



December 5, 2005

Dave Baker  
E-13A Lake Road  
Council Grove, KS 66846

Dear Mr. Baker,

As we discussed on the phone December 5, 2005, this letter will attempt to answer questions asked by the Lake Association in regards to the expense breakdown mailed at an earlier date.

I have included line item history reports that show the individual building permits for the lake. Please keep in mind that the building permit line item includes building, plumbing, electrical, and mechanical permits.

Also is a line item history on lease transfers. In the past transfer fees were included in the line item with annual lease payments. Starting January 1<sup>st</sup>, there will be new line items created due to the new \$500 transfer fee and the splitting of said transfer fee.

The gravel cost that I did a breakdown on is the actual gravel the city purchased for the lake in 2004. The qualities of the roads at the lake were deteriorating rapidly and that is why I purchased the quantity that was purchased in 2004. It is not normal to purchase this much gravel in one year, but the price, availability, and quality of the gravel was an issue on the decision making process. The city purchased the gravel from Hamm Quarries and Mark Michaels trucking is who delivered the gravel. The gravel has been placed all over the lake roads and some is still stocked piled for future use. There are no plans at this time to purchase any gravel in the future until the current stockpiles run out. The sad part of the whole deal is that after placing the gravel down on lake roads, heavy rains caused severe damage to the gravel washing it out.

Disposal permits are required when one is going to pump out a septic tank at the city lake or in town. Ted must inspect the tank and the contents of the tanks are placed in the lagoons. Jim Masters must keep track of all quantities that are placed in the lagoons due to state regulations and permit requirements.

The personnel services you ask about are broken down for you in the hand out that I had previously provided to you. The caretaker's wages are paid from different departments. Some of the wages are paid through general government and some are paid through the lakes budget. In the breakdown you received I only show the 80% of the caretaker's wage paid through the lakes budget. The rest of the personnel services expense is shown when other city personnel provide services for the lake. You should have a spreadsheet used to tally hours worked and equipment hours used for the year. The information is taken off of the pay sheets turned in on each pay period throughout the year.

Capitol Outlay is money that is budgeted each year in case the city has major expenses that need to be taken care of that is not normally budgeted. It could be gravel expense, storm damage, or any major surprises not budgeted for. It also provides cushion in case the department's budget is not big enough and individual line item amounts are exceeded. Also cities must provide carry over to help fund the next year's budget, it also helps with that portion of city budgeting.

King's rent is the fee that is paid by the care taker to live in the city's house. Yes it is an income.

It is my recall, if my memory serves me correct, that the Mayor's long term projection does include all revenue sources for the lake. The Mayor then estimated the increases of expenses from the cost of living shown by averaging previous CPI index reports to estimate the future.

If you have any further questions, please do not hesitate to give me a call at city hall.

Sincerely,



Danny L. Matthews  
City Clerk/ City Administrator

Cc: Vernon Hay  
Andy Hutter  
George Forester  
Mayor Montgomery  
Council Member Engle  
Council Member Shepard  
Council Member Thomas  
Council Member Jones  
Council Member Evans