

**A. CALL TO ORDER/ROLL CALL**

\_\_Nisly \_\_Schmidt \_\_Weber \_\_Garretson \_\_Fairbanks \_\_Scofield

**B. PLEDGE OF ALLEGIANCE**

**C. APPROVAL OF AGENDA (ADDITIONS/DELETIONS)**

**D. CITIZEN COMMENTS**

**E. HEARINGS, PRESENTATIONS, PROCLAMATIONS & RECOGNITIONS**

1. American Packaging Tax Abatement Hearing
  - a. Hearing opened by mayor (no vote needed)
  - b. Public comment period opened and closed (no vote needed)
  - c. Approve tax abatement via Ordinance No. 22-01 (vote needed)

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

- d. Hearing closed by mayor (vote needed)

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

2. Promotion of Ronnie Pederson to Public Works Superintendent

**F. CONSENT AGENDA**

1. Approval of Minutes – Regular Meeting, January 19, 2022
2. Approval of Invoices

**G. ACTION ITEMS**

1. Our Lady of Guadalupe Alcohol Sales Issue

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

2. Ordinance No. 22-02 – Public Intoxication

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

3. Closure of checking account

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

**H. DISCUSSION ITEMS**

1. Community Center Rental Policy
2. Budget Primer
3. 2021 General Fund Budget Discussion
4. Police Department Budget Discussion
5. Council Goals & Priorities (Public Safety)

- I. CITY ADMINISTRATOR'S REPORT**
- J. GOVERNING BODY COMMENTS**
- K. EXECUTIVE SESSION**
- L. ADJOURNMENT**

**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** American Packaging Tax Abatement Hearing

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**Background/Analysis** – More than a year ago and preceding my arrival, the City of South Hutchinson and the Hutchinson/Reno County Chamber of Commerce engaged in discussions with American Packaging Corporation concerning tax abatement incentives for a planned multimillion dollar expansion of their manufacturing facility.

Multiple steps have been completed thus far, including a tax benefit analysis to determine whether the economic development gains justify the proposed abatement. The next step in this process is to conduct a hearing and then approve Ordinance No. 22-01.

After these steps are completed, staff will finalize the Board of Tax Appeals (BOTA) application and submit on behalf of American Packaging Corporation to the requisite state and local agencies.

Representative(s) from the chamber of commerce are scheduled to attend and address the governing body.

**Financial Impact** – The tax abatement calls for a 100 percent abatement of property taxes associated with the \$7+ million expansion of their facilities over the next ten (10) years. Analysis indicates the long-term economic growth impacts will exceed this rebate.

**Recommendation/Steps:**

1. Mayor Nisly opens tax abatement hearing (no vote needed)
2. Public comment period for citizens and stakeholders is opened and closed (no votes needed)
3. Motion and vote on the approval of the tax abatement via Ordinance No. 22-01
4. Motion and vote needed to close the hearing

**Exhibits:**

- A. Ordinance No. 22-01 American Packaging Corp Tax Abatement
- B. American Packaging Tax Abatement Application
- C. American Packaging Cost-Benefit Analysis
- D. American Packaging Cost-Benefit Analysis Worksheet

**ORDINANCE NO. 22-01****AN ORDINANCE EXEMPTING PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO ARTICLE 11, SECTION 13 OF THE KANSAS CONSTITUTION; PROVIDING THE TERMS AND CONDITIONS FOR AD VALOREM TAX EXEMPTIONS; AND DESCRIBING THE PROPERTY OF AMERICAN PACKAGING CORPORATION, SO EXEMPTED.**

**WHEREAS**, Article 11, Section 13 of the Kansas Constitution provides that the governing body of the City may, by Ordinance, exempt from all ad valorem taxation all or any portion of the appraised value of certain property meeting the requirements of the constitutional provision; and

**WHEREAS**, the City of South Hutchinson has adopted an Ad Valorem Tax Abatement Policy by which the City will consider granting tax exemptions upon a clear and factual showing of direct economic benefit including the stimulation of additional private investment; and

**WHEREAS**, American Packaging Corporation requests an ad valorem tax exemption on a proposed expansion project for ten years on declining scale totaling 100% over ten years on a proposed building expansion; and

**WHEREAS**, American Packaging Corporation has operated within the City for more than 44 years as a manufacturer of boxes and corrugated cardboard.

**WHEREAS**, American Packaging Corporation proposed a 7 million dollar building expansion and approximately 3 million dollar investment in equipment and technology proposed to be exempted from ad valorem tax.

**WHEREAS**, American Packaging Corporation proposes the expansion to be located at 400 West Blanchard Avenue, South Hutchinson, Kansas. The legal description of which is as follows: "Attached per Exhibit A".

**WHEREAS**, the City Council of the City of South Hutchinson has reviewed the application and supporting documentation supplied by American Packaging Corporation and the Cost-Benefit Analysis by the Kansas Department of Commerce and has conducted a public hearing on such application on February 7, 2022; and

**WHEREAS**, the City Council of the City of South Hutchinson has found and determined:

1. American Packaging Corporation is an existing business located in South Hutchinson, Kansas and plans to expand its business by investing in modern technology and capital infrastructure.
2. Real property improvements are to be used exclusively for manufacturing articles of commerce.
3. By such investment, American Packaging Corporation will insure the viability of the South Hutchinson facility for the future including the preservation and full time jobs.
4. Such ad valorem tax exemption is in the public interest providing for economic growth and benefit at cost benefit ratio of 1.51:1 for the City of South Hutchinson.



5. The property on which exemption is given will meet the requirements of the Kansas Constitution.

6. The property on which exemption is given meets the requirements of City of South Hutchinson's Ad Valorem Tax Exemption Policy which allows the City Council to consider large capital investment absent of new job creation.

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

1. The City Council for the City of South Hutchinson, Kansas hereby makes a factual determination that an ad valorem tax exemption of the type requested by American Packaging Corporation is required to retain jobs in the State of Kansas and that the property to be exempted will be used exclusively for manufacturing articles of commerce.

2. American Packaging Corporation is hereby granted an ad valorem tax exemption of 100% per year for a ten-year on a project with an estimated cost of \$7,000,000.00. Such exemption being in the calendar year after the calendar year in which the expansion is completed and may be terminated early by action of the City Council of the City of South Hutchinson upon annual review of the exemption.

3. The City of South Hutchinson will conduct an annual review of the exemption to ensure terms and commitments are honored.

4. The City Administrator shall be responsible for monitoring the performance of American Packaging Corporation and shall provide annual reports on such performance.

5. American Packaging Corporation shall be responsible for providing all documentation necessary regarding performance to satisfy the terms of the economic development incentive agreement.

6. Such exemption may hereafter be withdrawn by the City Council upon a finding that American Packaging Corporation no longer is entitled to such exemption in accordance with the Ad Valorem Tax Abatement Policy of the City of South Hutchinson and the terms of the economic development incentive agreement which American Packaging Corporation has executed with the City.

7. This Ordinance shall be in full force and effect from and after its passage and publication in the official City newspaper.

PASSED BY THE GOVERNING BODY THIS 7th day of February 2022.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Denise McCue, City Clerk

**CITY OF SOUTH HUTCHINSON, KANSAS  
APPLICATION FOR PROPERTY TAX EXEMPTION  
FOR ECONOMIC DEVELOPMENT PURPOSES**

Pursuant to South Hutchinson City Council Policy, exemption from ad valorem property taxation is requested for the property described below, which will be used exclusively for the purpose of manufacturing articles of commerce, research, and development, or storing goods or commodities which are traded in interstate commerce.

**I. APPLICANT INFORMATION**

A. Name of Applicant Business: American Packaging Corporation

B. Address: 400 W Blanchard South Hutchinson, KS 67505  
Street or P.O. Box City/State/Zip

C. Contact Person: Tony Schleich 620-663-1222  
Name & Title Telephone Number

D. Type and nature of applicant's business: Manufacturing - Corrugated Boxes

E. Names of principal competitors in local market: \_\_\_\_\_  
Bennett Packaging, American Box Company, Pratt Industries

F. Has the applicant or any principal thereof:

- been convicted of any crime other than a traffic violation in the past ten (10) years? \_\_\_ Yes X No
- had Federal or State tax liens filed against them? \_\_\_ Yes X No
- had a court judgment rendered against them that remains unpaid? \_\_\_ Yes X No
- been declared insolvent, bankrupt or been in receivership? \_\_\_ Yes X No
- filed an application for tax exemptions or incentives in another community? \_\_\_ Yes X No

G. The name, addresses and telephone numbers of two banking or credit references:

1. Heartland Sheets - Kansas City, MO 816-841-8300
2. Intrust Bank - Wichita, KS 316-383-1494

**II. PROJECT INFORMATION**

A. Project is: New Business \_\_\_\_\_ Expansion of Existing Business X

B. Location of project: North side of existing property

C. General description of project: 100,000 sq.ft. expansion to allow for new equipment and increased production.

(Note: Attach a site plan showing new buildings or additions to existing buildings)

D. Estimated capital costs of project:

1. Purchase of land	\$ _____
2. Building and improvements to real estate	\$ 7,075,000
3. Machinery, equipment, & furniture	\$ 2,900,000

E. Number of new (full-time equivalent) jobs to be created/hired:

<u>Year</u>	<u>Number of New Jobs</u>	<u>Average Annual Salary</u>
1	<u>6</u>	\$ <u>40,000</u>
2	<u>2</u>	\$ <u>42,000</u>
3	<u>2</u>	\$ <u>45,000</u>
4	_____	\$ _____
5	_____	\$ _____
6	_____	\$ _____
7	_____	\$ _____
8	_____	\$ _____
9	_____	\$ _____
10	_____	\$ _____

F. Number of new (full-time equivalent) employees moving to the county each year:

<u>Year</u>	<u>From Out-of-State</u>	<u>Total</u>
1	_____	_____
2	_____	_____
3	_____	_____
4	_____	_____
5	_____	_____
6	_____	_____
7	_____	_____
8	_____	_____
9	_____	_____
10	_____	_____

G. Length of construction project:

Start date (approx.) 10/2020 End date (approx.) 01/2022

H. Summary of proposed purchase of equipment, machinery, and furniture, including cost:

Building (w/ Professional Charges) - \$7.4M Prefeeder - \$300,000 ; Conveyor - \$1,900,000 ; Forklifts - \$300,000 ;  
IBIS Flexo-Folder Gluer - \$935,000 ; Tanabe Specialty Gluer - \$475,000 ; Load Inverter - \$190,000 ; Add'l Related Expenses - \$477,000  
Office Furniture - \$28,000; Strapper - \$165,000; Tracks - \$32,000 TOTAL PROJECT ESTIMATE: \$13,000,000

**III. TAX EXEMPTION INFORMATION**

A. Amount or percentage of tax exemption requested and duration: \_\_\_\_\_  
100% for 10 years

B. In-lieu-of-tax payments offered and duration: \_\_\_\_\_

C. Why is a tax exemption a critical factor in determining whether the proposed project is to be completed? American Packaging Corporation had to evaluate the viability of expanding in various locations, this project will bring additional work for Reno County. To be comprehensive, the company sought any and all available incentives including an EDX from the State of Kansas for manufacturers.

**IV. CERTIFICATION OF APPLICANT**

I hereby certify that the above information and statements are true and correct to the best of my knowledge and belief. I further understand that this information will be available for public inspection under the Kansas Open Records Act, and that the failure to produce the stated economic benefits may result in a reduction or loss of tax exemption.

Lacie Janzen  
Signature

Lacie Janzen - Project Manager, Greater Hutch  
Name (printed) and Title

620-662-3391  
Telephone Number

## A Tax Abatement Cost-Benefit Analysis of American Packaging Corporation

The firm is located in: **City of South Hutchinson**

Report Printed: 1/4/2021

Description of the firm's location or expansion in the community:

**This report includes an analysis of costs and benefits from the firm for the following taxing entities where the firm is or will be located. These taxing entities are considering tax abatements or incentives for the firm:**

<b>City:</b>	<b>South Hutchinson</b>
<b>County:</b>	<b>Reno</b>
<b>School District:</b>	<b>309</b>
<b>Special Taxing District:</b>	<b>City of South Hutchinson</b>
<b>State of Kansas</b>	

Contents of this report:

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This Kansas Tax Abatement Cost Benefit Analysis (CBA) is prepared by the Kansas Department of Commerce for the benefit and use of the State of Kansas and its local units of government. This model was developed to assess the costs and benefits property tax abatement and economic development incentives have on state revenues. The Department of Commerce makes no representations, guarantees, or warranties as to the accuracy, completeness, or suitability of the analysis or information contained in this CBA. The Kansas Department of Commerce specifically disclaims any and all liability for any claims or damages that may result from other uses of the analysis in this CBA.

## About this Cost-Benefit Analysis Report

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This cost-benefit analysis report was prepared using a computer program that analyzes economic and fiscal impact. The report shows the impact that the firm, its employees and workers in spin-off jobs will have on the community and the state.

The economic impact over the next ten years is calculated along with the accompanying public costs and benefits for the State of Kansas and the taxing entities included in this analysis.

The analysis also shows the effect of tax abatements and incentives that may be considered for the firm.

Here is how the analysis was performed:

1. Data was entered for the state and community's tax and other rates; the firm and its employees; tax abatements and other incentives being considered for the firm; construction activity; and expected visitors.
2. Using the data entered, as well as some rates built into the computer program, calculations were made of the economic impact of the firm along with the related costs and benefits.

The calculations of impact include direct, indirect and induced impact. Regional economic multipliers, specific to the firm's industry group, were used by the program to calculate the direct and induced or spin-off jobs and earnings in the community.

These are the report sections:

### **Summary of Costs and Benefits for all Taxing Entities**

This report page summarizes the costs and benefits for all taxing entities resulting from the firm and from new direct, indirect and induced jobs.

### **The Economic Impact that the Firm will have on the Community**

This report page shows the number of direct, indirect and induced jobs that will be created in the community, the number of new residents and additional school children, and increases in local personal income, retail sales, economic activity and the property tax base in the first year and over the next ten years.

### **Benefits and Costs for Each Taxing Entity**

These report pages summarize the costs and benefits for the State of Kansas and for each taxing entity as a result of the firm locating or expanding in the Kansas community.

The public benefits include additional revenues from the firm and employees for the taxing entities - - -sales taxes, property taxes, utilities, utility franchise fees, other payments by new residents, Payments in lieu of taxes (PILOT) by the firm and additional school funding. Public costs include the additional costs of public services for new residents and the firm, costs of educating new students that move to the school district, along with tax abatements and incentives provided to the firm.

In addition to a presentation of public costs and benefits, this report also computes the present value of net benefits to be received by each taxing entity; the payback period for incentives and taxes to be abated; the rate of return on investment for each entity, and, cost benefit ratios.

#### Payback Period

The investment payback period for each taxing entity was computed. This analysis views the financial incentives, including tax abatement, that the taxing entities are considering for the firm as an investment that the public will be making in the company. The payback period, therefore, is the number of years that it will take each taxing entity to recover the cost of incentives from the net annual benefits that they will receive. This payback period also shows the point in time where the cost and benefits are equal for the level and length of tax abatements and incentives being granted. The payback period is a basis for judging the appropriateness of providing incentives to a firm. Generally, the shorter the payback period the better the investment.

### Present Value

The present value of the expected cash flow over the next ten years for each entity was computed. Present value is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. The analysis uses a discount rate that is entered to make the dollars comparable—by expressing them in today's dollars (present value). Generally, a positive present value indicates an acceptable investment.

### Rate of Return on Investment

The rate of return on investment for each taxing entity was also computed. As with the computation of payback, the rate of return analysis views the incentives that each taxing entity is considering as an investment that the public will be making in the company. The rate of return, therefore, is the compound rate of return, over the next ten years, on each taxing entity's investment in the firm. Generally, a positive compound rate of return is considered desirable.

### Benefit to Cost Ratio

The benefit to cost ratio for each taxing entity was also computed. This ratio compares public benefits over a ten year period from the new or expanding firm to public costs during the same period. For example, a benefit to cost ratio of 1.55 (or 1.55 to 1) shows that ten year benefits are 155 percent of public costs. Conversely, a benefit to cost ratio of .75 shows that public benefits are only 75 percent of public costs --costs exceed benefits. Generally, a benefit to cost ratio of 1.30 to 1 is considered acceptable for a taxing entity to grant tax abatements and other financial incentives to a firm.

## **How were the benefits and costs determined?**

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### **City, County, Special Taxing District and State Benefits and Costs**

The Cost Benefit Analysis (CBA) operates with the assumption that 70% of the jurisdiction's revenues and expenditures supports its citizens, and 30% supports its businesses. Therefore, 70% of the revenues/costs (divided by number of residents) are calculated as the average revenue/cost per resident; 30% of these revenues/costs (divided by the number of workers in the jurisdiction) are calculated as the average revenue/cost per worker.

The CBA predicts potential benefits and costs from residents by multiplying the number of new employees moving to the jurisdiction by the average revenue/cost per resident. Benefits and costs from the business expansion are predicted by multiplying the average revenue/cost per worker.

Collection of sales taxes, transient guest taxes and property taxes as well as utility enterprises and franchise fees are potential benefits from an expansion.. Other revenues include fees, permits, license, and other charges.

The program predicts costs by removing utility enterprise expenditures and internal transfers from the general operating budget, and reducing the result to a cost per resident and a cost per worker.

### **School District Benefits and Costs**

Property taxes as well as state and federal payments per full time student are used to predict benefits a school district may realize. The Kansas Department of Education condenses the school district's budget to a cost per student. One new student will not cause the addition of a new classroom or the hiring of another teacher, so it would not be fair to estimate the impact of new students using the average cost per student. The program utilizes a marginal cost per student (10% of the average cost per student, unless a different percentage is requested) to predict the cost to the district when a new student is added. Revenue per student is calculated from the amount of state and federal payment per student that the district receives.

The business predicts the average family size of new employees moving to the jurisdiction and the number of school age children in the family. The CBA can work with percentages, as in a family size of 2.5.

### **Indirect Jobs**

The ripple or spin-off economic activity created by an expansion generates indirect or induced benefits. The number of jobs this activity generates depends largely on the type of business that is expanding and what types of jobs will be needed to support not only the business, but the new employees and their families. The program uses a default of 10% of the number of new employees to predict these jobs. The percentage can be adjusted, depending on community conditions, which also determine whether the indirect workers will be moving from out of state or out of county.

### **Formulas used in this analysis**

- Present Value =  $(\text{Total Benefits (for the year)} \div 1 + \text{Discount Rate (5.5\%)})^{\text{Number of Years Abated}}$
- Compound Rate of Return =  $((\text{Present Value of Total Costs} \div \text{Present Value of Total Benefits})^{\text{1/Number of Years Abated}}) - 1$
- Benefit to Cost Ratio =  $\text{Present Value of Total Benefits} \div \text{Present Value of Total Costs}$
- Payback Period = The point where total benefits equal or surpass total costs.

K.S.A. 79-213 (g) allows governmental bodies to seek assistance provided by the Kansas Department of Commerce (COMMERCE) in preparing an application requesting exemption from property taxes. COMMERCE prepared this cost benefit analysis as a service under this statute utilizing data gathered by the requesting governmental body, and makes no recommendation to the Board of Tax Appeals either for or against approval of a request for tax abatement.



### Summary of Costs and Benefits for all Taxing Units

#### **Benefits:**

	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Corporate and Personal Income Taxes	Additional School Funding	Other Revenues (Including PILOT)	Total Benefits
City: South Hutchinson	\$295,205	\$865,466	\$0			\$131,941	\$1,292,612
County: Reno	\$1,131,341	\$834,550				\$576,698	\$2,542,589
309		\$684,407,925			\$0		\$684,407,925
City of South Hutchinson		\$867,251,068				\$0	\$867,251,068
State of Kansas	\$218,851	\$30,093		\$336,064		\$138,788	\$723,796

#### **Costs, Incentives and Taxes Abated**

	Costs of Services for the Firm and New Residents	Costs of Educating New Students	Taxes Abated	Incentives	Total Taxes Abated & Incentives	Total Costs
City: South Hutchinson	\$28,918		\$865,466	\$0	\$865,466	\$894,384
County: Reno	\$12,464		\$834,550	\$0	\$834,550	\$847,015
309		\$0	\$684,407,925		\$684,407,925	\$684,407,925
City of South Hutchinson	\$0		\$867,251,068		\$867,251,068	\$867,251,068
State of Kansas	\$83,404	\$0	\$30,093	\$0	\$30,093	\$113,497

#### **Net Benefits:**

	Total Benefits	Present Value of Total Benefits	Total Costs (Includes Taxes Abated and Incentives)	Present Value of Total Costs	Benefit to Cost Ratio (Over 10 Years)
City: South Hutchinson	\$1,292,612	\$1,004,271	\$894,384	\$664,450	1.51 : 1
County: Reno	\$2,542,589	\$1,996,501	\$847,015	\$629,763	3.17 : 1
309	\$684,407,925	\$509,204,511	\$684,407,925	\$509,204,511	1. : 1
City of South Hutchinson	\$867,251,068	\$645,241,150	\$867,251,068	\$645,241,150	1. : 1
State of Kansas	\$723,796	\$594,215	\$113,497	\$81,622	7.28 : 1

#### **Other**

	Net Benefits	Present Value of Net Benefits	Taxes Abated & Incentives	Present Value of Taxes Abated and Incentives	Payback Period for Taxes Abated and Incentives and Taxes Abated	Compound Rate of Return (Over 10 Yrs)
City: South Hutchinson	\$398,228	\$344,976	\$865,466	\$643,913	5 Years	4.22%
County: Reno	\$1,695,575	\$1,366,737	\$834,550	\$624,707	3 Years	12.23%
309	\$0	\$0	\$684,407,925	\$509,204,511	>10 Years	N/A
City of South Hutchinson	\$0	\$0	\$947,508,948	\$645,241,150		N/A
State of Kansas	\$610,299	\$503,055	\$30,093	\$22,389	1 Year	21.96%

**The Economic Impact of this expansion by American Packaging Corporation**

NAICS Code 322211 - Paper manufacturing

	<u>In the first year</u>	<u>Over the next ten years</u>
*Number of new direct and indirect jobs to be created	5	23
Number of new residents in the community	0	0
Number of additional students in the local school district	1	1
**Increase in local personal income	\$156,720	\$2,350,800
***Increase in local retail sales	\$54,852	\$822,780
Increase in the community's property tax base	\$14,000,000	\$18,266,825
Land	\$0	\$0
Buildings	\$7,000,000	\$9,133,412
Furniture, fixtures & Equipment	\$0	\$0
Residential Property	\$0	\$0

\*The Employment Multiplier for NAICS Code 322211 is 2.3295. The Employment Multiplier is used to estimate the total change in the number of direct and indirect jobs as a result of the expansion.

\*\*The Earnings Multiplier for NAICS Code 322211 is 1.959. The Earnings Multiplier is used for estimating to what degree more personal income will be generated.

\*\*\*The Percentage of Gross Salaries expected to be spent on retail sales is 0.35

Property taxes to be abated by the following taxing entities:

City	<input checked="" type="checkbox"/>	Special Taxing District 1	<input checked="" type="checkbox"/>
County	<input checked="" type="checkbox"/>	Special Taxing District 2	<input type="checkbox"/>
School District	<input checked="" type="checkbox"/>	The State	<input checked="" type="checkbox"/>

Percent of property taxes to be abated on:

	Land	Buildings and Improvements	Furniture, Fixtures & Equipment
Year 1	0.00%	100.00%	0.00%
Year 2	0.00%	100.00%	0.00%
Year 3	0.00%	100.00%	0.00%
Year 4	0.00%	100.00%	0.00%
Year 5	0.00%	100.00%	0.00%
Year 6	0.00%	100.00%	0.00%
Year 7	0.00%	100.00%	0.00%
Year 8	0.00%	100.00%	0.00%
Year 9	0.00%	100.00%	0.00%
Year 10	0.00%	100.00%	0.00%

**City of: South Hutchinson**

**Benefits:**

Year	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Other Municipal Revenues (Including PILOT)	Total
Construction Period	\$61,875	\$0	\$0	\$0	\$61,875
1	\$96,267	\$75,495	\$0	\$3,224	\$174,986
2	\$33,860	\$77,760	\$0	\$5,965	\$117,585
3	\$33,473	\$80,093	\$0	\$8,928	\$122,493
4	\$33,487	\$82,495	\$0	\$12,206	\$128,188
5	\$33,501	\$84,970	\$0	\$15,673	\$134,145
6	\$516	\$87,519	\$0	\$16,144	\$104,179
7	\$532	\$90,145	\$0	\$16,864	\$107,541
8	\$548	\$92,849	\$0	\$17,127	\$110,524
9	\$564	\$95,635	\$0	\$17,640	\$113,840
10	\$581	\$98,504	\$0	\$18,170	\$117,255
Total	\$295,205	\$865,466	\$0	\$131,941	\$1,292,612

**Costs:**

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	City Costs for the firm and Municipal Services for New Residents	Total Costs, Taxes Abated & Incentives
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$75,495	\$0	\$75,495	\$615	\$76,110
2	\$77,760	\$0	\$77,760	\$1,267	\$79,027
3	\$80,093	\$0	\$80,093	\$1,958	\$82,050
4	\$82,495	\$0	\$82,495	\$2,689	\$85,184
5	\$84,970	\$0	\$84,970	\$3,461	\$88,432
6	\$87,519	\$0	\$87,519	\$3,565	\$91,085
7	\$90,145	\$0	\$90,145	\$3,672	\$93,817
8	\$92,849	\$0	\$92,849	\$3,782	\$96,632
9	\$95,635	\$0	\$95,635	\$3,896	\$99,531
10	\$98,504	\$0	\$98,504	\$4,013	\$102,517
Total	\$865,466	\$0	\$865,466	\$28,918	\$894,384

**Net Benefits (or Costs)**

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$61,875	\$0	\$61,875	\$61,875	\$0
1	\$174,986	\$76,110	\$98,876	\$98,876	\$71,559
2	\$117,585	\$79,027	\$38,558	\$34,643	\$69,864
3	\$122,493	\$82,050	\$40,443	\$34,442	\$68,208
4	\$128,188	\$85,184	\$43,005	\$34,714	\$66,592
5	\$134,145	\$88,432	\$45,713	\$34,977	\$65,014
6	\$104,179	\$91,085	\$13,095	\$9,497	\$63,473
7	\$107,541	\$93,817	\$13,724	\$9,434	\$61,969
8	\$110,524	\$96,632	\$13,892	\$9,052	\$60,501
9	\$113,840	\$99,531	\$14,309	\$8,838	\$59,067
10	\$117,255	\$102,517	\$14,738	\$8,628	\$57,667
Total	\$1,292,612	\$894,384	\$398,228	\$344,976	\$643,913

Discounted payback period for taxes abated and incentives .....	5 Years
Compound rate of return over the next ten years on the city's investment of taxes abated and incentives for the firm .....	4.22%
Benefit/Cost Ratio (Over 10 Years).....	1.51 : 1

**Reno County**

**Benefits:**

Year	Sales Taxes	Property Taxes	Other County Revenues (Including PILOT)	Total
Construction Period	\$1,125	\$0	\$0	\$1,125
1	\$226,125	\$72,798	\$12,266	\$311,190
2	\$225,695	\$74,982	\$25,269	\$325,946
3	\$225,382	\$77,232	\$39,040	\$341,653
4	\$225,393	\$79,549	\$53,615	\$358,557
5	\$225,405	\$81,935	\$69,029	\$376,369
6	\$417	\$84,393	\$71,100	\$155,910
7	\$430	\$86,925	\$73,233	\$160,588
8	\$443	\$89,533	\$75,430	\$165,405
9	\$456	\$92,219	\$77,693	\$170,367
10	\$470	\$94,985	\$80,024	\$175,479
Total	\$1,131,341	\$834,550	\$576,698	\$2,542,589

**Costs:**

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	County Costs for the firm and County Services for New Residents	Total
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$72,798	\$0	\$72,798	\$265	\$73,063
2	\$74,982	\$0	\$74,982	\$546	\$75,528
3	\$77,232	\$0	\$77,232	\$844	\$78,075
4	\$79,549	\$0	\$79,549	\$1,159	\$80,707
5	\$81,935	\$0	\$81,935	\$1,492	\$83,427
6	\$84,393	\$0	\$84,393	\$1,537	\$85,930
7	\$86,925	\$0	\$86,925	\$1,583	\$88,508
8	\$89,533	\$0	\$89,533	\$1,630	\$91,163
9	\$92,219	\$0	\$92,219	\$1,679	\$93,898
10	\$94,985	\$0	\$94,985	\$1,730	\$96,715
Total	\$834,550	\$0	\$834,550	\$12,464	\$847,015

**Net Benefits (or Costs)**

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$1,125	\$0	\$1,125	\$1,125	\$0
1	\$311,190	\$73,063	\$238,126	\$225,712	\$72,798
2	\$325,946	\$75,528	\$250,418	\$224,988	\$67,368
3	\$341,653	\$78,075	\$263,578	\$224,467	\$65,772
4	\$358,557	\$80,707	\$277,849	\$224,285	\$64,213
5	\$376,369	\$83,427	\$292,942	\$224,140	\$62,691
6	\$155,910	\$85,930	\$69,981	\$50,753	\$61,206
7	\$160,588	\$88,508	\$72,080	\$49,550	\$59,755
8	\$165,405	\$91,163	\$74,242	\$48,376	\$58,339
9	\$170,367	\$93,898	\$76,470	\$47,230	\$56,957
10	\$175,479	\$96,715	\$78,764	\$46,111	\$55,607
Total	\$2,542,589	\$847,015	\$1,695,575	\$1,366,737	\$624,707

Discounted payback period for taxes abated and incentives .....	3 Years
Compound rate of return over the next ten years on the county's investment of taxes abated and incentives for the firm.....	12.23%
Benefit/Cost Ratio (Over 10 Years).....	3.17 : 1

**School District: 309**

<b>Benefits:</b>		Additional State, Federal and Other School Funding (Including PILOT)	
Year	Property Taxes		Total
1	\$59,701,250	\$0	\$59,701,250
2	\$61,492,288	\$0	\$61,492,288
3	\$63,337,056	\$0	\$63,337,056
4	\$65,237,168	\$0	\$65,237,168
5	\$67,194,283	\$0	\$67,194,283
6	\$69,210,111	\$0	\$69,210,111
7	\$71,286,415	\$0	\$71,286,415
8	\$73,425,007	\$0	\$73,425,007
9	\$75,627,757	\$0	\$75,627,757
10	\$77,896,590	\$0	\$77,896,590
Total	\$684,407,925	\$0	\$684,407,925

<b>Costs:</b>		Property Taxes Abated	
Year	Additional Costs		Total
1	\$0	\$59,701,250	\$59,701,250
2	\$0	\$61,492,288	\$61,492,288
3	\$0	\$63,337,056	\$63,337,056
4	\$0	\$65,237,168	\$65,237,168
5	\$0	\$67,194,283	\$67,194,283
6	\$0	\$69,210,111	\$69,210,111
7	\$0	\$71,286,415	\$71,286,415
8	\$0	\$73,425,007	\$73,425,007
9	\$0	\$75,627,757	\$75,627,757
10	\$0	\$77,896,590	\$77,896,590
Total	\$0	\$684,407,925	\$684,407,925

<b>Net Benefits (or Costs)</b>					
Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$59,701,250	\$59,701,250	\$0	\$0	\$56,588,863
2	\$61,492,288	\$61,492,288	\$0	\$0	\$55,247,894
3	\$63,337,056	\$63,337,056	\$0	\$0	\$53,938,702
4	\$65,237,168	\$65,237,168	\$0	\$0	\$52,660,534
5	\$67,194,283	\$67,194,283	\$0	\$0	\$51,412,654
6	\$69,210,111	\$69,210,111	\$0	\$0	\$50,194,345
7	\$71,286,415	\$71,286,415	\$0	\$0	\$49,004,905
8	\$73,425,007	\$73,425,007	\$0	\$0	\$47,843,652
9	\$75,627,757	\$75,627,757	\$0	\$0	\$46,709,916
10	\$77,896,590	\$77,896,590	\$0	\$0	\$45,603,046
Total	\$684,407,925	\$684,407,925	\$0	\$0	\$509,204,511

Discounted payback period for taxes abated and incentives .....	>10 Years
Compound rate of return over the next ten years on the school district's investment of taxes abated and incentives for the firm .....	0.00%
Benefit/Cost Ratio (Over 10 Years).....	1. : 1

**Special Taxing District: City of South Hutchinson**

**Benefits:**

Year	Property Taxes	Additional Revenues	Total
1	\$75,650,750	\$0	\$75,650,750
2	\$77,920,273	\$0	\$77,920,273
3	\$80,257,881	\$0	\$80,257,881
4	\$82,665,617	\$0	\$82,665,617
5	\$85,145,586	\$0	\$85,145,586
6	\$87,699,953	\$0	\$87,699,953
7	\$90,330,952	\$0	\$90,330,952
8	\$93,040,880	\$0	\$93,040,880
9	\$95,832,107	\$0	\$95,832,107
10	\$98,707,070	\$0	\$98,707,070
Total	\$867,251,068	\$0	\$867,251,068

**Costs:**

Year	Additional Costs	Property Taxes Abated	Total
1	\$0	\$75,650,750	\$75,650,750
2	\$0	\$77,920,273	\$77,920,273
3	\$0	\$80,257,881	\$80,257,881
4	\$0	\$82,665,617	\$82,665,617
5	\$0	\$85,145,586	\$85,145,586
6	\$0	\$87,699,953	\$87,699,953
7	\$0	\$90,330,952	\$90,330,952
8	\$0	\$93,040,880	\$93,040,880
9	\$0	\$95,832,107	\$95,832,107
10	\$0	\$98,707,070	\$98,707,070
Total	\$0	\$867,251,068	\$867,251,068

**Net Benefits (or Costs)**

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$75,650,750	\$75,650,750	\$0	\$0	\$71,706,872
2	\$77,920,273	\$77,920,273	\$0	\$0	\$70,007,657
3	\$80,257,881	\$80,257,881	\$0	\$0	\$68,348,708
4	\$82,665,617	\$82,665,617	\$0	\$0	\$66,729,070
5	\$85,145,586	\$85,145,586	\$0	\$0	\$65,147,813
6	\$87,699,953	\$87,699,953	\$0	\$0	\$63,604,026
7	\$90,330,952	\$90,330,952	\$0	\$0	\$62,096,821
8	\$93,040,880	\$93,040,880	\$0	\$0	\$60,625,333
9	\$95,832,107	\$95,832,107	\$0	\$0	\$59,188,713
10	\$98,707,070	\$98,707,070	\$0	\$0	\$57,786,137
Total	#####	\$867,251,068	\$0	\$0	\$645,241,150

Discounted payback period for taxes abated and incentives .....	
Compound rate of return over the next ten years on the taxing district's investment of taxes abated and incentives for the firm .....	0.00%
Benefit/Cost Ratio (Over 10 Years).....	1. : 1

**State of Kansas**

**Benefits:**

Year	Sales Taxes	Property Taxes	Corporate and Personal Income Taxes	Other State Revenues (Including PILOT)	Total
Construction Period	\$182,963		\$0	\$0	\$182,963
1	\$7,245	\$2,625	\$33,546	\$2,952	\$46,368
2	\$6,892	\$2,704	\$37,919	\$6,081	\$53,596
3	\$6,635	\$2,785	\$42,424	\$9,395	\$61,239
4	\$6,645	\$2,868	\$47,063	\$12,903	\$69,479
5	\$6,654	\$2,954	\$51,842	\$16,613	\$78,064
6	\$342	\$3,043	\$23,218	\$17,111	\$43,715
7	\$352	\$3,134	\$23,915	\$17,624	\$45,026
8	\$363	\$3,228	\$24,632	\$18,153	\$46,377
9	\$374	\$3,325	\$25,371	\$18,698	\$47,768
10	\$385	\$3,425	\$26,133	\$19,258	\$49,201
Total	\$218,851	\$30,093	\$336,064	\$138,788	\$723,796

**Costs:**

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	State Costs for the firm and Services for New Residents	Cost of Educating New Students	Total
Construction Period	\$0	\$0	\$0	\$0	\$0	\$0
1	\$2,625	\$0	\$2,625	\$1,774	\$0	\$4,399
2	\$2,704	\$0	\$2,704	\$3,654	\$0	\$6,358
3	\$2,785	\$0	\$2,785	\$5,646	\$0	\$8,431
4	\$2,868	\$0	\$2,868	\$7,754	\$0	\$10,622
5	\$2,954	\$0	\$2,954	\$9,983	\$0	\$12,938
6	\$3,043	\$0	\$3,043	\$10,283	\$0	\$13,326
7	\$3,134	\$0	\$3,134	\$10,591	\$0	\$13,726
8	\$3,228	\$0	\$3,228	\$10,909	\$0	\$14,137
9	\$3,325	\$0	\$3,325	\$11,236	\$0	\$14,562
10	\$3,425	\$0	\$3,425	\$11,573	\$0	\$14,998
Total	\$30,093	\$0	\$30,093	\$83,404	\$0	\$113,497

**Net Benefits (or Costs)**

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$182,963	\$0	\$182,963	\$173,424	\$0
1	\$46,368	\$4,399	\$41,969	\$39,781	\$2,488
2	\$53,596	\$6,358	\$47,238	\$42,441	\$2,429
3	\$61,239	\$8,431	\$52,808	\$44,972	\$2,372
4	\$69,479	\$10,622	\$58,857	\$47,510	\$2,315
5	\$78,064	\$12,938	\$65,126	\$49,830	\$2,261
6	\$43,715	\$13,326	\$30,389	\$22,039	\$2,207
7	\$45,026	\$13,726	\$31,300	\$21,517	\$2,155
8	\$46,377	\$14,137	\$32,239	\$21,007	\$2,104
9	\$47,768	\$14,562	\$33,207	\$20,509	\$2,054
10	\$49,201	\$14,998	\$34,203	\$20,023	\$2,005
Total	\$723,796	\$113,497	\$610,299	\$503,055	\$22,389

Discounted payback period for taxes abated and incentives .....	1 Year
Compound rate of return over the next ten years on the state's investment of taxes abated and incentives for the firm .....	21.96%
Benefit/Cost Ratio (Over 10 years).....	7.28 : 1



FOR COMMERCE USE ONLY

Firm: \_\_\_\_\_

Submitted by: \_\_\_\_\_

Regional project manager: \_\_\_\_\_

**CITY WORKSHEET**

<u>South Hutchinson</u>	1. City Name
<u>43.14</u>	2. City Mill Levy
<u>8.25%</u>	3. City Sales Tax Rate
<u>5%</u>	4. City Transient Guest Tax Rate
<u>\$96,400</u>	5. Average market value of new residential property in the city
<u>2503</u>	6. Number of residents in the city
<u>1,051</u>	7. Number of workers at businesses in the city
<u>1179</u>	8. Number of households in the city
<u>\$6,374,607</u>	9. Total annual revenues (receipts) for the city
<u>\$4,951,108</u>	10. Total operating budget (expenditures) for the city
<u>\$371,500</u>	11. Enterprise fund expenditures (utilities, golf course, swimming pool, etc.)
<u>\$988,157</u>	12. Internal transfers (the portion of the city budget reflecting one city department billing another city department)
<u>\$1,548,571</u>	13. Total collection of property taxes, transient guest taxes, sales taxes, utilities, and utility franchise fees

UTILITY REVENUE FROM HOUSEHOLDS

City-Owned Utilities

Franchise Fees

	Annual Billed Amount	Annual Cost	Collected	Fee Rate
14. Telephone				%
15. Electricity				%
16. Gas				%
17. Water	\$369,636			%
18. Water Waste	\$338,980			%
19. Garbage				%
20. Cable				%
21. Other				%

UTILITY REVENUE FROM THE FIRM

City-Owned Utilities

Franchise Fees

	Annual Billed Amount	Cost to Provide Service	Amount Collected
22. Telephone			
23. Electricity			
24. Gas			
25. Water			
26. Water Waste			
27. Garbage			
28. Cable			
29. Other			



**COUNTY WORKSHEET**

<u>Reno County</u>	30. County Name
<u>41.599</u>	31. County Mill Levy
<u>7.5%</u>	32. County Sales Tax Rate
<u>5%</u>	33. County Transient Guest Tax Rate
<u>(do not complete)</u>	34. Regional economic multiplier adjustment for the county
<u>61,998</u>	35. Number of residents in the county
<u>27,783</u>	36. Number of workers at businesses inn the county
<u>\$129,900</u>	37. Average market valuuue of new residential property in the county
<u>\$59,744,468</u>	38. Total annual revenues (receipts) for the county
<u>\$53,966,335</u>	39. Total opertaing budget (expenditures) for the county
<u>\$4,800,741</u>	40. Enterprise fund expenditures (utilities, golf course, swimming pool, etc.)
<u>\$8,245,546</u>	41. Internal transfers (the portion of the county budget reflecting one county department billing another county department)
<u>\$29,454,266</u>	42. Total collection of property taxes, transient guest taxes, sales taxes, utilities and utility franchise fees

**SCHOOL DISTRICT WORKSHEET**

<u>309</u>	43. School district number (USD #101)
<u>34.115</u>	44. District local option mill levy (including state levy of 20 mill)
<u>\$14,700,000</u>	45. Average market value of new residential property in the district
<u>1211</u>	46. Annual operating expenditures
<u>(do not complete)</u>	47. Number of students enrolled in the district
<u>14.495</u>	48. Average cost per child enrolled in the district
<u>11,763</u>	49. Estimated marginal cost per child enrolled in the district <i>(if unknown, 10 percent of average cost per child will be used)</i>
<u>2732</u>	50. State funding per child in the district
	51. Federal and local funding per child in the district



**SPECIAL TAXING DISTRICT #1 WORKSHEET**

City of South Hutchinson 52. Special taxing district #1 name  
43.229 53. District mill levy  
 \_\_\_\_\_ 54. Average market value of new residential property in the district  
 \_\_\_\_\_ 55. Number of residents in the district  
 \_\_\_\_\_ 56. Number of workers residing in the taxing district  
 \_\_\_\_\_ 57. Total annual revenues (receipts)  
 \_\_\_\_\_ 58. Total general operating budget (expenditures)  
 \_\_\_\_\_ 59. Total property taxes collected  
70% 60. Percent of budget devoted to residents (default will be 70%)  
70% 61. Percent of non-tax revenues received from residents (default will be 70%)  
30% 62. Percent of budget devoted to businesses (default will be 30%)  
30% 63. Percent of non-tax revenues received from businesses (default will be 30%)

**SPECIAL TAXING DISTRICT #2 WORKSHEET**

\_\_\_\_\_ 64. Special taxing district #1 name  
 \_\_\_\_\_ 65. District mill levy  
 \_\_\_\_\_ 66. Average market value of new residential property in the district  
 \_\_\_\_\_ 67. Number of residents in the district  
 \_\_\_\_\_ 68. Number of workers residing in the taxing district  
 \_\_\_\_\_ 69. Total annual revenues (receipts)  
 \_\_\_\_\_ 70. Total general operating budget (expenditures)  
 \_\_\_\_\_ 71. Total property taxes collected  
70% 72. Percent of budget devoted to residents (default will be 70%)  
70% 73. Percent of non-tax revenues received from residents (default will be 70%)  
30% 74. Percent of budget devoted to businesses (default will be 30%)  
30% 75. Percent of non-tax revenues received from businesses (default will be 30%)



**FIRM WORKSHEET**

76. Firm's name: American Packaging Corporation

77. Firm's NAICS code: 322211

78. Description and purpose of the expansion:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Is this CBA being prepared for an  EDX or IRBX abatement?  
 Does the request for abatement involve any leased property? Yes  No

CAPITAL INVESTMENT

Market or retail value of the new or additional investment:

	First Expansion	Second	Third	Fourth
79. Land				
80. Building & Improvements	\$7,000,000			
81. Furniture, Fixtures & Equipment	\$2,975,000	\$150,000		

SALES & PURCHASES

Expected sales and purchases due to the expansion:

	Sales	Purchases		Sales	Purchases
82. Year 1	\$4,000,000		87. Year 6		
83. Year 2	\$4,000,000		88. Year 7		
84. Year 3	\$4,000,000		89. Year 8		
85. Year 4	\$4,000,000		90. Year 9		
86. Year 5	\$4,000,000		91. Year 10		

Percentage of sales and purchases that are subject to state and local sales tax:

	Sales	Purchases
92. City	.10 %	8.58 %
93. County	.75 %	8.58 %
94. State	2.57 %	8.58 %

11% 95. What is the expected percentage of annual net taxable income on which state corporate income tax will be computed?

**ADDITIONAL ANNUAL UTILITY EXPENDITURES DUE TO THE EXPANSION**

	Construction Period	Year One of Expansions		Construction Period	Year One of Expansions
96. Telephone	\$0.00	\$1,279.56	100. Waste Water	\$0.00	\$0.00
97. Electricity	\$6,712.78	\$13,425.58	101. Garbage	\$508.07	\$1,016.15
98. Gas	\$7,764.71	\$15,529.43	102. Cable	\$0.00	\$90.76
99. Water	\$0.00	\$228.66	103. Other	\$0.00	\$480.00

25% 104. By what percentage are utility bill expected to increase during the remaining years of the expansion?

**NEW EMPLOYEES DUE TO EXPANSION**

	New Hires	Average Annual Salaries	Moving to the Country	Moving from Out-of-State
105. Year 1	2	\$40,000		
106. Year 2	2	\$40,000		
107. Year 3	2	\$40,000		
108. Year 4	2	\$40,000		
109. Year 5	2	\$40,000		
110. Year 6				
111. Year 7				
112. Year 8				
113. Year 9				
114. Year 10				

**NEW CONSTRUCTION**

	Initial Construction or Expansion	Second Expansion	Third Expansion	Fourth Expansion
115. Total Construction Cost	\$7,000,000			
116. Construction Profit %	%	%	%	%

**CONSTRUCTION MATERIALS PURCHASED**

	Initial Construction or Expansion	Second Expansion	Third Expansion	Fourth Expansion
117. In the state	\$2,900,000			
118. In the county	\$150,000			
119. In the city	\$750,000			

COSTS OF FURNITURE, FIXTURES & EQUIPMENT PURCHASED

	Initial Construction or Expansion	Second Expansion	Third Expansion	Fourth Expansion
120. In the state	<b>\$75,000</b>			
121. In the county				
122. In the city				

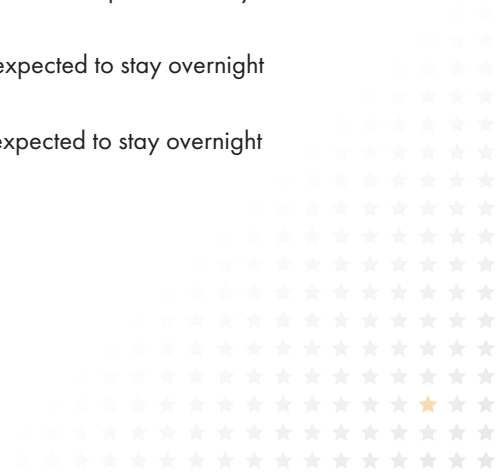
CONSTRUCTION WORKERS & SALARIES

	Initial Construction or Expansion	Second Expansion	Third Expansion	Fourth Expansion
123. number of construction workers				
124. Total salary paid average worker				
125. Total construction salaries				
126. Household size of average worker				

VISITORS DUE TO THE EXPANSION

	Out-of-Town Visitors Expected		Out-of-Town Visitors Expected
127. Year 1	<b>125</b>	132. Year 6	<b>40</b>
128. Year 2	<b>75</b>	133. Year 7	<b>40</b>
129. Year 3	<b>40</b>	134. Year 8	<b>40</b>
130. Year 4	<b>40</b>	135. Year 9	<b>40</b>
131. Year 5	<b>40</b>	136. Year 10	<b>40</b>

- 1.2 137. How many days will an average visitor to your firm be expected to stay in the area?
- 1 138. How many nights will a visitor to your firm be expected to stay overnight in the city hotels or motels?
- 0 139. How many nights will a visitor to your firm be expected to stay overnight anywhere in the county?



## ECONOMIC DEVELOPMENT WORKSHEET

Benefit/Cost Analysis

76. Firm's name: American Packaging Corporation

EXTRAORDINARY PAYMENTS BY FIRM
--------------------------------

	To the City	To the County	USD	To the State
140. Construction Period	0	0	0	0
141. Year 1	0	0	0	0
142. Year 2	0	0	0	0
143. Year 3	0	0	0	0
144. Year 4	0	0	0	0
145. Year 5	0	0	0	0
146. Year 6	0	0	0	0
147. Year 7	0	0	0	0
148. Year 8	0	0	0	0
149. Year 9	0	0	0	0
150. Year 10	0	0	0	0

EXTRA COSTS TO PROVIDE INFRASTRUCTURE AND/OR SERVICES FOR THIS EXPANSION
--

	City Costs	County Costs	State Costs
151. Construction Period	0	0	0
152. Year 1	0	0	0
153. Year 2	0	0	0
154. Year 3	0	0	0
155. Year 4	0	0	0
156. Year 5	0	0	0
157. Year 6	0	0	0
158. Year 7	0	0	0
159. Year 8	0	0	0
160. Year 9	0	0	0
161. Year 10	0	0	0



EXTRAORDINARY PAYMENTS BY FIRM

	By the City	By the County
162. Construction Period	0	0
163. Year 1	0	0
164. Year 2	0	0
165. Year 3	0	0
166. Year 4	0	0
167. Year 5	0	0
168. Year 6	0	0
169. Year 7	0	0
170. Year 8	0	0
171. Year 9	0	0
172. Year 10	0	0

**STATE INCENTIVES**

	PEAK	IMPACT	KIT/KIR	HPIP	KEIEIP & KEOIF
Construction Period				X	
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					
Year 6					
Year 7					
Year 8					
Year 9					
Year 10					

PROPERTY TAX ABATEMENTS

173. Is the expansion located within city property tax jurisdiction?  Yes  No

% of Taxes to be Abated On:

Taxes will be abated by:

- 174. The City
- 175. The County
- 176. The School District
- 177. Special Taxing District #1
- 178. Special Taxing District #2
- 179. The State of Kansas

- 180. Year 1
- 181. Year 2
- 182. Year 3
- 183. Year 4
- 184. Year 5
- 185. Year 6
- 186. Year 7
- 187. Year 8
- 188. Year 9
- 189. Year 10

	Land		Buildings & Improvements		Furniture, Fixtures & Equipment	
	0	%	100	%	0	%
	0	%	100	%	0	%
	0	%	100	%	0	%
	0	%	100	%	0	%
	0	%	100	%	0	%
	0	%	100	%	0	%
	0	%	100	%	0	%
	0	%	100	%	0	%
	0	%	100	%	0	%
	0	%	100	%	0	%

WHERE NEW EMPLOYEES LIVE

As a Percentage of the Total  
Number of New Employees

50%	190. In the city
50%	191. In the school district where the firm is located
	192. In special taxing district #1
	193. In special taxing district # 2

WHERE NEW EMPLOYEES SHOP

Percent of shopping

100%	194. In Kansas
95%	195. In the county
50%	196. In the city

NEW EMPLOYEE HOUSING & SCHOOLS

4	197. Household size of a typical new employee
2	198. School-age children in household of a typical new employee
25%	199. Percentage of new employees moving to the community for whom new housing will be required

INDIRECT NEW EMPLOYEES

As a Percentage of the Total  
Number of New Employees

10%	200. From out-of-state
30%	201. From another county in Kansas

CONSTRUCTION WORKERS

Where are construction workers expected to spend their salaries?

100%	202. In Kansas
50%	203. In the county
25%	204. In the city

VISITORS SPENDING

205. Daily retail spending by a visitor, excluding lodging  
206. Average daily hotel/motel room rates

	In the County	of That, in the City
205. Daily retail spending by a visitor, excluding lodging	\$100	\$50
206. Average daily hotel/motel room rates	\$85	\$75



**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** Ronnie Pederson Promotion to Public Works Superintendent

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**Background/Analysis** – In early October of 2020, Ronnie Pederson was promoted to Interim-Supervisor of the Public Works Department after Superintendent Rob Ginst resigned his position. He had been informally leading the department since mid-September.

Since assuming the leadership position, we have aggressively worked to overhaul the department. During his brief tenure, our public works department has completed projects that have either never been attempted before or have been neglected for a decade or more. Productivity has skyrocketed and employee morale improved greatly.

Pederson exceeded my expectations, and I am truly excited about what we are going to accomplish in 2022. He has gained my trust and confidence and earned this promotion effective Monday, February 7, 2022.

Please join me in congratulating Pederson on his promotion to Superintendent of Public Works.

**Financial Impact** – No material impact.

**Recommendation** – n/a

**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** Consent Agenda

---

**Background/Analysis** – Consent agendas are designed to take routine business items, non-controversial items, and other matters where a consensus has been reached and combine them into one single motion and vote. Items on the consent agenda should not be discussed or debated by the governing body. Any member of the governing body may elect to pull an item from the consent agenda for a separate vote.

**Notable Items:**

- Approval of Minutes from January 19, 2022 regular meeting
- Approval of Invoices
  - Streets/Phillips Southern – Repair lights at K-96 and 6<sup>th</sup> St.
  - Water/PEC – Final bill for Avenue F waterline project
  - Sewer/PEC – Bill for KDHE wastewater consent order. Spent about 50% of authorized agreement to-date.

**Recommendation** – Motion to approve the consent agenda as presented.

**Exhibit E** – Minutes from January 19, 2022 Regular Meeting

**Exhibit F** – AP Invoices

- A. **CALL TO ORDER/ROLL CALL**  
X Nisly    Schmidt X Weber X Garretson X Fairbanks X Scofield
- B. **PLEDGE OF ALLEGIANCE**
- C. **APPROVAL OF AGENDA (ADDITIONS/DELETIONS)**
- D. **CITIZEN COMMENTS**
- E. **HEARINGS, PRESENTATIONS, PROCLAMATIONS & RECOGNITIONS**
1. Oath of Office for Matt Nisly
  2. Election of Mayor
    - a. Motion to accept nominations for mayor  
*Action:* Motion to nominate Matt Nisly for Mayor.  
*Motion:* Fairbanks    *Second:* Scofield
    - b. Motion to close nominations for mayor  
*Action:* Motion to cease nominations for Mayor  
*Motion:* Scofield    *Second:* Weber
    - c. Motion to elect mayor (majority vote)  
*Action:* Motion to elect Matt Nisly for Mayor.  
*Motion:* Scofield    *Second:* Weber                      *Vote:* 4-0
  3. Election of President of the Council
    - a. Motion to accept nominations for President of the Council  
*Action:* Motion to nominate Brian Garretson for President of the Council.  
*Motion:* Weber            *Second:* Scofield
    - b. Motion to close nominations for President of the Council  
*Action:* Motion to cease nominations for President of the Council.  
*Motion:* Fairbanks    *Second:* Scofield
    - c. Motion to elect President of the Council  
  
*Action:* Motion to elect Brian Garretson for President of the Council.  
*Motion:* Fairbanks    *Second:* Scofield                      *Vote:* 4-0
- F. **CONSENT AGENDA**
1. Approval of Minutes – Regular Meeting, January 10, 2022
  2. Approval of Invoices
  3. Approval of mayoral appointments
    - a. Stan Juhnke – City Attorney
    - b. Larry Bolton – Municipal Judge
    - c. David “Rick” Roberts – City Prosecuting Attorney
    - d. Denise McCue – City Clerk
    - e. Rhonda Stillwell – City Treasurer
    - f. Darrin Pickering – Chief of Police
    - g. Shae Barajas Brooks – Fire Chief
    - h. City Website – Official Newspaper

## i. Simmons Banks – Official Depository

***ACTION:*** Motion to approve the Consent Agenda.

***Motion:*** Scofield

***Second:*** Weber

***Vote:*** 4-0

## G. UNFINISHED BUSINESS

## H. NEW BUSINESS

## 1. Baseball diamond repairs

***ACTION:*** Motion to authorize the City Administrator to complete the baseball field repairs.

***Motion:*** Fairbanks

***Second:*** Garretson

***Vote:*** 4-0

## 2. Wastewater fine air diffusers

***ACTION:*** Motion to accept and approve the bids and authorize the City Administrator to enter into an agreement with CleanInfusion to replace the diffusers in an amount not to exceed \$54,264. This will be paid out of the Building Reserve.

***Motion:*** Fairbanks

***Second:*** Weber

***Vote:*** 4-0

## 3. Public Works Department Assessment (Discussion)

## 4. Council Goals &amp; Priorities – Infrastructure (Discussion)

## 5. 2021 Budget Review of Revenue &amp; Expenses (Discussion)

## 6. Review of Reserve Accounts &amp; Planned Transfers (Discussion)

## I. CITY ADMINISTRATOR'S REPORT

## J. GOVERNING BODY COMMENTS

## K. EXECUTIVE SESSION

## L. ADJOURNMENT

***Motion:*** Fairbanks

***Second:*** Garretson

***Vote:*** 4-0

**Invoice Approval List  
February 7, 2022**

<b>Gen Gov</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-101-6000	Phone System	Vaspian	\$118.50
101-101-6000	Phone Service	Ideatek	\$27.50
101-101-6002	Attorney Service	Stan Juhnke	\$2,000.00
101-101-6002	Download upgrades & budget	Advantage Computer	\$195.01
101-101-6002	Remit W-2's	First Bank Card	\$62.37
101-101-6002	Insurance Fee	Freedom Claims	\$4,317.39
101-101-6002	Computer Support	Leading Edge Technology	\$111.00
101-101-6003	Cleaning Contract	FreshCo	\$225.00
101-101-6011	Membership	City Attorney Association	\$35.00
101-101-6011	Membership	Kansas Mayor Association	\$50.00
101-101-7000	NEC 1099 Forms	First Bank Card	\$51.27
101-101-7000	Receipt books	Wayne's Printing	\$193.33
101-101-7001	Work lunch with Ronnie	First Bank Card	\$18.00
101-101-7001	Reno County Outlook	Center for Economic Development	\$50.00
101-101-7002	Water	Culligan	\$40.50
101-101-7005	Reimbursement	Joseph Turner	\$350.00
			<b>\$7,844.87</b>
<b>Police</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-102-6000	Phone System	Vaspian	\$288.00
101-102-6000	Phone Service	Ideatek	\$27.50
101-102-6002	Computer Support	Leading Edge Technology	\$872.51
101-102-6002	Shipping and subscription	First Bank Card	\$65.58
101-102-6002	Physical	Hutchinson Clinic	\$65.00
101-102-6004	LED lights	Sunflower	\$553.50
101-102-6005	Mifi-air cards/cell phones	Verizon	\$285.32
101-102-6012	Training for 3 officers	First Bank Card	\$1,248.00
101-102-7001	Meals and Hotel	First Bank Card	\$808.89
101-102-7000	Business cards	First Bank Card	\$23.99
101-102-7002	Water	Culligan	\$20.25
101-102-7003	Fuel	Bridgman	\$1,026.97
101-102-7003	Fuel	First Bank Card	\$78.00
101-102-7006	Replace rear shocks & alternator	Allen Samuels	\$747.75
101-102-7006	Filters	Carquest	\$16.43
101-102-7009	Name tag	Galls	\$12.27
101-102-7009	Tourniquet holder	First Bank Card	\$28.80
			<b>\$6,168.76</b>
<b>Street</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-103-6000	Phone System	Vaspian	\$85.00
101-103-6000	Phone Service	Ideatek	\$27.50
101-103-6002	Computer Support	Leading Edge Technology	\$96.67
101-103-6002	Repair light tower on 96 Highway	Phillips Southern	\$3,965.00
101-103-6002	Concrete at 1st & Main	Putnam Concrete	\$3,345.00
101-103-6003	Uniform cleaning	Unifirst	\$56.84
101-103-6005	Cell phones	Verizon	\$51.59
101-103-7002	Batteries	Dynamic Electronics	\$31.92
101-103-7002	Concrete	Westlake	\$58.16
101-103-7002	Hot water tank	Lowe's	\$303.05
101-103-7002	Filters	Carquest	\$11.53
101-103-7003	Fuel	Bridgman	\$162.58
			<b>\$8,194.84</b>

**Invoice Approval List  
February 7, 2022**

<b>Fire</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-104-6000	Phone System	Vaspian	\$67.50
101-104-6000	Phone Service	Ideatek	\$27.50
101-104-6002	Computer support	Leading Edge Technology	\$106.23
101-104-6004	Subscription	Active 911	\$351.00
101-104-6005	Tablets and cell phone	Verizon	\$144.50
101-104-6011	Membership	KSAFC	\$80.00
101-104-7001	Pizza	First Bank Card	\$36.00
101-104-7002	Water	Culligan	\$15.90
101-104-7002	Pest Control	Bugsbros	\$149.00
101-104-7002	Batteries, cable, paper towels	First Bank Card	\$132.25
101-104-7003	Fuel	Bridgman	\$63.19
101-104-7009	Pants and caps	First Bank Card	\$159.00
			<b>\$1,332.07</b>
<b>Court</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-106-6004	Inmate care	Diamond Drugs	\$8.15
101-106-6015	Court fees to State	Kansas State Treasurer	\$613.00
101-106-6016	Judge Service	Larry Bolton	\$1,100.00
101-106-6016	Attorney service	Rick Roberts	\$1,100.00
101-106-6018	Court Apt Atty	Shawnah Bennett	\$375.00
101-106-6018	Court Apt Atty	Benjamin Fisher	\$375.00
101-106-6018	Court Apt Atty	Regina Probst	\$75.00
101-106-7001	Membership	Kansas Municipal Judge Association	\$25.00
			<b>\$3,671.15</b>
<b>Park</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-105-7002	Filters	Carquest	\$5.23
			<b>\$5.23</b>
<b>Non Dept</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-109-6026	Refuse Payment	Nisly Brothers	\$8,856.49
			<b>\$8,856.49</b>
		<b>GENERAL TOTAL</b>	<b>\$36,073.41</b>
<b>Water</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
201-000-6000	Locates	Kansas One Call	\$30.60
201-000-6002	Computer Support	Leading Edge Technology	\$151.45
201-000-6002	Ave F Waterline	PEC	\$3,250.00
201-000-6002	Asbestos test	First Bank Card	\$250.00
201-000-6003	Uniform cleaning	Unifirst	\$56.83
201-000-6005	Cell phones	Verizon	\$104.51
201-000-7000	Receipt books	Wayne's Printing	\$193.33
201-000-7000	Stamps for late bills	First Bank Card	\$120.00
201-000-7002	3 Phase Monitor	Stanion	\$197.04
201-000-7002	Shipping	First Bank Card	\$8.70
201-000-7002	Generator well pump	Schmidt & Sons	\$135.55
201-000-7002	PVC, Curb cut	Ferguson Waterworks	\$98.15
201-000-7003	Fuel	Bridgman	\$273.10
			<b>\$4,869.26</b>

**Invoice Approval List  
February 7, 2022**

<b>Sewer</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
301-000-6000	Locates	Kansas One Call	\$30.60
301-000-6002	Computer Support	Leading Edge Technology	\$151.45
301-000-6002	KDHE Compliance	PEC	\$5,456.25
301-000-6002	Repair RASP Pump	Zenor	\$200.00
301-000-6003	Uniform cleaning	Unifirst	\$56.83
301-000-6005	Cell phones	Verizon	\$111.85
301-000-7000	Reciept books	Wayne's Printing	\$193.34
301-000-7000	Stamps for late bills	First Bank Card	\$120.00
301-000-7002	D batteries	Dynamic Electronics	\$47.76
301-000-7002	Gloves	Labsource	\$395.72
301-000-7002	Oil and air	Carquest	\$78.58
301-000-7002	Lights for blower	Sunflower	\$52.90
301-000-7003	Fuel	Bridgman	\$132.56
			<b>\$7,027.84</b>
<b>Bond &amp; Int</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
601-000-8004	GO BOND 2019 Interest	Office of the State Treasurer	\$30,525.00
601-000-8004	GO BOND 2012 Interest	Office of the State Treasurer	\$16,150.00
			<b>\$46,675.00</b>
<b>Conv/Tourism</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
701-000-6004	Transient Guest Tax	Market South Hutch	\$1,843.84
			<b>\$1,843.84</b>
<b>ASAP</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
801-000-6004	Restitution	South Hutch Municipal	\$1,785.00
801-000-6004	Restitution	Plaza Go	\$47.50
			<b>\$1,832.50</b>
<b>Com Ctr</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
811-000-6004	Cleaning Contract	FreshCo	\$350.00
			<b>\$350.00</b>
<b>Equip Res</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
901-000-8023	Freight on hose	Danko Emergency	\$171.07
901-000-8023	TV	First Bank Card	\$448.00
			<b>\$619.07</b>
<b>Build Res</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
902-000-8023	Install wall and paint	Advantage Siding	\$1,190.00
			<b>\$1,190.00</b>
		<b>GRAND TOTAL</b>	<b>\$100,480.92</b>

**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** Our Lady of Guadalupe – Alcohol Sales Temporary Permit

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**Background/Analysis** – Our Lady of Guadalupe church is hold its annual Fiesta event in June and is requesting a temporary permit to sell alcohol in a beer garden. It will be a two-day event that will include food, music, games, fireworks, and a raffle. The event serves as one of the largest fundraisers for the year.

The permit is \$25 per day.

Thomas Beier, a representative for the church, will be present to speak to the council and answer any questions or concerns.

I was out on vacation for most of this week and have not had an opportunity to consult with city staff, therefore, I do not have a recommendation. It is my understanding that the council has granted the church a temporary permit in the past.

**Financial Impact** – No material impact.

**Recommendation** – No recommendation at this time.



**Meeting Date:** February 7, 2022  
**Department:** Police Department  
**Prepared By:** Darrin Pickering, Chief of Police  
**Agenda Title:** Ordinance No. 22-02 Public Intoxication

---

**Background/Analysis** – Our current code only prohibits public intoxication of individuals on a highway. This is outlined in Ordinance No. 21-11 in Section 74 concerning pedestrians under the influence of drugs and alcohol.

We have recurring issues with intoxicated individuals at the Love’s travel center and across the street at the gas station/McDonald’s fast-food restaurant. We are unable to take any action because we do not have any laws that we could enforce at this time. An ordinance that prohibits public intoxication on our roadways, sidewalks, and private property not owned by the intoxicated individual is necessary so that the police department has more leverage to address criminal complaints and concerns.

This ordinance would not apply to individuals intoxicated while standing on their own private property.

**Financial Impact** – No material impact.

**Recommendation** – Motion to approve Ordinance No. 22-02 Public Intoxication

**Exhibit G** – Ordinance No. 22-02

AN ORDINANCE MAKING IT ILLEGAL FOR  
UNLAWFUL INTOXICATION IN PUBLIC PLACE

ORDINANCE NO. 22-01

An ordinance regarding the unlawful intoxication in public place within the corporate limits of the City of South Hutchinson, Kansas; and providing certain penalties for violation thereof.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SOUTH HUTCHINSON, KANSAS.

Section 1. It shall be unlawful for any person to be under the influence of alcohol or drugs on any public sidewalk, street or highway or in any public place or building within the City to the extent that he or she poses a danger to himself or herself or others.

Section 2. Violation of this ordinance is an unclassified misdemeanor and shall be punishable by a fine not to exceed \$200.00, a maximum of 10 days in jail or both such fine and imprisonment.

PASSED BY THE GOVERNING BODY THIS 7th day of February, 2022.

\_\_\_\_\_  
Mayor

Attest:

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

**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** Checking Account Closure

---

**Background/Analysis** – We currently have a separate checking account at Simmons bank that is referred to on our monthly treasurer reports as “Equipment Reserve.” The account was set up more than 20 years ago and was at one time tethered to actual funds in our equipment reserve fund. That is no longer the case today as the funds in this checking account are significantly higher than our actual equipment reserves.

Additionally, this created confusion when the USDA recently reviewed our grant application.

Also, the interest collected from the money in this account are deposited into the Equipment Reserve fund. Last meeting, I highlighted how this interest is not allocated to each department in that fund and is unassigned.

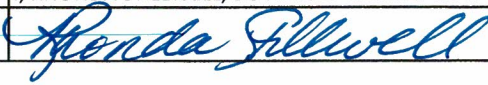
I would like to close this account and consolidate these funds into our money market account where all interest collected would be deposited into the general fund instead of the equipment reserve.

**Financial Impact** – No material impact.

**Recommendation** – Motion to authorize city clerk to close the Simmons 1002 Equipment Reserve bank account, consolidate funds into our savings account, and retroactively assign all interest collected in the 2022 fiscal year to the general fund.

**Exhibit H** – November Treasurer’s Report for Reference

**CITY OF SOUTH HUTCHINSON, KANSAS**  
**NOVEMBER 1- NOVEMBER 30, 2021**  
 (THIS FORM MEETS THE REQUIREMENTS OF KSA 12-1608)

Fund	FUND NAME	OLD BALANCES	RECEIPTS	DISBURSEMENTS (Warrants Pd)	NEW BALANCES	WARRANTS OUTSTANDING	DESCRIPTION check number
101	General Operating	2,253,486.77	142,384.52	123,772.67	2,272,098.62		
201	Water Utility	708,064.75	116,866.60	35,467.13	789,464.22	80.00	114938
202	Principle & Interest	0.00	0.00	0.00	0.00	23.00	115389
204	Water Emergency	477,422.49	0.00	170,394.48	307,028.01	96.38	115646
301	Sewer Utility	1,059,821.02	186,060.72	39,200.22	1,206,681.52	165.00	115800
303	Sewer Replacement	110,261.60	0.00	0.00	110,261.60		
401	Special Highway	102,755.32	0.00	6,551.39	96,203.93	350.00	115859
402	Flood Control Maintenance	18,932.77	470.59	0.00	19,403.36	370.00	115884
403	St/Econ Dev-Sales Tax	291,916.43	11,316.73	0.00	303,233.16	150.00	115901
501	Employee Benefit	31,396.58	856.01	353.62	31,898.97	240.00	115904
502	Employee Health Insurance	191,702.64	2,897.76	2,037.76	192,562.64	390.10	115911
601	Bond & Interest	70,069.81	8,001.48	0.00	78,071.29		
701	Convention/Tourism	0.00	9,448.89	9,448.89	0.00		
702	Donations	6,726.06	1.00	0.00	6,727.06		
703	Special Park	3,757.94	0.00	0.00	3,757.94		
705	CID Love's	2,183.60	1,450.71	0.00	3,634.31		
801	ASAP	28,819.65	7,050.72	5,685.00	30,185.37		
802	Diversion	9,649.49	150.00	0.00	9,799.49		
805	Special Events	837.48	0.00	0.00	837.48		
806	Special Law Fund	1,453.12	0.00	0.00	1,453.12		
808	ARPA	189,845.79	0.00	0.00	189,845.79		
810	Neighborhood Revitalization	0.00	0.00	0.00	0.00		
811	Community Center	15,132.70	600.00	1,082.67	14,650.03		
812	Technology	4,517.44	200.00	650.00	4,067.44		
901	Equipment Reserve	487,347.59	18,946.58	0.00	506,294.17		
902	Building Reserve	639,487.14	8,416.69	7,120.00	640,783.83		
911	2021 Temp Notes	65,919.65	0.00	65,919.65	0.00	(682.27)	Cr Card OSD
912	Bond Cost of Issuance	0.00	0.00	0.00	0.00		
913	Insurance Proceeds	4,514.00	0.00	0.00	4,514.00		
	<b>TOTALS</b>	<b>6,776,021.83</b>	<b>515,119.00</b>	<b>467,683.48</b>	<b>6,823,457.35</b>	<b>1,182.21</b>	<b>6,824,639.56</b>
	<b>AVAILABLE CASH:</b>						
1001	SIMMONS BANK - CHECKING ACCOUNT #100366				297,196.21		
1000	SIMMONS BANK - MMDA ACCOUNT #603570				3,581,245.93		
1002	SIMMONS BANK - EQUIPMENT RESERVE #609102				727,514.52		
1006	FARMERS BANK - FREEDOM CLAIMS MANAGEMENT INC				193,682.64		
1020	MUNICIPAL INVESTMENT POOL FUND 0203-01				0.26		
1050	SIMMONS BANK - Certificate of Deposit 12-02-2021 - Cap Equip 197793987				300,000.00		
1055	SIMMONS BANK - Certificate of Deposit 02-18-2022 General 197804446				500,000.00		
1056	SIMMONS BANK - Certificate of Deposit 12-02-2021 - General 197793953				200,000.00		
1057	SIMMONS BANK - Certificate of Deposit 12-02-2021 - General 197793961				250,000.00		
1075	SIMMONS BANK - Certificate of Deposit 12-02-2021 - Water 197793979				275,000.00		
1076	SIMMONS BANK - Certificate of Deposit 11-05-2021 - Water 197789886				200,000.00		
1080	Temporary Notes 2021				300,000.00		
	<b>TOTAL AVAILABLE CASH (TO AGREE WITH TOTAL FUNDS)</b>				<b>6,824,639.56</b>		
	I, RHONDA STILLWELL, DO HEREBY CERTIFY THAT THE ABOVE STATEMENT IS CORRECT.						
						CITY TREASURER	12/8/2021



**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** Community Center Rental Policy

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**Background/Analysis** – The community center building opened in August of 2016 with the original rental policy created around this time. In 2020, the rental policy was updated to reflect changes in the amount of the deposit and also restricted rentals to one party/renter per day.

This change was the result of renters not vacating the premises in time for the next rental that day and to mitigate the trash and damage from irresponsible parties.

The current policy prohibits the use of the facility for “profit-motivated enterprises” and serial events like church meetings.

The policy is being submitted for review by the council to determine whether language prohibiting the rental of the building for “profit-motivated” purposes should be deleted. The current policy is attached with strikethrough edits on language proposed for deletion and green highlighted text for proposed changes.

The public works department was consulted on these proposed changes and no concerns or objections were raised.

**Financial Impact** – No material impact.

**Recommendation** – Discussion item with no action recommended

**Exhibit I** – Community Center Rental Policy and Procedures

	<b>COMMUNITY CENTER RENTAL POLICY</b>	Page 1 of 3
	Original Issue Date: Unknown	Last Reviewed: 02/21/22

## SOUTH HUTCHINSON COMMUNITY CENTER RENTAL POLICY AND PROCEDURES

The South Hutchinson Community Center is available to the community on most days during the year. ~~Use of this building is limited to social, recreational, or fraternal activities. Under no circumstances shall the building be used for profit motivated commercial enterprises or for serial activities such as ongoing weekly church services.~~ Events sponsored by the City shall be given priority access and fees shall be waived for such events.

**The Building is available to rent from 9:00 6:00 AM to Midnight.** No rental agreement shall be made more than a year in advance. Rentals are on a first come, first served basis. Renters must be 21 years or older. Reservations must be made during normal business hours, ~~Monday—Friday, 8:00 AM to 5:00 PM,~~ at the City Office ~~by a designated city representative.~~ Reservations can be taken over the phone, but payment must be received with **two** (2) business days to finalize the rental. **Rental reservations requested within the two (2) business day window must be made in person.**

**Cost:** \$150 rental fee per day with a \$250 deposit.

**Payment Due Date:** Payment fee and deposit must be paid at the time of the rental.

**Cancellation:** Any prospective user may cancel a previously agreed rental contract at any time. In the event a rental is canceled more than 24 hours before it is scheduled, an amount equal to one-half (1/2) of the agreed rental charge shall be refunded. For any rental canceled within 24 hours of its scheduled time, the City will retain the entire fee amount. In both cases the deposit will be refunded.

**Keys:** Keys for the facility must be issued by a City representative during business hours before the scheduled event. The individual receiving the key must be 18 years or older and have permission from the primary renter of the facility. Keys must be returned to the City office in person or to the key drop box with 72 hours of the end of the rental agreement.

**Lost Key:** Once issued, keys are the responsibility of the renting party. To replace a lost key before the scheduled rental is a \$25.00 fee due at the time of replacement. Failure to return a key for any reasons will result in the forfeiture of the deposit.

This facility, outdoor space and grounds are designated as non-smoking areas. Smoking or the use of E-Cigarettes in this facility will result in the loss of a deposit. Tobacco use in public parks and facilities is prohibited by Ordinance 17-887.

	<b>COMMUNITY CENTER RENTAL POLICY</b>	Page 2 of 3
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The premises must be used for lawful purposes. ~~There shall be no attempt to charge a fee or to sell any merchandise to the general public.~~ IRS registered nonprofits, churches or civic groups may use the facility for fundraising activities that support the organization's mission.

Pyrotechnic devices including all fireworks are not allowed in the facility or on the grounds.

All tables, chairs and facility equipment will be returned to its original location in clean, operable condition prior to leaving the facility. The facility will be cleaned in an appropriate manner including the removal of trash, wiping of tables, chairs and surfaces, cleaning all floors within the facility. Renters will be responsible for any stains on the carpet. Any stains found on the floors caused by the renter or any attendee of the function will result in the loss of any deposit.

The use of silly string, scotch tape, or any adhesive shall be prohibited with the loss of any deposit.

The facility shall be vacated at the agreed time. The agreed time includes setting up, tearing down and cleaning time and is noted on the rental agreement. Early access to the facility for setting up is prohibited. In the event that the facility is in used during the renters designated rental time and the party refused to leave, the renter is responsible for notifying the City immediately or calling 911 for police assistance.

It is unlawful for any person to play, use or operate on the streets, alleys, or public grounds of the City a loud speaker or sound amplifier that disrupts the peace of the surrounding area.

The renter will hold the City harmless for any damages to any person, persons or property that occur during the rental period as a result of the action of the renter or any of the attendees of the function. Renters assume responsibility for supervision of all persons at the facility and provide adult chaperons (age 18 or older) for any group that includes minors at minimum ratio of one adult per 15 minors.

The City reserves the right to close the facility for any reason deemed necessary and refund any reservation fees due to facility closure. The City reserves the right to deny rental to individuals or groups based on previous history of failing to observe the rules for renting the facility or those that do meet the guidelines spelled out above.

**TO HAVE YOUR DEPOSIT RETURNED, YOU MUST COMPLETE THE FOLOWING ITEMS:**

- Renter must properly clean the building prior to leaving, including wiping all tables, chairs, surfaces, cleaning restrooms, vacuuming the carpet and dumping the trash.
- Renter pays for any damage to the building or its contents.

	<b>COMMUNITY CENTER RENTAL POLICY</b>	Page 3 of 3
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- Returns the key to the City Office located at 2 South Main in person or in the drop box in the drive thru within 72 hours after use.
- Places the temperature settings for heat, set at 60 degrees and for air conditioning at 72 degrees upon leaving the building.
- Provide an individual, at least 18 years of age, who shall check out and maintain custody of the building key.

Rentals are available at:

City Office

2 South Main

South Hutchinson, KS

Monday – Friday, 8:00 AM to 5:00 PM (620) 663-7104

### **EFFECTIVE DATE**

This policy shall take effect once adopted by vote of the City Council and signed by the Mayor. Amended by the City Council on February 21<sup>st</sup>, 2022.

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Matt Nisly, Mayor

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Denise McCue, City Clerk



**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** South Hutchinson Budget Primer

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**Background/Analysis** – I have included in this agenda packet a brief summary overview of our budget and its components. It is meant to give you a substantive understanding, but not an exhaustive one.

It includes some information about different types of funds in our budget, explains budget spending authority and carry over balances, and also goes into more detail about transfer and why they are completed.

**Financial Impact** – n/a

**Recommendation** – n/a

**Exhibit J** – South Hutchinson Budget Primer

## South Hutchinson Budget Primer

This document will give a brief summary of my philosophical approach to budgeting and serve as a basic guide or primer on the South Hutchinson budget to make it easier to understand and more accessible to the governing body and the taxpayers.

### Budget & Finance Axioms

There are a few budgeting and finance axioms I live by.

#### 1. The Piper Always gets Paid

There are only two realities when it comes to the expenses incurred by a municipality. Either the individual, business, or party responsible for the expense pays for it, or the rest of the City's taxpayers subsidize that cost. It may get paid today, tomorrow, or years into the future...but it will be paid. The only question is who will pay it. I believe the responsible party should pay.

This is one of the reasons I am an aggressive proponent of code enforcement activities. There are countless cities that allow property owners to let their homes and commercial buildings deteriorate such that they need to be condemned and demolished. And it is usually the rest of the taxpayers that pay these costs in lieu of the irresponsible property owner. The same goes for utility customers that skip out on paying their bills. These are just two simple examples.

#### 2. Reality Trumps Fantasy

There is never enough money to satisfy the unlimited needs and wants of a community. Fantasyland is fun, but I seldom get the opportunity to visit. The reality is that I only have three tools in my toolbox to secure the funding necessary to meet the wants and needs of the council and residents.

- a. Find Revenues: This usually takes the form of additional taxes. However, another option is to raise fees to ensure that the actual costs for services are being captured from the responsible parties.
- b. Cut Expenses: This usually takes the form of reducing payroll expenses (75%), cutting services (20%), and securing operational efficiencies (5%).
- c. Use Leverage: Leverage existing revenues through debt instruments, subsidized low-interest loan programs, and grant funding sources. I also believe that municipalities need to be more aggressive in capitalizing on its ability to provide cheap access to capital to incentivize projects that grow the tax base.

### 3. Take Care of What You Have

It is foolish to add personnel, programs and services, and infrastructure if you are unable to adequately maintain and sustain your existing levels of service. In other words, we must live below our means to ensure that we are adequately funding our capital improvement program. Our annual operating expenses plus our needed capital improvement transfers must be less than our annual revenues.

## Introduction to the South Hutchinson Budget

There are three primary fund types that are broken out in our budget. They are:

- Budgeted funds with a tax levy
- Budgeted funds without a tax levy
- Non-budgeted funds

### Budgeted Funds with a Tax Levy

The most important attribute of these funds is that they receive 100 percent of the annual ad valorem taxes collected from the county, which is used to calculate the mill levy. They also receive 100 percent of the various motor vehicle taxes. Motor vehicle taxes are allocated to each fund based on the mill levy allocation. In South Hutchinson, we have four budgeted funds with a tax levy and those are identified on the first page of our annual budget. These funds are:

- General Fund
- Debt Service
- Employee Benefits
- Flood Control

Budgeted tax levy funds must be created by ordinance, and you may have as many as you want. Many cities have funds for a library, EMS services, capital improvements, and so on.

Our two most important funds are the General and Debt Service funds, and they capture the lion share of the mill levy. My goal is to funnel as much of the ad valorem as possible into the General Fund because this is our primary vehicle for funding city operations. The other two collect about a mill each year and that amount is fairly consistent.

The key points I want you to understand when it comes to divvying up the ad valorem taxes across all of our funds is that the mill levy for each of these funds is not static – but in fact dynamic and will change based on a variety of factors. Two of the most important factors will primarily center around the carry over fund balance in each fund as well as the impact of the debt amortization schedule in the Debt Service fund.

Bond documents typically prescribe that debt service will be paid FIRST before all other expenses which is my municipalities need to monitor debt load and total exposure. There is a statutory limit on the amount of debt a municipality can carry.

### Carry Over

The simplest explanation I can give for carry over is that it represents the money left over in a fund at the end of the year after all expenses have been paid and any transfers into reserve accounts has been made.

If the carry over in a fund at the end of the year is higher than expected, then there is a very high probability that that fund will not need as much of the ad valorem tax the following year. Thus, the mill levy will likely decrease in that fund and that extra money can be reallocated to one of the other four funds. Although the Debt Service fund receives revenue from various sources, it is augmented by the mill levy to offset debt incurred by the General Fund. Consequently, as debt gets paid down over time, the mill levy needed to fund these payments should decrease and vice versa.

If the carry over is lighter than expected, then those funds will have to be made up by cutting expenses. Remember, the carry over is estimated months before the actual fiscal year. Alternatively, you can program an “emergency expense” into your budget to provide you with some flexibility in the event these funds are needed.

### General Fund

The General Fund is used to fund nearly all city operations, not including our water and sewer utilities. This includes the following departments:

- Administration
- Police
- Fire
- Streets
- Parks
- Municipal Court
- Other (e.g., public works assets, streetlights, etc.)

The “Other” category is often misunderstood or perceived to be a “slush fund” where city managers and councils hide money. While it can be used to a degree for that purpose to give the city extra flexibility in its budget, it is generally meant to cover expenses that may not be directly attributed to a specific listed department. Alternatively, I have seen these other types of expenses lumped in with administration expenses or streetlight electric bills paid out of a public work/streets budget.

The General Fund receives 100 percent of the revenue from franchise fees levied against utilities, various sales taxes, permit and licenses, and municipal court fines. All of these revenues, including the ad valorem taxes, account for about 90+ percent of all revenues.

### Debt Service

The Debt Service fund repays debt incurred by the General Fund for street improvements and other projects, water and sewer utilities, and even acts as the “go-between” for interdepartmental loans (e.g., temp notes that funded Avenue F water line replacement project). This is also where special assessments on residential and commercial development are captured.

Each utility transfers the required amount to service their debt into this fund. Taxpayers repay special assessments through their annual tax bill and that revenue goes to this fund. In theory, the utilities and property owners would cover 100 percent of the annual debt service, but that is not always the case. When special assessments go unpaid, the General Fund must cover that shortfall. As is this case for any of the vacant parcels in Prairie Ridge that are delinquent on their special assessments.

There are statutory limits to how much debt a municipality can take on relative to its revenues. We could theoretically take on an additional \$7 million in debt, though that would not be prudent.

### **Budgeted Funds without a Tax Levy**

There are two major types of funds in this category. There are the utility or enterprise funds that cover our water and sewer operations. All of the other funds receive money that is earmarked for a specific purpose. These are Special Purpose funds.

This includes the following funds:

- Water Utility
  - supposed to be self-sufficient where user fees cover 100 percent of the costs of the utility
  - 2021 revenue = \$775,000
- Sewer Utility
  - supposed to be self-sufficient where user fees cover 100 percent of the costs of the utility
  - 2021 revenue = \$1,275,000
- Special Highway
  - funded by state and county gas tax money for street improvement projects
  - 2021 revenue = \$83,000
- Local Sales Tax
  - funded by ¼ cent sales that went into effect in October 2005 for street improvements and/or economic development purposes
  - 2021 revenue = \$152,000
- Convention & Tourism Tax
  - funded by lodging tax; 100 percent pass thru to Market South Hutch
  - 2021 revenue = \$35,000

- Diversion
  - ticketed offenders may elect to apply for diversion to keep an offense off their record; funds from these applications are reserved for police department equipment purchases
  - 2021 revenue = \$2,200
- Special Parks
  - receives local alcoholic liquor tax that must be spent on parks, but no “by the drink” liquor is sold in town
  - 2021 revenue = \$0

A few points should be mentioned about these funds.

### Enterprise Funds

Many municipalities raid their enterprise funds to subsidize the general fund – effectively “robbing Peter to pay Paul.” This often occurs because utility funds have significant cash reserves, and it is easier to steal funds from the utilities to augment general fund operations than to make the cuts necessary and live within the means of the general fund.

South Hutchinson does not appear to have a history of engaging in this practice, though I have some niggling concerns that we probably should tweak how we divide our personnel costs across our divisions in the public works department.

Additionally, we do not appear to have a history or practice of levying an internal charge for franchise fees against our water and sewer utilities. Philosophically, I believe public utilities should incur franchise fees just like we levy franchise fees against private utilities. These funds could then be used to augment the general fund. A generally accepted five (5) percent franchise tax levied against our private utilities would generate about \$100,000 for the General Fund.

Consistent with the governing body declaring that infrastructure is the number one priority for our community, I would earmark the entirety of these franchise fee internal transfers to capital road improvements.

### Special Highway/Local Sales Tax Funds

The Special Highway and Local Sales Tax funds collected about \$235,000 in 2021. Historically, it appears that we have been paying for a variety of miscellaneous public works expenses out of the Special Highway fund. These funds should be completely dedicated to capital street improvements. This practice will cease in 2022.

Our Local Sales Tax fund is supposed to be dedicated to street improvements or economic development. Recent historical data suggests it has been used for chip seal projects and to fund an economic development partnership with the Greater Hutch Chamber of Commerce that expired in 2021. These are all valid expenses. We have also used it to pay for the City’s website under the guise of economic development. In my opinion, this should be a general fund expense. Consequently, in 2022 and moving

forward we will earmark these funds for capital street improvements unless the governing body issues a directive regarding an economic development project.

Mentally, as we approach each new year, we will begin with a baseline understanding that approximately \$335,000 in revenue will be earmarked towards capital investments. We will then look to the general fund to appropriate enough money to supplement the rest of the funds needed to maintain the level of service desired.

### Spending Authority

Each year when a budget is passed, the budgeted funds with and without a tax levy are given an authorized spending limit. It is important to understand that the spending limit does not automatically equal the total funds available. The authorized spending limit has to cover all expenses incurred by that fund during the budget year. This can be quite restrictive when you consider budgets are created about six months before the beginning of each fiscal year and must cover an 18-month window of time with incredible degrees of uncertainty.

The only way this spending limit can be changed is if the budget is amended and there are rules that govern when a budget can be amended.

### **Non-budgeted Funds**

Non-budgeted funds can spend all of the funds available in that fund and are not subject to the authorized spending authority limit like the budgeted funds. These funds provide a great deal of flexibility and latitude for administrators and councils.

These reserve accounts are primarily funded through transfers from other funds.

Though we have about a dozen active non-budgeted funds, the most important ones are the various reserve accounts. Reserve accounts are the equivalent of a savings account. We have four active reserve accounts:

- Equipment Reserve
- Building Reserve
- Water Reserve
- Sewer Reserve

## **Smith Family Budgeting Example**

Allow me to illustrate with an example involving the hypothetical Smith Family 2021 Budget.

The Smith family has a household income of \$100,000 with one checking account (budgeted general fund) and one savings account (non-budgeted reserve fund).

Their annual budget includes \$12,000 in planned savings with \$1,000 transferred each month into their savings account. They estimate the rest of their annual expenses will total \$80,000 for a total annual expense of \$92,000. In the public sector (and to keep this simple), we have the option of setting our spending authority at \$92,000 or \$100,000.

If we set it at \$92,000, we cannot spend more than \$92,000 even though we will have the additional \$8,000 available. And we cannot simply say, "Oops!" and amend our budget. Certain conditions must be met. Therefore, we would most likely set our spending authority at the entire \$100,000 amount to give us the flexibility to tap into that additional \$8,000 if an unexpected expense or event happens.

Now, let's fast forward to the end of 2021 and see how the Smith Family budget performed. It was a good year. They were able to make their monthly savings account transfer of \$1,000 out of their general fund checking account. And they only spent \$78,000 instead of the estimated \$80,000 leaving them with an extra \$2,000 on top of the original \$8,000 for a total of \$10,000 remaining in their general fund/checking account.

If they do not touch that \$10,000 and transfer it over to their savings account, this will be their carry over balance and enter the 2022 budget year with an extra \$10,000 in their checking account. That is good news, but unfortunately for municipalities, we cannot simply take that extra \$10,000 in 2022 and spend it.

Unlike the Smith Family, we had to set our 2022 budget back in July of 2021 and had no idea whether we would have an extra \$10,000 at the end of the year. In the name of conservative budgeting, we assumed we would have an annual income of \$100,000 plus a 3 percent COLA bump from our employer. So, we created a 2022 budget that gave us \$103,000 in spending authority.

However, because we had a spending authority of \$100,000 in 2021, we could have transferred that entire \$10,000 into our savings account at the end of year. Had we done that, we could then use those funds in 2022 for a vacation or new car down payment.

Historically, South Hutchinson has budgeted in planned transfers each month similar to the Smith family above. However, we have not taken the extra money in our checking account and transferred it into our savings account for future capital purchases and investments. Instead, we carried over this money each year and often funded capital purchases directly from these various funds. Consequently, we have blurred annual operating expenses with capital investments, and it has made it difficult to truly assess whether our revenues can truly cover our annual and long-term expenses.



**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** 2021 General Fund Budget Review

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**Background/Analysis** – We are going to examine 2021 revenue and expenses in the general fund. We will then compare these numbers to our budgeted numbers for 2022.

This discussion will serve to guide us as we examine our available resources to meet the needs of our community.

**Financial Impact** – n/a

**Recommendation** – n/a

**Exhibit K** – 2021 General Fund Budget breakdown

## SOUTH HUTCHINSON

### General Fund Revenues

GENERAL GOVERNMENT		2021		YTD		%		2022	
Revenues		Budget	Actual	Remaining	Remain.	Budget			
101-000-4000	Ad Valorem	\$ 584,281	\$ 573,688	\$ 10,593	1.81%	\$ 672,797			
101-000-4001	County Sales Tax	\$ 330,000	\$ 415,455	\$ (85,455)	-25.90%	\$ 380,000			
101-000-4002	Local Sales Tax	\$ 200,000	\$ 304,978	\$ (104,978)	-52.49%	\$ 260,000			
101-000-4004	Motor Vehicle Tax	\$ 72,935	\$ 62,475	\$ 10,460	14.34%	\$ 62,061			
101-000-4005	Local Alcohol Liquour Tax	\$ 150	\$ -	\$ 150	100.00%	\$ 150			
101-000-4006	Delinquent Taxes	\$ 15,000	\$ 12,726	\$ 2,274	15.16%	\$ 15,000			
101-000-4009	Fine, Penalties	\$ 60,000	\$ 61,891	\$ (1,891)	-3.15%	\$ 60,000			
101-000-4010	Permits & Licenses	\$ 27,000	\$ 37,048	\$ (10,048)	-37.21%	\$ 27,000			
101-000-4012	Franchise Fees	\$ 560,000	\$ 612,670	\$ (52,670)	-9.41%	\$ 560,000			
101-000-4013	Refuse	\$ 100,000	\$ 113,667	\$ (13,667)	-13.67%	\$ 100,000			
101-000-4014	Reimbursed Expenses	\$ 5,000	\$ 50,010	\$ (45,010)	-900.19%	\$ 5,000			
101-000-4015	Miscellaneous Revenue	\$ 40,000	\$ 32,914	\$ 7,086	17.72%	\$ 40,000			
101-000-4016	Interest Income	\$ 7,000	\$ 5,501	\$ 1,499	21.41%	\$ 7,000			
101-000-4017	CID Admin Fee	\$ -	\$ 1,052	\$ (1,052)	#DIV/0!	\$ -			
101-000-4018	Recreational Vehicle	\$ -	\$ 1,067	\$ (1,067)	#DIV/0!	\$ 1,001			
101-000-4019	16M Truck Taxes	\$ -	\$ 922	\$ (922)	#DIV/0!	\$ 538			
101-000-4020	Commercial Vehicle	\$ -	\$ 5,974	\$ (5,974)	#DIV/0!	\$ 5,706			
101-000-4099	NRP	\$ (26,108)	\$ (24,199)	\$ (1,909)	7.31%	\$ (23,626)			
<b>TOTAL</b>		<b>\$ 1,975,258</b>	<b>\$ 2,267,840</b>	<b>\$ (292,582)</b>	<b>-14.81%</b>	<b>\$ 2,172,627</b>			

Liquor Tax = tax based on liquor by the drink sales

Fines/Penalties = Municipal Court Revenue

Reimbursed Expenses = Includes one-time CARES Act reimbursements for COVID (\$23.5K) &  
EMC Insurance Rebate of \$19K

Misc. Revenue = Includes Mennonite Manor payments, ballfield lease income, etc

NRP = Neighborhood Revitalization Rebate expense

## SOUTH HUTCHINSON

### General Fund Expenditures

<b>GENERAL GOVERNMENT (101)</b>		<b>2021</b>	<b>YTD</b>		<b>%</b>	<b>2022</b>
		<b>Budget</b>	<b>Actual</b>	<b>Remaining</b>	<b>Remain.</b>	<b>Budget</b>
<b>Personnel</b>						
101-101-5000	Salaries	\$33,000	\$45,392	-\$12,392	-38%	\$67,670
101-101-5001	Group Health Insurance	\$3,100	\$2,762	\$338	11%	\$8,000
101-101-5002	FICA -Employer Share	\$2,700	\$3,409	-\$709	-26%	\$5,000
101-101-5003	KPERS- Employer Share	\$2,000	\$2,958	-\$958	-48%	\$6,000
101-101-5004	Employer Unemployment	\$330	\$178	\$152	46%	\$330
<b>TOTAL</b>		<b>\$41,130</b>	<b>\$54,699</b>	<b>-\$13,569</b>	<b>-33%</b>	<b>\$87,000</b>
<b>Contractual</b>						
101-101-6000	Utilities	\$8,000	\$7,376	\$624	8%	\$8,000
101-101-6001	Liability Insurance	\$2,000	\$1,700	\$300	15%	\$2,000
101-101-6002	Professional Services	\$75,000	\$102,480	-\$27,480	-37%	\$73,500
101-101-6003	Maintenance Services	\$500	\$1,500	-\$1,000	-200%	\$500
101-101-6004	Misc. Contractual Services	\$4,000	\$6,705	-\$2,705	-68%	\$4,000
101-101-6011	Professional Memberships	\$3,000	\$560	\$2,440	81%	\$1,500
<b>TOTAL</b>		<b>\$92,500</b>	<b>\$120,321</b>	<b>-\$27,821</b>	<b>-30%</b>	<b>\$89,500</b>
<b>Commodities</b>						
101-101-7000	Offices Supplies	\$3,000	\$3,424	-\$424	-14%	\$3,500
101-101-7001	Training & Travel	\$1,000	\$2,417	-\$1,417	-142%	\$1,500
101-101-7002	Maintenance Supplies	\$2,000	\$976	\$1,024	51%	\$2,000
101-101-7004	Misc. Commodities	\$1,000	\$278	\$722	72%	\$1,000
<b>TOTAL</b>		<b>\$7,000</b>	<b>\$7,094</b>	<b>-\$94</b>	<b>-1%</b>	<b>\$8,000</b>
<b>Capital Outlays</b>						
101-101-8010	Transfer to Equipment Reserve	\$6,000	\$6,000	\$0	0%	\$6,000
101-101-8011	Transfer to Building Reserve	\$6,000	\$6,000	\$0	0%	\$6,000
<b>TOTAL</b>		<b>\$12,000</b>	<b>\$12,000</b>	<b>\$0</b>	<b>0%</b>	<b>\$12,000</b>
<b>DEPARTMENT TOTAL</b>		<b>\$152,630</b>	<b>\$194,114</b>	<b>-\$41,484</b>	<b>-27%</b>	<b>\$196,500</b>

Contractual Expenses (6002 & 6004) include \$20,000+ in expenses related to city admin search, interim admin, etc.

Contractual Expenses (6002) include city attorney (24K), ins. premiums (36K), etc. Not a lot of fat here outside of admin search

<b>POLICE (102)</b>		<b>2021</b>	<b>YTD</b>		<b>%</b>	<b>2022</b>
		<b>Budget</b>	<b>Actual</b>	<b>Remaining</b>	<b>Remain.</b>	<b>Budget</b>
Personnel						
101-102-5000	Salaries	\$317,000	\$346,662	-\$29,662	-9%	\$317,000
101-102-5001	Group Health Insurance	\$107,000	\$85,690	\$21,310	20%	\$107,000
101-102-5002	FICA -Employer Share	\$25,000	\$25,203	-\$203	-1%	\$25,000
101-102-5003	KPERS- Employer Share	\$26,000	\$31,023	-\$5,023	-19%	\$26,000
101-102-5004	Employer Unemployment	\$2,000	\$744	\$1,256	63%	\$2,000
<b>TOTAL</b>		<b>\$477,000</b>	<b>\$489,322</b>	<b>-\$12,322</b>	<b>-3%</b>	<b>\$477,000</b>
Contractual						
101-102-6000	Utilities	\$20,000	\$13,526	\$6,474	32%	\$20,000
101-102-6001	Liability Insurance	\$26,000	\$23,806	\$2,194	8%	\$26,000
101-102-6002	Professional Services	\$19,000	\$20,863	-\$1,863	-10%	\$19,000
101-102-6003	Maintenance Services	\$3,000	\$1,276	\$1,724	57%	\$3,000
101-102-6004	Misc. Contractual Services	\$8,000	\$7,399	\$601	8%	\$8,000
101-102-6005	Mobile Phones	\$5,000	\$3,280	\$1,720	34%	\$5,000
101-102-6006	Dispatch Services	\$18,089	\$18,089	\$0	0%	\$18,089
101-102-6011	Professional Membership	\$500	\$290	\$210	42%	\$500
101-102-6012	Police Training	\$6,000	\$3,128	\$2,872	48%	\$6,000
101-102-6027	Radio Lease Payment	\$1,738	\$1,738	\$0	0%	\$1,738
<b>TOTAL</b>		<b>\$107,327</b>	<b>\$93,485</b>	<b>\$13,842</b>	<b>13%</b>	<b>\$107,327</b>
Commodities						
101-102-7000	Offices Supplies	\$3,000	\$1,595	\$1,405	47%	\$3,000
101-102-7001	Training & Travel	\$3,000	\$1,947	\$1,053	35%	\$3,000
101-102-7002	Maintenance Supplies	\$3,000	\$812	\$2,188	73%	\$3,000
101-102-7003	Fuel	\$15,000	\$13,343	\$1,657	11%	\$15,000
101-102-7004	Misc. Commodities	\$13,000	\$4,777	\$8,223	63%	\$13,000
101-102-7006	Vehicle Repairs	\$5,000	\$3,153	\$1,847	37%	\$5,000
101-102-7009	Uniforms/Wearing Materials	\$4,000	\$1,496	\$2,504	63%	\$4,000
101-102-7015	Computer equipment	\$5,000	\$5,379	-\$379	-8%	\$18,000
<b>TOTAL</b>		<b>\$51,000</b>	<b>\$32,501</b>	<b>\$18,499</b>	<b>36%</b>	<b>\$64,000</b>
Capital Outlays						
101-102-8000	Equipment	\$0	\$0	\$0	#DIV/0!	\$0
101-102-8002	Vehicles	\$13,000	\$13,000	\$0	0%	\$0
101-102-8010	Transfer to Equipment Reserve	\$15,000	\$15,000	\$0	0%	\$28,000
<b>TOTAL</b>		<b>\$28,000</b>	<b>\$28,000</b>	<b>\$0</b>	<b>0%</b>	<b>\$28,000</b>
<b>DEPARTMENT TOTAL</b>		<b>\$663,327</b>	<b>\$643,308</b>	<b>\$20,019</b>	<b>3%</b>	<b>\$676,327</b>

<b>STREETS (103)</b>		<b>2021</b>	<b>YTD</b>		<b>%</b>	<b>2022</b>
Personnel		<b>Budget</b>	<b>Actual</b>	<b>Remaining</b>	<b>Remain.</b>	<b>Budget</b>
101-103-5000	Salaries	\$136,625	\$141,301	-\$4,676	-3%	\$136,625
101-103-5001	Group Health Insurance	\$41,000	\$18,670	\$22,330	54%	\$41,000
101-103-5002	FICA -Employer Share	\$12,000	\$10,456	\$1,544	13%	\$12,000
101-103-5003	KPERS- Employer Share	\$14,000	\$13,350	\$650	5%	\$14,000
101-103-5004	Employer Unemployment	\$1,500	\$374	\$1,126	75%	\$1,500
<b>TOTAL</b>		<b>\$205,125</b>	<b>\$184,151</b>	<b>\$20,974</b>	<b>10%</b>	<b>\$205,125</b>
Contractual		<b>2021</b>				
101-103-6000	Utilities	\$12,000	\$10,875	\$1,125	9%	\$12,000
101-103-6001	Liability Insurance	\$20,000	\$17,152	\$2,848	14%	\$20,000
101-103-6002	Professional Services	\$65,000	\$8,775	\$56,225	86%	\$65,000
101-103-6003	Maintenance Services	\$3,000	\$1,238	\$1,762	59%	\$3,000
101-103-6004	Misc. Contractual Services	\$31,000	\$961	\$30,039	97%	\$31,000
101-103-6005	Mobile Phones	\$1,000	\$760	\$240	24%	\$1,000
<b>TOTAL</b>		<b>\$132,000</b>	<b>\$39,761</b>	<b>\$92,239</b>	<b>70%</b>	<b>\$132,000</b>
Commodities						
101-103-7000	Offices Supplies	\$1,000	\$984	\$16	2%	\$1,000
101-103-7001	Training & Travel	\$100	\$215	-\$115	-115%	\$100
101-103-7003	Fuel	\$14,000	\$7,385	\$6,615	47%	\$14,000
101-103-7015	Computer Equipment	\$2,000	\$0	\$2,000	100%	\$2,000
<b>TOTAL</b>		<b>\$17,100</b>	<b>\$8,584</b>	<b>\$8,516</b>	<b>50%</b>	<b>\$17,100</b>
Capital Outlays						
101-103-8000	Equipment	\$0	\$0	\$0	0%	\$0
101-103-8010	Transfer to Equipment Reserve	\$50,000	\$50,000	\$0	0%	\$50,000
<b>TOTAL</b>		<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>0%</b>	<b>\$50,000</b>
<b>DEPARTMENT TOTAL</b>		<b>\$404,225</b>	<b>\$282,496</b>	<b>\$121,729</b>	<b>30%</b>	<b>\$404,225</b>

Expenses are artificially low and do not account for \$98K spent out of special highway

<b>FIRE (104)</b>		<b>2021</b>	<b>YTD</b>		<b>%</b>	<b>2022</b>
Personnel		<b>Budget</b>	<b>Actual</b>	<b>Remaining</b>	<b>Remain.</b>	<b>Budget</b>
101-104-5000	Salaries	\$160,000	\$163,629	-\$3,629	-2%	\$160,000
101-104-5002	FICA -Employer Share	\$13,000	\$12,518	\$482	4%	\$13,000
101-104-5004	Employer Unemployment	\$1,500	\$453	\$1,047	70%	\$1,500
<b>TOTAL</b>		<b>\$174,500</b>	<b>\$176,600</b>	<b>-\$2,100</b>	<b>-1%</b>	<b>\$174,500</b>
Contractual						
101-104-6000	Utilities	\$9,800	\$8,421	\$1,379	14%	\$9,800
101-104-6001	Liability Insurance	\$12,000	\$11,000	\$1,000	8%	\$12,000
101-104-6002	Professional Services	\$1,000	\$2,142	-\$1,142	-114%	\$1,000
101-104-6003	Maintenance Services	\$3,000	\$1,710	\$1,290	43%	\$3,000
101-104-6004	Misc. Contractual Services	\$14,150	\$9,813	\$4,337	31%	\$14,150
101-104-6005	Mobile Phones	\$2,100	\$1,692	\$408	19%	\$2,100
101-104-6006	Dispatch Services	\$18,089	\$18,089	\$0	0%	\$18,089
101-104-6011	Professional Memberships	\$265	\$275	-\$10	-4%	\$265
101-104-6014	Fire Training	\$4,000	\$2,940	\$1,060	27%	\$4,000
101-104-6027	Radio Leasing Payment	\$2,200	\$2,220	-\$20	-1%	\$2,200
<b>TOTAL</b>		<b>\$66,604</b>	<b>\$58,302</b>	<b>\$8,302</b>	<b>12%</b>	<b>\$66,604</b>
Commodities						
101-104-7000	Offices Supplies	\$1,000	\$847	\$153	15%	\$1,000
101-104-7001	Training & Travel	\$1,500	\$439	\$1,061	71%	\$1,500
101-104-7002	Maintenance Supplies	\$7,400	\$5,744	\$1,656	22%	\$7,400
101-104-7003	Fuel	\$5,000	\$3,552	\$1,448	29%	\$5,000
101-104-7004	Misc. Commodities	\$2,300	\$1,230	\$1,070	47%	\$2,300
101-104-7009	Uniform/Wearing Materials	\$3,500	\$3,198	\$302	9%	\$3,500
101-104-7011	Chemicals	\$500	\$242	\$258	52%	\$500
101-104-7015	Computer equipment	\$4,100	\$1,110	\$2,990	73%	\$4,100
<b>TOTAL</b>		<b>\$25,300</b>	<b>\$16,362</b>	<b>\$8,938</b>	<b>35%</b>	<b>\$25,300</b>
Capital Outlays						
101-104-8000	Equipment	\$15,000	\$14,299	\$701	5%	\$15,000
101-104-8002	Vehicles	\$0	\$427	-\$427	#DIV/0!	\$0
101-104-8010	Transfer to Equipment Reserve	\$66,000	\$66,000	\$0	0%	\$66,000
101-104-8011	Transfer to Building Reserve	\$10,000	\$10,113	-\$113	-1%	\$10,000
<b>TOTAL</b>		<b>\$91,000</b>	<b>\$90,838</b>	<b>\$162</b>	<b>0%</b>	<b>\$91,000</b>
<b>DEPARTMENT TOTAL</b>		<b>\$357,404</b>	<b>\$342,101</b>	<b>\$15,303</b>	<b>4%</b>	<b>\$357,404</b>

<b>PARK (105)</b>		<b>2021</b>	<b>YTD</b>	<b>%</b>	<b>2022</b>
Personnel		<b>Budget</b>	<b>Actual</b>	<b>Remain.</b>	<b>Budget</b>
101-105-5006	Contracted Labor	\$0	\$0	\$0	#DIV/0!
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>
Contractual					
101-105-6000	Utilities	\$10,000	\$2,723	\$7,277	73%
101-105-6001	Liability Insurance	\$5,000	\$4,400	\$600	12%
101-105-6003	Professional Services	\$1,000	\$700	\$300	30%
101-105-6004	Misc. Contractual Services	\$0	\$648	-\$648	#DIV/0!
<b>TOTAL</b>		<b>\$16,000</b>	<b>\$8,470</b>	<b>\$7,530</b>	<b>47%</b>
Commodities					
101-105-7002	Maintenance Supplies	\$1,000	\$407	\$593	59%
<b>TOTAL</b>		<b>\$1,000</b>	<b>\$407</b>	<b>\$593</b>	<b>59%</b>
Capital Outlays					
101-105-8010	Transfer to Equipment Reserve	\$10,000	\$10,000	\$0	0%
101-105-8011	Transfer to Building Reserve	\$25,000	\$25,000	\$0	0%
<b>TOTAL</b>		<b>\$35,000</b>	<b>\$35,000</b>	<b>\$0</b>	<b>0%</b>
<b>DEPARTMENTAL TOTAL</b>		<b>\$52,000</b>	<b>\$43,878</b>	<b>\$8,122</b>	<b>16%</b>
<b>COURT (106)</b>		<b>2021</b>	<b>YTD</b>	<b>%</b>	<b>2022</b>
Personnel		<b>Budget</b>	<b>Actual</b>	<b>Remain.</b>	<b>Budget</b>
101-106-5000	Salaries	\$52,000	\$48,075	\$3,925	8%
101-106-5001	Group Health Insurance	\$5,000	\$0	\$5,000	100%
101-106-5002	FICA -Employer Share	\$4,000	\$3,673	\$327	8%
101-106-5003	KPERS- Employer Share	\$5,500	\$4,500	\$1,000	18%
101-106-5004	Employer Unemployment	\$550	\$117	\$433	79%
<b>TOTAL</b>		<b>\$67,050</b>	<b>\$56,365</b>	<b>\$10,685</b>	<b>16%</b>
Contractual					
101-106-6004	Misc. Contractual Services	\$9,000	\$3,536	\$5,464	61%
101-106-6015	Court Fees to State	\$15,000	\$10,828	\$4,173	28%
101-106-6016	Judge / Prosecutor	\$26,400	\$26,400	\$0	0%
101-106-6017	Jail Fees	\$32,000	\$9,400	\$22,600	71%
101-106-6018	Court Appointed Atty	\$12,000	\$10,350	\$1,650	14%
<b>TOTAL</b>		<b>\$94,400</b>	<b>\$60,514</b>	<b>\$33,886</b>	<b>36%</b>
Commodities					
101-106-7000	Office Supplies	\$1,000	\$59	\$941	94%
101-106-7001	Training & Travel	\$1,000	\$589	\$411	41%
101-106-7015	Computer Equipment	\$2,000	\$-	\$2,000	100%
<b>TOTAL</b>		<b>\$4,000</b>	<b>\$648</b>	<b>\$3,352</b>	<b>84%</b>
Capital Outlays					
101-106-8011	Transfer to Building Reserve	\$0	\$0	\$0	\$0
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DEPARTMENT TOTAL</b>		<b>\$165,450</b>	<b>\$117,527</b>	<b>\$47,923</b>	<b>29%</b>

<b>NON-DEPARTMENTAL (109)</b>		<b>2021</b>	<b>YTD</b>		<b>%</b>	<b>2022</b>
		<b>Budget</b>	<b>Actual</b>	<b>Remaining</b>	<b>Remain.</b>	<b>Budget</b>
Contractual						
101-109-6000	Utilities (Street Lights)	\$77,000	\$53,924	\$23,076	30%	\$77,000
101-109-6026	Refuse Payment	\$105,000	\$104,785	\$215	0%	\$105,000
<b>TOTAL</b>		<b>\$182,000</b>	<b>\$158,709</b>	<b>\$23,291</b>	<b>13%</b>	<b>\$182,000</b>
Commodities						
101-109-7004	Misc. Commodities	\$5,000	\$1,398	\$3,602	72%	\$5,000
<b>TOTAL</b>		<b>\$5,000</b>	<b>\$1,398</b>	<b>\$3,602</b>	<b>72%</b>	<b>\$5,000</b>
Capital Outlays						
101-109-8001	Building Outlays	\$0	\$0	\$0	#DIV/0!	\$95,110
101-109-8002	Capital Improvements	\$728,585	\$65,100	\$663,485	91%	\$125,753
<b>TOTAL</b>		<b>\$728,585</b>	<b>\$65,100</b>	<b>\$663,485</b>	<b>91%</b>	<b>\$220,863</b>
<b>DEPARTMENT TOTAL</b>		<b>\$915,585</b>	<b>\$225,207</b>	<b>\$690,378</b>	<b>75%</b>	<b>\$407,863</b>
		<b>\$2,710,621</b>	<b>\$1,848,631</b>	<b>\$861,990</b>	<b>32%</b>	<b>\$2,254,794</b>

Non-departmental expenses include \$65K for Garber floodplain work

Non-departmental capital improvement budget of \$728K is not sustainable. Those are "one-time" funds.

it is okay to have budgeted spending authority higher than budgeted revenues for budget flexibility. But understand that 2021 Budgeted Spending Authority of \$2,710.621 vs is Budgeted Revenues of \$1,975258 is not sustainable

2022 Budgeted Spending Authority does not include a cash forward amount of \$1,000,000. Actual authority is really \$3,254,794 in the event of an emergency.



**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** Police Department 2022 Budget Review

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**Background/Analysis** – The 2022 budget for the police department was largely a facsimile of the 2021 budget. It was meant to serve as a placeholder for a more extended conversation about the police department.

We are going to primarily examine the personnel costs of the department. The 2021 budget was passed in the summer of 2020 under a different police chief. In early 2021, the governing body authorized the addition of an officer to the department which resulted in the department going over budget. Consequently, since the 2022 budget is nearly identical to the 2021 budget, the department will exceed its stated budget again this year.

We will examine the potential shortfall and discuss its impact on the general fund as a whole.

A handout will be provided at the meeting.

**Financial Impact** – n/a

**Recommendation** – n/a

**Meeting Date:** February 7, 2022  
**Department:** Administration  
**Prepared By:** Joseph Turner, City Administrator  
**Agenda Title:** Council Goals & Objectives – Infrastructure

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**Background/Analysis** – For the purposes of this meeting, we are going to focus on public safety needs and concerns and prioritize items listed below. Members of the council may also add any additional items during the discussion for further consideration.

**Financial Impact** – n/a

**Recommendation** – n/a

**Exhibit L** – List of public safety needs and projects for council consideration and prioritization.

**Fiscal Year 2022 City Council Goals & Objectives**

Public Safety	Municipal Court	Department Review	High	End hemorrhaging/Get revenues in excess of expenses
Public Safety	Police Department	Hwy 50/96	High	Stricter enforcement of traffic laws to address safety concerns at interchange
Public Safety	Fire Department	Department Review	Medium	Conduct a thorough review of department operations/provide an assessment report
Public Safety	Police Department	Department Review	Medium	Conduct a thorough review of department operations/provide an assessment report

## Activity Report Feb. 7<sup>th</sup>, 2022

- SHFD will be attending diner with the State Legislators on Monday Feb. 7<sup>th</sup>
- Currently working on developing criteria for a more advanced Fire Extinguisher class for the community and businesses.
- SHFD has sent several Firefighters to live burn training in the last month at Bentley Fire Dept and Mulvane Fire.
- SHFD assisted with a patient extrication in Dist. 8 last month.
- Applying for a grant with OneOk
- SHFD has been approved for a grant from Firehouse Subs of \$5,724 to outfit 2 Firefighters with updated gear.
- We would like to apply for 2 radios on our Forestry Grant this year. They are approx. \$3,700 each and this is a 50/50 grant.
- Fireworks applications will open on April 1<sup>st</sup>.

<b><u>Calls from 01/01/22 – 02/01/22</u></b>	
EMS Incidents	49
Medical Assist	3
Natural Vegetation Fire	1
Person in Distress	1
Public Service Asst	6
Service Call	1
System Malfunction	1
Control Burn	1
Canceled En Route	3
False Alarm	1
Unintentional System	1
Good Intent	1
Extrication, Rescue	1
<b>70 Calls total</b>	
<b><u>Total for 2022: 70</u></b>	

