



# APPENDICES



**2010 - 2014  
CAPITAL IMPROVEMENT PROGRAM  
AND BUDGET**

Enclosed is the approved 2010-2014 Capital Improvement Program and Budget. This document represents a continued attempt to aggregate all of our significant capital planning material in a cohesive and consistent way. It includes the major capital projects, our annual "regular" purchases, and financial projections relating to those items.

**Purpose**

A Capital Improvement Program (CIP) is a major public infrastructure and planning tool for municipalities. The CIP is a statement of the City's policies and financial abilities to manage the physical development and redevelopment of the community. The development of a five-year CIP provides a systematic plan for providing infrastructure improvements within a prioritized framework.

The proposed five-year CIP for the City of Osage City sets the general schedule within which public improvements are proposed to be undertaken. The plan serves as a guide for the efficient and effective provision of public infrastructure facilities, outlining a timeline and schedule of capital projects for a five-year period of time.

There are several benefits to developing and adopting a Capital Improvement Program (CIP). Not only does the CIP become a management tool for the Governing Body and City staff, a CIP also provides valuable information to the Planning Commission, citizens, developers, and businesses who are interested in the development and redevelopment of Osage City. The CIP document will assist in leveraging available resources through improved timing of projects, and coordination of the City's projects with those of other public or private entities.

**Goals and Objectives**

The goal of Osage City's CIP is to forecast future public improvements and facilities in the City and to provide data concerning need, cost, timing, and budget impacts. The goal is pursued with the following objectives.

### Capital Improvement Program Objectives

1. Integrate the CIP budget into the Operating Budget in order to provide a comprehensive financial plan for accomplishing the goals of Osage City.
2. Execute the CIP budgetary process in a manner that will provide the Governing Body with an opportunity to respond to community needs.
3. Leverage City resources against available federal, state, and county funds in such a manner that the present and future citizens of Osage City will be provided with the highest level of services and facilities without adverse financial impacts in the future.

### Process

The CIP is developed annually by City staff following the annual budget process. Staff then reviews and prioritizes all proposed capital improvement projects and makes recommendations to the Governing Body.

The annual review allows the City further flexibility in maintaining and promoting an effective level of service for present and future citizens. The first year of the Plan reflects the approved capital budget for upcoming fiscal year. The remaining four years represent a schedule and estimate of future capital needs that may be funded given adequate revenues.

### Principals

The City of Osage City's Capital Improvement Program aims to provide effective and efficient services to improve the quality of life for residents, businesses, and visitors in our community. The following principles have been used as a guide for evaluating and prioritizing capital project requests in making recommendations to the Governing Body.

- Provide effective and efficient governmental services to residents, businesses, and visitors.
- Enhance public health, safety, and welfare.
- Use public investment as a catalyst for economic growth in a manner consistent with the major planning processes the City has performed.
- Safeguard the environment and natural beauty for present and future generations through implementation of sustainable solutions.
- Maintain and sustain effective land use planning.
- Maintain or enhance cultural, recreational, educational, and social opportunities for all residents.
- Protect existing investment in facilities and infrastructure that are vital in delivering fundamental services to our residents.
- Anticipate future facility and infrastructure needs to best leverage the City's capital resources.
- Comply with applicable state and federal mandates.
- Seek out opportunities for grants and recognition awards.

---

**Summary**

Despite the many benefits of capital improvement planning, it is important to highlight the fact that the CIP is a fluid document. Changes can occur for many reasons. Revenues can fluctuate as a result of changing economic conditions or shifts in public policy. Private economic decisions can also affect the timing, scale, and location of capital projects. Finally, community objectives are difficult to set and may be altered during the annual budget process when priorities are often revised.

In summary, a CIP should reflect community assets, community needs, and community goals. A CIP should also provide guidelines for growth and development. The proposed CIP for the City of Osage City takes these objectives into consideration and provides a comprehensive community improvement picture based on current financial projections.

**Program Needs Identified**

The CIP Budget includes the following operating fund cash commitments. These are projects that we commit to out of our operating fund cash. This includes the General Fund, Electric, Water, Gas, Sewer, and Sanitation Funds. Much of this activity is routine replacement or major maintenance of large-scale equipment and public facilities.

**2010****Parks and Recreation:**

Huffman Park Parking Lot Construction	6,000
Lincoln Park Rehabilitation/Construction	13,000
Santa Fe Depot Door Replacement	4,000
Rails to Trails Construction (17 <sup>th</sup> -9 <sup>th</sup> Streets)	120,000
Jones Park Shelter House	6,500

**Street:**

Sidewalk Reconstruction	25,000
Chipseal	70,000
Skimpatching	10,000
Holliday St. – Railroad track to 7 <sup>th</sup> St.	70,000

**Water:**

Filter Rehabilitation	40,000
Water Tower Painting	100,000

**2011****Airport:**

Relocation of residence	10,000
Land purchase for new runway	20,750
Preliminary design & aeronautical survey	7,000

**Administration:**

Bathroom Remodel	7,000
------------------	-------

**Parks and Recreation:**

Jones Park Irrigation System	13,500
2" overlay parking lots in Jones Park	28,000

5" overlay existing gravel lots in Jones Park	88,000
---	--------

Street:

Sidewalk Reconstruction	20,000
Chipseal	70,000
Skimpatching	10,000
KLINK Project (Phase 1)	70,000
Lakin/9 <sup>th</sup> /7 <sup>th</sup> Mill & 3" overlay	181,870
Replacement street marker signs	3,500
Replacement street signs	6,000

Water:

Water Plant Roof Replacement	45,000
------------------------------	--------

Sewer:

Sewer Line Replacement – Holliday St.	100,000
---------------------------------------	---------

Sanitation:

Replacement dumpsters	12,000
-----------------------	--------

2012

Airport:

Runway design	7,500
---------------	-------

Parks and Recreation:

Remodel block walls at Community Building	4,500
Cemetery Shelter/Bathroom Construction	12,000

Street:

Sidewalk Reconstruction	20,000
Chipseal	75,000
Skimpatching	10,000
11 <sup>th</sup> & C Street Project	22,000
Replacement street marker signs	3,500
Replacement street signs	6,000

Water:

Water Plant Drainage Ditch Rehabilitation & Storage Building Construction	65,000
--	--------

Sewer:

Hallbrook Pump Station Replacement	45,000
------------------------------------	--------

Sanitation:

Replacement dumpsters	6,000
-----------------------	-------

2013

Airport:

Grade runway	65,750
--------------	--------

<b>Electric:</b>	
Roof Repair in Main Plant	135,000
<b>Parks and Recreation:</b>	
Skating Rink Bathroom Project	30,000
<b>Street:</b>	
Sidewalk Reconstruction	20,000
Chipseal	75,000
Skimpatching	10,000
5 <sup>th</sup> and Holliday Street Project	45,000
Nichols Road repair – 8” concrete	420,000
Replacement street marker signs	3,500
Replacement street signs	6,000

<b>Sanitation:</b>	
Replacement dumpsters	6,000

**2014**

<b>Airport:</b>	
Pave and light runway	96,500

<b>Street:</b>	
Sidewalk Reconstruction	20,000
Chipseal	75,000
Skimpatching	10,000
Replacement street marker signs	3,500
Replacement street signs	6,000

<b>Sanitation:</b>	
Replacement dumpsters	6,000

**Identified Projects to be Financed:**

These are projects that have been identified but are not within the City’s foreseeable operating cash availability. General Obligation, Revenue, or other bonding structures will be implemented in order to proceed with the necessary projects listed below.

<b>Gas:</b>	
Distribution Line Replacement	\$900,000

**Identified but Unscheduled Projects:**

These are projects that have been identified but cost estimates have not been prepared, funding is not available within the existing constraints, or are outside of the timeframe of the current plan. These are not presented in any particular order. Where tentative costs are known, they are indicated.

<b>Electric:</b>	
Upgrade SW Circuit	\$665,000

	Upgrade Balance of System	1,200,000
Water:		
	Replace Approx. 3 mi. of Pipe	800,000
Sewer:		
	Lagoon Expansion	1,500,000
	Line Replacement	1,500,000
Gas:		
	Regulator Station and Upgrade Line Pressure	600,000
	6 in. High Pressure Distribution Line	2,500,000
Street:		
	Ellinwood St. 6 <sup>th</sup> to 9 <sup>th</sup>	180,000
	New Curb and Gutter, 5 in. Asphalt	
	Lord St. 6 <sup>th</sup> to 8 <sup>th</sup>	120,000
	New Curb and Gutter, 5 in. Asphalt	
	7 <sup>th</sup> St. Lakin to Main	36,000
	Mill and Overlay 3 in.	
Parks and Recreation:		
	Huffman Park Bathroom Construction	12,500

# The City of Osage City Kansas

2010 - 2014

## EQUIPMENT REPLACEMENT PLAN

In addition to the Capital Improvement Plan, the City of Osage City also has completed a five-year Equipment Replacement Plan (ERP). The ERP is used as a preparatory tool for future equipment needs within the City. It is intended to inform the Council and citizens of the major equipment needs on the horizon. The first year of the plan becomes an adopted equipment budget and relates to the operating budget of the City through interfund transfers to the Equipment Reserve Fund.

### Program Needs Identified

The ERP Budget includes the following operating fund cash commitments. These are projects that we commit to out of our operating fund cash. This includes the General Fund, Electric, Water, Gas, Sewer, and Sanitation Funds. Much of this activity is routine replacement or repair of equipment and vehicles.

#### 2010

CAT Loader Lease	26,000
Replacement Dump Truck Purchase	22,000
Backhoe Purchase	100,000
Post Hole Augers Purchase	4,200
Water Plant Furnace Replacement	6,000
Utility Box for 2009 Ford Pickup	7,000

#### 2011

CAT Loader Lease	26,000
Jones Park Playground Equipment Purchase	35,000
Mower Purchase	9,000
1 Ton Truck – Parks and Recreation	25,000
Tractor with Cab and Loader	45,000
Bush Hog Mower	5,000
Power Paint Sprayer	7,000
Power Washer/Steam Cleaner	9,000
1 Ton Flatbed Truck – Street	30,000
Replacement Street Sweeper Payment	57,800

#### 2012

City Hall Vehicle Purchase	30,000
Mower Purchase	9,000
Replacement Street Sweeper Payment	57,800
Replace 2000 Chevy Pickup	30,000

2013

Mower Purchase	16,000
Replacement Street Sweeper Payment	57,800
Replace 1987 Chevy Flatbed	30,000

2014

Mower Purchase	9,000
Replace 1998 Chevy Pickup	30,000

---

## Glossary of Terms

**Activity:** Specific of distinguishable type of work performed by a component of government for the purpose of accomplishing a function for which the government is responsible.

**Administrative:** Pertaining to management and carrying out of laws and functions, as opposed to legislative and judicial.

**Adopted Budget:** The budget that is amended and approved by the City Council. The adopted budget becomes effective January 1

**Ad Valorem Tax:** A tax levied on the assessed value of real and personal property (also referred to as the property tax).

**Agency and Trust Funds:** Funds established to account for cash and other assets held by a municipality as agent or trustee. Such funds are not assets of the municipality but, through the operation of law or by agreement, the municipality is responsible for their accountability.

**Allocation of Funds:** To set aside funds for a specific purpose or program.

**Amendment:** A change or addition which changes the meaning or scope of an original formal document. Often these are laws or regulations. However, plans or specifications can also be amended.

**Amortization:** The gradual elimination of a liability in regular payments over a specified period of time. Such payments must be sufficient to cover both principal and interest.

**Appraised Value:** The market value of real property, personal property, and utilities as determined by the County Appraiser.

**Appropriation:** Expenditure authority approved by the governing body with specific limitations as to the amount, purpose, and time.

**Assessed Value:** The official value placed on real estate, personal property, and utilities as a basis for levying taxes. The value is determined by applying a mathematical factor to the appraised value. The value is also determined by the property classification; residential real estate is assessed at 11.5%.

**Assessment:** The value placed on an item of real or personal property for property tax purposes. The rate of tax times the value equals the amount of tax levied on the property. Also a special tax levied on the property within a special assessment district.

**Assets:** Property owned by the City which has monetary value.

**Audit:** An examination of the financial activities of an agency and the report based on such examination.

**Balanced Budget:** When a government's total revenues (money that it takes in) equals its total outlays (spending) in a fiscal year.

**Basis of Accounting:** The method used to determine when revenues and expenditures are recognized for budgetary purposes.

**Bond:** Process for the long-term borrowing of funds. Osage City uses bonds to finance large capital projects. Lenders, the purchasers of the bonds, are repaid the principal amount in annual installments and accrued interest semi-annually.

**Budget:** A plan of financial operation including an estimate of proposed expenditures for a given period and proposed means of financing them. In Kansas, counties, cities, and most special districts used the calendar years as the budget period.

**Budget Adoption:** A formal process by which the budget is approved by the governing body.

**Budget Amendment:** The legal means by which an adopted budget may be increased. The budget may only be increased with revenues other than ad valorem taxes. The amendment process follows similar steps as the budget adoption.

**Budget Calendar:** Schedule of key dates or milestones followed by City departments in the preparation, review, and administration of the budget.

**Budget Message:** Opening section of the budget which provides the City Council and public with a general summary of the most important aspects of the budget, changes from current and previous fiscal years, and recommendations of the City Manager.

**Budget Publication:** A legal step towards formal budget adoption. To meet legal requirements, the public must be notified of budget proposals via local print media.

**Capital Expenditures:** Funds used to acquire or improve long-term assets.

**Capital Improvement Plan (CIP):** A long-term plan for expenditures which result in the acquisition of land, improvements to existing facilities, and construction of major public infrastructure and facilities.

**Capital Outlay:** Fixed assets which have a value of \$300 or more and have a useful economic lifetime of more than one year.

**Capital Reserve Funding:** Established to account for resources legally set aside for anticipated capital expenditures, including construction, purchase or replacement of, or addition to, municipal buildings, equipment, machinery, motor vehicles, or other capital assets.

**Carryover:** Established funds have carryover listed as a revenue source. This indicates the balance of unspent funds brought forward from the end of one fiscal year to the beginning of next. This practice follows principles of sound fiscal management.

**Cash Basis:** An accounting method which reports income when received and expenses when paid.

**Certification:** A formal, written declaration that certain facts are true or valid.

**City Manager:** The chief administrator of a municipality in the council-manager form of government, appointed by the City Council as the City's chief executive officer.

**City of the Second Class:** Kansas statute provides for three classifications of cities based on population size. Classification of cities originally helped establish the powers and duties of each incorporated city. However, now all cities in Kansas have the same powers as a result of the Constitutional Home Rule Amendment passed in July 1961 (see also Home Rule). Though classifications have remained in statute and in municipal culture as a historical remnant, they serve as a general reference tool for the size of a city.

**Comprehensive Plan:** A generalized, coordinated land use policy statement of the governing body of a city consisting of maps and descriptive text covering objectives, principles, and standards used to develop the plan. A comprehensive plan must include a plan, scheme, or design for (at least) the following elements: housing; capital facilities; utilities; natural resource lands and critical areas.

**Commodities:** Supplies required by the municipality in order to perform the services to its citizens.

**Contractual Services:** Costs of services provided by external entities.

**Council:** Elected officials of a city who set the general policies under which the city operates. Members are elected by ward. The Mayor is not a member of the City Council but along with the Council members forms the Governing Body.

**Council President:** The Council member elected by fellow members of the City Council to serve in the temporary absence of the Mayor.

**Debt Service:** The annual payments required to support debt issues including interest and principal.

**Defeasance:** The process to authorize the retirement of bonds prior to the originally anticipated end date.

**Department:** A functionally similar group of city divisions. The City's Departments are headed by a single Department Head who reports directly to the City Manager.

**Depreciation:** A non-cash expense that reduces the value of an asset as a result of wear and tear, age, or obsolescence. Most assets lose their value over time (i.e. they depreciate) and must be replaced once the end of their useful life is reached.

**Disbursement:** The actual payout of fund; expenditure.

**Division:** An organizational unit that is functionally unique in the delivery of services. A Division may contain one or more programs.

**Employee Benefits:** Social Security, retirement, unemployment compensation, and health/life/dental insurance for eligible employees paid by the City of Osage City through the payroll process.

**Encumbrance:** Moneys not yet paid out but which are dedicated to a specific expense for goods or services being received or already received.

**Enterprise Fund:** Governmental activities that can be operated most like a commercial business are referred to as enterprise activities and are accounted for in enterprise funds. Osage City's enterprise activities include electric, water, gas, sewer, and sanitation utilities. Expenditures are matched with revenue from service charges to ensure the program is self-supporting.

**Equipment Reserve Fund:** A long-range plan for expenditures which result in the acquisition of depreciable items of significant cost (i.e. major office equipment, information technology, etc.)

**Expenditure:** An outlay of cash for the purpose of acquiring an asset or providing a service.

**Fees:** General term used for any charge levied by local government in connection with providing a service, permitting an activity, or imposing a fine or penalty. Major types of fees include building permits, fines, and user charges.

**Fiscal Year:** Period used for accounting year. The City of Osage City has a fiscal year of January 1 through December 31.

**Franchise:** A special privilege granted by a government, permitting the continued use of public property, such as city streets or utility poles, and usually involving the elements of monopoly and regulation.

**Fund:** An independent fiscal and accounting entity for recording expenditures and revenues, comparable to an individual bank account. Funds are established for specific activities and are subject to special limitations.

**Fund Balance:** *See Carryover*

**General Fund:** The fund that accounts for all revenues and expenditures which are not accounted for in specific purpose funds. It finances the ordinary operations of the City.

**General Obligation Bond:** A financial instrument giving borrowing power to a municipality, based upon pledging of taxing power to retire the debt and pay interest.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity.

**Governing Body:** The elected officials of the City including the mayor plus Council members.

**Governmental Funds:** Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue fund, debt service fund, capital project fund, and permanent funds.

**Grant:** A monetary contribution by a government or an organization to financially support a particular function or purpose.

**Home Rule:** The ability of cities to govern themselves independently from the state government. Cities must still abide by state laws. Kansas passed the Home Rule Amendment to the state constitution in 1961.

**Interest:** Fee charged by the lender to a borrower for use of borrowed money.

**Investment Income:** Interest earned on public funds being held until expended. Investments can only be made in instruments specific specified by state law.

**Levy:** A compulsory collection of monies or the imposition of taxes. The total amount of taxes, special assessments, or service charges imposed by a government to support governmental activities.

**Line Item:** The most detailed unit of budgetary expenditures listed in the City of Osage City budgets. Line items are tracked by four-digit object codes.

**Mayor:** Elected leader of the Governing Body tasked with building consensus among Council members, presiding over meetings of the Governing Body, assisting the City Council in setting goals and policies, serving as an ambassador and defender of the community, nominating persons to serve on boards and committees, and then appointing them after Council approval. Together, the Mayor and City Council form a policy-development team. The Mayor is the only member of the Governing Body who is elected at-large.

**Mill:** A monetary unit used to express the property tax rate. One mill is equivalent to one-thousandth of a dollar, or \$1 of tax per \$1,000 of assessed value.

**Motor Vehicle Tax:** The County Appraiser is required to determine the value of motor vehicles and place them within statutorily prescribed classifications. The value of a motor vehicle is multiplied by the assessment rate of 20% to produce the tax value. The County Treasurer is required to collect the tax and distribute it among all taxing subdivisions including the City of Osage City.

**Operating Budget:** A one-year budget approved by the City Council that includes appropriations for direct services to the public including wages and benefits, materials and services, and equipment. Excluded from the operating budget are capital improvement projects, debt service requirements, transfers, and reserves.

**Ordinance:** An enforceable law or statute enacted by a city, town, or country. See Resolution.

**Principal:** The amount borrowed or the amount borrowed which remains unpaid.

**Public Hearing:** A meeting or portion of a meeting set up to give members of the public a chance to speak on a particular subject such as the proposed annual budget.

**Recommended Budget:** City budget developed by the City Manager and submitted to the City Council for its deliberation.

**Reserved Fund Balance:** Those portions of fund balances that are not appropriable for expenditure or that are legally segregated for a specific future use.

**Resolution:** An act that is typically less formal than an ordinance, expressing the opinion or mind of the governing body, and generally dealing with matters of a special or temporary character or setting policy.

**Revenue:** A source of income which finances governmental operations.

**Revenue Bonds:** Bonds issued by a municipality to be paid exclusively from the revenue derived from the operation of a utility. K.S.A. 10-1201.

**Sinking Fund:** Established to account for the accumulation of money providing for the retirement of bonds and the payment of interest. See also Defeasance.

**Special Assessments:** Charges assessed against property in a special district formed to pay for specific capital improvements such as streets, sewers, curbs, and gutters. While charges are normally assessed on the basis of the square footage of the lot, charges alternatively may be assessed against the value of the lot, or on the basis of both lot square footage and value.

**Special District:** A designated geographic area in which a tax is levied to pay for specific capital improvements such as streets, sewers, curbs, and gutters.

**Special Revenue Funds:** Funds used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Tax Year:** The calendar year in which ad valorem taxes are levied to finance the following calendar year budget. For example, taxes levied in 2007 finance the 2008 budget.

**Taxable Valuations:** Valuations set upon real estate or other property by a government as the basis for levying taxes.

**16/20 Vehicle Tax:** The State of Kansas collects tax on larger vehicles and distributes a portion to cities. The revenue is collected in the City's general fund.

