

ITEM: Initial Draft of 2018 Budget	
DATE:	April 26, 2017
TO:	City of De Soto Council and Mayor
FROM:	Mike Brungardt, P.E., City Administrator
CC:	City Staff
EXHIBITS:	Exhibit A: Draft 2018 Budget Exhibit B: Outline of Request for New Utility Clerk Position Exhibit C: Outline of Request for New Janitorial Position Exhibit D: Equipment and Rolling Stock Replacement Program Exhibit E: Capital Improvement Project Listing

Attached as **Exhibit A** is the initial draft of the 2018 budget. As we have discussed, we are on a compressed schedule this year because of the property tax lid implications, and the possibility of having to hold a vote on a mill levy increase. We will need to be able to decide on a public vote by the first of June. This doesn't mean that we need to have the budget finalized, but we would need to know a precise mill levy rate for the General Fund, and have some narrative on why we need to increase property taxes.

The accelerated schedule means that we are making more assumptions than usual about 2017 projections, and next years' appraisals. Regardless, it is clear that the overall City mill levy will be decreasing significantly from the 27.062 mills levied this year. Based on the attached proposed budget, and the assumptions made about assessed valuations, I am projecting a decrease in the mill levy of 2.99 mills. This is due in small part to the State property tax lid law, but mostly because of a 11.8% increase in assessed valuation for 2018.

Below are summaries of the different facets of the 2018 budget, and specific explanations of any significant changes that are being proposed in the attached budget document. Most notably, I am re-introducing the 5-year projections into our official budget publication, which have been absent since the 2015 budget.

1. Property Appraisals and Sales Tax Revenues

- a. County Appraisal Report: I received the County Appraiser's Revaluation Report in February, and we will not receive final numbers until at least mid-June. While previous year's June reports have not deviated significantly from the February numbers, there is a chance this year will be different because higher-than-average valuation protests this year.

- b. The total county-assessed valuation for De Soto for 2017 (which is the figure used to set the 2018 tax rates) is \$65,579,433. This represents an 11.8% increase over the 2016 valuation of \$58,636,871.
- c. State-assessed valuations for personal property and utilities are not yet available, so we have used the 2016 numbers to arrive at a total assessed valuation for the City of \$73,727,249. This should be a slightly conservative number since the state assessed valuations can be expected to increase slightly.
- d. Sales and use tax projections for 2017 reflect an upward trend that began in the latter half of 2016. With \$1,303,000 budgeted this year, we are projecting to end the year with \$1,368,000.
- e. Revenues from the voter-approved County Courthouse sales tax will have a significant positive impact to the general fund for the next decade, since a portion of the money generated must be shared with the cities in the county. Johnson County projects that De Soto will receive a total of \$1.4 Million over the 10-year period from the tax.
 - i. The tax started on April 1, 2017, and the county estimates that De Soto will receive a total of \$77,852 in 2017. I have therefore included \$70,000 in the 2017 projections. This number shows up in the 5-year projections spreadsheet.
 - ii. The county estimates that De Soto will receive \$141,125 in 2018; so I have included \$135,000 in our 2018 budget. This number is lumped in with the rest of the County sales tax revenues in Line Item #31340.

2. General Fund Revenues

As always, the proposed budget takes a slightly conservative approach to estimating revenues.

- a. Franchise Fees are expected to remain flat compared to the past several years. Projections for 2017 are marginally above the budgeted amount of \$580,000, so the proposed 2018 budget has been bumped up slightly to \$582,500. Even though the number of residents is steadily increasing, (the latest population projections from CERI put De Soto at 6,508 people), franchise fees are not. This can partly be attributed to better energy efficiency of new construction and appliances, but I continue to be suspect of some of the franchise remittances, specifically from AT&T and Charter, who have been guarded about the information they use to calculate payments to the City.
- b. Permitting and licensing fees have been increased from \$35,300 in 2017 to \$54,700 in 2018 because of continued uptick in activity in new construction. The Arbor Ridge subdivision should be in full swing in 2018, and other commercial and industrial activity appears to be on an upward trend.
- c. Property Tax Lid: The amount of property tax we can collect for the general fund is set by the new property tax lid law. For 2018 this amount equates to the amount we will collect in 2017 (\$1,036,396), plus an inflation factor equal to the 5-year rolling average of the regional Consumer Price Index (in this case 1.40%), plus the valuation increase resulting from new construction (in this case 1.32%). The total maximum amount of

property tax we are allowed to collect in 2018 is \$1,063,599. With a higher assessed valuation, this means that our General Fund mill rate will decrease from 15.572 mills in 2017 to an estimated 14.485 mills in 2018, a reduction of 1.087 mills.

- d. The property tax lid does not apply to the Debt Service Fund or to the Law Enforcement Fund. However, we have no need to collect more revenue in those funds than is needed to cover the expenses and maintain a reasonable fund balance. The mill rate for those two funds will therefore decrease as well.

3. General Fund Expenditures

With better-than-expected sales tax projections and expense cutbacks over the past nine months, it appears we have effectively reversed the downward trend of year-end General Fund balances that dominated our discussions last year. This opens up possibilities to consider funding some of the initiatives we have discussed recently.

- a. Overall:

- i. The broad view of the General Fund budgeting policy keeps watch on the year-end fund balances. We began 2016 with a fund balance of \$861,179, and ended it with a balance of \$926,296. The increase includes \$180,000 in un-budgeted insurance proceeds from the hail storm which will be spent largely in 2017, plus a total of \$282,562 in unexpended appropriations. These two factors, along with \$92,000 in excise tax from Merck turned a 2016 budgeted shortfall of \$600,000 into an increase of around \$65,000.
- ii. Our history shows a consistent pattern of notable amounts of unexpended budget appropriations at the end of each budget year. This is largely due to the practice of conservative line-item budgeting in the departmental funds. This practice is continued in the proposed 2018 budget, but some items have been reduced from previous year's appropriations if they are wholly out of line with the historical expenses or what we expect to spend next year.
- iii. The aim of the 2018 budget proposal is to balance proposed expenses with expected revenues, resulting in a net zero change to the year end fund balance. Part of this equation is the projection of "Unexpended Appropriations", which is set at a conservative \$50,000 in the 5-year projections spreadsheets. The fact that this amount is below the average of about \$150,000 per year provides flexibility in 2018 allocation decisions.

- b. Administration:

- i. Wage Increases: The base budget includes 3.5% merit increases for all City employees, throughout all departments. This increase is in line with almost all other Johnson County cities, based on discussions with other City Managers. The results of our ongoing compensation study will be available in June, and can guide any adjustment to this figure.

- ii. New Utility Billing Position: The base budget includes the addition of a utility billing clerk at City Hall. The need, justification, and costs for the new position are detailed in **Exhibit B**. The total budgetary impact including an hourly rate of \$16.50 and benefits for this position is \$61,090.
 - iii. New Full-Time Community Center Monitor and Janitorial Position. The base budget includes the addition of a monitor/janitorial position in the Community Center. This person will take the place of some of the monitors, and the contracted cleaning company. The need, justification, and costs for the new position are detailed in **Exhibit C**. The total budgetary impact for this position including an hourly rate of \$15 plus benefits is approximately \$34,000.
 - iv. De Soto Days: The De Soto Days allocations remain at \$7,000, but we need to bring clarity to how the funds are used and what is coded to this line item. Historically, it has been used to reimburse the De Soto Days Committee for a portion of the expenses necessary to put on the festival, and to code City expenses directly related to the event. However, there has not been a set amount that is reserved for the De Soto Days Committee, or any specific policy on what City costs are coded to the item. Most notably, the additional Sheriff's patrol costs, (which average about \$5,500 a year), were coded here in 2012, 2013, and 2016, but not before then. The De Soto Days Committee reimbursements have varied in the past five years from zero in 2015 to \$4,220 in 2010. To clarify our policy for these funds, I propose the following:
 - 1. Set the De Soto Days Committee allocations at \$4,000 per year.
 - 2. Code the Sheriff's contract services to the Law Enforcement fund so it is not subject to the property tax lid.
 - 3. Code the City costs for the portable toilets, dumpsters, and cleanup & restoration costs to the De Soto Days line item.
 - 4. Consider revising our donations policy such that the allocation for De Soto Days is not a reimbursement program, but a direct grant. This will alleviate the need for the Committee to submit receipts to the City for reimbursement.
- c. Vehicle & Equipment Replacement Program:
- i. The most notable change from past year's budgets for the general fund is the implementation of the Equipment and Rolling Stock Replacement Program, which is detailed in **Exhibit D**. The overall budgetary impact for the program in 2018 is \$55,839. There is also an impact of \$15,881 to the Water Fund to implement the program. These amounts are included in the lease purchase payments line items in the street department and water department budgets.
 - ii. In general, the recommendation is to procure most the City's heavy equipment (backhoes, tractors, asphalt roller, grader, etc.) through lease-purchase arrangements, and fund rolling stock replacements (pickups and dump trucks)

with loans from the electric reserve fund. The first year of the program has total expenditures of \$86,700. The average yearly projected expenditures over the next ten years are approximately \$200,000. This figure can be compared to an average historical expenditure of about \$100,000 during the past five years for leases and purchases of equipment and rolling stock. Over time, particularly due to the advantages of leasing our heavy equipment, our costs for vehicle repair will moderate to a degree, and at least partly make up for the added \$100,000 per year investment in new equipment.

- iii. The proposed 2018 budget includes new lease purchase arrangements for a tractor and asphalt roller in the street department; and a backhoe and a mini-excavator in the water department. It also includes the first year of a 5-year loan payment for the purchase of a new 5-yard dump truck for the street department.
- d. Transfer to Capital Improvements: The proposed 2018 budget includes a \$300,000 transfer from general fund into the capital improvements fund for road improvements. This is up slightly from 2017's transfer of \$292,609. Historically, this amount represents 4.1 mills of revenue that have been specifically set aside for road improvements.

4. Capital Improvements Fund

- a. Revenues: Total 2018 revenues for the CIF are \$778,000. This represents a 24% increase over the total 2017 revenues of \$625,609. The main reason for this increase is a transfer of \$125,000 from the Capital Projects fund, where the \$92,000 Merck excise tax payment was deposited in 2016. With a projected starting balance of nearly \$260,000, the total 2018 CIF assets are just over \$1.0 Million.
- b. Projects: During the budgeting process the past few years, we did not specifically identify the projects we would implement, but left that discussion until after the first of the year. Because of our early start this year, we may have more time to devote to this discussion. We could always reprioritize projects later.
- c. **Exhibit E** is our capital improvement projects listing that we have worked with the past several years, with a few additions and updates for projects that have been completed.

5. Debt Service Fund

- a. The Debt Service fund is projected to end 2017 with a balance of just over \$900,000. Aside from ensuring the fund maintains a cashflow reserve to make yearly year payments, the benefits of a substantial balance in the fund are limited.
- b. The proposed property tax revenues to be collected in 2018 equate to a mill levy of 3.75 for this fund, down from 4.94 in 2017 – a reduction of 1.19 mills. At this level, the fund balance will decrease slightly to \$861,331 by the end of 2018.

- c. If we chose, we could use the excess fund balance to pay down existing debt. We would enlist the help of our financial advisor to determine which debt is most advantageous to retire, and what amount of fund reserve we should keep in the fund.

6. Law Enforcement Fund

- a. We are projecting a cash balance of just under \$49,000 in the Law Enforcement fund by the end of 2017.
- b. The 2018 revenues equal the expected expenses for the fund, so we will maintain the cash balance of around \$49,000.
- c. We have anticipated the Sheriff's Contract to increase from \$462,000 in 2017 to \$470,00 in 2018, but we do not yet have the Sheriff's input on that amount. At this time, it represents a conservative estimate.
- d. I am projecting a mill rate for Law Enforcement of 5.842, down from 6.55 in 2017 – a reduction of 0.708 mills.

7. Water Fund

- a. Last year's water rate increase is projected to have a \$200,000 positive impact on the fund balance, which is roughly equal to the increase in transfer to the debt service to cover the 2015 bond payments.
- b. An inflationary rate increase of 3.5% is included in the 2018 budget to account for corresponding projected increases in commodity, personnel, and contractual services.
- c. 2018 lease purchase payments have been increased to implement the Vehicle and Equipment Replacement Program. This includes leases on a new backhoe and mini-excavator.

8. Sewer Fund

- a. There is a 5% rate increase included in the 2018 budget proposal. This is needed to curtail the decreasing fund balances that are largely the result of the additional \$70,000 transfer to debt service implemented in 2017.
- b. Overall sewer fund budget expenses have decreased from about \$623,000 in 2017 to \$610,000 in 2018.

9. Visioning Priorities and Additional Initiatives

Numerous initiatives and priorities have arisen out of our visioning and strategic planning discussions, some of which cost money. Although our Strategic Plan is only in draft form at this point, I have listed below the initiatives that have a cost, have a high priority, and are scheduled for early implementation. The intent is to identify these items for discussion and possible inclusion in the 2018 budget. None of these items are in the initial draft budget, but several could be included if we are comfortable increasing the assumptions on next year's "Unexpended Appropriations", or decreasing the expected end of year fund balance.

#	Item	Department	Cost
1	Initiative IF5.1: Disaster Mitigation Plan	101-100 Admin	\$ 20,000
2	Objective IG1.1B: Hire consultant to produce new website	101-100 Admin	\$ 40,000
3	Initiative IG1.2: Develop a brand for De Soto as a marketing and communication tool.	101-100 Admin	\$ 30,000
4	Initiative IG1.3: Provide printed or non-digital communications	101-100 Admin	\$ 20,000
5	Objective IG1.4C: Pursue social media, Facetime and Skype for crime reporting and alerts for criminal activity in a specific area.	101-100 Admin	\$ 10,000
6	Objective IG2.1A: Hire a consultant to produce a promotional video.	101-100 Admin	\$ 8,000
7	Objective IG4.3C: Consider reinstatement of providing dumpsters in Miller Park one weekend a year for city-wide cleanup	101-100 Admin	\$ 4,000
8	Objective AM1.1.A: Hire a consultant to update the 2006 Parks & Recreation plan	101-600 Parks	\$ 35,000
9	Initiative AM1.2: Move all soccer fields to Lexington Lake Park. – Phase I.	101-600 Parks	\$ 150,000

10. Additional Budgeting Options.

- a. In 2016 we borrowed \$450,000 from the Electric Reserve Fund to pay for the Commerce Dip project. We have yet to decide when, how, or if we want to pay that back to the Electric fund. We could consider paying a lump sum amount from the built-up fund balance in Debt Service. We could also Keep in mind that the HARPS TIF district includes a provision for the City to be paid back from sales tax revenues near the end of the 10-year term.
- b. For the 2017 budget, we allocated \$132,980 from the general fund to directly pay debt service. This was done to provide a 2-mill buffer in the general fund because of the looming property tax lid law. With the reserves available in Debt Service, we could chose to eliminate the debt payment from the General Fund, allow the Debt Service fund balance to decrease (or increase the mill for Debt Service), thereby freeing up the allocation for other purposes (such as the visioning priorities listed above).

**End of Report
Exhibits to Follow**

2018 Budget Summary

City OF De Soto
 32905 West 84th Street
 De Soto, KS, 66018



	2018 General Fund	Water Fund	Sewer Fund	Refuse	Law Enforce.	Debt Service	All others	Total	2017 General Fund
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Revenues										
Franchise Fees	\$ 582,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 582,500	\$ 592,331
Fees/Fines/Permits/Etc.	\$ 564,408	\$ -	\$ -	\$ -	\$ 45,044	\$ 107,628	\$ 566,754	\$ 1,283,833	\$ 486,550	
Transfers	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 663,676	\$ 864,200	\$ 1,567,876	\$ 40,000	
Sales Tax	\$ 1,575,000	\$ -	\$ -	\$ -	\$ -	\$ 480,000	\$ -	\$ 2,055,000	\$ 1,550,000	
Property Tax	\$ 1,063,599	\$ -	\$ -	\$ -	\$ 428,956	\$ 275,352	\$ -	\$ 1,767,907	\$ 557,959	
Service Charges	\$ -	\$ 1,627,640	\$ 517,150	\$ 443,300	\$ -	\$ -	\$ -	\$ 2,588,090	\$ -	
TOTAL	\$ 3,825,507	\$ 1,627,640	\$ 517,150	\$ 443,300	\$ 474,000	\$ 1,526,656	\$ 1,430,954	\$ 9,845,206	3,226,840	

Expenses									
Cap. Outlay	\$ 267,068	\$ 27,550	\$ 16,675	\$ -	\$ 4,000	\$ -	\$ -	\$ 315,293	\$ 93,836
Commodities	\$ 422,600	\$ 345,100	\$ 82,600	\$ -	\$ -	\$ -	\$ 146,100	\$ 996,400	\$ 372,003
Contractual	\$ 801,500	\$ 346,100	\$ 221,500	\$ 429,727	\$ 470,000	\$ 1,565,404	\$ 803,200	\$ 4,637,431	\$ 660,067
Transfers/Expenses	\$ 320,000	\$ 428,676	\$ 140,000	\$ -	\$ -	\$ -	\$ 515,000	\$ 1,403,676	\$ 541,436
Personnel	\$ 2,038,460	\$ 573,862	\$ 149,444	\$ -	\$ -	\$ -	\$ -	\$ 2,761,766	\$ 1,751,070
TOTAL	\$ 3,849,629	\$ 1,721,288	\$ 610,219	\$ 429,727	\$ 474,000	\$ 1,565,404	\$ 1,464,300	\$ 10,114,566	3,418,412

Column1	2018 General Fund	Water Fund	Sewer Fund	Refuse	Law Enforce.	Debt Service	All others	Total	2017 General Fund
Cash Balance 2016 Audited	\$ 926,296	\$ 935,784	\$ 268,571	\$ 40,908	\$ 35,086	\$ 842,604	\$ 3,034,666	\$ 6,083,914	
Dec. 2017 Projected Balance	\$ 1,123,609	\$ 896,234	\$ 175,396	\$ 48,858	\$ 52,844	\$ 901,259	\$ 2,972,159	\$ 6,170,358	
Ending Fund Balance	\$ 1,099,486	\$ 802,586	\$ 82,327	\$ 62,431	\$ 52,844	\$ 862,510	\$ 2,972,159	\$ 5,934,344	
Unexpended Appropriations	\$ 50,000	\$ 75,000	\$ 20,000					\$ 145,000	
Fund Balance Difference	\$ 25,878	\$ (18,648)	\$ (73,069)	\$ 13,573	\$ 0	\$ (38,748)	\$ -	\$ (91,014)	

Draft 2018 Budget Attached Separately



Exhibit B

2018 Capital Item Request Full Time Utility Billing Clerk

Department: Administration / Finance
Estimated Cost: \$41,427
Submitted by: Mike Brungardt, Bonnie Bennett

Summary

Hire a full time utility billing clerk position to work the front counter at City Hall.

Cost Estimate

\$41,427 – Includes \$16.50 per hour, plus benefits

Need Description

The Finance Department is requesting a new hire for the position of Utility Clerk in the front office. This person will share some of the responsibilities currently undertaken by Nancy and will alleviate some of the pressure when there are peak times with building permits, recreation deadlines and pool pass and swim lesson signups. This also gives us a backup for the court clerk, which will be needed with the retirement of Boots Linden at the end of 2017. We will have better coverage with vacation and sick days for the front desk. Nancy will move to the desk next to her and take over accounts payable from Bonnie. Bonnie will be able to take on higher level work including budget projections, research projects, and additional tasks assigned by the City Administrator.

This will also correct the issue of separation of duties that the auditors mention each year with regard to cash receipts and accounts payable. Currently the same person opens the mail and makes the deposit, and the same person writes the checks also reconciles the bank statements. With another person, they will open the mail and receipt the funds. Nancy will balance the cash drawer and make the deposit. The new person will take the deposit to the bank. Nancy will prepare the checks and Bonnie will do the bank reconciliation.

We are requesting a salary and benefits of \$41,427 to split between the General and Water Funds..

If the request is not fulfilled:

We will continue to do business as usual.



2018 Capital Item Request Full Time Monitor/Janitor

Department: Community Center/City Hall
Estimated Cost: \$34,007
Submitted by: Jay Garvin

Summary

Hire a full time staff person to work in the Community Center and City Hall. This person would perform the duties currently done by the part-time monitor/janitors and clean City Hall. There would still be a need for a part-time person to work two days per week.

Cost Estimate

\$51,400 (New employee with benefits) + \$10,000 (Part-time) - \$21,000 (Monitors 16') - \$6,396 (Cleaning Company 16') = \$34,007 – TOTAL PROJECTED BUDGET IMPACT FOR 18'

Need Description

Currently we employ two part-time monitors to oversee all activities in the community center outside of full-time staff working hours and do some cleaning. We also contract with a company to clean City Hall. A full-time employee would take care of all cleaning tasks pertaining to the Community Center and City Hall. This person would still monitor all activities happening in City Hall and the Community Center while they are working. This would relieve full-time staff from regular cleaning duties allowing them to accomplish other tasks. This situation would also provide consistency and accountability for these duties. It is becoming harder and harder to find workers for the current part-time hours.

If the request is not fulfilled:

We will continue to do business as usual.

Submitted By: Jay Garvin

Report

<u>DATE:</u>	April 26, 2017
<u>Prepared by:</u>	Mike Brungardt, P.E., City Administrator Brad Weisenburger, City Planner & Capital Projects Director Rin Creason, Street Department Head
<u>EXHIBITS:</u>	Exhibit A: Contractor's Equipment Inventory & Repair Costs Exhibit B: Contractor's Equipment Lease Schedule Exhibit C: Rolling Stock Inventory & Repair Costs Exhibit D: Rolling Stock Replacement Schedule & Electric Reserve Funding Cashflow

Overview

Since late 2012 street department staff has kept repair records in our Iworqs software program for rolling stock (trucks) and contractors equipment (backhoe/tractor etc.). The records are detailed accounting of each piece of equipment and include parts cost, date, repair work completed city employees and repair costs that were sent out to specialty shops. It does not include employee hourly rates when city staff repairs equipment internally.

Additionally, within the Iworqs program a rating system for equipment with parameters established by city staff has been utilized to aid in the process for determining when rolling stock or contractors equipment needs to be replaced. The parameters include repair costs for each vehicle, usage (heavy, medium, light) purchase price and date, current condition and mileage/hours as inputs to determine a rating when the piece of equipment should be replaced. Based upon the 4 years of detailed repair records and other input items the Iworqs program uses the base number of 30 is used when a vehicle should be replaced.

Contractors Equipment

Exhibit A shows a listing of all the City's contractor's equipment, along with total repair costs since 2013. De Soto has 12 contractor equipment items and 4 of which have an Iworqs rating of 30 or above. These include a 1972 Ford 3000 Tractor, 2002 John Deere 410G Backhoe, 1996 John Deere 770BH Motor Grader and 2005 John Deere 410G Backhoe. The motor grader gets limited use and while is an aged piece of equipment, it does not need to be replaced. The motor grader has recently been serviced and should be a reliable piece of equipment for several years. The remaining 3 pieces of contractor's equipment should

be replaced. The backhoes receive heavy usage and have required significant repairs. In the past 4 years, the 2002 backhoe has needed over \$37,000 in repairs the and 2005 backhoe has needed over \$16,000 in repairs. Repairs for contractor equipment have averaged over 20,000 the past 4 years.

The 1972 Ford tractor is an unreliable piece of equipment and was rated 54.9 by the Iworqs program. It is used for mowing primarily but cannot be used beyond that. Streets has a need for a tractor that can pull a brush hog, complete finish grading, scarifying and other 3-point attachment usage.

The street department backhoe and water department backhoe have been maintenance problems for several years. The street department backhoe received a 45.7 by Iworqs and the water department backhoe got a 34.5. Both backhoes should be replaced. These backhoe's have needed combined repairs of over \$50,000 in repairs the past 4 years.

City staff has analyzed the repair data, age of fleet, and usage needs and has determined that the City, upon council approval, should consider a policy of all leasing contractor's equipment. The advantages include primarily the significant reduction in repair costs (estimated between 50-60% of repair costs). Reduction in contractor equipment down time, reduction of city staff working on repairs. For 2018, it suggested that De Soto lease two new backhoes and one tractor. We are currently leasing two pieces of contractor's equipment (Skid steer loader and the John Deere Loader) on an annual lease has worked out quite well. We have received cost estimates on the proposed lease equipment. Staff suggests ramping up to the leasing program and by 2022 be on a fully leased contractor's equipment program.

Attached as **Exhibit B** is the proposed contractor's equipment lease schedule resulting from our analysis, which can be used to show how the lease program will impact the budget through 2025.

Rolling Stock

Rolling stock is categorizes all vehicles that are street legal and are driven by employees on the open road. We currently have 25 trucks ranging from large, heavy use construction dump trucks to small ¼ pick-up trucks. De Soto owns one passenger sedan. Similar to contractor's equipment Iworqs has a rating system (with 30 as a base replacement value) that rates vehicles on age, repairs, condition, usage, and mileage. Of the 26 vehicles that city staff owns and operates, 11 score a 30 or higher.

The dump trucks see the most strenuous use as they haul asphalt, sand, debris gravel and push snow and spread salt during the winter. They also are the costliest to buy as the purchase price includes specialty attachments which include a snow plow, salt spreader, dump bed and outfitting to haul water. Our next category of truck is the flatbed trucks. The flatbed trucks are used for snow removal and hauling heavy equipment to repair sites. The remaining trucks are ½ ton and ¼ trucks. These are used primarily to take people and equipment to job sites.

Exhibit C contains a listing and Iworqs rating for all the City's rolling stock, plus repair cost totals since 2013.

The heavy dump trucks need replaced about every 8 years and the ½ ton trucks can be replaced every 12 years. However, even with the recommendation from the Iworqs software, city staff evaluates each vehicle to determine when a vehicle should be replaced. City staff has City staff has analyzed the repair

data, age of fleet, and usage needs and has determined that the City, upon council approval, the council should consider a policy of replacing all trucks on average every ten years. Some trucks may extend beyond their useful life over ten years but a good replacement policy is to schedule replacement over a ten-year period.

Exhibit D shows the recommended replacement schedule for rolling stock and the payment schedule for each replacement assuming a 50year term at a 3% interest rate.

Funding

The proposed 2018 budget includes the funding necessary to fully implement the first year of the plan outlined herein. Since all contractor's equipment will be leased, the lease payments have been included in the Streets and Water department budgets. The added budgetary impact in 2018 for the contractor's equipment leases is \$9,360 in the Street Department, and \$7,941 in the Water Department.

Lease arrangements are not a financial advantage to the City for rolling stock because of costs, restrictions on mileage, or maintenance responsibilities assigned to the leasee. We will therefore have to purchase these vehicles as needed. Dump trucks, with a replacement cost of \$170,000, would significantly impact our budget in any given year. Staff researched municipal financing options for this purpose, and found limited attractive options. It is therefore recommended that we self-finance the rolling stock replacement program using the Electric Reserve, as has been our practice with past vehicle purchases. In doing so, we can charge ourselves an interest rate that is lower than we could borrow on, and higher than what we could get on the investment market. Based in the recommended replacement schedule outlined above, **Exhibit D** shows how the cash flow within the Electric Reserve fund will be impacted by the program.

**End of Memo
Exhibits to Follow**

Exhibit A of
Exhibit D

City of De Soto, Kansas
Contractor's Equipment
As of January 12, 2017

Unit #	Dept	Equipment Description	Year	VIN Number	Model Number	Serial Number	Iworqs Rating	Repair Costs To-Date	Original Purchase Price	Cost New - Lease(2017)
6-1	Parks	Kubota L3130 Tractor 4x4 with Rhino Front Loader+	2003	N/A	L3130D	32743	22.70	\$ 501.33	\$ 17,194.00	\$ 4,932.00
6-3	Street	Ford 3000 Tractor+	1972	C333952	2C28B	N/A	54.90	\$ 364.88	\$ 5,000.00	\$ 7,869.60
6-4	Street	Massey Ferguson Tractor 5460 Tier III+	2011	n/a	5460	BO83050	19.70	\$ 5,257.78	\$ 91,895.00	\$ 13,000.00
5-1	Street	John Deere 410G Backhoe+	2002	N/A	410G	DPR25-6357-5645	32.6	\$ 37,806.21	\$ 93,000.00	\$ 7,505.00
5-2	Street	John Deere 770BH Motor Grader	1996	DW770BH553094	770BH	2166	39.40	\$ 6,859.37	\$ 117,600.00	\$ -
5-4	Street	Stone Asphalt Roller/Compactor Purchased 6/6/08*	2008		WP 6100	9118351711026	22.50	\$ 7,362.33	\$ 32,689.00	\$ 10,850.00
5-5	Street	Bobcat Skid-Steer Loader *	2016	N/A	Model S 650	Serial # ALJ818379	8.70	\$ 2,962.15	ANNUAL LEASE	\$ 8,000.00
5-8	Street	Bomag Asphalt Paver Purchased 6/10/08	2008		3313	90154	19.60	\$ 1,764.06	\$ 51,605.00	\$ -
5-9	Street	John Deere 524K II Loader w/ Forks and 2.5 CY bucket+	2016	N/A	524K II	1DW524KZCGF67	6.20	\$ -	ANNUAL LEASE	\$ 6,686.37
5-7	Water	John Deere 410G Backhoe+	2005	N/A	410G		33.50	\$ 16,340.65	\$ 89,182.00	\$ 7,505.00
8-10	Water	Vermeer LP 855 SDT Vacuum unit	2012	VT855/10032	LP855SDT-K	N/A	18.90	\$ 3,179.53	\$ 48,570.00	\$ 8,400.00
NEW	Water	Kubota U35-4R3 - Excavator								\$ 8,376.00
								\$ 82,398.29	\$ 546,735.00	\$ 83,123.97
								\$ 82,398.29	Check	

Notes Repair cost to-date does not include city staff time for repairs
Repair cost to-date does not include data prior to 2013

The Fleet Replacement Rating is a way of tracking when it is costing you more to maintain a vehicle within your fleet than it would cost to purchase a new vehicle.

There are a number of factors that go into calculating this rating...

The original purchase date of the vehicle.

The original purchasing price of the vehicle.

The overall use of the vehicle.

The condition of the vehicle.

What is a "good" rating; what is a "bad" rating?

< 25 = good rating (vehicle is in good condition)

25 - 30 = average rating

> 30 = bad rating (vehicle is costing more to maintain than it would cost to get a new vehicle)

Replaced with new lease

*=Leased Annually from 2018

+ =Leased for 5 years from 2018

\$ 20,599.57	Avg Annual Repair Costs
\$ 83,123.97	Avg Annual Veh, Repl. Costs
\$ 103,723.54	Budget for Veh. and Maint.

2018

Contractors Equipment
Estimated Budget Lease Cost for 2018 is \$50,000
Estimated Budget for repairs for 2018 is \$10,000

2013 Repair Costs

Unit #	Dept	Equipment Description	Year	Repair Costs To-Date
6-1	Parks	Kubota L3130 Tractor 4x4 with Rhino Front Loader+	2003	\$ 178.76
6-3	Street	Ford 3000 Tractor+	1972	\$ 48.50
6-4	Street	Massey Ferguson Tractor 5460 Tier III+	2011	\$ 449.34
5-1	Street	John Deere 410G Backhoe+	2002	\$ 4,147.62
5-2	Street	John Deere 770BH Motor Grader	1996	\$ 3,952.84
5-4	Street	Stone Asphalt Roller/Compactor Purchased 6/6/08*	2008	\$ 354.96
5-5	Street	Bobcat Skid-Steer Loader *	2016	\$ 238.20
5-8	Street	Bomag Asphalt Paver Purchased 6/10/08	2008	\$ 1,381.57
5-7	Water	John Deere 410G Backhoe+	2005	\$ 1,337.42
8-10	Water	Vermeer LP 855 SDT Vacuum unit	2012	\$ -

\$ 12,089.21

2015 Repair Costs

Unit #	Dept	Equipment Description	Year	To-Date
6-1	Parks	Kubota L3130 Tractor 4x4 with Rhino Front Loader+	2003	\$61.89
6-3	Street	Ford 3000 Tractor+	1972	\$219.72
6-4	Street	Massey Ferguson Tractor 5460 Tier III+	2011	\$2,670.31
5-1	Street	John Deere 410G Backhoe+	2002	\$12,580.77
5-2	Street	John Deere 770BH Motor Grader	1996	\$768.13
5-4	Street	Stone Asphalt Roller/Compactor Purchased 6/6/08*	2008	\$473.82
5-5	Street	Bobcat Skid-Steer Loader *	2016	\$652.84
5-8	Street	Bomag Asphalt Paver Purchased 6/10/08	2008	\$89.09
5-7	Water	John Deere 410G Backhoe+	2005	\$8,131.72
8-10	Water	Vermeer LP 855 SDT Vacuum unit	2012	\$431.35

\$ 26,079.64

2014 Repair Costs

Unit #	Dept	Equipment Description	Year	Repair Costs To-Date
6-1	Parks	Kubota L3130 Tractor 4x4 with Rhino Front Loader+	2003	\$260.68
6-3	Street	Ford 3000 Tractor+	1972	\$96.66
6-4	Street	Massey Ferguson Tractor 5460 Tier III+	2011	\$1,385.82
5-1	Street	John Deere 410G Backhoe+	2002	\$9,840.33
5-2	Street	John Deere 770BH Motor Grader	1996	\$1,822.98
5-4	Street	Stone Asphalt Roller/Compactor Purchased 6/6/08*	2008	\$213.72
5-5	Street	Bobcat Skid-Steer Loader *	2016	\$820.11
5-8	Street	Bomag Asphalt Paver Purchased 6/10/08	2008	\$213.72
5-7	Water	John Deere 410G Backhoe+	2005	\$3,942.23
8-10	Water	Vermeer LP 855 SDT Vacuum unit	2012	\$1,601.16

\$ 20,197.41

2016 Repair Costs

Unit #	Dept	Equipment Description	Year	Repair Costs To-Date
6-1	Parks	Kubota L3130 Tractor 4x4 with Rhino Front Loader+	2003	\$ -
6-3	Street	Ford 3000 Tractor+	1972	\$ -
6-4	Street	Massey Ferguson Tractor 5460 Tier III+	2011	\$ 752.31
5-1	Street	John Deere 410G Backhoe+	2002	\$ 11,237.49
5-2	Street	John Deere 770BH Motor Grader	1996	\$ 315.42
5-4	Street	Stone Asphalt Roller/Compactor Purchased 6/6/08*	2008	\$ 6,319.83
5-5	Street	Bobcat Skid-Steer Loader *	2016	\$ 1,251.00
5-8	Street	Bomag Asphalt Paver Purchased 6/10/08	2008	\$79.68
5-9	Street	John Deere 410G Backhoe+	2016	\$ -
5-7	Water	John Deere 410G Backhoe+	2005	\$ 2,929.28
8-10	Water	Vermeer LP 855 SDT Vacuum unit	2012	\$ 1,147.02
NEW	Water	Kubota U35-4R3 - Excavator	2016	

\$ 24,032.03

Exhibit B of
Exhibit D

City of De Soto, Kansas Annual Lease Schedule									
Equipment Description	2018	2019	2020	2021	2022	2023	2024	2025	2026
Kubota L3130 Tractor 4x4 with Rhino Front Loader+		\$ 4,932.00	\$ 4,932.00	\$ 4,932.00	\$ 4,932.00	\$ 5,200.00	\$ 5,200.00	\$ 5,200.00	
Ford 3000 Tractor+	\$ 7,869.60	\$ 7,869.60	\$ 7,869.60	\$ 7,869.60	\$ 7,869.60	\$ 7,869.60	\$ 8,300.00	\$ 8,300.00	
Massey Ferguson Tractor 5460 Tier III+	\$ -	\$ -	\$ -	\$ -	\$ 13,784.00	\$ 13,784.00	\$ 13,784.00	\$ 13,784.00	
John Deere 410G Backhoe+			\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,900.00	
John Deere 770BH Motor Grader									
Stone Asphalt Roller/Compactor Purchased 6/6/08*	\$ 10,850.00	\$ 11,175.50	\$ 11,510.77	\$ 11,856.09	\$ 12,211.77	\$ 12,578.12	\$ 12,955.47	\$ 13,344.13	
Bobcat Skid-Steer Loader *	\$ 8,240.00	\$ 8,487.20	\$ 8,741.82	\$ 9,004.07	\$ 9,274.19	\$ 9,552.42	\$ 9,838.99	\$ 10,134.16	
Bomag Asphalt Paver Purchased 6/10/08									
John Deere 524K II Loader w/ Forks and 2.5 CY bucket+	\$ 6,686.37	\$ 6,686.37	\$ 6,686.37	\$ 6,686.37	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	
John Deere 410G Backhoe+	\$ 7,505.00	\$ 7,505.00	\$ 7,505.00	\$ 7,505.00	\$ 7,505.00	\$ 7,900.00	\$ 7,900.00	\$ 7,900.00	
Vermeer LP 855 SDT Vacuum unit	\$ -	\$ -	\$ -	\$ 18,120.00	\$ 18,120.00	\$ 18,120.00	\$ 18,120.00	\$ 18,120.00	
Kubota U35-4R3 - Excavator	\$ 8,376.00	\$ 8,376.00	\$ 8,376.00	\$ 8,376.00	\$ 8,376.00	\$ 8,800.00	\$ 8,800.00	\$ 8,800.00	
	\$ 49,526.97	\$ 55,031.67	\$ 63,221.55	\$ 81,949.13	\$ 96,772.56	\$ 98,504.14	\$ 99,598.46	\$ 100,582.29	

Exhibit C of Exhibit D

**City of De Soto, Kansas
Vehicles
As of January 12, 2017**

Unit #	Dept	Equipment Description	Year	VIN Number	Model Number	Iworqs Rating	Repair Cost To-Date	Original Purchase Price	Replacement Cost	
1	1-8	Inspections	Ford F-150 Pickup with Mid-Box	2008	1FTRF14WX8KC96574	F-150	10.3	\$ 1,789.75	\$ 19,631.00	\$ 20,000.00
2	1-1	Parks	GMC 1500 Pickup	1996	1GTEC14W2TZ547630	C1500	44.8	\$ 3,342.98	\$ 15,000.00	\$ 20,000.00
3	1-9	Parks	Ford F-150 Pick-Up	2010	1FTMF1CW9AKC36660	F-150	14	\$ 60.66	\$ 16,392.00	\$ 20,000.00
4	3-1	Parks	GMC 3500 Flat Bed	1997	1GDJC34R5VF004227	C3500	36.6	\$ 5,692.47	\$ 25,000.00	\$ 40,000.00
5	3-4	Parks	Ford F-250 with Service Body	2006	1FDNF20536EA00142	F-250	18.7	\$ 2,138.84	\$ 22,723.00	\$ 25,000.00
6	1-4	Inspections	Ford F-150 Pickup	2008	1FTRX14W08FB13608	F-150	21.7	\$ 3,526.38	\$ 19,631.00	\$ 20,000.00
7	1-10	Street	Ford F-150 Pick-Up	2010	1FTMF1CW2AKC36659	F-150	17	\$ 873.83	\$ 15,527.00	\$ 20,000.00
8	1-2	Street	GMC 1500 Pickup	1996	1GTEC14W4TZ546625	C1500	53.7	\$ 7,681.12	\$ 15,000.00	\$ 35,000.00
9	3-2	Street	Ford F-350 with Service Body	2006	1FDWF37P86EA021874	F-350	25.7	\$ 6,748.51	\$ 35,116.00	\$ 40,000.00
10	3-12	Street	Chevrolet C-3500	1999	SOLD			\$ 1,522.18		NA
11	3-28	Street	Peterbilt	2016	2NP3HJ8X7GM350292	348	10.5	\$ 2,721.43	\$ 175,256.00	\$ 175,000.00
12	3-29	Street	Ford F-700 Water Truck with 1600 Gal Tank	1987	1FDNT74P9HVA42853	F-700	54	\$ 5,683.39	\$ 4,000.00	\$ 80,000.00
13	3-31	Street	Chevrolet C-7500 Dump Truck 5 Yard	1999	1GBM7H1C5XJ105842	C7500	62.6	\$ 31,593.13	\$ 71,000.00	\$ 100,000.00
14	3-32	Street	International 4900 Dump Truck 5 Yard	2001	1HTSDAAR01H372475	4900	57	\$ 13,880.95	\$ 76,500.00	\$ 170,000.00
15	3-33	Street	International 7400 Cab and Chassis With Frame Mounted Swap Loader	2006	1HTWHAAT66J323822	7400	27.9	\$ 54,550.49	\$ 144,928.00	\$ 170,000.00
16	3-6	Street	Ford F-350 with Flat Bed	2011	1FDRF3G66BEA20708	F-350	17.3	\$ 4,888.52	\$ 35,516.00	\$ 40,000.00
17	3-7	Street	Ford F-550 with Flat Bed	2014	1FDUF5HY5EEB08966	F-550	17.2	\$ 2,056.86	\$ 62,449.00	\$ 75,000.00
18	3-30	Waste Water	GMC Top Kick Dump Truck 5 Yard	1994	1GDL7H1P4RJ521101	N/A	38.9	\$ 664.57	\$ 26,000.00	\$ 140,000.00
19	3-5	Waste Water	Ford F-250 with Utility Topper	2006	1FTNF21516EA00143	F-250	35	\$ 6,738.27	\$ 21,583.00	\$ 25,000.00
20	3-9	Waste Water	Ford F-250 with Reading U98A Service Body	2015	1FTX2B63GEA44594	F-250	9.1	\$ 1,106.74	\$ 28,233.00	\$ 30,000.00
21	1-6	Water	Chevrolet S-10 Pickup	2001	1GCCS19WX18247551	S-10	33.7	\$ 988.61	\$ 17,633.00	\$ 18,000.00
22	1-13	Water	Ford F-150 Pickup	2005	1FTRF12W95NB61518	F-150	35.2	\$ 1,148.53	\$ 12,701.00	\$ 19,000.00
23	1-14	Water	Ford F-150 Pickup 4x4	2005	1FTRF14W05NB67060	F-150	40.8	\$ 7,484.52	\$ 15,513.00	\$ 24,000.00
24	1-3	Water	Ford F-150 Pick-Up	2010	1FTEX1EW1AFB91009	F-150	22.7	\$ 1,458.24	\$ 21,104.00	\$ 25,000.00
25	3-8	Water	Ford F-550 With Utility Bed	2015	1FDOX5HYXFEA16510	F-550	10.2	\$ 907.18	\$ 54,942.00	\$ 75,000.00
26	2-1	Administration	Ford Fusion sedan	2011	1FTMF1CW9AKC36660	Sedan	15.2	\$ 542.56	\$ 15,892.00	\$ 18,000.00
							\$ 169,790.71	\$ 967,270.00	\$ 1,424,000.00	

Notes

Repair cost to-date does not include city staff time for repairs
 Repair cost to-date does not include data prior to 2013

The Fleet Replacement Rating is a way of tracking when it is costing you more to maintain a vehicle within your fleet than it would cost to purchase a new vehicle.
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Requested in Budget

\$ 169,790.71	Check
---------------	--------------

\$ 42,447.68	Avg Annual Repair Costs
\$ 158,222.22	Avg Annual Vehicle Replacment Costs
\$ 200,669.90	Budget for Vehicle and Maintenance

2013 Repair Costs

Unit #	Dept	Equipment Description	Year	Repair Cost To-Date	
1	1-8	Inspections	Ford F-150 Pickup with Mid-Box	2008	\$ 634.70
2	1-1	Parks	GMC 1500 Pickup	1996	\$ 831.47
3	1-9	Parks	Ford F-150 Pick-Up	2010	\$ -
4	3-1	Parks	GMC 3500 Flat Bed	1997	\$ 1,452.69
5	3-4	Parks	Ford F-250 with Service Body	2006	\$ 132.31
6	1-4	Inspections	Ford F-150 Pickup	2008	\$ 83.22
7	1-10	Street	Ford F-150 Pick-Up	2010	\$ 594.21
8	1-2	Street	GMC 1500 Pickup	1996	\$ 2,912.47
9	3-2	Street	Ford F-350 with Service Body	2006	\$ 768.37
10	3-12	Street	Chevrolet C-3500	1999	\$ 496.20
11	3-29	Street	Ford F-700 Water Truck with 1600 Gal Tank	1987	\$ 106.75
12	3-31	Street	Chevrolet C-7500 Dump Truck 5 Yard	1999	\$ 925.74
13	3-32	Street	International 4900 Dump Truck 5 Yard	2001	\$ 5,083.69
14	3-33	Street	International 7400 Cab and Chassis With Frame Mounted Swap Loader	2006	\$ 10,472.67
15	3-6	Street	Ford F-350 with Flat Bed	2011	\$ 2,443.99
16	3-30	Waste Water	GMC Top Kick Dump Truck 5 Yard	1994	\$ -
17	3-5	Waste Water	Ford F-250 with Utility Topper	2006	\$ 219.58
18	1-6	Water	Chevrolet S-10 Pickup	2001	\$ 151.20
19	1-13	Water	Ford F-150 Pickup	2005	\$ 437.60
20	1-14	Water	Ford F-150 Pickup 4x4	2005	\$ 2,695.75
21	1-3	Water	Ford F-150 Pick-Up	2010	\$ 266.58
22	2-1	Administration	Ford Fusion sedan	2011	\$ 434.70
				\$ 31,143.89	

Exhibit C of
Exhibit D

2014 Repair Costs

Unit #	Dept	Equipment Description	Year	Repair Cost To-Date	
1	1-8	Inspections	Ford F-150 Pickup with Mid-Box	2008	\$93.47
2	1-1	Parks	GMC 1500 Pickup	1996	\$336.30
3	1-9	Parks	Ford F-150 Pick-Up	2010	\$36.68
4	3-1	Parks	GMC 3500 Flat Bed	1997	\$2,273.52
5	3-4	Parks	Ford F-250 with Service Body	2006	\$587.70
6	1-4	Inspections	Ford F-150 Pickup	2008	\$173.38
7	1-10	Street	Ford F-150 Pick-Up	2010	\$161.74
8	1-2	Street	GMC 1500 Pickup	1996	\$2,632.07
9	3-2	Street	Ford F-350 with Service Body	2006	\$1,011.42
10	3-12	Street	Chevrolet C-3500	1999	\$1,025.98
11	3-29	Street	Ford F-700 Water Truck with 1600 Gal Tank	1987	\$1,038.47
12	3-31	Street	Chevrolet C-7500 Dump Truck 5 Yard	1999	\$24,105.01
13	3-32	Street	International 4900 Dump Truck 5 Yard	2001	\$3,339.34
14	3-33	Street	International 7400 Cab and Chassis With Frame Mounted Swap Loader	2006	\$28,163.94
15	3-6	Street	Ford F-350 with Flat Bed	2011	\$220.67
16	3-7	Street	Ford F-550 with Flat Bed	2014	\$1,704.78
17	3-30	Waste Water	GMC Top Kick Dump Truck 5 Yard	1994	\$656.77
18	3-5	Waste Water	Ford F-250 with Utility Topper	2006	\$5,228.18
19	1-6	Water	Chevrolet S-10 Pickup	2001	\$50.58
20	1-13	Water	Ford F-150 Pickup	2005	\$35.73
21	1-14	Water	Ford F-150 Pickup 4x4	2005	\$3,065.42
22	1-3	Water	Ford F-150 Pick-Up	2010	\$505.28
23	3-8	Water	Ford F-550 With Utility Bed	2015	\$180.00
24	2-1	Administration	Ford Fusion sedan	2011	\$38.43
				\$	76,664.86

2015 Repair Costs

Unit #	Dept	Equipment Description	Year	Repair Cost To-Date	
1	1-8	Inspections	Ford F-150 Pickup with Mid-Box	2008	\$1,061.58
2	1-1	Parks	GMC 1500 Pickup	1996	\$1,050.29
3	1-9	Parks	Ford F-150 Pick-Up	2010	\$23.98
4	3-1	Parks	GMC 3500 Flat Bed	1997	\$1,634.09
5	3-4	Parks	Ford F-250 with Service Body	2006	\$1,228.93
6	1-4	Inspections	Ford F-150 Pickup	2008	\$454.24
7	1-10	Street	Ford F-150 Pick-Up	2010	\$53.77
8	1-2	Street	GMC 1500 Pickup	1996	\$1,581.70
9	3-2	Street	Ford F-350 with Service Body	2006	\$802.05
10	3-28	Street	Peterbilt	2016	\$2,250.21
11	3-29	Street	Ford F-700 Water Truck with 1600 Gal Tank	1987	\$2,470.51
12	3-31	Street	Chevrolet C-7500 Dump Truck 5 Yard	1999	\$5,586.75
13	3-32	Street	International 4900 Dump Truck 5 Yard	2001	\$3,828.61
14	3-33	Street	International 7400 Cab and Chassis With Frame Mounted Swap Loader	2006	\$9,229.22
15	3-6	Street	Ford F-350 with Flat Bed	2011	\$1,760.89
16	3-7	Street	Ford F-550 with Flat Bed	2014	\$79.23
17	3-30	Waste Water	GMC Top Kick Dump Truck 5 Yard	1994	\$7.80
18	3-5	Waste Water	Ford F-250 with Utility Topper	2006	\$529.22
19	3-9	Waste Water	Ford F-250 with Reading U98A Service Body	2015	\$451.09
20	1-6	Water	Chevrolet S-10 Pickup	2001	\$650.38
21	1-13	Water	Ford F-150 Pickup	2005	\$639.74
22	1-14	Water	Ford F-150 Pickup 4x4	2005	\$1,680.32
23	1-3	Water	Ford F-150 Pick-Up	2010	\$349.88
24	3-8	Water	Ford F-550 With Utility Bed	2015	\$71.53
25	2-1	Administration	Ford Fusion sedan	2011	\$38.24
				\$	37,514.25

2016 Repair Costs

Unit #	Dept	Equipment Description	Year	Repair Cost To-Date	
1	1-8	Inspections	Ford F-150 Pickup with Mid-Box	2008	\$ -
2	1-1	Parks	GMC 1500 Pickup	1996	\$1,124.92
3	1-9	Parks	Ford F-150 Pick-Up	2010	\$ -
4	3-1	Parks	GMC 3500 Flat Bed	1997	\$332.17
5	3-4	Parks	Ford F-250 with Service Body	2006	\$189.90
6	1-4	Inspections	Ford F-150 Pickup	2008	\$2,815.54
7	1-10	Street	Ford F-150 Pick-Up	2010	\$64.11
8	1-2	Street	GMC 1500 Pickup	1996	\$554.88
9	3-2	Street	Ford F-350 with Service Body	2006	\$4,166.67
10	3-28	Street	Peterbilt	2016	\$471.22
11	3-29	Street	Ford F-700 Water Truck with 1600 Gal Tank	1987	\$ 2,067.66
12	3-31	Street	Chevrolet C-7500 Dump Truck 5 Yard	1999	\$975.63
13	3-32	Street	International 4900 Dump Truck 5 Yard	2001	\$1,629.31
14	3-33	Street	International 7400 Cab and Chassis With Frame Mounted Swap Loader	2006	\$6,684.66
15	3-6	Street	Ford F-350 with Flat Bed	2011	\$462.97
16	3-7	Street	Ford F-550 with Flat Bed	2014	\$272.85
17	3-30	Waste Water	GMC Top Kick Dump Truck 5 Yard	1994	\$ -
18	3-5	Waste Water	Ford F-250 with Utility Topper	2006	\$761.29
19	3-9	Waste Water	Ford F-250 with Reading U98A Service Body	2016	\$655.65
20	1-6	Water	Chevrolet S-10 Pickup	2001	\$136.45
21	1-13	Water	Ford F-150 Pickup	2005	\$35.46
22	1-14	Water	Ford F-150 Pickup 4x4	2005	\$43.03
23	1-3	Water	Ford F-150 Pick-Up	2010	\$336.50
24	3-8	Water	Ford F-550 With Utility Bed	2015	\$655.65
25	2-1	Administration	Ford Fusion sedan	2011	\$ 31.19
				\$	24,467.71

Electric Reserve Loan & Payment Schedules
 Payment Schedules
 Term 5 years
 Interest Rate 3%

Exhibit D of
 Exhibit D

Equipment Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Ford F-150 Pickup with Mid-Box					\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09				
GMC 1500 Pickup		\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09					\$4,367.09	\$4,367.09	\$4,367.09
Ford F-150 Pick-Up					\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09				
GMC 3500 Flat Bed		\$8,734.18	\$8,734.18	\$8,734.18	\$8,734.18	\$8,734.18					\$8,734.18	\$8,734.18	\$8,734.18
Ford F-250 with Service Body						\$5,458.86	\$5,458.86	\$5,458.86	\$5,458.86	\$5,458.86			
Ford F-150 Pickup							\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09		
Ford F-150 Pick-Up								\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09	\$4,367.09	
GMC 1500 Pickup		\$7,642.41	\$7,642.41	\$7,642.41	\$7,642.41	\$7,642.41					\$7,642.41	\$7,642.41	\$7,642.41
Ford F-350 with Service Body		\$8,734.18	\$8,734.18	\$8,734.18	\$8,734.18	\$8,734.18					\$8,734.18	\$8,734.18	\$8,734.18
Chevrolet C-3500													
Peterbilt									\$38,212.05	\$38,212.05	\$38,212.05	\$38,212.05	\$38,212.05
Ford F-700 Water Truck with 1600 Gal Tank					\$17,468.37	\$17,468.37	\$17,468.37	\$17,468.37	\$17,468.37				
Chevrolet C-7500 Dump Truck 5 Yard						\$21,835.46	\$21,835.46	\$21,835.46	\$21,835.46	\$21,835.46			
International 4900 Dump Truck 5 Yard	\$37,120.28	\$37,120.28	\$37,120.28	\$37,120.28	\$37,120.28					\$37,120.28	\$37,120.28	\$37,120.28	\$37,120.28
International 7400 Cab and Chassis With Frame Mounted				\$37,120.28	\$37,120.28	\$37,120.28	\$37,120.28	\$37,120.28					\$37,120.28
Ford F-350 with Flat Bed					\$8,734.18	\$8,734.18	\$8,734.18	\$8,734.18	\$8,734.18				
Ford F-550 with Flat Bed							\$16,376.59	\$16,376.59	\$16,376.59	\$16,376.59	\$16,376.59		
GMC Top Kick Dump Truck 5 Yard			\$30,569.64	\$30,569.64	\$30,569.64	\$30,569.64	\$30,569.64					\$30,569.64	\$30,569.64
Ford F-250 with Utility Topper							\$5,458.86	\$5,458.86	\$5,458.86	\$5,458.86	\$5,458.86		
Ford F-250 with Reading U98A Service Body								\$6,550.64	\$6,550.64	\$6,550.64	\$6,550.64	\$6,550.64	
Chevrolet S-10 Pickup			\$3,930.38	\$3,930.38	\$3,930.38	\$3,930.38	\$3,930.38					\$3,930.38	\$3,930.38
Ford F-150 Pickup		\$4,148.74	\$4,148.74	\$4,148.74	\$4,148.74	\$4,148.74					\$4,148.74	\$4,148.74	\$4,148.74
Ford F-150 Pickup 4x4		\$5,240.51	\$5,240.51	\$5,240.51	\$5,240.51	\$5,240.51					\$5,240.51	\$5,240.51	\$5,240.51
Ford F-150 Pick-Up							\$5,458.86	\$5,458.86	\$5,458.86	\$5,458.86	\$5,458.86		
Ford F-550 With Utility Bed								\$16,376.59	\$16,376.59	\$16,376.59	\$16,376.59	\$16,376.59	
Ford Fusion sedan						\$3,930.38	\$3,930.38	\$3,930.38	\$3,930.38	\$3,930.38			
Yearly Totals	\$ 37,120.28	\$ 75,987.39	\$ 110,487.41	\$ 147,607.69	\$ 182,544.42	\$ 176,648.85	\$ 169,443.15	\$ 162,237.45	\$ 163,329.22	\$ 165,512.77	\$ 173,155.18	\$ 175,993.78	\$ 185,819.74

= Initial Cycle
 = Second Cycle

Electric Reserve Fund Analysis

Projected 2017 Year End Balance \$ 1,052,012.00

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Balance	\$ 1,052,012	\$ 1,010,394	\$ 986,276	\$ 1,004,990	\$ 996,675	\$ 1,019,219	\$ 1,052,868	\$ 1,077,311	\$ 1,114,548	\$ 1,102,878	\$ 1,098,390	\$ 1,093,546	\$ 1,111,539
Rolling Stock Revenues	\$ 37,120	\$ 75,987	\$ 110,487	\$ 147,608	\$ 182,544	\$ 176,649	\$ 169,443	\$ 162,237	\$ 163,329	\$ 165,513	\$ 173,155	\$ 175,994	\$ 185,820
Rolling Stock Expenses	\$ 170,000	\$ 178,000	\$ 158,000	\$ 170,000	\$ 160,000	\$ 143,000	\$ 145,000	\$ 125,000	\$ 175,000	\$ 170,000	\$ 178,000	\$ 158,000	\$ 170,000
Interest Income	\$ 23,000	\$ 23,368	\$ 23,742	\$ 24,169	\$ 24,604	\$ 25,096	\$ 25,598	\$ 26,110	\$ 26,632	\$ 27,165	\$ 27,708	\$ 28,263	\$ 28,828
Existing Lease Purchase Payments	\$ 91,261	\$ 77,895	\$ 66,227	\$ 14,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to General	\$ 23,000	\$ 23,368	\$ 23,742	\$ 24,169	\$ 24,604	\$ 25,096	\$ 25,598	\$ 26,110	\$ 26,632	\$ 27,165	\$ 27,708	\$ 28,263	\$ 28,828
Ending Balance	\$ 1,010,394	\$ 986,276	\$ 1,004,990	\$ 996,675	\$ 1,019,219	\$ 1,052,868	\$ 1,077,311	\$ 1,114,548	\$ 1,102,878	\$ 1,098,390	\$ 1,093,546	\$ 1,111,539	\$ 1,127,359

City of De Soto Capital Improvements Master list

April, 2017

Streets

Project Name	Description	Engineering	Construction	Total	City Share	Non-City Funding	Non-City Source	Priority
Yearly Road Maintenance Program	As outlined in Maintenance Program - Prioritized street sealing efforts including crack seal, slurry seal, micro surfacing, Mill & Overlay	In House	\$ 436,158	\$ 436,158	\$ 436,158	\$ -	\$ -	I
91st Street Rehab	Rehabilitate existing portion of 91st Street west of Lexington Avenue	In House	\$ 348,320	\$ 348,320	\$ 348,320			COMPLETE
91st Street Westward Extension	Extend 91st Street from current western terminus to Sunflower Road	\$ 150,000	\$ 1,500,000	\$ 1,650,000	\$ 1,650,000	\$ 750,000	CARS	II
83rd Street RR Bridge	Replace bridge on 83rd Street over US Army Railroad	\$ 300,000	\$ 2,000,000	\$ 2,300,000	\$ 2,300,000	\$ -	Possible STP	
83rd Street Shoulders / Bike Lanes	Installation of shoulders or bicycle lanes on 83rd Street from Kill Creek east to the City Limits	\$ 50,000	\$ 600,000	\$ 650,000	\$ 650,000	\$ 300,000	CARS	
Wyandotte Street Extension	Extension of Wyandotte Street from 84th to Lexington Avenue	\$ 25,000	\$ 340,000	\$ 365,000	\$ 365,000			
Downtown Streetscape	Streetscape improvements per RDG plan from 2006	\$ 200,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000			
Lexington Avenue Lighting	Provide street lighting along Lexington avenue from 83rd to Penner	\$ -	\$ 40,000	\$ 40,000	\$ 40,000			
Huhtamaki Entrance reconstruction	Reconfigure the entrance to Huhtamaki on Commerce Drive from triangular arrangement to tee intersection	In House	\$ 30,000	\$ 30,000	\$ 30,000			
Sunflower Road	City's portion of county improvements	\$ -	\$ 35,000	\$ 35,000	\$ 35,000			I
83rd Street RR Bridge Replacement	Replace the bridge that carries 83rd Street over the US Army Railroad, just west of Kickapoo	\$ 300,000	\$ 2,000,000	\$ 2,300,000	\$ 2,300,000	\$ 1,840,000	STP	
87th Street Curb Replacements	Replace curbs from Penner to Primrose	In House	\$ 67,500	\$ 67,500	\$ 67,500			COMPLETE
Traffic Signal @ 91st and Lexington	Install traffic signal at 91st and Lexington	\$ 40,000	\$ 140,000	\$ 180,000	\$ 180,000			

Facilities

Project Name	Description	Engineering	Construction	Total	City Share	Non-City Funding	Non-City Source	Priority
Gym Floor	Repair, Sand Stripe & Seal Gym Floor		\$ 27,500.00	\$ 27,500.00	\$ 27,500.00			I
Paint Pool	Sandblast and paint pool		\$ 55,000.00	\$ 55,000.00	\$ 55,000.00			I
Riverfront Scale house Restoration	Restoration of Riverfest Park Scale House to be Used as bathrooms or meeting space	\$ 5,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00			
Cameras at Pool	Aquatic Center Camera Surveillance System		\$ 4,500.00	\$ 4,500.00	\$ 4,500.00			
City Hall Cameras	Community Center/City Hall Camera Surveillance System		\$ 15,000.00	\$ 15,000.00	\$ 15,000.00			
Fire Station Rehab 2017	Phase II including repair of block façade to the eastern half of building	\$ 5,000.00	\$ 55,000.00	\$ 60,000.00	\$ -	\$ 60,000.00	CDBG	COMPLETE
New Public Works Facility	Construct new public works facility on 79th Street	\$ 40,000.00	\$ 1,260,000.00	\$ 1,260,000.00	\$ 1,260,000.00			
Feasibility for PW Facility	Study need and funding sources for new PW facility	\$ 20,000.00	\$ -	\$ 25,000.00	\$ 25,000.00			COMPLETE
AV Upgrades for Council Room	New sound and video system		\$ 7,500.00	\$ 7,500.00	\$ 7,500.00			II
K-10 Monument Signage	Install monument sign along K-10 per plan from 211		\$ 85,000.00	\$ 85,000.00	\$ 85,000.00			
Disaster Mitigation Plan	Hire consultant to update City's disaster mitigation plan		\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			I

City of De Soto Capital Improvements Master list

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Stormwater

Project Name	Description	Engineering	Construction	Total	City Share	Non-City Funding	Non-City Source	Priority
Ottawa Street Culverts	Replace two CMP Culverts just north of BNSF Railroad	\$ 50,000	\$ 300,000	\$ 350,000	\$ -	\$ 350,000	JoCo SMAC	II
Miller Park Drainage	Install enclosed storm sewer system throughout park discharging to the north under the BNSF tracks.	\$ 85,000	\$ 426,000	\$ 511,000	\$ 511,000			
95th & Corliss Drainage	Install drainage works along 95th Street to capture runoff from farm field at northwest corner of 95th and Commerce	In-House	\$ 25,000	\$ 25,000	\$ 25,000			

Sidewalks

Project Name	Description	Engineering	Construction	Total	City Share	Non-City Funding	Non-City Source	Priority
City Hall Rec Path	Sidewalk or Recreation path from pool to Lexington Avenue	In House	\$ 113,000	\$ 113,000	\$ 113,000			
Annual Sidewalk Program	Annual prioritized replacements	In House	\$ 20,000	\$ 20,000	\$ 20,000			I
Arbor Ridge Sidewalk	Extension of sidewalk along Lexington Avenue from Valley Springs Drive to Kaw	In House	\$ 100,000	\$ 100,000	\$ 100,000			II
Riverfest Park Sidewalk	Sidewalk along Ottawa from 83rd Street to Riverfest Park. Construction includes 140,000 for Ottawa Street Culverts	\$ 50,000	\$ 290,000	\$ 340,000	\$ 340,000			

Parks

Project Name	Description	Engineering	Construction	Total	City Share	Non-City Funding	Non-City Source	Priority
Miller Park Parking	Off-street parking lot at northeast corner of 83rd and Ferry Roads.	In House	\$ 100,000.00	\$ 100,000	\$ 100,000.00			II
Riverfest Park Phase IV	Per the 2007 Master Plan			\$ 131,000	\$ 131,000			
Riverfest Restrooms	Prefabricated structures. Water service included	In House	\$ 142,000	\$ 142,000	\$ 142,000		Possible KDWPT	IV
Miller Park Pump Track	Skating track at Miller Park		\$ 48,000	\$ 48,000	\$ 48,000			V
Parks & Rec. Master Plan	Overhaul of previous plans		\$ 35,000	\$ 35,000	\$ 35,000			I
Picnick Table Project	Install waste-tire recycle tables at Miller Park	\$ -	\$ 6,000	\$ 6,000	\$ 6,000			COMPLETE
Rotodarian	Machine to assist with field preparation	\$ -	\$ 10,100	\$ 10,100	\$ 10,100			
Soccer Fields - Phase I	Construct one field area, parking lot	\$ 146,142.00		\$ 146,142	\$ 146,142			I
Soccer Fields	Soccer Complex at Reike Lake	\$ 50,000.00	\$ 600,000	\$ 650,000.00	\$ 650,000.00			II

City of De Soto Capital Improvements Master list

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Water

Project Name	Description	Engineering	Construction	Total	City Share	Non-City Funding	Non-City Source	Priority
Water Treatment Plant Phase IV	Offices & Lab, Filer Building Exterior, Western Clarifier, Raw Water Main Rehab	\$ 275,000	\$ 1,575,000	\$ 1,850,000	\$ 1,850,000			
Waverly Tower Rehab	Lower tower to match elevation of system. Sandblast & Paint	In house	\$ 300,000	\$ 300,000	\$ 300,000			
Demolition of old Water Plant	Remove old filter building and clarifier		\$ 25,000	\$ 25,000	\$ 25,000			I
Spring Drive Waterline	Replace waterline along Spring Drive	\$ 10,000	\$ 40,000	\$ 50,000	\$ 50,000		Possible CDBG	I
				\$ -	\$ -			

Sewer

Project Name	Description	Engineering 2	Construction	Total	City Share	Non-City Funding	Non-City Source	Priority
Sludge Dryer?				\$ -	\$ -			
Demolition of old Sewer Plant	Demolish & remove old Sewer Plant. Restore property	In house	\$ 50,000	\$ 50,000	\$ 50,000			
Lexington Avenue Sewer Service	City sewer service to 10 residential properties along Lexington Avenue	\$ 4,000	\$ 20,000	\$ 24,000	\$ 24,000			I
95th Street Sewer Extension	Extend sewer service south of K-10 to the intersection of 95th and Lexington Avenue	\$ 50,000	\$ 400,000	\$ 450,000	\$ 450,000			II
Western Growth Area Sewer Extension - Phase I	Extend Sewer service westward to Edgerton Road	\$ 300,000	\$ 3,000,000	\$ 3,300,000	\$ 3,300,000			
Western Growth Area Sewer Extension - Phase II	Extend Sewer service westward to Evening Star Road	\$ 300,000	\$ 3,000,000	\$ 3,300,000	\$ 3,300,000			

Vehicles, Equipment, Asset Management

Project Name	Description	Engineering 2	Purchase / Cons	Total	City Share	Non-City Funding	Non-City Source	Priority
Equipment Replacement Program	Yearly allocation to implement a rolling replacement program for all the City's rolling stock including vehicles and equipment.		\$ 140,000	\$ 140,000	\$ 140,000			Included in 2018 Budget
Portable Column Lofts for Ship			\$ 55,000	\$ 55,000	\$ 55,000			
Post Lift			\$ 15,000	\$ 15,000	\$ 15,000			
				\$ -	\$ -			
				\$ -	\$ -			
Building Maintenance Fund	Asset management program for City buildings		\$ 40,000	\$ 40,000	\$ 40,000			
Water Fund Asset Management	Asset management program for Water Department		\$ 50,000	\$ 50,000	\$ 50,000			
Sewer Fund Asset Management	Asset management program for Sewer Department		\$ 50,000	\$ 50,000	\$ 50,000			
				\$ -	\$ -			