accident involving a City vehicle or a personal vehicle while conducting City business, the accident shall be reported immediately to the appropriate law enforcement agency and to the employee's supervisor.

## **BUSINESS ETHICS AND CONDUCT**

The successful business operation and reputation of the City is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

City employees are expected to conduct themselves in a manner that will not reflect adversely on themselves or the organization. All employees are representatives of the City whenever they are in/out of City uniforms and/or driving a City vehicle, whether during or outside of regular working hours, and are expected to conduct themselves with professionalism, respect and integrity.

Our continued success is dependent upon our citizens' trust and we are dedicated to preserving that trust. Employees owe a duty to the City, our citizens, and customers to act in ways that will merit the continued trust and confidence of the public.

As an organization, the City will comply with all applicable laws and regulations and we expect our Managers, Department Heads, Supervisors and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, you should find that using good judgment, based on high ethical principles, will guide you to act appropriately. If you are unsure about the proper course of action, you should discuss the matter openly with your Supervisor or Department Head. If necessary, you may also contact the Human Resources Generalist/Risk Manager for advice and consultation. It is the responsibility of every City employee to comply with our policy of business ethics and conduct. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including termination of employment.

### **ARTICLE I**

#### **INTRODUCTION**

##### **I-1. Rules Established**

The following rules, regulations, and other administrative provisions for personnel administration are established to:

- A) Promote and increase efficiency and economy in the City service;
- B) Provide fair and equal opportunity to all qualified citizens to enter City employment in all occupations on the basis of demonstrated merit and fitness as ascertained through fair and practical methods of selection without regard to race, creed, color, sex, age, religion, national origin or ancestry, disability, military status or any other classification protected under applicable laws;

- C) Develop a program of recruitment, advancement and tenure which will make the City service attractive as a career;
- D) Establish and maintain a uniform plan of evaluation and compensation based upon the relative duties and responsibilities of positions in the City service to assure a fair and equitable wage or salary to all employees, and
- E) Establish and promote high morale by providing good working relationships, uniform personnel policies and opportunity for advancement.

**I-2. Administrative Responsibility**

The personnel program consists of the sum of all policies and procedures related to personnel administration in the service of the City and shall be administered by the City Administrator and/or the Human Resources Generalist/Risk Manager. The policies and procedures of the personnel program shall apply to all employees in the service of the City with the exception of elected officials.

**I-3. Department Regulations**

Because of the nature of the operations of various Departments, separate rules and regulations to fit special Departmental conditions are and will be necessary. In such cases supplementary rules shall, upon the approval of the City Administrator, be considered a part of this manual.

In the event of any conflicting policies, rules or regulations, those that shall apply shall be based on the following descending order of documents: Kansas State Statute; then the City Code of Ordinances and then this Employee Handbook, including any supplemental interdepartmental personnel rules or policies that have been adopted.

## ARTICLE II

### **Position Classification Plan**

#### **II-1. Position Classification Plan**

Each position in the City government shall, on the basis of the duties, responsibilities, skill, experience, education and training required of the position, be allocated to an appropriate class that may include either a single position or two or more positions.

#### **II-2. Job Descriptions**

Each class shall have a specification that includes a concise descriptive title, a description of the duties and responsibilities of positions in the class and a statement of the qualifications for filling such positions. Such specifications shall be recommended by the City Administrator and approved by the Mayor and City Council. These descriptions shall be kept on file in the office of the Human Resources Generalist/Risk Manager and shall be open to inspection by any interested party during regular office hours upon reasonable demand.

#### **II-3. Job Classifications**

Each job classification shall be assigned to an appropriate range of pay scale which has been recommended by the City Administrator and approved by the Mayor and City Council.

#### **II-4. Maintenance of Plan**

The classification plan shall, from time to time, be reviewed to provide for changes in class duties necessitated by organizational adjustment, improved methods or new or revised service programs. All new or revised class descriptions may reclassify, reassign or transfer any employee when such action is deemed essential or desirable for the improvement of City operations or the benefit of the employee. Any changes to this plan must be recommended by the City Administrator and approved by the Mayor and City Council.

#### **II-5 Job Evaluation Process**

Job evaluation is a means of determining how jobs should be ranked on the basis of the training required, the complexity of the work involved and the responsibility the employee must bear for the results of the work. The purpose of the City's job evaluation plan is to:

- 1) Establish a clear identification of each position by job title and description.
- 2) Establish a series of salary grades; and with the help of salary surveys, establish salary ranges for each of these grades.
- 3) Through a careful job analysis, determine the training, initiative, responsibility, job conditions and supervisory qualifications necessary for the performance of each salaried and non-salaried job in the City.

- 4) Periodically audit changes in job content, and adjust salary ranges in accordance with area and industry practice.

The form entitled “City of Spring Hill Position evaluation application” should be used for job evaluation reviews.

### **ARTICLE III**

#### **RECRUITMENT, SELECTION AND PLACEMENT**

##### **III-1. Definitions**

- A) Full-time employee is one employed to work a normal work week consisting of a minimum of 40 hours on a regular and continuing basis.
- B) Part-time employee is one employed to work less than a normal work week of 40 hours on a regular and continuing basis.
- C) Temporary employee is one who works on an irregular and/or non-permanent basis.
- D) Seasonal employee is one who works on a regular and/or recurring basis during a specific “season” or portion of a year.
- E) A volunteer is a non-paid individual in the position he or she holds. The volunteer is not considered an employee of the City while performing duties of their position regardless of other City employment.

##### **III-2. Qualifications of Employment**

All new applicants for any position shall meet the minimum qualifications for the position as set forth by the City Administrator. Each applicant shall truthfully complete a job application form and a medical history form when required. The applicant shall successfully pass the physical fitness requirements for the job applied for and also successfully pass a physical examination performed by a doctor or clinic designated by the City. Other tests such as, but not limited to, drug screening, polygraph examination and psychological evaluation may be a requirement by individual departments.

- A) The Mayor, with the consent of the council, may appoint the following officers (“officers”) to wit: A city administrator, municipal judge of the municipal court, a city clerk, a city treasurer, a chief of police, a director of public works, a director of finance, and such other officers as deemed necessary; and may retain a licensed professional engineer to act in the capacity of city engineer for specifically defined duties. The duties and pay of the various officers provided for in this section shall be regulated by resolution.
- B) The Mayor and City Council shall have the authority to discipline, including the authority to terminate, the foregoing appointive officers listed in III-2-A as recommended by the City Administrator.

- C) The City Administrator, as recommended by the Department Heads, shall have the authority to appoint, discipline, including the authority to terminate all other City employees pursuant to this Employee Handbook for the City of Spring Hill, Kansas.

### **III-3. Promotion and Transfers**

The City will strive to hire, transfer and promote the best candidate possible for each position based on qualifications, interests, organizational fit and enthusiasm.

Whenever appropriate, new and vacant positions will be filled from within by promoting or transferring qualified employees. However, the City is in no way limited to seeking job candidates only from its current pool of employees.

Length of continued service shall be considered in transfers and promotions where it is the only significant difference among employees with equal qualifications, interests, organizational fit and enthusiasm.

Transfers may be affected from one position to another within the same salary grade. Transfers may be within a Department or between Departments.

Appointments for transferring employees into the lower 25<sup>th</sup> percentile or greater than the 26<sup>th</sup> percentile based on the employee's qualifications and upon the Department Heads/ recommendation with approval by the City Administrator.

Promotions may be affected by changing an employee's current range to another higher range. An employee may be promoted within a Department or between City Departments. A promoted employee may have their salary increased by up to five percent or to the minimum of the new range.

Promotions may occur through a new or vacant position or through the job evaluation process.

All current City employees seeking promotion shall be expected to meet the minimum qualifications for the classification to which they seek promotion, including a physical examination and/or other tests when deemed necessary by the City Administrator.

In the event of promotion from within the City organization, the promoted employee's evaluation date will change to the anniversary of the effective date of the promotion.

### **III-4. Evaluation Period**

- A) Each employee shall satisfactorily complete an evaluation period of six (6) months. Satisfactory completion of the evaluation period will be determined by supervisor recommendations and performance evaluations completed at the end of six (6) months. Since the City is an "at will" employer the City may release any employee for any reason, and the City shall not be obligated to provide a reason to the employee.

- B) Each employee promoted to a classification with greater pay and responsibility shall satisfactorily complete a 180 day evaluation period. Any employee who fails to satisfactorily complete the evaluation period shall be returned to the pay and position he/she held immediately prior to his/her promotion or to a position with equal pay and responsibility.
  
- C) For new full time police officers having to attend academy training, the evaluation period starts when their academy training is completed and their on-duty status begins.

**III-5. Nepotism**

No person shall be employed in any department where a member of their immediate family is employed or in a department supervised by a member of his/her immediate family. If two employees within the same department marry during the period of their employment, at the discretion of the City one of the employees shall be transferred to another department without loss of pay. If transfer is not an appropriate option, the City shall resolve the nepotism issue in any other manner the City deems appropriate.

**ARTICLE IV**  
**COMPENSATION**

**IV-1. Compensation**

The City Administrator shall have the power to recommend with approval by the Mayor and City Council compensation for employees by resolution that is subject to change at any time. The establishment of pay ranges for any position does not guarantee the occupant of the position any particular rate of pay due to budgetary and revenue constraints.

- A) All employees shall be paid at the rates prescribed for the classification in which they are employed. Employees working on a part-time basis shall receive that portion of the salary assigned to their class to be determined by the actual time they work. Employees not working full time but as seasonal, temporary or part-time shall be paid at an hourly rate.
  
- B) The promotion of an employee to a class with a higher salary range shall include an increase in his/her salary to at least the minimum for the new classification.
  
- C) In the event an employee is reclassified or demoted to a lower classification, his/her hourly rate may be reduced to any step in the lower classification; however, in no event shall his/her salary be fixed at an amount greater than he/she was earning immediately prior to his/her reclassification.
  
- D) All non-appointed new hires and salary recommendations by the Department Head require approval by the City Administrator. New hires and salary recommendations for all appointed personnel require approval by the Mayor and City Council with the recommendation from the City Administrator.

#### **IV-2. Salary Range - New Employees**

The minimum rate of pay for any person on his/her original appointment to a position in the City shall be at the starting point of the salary range.

An original appointment above the minimum rate of pay may be made with the recommendation of the Department Head and approval of the City Administrator within the lower 25<sup>th</sup> percentile of the salary range. A condition of this appointment above the minimum rate will depend upon the Department's budgeted wage line item.

An original appointment below the minimum rate of pay may be made with the recommendation of the Department Head at a rate of 10% below the bottom of the salary range if the person does not meet the minimum qualifications for the position. The employee may be placed in this position for up to one year. At the time qualifications for the position are met and performance is deemed acceptable, the person will move up to the starting point of the range for that position.

A Department Head may request the City Administrator make appointments above the 26<sup>th</sup> percentile of the range subject to one or more of the following conditions:

- 1) The applicant clearly exceeds the minimum requirements for the position as set out in the official position description.
- 2) The requesting Department provides documented evidence that the position opening has been extensively advertised in local and regional publications and there is a shortage of qualified personnel.
- 3) It is demonstrated by the requesting Department that there are no other applicants with equal qualifications.

#### **IV-3. Performance Evaluation**

A) Employee performance evaluations shall be considered in determining merit salary increases or salary decreases within the limits established in the pay range; as a factor in promotions; as a factor in determining the order of layoffs and as a means of discovering employees who should be promoted or transferred, or who should be demoted or dismissed.

B) An evaluation of each employee's performance of his/her duties and responsibilities shall be made by each Department Head or authorized supervisor. The evaluation shall be in writing upon such forms as approved by the City Administrator.

C) Each employee shall receive a formal evaluation reviewing the previous year's performance during the month of January. Any increase in salary resulting from the Annual Performance Evaluation shall be effective ~~the first workday of the following March~~ with the payperiod related to the first paydate in March.

D) The annual evaluation shall be supplemented by a mid-year progress evaluation, conducted

during the month of June.

- E) Both the Annual Performance and Mid-Year evaluations shall be maintained in the employee's personnel file.
- F) In order to be eligible to receive a merit salary increase an individual must be employed by the City for at least six (6) months prior to their January evaluation.

No employee will be allowed to receive base compensation above the maximum of his or her salary range. Employees at the maximum of their range are eligible for a lump sum payment equal to the amount indicated on their annual performance appraisal that would have otherwise resulted in an adjustment to their annual rate of pay; additionally, employees at the maximum of their range are eligible for a range adjustment when salary ranges are adjusted.

In situations where an employee has not yet attained the maximum of their range, however their annual performance appraisal results in an adjustment to their annual rate of pay that partially exceeds the maximum range of pay, said employee will have the portion of pay applied as an adjustment to their annual rate of pay up to the maximum of their range. Any portion that exceeds the maximum of the range shall be paid as a lump sum.

#### **IV-4. Pay Days**

Employees shall be paid every other Friday except when a pay day falls on a holiday and in that event the pay day will be the last regular working day preceding the holiday.

#### **IV-5. Pay on Termination or Resignation**

Any employee who resigns or is terminated from the City shall receive his/her final paycheck on the pay period following their last day of employment with the City. It is the responsibility of the employee to notify their Supervisor of their last day/date of employment. It is the Supervisor's responsibility to notify Administrative Services of this date for preparation and calculations of the final paycheck amount to be compensated.

- A) Employee's who resign without giving a minimum of two work weeks notice shall only be paid earned compensatory time effective to the resignation date. Terminated employees will be paid earned compensatory time effective to the termination date.
- B) Employee's who resign and give/work their two week notice will be paid their earned compensatory time and unused/accrued vacation time effective to the resignation date.
- C) The employee will receive his/her final paycheck on the pay period following their last day of employment (present) which will include all hours worked and any other accrued hours (if applicable). This final paycheck will be a paper check and can be picked up in the Administrative Services Department on the final payroll date. Employee's who fail to pick up their final paycheck will receive the paycheck by mail at their current mailing address on file.

#### **IV-6 FAIR LABOR STANDARDS ACT (FLSA) STATUS**

Exempt status is determined based on the provisions of the FLSA. The Human Resources Generalist/Risk Manager evaluates position guides to determine whether positions meet qualifications for exempt status pursuant to the FLSA. Positions may be evaluated or reevaluated anytime at the request of the employee, the Department Head, or the Human Resources Generalist/Risk Manager. The Human Resources Generalist/Risk Manager must designate all positions as exempt or non-exempt prior to posting the position or placing an employee in the position. Exempt or non-exempt status determinations are documented in the job description.

Section 7(k) of the Fair Labor Standards Act (FLSA) exemption allows local governments to balance public safety personnel hours over an entire work period and establishes a higher number of weekly non-overtime hours than would otherwise be applicable.

#### **IV-7. Flex time**

- A) The use of flex-time allows most non-exempt employees to work during hours other than those normally worked in order to create time off during normal work hours during that work week or pay period. All flex-time hours must be approved in advance by the employee's Department Head.
- B) Flex-time hours shall be taken at the employee's option and must be used within the pay period earned. A Department Head may not require that flex-time be taken in lieu of overtime or compensatory time.

#### **IV-8. Overtime Work**

Employees will be paid in accordance with FLSA regulations regarding overtime payments and compensatory time off.

- Overtime work must be approved in advance by the employee's Department Head or supervisor.
- Most non-exempt employees will be paid one and one-half times their regular rate of pay for each hour worked in excess of 40 hours during the official workweek.
- "Hours worked" is defined to include actual hours worked and does not include sick time, vacation time or any other paid time that is provided as a benefit.
- Non-exempt employees must accurately record all hours worked and must have worked all hours recorded. Non-exempt employees may not work "off the clock".
- Fifteen minutes is the minimum amount of time used in computing overtime. For the purpose of computing time worked less than one full hour, minutes will be rounded to the nearest quarter-hour.
- Employees whose positions are classified as "exempt" will not be compensated for overtime work.
- A Department Head or supervisor may require an employee to work overtime when so required by operational necessity.

**A) Computation of Overtime**

- 1) An employee must actually work 40 hours in a work week before he/she will be paid time and a half for hours over forty. Example: If an employee actually works 35 hours in a work week, and is on sick leave for an additional day, the employee shall be paid 43 hours at straight time.
- 2) Overtime shall only be paid for hours actually worked. Example: If an employee actually works 44 hours in a work week, and is on sick leave an additional day, the employee shall be paid 48 hours at straight time and 4 hours at time and a half.

**IV-9. Compensatory Time**

Employees will be paid in accordance with FLSA regulations regarding overtime payments and compensatory time off.

Defined: Compensatory ("Comp") time is time off which may be accrued, at the employee's option, in lieu of immediate overtime pay in cash.

Non-Exempt employees:

- A) Compensatory time may be accrued in lieu of immediate overtime pay in cash. Compensatory time will only be allowed after an agreement or understanding has been reached between the employee and his/her Supervisor.
- B) Compensatory time will be accrued at a rate of one and one-half (1 1/2) hours for each hour of overtime worked.
- C) The following rules regarding compensatory time apply to all non-exempt employees:
  - 1) All full-time employees can accumulate no more than 80 hours of unused compensatory time.
  - 2) The use of compensatory time off shall be granted by the employee's immediate supervisor within reasonable time after it is requested. The granting of such time off shall not unduly disrupt the operations of the department or City.
  - 3) Payment for accrued compensatory time prior to promotion or upon termination of employment shall be calculated at the average regular rate of pay for the preceding three (3) years of employment, or the regular rate received by the employee, whichever is the higher. Compensatory time may also be paid in full at the request of the employee and with the approval of the Department Head.

#### **IV-10. Shift Trading**

Employees are permitted to swap shifts, if approved in advance by the Department Head without the City being subject to overtime liability or being required to keep records. The agreement or practice by employees engaged in law enforcement activities of substituting for one another on regularly scheduled tours of duty, or part thereof shall be deemed to have no effect on hours of work or overtime compensation if:

- A) The substituting is done voluntarily by the employees and not at the request of the City;
- B) The reason for substituting is due not to the City's request but to the employee's desire or need to attend to a personal matter;
- C) A record is maintained by the Department Head of all time substituted by his/her employees. This substituted time will be submitted to the Human Resources Generalist/Risk Manager on his/her time card for compensation, and
- D) The Department Head will insure that the time substituted for will be paid back and this time period does not exceed twelve (12) months. (see K.S.A. 44-1204(d))

#### **IV-11. Special Detail Work**

Public Safety employees may accept special detail assignments with second employers, with the Department Head's advance approval, without the City being subject to overtime liability for those additional hours.

This provision means that City police officers and other public safety employees may "moonlight" by working at concerts, sports events, escorts, parades, construction sites, etc., without the hours being treated as overtime work. This applies even if the City requires that the second employer hire a City police officer for specified work or facilitates the employment by acting as the financial intermediary.

#### **IV-12. Dual Employment**

Employees may be allowed to perform additional part-time work at employers other than the City if the part-time work is not incompatible with the employee's employment with the City or creates a conflict of interest.

#### **IV-13. Pay Records**

The Human Resources Generalist/Risk Manager shall be required to keep adequate records of all persons employed, their pay scale, time worked, accrued vacation and sick leave, all absences for vacation, sick or other leave, accrued overtime and all other records directed to be made and maintained under these policies and guidelines or applicable state or federal law. An employee's personnel file shall be available to the employee during regular office hours and upon reasonable request.

#### **IV-14. Call Back Time/Standby Status/Compensation**

Defined: The “on call” policy has been developed to ensure a reasonable response to after hour’s requests for service to be accomplished according to the level of concern encountered. The first responder is the non-exempt employee who has been designated the “On Call” contact and is to be available for all after-hours service requests including weekends and holidays.

##### **A) Call Back Time**

- 1) A Department Head may call an employee in to work after a regular work schedule.
- 2) All Non-Exempt employees who are eligible to receive overtime compensation and are called in to work on a regular day off or are called back to work after a regular work schedule shall be paid at the appropriate rate of pay for hours worked. Such employees shall be paid a minimum of two hours.
- 3) The minimum of two hours shall not apply if the employee was on standby when called back to work, nor shall it apply if the employee was called in or called back during the two hour period immediately prior to the beginning of the employee’s next regularly scheduled work shift.
- 4) Only the hours worked shall be credited in determining eligibility for overtime compensation.
- 5) Non-Exempt Employees may not use a combination of sick and/or vacation time/hours with Call Back time/hours to be calculated for overtime on a regular work schedule day. If these hours occur simultaneously then the employee will be paid “actual” Call Back time/hours present to be calculated at their regular rate of hourly pay.

##### **B) Standby Status/Compensation**

- 1) Standby means a period of time outside an employee’s regularly scheduled work hours during which the employee is assigned to be in a state of readiness to perform his/her duties and responsibilities and required to remain available to the City within a specified response time.
- 2) A Department Head may require an employee to be on standby status. Each employee shall be available, at the Director’s discretion, for recall to perform necessary work. Standby assignments shall be limited to work situations where a probability of recall of the employee exists.
- 3) Only non-exempt employees are eligible to receive standby compensation.
- 4) Each employee who is eligible to receive standby compensation shall be paid an amount for the duration of their assigned standby time regardless of how many departments are covered.
- 5) Each employee on standby status who is called into work shall be compensated for the actual hours worked at the appropriate rate of pay. Only the hours actually worked by the employee shall be credited in determining eligibility for overtime compensation. When an employee is restricted to a particular telephone number at a particular location designated by the employer, or to the employer’s premises, in order to remain personally available to the employer, the employee shall be compensated at their appropriate rate of pay and shall not receive standby compensation.

- 6) Any employee on standby status who is not available when called, does not respond to call back or fails to fulfill the responsibilities assigned to standby status as defined by their Department Head, shall lose standby compensation for that standby period and may be subject to disciplinary action as defined in ARTICLE VI of this document.

## ARTICLE V

### ATTENDANCE, HOLIDAYS, VACATION, PERSONAL DAYS, EMPLOYEE ASSISTANCE PROGRAM, DISABILITY BENEFITS AND LEAVES OF ABSENCE

#### V-1. Hours of Work

The normal workweek shall be forty (40) hours consisting of eight (8) hour work days from Friday at 7:00 p.m. to Friday at 7:00 p.m. No employee shall be permitted to work in excess of forty (40) hours per workweek except when assigned by his/her Department Head or immediate supervisor.

In accordance with and upon the implementation of an alternative work period under section 7(k) of the Fair Labor Standards Act (FLSA) and amendments thereto, Public Safety employees may be exempted from this provision.

#### V-2. Holidays

The City values a work/life balance among its employees. The City's attempt to assist with work/life balance includes paid holidays.

The Mayor and City Council shall, at or by, the last regular council meeting in December of each year, by resolution, determine the nine (9) holidays to be recognized by the City upon which the City offices shall be closed for the ensuing year. A copy of this resolution shall be posted, in clear view of the public, in City Hall.

##### A) Holidays Falling on a Weekend

Holidays that fall on a Saturday will be observed on the preceding Friday and those that fall on Sunday will be observed on the following Monday.

##### B) Mayor Authorized to Designate Other Special Holidays

The Mayor and City Council may grant the Mayor authority to designate other days as special holidays.

##### C) Compensation for Holidays

- 1) Holiday pay will be calculated based on the employee's straight-time rate of pay (as of the date of the holiday) times the number of hours the employee is normally scheduled and would have otherwise worked on that day. Holiday pay will not count as "actual

hours worked”, therefore employees will not receive overtime pay on the holiday hours.

In order to receive pay for an observed holiday, an employee must not have been absent without paid leave on the workday preceding or following the holiday.

If a recognized holiday falls during an eligible employee’s paid absence (e.g., vacation, sick leave), holiday pay will be provided instead of the paid time off benefit that otherwise would have been applied.

- 2) For employees who are scheduled to work on the actual holiday, a City-observed holiday will be paid for all hours, in addition to holiday pay, the employee will be granted personal leave equal to 1/2 (one-half) hour per 1 (one) hour worked on that holiday up to a maximum of 4 hours of personal leave to use within a year of the holiday worked. Personal leave earned for working a recognized holiday not used within a year of the holiday worked will be lost. Holiday pay will not count as “actual hours worked”, therefore employees will not receive overtime pay on the holiday hours.
- 3) Seasonal, part-time and temporary employees shall not receive paid holidays.

### **V-3. Vacation Leave**

The City values a work/life balance among its employees and believes that the use of vacation time helps employees to refresh themselves and come back to work with increased focus and energy. Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees are encouraged to use their full allotment of vacation paid time off each year. Seasonal, part-time and temporary employees do not receive the vacation benefits outlined in this section.

- A) Amount: Each full-time employee shall receive vacation leave credit annually as follows:
  - 1) Seven (7) hours per month beginning with first month of employment to the tenth year of service. (10.5 days per year)
  - 2) Ten (10) hours per month after ten (10) years of service. (15 days per year)
  - 3) Fourteen (14) hours per month after twenty (20) years of service. (21 days per year)
  - 4) A full-time employee appointed on or prior to the fifteenth (15th) day of a month shall receive vacation leave credit for that month; such employee appointed after the fifteenth (15th) day of a month shall not receive vacation credit for that month.
- B) When Taken: No accumulated annual leave may be taken by an employee until they have been in service of the City continuously for a period of six (6) months. An employee who is not in the service of the City continuously for a period of six months before being separated from the City’s service shall not receive any payment for accrued vacation leave. Each Department Head shall schedule vacation leave with particular regard to operating requirements and, insofar as possible, with the requests of employees.

- C) Accrual: Employees having less than ten (10) years service may not accrue more than one hundred twenty (120) hours of vacation leave without being placed into a "use or lose" category. Employees having ten (10) years or more service may not accrue more than one hundred sixty (160) hours of vacation leave without being placed into a "use or lose" category. The City Administrator may extend for a limited time the maximum accrued vacation leave when it is determined an employee cannot be allowed to take vacation leave due to temporary heavy work schedules.
- D) Terminal Leave: Any employee leaving the services of the City shall be compensated for vacation leave credited and unused to the date of his/her resignation only if the employee gives/works two week proper notice. If his/her resignation occurs prior to the fifteenth of the month they shall receive no leave credit for that month. On or after the fifteenth, the employee shall receive vacation credit for that month. In case of death of the employee, compensation shall be paid to the surviving spouse or the employee's estate for all unused vacation leave.
- E) Holidays Occurring During Vacation Period: Any official holiday as set forth in this article that occurs during an employee's scheduled vacation shall not be counted as a day of vacation.
- F) Illness Occurring During Vacation Period: There is no refund of vacation time for illness that occurs while on vacation leave.

#### **V-4. Sick Leave**

The City provides paid sick leave benefits to all eligible employees for periods of temporary absence due to illnesses or injuries. If an injury or illness is long-term, permanent, or may be permanent or long-term, please contact the Human Resources Generalist/Risk Manager to discuss potential disability or FMLA (Family Medical Leave Act) benefits (See Section V-15 for FMLA Guidelines).

- A) Amount: Each full-time employee will be credited sick leave in accordance with the following:
  - 1) Sick leave may be accumulated but not taken until such employee has completed three (3) months continuous service with the City. Each employee shall be allowed ten (10) hours of sick leave per each month of continuous service.
  - 2) A full-time employee appointed on or before the fifteenth (15th) day of a month shall accumulate sick leave credit for that month; such employee appointed after the fifteenth (15th) day of a month will not accumulate credit for that month.
  - 3) Each employee shall be allowed to accumulate a sick leave reserve up to a maximum of sixty (60) days; or a total of 480 hours.

- B) Sick Leave: Sick leave with pay must be earned or accumulated before it can be granted. Employees shall not be allowed to use sick leave before it is earned and thereby accrue a negative sick leave balance. Sick leave with pay will be granted for absence from duty and will be limited to actual personal illness, a doctor's or dentist's appointment or for like events of an immediate family member. An employee who is sick or disabled and has exhausted their sick leave may use their vacation leave with approval of the City Administrator. Employees may not engage in any other employment while on leave.
- C) Length of Time: Any employee of the City, absent on account of sickness for more than five (5) consecutive scheduled work days, shall on request furnish to their Department Head, from a health care provider, a certificate clearly stating the healthcare provider's opinion that the employee is released to return to active duty/work and is capable of performing 100% of his/her duties based on the employee's current job description. If the health care provider releases the employee to return to work with any restrictions or limitations, it must be determined by the Department Head and Human Resources Generalist/Risk Manager whether or not that employee can return to work and be safe/productive without further risk of injury or illness based on said restrictions or limitations. Reasonable accommodations will try to be met by the City in these type of situations, however, if it is determined that there "is" additional risk of injury or illness, and, if it is required that the employee be able to perform 100% of his/her job duties then the employee will not be allowed to return to work until they have a 100% unconditional release from their health care provider.
- D) Unused Sick Leave: Sick leave credits/accruals are not to be paid in the event of any separation of employment, excepting that:
- 1) Employee's with more than ten (10) years of service and terminating upon KPERS or KP&F retirement will be paid 50% of accumulated sick leave. Payment will be computed based on employee's rate of pay at time of retirement.
- E) Improperly Claimed Sick Leave: Any employee who improperly claims sick leave shall be subject to disciplinary action, including loss of pay or dismissal.
- F) Definition of a Immediate Family Member: For the purposes of Section V-4, Immediate Family Member shall be defined as:
- 1) Spouse, and parents thereof;
  - 2) Sons and daughters and spouses thereof;
  - 3) Parents and spouses thereof;
  - 4) Brothers and sisters, and spouses thereof;
  - 5) Grandparents and grandchildren, and spouses thereof;
  - 6) Domestic Partner;

**V-5. Personal Day**

Full-time employees are authorized one (1) personal day each year and will be paid at the regular wage and scheduled hours at the time taken.

- Personal leave may be used in one-hour increments.
- Personal leave must be used before the annual cut-off date during the pay year they are awarded and are not accumulated, carried over to the next year, nor paid out upon termination.
- Personal leave used after the annual cut-off date will be charged to the next payroll year.
- Employees will be sent a reminder of the cut-off period before the end of the payroll year

It is possible for an employee to be awarded up to two (2) personal days annually. To receive personal leave the employee must meet the following requirements:

- One personal day: Be employed full time on January 1 and a current employee at time of use.
- Second personal day: Available to employees with 15 or more years of full-time service on January 1 and a current employee at time of use.

**V-6. Philanthropic Leave**

The City wishes to encourage employees who demonstrate a philanthropic spirit of participating in voluntary efforts. Those employees wishing to participate in events that fall within their regular work hours may request time off to do so. The City will match up to sixteen (16) hours of time within each calendar year.

For example, an employee wishing to take four (4) hours off to participate in a philanthropic event will request to use two (2) hours vacation or compensatory leave and the City will match the remaining two (2) hours. Sick leave may not be used for philanthropic leave.

Upon mutual agreement between the employee and their supervisor and/or Department Head, the scheduling of philanthropic leave must meet the operational needs of the City. Two (2) week notice and supervisor approval is required. For media purposes, the employee may be asked to provide information or photographs related to the event.

- A) In order for an organization or volunteer effort to qualify for the employee's participation in this program it must meet one of the following criteria:
- 1) Have acquired 501(c) tax exempt status from the United States Internal Revenue Service and does not discriminate nor exhibit a bias based upon race, religion, sex, color, national origin, ancestry, disability or sexual orientation.
  - 2) Be a Public School System, governmental or quasi-governmental organization.
  - 3) Be an organization which may not have or is not able to acquire the requisite 501(c)

tax exempt status, however the aim or goals of the organization obviously benefit the community as a whole or meet the humanitarian needs of an individual or group of individuals and does not discriminate nor exhibits a bias based upon race, religion, sex, color, national origin, ancestry, disability or sexual orientation.

- B) During participation in this program, the employee shall not engage in any of the following actions:
- 1) Proselytize, or engage in actions which may be interpreted as solely intended to express religious or social beliefs and points of view.
  - 2) Participate in any action which may be interpreted as campaigning, representing or supporting any campaign issue, public candidate or ballot initiative.

**V-7. Employee Assistance Program (EAP)**

The EAP provides confidential professional assistance to help employees and their immediate family members to resolve problems that affect their personal lives and/or job performance. Problems commonly handled include marital difficulties, parent-child relationships, alcoholism, drug addiction, stress, etc. The program is confidential and can be used by calling professional counselors directly.

**V-8. Disability Benefits**

- A) On the Job Injury Leave - Workers Compensation Act. Employees injured on the job are covered by the Kansas State Workmen's Compensation Act. This law provides specific benefits to the injured employee. To initiate a claim, the following procedure is established.
- 1) The employee shall immediately report any injury, regardless of extent, to his/her immediate supervisor.
  - 2) The immediate supervisor shall provide first aid treatment or the injured employee shall be taken to a participating clinic.
  - 3) The supervisor, with the help of the employee, shall prepare a "Supplementary Record of Occupational Injuries and Illness (OSHA No. 1101)" forwarding the original copy to the Human Resources Generalist/Risk Manager within twenty-four (24) hours.
  - 4) Upon initiation of Workmen's Compensation payment, the employee has one of the following options:
    - (a) Request leave of absence and accept compensation from the State Workmen's Compensation Division,
    - (b) Accept sick leave and turn all compensation payments received from the State Workmen's Compensation Division to the City, or

- (c) Accept compensation payments from the State Workmen's Compensation Division and receive part payment from the City to bring employee to full pay. This partial payment being charged to the employee's sick and/or emergency leave credit.

Before an employee will be allowed to return to work, after a job related accident, the City will require that the employee be released for work by the doctor or clinic designated by the City.

It is the policy of the City to return employees to work, within the restrictions provided by the physician. Department Heads, managers, and/or supervisors will attempt to find productive work for each injured employee. The Human Resources Generalist/Risk Manager can provide assistance for this effort.

Temporary restricted duty work reassignment need not be confined to the current department in which the employee is ordinarily employed. Pay grade for the injured employees will be based upon temporary work assignments.

Returning injured employees to work as soon as possible benefits both the employee and the City.

The City has identified and created alternative or modified work-duty tasks, and matching a worker's impaired physical capability from an injury to these tasks can control accidents costs, improve employee morale and productivity.

Other personal illness, non-compensable bodily injury or disease will be regulated by Section V-4.

- B) Off the Job Illness or Injury -- Extended Disability Leave. Employees who become totally disabled due to off the job illness or injury are eligible for extended disability leave benefits. If extended disability leave time off is granted it is subject to FMLA guidelines and you need to contact the Human Resources/Risk Manager for proper documentation and follow up. See Section V-15 for FMLA policies and guidelines.

- 1) Policy.

- (a) Extended disability leave is a leave of absence during which the employee receives one-half (1/2) of his/her usual rate of pay. Only full time employees may be considered for this benefit.
- (b) Accrual of sick and vacation benefits will continue at a rate of 1/2 normal rates. Holiday pay will continue. City provided insurance will continue during the first 90 days of leave. Insurance costs become the responsibility of the employee after that time.
- (c) Leave may be authorized on a month- to -month basis by the City Administrator.

- (d) Leave is to be requested by the employee's Department Head or supervisor to the City Administrator.
- (e) Determination of whether an employee shall be entitled to extended disability leave shall be made by the City Administrator.
- (f) If the health care provider releases the employee to return to work with any restrictions or limitations, it must be determined by the Department Head and Human Resources Generalist/Risk Manager whether or not that employee can return to work and be safe/productive without further risk of injury or illness based on said restrictions or limitations. Reasonable accommodations will try to be met by the City in these type of situations, however, if it is determined that there "is" additional risk of injury or illness, and, if it is required that the employee be able to perform 100% of his/her job duties then the employee will not be allowed to return to work until they have a 100% unconditional release from their health care provider.

Any employee who disagrees with the decision made shall have the right to appeal such decision to the City Council at their next regular meeting following such ruling or determination. Determination by the City Council shall be a final determination of the issue.

2) Definition.

- (a) Total disability exists when the employee on account of the off the job injury or illness has been rendered completely incapable of engaging in any type of substantial and gainful employment.

3) Limitations.

- (a) Proven Disability. Extended disability leave shall not be considered until and unless a duly licensed health practitioner submits a statement proving that the employee is disabled and not able to work.
- (b) Extended disability leave shall not become effective until all accrued and unused sick compensatory, and vacation time has been exhausted.
- (c) Extended disability leave shall be for as short a time as medically possible. In no event shall the combined extended disability leave and accrued time (V-5 B 3) (b)) exceed six (6) calendar months, and it shall terminate upon the employee's eligibility to receive benefits from KPERS, whichever event occurs first.
- (d) Employees returning to work after receiving extended disability leave benefits will need to provide the City Administrator a signed release to work by a licensed health care practitioner. The release also must state that the employee can perform 100% of his/her duties as defined in their job description at that time.

## **V-9. Parental Leave**

Maternity/Paternity leave, more commonly referred to as “Parental Leave,” is leave associated with the birth of an employee’s own child or the placement of a child with the employee in connection with adoption or foster care.

### Maternity

- A) As long as an employee is on maternity leave, she may receive time off with pay for all accrued sick and/or emergency, compensatory, and accrued vacation leave, if requested by the employee. Maternity Leave is subject to FMLA guidelines (Section V-15) . Please see the Human Resources/Risk Manager prior to the leave to complete the necessary paperwork, review and understand the guidelines for unpaid time off. Benefit accrual and holiday pay cease during the period of leave without pay. City provided insurance will continue during the first 90 days of leave. Insurance cost becomes the responsibility of the employee after that time.
- B) If the employee fails to return to work from maternity leave, the City has the legal right to seek to recover any health insurance premiums paid to maintain the employee’s health insurance coverage during that leave. Vacation leave earned during the maternity leave will not be eligible for compensation as stated in V-3 D.

### Paternity Leave

- A) As long as an employee is on paternity leave, he may receive time off with pay for all accrued sick, personal, compensatory, and accrued vacation leave, if requested by the employee. Paternity Leave is subject to FMLA guidelines (Section V-15). Please see the Human Resources/Risk Manager prior to their leave to complete the necessary paperwork, review and understand the guidelines for unpaid time off. Any remaining leave will be without pay. Benefit accrual and holiday pay cease during the period of leave without pay. City provided insurance will continue during the first 90 days of leave. Insurance costs become the responsibility of the employee after that time.
- B) If the employee fails to return to work from paternity leave, the City has the legal right to seek to recover any health insurance premiums paid to maintain the employee’s health insurance coverage during that leave. Vacation leave earned during the paternity leave will not be eligible for compensation as stated in V-3 D.
- C) Upon mutual agreement and on an exception basis, the scheduling of paternity leave may be modified to meet the operational needs of the City.

## **V-10. Military Leave**

Military duty means training and service performed by an inductee or enlistee in the armed forces of the United States, including time spent in reporting for and returning from such training or

service. It also includes active duty training as a reservist in the armed forces of the United States or as a member of the National Guard.

- A) Eligibility: Any employee who leaves City service for military duty shall be placed on military leave without pay, such leave to extend through a date of thirty (30) days after his/her release from service. If not accepted for such duty, the employee shall be reinstated in his present position without loss of status or reduction in pay. ( K.S.A. 73-213 et seq.) and amendments thereto
- B) Restoration: An employee returning from military leave shall be entitled to restoration to his/her former position or a position of like pay and responsibility, provided he/she makes application for reinstatement within thirty (30) days after his/her release from duty and, provided further, he/she is physically and mentally capable of performing the duties of the position involved.
- C) Benefits: Employees will not accrue benefits or receive Holiday pay during leave. Upon restoration to City service the employee shall be restored all unused vacation and sick leave accruals. City provided insurance will not continue during leave.

D)Military Training: Any employee who is a member of any reserve component of the United States armed forces or the Kansas National Guard shall be granted military leave for a short tour of active duty or field training encampment. (See K.S.A. 48-222 and amendments thereto). In those cases where military pay is less than the employee's regular salary, an employee may be compensated for the difference between his military pay and his city salary for a period determined by the City Administrator on a case by case basis.

## **V-11. Civil Leave**

- A) Civil Leave with Pay: An employee shall be given necessary time off without loss of pay when:
  - 1) performing jury duty,
  - 2) appearing in court on behalf of the City as witness in answer to a subpoena,
  - 3) In an official capacity on behalf of the City or as an expert witness (except in cases during which the employee is being compensated for performing duties as an expert witness. In which case the employee will not be compensated) either because of professional or observed knowledge,
  - 4) performing emergency civilian duty in connection with national defense or
  - 5) For the purpose of voting when the polls are not open at least two (2) hours before or after the employee's scheduled hours of work.

Employees should refrain from wearing City provided uniforms or bearing the City logo during appearances in court unless appearing in their official capacity for the City.

## V-12. Bereavement Leave

In case of the death of an employees' immediate family member, an employee may be granted bereavement leave, with pay, not exceeding five (5) working days per funeral.

### A) Definition of an Immediate Family Member:

For the purposes of Section V-12, Immediate Family Member shall be defined as:

- 1) Spouse, and parents thereof;
- 2) Sons and daughters and spouses thereof;
- 3) Parents and spouses thereof;
- 4) Brothers and Sisters, and spouses thereof;
- 5) Grandparents and grandchildren, and spouses thereof;
- 6) Domestic Partner;

The City recognizes the fact that an employee will have bereavement situations that occur involving other (not immediate) family members, friends and others with a close, family type association where time off to attend a funeral might be needed. In these cases the employee would be allowed to take accrued vacation or sick leave hours (up to (3) working days per funeral). This type of leave will need the approval of the employee's Department Head.

## V-13. Other Leave

- A) Meetings, Seminars: Any employee may be granted leave with pay to attend meetings, seminars and convention of professional and technical organizations when such attendance is properly authorized by the City Administrator.
- B) Leave of Absence: An employee, upon written request and with the approval of his/her Department Head and the City Administrator, may be granted a leave of absence without pay for a period of one (1) year. Benefits shall not accrue during a leave of absence. City provided insurance will not continue during the leave of absence. The City is not required to re-employ the employee in his/her previous position.
- C) Administrative Leave: The City Administrator may grant an employee Administrative Leave with pay in exceptional circumstances.
- D) Blood Donation: A full-time employee may be granted emergency leave for a period of time not to exceed 4 hours (not including the time needed for the donation) for rest and recuperation after making a blood donation for which he or she received no payment from the blood collecting organization for giving the blood. The time to actually give the blood may be approved as excused absence (regular time) if it takes place at the government facility or administrative leave if it occurs offsite.

When a donor is paid for giving blood by the blood collecting organization, the employee is required to take some type of leave (other than sick leave) for any period of absence

resulting from making the blood donation.

- E) Bone Marrow and Organ Donation: A full-time employee may be granted emergency leave for the time necessary to permit them to serve as a bone marrow or organ donor. This leave may not exceed seven (7) days in a given calendar year for a bone marrow donation or exceed thirty (30) calendar days in a given calendar year for organ donation. The length of absence for such purposes will vary depending upon the medical circumstances of each case.

#### **V-14. Educational Leave**

##### A) Educational Leave of Absence Without Pay:

- 1) Leave may be granted to an employee not to exceed twelve (12) consecutive months. Course work shall be related to his/her career. The leave must be approved by the City Administrator. Benefits shall not accrue during an educational leave of absence without pay. City provided insurance will not continue during the leave of absence.
- 2) Requests shall be submitted in writing to the Department Head in letter form, stating the need for the leave, how the City will benefit, course summary, the date the leave will begin, and probable date of return. If, upon the investigation of the City Administrator, it is found that educational leave will be beneficial to the City and it is practical to allow the employee's position to remain vacant or to be filled by a temporary employee, educational leave without pay may be granted. Employee must give the City ninety (90) days written notice of his/her intention to return to the employment of the City prior to the end of his educational leave or the City shall assume that the employee does not intend to return.

##### B) Educational Leave of Absence With Pay:

- 1) Educational leave with pay will be granted for the state mandated training, educational courses that lead to a state required certificate, or when it is determined by the City Administrator that such training will be beneficial to the City. Such leave will only be granted after it has been approved by the City Administrator. Department Heads will make an effort to insure that taking such leave will not result in overtime payment. All tuition payments must be approved by the City Administrator.
- 2) Requests shall be submitted in writing to the Department Head stating course summary, course costs, certificate to be acquired, dates and times of classes, and the probable last day of class. The Department Head will make his/her recommendation to the City Administrator for approval.

##### C) Educational Tuition Repayment for Off-Duty Courses:

- 1) The City values the desire of employees to pursue educational opportunities that are of mutual benefit to the employee and the City. Regular full-time employees with one year or more

of service with the City are encouraged to take advantage of educational courses that will help improve their performance in their current position and/or better prepare them for promotion within the City. The Human Resources Generalist/Risk Manager will maintain a budget for educational reimbursement. The budget will not exceed \$5,000.00. Reimbursements will be allocated on a first-come/first-approved basis. Once the budget has been used, department directors will be responsible for approving and funding additional requests from their employees at the expense of the department.

- 2) Any full-time employee may request permission to take off-duty educational courses. Requests shall be submitted in writing to the Department Head. The letter should state the need for the leave and how this investment will benefit the City. The Department Head shall review request and determine if the educational courses, cost and location of the courses requested will be beneficial to the City, as well as to the employee. The Department Head shall recommend to the City Administrator for approval; only after approval has been granted by the City Administrator will the employee be pre-authorized of tuition repayment. A copy of this approval and signed agreement by the employee shall be placed in the employee's personnel file with a copy returned to the employee.  
All courses taken will be on employees' off time and will not interfere with regular scheduled work hours established by the Department Head nor be considered time worked.

3) Conditions of Reimbursement

Reimbursement for course attendance is 100% of tuition with the following provisions:

- a) Total reimbursement per employee will be limited to a maximum of \$1,500 per calendar year.
- b) The employee must complete the course with at least a "C" grade for undergraduate courses and a "B" grade for graduate courses.
- c) Priority will be given to courses taken at an accredited college, university, or other institution recognized by the North Central Association Commission on Schools (NCA).
- d) Single courses (not part of a degree program) must be shown to be job related.
- e) Courses taken for a degree (major courses and general requirements) must be for a major in a field directly related to the employee's position or municipal government work.
- f) Pass/fail courses are not eligible for reimbursement.
- g) Expenses related to registration fees, books, library fees, graduation fees, life learning experiences, calculators, etc. are not eligible for reimbursement.
- h) Expenses which exceed the limits of this policy may not be carried forward for reimbursement at future time.
- i) Employees who fail to continue employment with the City for one full calendar year after the City's reimbursement will be required to reimburse the City for 100% of any amounts paid by the City.

In the event an employee receives other financial assistance (grants, scholarships, or waivers); the City's assistance will only apply to those amounts not covered by such assistance. Tuition costs paid with student or other loans will be eligible for reimbursement, contingent on the employee providing appropriate documentation. All sources of assistance must be disclosed at time of application. Reimbursement may be subject to taxation in

accordance with current tax laws. The granting of assistance is based upon the availability of funds. All employees must complete an Educational Reimbursement Request form.

4) Procedures

- a) Prior to course registration, an employee will complete an Educational Reimbursement Request form, keep one copy and submit the original to his/her department director for consideration.
- b) After review by the department director, the application will be forwarded to the City Administrator for review prior to course registration. The City Administrator will forward the approved request to the Human Resources Generalist/Risk Manager who will contact the employee and pre-authorize reimbursement.
- c) In the event the request is denied, the employee may appeal the decision to the City Administrator, who will make the final determination.
- d) If the request is approved, then upon completion of the course(s), the employee will submit an official transcript and itemized tuition receipt, to the Human Resources Generalist/Risk Manager. All required documentation must be submitted within four weeks of completion of the approved course(s). If an employee is enrolled in multiple courses with varying end dates, then documentation must be submitted within four weeks of completion of each course.

#### **V-15. FAMILY AND MEDICAL LEAVE ACT (FMLA)**

The Family Medical Leave Act (FMLA) is a federal statute that originally took effect on August 5, 1993. The purpose of the Act is to assist employees in balancing work, life and family matters by providing for unpaid leave for special health or family-related needs. Upon returning to work from FMLA leave, employees may be reinstated in their current or equivalent position without re-qualifying for benefits.

Our Family and Medical Leave policy will be interpreted in accordance with the federal Family and Medical Leave Act, its current regulations and all other applicable laws. To the extent that these policies may conflict with those laws, those laws shall control. Further, we retain all rights and defenses under applicable law, whether or not specifically set forth in these policies.

Consistent with Federal Law, after a 12-month wait for initial eligibility (having worked at least 1,250 hours), an employee may take as much as 12 work weeks of unpaid leave within 12 months for any of the following reasons:

- Birth of a child (including prenatal care) and to care for the newborn child;
- Placement of a child for adoption or foster care;
- To care for a spouse, child or parent with a serious health condition;
- To deal with the employee's serious health condition that renders the employee unable to perform the essential functions of the employee's job; and/or, A "qualifying exigency" as defined below and related to an employee's spouse, son, daughter or parent's active duty in the United States Armed Forces, and deployed to a foreign country.

An employee who is the spouse, son, daughter, parent or next of kin to a covered service- member is

also entitled to a total of twenty-six (26) weeks of unpaid leave during a single 12-month period for the following reasons:

- Leave to care for a covered service member on the temporary disability retired list that has a serious injury or illness or is in outpatient status (“military caregiver leave”). During this period, the City will continue its contribution to the employee’s health insurance premium at the rate that existed prior to the absence. Employees are required to use accrued sick leave until Short Term Disability begins on the 15th day, as part of the FMLA leave. During Short Term Disability, the use of accrued vacation and sick leave is optional. If the employee is not eligible for Short Term Disability during their FMLA leave, he or she is required to use all vacation and sick leave accruals until it is exhausted.

## **DEFINITIONS**

**“Spouse”** means a husband or wife as defined or recognized under State law for purposes of marriage, including common law marriage in states where it is recognized.

**“Parent”** means a biological, adoptive, step or foster father or mother, or any individual who stood in as a parent when the employee was a son or daughter. The term “parent” does not include parents “in law” (e.g. mother-in-law or father-in-law).

**“Son” or “daughter”** means a biological, adopted, or foster child; a step-child; a legal ward; or a child of a person or a child of a person standing in loco parentis, who is either under age 18, or age 18 or older and “incapable of self-care because of a mental or physical disability” at the time that FMLA leave is to commence.

**“Next of kin of a covered service member”** means the nearest blood relative of that individual other than the covered service member’s spouse, parent, son, or daughter in the following order of priority: blood relatives who have been granted legal custody of the covered service member, brothers and sisters, grandparents, aunts and uncles, and first cousins unless the covered service member has designated in writing a specific blood relative as his next of kin for purposes of military caregiver leave under the FMLA.

**“Covered service member”** means a member of the Armed Forces including the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is on the temporary disability retired list

During this period, the City will continue its contribution to the employee’s health insurance premium at the rate that existed prior to the absence. Employees are required to use accrued sick leave until Short Term Disability begins on the 15th day, as part of the FMLA leave. During Short Term Disability, the use of accrued vacation and sick leave is optional. If the employee is not eligible for Short Term Disability during their FMLA leave, he or she is required to use all vacation and sick leave accruals until it is exhausted.

A **“covered military member”** is defined as an employee’s spouse, son, daughter or parent who is on active federal military duty or has been called to active federal military duty status for the United States Armed Forces. A **“qualifying exigency”** includes: Short notice deployment: to address issues arising

when a covered military member is called to active duty within 7 or less days of such deployment. Leave for a short notice deployment may be taken for seven (7) calendar days or less beginning on the date of the covered military member's notice of such leave.

Military events and related activities: to attend official ceremonies, programs or events sponsored by the military that are related to the active duty status of a covered military member or to attend programs and informational briefings sponsored or promoted by the military, military service organizations or the American Red Cross that are related to active duty status of a covered military member;

- a) Childcare and school activities: to arrange for or provide urgent
- b) childcare when the call to active duty of a covered military member necessitates a change in an existing childcare arrangement for a covered military member's child; to enroll in or transfer to a new school a covered military member's child; and to attend meetings with school or daycare staff of a covered military member's child;
- c) Financial and legal arrangements: to make or update financial or legal arrangements to address the covered military member's absence while on active duty or to act as the covered military member's representative for the purpose of obtaining benefits;
- d) Counseling: to attend counseling for the covered military member or a covered military member's child;
- e) Rest and recuperation: to spend time with a covered military member who is on short-term, temporary rest and recuperation leave during a period of deployment. Eligible employees may take up to five (5) days of leave for rest and recuperation.
- f) Post-deployment activities: to attend official ceremonies or programs sponsored by the military in the 90 days following the termination of the covered military member's active duty status or to address issues that arise from the death of a covered military member.
- g) Additional activities: to address other events that arise out of the covered military member's active duty or call to active duty provided that the employer and employee agree that the leave shall qualify as an exigency and agree to the timing and duration of such leave.

A "serious health condition" is defined as a condition involving "inpatient care" or "continuing treatment" by a health care provider. Where inpatient care is not involved, the Act requires three (3) or more days absence from work (or incapacity to perform daily activities, in situations of caring for a family member) before a health condition will qualify for leave. Continuing treatment generally means two (2) or more visits to a health care provider, the first of which must occur within seven (7) days of the first day of incapacity and the second within thirty (30) days of incapacity. A "serious injury or illness" means an injury or illness incurred by a covered service member in the line of duty on active duty in the United States Armed Forces that may render the individual medically unfit to perform the duties of the individual's office, grade, rank or rating. "Outpatient status" means the status of a covered service member assigned to either a military medical treatment facility as an outpatient or a unit established for the purpose of providing command and control to members of

the United States Armed Forces receiving care as outpatients. A “contingency operation” means a military operation that is (a) designated by the Secretary of Defense as an action where the United States Armed Forces are or may become involved in military actions or b) results in members of the United States Armed Forces being called to active military duty, as defined by law.

## **AMOUNT OF FMLA AVAILABLE**

An eligible employee may take up to 12 work weeks of unpaid leave during the “12-month period” for any one, or combination, of leave for birth or adoption of a child, for the serious health condition of the employee or the employee’s spouse, child or parent or for a qualifying exigency. The 12-month period is a “rolling” 12-month period measured backward from the date an employee uses any FMLA leave. An eligible employee may also take up to twenty-six (26) weeks in a single 12-month period for military caregiver leave. The 12-month period is a “rolling” 12-month period measured forward from the date an employee uses any military caregiver leave. Any employee who is eligible for and takes a portion of his or her twenty-six (26) weeks of military caregiver leave, but not the entire twenty-six (26) weeks forfeits the remaining portion of the leave that was not used within one (1) year. FMLA leave for the birth or placement of a child must conclude 12 months after the birth or placement. Leave for the birth or placement of a child may only be taken on an intermittent basis with the City’s approval. If spouses are both employed by the City, they may take a combined total of 12 weeks of FMLA leave within the “12-month period” for any birth or placement of a child or to care for a seriously ill parent or dependent or a combined total of twenty-six (26) weeks within the “12-month period” to care for a covered service member, both of which can be split between spouses in any proportion. Any such leave taken by each employee shall be charged against that employee’s available 12 weeks of FMLA leave for his/her own serious health condition or to care for a child or spouse with a serious health condition or 26 weeks of FMLA leave to care for a covered service member.

## **CERTIFICATION**

The City requires an employee seeking leave of more than 3 days for any medical purpose to submit medical or other documentation on a special form at the time of:

- Initial request;
- Before returning to work (following a serious health condition to certify fitness for duty
- If the employee is not returning to work, following a leave during which the employer has paid health- care premiums; or,
- Re-certification routinely during FMLA leaves.

The City can seek clarification through its own provider and/or require the employee to undergo a second independent examination at the City’s cost. Certification forms can be obtained from Human Resources. All certification (and re-certification) forms must be submitted to Human Resources within 15 calendar days of the City’s request for a certification.

## **FMLA LEAVE REQUESTS**

Employees should request FMLA leave by completing the Request for Family Medical Leave form and

submitting it to Human Resources. Employees should provide notice at least 30 days in advance of the requested leave, whenever possible. When an unexpected situation develops, the employee should notify the City as soon as possible. The employee will be notified whether the leave has been designated as FMLA. When possible, employees should schedule foreseeable medical treatments so as to minimally disrupt the City's operations.

All requests for FMLA leave must fully explain the reasons for leave to allow the City to determine whether the leave actually qualifies under Federal Law. If an employee refuses or fails to give reasons for requesting FMLA leave or refuses or fails to provide a proper certification, the City may deny leave until such information is provided. In cases of leave for the employee's own serious health condition or that of a spouse, child, or parent, or to care for a covered service member or a qualifying exigency, the eligible employee may take FMLA leave intermittently or on a reduced schedule, when such leave is certified as medically necessary where appropriate. If an employee requests intermittent or reduced-schedule leave for a planned medical treatment, the City may temporarily transfer the employee to an alternative position, for which the employee is qualified, and which has equivalent compensation and benefits, which better accommodates such irregular leave. Please keep in mind that during FMLA leave, the employee is deemed unable to work unless written approval has been obtained from a doctor.

## **INTERIM BENEFITS**

Under FMLA, the City will maintain the same level of coverage under the group health plan for the duration of an employee's FMLA leave. The employee is responsible for payment of his/her portion of health insurance premiums during such leave just as if he/she were still on the City's payroll. Employees will receive advance notice of the costs, and a schedule for remitting these payments will be provided. If the payment is more than 30 days overdue, the City's obligation to continue health-care coverage ceases. If health coverage is discontinued because the employee has not made the required interim payments while on FMLA leave, upon the employee's return from FMLA leave, health benefits will be restored to the employee as if the leave had not been taken and the premium payment(s) had not been missed. The City will then recoup the missed payments through payroll deductions. If the employee does not return from scheduled FMLA leave, except for circumstances beyond the employee's control, the City Affiliates may consider the employee to have voluntarily resigned and recover all health premiums it paid on the employee's behalf during the FMLA leave. The City may require medical certification of any alleged, continued serious health condition.

## **REINSTATEMENT**

An employee is entitled to return from a qualifying FMLA leave to the same or equivalent position with equivalent benefits, pay and other terms and conditions of employment, and without loss of job seniority or any other status or benefits accrued prior to FMLA leave, if all FMLA leave requirements are met, and provided the employee would still be employed if FMLA had not been taken. Certain "key employee" (for example, a salaried employee who is among the highest paid 10% of all employees at the work site) may be denied reinstatement, if necessary, to prevent substantial and grievous economic injury to the City's operations. An employee who gives notice of intent not to return to work or fails to return to work will be considered to have voluntarily resigned. Such voluntary resignation may be a qualifying event entitling the employee to the option of continuing his or her health-care coverage under

COBRA.

**ARTICLE VI**  
**DISCIPLINE**

**VI-1. Authority to Discipline**

Department Heads and Supervisors are responsible for the conduct and effective performance of all employees under their jurisdiction. Department Heads shall have the authority and the responsibility to discipline employees for violations of the City's personnel policies and any department guidelines. Supervisors are required to fully inform the Department Head of all violations of City policy or departmental regulations by any employee. Department Heads are required to fully inform the City Administrator of all violations of City policy or departmental regulations by any employee. The City Administrator is required to notify the Mayor and City Council of all violations of City policy or departmental regulations by any appointed officer or official.

**VI-2. General Policy**

The purpose of discipline is to ensure high standards of performance and efficiency, to maintain good working relationships among employees, and to provide the citizens of the City with the highest possible level of courteous and professional public service. Discipline in the City organization is for the most part "self" discipline. It is the duty of employees to make a conscientious effort to work and behave in accordance with the values, service standards, policies and guidelines of the City and the department in which they work. Each employee/officer is expected to be self-disciplined and to work hard at being the best at what he or she does and in helping the City to provide a high level of public service. When an employee/officer does not exercise adequate self-discipline or is not successful in meeting the requirements of their job, it may be necessary for his/her Supervisor, Department Head, City Administrator or the City Council to consider disciplinary actions to correct the problem.

**VI-3. Disciplinary Actions**

The City reserves the right to discipline any employee/officer and to determine the particular discipline to be imposed in any given case and in any order. The following types of disciplinary actions are officially recognized by the City Administrator, Mayor and City Council:

A) Verbal Warning. A verbal warning is an oral reprimand given to an employee by his or her Supervisor or Department Head. A record of the verbal warning shall be recorded in the employee's file. A verbal warning to an officer is an oral reprimand given by the City Administrator and shall be recorded in the officer's file.

B) First Written Reprimand: A written reprimand is a written censure to an employee by his or her

Supervisor, or Department Head. On the first written reprimand, the Supervisor will meet with the employee privately, cite the problem, define the expected behavior or correction to the problem and after a 30 day probation period determine if the problem is solved or needs further disciplinary action. The employee will be given the opportunity to document his or her response to the reprimand for the record. A copy of the reprimand and 30-day probation response will be sent to the Department Head and also the Human Resources Generalist/Risk Manager to be recorded in the employee's file. A first written reprimand for an officer is a written censure by the City Administrator. The City Administrator will meet with the officer privately, cite the problem, define the expected behavior or correction to the problem and after a 30 day probation period determine if the problem is solved or needs further disciplinary action. The officer will be given the chance to document his or her response to the reprimand for the record. A copy of the 30 day probation response will be sent to the Mayor, City Council and also the Human Resources Generalist/Risk Manager to be recorded in the officer's file.

- C) Second Written Reprimand: On the second written reprimand, the Supervisor and Department Head will meet with the employee privately, cite the problem, define the expected behavior or correction to the problem and after a 30-day probation period determine if the problem is solved or needs further disciplinary action. The employee will be given an opportunity to document his or her response to the reprimand for the record. After a Second Written Reprimand is issued it is the Department Head's responsibility to communicate to the employee that any further written reprimands, acts of insubordination or gross misconduct could lead to a third written reprimand which would invoke a immediate suspension and written recommendation for termination of employment. A copy of the second reprimand and 30 -day probation response will be sent to the City Administrator and also the Human Resources Generalist/Risk Manager to be recorded in the employee file. If an officer receives a second written reprimand, they will meet with the City Administrator a second time, cite the problem, define the expected behavior or correction to the problem and after a 30 day probation period determine if the problem is solved or needs further disciplinary action. The officer will be given the opportunity to document his or her response to the reprimand for the record. After the second written reprimand is issued it is the City Administrator's responsibility to communicate to the officer that any further written reprimands, acts of insubordination or gross misconduct could lead to a third written reprimand which would automatically invoke a immediate suspension and written recommendation for termination of employment. A copy of the second written reprimand will be sent to the Mayor, City Council and also to the Human Resources Generalist/Risk Manager to be recorded in the officer's file.
- D) Third Written Reprimand: If an employee receives their third written reprimand, the Department Head will send a written recommendation for termination of employment to the City Administrator. This will automatically invoke a 5-calendar day suspension to the employee without pay and in that 5 –calendar day suspension period the employee has the right to file a grievance with the City Administrator requesting a hearing on his/her termination of employment. If the employee fails to file their grievance within the 5- calendar day suspension period, the City Administrator automatically terminates the employee from employment with the City. If the employee files a grievance with the City Administrator prior to the end of the 5<sup>th</sup> calendar day of the suspension period, a hearing between the employee and City Administrator will take place on the first/next business day following the fifth calendar day of suspension. If the City Administrator upholds

the decision for termination by the Department Head, the employee is terminated from employment with the City at that time. If the City Administrator determines that the termination was not justified and overturns the Department Head's recommendation for termination, then the employee will be "reinstated" and returned to work immediately. The reinstated employee will be compensated for regular scheduled work days/hours missed during the 5-calendar day suspension period at their regular rate of pay. The employee will also be returning to their position with a "second reprimand" status at that time. If an officer receives a third written reprimand, the City Administrator will send a written recommendation for termination to the Mayor and City Council. The Mayor and City Council will review the City Administrator's recommendation and a final decision will be made within 14 days. The officer's employment with the City will be suspended until the final decision is determined by the Mayor and City Council. During the suspension period the officer has the right to file an appeal to the Mayor and City Council for review. If the Mayor and City Council determines that the City Administrator's recommendation for termination is justified, then the officer's employment with the City will be terminated at that time. If the Mayor and City Council determines that the termination was not justified and overturns the City Administrator's recommendation, then the officer will be "reinstated" and returned to work immediately. The reinstated officer will be compensated for regular scheduled work days/hours missed during their suspension period at their regular rate of pay. The officer will also be returning to their position with a "second reprimand" status at that time.

- E) Job Evaluation Period: A job evaluation period is a trial period of a specific length of time during which an employee is required to fulfill a set of conditions, or to improve work performance, or to improve on the job behavior after a written reprimand is received. Failure to meet the necessary requirements may result in additional disciplinary actions and written reprimands up to and including termination of employment.
- F) Suspension. – A suspension is a 5- calendar day period invoked from the date a Department Head provides a written recommendation to the City Administrator for termination of employment for an employee, or for an officer a suspension is the time from the date the City Administrator provides a written recommendation for termination to the Mayor and City Council until the final decision is made by the Mayor and City Council within the next 14 days.
- G) Grievance. – A grievance is a formal appeal by a suspended employee to the City Administrator asking that his/her termination be overturned. A grievance hearing between the employee and the City Administrator will be scheduled on the 1<sup>st</sup> business day after the 5 calendar day suspension period expires. In this hearing the employee will cite their case and the City Administrator will determine if the termination decision stands or is to be overturned. A grievance can also be a formal appeal by an officer to the Mayor and City Council asking that his/her termination be overturned. In this hearing the officer will have the opportunity in an Executive Session with the Mayor and City Council to cite their case and the Mayor and City Council will determine if the termination stands or is to be overturned.
- H) Reinstatement. – The process where an employee returns to work after being suspended for 5 calendar days where their recommendation for termination was overturned by the City Administrator in the employee's Grievance Hearing. The reinstated employee will receive their regular rate of pay for the regularly scheduled days/hours missed during the five calendar day

suspension period and return with a second written reprimand status. In the case of an officer, reinstatement is the process where an officer returns to work after being suspended for a period of time where their recommendation for termination was overturned by the Mayor and City Council. The reinstated officer will receive their regular rate of pay for the regularly scheduled days/hours missed during their suspension period and return with a second reprimand status.

- I) **Termination.** Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. These are some of the most common circumstances for employment terminations:

**Resignation:** voluntary employment termination initiated by an employee.

**Discharge:** involuntary employment termination initiated by the Department Head and approved by the City Administrator.

**Retirement:** voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

Since employment with the City is based on mutual consent, either you or the City has the right to terminate the employment relationship at will at any time. On the employee termination date all property of the City will be returned to the Supervisor or Department Head (i.e. uniforms, keys, equipment, supplies, documentation).

#### VI-4. **Procedure for Disciplinary Action**

Whenever the misconduct of an employee or officer occurs that in the judgment of the Supervisor, Department Head or City Administrator justifies the application of disciplinary actions, other than a verbal warning, they shall:

- A) Document the misconduct in writing.
- B) Meet with the employee or officer to review the problem and the proposed disciplinary action. The meeting should be private and include only the employee and supervisor if it is the first reprimand. Officers will meet with the City Administrator on a first reprimand. On a second or third reprimand, meet with the employee, supervisor and the Department Head if necessary. This process also applies to the Officer and City Administrator for a second and third reprimand. The Supervisor, Department Head or City Administrator may request other persons be present at these meetings if they deem it necessary.
- C) Make a final decision as to the disciplinary action and put together an action plan including advice or expertise to the employee or officer for improvement, correction of the problem/situation.
- D) Notify the employee or officer of the action in writing, except for verbal warnings. A copy of the documentation of misconduct and a note as to the form of disciplinary action taken shall be provided to the Department Head or City Administrator and sent to the Human Resources Generalist/Risk Manager for insertion in the employee's personnel file. The

employee may submit comments in writing to be attached to the record of any disciplinary action. After a third written reprimand a recommendation for termination disciplinary action commences. The employee's Department Head notifies the employee that he/she is suspended without pay for a 5-calendar day period starting on the day of the disciplinary action. They will also notify the employee of their right to file a grievance during the 5-calendar day suspension to the City Administrator for a hearing to review the suspension/recommendation for termination to be scheduled on the first business day after the fifth day. If the employee files a grievance and a hearing with the City Administrator is conducted, and if the City Administrator determines that the termination was not warranted based on the information provided by the Supervisor and Department Head, then the employee will return to work immediately on the next business day and will receive his/her regular rate of pay for the five day suspension period. The employee will be returning to work with a "second reprimand" status meaning any other disciplinary action or misconduct will be a third reprimand and the Department Head will initiate the termination process again as defined in VI-3, (D). If an officer receives a third written reprimand, the City Administrator will send a written recommendation for termination to the Mayor and City Council. The Mayor and City Council will review the City Administrator's recommendation and a final decision will be made in 14 days. The officer's employment with the City will be suspended without pay until the final decision is determined by the Mayor and City Council. During the suspension period the officer has the right to file an appeal to the Mayor and City Council for review. If the Mayor and City Council determines that the City Administrator's recommendation for termination is justified, then the officer's employment with the City will be terminated at that time. If the Mayor and City Council determines that the termination was not justified and overturns the City Administrator's recommendation, then the officer will be "reinstated" and returned to work immediately. The reinstated officer will be compensated for regular scheduled work days/hours missed during their suspension period at their regular rate of pay. The officer will also be returning to their position with a "second reprimand" status at that time.

- E) The City reserves the right to deviate from this progressive discipline procedure when warranted by the circumstances as each discipline is handled on a case-by-case basis. In some instances, immediate termination or more severe discipline may be warranted. This discipline procedure does not indicate in any manner that an employee may be terminated only for cause as each employee of Spring Hill is an employee at will and can be terminated by the City with or without cause and without notice. All terminations are reviewed and approved by the City Administrator.

#### **VI-5. Misconduct Subject to Disciplinary Action**

The following is an illustrative list of misconduct that may subject an employee or officer to disciplinary action. The list is not exclusive; it is only representative of the types of misconduct that will subject an employee to disciplinary action.

- A) Conduct that hampers, endangers or is contrary to the mission and goals of the City.

- B) Conviction of a violation of any state or federal criminal law.
- C) Conviction or violation of any City law. Failure to follow prescribed safety procedures including failure to notify his or her supervisor of unsafe working conditions.
- D) Violation of personnel policies and guidelines or departmental policies and guidelines.
- E) Inattention to duty, carelessness, breakage or loss of public property or funds.
- F) Incompetence or inefficiency in the performance of the duties of his or her position.
- G) Insubordination or other breach of work duties or discipline.
- H) Discourteous, disruptive, abusive, intimidating, threatening or disorderly conduct or other offensive behavior to the public or to employees and officers of the City.
- I) Abuse of leave, excessive absenteeism or tardiness.
- J) Temporarily leaving the workplace without the approval of his or her supervisor.
- K) Failure to give proper notice of absence.
- L) Sleeping on the job.
- M) Use of alcohol or drugs, off the job, to the extent that the employee's job performance or effectiveness as a City employee is impaired or any possession or use of intoxicants or narcotics while on duty
- N) Inducing or attempting to induce any officer or employee of the City to commit an unlawful act or to act in violation of any lawful or official order or regulation.
- O) Unauthorized possession of firearms or other weapons on the job.
- P) Falsifying or supplying false information for completion of City records.
- Q) Working on personal or unrelated work duties while on City time.

In the case of acts of violence or other flagrant misconduct, serious safety violations, or a criminal offense (felony) or such other activity the City deems significant, the employee will be suspended immediately, without pay, pending an investigation and review of the matter. If, after the City's investigation, it is determined that the employee is responsible for any of the above mentioned circumstances, then the employee will be terminated immediately with final approval/confirmation by the City Administrator. If, after the City's investigation or review the employee is found not to have committed the misconduct or offense, the employee will be immediately reinstated to his or her position and be compensated at their regular rate of pay for days/hours missed during the suspension period.

**VI-6. Termination.**

Examples of serious misconduct for which an employee may be terminated are listed below. The following illustrative list is not exclusive and is only representative of the types of misconduct which will subject an employee to immediate termination. Possible reasons for termination under this section, although not exclusive but only representative, may constitute misconduct for which an employee may be subjected to disciplinary action other than termination.

- A) Conduct which hampers, endangers or is contrary to the mission and goals of the City.
- B) Conviction of a felony or conviction of driving under the influence while operating a City vehicle.
- C) Willful or continued violation of City or departmental safety policies and procedures or willful or negligent creation of unsafe conditions in the workplace.
- D) Willful or continued violation of personnel policies and guidelines or departmental guidelines.
- E) Negligent or willful damage to public property or waste of public supplies or equipment.
- F) Taking or using any funds or property of the City for personal use or for sale or gift to others or the making of any false claim against the City.
- G) Gross incompetence, neglect of duty or willful or continued failure to render satisfactory service.
- H) Refusal to abide by any lawful official regulation or order, failure to obey any proper direction made by a supervisor or Department Head or knowingly making a false statement to any employee or officer of the City.
- I) Claiming leave time under false pretenses or falsifying attendance records for oneself or another employee or falsifying any other City records.
- J) Absence without leave.
- K) Possession or use of alcohol or drugs, except where prescribed by a physician, after being afforded the opportunity to seek professional attention, or use of alcohol or drugs, except where prescribed by a physician, while on duty. Sale of or offering for sale or giving away alcohol or drugs while on duty or at the workplace.
- L) Sexual or any other form of unlawful harassment.
- M) Disclosing confidential records or information unless directed to do so by his or her Department Head or supervisor.

- N) Revocation or suspension of a certification or license, including a driver's license, when such is required as a condition of City employment.
- O) Material falsification of application for City employment or making a false statement or report in regard to any test, certification or appointment or any attempt to commit any fraud that violates the merit principles of personnel administration.
- P) Giving or attempting to give any monetary consideration or the delivery of undeserved service to or from any person or organization for, or in connection with, any test or appointment.
- Q) Taking or offering to take from any person for the employee's personal use, any fee, gift or other thing or service of value, in the course of his or her work or in connection with it, when such gift or other valuable thing or service is given in the hope or expectation of receiving a favor or better treatment than that accorded any other person; accepting a bribe, gift, money or other thing of service or value intended to perform or refrain from performing any official act; engaging in any act of extortion or other means of obtaining money or other things or service of value through his or her position in the service of the City.
- R) Discharge of duties in a manner which results in discrimination to any person on the basis of race, creed, color, sex, age, physical or mental disability, national origin or any other protected classification under federal and state law.

**ARTICLE VII**  
**SEPARATION**

**VII-1. Resignation**

An employee who terminates his/her employment voluntarily shall be terminated in good standing, providing the employee gives a minimum of two work weeks written notice to his/her Supervisor or Department Head. Under appropriate circumstances, a shorter period of notice may be approved by the employee's Department Head.

**VII-2. Reinstatement**

An employee who was terminated in good standing and who is re-employed within a period of 120 calendar days following separation may be reinstated at not more than the salary he or she was receiving at the time of his/her termination.

**VII-3. Retirement**

A) All eligible employees of the City shall be members of the Kansas Public Employees

Retirement System and shall be subject to all laws and supplemental regulations governing such membership.

- B) The normal retirement date for all employees shall be on the first day of the month following the month in which they attain age sixty-five (65), except as provided in paragraph (C).
- C) In unusual circumstances and when it is deemed in the best interest of the City, the Mayor and City Council may, upon written request of Mayor-Council, extend the date of retirement, pursuant to K.S.A. 74-4914.
- D) Upon retirement the employee shall receive one (1) lump sum payment based on the following formula: average the salary for the last five (5) years of employment and the retiring employee shall be given one (1) days pay, based on this hourly rate, for every year of service to the City.

## **ARTICLE VIII**

### **POLITICAL, ACTIVITY, RESIDENCY, INSURANCE**

#### **V-III-1 Political Activity**

- A) It is the right of every employee to register and vote on all political issues. Employees are permitted to join political organizations, civic associations or groups and to become involved in political activities subject to the restrictions of this section.
- B) As private citizens, employees may participate in all political activities, including holding public office, except for activities, where holding an appointive or elective public office is incompatible with the employee's City employment.
- C) City employees are not prohibited from supporting candidates for office or from contributing labor to candidates and organizations that endorse candidates.
- D) Any employee desiring to become a candidate for City elective office shall first take leave of absence without pay or resign. Should an employee on leave of absence without pay be unsuccessful in seeking such elective office, he or she may be returned to employment on the same terms and conditions as any other employee who has taken leave of absence without pay. An employee is considered to be a candidate for elective office once all statutory requirements have been met to qualify as a candidate.
- E) Political activity must not interfere with job attendance or performance. Employees are

not permitted to solicit, handle or receive political contributions in City elections. They are not permitted to wear or display political badges, buttons or signs on their person or on City property during on-duty hours.

- F) No supervisor or other person in authority shall solicit any City employee for contributions of money or labor for any candidate for elective office, or otherwise compel, or attempt to compel, any employee to support a candidate for elective office or to engage in any political activity.
- G) The purpose of this policy is to prevent and avoid the appearance of impropriety on the part of any City employee. City employees are neither appointed to, nor retained in, the City's service on the basis of their political affiliations or activities.

### **VIII-2 Membership on Boards and Commissions**

Employees are not permitted to be a member of councils, boards or commissions that are advisory or administrative to the City except where such membership is specifically authorized by City ordinance.

### **VIII-3 Residency**

- A) The City Administrator Chief of Police and Public Works Director shall be required to reside within the legal limits of the City. Other Department Heads to include; Finance Director, Planning and Zoning Director and City Clerk shall be required to live within a 30 minute drive of their Department's Headquarters.
- B) Due to the emergency nature of their position, sworn law enforcement personnel are required to reside within a 30-minute drive of their Department's Headquarters.
- C) All employees are required to reside within the State of Kansas.
- D) An employee who changes his residence so that it fails to comply with the formally adopted policy of the City may be terminated.

### **VIII-4 Insurance**

- A) All full time employees shall be eligible for group medical, hospital, dental, and life insurance as soon as eligibility under the provisions of the insurance plan allows.
- B) The Mayor and City Council shall regularly determine the amount of premiums, if any, the City shall pay.
- C) When a full time employee is required to pay premiums because of participation in a group medical, dental, or life plan, the amount of such premium shall be deducted from the employee's pay check the first and second pay day of each month.

- D) No employee shall be entitled to a cash payment of any kind in lieu of medical and hospital insurance coverage.

## ARTICLE IX

### **EQUAL EMPLOYMENT OPPORTUNITY AND UNLAWFUL TREATMENT**

#### **IX-1. EQUAL EMPLOYMENT**

The City is committed to providing a zero-tolerance work environment that prohibits unlawful discrimination practices, including harassment, and promotes equal employment opportunities. The City hires on the basis of the ability to perform a position's essential functions without regard to race, color, religion, sex, age, disability, genetics, national origin, protected veteran status or any other class protected by applicable federal, state and local employment laws. The City expressly prohibits any form of unlawful employee harassment based on the foregoing factors. If you require accommodation due to a disability, please notify Human Resources, your supervisor or your Department Head. This policy applies to all terms and conditions of employment including, but not limited to: hiring, placement, promotion, termination, discipline, layoff, recall, transfer, leave of absence, compensation and training. The City is an Equal Opportunity Employer.

City employees found to be engaging in any unlawful discrimination will be subject to disciplinary action up to and including, termination of employment.

The City believes that every employee has the right to a work environment free of unwelcome verbal or physical conduct, which harasses, disrupts, or interferes with the individual's work performance or creates an intimidating, offensive, or hostile environment. The City does not tolerate any employee engaging in this type of behavior. Any employee participating in such negative conduct will be subject to appropriate corrective action that may include termination.

**IX-2. EMPLOYEE HARASSMENT** is any unwelcome conduct that illegally discriminates against you or another employee or unreasonably interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment. This would include harassment based upon an individual's race, religion, sexual orientation, marital status, gender, family status, age, physical or mental disability, or other protected classification.

**IX-3. SEXUAL HARASSMENT** is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of sexual nature where submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, or submission to or rejection of such conduct is used or threatened to be used as the basis for employment decisions affecting such individual, or such unreasonable conduct interferes with

an individual's work performance or creates an intimidating, hostile, or offensive work environment.

~~**IX-4 — REPORTING GUIDELINES:** If you become aware of situations involving unwelcome and inappropriate behavior directed toward you or another employee, report it immediately to the Human Resources Generalist /Risk Manager.~~

~~Upon receipt of the complaint under this policy, the City will initiate an investigation of the situation and document the responses of all individuals involved. If your complaint is not handled to your satisfaction, then you should follow up immediately with the City Administrator.~~

**IX-4. REPORTING:** If you become aware of situations involving unwelcome or inappropriate behavior directed toward you or another employee, report it immediately to the Human Resources Generalist/Risk Manager.

Any Supervisor or Department Head who receives a complaint or otherwise becomes aware of possible sexual or other unlawful harassment shall immediately advise the Human Resources Generalist/Risk Manager.

Any complaint directed against the Human Resources Generalist/Risk Manager must be promptly reported to the City Administrator.

Any complaint directed against the City Administrator or a City Council member must be promptly reported to the Mayor (or the Mayor pro tem if the Mayor is the subject of the complaint) and the City Attorney.

~~**IX-5. — DISCIPLINARY ACTION:**~~

~~Any disciplinary action taken in response to the findings of a harassment complaint will be based on the individual circumstances of each situation. Disciplinary actions may include, but are not limited to, written warnings, suspensions without pay, or termination. In addition, if it is determined that a person has falsely and intentionally accused someone of harassment, appropriate disciplinary action may be taken, which may include termination.~~

~~A) The Human Resources Generalist/Risk Manager shall promptly investigate the allegation and resolve the matter immediately. All employees shall fully cooperate in any investigation and without fear of reprisal.~~

~~B)A) If the complaining party is not satisfied with the resolution of the matter, he/she shall follow the procedure outlined for grievances.~~

**IX-5. INVESTIGATION.** Upon receipt of any complaint under this policy, the City will immediately initiate an investigation of the situation and document the responses of all individuals involved. The investigation will be handled by the Human Resources Generalist/Risk Manager unless the complaint is directed against the Human Resources Generalist/Risk Manager, the City Administrator or a member of the Governing Body, in which case the City shall employ a person outside City employment to conduct the investigation. Such authorized designee will present his/her findings of fact and investigative findings to the Governing Body who will determine the appropriate action.

All employees shall fully cooperate in any investigation and without fear of reprisal. The City prohibits any form of retaliation against any employee who has reported sexual harassment or any other harassment, or any employee who provides information regarding sexual harassment or any other harassment. Any employee who feels that retaliatory action has been taken should also immediately report that action to the Human Resources Generalist/Risk Manager.

After concluding the investigation, the Human Resources Generalist/Risk Manager will review the evidence gathered during the investigation and make a written report to the appropriate Department Head and City Administrator presenting findings of fact, investigative conclusions, and recommendations as to any disciplinary action to be taken, if appropriate.

#### **IX-6. RESPONSIVE ACTION**

~~Misconduct involving harassment or discrimination will be dealt with promptly and appropriately, and may include, for example, training, referral to counseling, monitoring of the offender and /or disciplinary action such as warning, reprimand, withholding a promotion or pay increase, reduction of wages, demotion, reassignment, temporary suspension with or without pay or termination, as the City believes appropriate under the circumstances~~

**IX-6. DISCIPLINARY ACTION** Any employee determined by an impartial investigation to have harassed another employee will be subject to appropriate disciplinary procedures up to and including termination. Any disciplinary action taken in response to the findings of a complaint will be based on the individual circumstances of each situation as the City deems appropriate. Any disciplinary action taken against an employee will be taken in accordance with Article VI of this Handbook. Any disciplinary action taken against an officer shall be in accordance with Article III-2(B) of this Handbook. Any disciplinary action taken against the City Administrator shall be in accordance with his/her Employment Agreement.

Disciplinary action may include, but is not limited to, written warnings, suspension without pay, or termination. In addition, if it is determined that a person has falsely and intentionally accused someone,

#### **IX-7. CIVILITY**

- 1) All employees shall behave with civility, fairness and respect in dealing with fellow employees, citizens, visitors and anyone else having business with the City. Uncivil behaviors are prohibited.
- 2) This policy also pertains to all citizens, visitors and anyone else who has business with City employees or activities on City properties.

Definition: Uncivil behaviors shall be defined as any actions that are physically or verbally threatening, either overtly or implicitly, as well as behaviors that are coercive, intimidating, violent or harassing. Examples of uncivil behavior include, but are not limited to, use of profanity, personally insulting remarks, attacks on a person's race, gender, nationality, religion, or behavior that is out of control. Such interactions could occur in telephone conversations, voice mail messages, direct conversations or written

letters and/or e-mail messages. Any uncivil behavior should be reported to the immediate supervisor. A record shall be made of the incident and the action taken. Confidentiality shall be observed whenever possible to protect the complainant and the offending person.

Retaliation against a person who reports a claim of uncivil behavior is prohibited. Anyone having interaction(s) with employees of the City shall treat them with professionalism, courtesy, dignity and respect. Uncivil behavior shall be prohibited. Any uncivil behavior shall be reported to the immediate supervisor. A record shall be made of the incident and action taken. Confidentiality shall be observed whenever possible to protect the complainant and the offending person. Retaliation against a person who reports a claim of uncivil behavior shall be prohibited.

**IX-8. No Expectation of Privacy**

Nothing in this Employee Handbook confers an individual right or is to be construed to provide an expectation of privacy in the use of City property. City employees have NO right to privacy in their use of City property and in any communications generated by the use of City property at any time. The City has unlimited access to and the right to fully monitor and inspect its property, including its digital equipment, such as computers, electronic mail, faxes, e-mail, phones and messaging).

**ARTICLE X**

**DRUG-FREE WORKPLACE**

Drug abuse in the workplace creates a danger to the person abusing drugs, fellow employees he/she comes into contact with, and the public at large. Accordingly, this article is promulgated to set forth the City's policy and program prohibiting alcohol, illegal drugs, and controlled substances in the workplace.

**X-1. Policy**

The City prohibits the unlawful manufacture, distribution, dispensing, possession or use of alcohol/intoxicants, drugs, and controlled substances in the workplace. Any employee who violates this policy will be subject to disciplinary action, which may include termination.

**X-2. Prohibitions**

- A) No employee shall report to work under the influence of alcohol/intoxicants, drugs, or controlled substances.
- B) No employee shall unlawfully manufacture, distribute, dispense, possess, or use illegal drugs or controlled substances in any manner on City premises or in City vehicles at any

time, whether or not performing City business, or while performing City business at any location. (This section does not apply to any employee performing legitimate law enforcement responsibilities.)

- C) No employee shall use any item of City property or use his/her City position to make or traffic alcohol/intoxicants, illegal drugs, or controlled substances for their own purposes.

### **X-3. Notice of Conviction**

Any employee convicted of a criminal drug statute violation occurring in the workplace shall notify the City Administrator of such conviction no later than five days after conviction. If the conviction is classified as a “felony” then the employee will be terminated from employment immediately pending final review by the City Administrator.

- A) The City shall, within 10 calendar days after receiving notice of the conviction of an employee for a criminal drug statute violation occurring in the workplace, notify all Federal agencies from which it receives grant funding of such conviction.
- B) The City shall, after receiving notice of the conviction of an employee of a criminal drug statute violation (misdemeanor) occurring in the workplace, either
  - 1) take appropriate personnel action against such employee according to the City’s Employee Handbook, up to and including termination, or
  - 2) Require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by Federal, State, or local health, law enforcement, or other appropriate agency.

### **X-4. City’s Right to Test**

The City reserves the right to request drug and/or alcohol screening of any employee who appears to his/her supervisor to be under the influence of drugs or alcohol. The supervisor must be able to substantiate physical indicators of probable drug or alcohol use, except that any employee involved in an accident or injury must submit to a drug screening and/or blood alcohol test. The City will pay for any required testing. Following a mandatory drug or alcohol test, an employee will not be allowed to return to work until notified to do so by his/her supervisor. If the test results are negative, the employee will be paid for all working hours missed. If the test results are positive, no compensation will be paid for missed work hours.