



**AGENDA
CITY COMMISSION MEETING
Tuesday, July 19, 2016
1:00 PM**

City Administrative Center, 301 N. 8th Street

I. Note:

No Pre-Meeting.

II. REGULAR MEETING CALLED TO ORDER AND CITY CLERK ANNOUNCING QUORUM PRESENT

III. PLEDGE OF ALLEGIANCE TO THE FLAG AND INVOCATION

IV. APPROVAL OF THE MINUTES OF THE LAST REGULAR MEETING, WHICH IF NO CORRECTIONS ARE OFFERED, SHALL STAND APPROVED

A. July 5, 2016 City Commission minutes.

V. PUBLIC COMMENT Agenda Schedule Allowance: 30 minutes (5 minutes per spokesperson)

VI. CONSIDERATION OF PETITIONS, MEMORIALS AND REMONSTRANCES

VII. REPORT OF THE CITY MANAGER

A. Water Resource Manager Jones will provide an update on water consumption at the Big Pool for the 2016 season.

B. Presentation of the June 2016 staff report from the Airport.

C. Presentation of the June 2016 Financial Report from Service and Finance.

D. Presentation of June 2016 Fire Department Activity Reports.

E. Presentation of the June 2016 monthly staff report from Lee Richardson Zoo.

VIII. MEETINGS OF NOTE

- July 27 - 31, 2016 - Finney County Fair
- July 30, 2016 - Downtown Summer Sidewalk Sales featuring the 2nd Annual Downtown ChowDown, Watermelon Feed and Sidewalk Chalk Art Contest
- August 2, 2016 - Field Day - Water Technology Farm at T & O Farms, LLC (located South of Garden City on HWY 83 15.5 miles) at 10:00 a.m.
- August 10 - 14, 2016 - Southwest Kansas Pro-Am
- August 20, 2016 - Downtown Vision's 2016 Banner Art Walk, 4:00-6:30 p.m.; Reception at GC Arts, 6:30-8:00 p.m.

- August 27, 2016 - Garden City Area Chamber of Commerce 10th Annual Wine Tasting Event at the Clarion Inn at 7:00 p.m.
- September 5 - 11, 2016 - Garden City Charity Classic / Symetra Tour
- September 17, 2016 - Fall Fest 2016, Main Street, Grant Avenue and Stevens Park - 8:30 a.m. - 3:30 p.m.
- November 5, 2016 - Banner Art Auction, Clarion Inn - 6:30 p.m.
- December 4, 2016 - Downtown Evening Christmas Parade, Main Street - 6:30 p.m.

IX. CONSIDERATION OF APPROPRIATION ORDINANCE

- A. Appropriation Ordinance 2415-2016A

X. CONSIDERATION OF ORDINANCES AND RESOLUTIONS

- A. The Governing Body is asked to consider and approve the proposed resolution providing direction to the City of Garden City, Kansas Police Department (“GCPD”) and the establishment of uniform practices concerning issuance of Own Recognizance (“OR”) Bonds for individuals arrested for violations of the Code of Ordinances for the City of Garden, Kansas (“Code”).

Resolution No. _____ - 2016, a resolution establishing bond procedures for municipal court.

XI. OLD BUSINESS

- A. 1:30 p.m. – Public Hearing on the matter of the Governing Body hearing questions, concerns and comments from the public with regard to the proposed 2017 Budget for the City of Garden City.

1. Governing Body approval and authorization of the 2017 Budget Certificate, which summarizes the maximum levy of property tax for specific funds and the maximum expenditure for all funds of the City’s budget.

- B. The Governing Body is asked to consider bids received July 13th for the US-83 widening and access road project related to the Meadowlark Dairy Nutrition plant.

XII. NEW BUSINESS

- A. The Governing Body is asked to consider and approve ordinances and fees related to the new Columbarium.
- B. The Governing Body is asked to consider and approve a Financial Management Guidelines document which ensures the City is financially able to meet its immediate needs, plan for long-term goals and keep accountability to the public.
- C. The Governing Body is asked to consider and approve the use of the excess Law Enforcement Center Sales Tax Funds.
- D. Staff requests Governing Body consideration of an executive session

pursuant to K.S.A. 75-4319(b)(6) pertaining to preliminary discussions relating to the acquisition of real property.

E. *Consent Agenda for approval consideration:*

(The items listed under this "consent agenda" are normally considered in a single motion and represent items of routine or prior authorization. Any member of the Governing Body may remove an item prior to the vote on the consent agenda for individual consideration.)

1. The Governing Body is asked to consider and approve an Agreement No. 302-16 with KDOT for the FY 2017 KLINK project, on Kansas Avenue from 350 feet west of Crestway Drive to 550 feet east of Crestway Drive.
2. The Governing Body is asked to consider and approve supplemental agreements with KDOT for the Kansas Avenue Widening project and the 2016 KLINK project.
3. The Governing Body is asked to consider and approve a lease agreement for 306 North 6th Street between the City of Garden City and Aaron Stewart, Garden City Recreation Commission Superintendent.
4. The Governing Body is asked to consider and approve the proposed agreement between USD 457 and the GCPD School Resource Officers for the 2016-2017 school year.
5. The Governing Body is asked to consider and approve the proposed Crossing Guard Agreement between USD 457 and the GCPD for the 2016-2017 school year.
6. The Governing Body is asked to consider and approve a license for July 19, 2016.
7. Quit Claim Deed from Antonio S. Mesa transferring Space 2, Lot 717, Zone Brookover of Valley View Cemetery to Sister Clara Martinez.
8. Quit Claim Deed from Antonio S. Mesa transferring Spaces 4 & 5, Lot 717, Zone Brookover of Valley View Cemetery to brother Pasquele "Lino" Mesa.
9. The Governing Body is asked to consider and approve the proposed *First Addendum to Lease Agreement* ("Lease Addendum") and *First Addendum to Promissory Note* ("Note Addendum") related to the original *Promissory Note* ("Note") and *Lease Agreement* ("Lease") entered into by and between the City of Garden City, Kansas ("City") and TekVet Technologies Co. ("TekVet").

XIII. CITY COMMISSION REPORTS

A. Commissioner Doll

B. Mayor Law

C. Commissioner Fankhauser

D. Commissioner Cessna

E. Commissioner Dale

XIV. OTHER ENTITIES

- A. Presentation of the June 9, 2016 minutes from the Airport Advisory Board meeting.
- B. Presentation of the July 7, 2016 Cultural Relations Board minutes.
- C. Presentation of the July 5, 2016 Zoo Advisory Board minutes.

XV. ADJOURN

THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS

City of Garden City

July 5, 2016

The regular meeting of the Board of Commissioners of the City of Garden City was held at 1:00 p.m. at the City Administrative Center on Tuesday, July 5, 2016 with all members present. Commissioner Dale opened the meeting with the Pledge of Allegiance to the Flag and the Invocation.

Commissioner Fankhauser moved to approve a request from Susan Escareno, Executive Director of Finney County United Way, for a waiver of sign regulations for off-site signage and a waiver of the temporary sign fees for their campaign thermometer sign at 1515 E. Kansas Avenue from August 2016 - January 2017. Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Dale moved to approve a request from Carole Fry, on behalf of the Finney County Fair, for a waiver to the restricted height of aircraft over the City's corporate limits to allow for helicopter rides. Commissioner Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

The City received correspondence from Cox Communication regarding channel line-up changes.

Staff provided items of information for Governing Body review including the following: from Police Chief Utz, the monthly activity report, and from Finance Director Hitz the monthly sales tax report.

Meetings of note:

- July 4, 2016 - Annual Fireworks Display at Finney County Exhibition lot at approximately 9:45 p.m. with the Garden City Municipal Band performing at Lee Richardson Zoo from 8:00 p.m. - 9:00 p.m.
- July 9, 2016 - Jungle Run II Car Show at Lee Richardson Zoo from 11:00 a.m. - 2:00 p.m. with registration from 8:00 a.m. - 11:00 a.m.
- July 9, 2016 - Finney County Historical Museum 7th Annual Flea Market Festival of Antiques, Collectibles, Art and Crafts from 8:00 a.m. - 2:00 p.m.
- July 27 - 31, 2016 - Finney County Fair
- July 30, 2016 - Downtown Summer Sidewalk Sales featuring the 2nd Annual Downtown ChowDown, Watermelon Feed, and Sidewalk Chalk Art Contest
- August 10 - 14, 2016 - Southwest Kansas Pro-Am
- August 20, 2016 - Downtown Vision's 2016 Art Banner Walk
- August 27, 2016 - Garden City Area Chamber of Commerce 10th Annual Wine Tasting Event at the Clarion Inn at 7:00 p.m.
- September 5 - 11, 2016 - Garden City Charity Classic / Symetra Tour
- September 17, 2016 - Fall Fest 2016
- November 5, 2016 - Banner Art Auction

Appropriation Ordinance No. 2415-2016A, "AN APPROPRIATION ORDINANCE MAKING CERTAIN APPROPRIATIONS FOR CERTAIN CLAIMS IN THE AMOUNT OF \$2,982,537.36" was read and considered section by section. Commissioner Dale moved to approve and pass Appropriation Ordinance No. 2415-2016A. Commissioner Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna Dale Doll Fankhauser Law
 Yea Yea Yea Yea Yea

The Governing Body considered an ordinance and resolution related to the 2016 General Obligation Bond issue and the Fiduciary Engagement Agreement for Municipal Advisory Services with George K. Baum & Company.

Ordinance No. 2727A-2016, “AN ORDINANCE AUTHORIZING THE CITY OF GARDEN CITY, KANSAS TO CONSTRUCT OR ACQUIRE CERTAIN STREET, PUBLIC BUILDING AND AIRPORT IMPROVEMENTS IN THE CITY AND AUTHORIZING ISSUANCE OF GENERAL OBLIGATION BONDS TO PAY COSTS THEREOF” was read and considered section by section. Commissioner Fankhauser moved to approve Ordinance No. 2727A-2016. Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna Dale Doll Fankhauser Law
 Yea Yea Yea Yea Yea

Resolution No. 2659-2016, “A RESOLUTION OF THE CITY OF GARDEN CITY, KANSAS, AUTHORIZING PUBLIC SALE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2016, IN AN ESTIMATED PRINCIPAL AMOUNT OF \$2,000,000; SETTING FORTH THE DETAILS OF THE PUBLIC SALE; AND PROVIDING FOR GIVING NOTICE OF THE SALE” was read and considered section by section. Commissioner Dale moved to approve Resolution No. 2659-2016. Commissioner Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna Dale Doll Fankhauser Law
 Yea Yea Yea Yea Yea

Commissioner Doll moved to approve a Fiduciary Engagement Agreement for Municipal Advisory Services with George K. Baum & Company. Commissioner Dale seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna Dale Doll Fankhauser Law
 Yea Yea Yea Yea Yea

The Governing Body considered an amendment to Code Section 90-177, which would change rates as follows:

Year	0 - 15,000 gallons (Charge per 1,000 gallons)	15,001 - 30,000 gallons (Charge per 1,000 gallons)	30,001 - 60,000 gallons (Charge per 1,000 gallons)	60,001+ gallons (Charge per 1,000 gallons)	All Water Usage (Charge per 1,000 gallons)
Present	\$1.86	\$2.05	\$2.45	\$3.00	\$1.80
October 1, 2016 to September 30, 2017	\$2.12	\$2.42	\$2.89	\$3.54	\$2.19
October 1, 2017 to September 30, 2018	\$2.25	\$2.56	\$3.06	\$3.75	\$2.33
October 1, 2018 to September 30, 2019	\$2.39	\$2.72	\$3.25	\$3.98	\$2.47
October 1, 2019 to September 30, 2020	\$2.53	\$2.88	\$3.44	\$4.22	\$2.61
October 1, 2020 to September 30, 2021	\$2.68	\$3.05	\$3.65	\$4.47	\$2.77
October 1, 2021 to September 30, 2022	\$2.84	\$3.24	\$3.87	\$4.74	\$2.94

Minimum Monthly Charge for Residential and Commercial Water Service

Meter Size (in.)	Present	October 1, 2016 to September 30, 2017	October 1, 2017 to September 30, 2018	October 1, 2018 to September 30, 2019	October 1, 2019 to September 30, 2020	October 1, 2020 to September 30, 2021	October 1, 2021 to September 30, 2022
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3/4	\$ 11.15	\$ 13.94	\$ 16.03	\$ 17.63	\$ 19.39	\$ 20.36	\$ 20.36
1	\$ 12.65	\$ 15.81	\$ 18.18	\$ 20.00	\$ 22.00	\$ 23.10	\$ 23.10
1.5	\$ 15.15	\$ 18.94	\$ 21.78	\$ 23.96	\$ 26.35	\$ 27.67	\$ 27.67
2	\$ 23.90	\$ 29.88	\$ 34.36	\$ 37.97	\$ 41.57	\$ 43.65	\$ 43.65
3	\$ 42.65	\$ 53.31	\$ 61.31	\$ 67.44	\$ 74.18	\$ 77.89	\$ 77.89
4	\$ 61.15	\$ 76.44	\$ 87.90	\$ 96.69	\$103.36	\$111.68	\$111.68
6	\$ 80.15	\$100.19	\$115.22	\$126.74	\$139.41	\$146.38	\$146.38
8	\$130.15	\$162.69	\$187.09	\$205.80	\$226.38	\$237.70	\$237.70
*10	\$148.90	\$186.13	\$214.04	\$235.45	\$258.99	\$271.94	\$271.94

Ordinance No. 2728-2016, “AN ORDINANCE ESTABLISHING WATER RATES INSIDE AND OUTSIDE THE CORPORATE LIMITS OF THE CITY OF GARDEN CITY, KANSAS; AMENDING CODE SECTION 90-177; REPEALING CURRENT CODE SECTION 90-177; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS” was read and considered section by section. Commissioner Fankhauser moved to approve Ordinance No. 2728-2016. Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Executive Director of Garden City Downtown Vision, Myca Bunch reviewed the Downtown Vision quarterly report with the Governing Body.

Commissioner Fankhauser moved to approve funding HVAC upgrades for the Garden City Public Housing Authority property located at 610 Pershing Avenue with the maximum amount not to exceed \$310,000 using the remaining funds available through the City’s Energy Efficiency Audit Program. Commissioner Dale seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Cessna moved to approve amendments to the Law Enforcement Center (LEC) Occupancy Agreement. Commissioner Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Doll moved to appoint Rajneesh Devgan to fill an unexpired term left by Jeanne Winter on the Local Housing Authority. The term is set to expire December 2018. Commissioner Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Doll moved to reappoint Taylor Freburg and Jimmy Deal to the Zoo Advisory Board with terms to end July 2019. Commissioner Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

The Governing Body was asked to set a proposed budget for 2017.

Commissioner Cessna moved to authorize a notice of public hearing for the 2017 Budget with an ad valorem tax mill levy of 36.453 for the meeting on July 19, 2016 at

1:30 p.m. Commissioner Dale seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Commissioner Dale moved to approve the following:

1. Consideration of clarification of the JumpStart Program.
2. The Governing Body considered and approved a contract for construction engineering services for the US-83 widening and access road project, for the Meadowlark Dairy Nutrition plant, with Wilson & Company, Inc.
3. The Governing Body considered and accepted the low bid from Burtis Motor Company in the amount of \$34,386.64 for a new 2016 F-150 Super Crew Cab 4x4 pickup truck for the Electrical Division.

Bidders	Cost	Less Gov't Discount	Total City Cost	Delivery Date	Exceptions & Comments
Burtis Motors Company	\$43,915.00	\$12,266.00	\$31,649.00 <u>+2,737.64 sales tax</u> \$34,386.64	8-10 wks	2016 Ford F-150 Super Crew Cab 4x4
Western Motor	\$46,610.00	\$12,991.00	\$33,619.00 <u>+2,908.04 sales tax</u> \$36,527.04	8 wks	2017 GMC Super Crew Cab 4x4
Legacy Chrysler Dodge	\$37,830.00	\$4,389.00	\$33,441.00 <u>+3,488.00 sales tax</u> \$36,929.00	In-stock	2016 Dodge Ram 1500 Quad Cab 4x4

4. The Governing Body considered and approved applications for 2016 Vegetation Mowing for Code Violations.
5. Quit Claim Deed from Heirs of Mr. & Mrs. Norman Thompson (Harold E. Thompson and Joyce Lee Leonard) transferring Space 2, Lot 359, Zone B, of Valley View Cemetery to Wilbur Batchelder.
6. Reserved Burial Spaces:
 - a. Permission for Erendira White to reserve Space 1, Lot 29, Zone J at Valley View Cemetery for the consideration of \$50 for the period of one year.
 - b. Permission for Bobby Franco to reserve Space 2, Lot 15, Zone J in Valley View Cemetery for the consideration of \$50 for the period of one year.
 - c. Permission for Annette Lucero to reserve Space 5, Lot 15, Zone J in Valley View Cemetery for the consideration of \$50 for the period of one year.
 - d. Permission for Juan C. Franco and/or Abigail San Juan Franco to reserve Space 7, Lot 61, Zone J in Valley View Cemetery for the consideration of \$50 for the period of one year.
 - e. Permission for Maria S. Lira to reserve Spaces 3 & 4, Lot 59, Zone J in Valley View Cemetery for the consideration of \$100 for the period of one year.
 - f. Permission for Martha Saldana to reserve Space 5, Lot 51, Zone J in Valley View Cemetery for the consideration of \$50 for the period of one year.
 - g. Permission for Larry Bustamante to reserve Space 2, Lot 26, Zone J in Valley View Cemetery for the consideration of \$50 for the period of one year.

- h. Permission for Victor Banderra to reserve Space 2, Lot 25, Zone J in Valley View Cemetery for the consideration of \$50 for the period of one year.

7. The Governing Body considered and approved licenses for July 5, 2016.

Commissioner Cessna seconded the motion. The vote was taken by yeas and nays and recorded as follows:

Cessna	Dale	Doll	Fankhauser	Law
Yea	Yea	Yea	Yea	Yea

Mayor Law adjourned the meeting since there was no further business before the Governing Body.

Chris Law, Mayor

ATTEST:

Celyn N. Hurtado, City Clerk

City Commission Reports

Commissioner Dale stated he hadn't heard of any injuries from the Fourth of July holiday and hopes it went off without a hitch. Commissioner Dale thanked the Police and Fire Departments for their hard work during the holiday. Commissioner Dale thanked the Wastewater Treatment Plant staff for the tour of their facility.

Commissioner Doll commented that she is happy to see the City's mill levy will stay flat or slightly down and keep the same level of services, considering the growth that the City has seen recently.

Mayor Law thanked staff for all the hard work on the 2017 budget. Mayor Law thanked the Wastewater Treatment Plant and Electric Department for the tours of their facilities and stated the Jameson Energy Center is a very impressive sight to see up close. Mayor Law thanked the community's effort to follow and adhere to the 10:30 p.m. deadline time to shoot fireworks.

Commissioner Fankhauser thanked Finance Director Hitz and staff for their work on the 2017 budget. Commissioner Fankhauser inquired about a report regarding the fireworks over the weekend. Fire Chief Shelton reported their fire personnel responded to eight fireworks related calls and one additional call over the Fourth of July weekend and of those calls five were debris-related (in trash containers and along a fence) and two were grass fires.

Commissioner Cessna had no comments.

Report of the City Manager



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Fred Jones, Water Resource Manager
DATE: July 19, 2016
RE: 2016 Big Pool Water Consumption Update

ISSUE:

Water Resource Manager Jones will provide an update on water consumption at the Big Pool for the 2016 season.

BACKGROUND:

Since the close of the 2014 season at the Big Pool, City staff has been working to reduce water consumption at the facility. This spring, the second round of repairs to the big pool was completed. This work was in addition to repairs, completed in 2015, that addressed issues with the piping in the pool that had deteriorated and was no longer efficiently circulating water. The City entered into a contract with Dick Construction that replaced the main lines that ran longitudinally across the pool.

At the close of the 2015 season staff identified the lack of water circulation in the wet well was contributing to poor water circulation and a continuous waste of water through the pool discharge outlet into Finnup Park. The circulation issue was addressed by adding two butterfly valves in the wet well that are used to throttle the entry of water from the main body of the pool. This lowering of the water well allows the pump system to catch up with the water demand. This, in turn, allowed better flow of the gutter system into the wet well and eliminated the overflow into the pool outlet drain.

Additional repairs included sealing of cracks in the pool bottom, updated electrical outlets in the wet well and on the pool deck, and a new vault cover for the pool drainage vault. After the aforementioned repairs were complete the pool was partially painted as well.

After the cleaning and filling of the pool that occurred in late April and early May pool operations stabilized. Due to the quantity of water used to fill the pool and other operations required to commission the facility, water usage in May was very comparable to last year's usage. The first complete month of summer operation, June, shows a 54.6% reduction as compared to the 2015 season. Monica Colborn, GCRC Aquatics Manager, has indicated that the consumption of chlorine and other chemicals at the facility have reduced significantly this season.

Early consumption reports for July indicate continued reduction in usage. I will continue to monitor use through the summer and provide another update this fall.

Big Pool Water Use History

Total Use	2016	2015	2014	2013
May	6,213,732	6,249,900	10,107,800	7,857,300
June	5,835,134	10,685,800	10,547,400	6,434,600
July	571,780*	8,250,500	9,243,500	5,800,500
August		4,491,000	2,480,000	5,800,500
Total	12,620,646	30,127,200	32,378,700	27,458,900

ALTERNATIVES:

Report provided to the Mayor and Commission for informational purposes.

RECOMMENDATION:

None at this time.

FISCAL NOTE:

None at this time.

Staff Reports



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Rachelle Powell, Director of Aviation
DATE: July 19, 2016
RE: June 2016 Airport Report

ISSUE:

Presentation of the June 2016 staff report from the Airport.

BACKGROUND:

Attached is the Airport staff report for June 2016.

ALTERNATIVES:

None

RECOMMENDATION:

None

FISCAL NOTE:

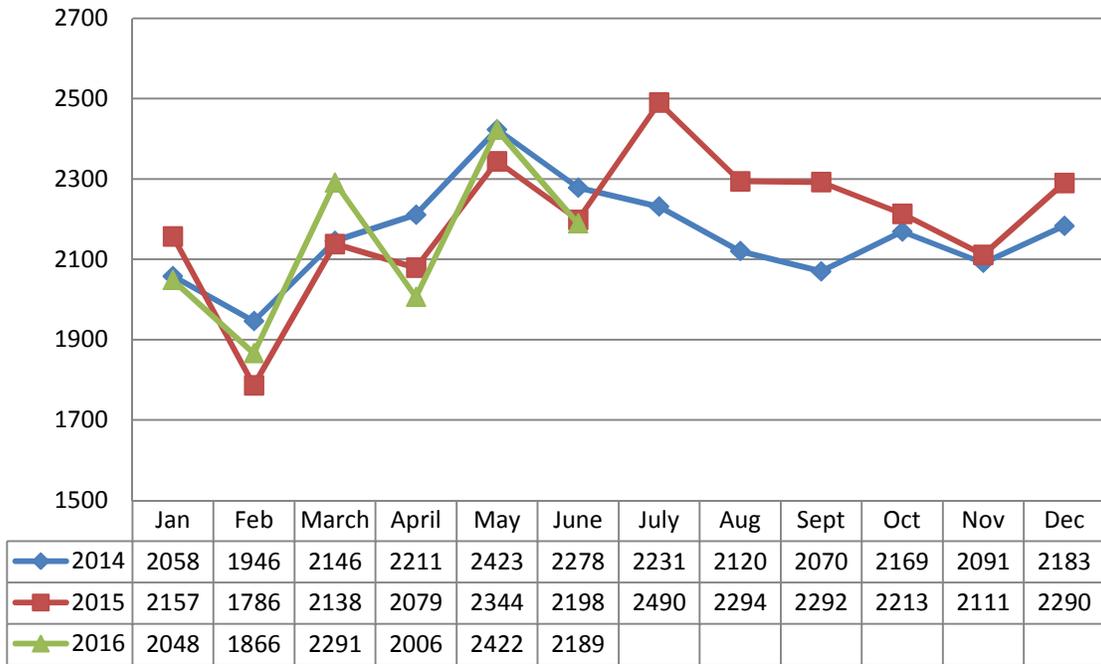
None

ATTACHMENTS:

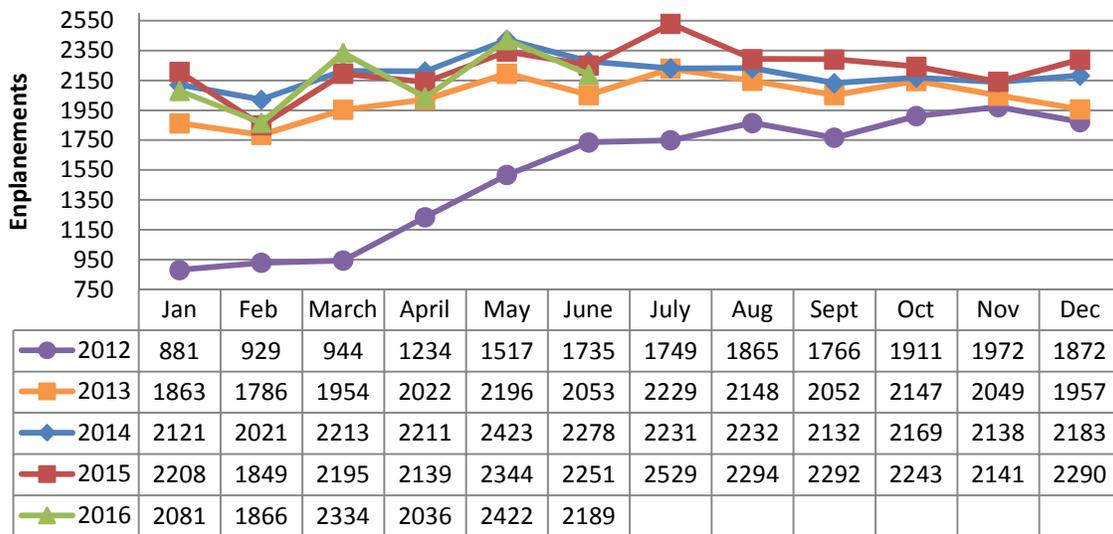
Description	Upload Date	Type
June Airport Report	7/11/2016	Backup Material

**GARDEN CITY REGIONAL AIRPORT
MONTHLY REPORTS**

Airline Enplanement Comparison

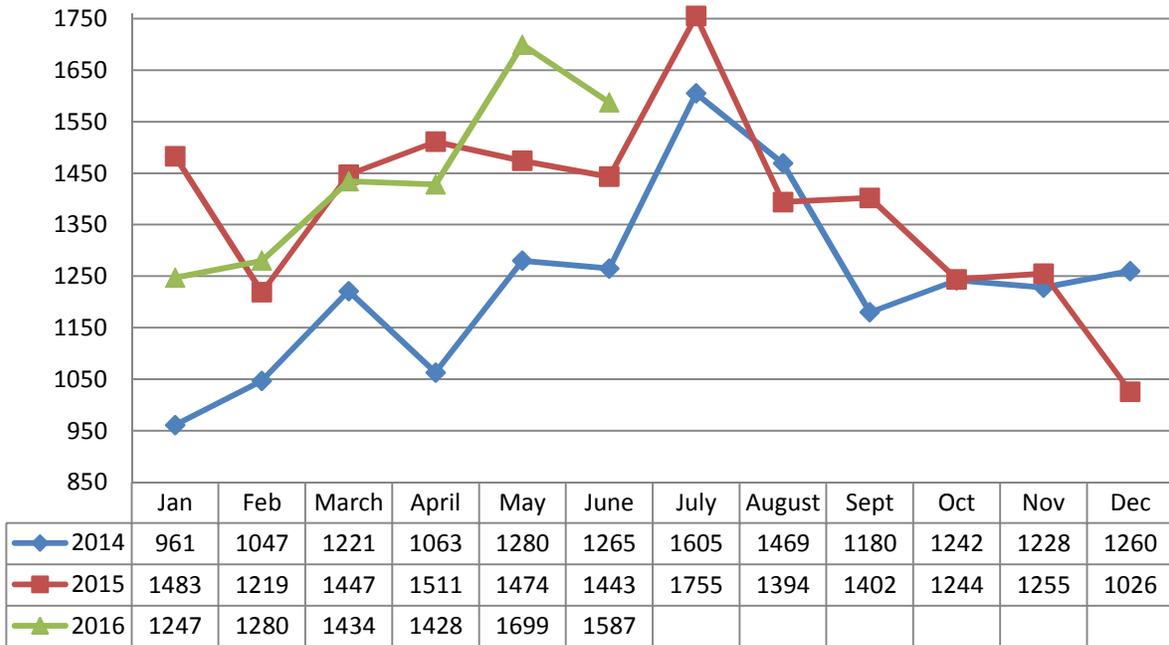


Airline and Charter Enplanement Data

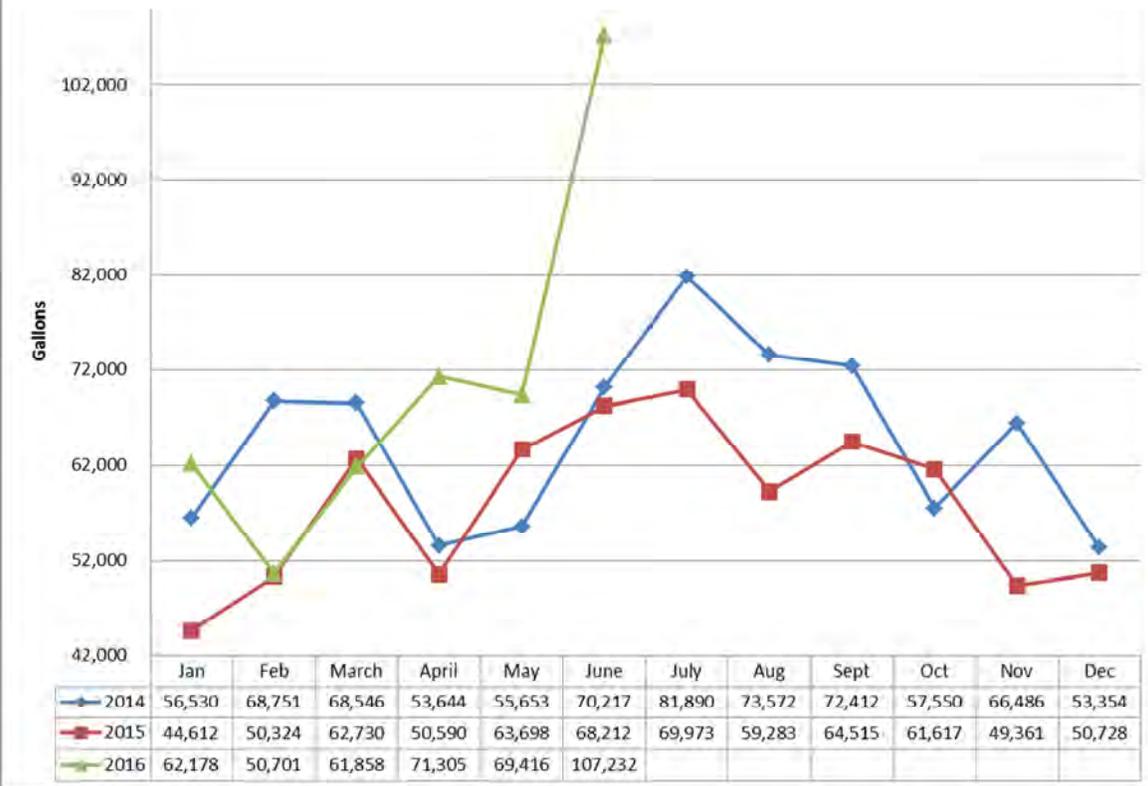


2012	2013	2014	2015	2016
18,375	24,456	26,428	26,775	12,958

Monthly Operations Comparison



Fuel Sale Comparison





MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Service and Finance
DATE: July 19, 2016
RE: Monthly Financial Report - June 2016

ISSUE:

Presentation of the June 2016 Financial Report from Service and Finance.

BACKGROUND:

Attached is the Service and Finance Monthly Financial Report for June 2016.

ALTERNATIVES:

None

RECOMMENDATION:

None

FISCAL NOTE:

None

ATTACHMENTS:

Description	Upload Date	Type
Monthly Financial Report - June 2016	7/12/2016	Backup Material



City of Garden City
Monthly Financial Report FY 2016
For the Six Months Ended June 30, 2016
 Unaudited--Intended for Management Purposes Only

The following is a summary of the City's financial results for the General Funds and Utility Funds. The subsequent pages provide some narrative, comparison cash balances, line item analysis, and graphic display of revenue trends for the City's General and Utility Funds. This report is intended to assist the City Commission and the City's Administrative team in managing the operational budget. This information is summarized from unaudited financial statements for the monthly period that ended June 30, 2016.

GENERAL FUND AT A GLANCE

Category	Revised 2016 Budget	2016 YTD Actual	2015 YTD Actual
Revenues	23,067,926	13,218,978	12,615,678
Expenditures	24,028,254	11,307,378	10,963,596
Revenues Over(Under)	(960,328)	1,911,600	1,652,082

UTILITY FUND REVENUES AT A GLANCE

Category	Revised 2016 Budget	2016 YTD Actual	2015 YTD Actual
Electric	33,010,192	14,279,868	14,143,730
Solid Waste	3,631,460	1,919,873	1,815,677
Drainage Utility	208,139	106,256	104,896
Water and Sewage	7,906,020	3,237,088	3,240,026
TOTAL	44,755,811	19,543,085	19,304,329

SELECTED GENERAL FUND REVENUES AT A GLANCE

Category	Revised 2016 Budget	2016 YTD Actual	2015 YTD Actual
City Sales Tax	6,350,000	3,284,185	3,204,933
County Sales Tax	3,700,000	1,893,799	1,899,601
Franchise Tax			
Gas Utility	460,000	257,082	320,980
Telephone	58,500	29,690	29,921
CATV	232,000	116,418	117,131
Building Permits	342,700	290,435	198,888
Municipal Court Fines	900,000	436,154	438,587



**City of Garden City
Monthly Financial Report FY 2016
For the Six Months Ended
June 30, 2016**

General Fund

General Fund Revenues collected through June were \$13,218,978. The June revenues represent 57.30% of the total revenues expected in the General Fund. Property tax distribution was 96.64% for the third of five payments in 2016.

General Fund Expenses are at 47.06% of the total expenditures expected in the General Fund.

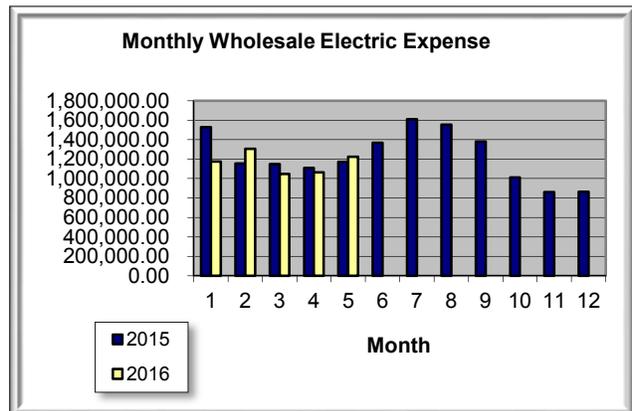
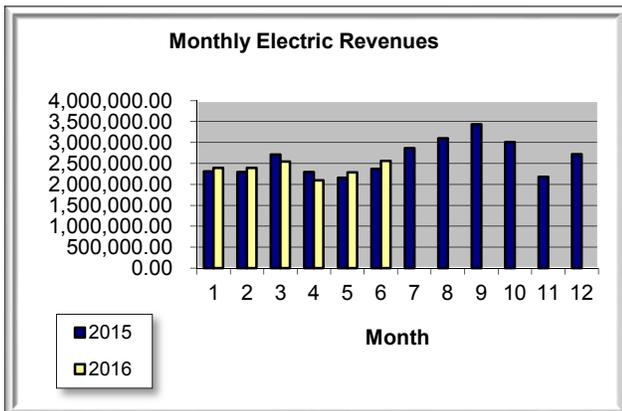
Selected Revenues

- City Sales Tax—Ahead by \$79,252 compared to June 2015 year to date collections, 2.47% ahead of 2015 for the six months ended.
- County Sales Tax— Collections for the six months ended are behind of 2015 by \$5,802 or .31%.
- Franchise Tax—Budget estimates for 2016 remain approximately the same as 2015. Gas utility actual 2016 is behind 2015.
- Building Permits—Budget estimates for 2016 are based on 2015 revenues. Receipts are higher than this period in 2015.
- Municipal Court Fines—Budget estimates were based on 2015 actual and collections through June were behind 2015.

Utility Funds

A summary of Utility Fund revenue performance is outlined below:

- Electric revenues – revised budget at \$33,010,192 for 2016 were \$14,279,868 through six months or 43.26% of budget.

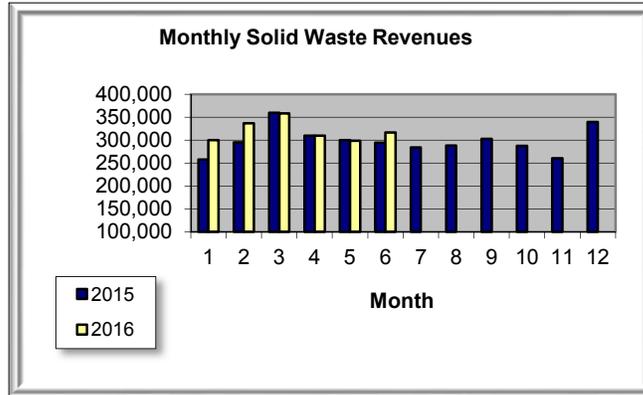


A main expense is Wholesale Electric in the Utility Fund. The 2016 revised budget for wholesale electric is \$17,697,000. The wholesale electric expense for June was not available at this printing.

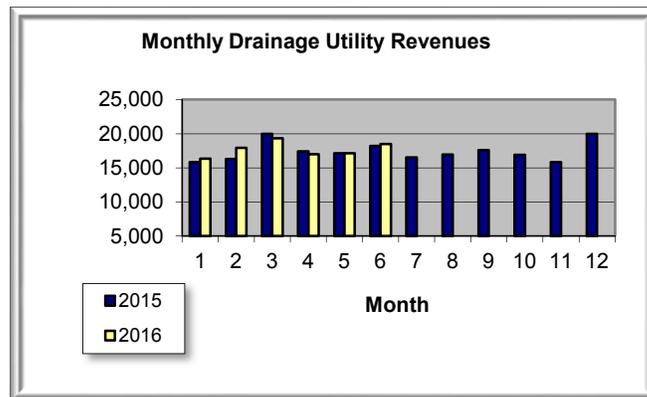


City of Garden City
Monthly Financial Report FY 2016
For the Six Months Ended
June 30, 2016

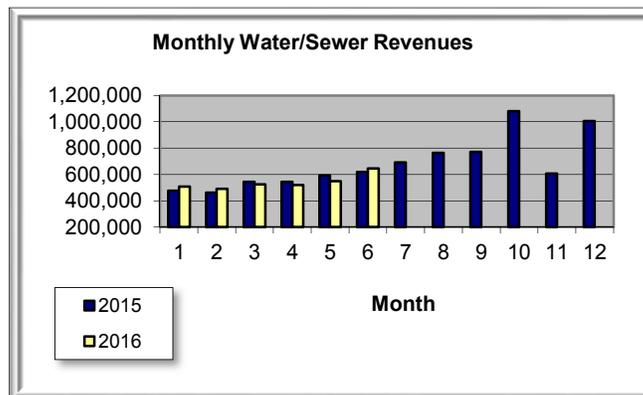
■ Solid Waste revenues – revised budget at \$3,631,460 for 2016 were \$1,919,873 through six months or 52.87% of budget.



■ Drainage Utility revenues – revised budget at \$208,139 for 2016 were \$106,256 through six months or 51.05%.



■ Water and Sewage revenues - revised budget at \$7,906,020 for 2016 were \$3,237,088 through six months or 40.94% of budget.





CITY OF GARDEN CITY, KANSAS
 Comparison of Cash Balances with Encumbrances and Composition of Cash
 For the Six Months Ended June 30, 2016

Fund	Unencumbered Cash Balance 1/1/2016	Receipts and Transfers	Expenditures and Transfers	Unencumbered Cash Balance 6/30/2016	Add Payables and Encumbrances	Treasurer's Cash 6/30/2016
Operating						
1 General	5,544,638.09	13,218,977.83	11,187,569.88	7,576,046.04	119,808.00	7,695,854.04
Debt Service Fund						
40 Bond and Interest	568,195.17	1,763,857.34	275,387.50	2,056,665.01	0.00	2,056,665.01
Special Revenue Funds						
4 TIF	704,354.92	1,425,022.78	604,713.62	1,524,664.08	0.00	1,524,664.08
5 Capital Improvement	1,085,118.66	324,266.36	529,390.30	879,994.72	0.00	879,994.72
6 Community Development Loan	16,816.55	1,031.54	0.00	17,848.09	0.00	17,848.09
7 Cemetery Endowment	34,782.01	3,311.54	14,000.00	24,093.55	0.00	24,093.55
8 Community Trust	1,495,344.12	76,931.69	30,597.23	1,541,678.58	0.00	1,541,678.58
10 DEA Forfeiture	36,448.64	6,079.50	10,783.36	31,744.78	0.00	31,744.78
11 Drug Enforcement	83,804.91	8,993.75	31,668.33	61,130.33	0.00	61,130.33
15 Enhanced Wireless 911	384,213.80	100,000.60	58,854.86	425,359.54	0.00	425,359.54
18 Finnup Trust	124,583.05	80,000.00	39,945.99	164,637.06	0.00	164,637.06
19 JAG Grant	11,942.00	0.00	0.00	11,942.00	0.00	11,942.00
25 Recreation	0.00	923,851.36	923,851.36	0.00	0.00	0.00
26 Special Improvements	84,458.93	3,337.28	1,426.57	86,369.64	0.00	86,369.64
27 Special Liability	85,220.06	0.00	13,919.81	71,300.25	0.00	71,300.25
29 Special Alcohol Programs	77,017.98	56,985.35	45,575.00	88,428.33	0.00	88,428.33
30 Special Recreation and Parks	76,750.99	63,332.06	32,921.34	107,161.71	0.00	107,161.71
32 Special Trafficway	1,033,976.11	363,430.17	96,308.51	1,301,097.77	165,640.00	1,466,737.77
50 Community Development Grant	0.00	0.00	0.00	0.00	0.00	0.00
52 Economic Development	413,848.24	21,032.13	100,517.87	334,362.50	0.00	334,362.50
53 Project Development	641,116.42	997.56	275,446.54	366,667.44	0.00	366,667.44
Total Special Revenue	<u>6,389,797.39</u>	<u>3,458,603.67</u>	<u>2,809,920.69</u>	<u>7,038,480.37</u>	<u>165,640.00</u>	<u>7,204,120.37</u>
Capital Projects Funds						
41 2013-GO Bond Projects	179,119.48	0.00	0.00	179,119.48	0.00	179,119.48
42 2014-GO Bond Projects	1,086,094.10	0.00	480,433.92	605,660.18	0.00	605,660.18
43 2015-GO Bond Projects	494,734.00	0.00	0.00	494,734.00	0.00	494,734.00
44 2015-Temp Notes	18,267.16	500,000.00	477,947.42	40,319.74	0.00	40,319.74
48 Tiger Grant	3,300,000.00	10,848,330.13	13,719,501.32	428,828.81	0.00	428,828.81
49 2013-Temp Notes Schulman Cross	352,434.91	0.00	37,885.75	314,549.16	0.00	314,549.16
Total Capital Projects	<u>5,430,649.65</u>	<u>11,348,330.13</u>	<u>14,715,768.41</u>	<u>2,063,211.37</u>	<u>0.00</u>	<u>2,063,211.37</u>
Enterprise Funds						
Electric Utility:						
67 Capital Reserve	1,500,000.00	312,500.00	0.00	1,812,500.00	0.00	1,812,500.00
68 General	7,653,808.21	14,279,868.11	12,591,151.22	9,342,525.10	152,364.24	9,494,889.34
69 Security Deposits	503,559.73	152,380.00	36,688.16	619,251.57	0.00	619,251.57
Total Electric Utility	<u>9,657,367.94</u>	<u>14,744,748.11</u>	<u>12,627,839.38</u>	<u>11,774,276.67</u>	<u>152,364.24</u>	<u>11,926,640.91</u>
Water and Sewer Utility:						
80 General	2,807,779.52	3,237,088.26	3,383,320.21	2,661,547.57	26,392.00	2,687,939.57
81 Wastewater Repair and Replacem	250,032.77	65,105.03	0.00	315,137.80	0.00	315,137.80
82 Water and Sewage Maintenance F	448,871.10	92,471.48	0.00	541,342.58	0.00	541,342.58
Total Water and Sewer Utility	<u>3,506,683.39</u>	<u>3,394,664.77</u>	<u>3,383,320.21</u>	<u>3,518,027.95</u>	<u>26,392.00</u>	<u>3,544,419.95</u>
Airport:						
60 General	1,159,222.06	1,158,078.68	409,459.53	1,907,841.21	0.00	1,907,841.21
61 Airport Improvement	37,594.19	531,673.07	558,253.96	11,013.30	0.00	11,013.30
Total Airport	<u>1,196,816.25</u>	<u>1,689,751.75</u>	<u>967,713.49</u>	<u>1,918,854.51</u>	<u>0.00</u>	<u>1,918,854.51</u>
Solid Waste Utility:						
75 General	1,665,289.95	1,919,873.32	1,320,526.22	2,264,637.05	324,005.00	2,588,642.05
Recreation Area:						
70 General Golf Course	2,848.99	464,624.67	447,954.46	19,519.20	31,300.00	50,819.20
71 Golf Course Building	13,415.98	957.00	0.00	14,372.98	0.00	14,372.98
Total Recreation Area	<u>16,264.97</u>	<u>465,581.67</u>	<u>447,954.46</u>	<u>33,892.18</u>	<u>31,300.00</u>	<u>65,192.18</u>
Drainage Utility:						
79 General	445,610.85	106,256.38	75,546.96	476,320.27	0.00	476,320.27
Internal Service Funds						
55 Health Insurance	560,884.79	1,723,099.45	2,050,686.01	233,298.23	0.00	233,298.23
56 Health Insurance Reserve	1,355,488.91	0.00	0.00	1,355,488.91	0.00	1,355,488.91
35 Workers Compensation	431,503.24	399,220.00	263,311.80	567,411.44	0.00	567,411.44
36 Workers Compensation Reserve	455,633.99	173.63	6,051.79	449,755.83	0.00	449,755.83
Total Internal Service	<u>2,803,510.93</u>	<u>2,122,493.08</u>	<u>2,320,049.60</u>	<u>2,605,954.41</u>	<u>0.00</u>	<u>2,605,954.41</u>
Total All Funds	<u>37,224,824.58</u>	<u>54,233,138.05</u>	<u>50,131,596.80</u>	<u>41,326,365.83</u>	<u>819,509.24</u>	<u>42,145,875.07</u>



City of Garden City
Statement of Revenues and Expenditures-General Fund Revenues
From 6/1/2016 Through 6/30/2016

001 - GENERAL FUND

		Curr Month Collections	YTD Collections	Revised Budget	Uncollected Balance
Income					
3022	CONNECTING LINKS	0.00	37,413.47	75,000.00	(37,586.53)
3023	CONSUMER USE TAX	74,527.57	587,712.19	890,000.00	(302,287.81)
3028	LIQUOR CONSUMPTION TAX	30,403.35	56,985.35	100,000.00	(43,014.65)
3035	STATE REVENUE STAMP	0.00	(75.00)	0.00	(75.00)
3040	AD VALOREM TAX	1,249,325.62	3,338,563.68	3,390,000.00	(51,436.32)
3041	AD VALOREM BACK TAX	20,537.47	63,098.26	130,000.00	(66,901.74)
3044	CITY SALES TAX	524,973.13	3,284,184.64	6,350,000.00	(3,065,815.36)
3046	COUNTY SALES TAX	298,761.21	1,893,798.88	3,700,000.00	(1,806,201.12)
3055	MOTOR VEHICLE TAX	77,790.21	209,472.53	405,000.00	(195,527.47)
3056	RECREATIONAL VEHICLE TAX	801.03	2,848.99	3,100.00	(251.01)
3057	HEAVY DUTY VEHICLE TAX	267.30	2,137.86	1,700.00	437.86
3058	COMMERCIAL VEHICLE TAX	4,917.34	19,848.44	20,000.00	(151.56)
3065	CATV FRANCHISE	0.00	116,417.81	232,000.00	(115,582.19)
3066	GAS UTILITY FRANCHISE	0.00	257,082.44	460,000.00	(202,917.56)
3067	TELEPHONE FRANCHISE	4,066.46	29,040.97	56,000.00	(26,959.03)
3068	TELECOM FRANCHISE	0.00	649.15	2,500.00	(1,850.85)
3115	CEMETERY SPACES	5,850.00	26,015.52	40,000.00	(13,984.48)
3150	IDENTIFIED LONG/SHORT	(232.37)	(2,509.32)	0.00	(2,509.32)
3151	UNIDENTIFIED LONG/SHORT	0.00	10.00	0.00	10.00
3301.01	ANIMAL BOARDING	2,092.30	5,646.71	15,000.00	(9,353.29)
3301.02	CAR STORAGE & TOWING	845.00	6,724.50	18,500.00	(11,775.50)
3301.05	FEES-FALSE ALARM	0.00	1,300.00	3,000.00	(1,700.00)
3301.06	FEES-ENGINEERING SERVICES	0.00	5,800.00	20,000.00	(14,200.00)
3301.07	FEES-GATE RECEIPTS	3,350.00	11,750.00	23,000.00	(11,250.00)
3301.08	FEES-GRAVE OPENINGS	7,300.00	37,425.00	69,000.00	(31,575.00)
3301.09	FEES-MONUMENT SETTING	325.00	1,425.00	2,500.00	(1,075.00)
3301.10	FEES-PLAT FILING	(182.00)	828.00	2,000.00	(1,172.00)
3301.11	FEES-REZONING	250.00	1,700.00	3,000.00	(1,300.00)
3301.12	FEES-RURAL FIRE CONTRACTS	0.00	0.00	195,000.00	(195,000.00)
3301.13	FEES-WAIVER FILING	1,000.00	2,550.00	3,500.00	(950.00)
3301.16	FINES-MUNICIPAL COURT	83,950.57	435,653.89	900,000.00	(464,346.11)
3301.17	FEES-STATE JUDGE	207.81	1,067.96	1,250.00	(182.04)
3301.18	FEES-STATE LAW ENFORCEMENT	4,151.85	22,538.64	48,000.00	(25,461.36)
3301.19	FEES-REINSTATEMENT	405.00	2,249.00	5,000.00	(2,751.00)
3301.20	FEES-RESTITUTION	(561.26)	4,742.60	1,000.00	3,742.60
3301.21	LEGAL COPIES	345.25	1,832.00	3,000.00	(1,168.00)
3301.23	FEES-CRIME STOPPER INFRACTION	844.11	6,648.34	18,000.00	(11,351.66)
3301.24	FEES-CRIME STOPPER MAJOR	(11.23)	423.18	500.00	(76.82)
3301.25	FEES-FAMILY CRISIS	550.00	500.00	0.00	500.00
3350.01	LICENSE-AMUSEMENT	0.00	200.00	0.00	200.00
3350.02	LICENSE-ARBORIST	0.00	0.00	1,000.00	(1,000.00)
3350.03	LICENSE-CEREAL MALT BEVERAGE	125.00	125.00	3,750.00	(3,625.00)
3350.04	LICENSE-CONTRACTOR	1,400.00	7,500.00	35,000.00	(27,500.00)
3350.05	ZONING COMPLIANCE	100.00	975.00	0.00	975.00
3350.06	LICENSE-ELECTRICIAN	240.00	2,600.00	7,500.00	(4,900.00)
3350.08	LICENSE-ITINERANT MERCHANT	0.00	3,675.00	8,000.00	(4,325.00)
3350.09	LICENSE-LIQUOR	500.00	4,050.00	4,750.00	(700.00)
3350.10	LICENSE-MECHANICAL	660.00	2,640.00	6,500.00	(3,860.00)



City of Garden City
Statement of Revenues and Expenditures-General Fund Revenues
From 6/1/2016 Through 6/30/2016

3350.12	LICENSE-PAWN SHOP	0.00	75.00	75.00	0.00
3350.13	LICENSE-PLUMBER	400.00	2,160.00	4,000.00	(1,840.00)
3350.15	LICENSE-TAXI	0.00	45.00	100.00	(55.00)
3350.16	TAGS-DOG & CAT	269.31	1,085.27	2,500.00	(1,414.73)
3400.01	PERMITS-BUILDING	31,149.55	269,316.52	290,000.00	(20,683.48)
3400.02	PERMITS-CURB CUT	0.00	0.00	1,000.00	(1,000.00)
3400.03	PERMITS-ELECTRIC	770.50	2,337.50	6,000.00	(3,662.50)
3400.04	PERMITS-EXCAVATION	60.00	862.00	2,500.00	(1,638.00)
3400.05	PERMITS-GAS	329.00	1,166.00	4,000.00	(2,834.00)
3400.06	PERMITS-HOUSE MOVING	20.00	20.00	200.00	(180.00)
3400.08	PERMITS-MECHANICAL	1,490.00	7,497.25	16,000.00	(8,502.75)
3400.09	PERMITS-PLUMBING	1,065.00	6,127.50	15,000.00	(8,872.50)
3400.11	PERMITS-TV & SIGN	35.00	3,108.00	8,000.00	(4,892.00)
3435	INTEREST INCOME	3,233.44	17,382.41	37,500.00	(20,117.59)
3437	FINANCE CHARGE INCOME	176.55	233.89	12,500.00	(12,266.11)
3440.02	RENTAL-CITY FACILITIES	1,005.31	7,202.58	40,000.00	(32,797.42)
3440.03	RENTAL-DEPOT	100.00	600.00	1,200.00	(600.00)
3447	ROYALTIES-GAS WELLS	293.35	3,963.16	18,000.00	(14,036.84)
3450	SALE OF PROPERTY-AUCTION	0.00	0.00	9,000.00	(9,000.00)
3454	SALE OF PROPERTY-LAND	0.00	300.00	0.00	300.00
3456	SALE OF PROPERTY-POLICE CARS	0.00	0.00	8,000.00	(8,000.00)
3470.01	REIMBURSE-ADMINISTRATIVE COSTS	0.00	0.00	1,201.00	(1,201.00)
3470.04	REIMBURSE-POLICE SERVICES	0.00	128,381.20	250,000.00	(121,618.80)
3470.07	UTILITY FUNDS REIMBURSEMENT	340,525.00	2,043,150.00	4,470,850.00	(2,427,700.00)
3470.08	REIMBURSE-COUNTY	0.00	185,000.00	185,000.00	0.00
3470.09	REIMBURSE-HOLCOMB	0.00	42,000.00	42,000.00	0.00
3470.11	REIMBURSE-ANIMAL SHELTER	0.00	0.00	55,750.00	(55,750.00)
3515	FUEL TAX REFUND	0.00	1,250.77	3,000.00	(1,749.23)
3600.01	MISCELLANEOUS-ADMINISTRATION	0.00	49.31	500.00	(450.69)
3600.02	MISCELLANEOUS-CEMETERY	0.00	360.00	1,000.00	(640.00)
3600.07	MISCELLANEOUS-POLICE	0.00	38.79	0.00	38.79
4010.01	TRANSFER-HEALTH INSURANCE RESV	0.00	0.00	330,000.00	(330,000.00)
Total Income		<u>2,780,797.73</u>	<u>13,218,977.83</u>	<u>23,067,926.00</u>	<u>(9,848,948.17)</u>



City of Garden City
Statement of Revenues and Expenditures-General Fund Expenses
From 6/1/2016 Through 6/30/2016

001 - GENERAL FUND

		Curr Month			
		Expenses	YTD Expenses	Revised Budget	Budget Remaining
Expenses					
111	CITY COMMISSION	5,156.99	42,180.06	118,850.00	76,669.94
112	CITY MANAGER	18,765.79	338,184.63	672,890.00	334,705.37
113	SERVICE AND FINANCE	64,107.69	387,624.58	834,800.00	447,175.42
114	LEGAL SERVICES	15,958.86	81,780.27	182,050.00	100,269.73
115	MUNICIPAL COURT	37,170.53	225,856.01	555,200.00	329,343.99
116	HUMAN RESOURCES	12,038.57	80,339.73	169,150.00	88,810.27
117	INFORMATION TECH	132,129.06	333,377.41	636,245.00	302,867.59
118	CITY PROSECUTION	<u>15,974.33</u>	<u>115,459.65</u>	<u>209,400.00</u>	<u>93,940.35</u>
	Total Administration	301,301.82	1,604,802.34	3,378,585.00	1,773,782.66
121	POLICE-ADMINISTRATIVE	209,456.12	1,129,788.96	1,947,510.00	817,721.04
122	POLICE-INVESTIGATIONS	86,309.26	453,905.58	1,066,030.00	612,124.42
123	POLICE-PATROL	298,591.47	1,846,535.00	3,928,360.00	2,081,825.00
124	POLICE-SUPPORT SERVICES	42,224.40	544,258.26	1,308,219.00	763,960.74
125	POLICE-ANIMAL CONTROL	<u>28,924.65</u>	<u>128,726.98</u>	<u>256,600.00</u>	<u>127,873.02</u>
	Total Police	665,505.90	4,103,214.78	8,506,719.00	4,403,504.22
131	PUBLIC WORKS-PLANNING,COMM	91,569.64	555,155.52	1,402,500.00	847,344.48
133	PUBLIC WORKS-STREET MAINT	76,548.54	930,159.44	1,503,450.00	573,290.56
135	PUBLIC WORKS-PARKS	<u>80,777.72</u>	<u>546,213.14</u>	<u>988,750.00</u>	<u>442,536.86</u>
	Total Public Works	248,895.90	2,031,528.10	3,894,700.00	1,863,171.90
141	ZOO-ADMINISTRATIVE	32,947.37	211,330.11	440,000.00	228,669.89
142	ZOO-MAINTENANCE DIVISION	28,773.71	139,115.26	367,750.00	228,634.74
144	ZOO-ANIMAL DIVISION	<u>81,468.93</u>	<u>489,755.29</u>	<u>1,170,900.00</u>	<u>681,144.71</u>
	Total Zoo	143,190.01	840,200.66	1,978,650.00	1,138,449.34
151	FIRE-ADMINISTRATIVE	19,493.28	131,206.54	279,900.00	148,693.46
152	FIRE-OPERATIONS	195,200.75	1,382,575.23	2,846,300.00	1,463,724.77
153	FIRE-VOLUNTEERS	112.14	2,130.10	21,900.00	19,769.90
154	FIRE-ARFF STATION	<u>1,375.39</u>	<u>2,576.37</u>	<u>95,900.00</u>	<u>93,323.63</u>
	Total Fire	216,181.56	1,518,488.24	3,244,000.00	1,725,511.76
161	CEMETERY-OPERATIONS	18,632.06	224,541.61	607,600.00	383,058.39
171	CAPITAL IMPROVEMENT	7,573.23	659,602.15	2,088,000.00	1,428,397.85
181	EMPLOYEE BENEFITS	0.00	<u>325,000.00</u>	<u>330,000.00</u>	<u>5,000.00</u>
	Total Expenses	<u>1,601,280.48</u>	<u>11,307,377.88</u>	<u>24,028,254.00</u>	<u>12,720,876.12</u>



City of Garden City
Statement of Revenues and Expenditures-Utility Fund Revenues
From 6/1/2016 Through 6/30/2016

		Curr Month Collections	YTD Collections	Revised Budget	Uncollected Balance
Income					
068	ELECTRIC				
3101	COLLECTIONS-ELECTRIC	2,434,084.55	13,571,945.07	31,623,717.00	(18,051,771.93)
3110.01	COLLECTIONS-COIN BOX	(524.05)	216.71	250.00	(33.29)
3118	CONNECT FEES	7,484.32	37,594.00	98,000.00	(60,406.00)
3150	IDENTIFIED LONG/SHORT	(5,009.77)	(6,455.52)	0.00	(6,455.52)
3151	UNIDENTIFIED LONG/SHORT	(56.01)	(275.46)	0.00	(275.46)
3154	INSUFFICIENT FUNDS CHECKS	(90.21)	(3,792.47)	0.00	(3,792.47)
3155	RETURNED CHECK CHARGE	475.00	2,300.00	5,000.00	(2,700.00)
3185	PENALTIES	26,122.72	45,371.77	85,000.00	(39,628.23)
3201	REIMBURSE-DEVELOPER	0.00	11,632.00	55,000.00	(43,368.00)
3435	INTEREST INCOME	20.49	103.85	2,000.00	(1,896.15)
3492	SALES TAX	97,940.51	502,365.19	1,136,225.00	(633,859.81)
3600	MISCELLANEOUS	462.87	56,362.97	5,000.00	51,362.97
4010.05	TRANSFER-ELECTRIC UTILITY	0.00	62,500.00	0.00	62,500.00
	Total Electric	2,560,910.42	14,279,868.11	33,010,192.00	(18,730,323.89)
075	SOLID WASTE-GENERAL				
3111	COLLECTIONS-SOLID WASTE	311,620.52	1,803,571.21	3,500,000.00	(1,696,428.79)
3185	PENALTIES	0.00	88,410.52	80,000.00	8,410.52
3195	RECYCLING SALES	4,732.20	25,672.05	50,000.00	(24,327.95)
3435	INTEREST INCOME	98.63	499.73	1,460.00	(960.27)
3515	FUEL TAX REFUND	0.00	1,719.81	0.00	1,719.81
	Total Solid Waste	316,451.35	1,919,873.32	3,631,460.00	(1,711,586.68)
079	DRAINAGE UTILITY				
3104.01	DRAINAGE FEE	18,487.68	106,256.38	208,000.00	(101,743.62)
3435	INTEREST INCOME	0.00	0.00	139.00	(139.00)
	Total Drainage Utility	18,487.68	106,256.38	208,139.00	(101,882.62)
080	WATER AND SEWAGE				
3102.01	COLLECTIONS-SEWER	213,136.94	1,243,348.92	2,525,770.00	(1,282,421.08)
3103	COLLECTIONS-WATER	389,219.31	1,760,498.10	4,300,000.00	(2,539,501.90)
3118	CONNECT FEES	2,145.00	8,050.00	18,000.00	(9,950.00)
3120	COUNTY SEWER FEES	8,518.48	54,316.96	112,000.00	(57,683.04)
3130	FIRE LEG FEES	0.00	17,545.00	15,500.00	2,045.00
3185	PENALTIES	0.00	8,587.74	110,000.00	(101,412.26)
3201	REIMBURSE-DEVELOPER	0.00	2,094.98	30,000.00	(27,905.02)
3225	SALE OF MATERIAL	1,021.65	1,530.60	15,000.00	(13,469.40)
3228	SEWER MAINTENANCE FEES	326.00	1,976.00	4,500.00	(2,524.00)
3229	SEWER TANK FEES	15,292.36	78,021.29	135,000.00	(56,978.71)
3257	WATER TANK SALES	3,105.71	8,948.11	55,000.00	(46,051.89)
3260	WATER TAP FEES	6,080.91	23,544.84	65,000.00	(41,455.16)
3494	TAX-WATER CONSUMPTION	4,950.99	20,231.45	55,000.00	(34,768.55)
3515	FUEL TAX REFUND	0.00	0.00	250.00	(250.00)
3600	MISCELLANEOUS	670.00	8,394.27	15,000.00	(6,605.73)
4010.20	TRANSFER-WTR SYS MAINT RESV	0.00	0.00	250,000.00	(250,000.00)
4010.21	TRANSFER-WASTEWTR R&R RESV	0.00	0.00	200,000.00	(200,000.00)
	Total Water and Wastewater	644,467.35	3,237,088.26	7,906,020.00	(4,668,931.74)
	Total Income	3,540,316.80	19,543,086.07	44,755,811.00	(25,212,724.93)



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Allen Shelton, Fire Chief
DATE: July 19, 2016
RE: Fire Department Activity Report June 2016

ISSUE:

Presentation of June 2016 Fire Department Activity Reports.

BACKGROUND:

Attached is the Fire Department incident and inspections reports for the month of June 2016.

ALTERNATIVES:

None

RECOMMENDATION:

None

FISCAL NOTE:

None

ATTACHMENTS:

Description	Upload Date	Type
Incident Report June 2016	7/13/2016	Backup Material
Inspection Report 2016	7/13/2016	Backup Material

Garden City Fire Department

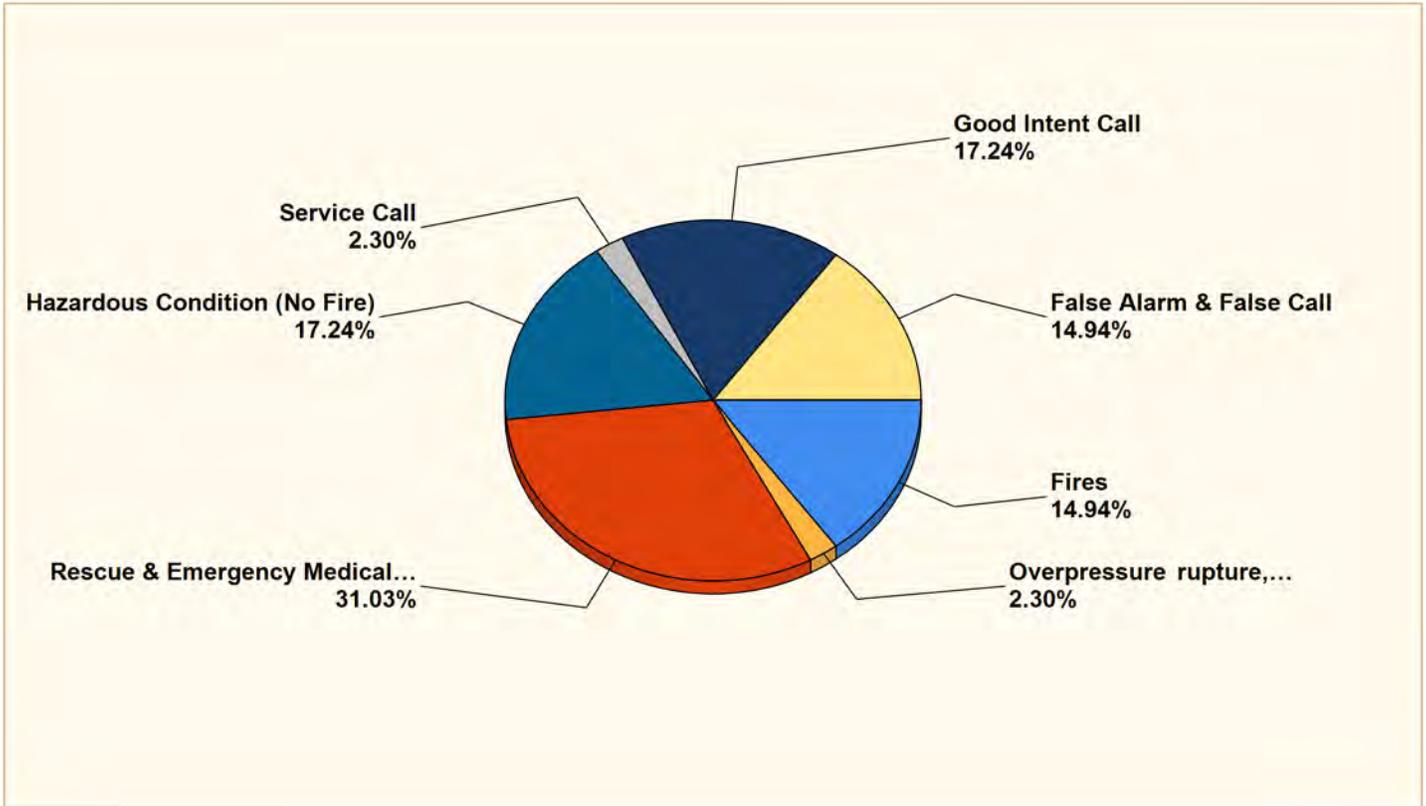
Garden City, KS

This report was generated on 7/13/2016 1:50:07 PM



Breakdown by Major Incident Types for Date Range

Zone(s): All Zones | Start Date: 06/01/2016 | End Date: 06/30/2016



MAJOR INCIDENT TYPE	# INCIDENTS	% of TOTAL
Fires	13	14.94%
Overpressure rupture, explosion, or overheating - no fire	2	2.30%
Rescue & Emergency Medical Service	27	31.03%
Hazardous Condition (No Fire)	15	17.24%
Service Call	2	2.30%
Good Intent Call	15	17.24%
False Alarm & False Call	13	14.94%
TOTAL	87	100.00%

Only REVIEWED incidents included. Summary results for a major incident type are not displayed if the count is zero.

Detailed Breakdown by Incident Type

INCIDENT TYPE	# INCIDENTS	% of TOTAL
111 - Building fire	2	2.30%
113 - Cooking fire, confined to container	1	1.15%
131 - Passenger vehicle fire	1	1.15%
138 - Off-road vehicle or heavy equipment fire	1	1.15%
140 - Natural vegetation fire, other	3	3.45%
143 - Grass fire	2	2.30%
162 - Outside equipment fire	1	1.15%
171 - Cultivated grain or crop fire	2	2.30%
251 - Excessive heat, scorch burns with no ignition	2	2.30%
311 - Medical assist, assist EMS crew	3	3.45%
322 - Motor vehicle accident with injuries	8	9.20%
323 - Motor vehicle/pedestrian accident (MV Ped)	2	2.30%
324 - Motor vehicle accident with no injuries.	13	14.94%
355 - Confined space rescue	1	1.15%
412 - Gas leak (natural gas or LPG)	3	3.45%
413 - Oil or other combustible liquid spill	1	1.15%
422 - Chemical spill or leak	1	1.15%
424 - Carbon monoxide incident	2	2.30%
440 - Electrical wiring/equipment problem, other	2	2.30%
444 - Power line down	6	6.90%
551 - Assist police or other governmental agency	1	1.15%
561 - Unauthorized burning	1	1.15%
600 - Good intent call, other	5	5.75%
611 - Dispatched & cancelled en route	3	3.45%
622 - No incident found on arrival at dispatch address	2	2.30%
631 - Authorized controlled burning	1	1.15%
650 - Steam, other gas mistaken for smoke, other	1	1.15%
652 - Steam, vapor, fog or dust thought to be smoke	1	1.15%
653 - Smoke from barbecue, tar kettle	1	1.15%
661 - EMS call, party transported by non-fire agency	1	1.15%
700 - False alarm or false call, other	7	8.05%
733 - Smoke detector activation due to malfunction	1	1.15%
736 - CO detector activation due to malfunction	1	1.15%
743 - Smoke detector activation, no fire - unintentional	2	2.30%
744 - Detector activation, no fire - unintentional	2	2.30%
TOTAL INCIDENTS:	87	100.00%

Only REVIEWED incidents included. Summary results for a major incident type are not displayed if the count is zero.

Garden City Fire Department

Garden City, KS

This report was generated on 7/13/2016 1:47:18 PM



StartDate: 06/01/2016 | EndDate: 06/30/2016

OCCUPANCY	COUNT
INSPECTION TYPE: Company	
Business Office	1
INSPECTION TYPE: Construction	
Assembly	5
Medical/Dental Office	1
Mercantile	1
Moderate Hazard Storage	1
INSPECTION TYPE: Fire Protection System Inspection	
Assembly	2
Detention Facility	3
Mercantile	1
INSPECTION TYPE: Fireworks	
Fireworks Stand or Tent	5
Other	17
INSPECTION TYPE: Inspection	
Business Office	1
College	29
INSPECTION TYPE: Zoning Compliance	
Assembly	1
Bar/Nightclub	1
Business Office	1
Restaurant	2

Locked inspections only.



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Kristi Newland, Zoo Director
DATE: July 19, 2016
RE: Lee Richardson Zoo monthly report - June 2016

ISSUE:

Presentation of the June 2016 monthly staff report from Lee Richardson Zoo.

BACKGROUND:

Attached is the June 2016 monthly staff report from Lee Richardson Zoo.

ALTERNATIVES:

None

RECOMMENDATION:

None

FISCAL NOTE:

None

ATTACHMENTS:

Description	Upload Date	Type
June monthly report	7/8/2016	Backup Material



CITY OF GARDEN CITY ZOO DEPARTMENT JUNE 2016 MONTHLY REPORT

ANIMAL DIVISION

ACCESSIONS:

Births/Hatchings

None

Transactions (Purchases, donations, etc.)

None

DEACCESSIONS

Deaths

0.0.1 Swift fox kit

Transactions (Sales, donations, etc.)

None

Kinney Glass is repairing/replacing the caulking at the outdoor otter pool. Animal Care Staff are continuing to bottle feed 4 pronghorn, 1 goral, and 1 camel. Female giraffe is receiving hydrotherapy for scrape/cut/abrasion on her lower right rear leg; Female gaur's horns were removed to prevent issues related to splitting.

ADMINISTRATION DIVISION

Staff members have been addressing concerns identified during the AZA accreditation inspection, and are continuing development of the security camera project. Monkey Business performances wrapped up to sold out audiences. The Beef Empire Days Chuckwagon Community Feed was held at the West Green. Zoo Director attended a Grant Writing Academy, and toured new Safari Shoppe staff around the zoo to orient them to their special surroundings. Staff took those attending the pre-meeting for the June 7 City Commission meeting on a Zoo tour. Sensaphones were switched to a cellular service. The Zoo budget went before the City Commission. An all-staff training session was offered by City HR on sexual harassment prevention completing the zoo's portion of the all-city staff training. Staff attended Hazards Communications training through KMU and CPR/First Aid training at the Fire Station. Staff completed weekly "Zoo to You" Telegram columns and 4 radio spots. Weapons team training took place at the range.

EDUCATION DIVISION

The education division gave 93 formal programs to 1838 people, and reached an additional 496 people through 6 hours of informal programming. Distance Learning educational offerings earned \$860 this month. The Education division developed and implemented a workshop geared toward the Girl Scouts' Animal Helper patch. The workshop involved training demonstrations by the animal caretakers, a Finney County K9 unit, and a local service dog handler. Program development and organization has begun for the 2016/2017 school year. 2016 Summer Edventure camp 1st round was completed. Camps were near capacity and well received as usual. Nature Play Space additions were planned with maintenance division and AZA Nature Play grant providers. The vertical "dream nest" in the Nature Play Space was removed for safety reasons due to deterioration. Family Nature Club was restructured to Family Nature Play to increase attendance. Attendance did increase at the June event. The restructuring turns the time into a come and go event for families rather than a structured beginning, middle, and end style program. World Giraffe Day was celebrated on the longest day of the year bringing attention to issues affecting the longest-necked animal on the planet.

MAINTENANCE DIVISION

Much time was spent working on the "lesser concerns" that came up during the AZA accreditation inspection and similar issues identified by staff (paint issues, etc.). The fascia and trim on the flamingo barn as well as both of the doors on the barn were painted. The countertop, sink and service area table in Marie Osterbuhr Aviary were replaced. The wood trim on the back of the lion barn is being replaced and a gutter system is being installed on the barn. The fence by the south public restroom was fixed and painted as well as the privacy fences that are in front of the entrances to the restrooms. The Maintenance team also worked to maintain zoo grounds by weed-eating, mowing, and spraying for chiggers. Several dead trees were cut down around the zoo and they were repurposed for use on a shade structure that the team constructed in the north rhino yard. Mulching the zoo was a major focus of our seasonal maintenance team members. Many water leaks around the zoo were fixed. Privacy slats are being added in the chain link fence around the maintenance shop area to improve the view along the trail that wraps around outside the south end of the zoo.

Consideration of Appropriation Ordinance

Ordinances & Resolutions



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Jacob M. Cunningham
DATE: July 19, 2016
RE: Municipal Bond Policy

ISSUE:

The Governing Body is asked to consider and approve the proposed resolution providing direction to the City of Garden City, Kansas Police Department (“GCPD”) and the establishment of uniform practices concerning issuance of Own Recognizance (“OR”) Bonds for individuals arrested for violations of the Code of Ordinances for the City of Garden, Kansas (“Code”).

Resolution No. _____ - 2016, a resolution establishing bond procedures for municipal court.

BACKGROUND:

An Own Recognizance Bond is a bond wherein no money or surety is promised in order for a release; rather, the person is released with explicit instructions to appear in court at a set date and time.

The current bond policy relies upon a schedule wherein different violations of the Code result in different bond amounts. If the arrested individual can pay or secure a corporate surety, they are able to bond out; however, if an individual is unable to pay, they are held for a forty-eight (48) hour time frame and then released with an OR Bond.

In order to comply with Federal and Kansas law, as well as constitutional protections afforded to arrested individuals, the policy changes delineated in the proposed resolution should be incorporated by the Governing Body.

Of particular note, are the following requirements contained within the proposed resolution:

· Any individual arrested for a violation of the Code shall be taken to the Finney County Jail, processed and released on an OR Bond subject to the following exceptions:

- o An individual determined by the arresting GCPD officer(s) to be under the influence of alcohol and/or drugs. In which case, the individual arrested shall be held for up to six (6) hours; and
- o An individual arrested for domestic battery, battery, assault or any other Code violation involving an offense against a person, threat against a person, or allegations wherein bodily harm occurred to a person, shall be given a condition of bond wherein they are precluded from contact with the victim or victims until such time as the municipal court judge alters or amends the condition or the matter is finalized.

· With respect to the decision to detain an individual for a period of time up to six (6) hours, GCPD officers will be instructed to make such a determination on a case by case basis. Further, GCPD officers will be required to include in their arrest report the observations relied upon in making the decision to detain upon the aforementioned basis.

· Chief Utz of the GCPD has been advised of, and approves of the changes to the Municipal Court Bond Policy detailed in the proposed resolution.

· The proposed resolution, if approved, will result in an expedited processing of arrested individuals by GCPD officers, and a direct result will be a more efficient policing of the City.

ALTERNATIVES:

1. The Governing Body can elect to take no action and leave the existing bond policy in place.
2. The Governing Body can approve the policy changes delineated in the proposed resolution.

RECOMMENDATION:

It is Assistant City Attorney Cunningham's recommendation that the Governing Body pass this resolution as proposed. The policy changes referenced in the proposed resolution achieve a synthesis of the City's policy with Federal and Kansas law.

FISCAL NOTE:

Until the policy has been implemented, the precise net impact of this change will be unknown. However, it will be a nominal increase or decrease in revenue that is not material.

ATTACHMENTS:

Description	Upload Date	Type
Municipal Bond Policy	7/14/2016	Backup Material

RESOLUTION NO. _____

**A RESOLUTION ESTABLISHING BOND PROCEDURES
FOR MUNICIPAL COURT**

WHEREAS, the City of Garden City, Kansas, has identified various procedures in implementing bonds for individuals arrested for violation of the Code of Ordinances for the City of Garden City, Kansas that require revision to continue to comply with existing Federal and Kansas law; and

WHEREAS, the following procedures are designed to promote a synthesis of the City of Garden City, Kansas policy with Federal and Kansas law.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Garden City, Kansas, as follows:

- A. It shall be the policy of the City of Garden City, Kansas (“City”) that all individuals arrested for non-warrant arrests in the City for violation of the Code of Ordinances for the City of Garden City, Kansas (“Code”) shall be released on Own Recognizance Bonds (“OR Bonds”). Said release of individuals on OR Bonds shall be subject to the exceptions *infra*, without further conditions of release, as soon as practical after booking, and will not require individuals arrested for non-warrant arrests to post any type of monetary bond.
- B. The exceptions for the release of individuals on OR Bonds shall be as follows:
 - (1) Individuals who are arrested in the City for violation of the Code and who are determined to be under the influence of alcohol and/or drugs shall be held in the Finney County Jail up to a maximum of six (6) hours from the time of the offense in order to allow the person to become sober enough to no longer endanger himself/herself or others and to be able to understand the obligations he or she has to the municipal court upon release on an OR Bond. The arresting officer(s) shall make the determination of an individual being under the influence of alcohol and/or drugs on a case by case basis and shall provide articulable observations in their arrest report explaining their determination of the individual being under the influence of alcohol and/or drugs.
 - (2) Individuals who are arrested for offenses including domestic battery, battery, assault or any other crime that includes an offense against a person, threat against a person, or bodily harm to a person, shall have as a condition of release on the OR Bond that the arrested individual shall have no contact with the alleged victim or victims in the offense, with the no contact condition remaining in effect until altered or amended by the municipal court Judge for City, or termination of the matter.

IT IS SO RESOLVED THIS 19th DAY OF JULY, 2016, BY THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS.

Chris Law, Mayor

ATTEST:

Celyn N. Hurtado, City Clerk

APPROVED:

Randall D. Grisell, City Counselor

Old Business



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Melinda Hitz, Finance Director
DATE: July 19, 2016
RE: 2017 Budget Certificate

ISSUE:

1:30 p.m. – Public Hearing on the matter of the Governing Body hearing questions, concerns and comments from the public with regard to the proposed 2017 Budget for the City of Garden City.

1. Governing Body approval and authorization of the 2017 Budget Certificate, which summarizes the maximum levy of property tax for specific funds and the maximum expenditure for all funds of the City's budget.

BACKGROUND:

The Certificate for the 2017 Budget was prepared using the Notice of Hearing for the 2017 Budget numbers. The Computation to Determine Limit for 2017 shows that the 2016 Ad Valorem tax required (\$6,887,127) is less than the Maximum Levy, including debt service, not requiring "Notice of Vote Publication" (\$7,183,757).

ALTERNATIVES:

At the Budget Hearing the Commission can make changes to the proposed budget that do not result in raising the mill levy overall. Those changes would also change the Certificate of Budget for 2017.

RECOMMENDATION:

Staff recommends approving the Certificate of Budget as presented for City Commission signatures.

FISCAL NOTE:

None unique to this action.

ATTACHMENTS:

Description	Upload Date	Type
2017 Budget Certificate and Computation	7/12/2016	Backup Material

CERTIFICATE

2017

To the Clerk of Finney County, State of Kansas

We, the undersigned, officers of

State of Kansas
City

City of Garden City

- certify that: (1) the hearing mentioned in the attached publication was held;
 (2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditures for the various funds for the year 2017; and
 (3) the Amounts(s) of 2016 Ad Valorem Tax are within statutory limitations.

		2017 Adopted Budget		
		Budget Authority	Amount of 2016	County
		for Expenditures	Ad Valorem	Clerk's
			Tax	Use Only
		Page		
Table of Contents:		No.		
Computation to Determine Limit for 2017		2		
Allocation of MVT, RVT, 16/20M Vehicle Tax		3		
Schedule of Transfers		4		
Statement of Indebtedness		5		
Statement of Lease-Purchases		6		
Fund	K.S.A.			
General	12-101a	7	27,481,434	3,458,800
Debt Service	10-113	8	2,535,932	1,835,265
Airport	3-113	8	1,774,150	648,406
Recreation Commission	12-1927	9	1,110,235	944,657
TIF		10	2,311,750	
Capital Reserve		11	485,000	
CD Loan Fund		11	13,000	
Cemetery Endowment		12	29,900	
Community Trust		12	2,050,000	
DEA Forfeiture		13	38,400	
Drug Enforcement		13	45,500	
Economic Development Loan		14	358,000	
Enhanced Wireless		14	554,000	
Finnup Trust		15	108,750	
12-6a 13 Revolving		15	31,000	
Risk Management		16	70,000	
Special Alcohol-Drug Abuse		16	168,000	
Special Recreation & Parks		17	136,150	
Special Trafficway		17	1,589,450	
Workers Compensation		18	392,000	
Workers Compensation Resv		18	100,000	
Community Development		19	50,000	
Health Insurance		19	4,002,500	
Project Development		20	398,116	
Airport Improvement		20	528,800	
Electric Utility		21	40,015,500	
Golf Course		22	1,060,750	
Golf Course Building		23	16,800	
Solid Waste Utility		24	5,592,750	
Drainage Utility		25	429,250	
Water & Sewer Utility		26	9,398,500	
Wastewater Repair & Replace		27	322,000	
Water Maintenance Resv		28	666,000	
Utility Deposit		29	849,000	
Electric Systems Capital Resv		30	3,000,000	
Health Insurance Resv		0	1,075,489	
Totals		xxxxxx	108,788,106	6,887,127
Resolution required? Notice of the vote to adopt required to be published?			No	County Clerk's Use Only
Budget Summary		0		188,932,655
Neighborhood Revitalization Rebate		32		Nov 1, 2016 Total
TIF District		33		Assessed Valuation

Assisted by:

Address:

Email:

Attest: _____ 2016

County Clerk

Governing Body

City of Garden City

2017

Computation to Determine Limit for 2017

	Amount of Levy
1. Total tax levy amount in 2016 budget	+ \$ <u>6,611,655</u>
2. Debt service levy in 2016 budget	- \$ <u>1,438,021</u>
3. Tax levy excluding debt service	\$ <u>5,173,634</u>
2016 Valuation Information for Valuation Adjustments	
4. New improvements for 2016:	+ <u>5,280,778</u>
5. Increase in personal property for 2016:	
5a. Personal property 2016	+ <u>3,465,032</u>
5b. Personal property 2015	- <u>3,682,099</u>
5c. Increase in personal property (5a minus 5b)	+ <u>0</u>
	(Use Only if > 0)
6. Valuation of annexed territory for 2016	
6a. Real estate	+ <u>992,451</u>
6b. State assessed	+ <u>0</u>
6c. New improvements	- <u>0</u>
6d. Total adjustment (sum of 6a, 6b, and 6c)	+ <u>992,451</u>
7. Valuation of property that has changed in use during 2016	<u>106,575</u>
8. Total valuation adjustment (sum of 4, 5c, 6d & 7)	<u>6,379,804</u>
9. Total estimated valuation July 1, 2016	<u>202,392,210</u>
10. Total valuation less valuation adjustment (9 minus 8)	<u>196,012,406</u>
11. Factor for increase (8 divided by 10)	<u>0.03255</u>
12. Amount of increase (11 times 3)	+ \$ <u>168,391</u>
13. 2017 budget tax levy, excluding debt service, prior to CPI adjustment (3 plus 12)	\$ <u>5,342,025</u>
14. Debt Service in this 2017 budget	<u>1,835,265</u>
15. 2017 budget tax levy, including debt service, prior to CPI adjustment (13 plus 14)	<u>7,177,290</u>
16. Consumer Price Index for all urban consumers for calendar year 2015	<u>0.125%</u>
17. Consumer Price Index adjustment (3 times 16)	\$ <u>6,467</u>
18. Maximum levy for budget year 2017, including debt service, not requiring 'notice of vote publication' or adoption of a resolution prior to adoption of the budget (15 plus 17)	\$ <u>7,183,757</u>

If the 2017 adopted budget includes a total property tax levy exceeding the dollar amount in line 18 you must, prior to adoption of such budget, adopt a resolution authorizing such levy and, subsequent to adoption of such budget, publish notice of vote by the governing body to adopt such budget in the official county newspaper and attach a copy of the published notice to this budget.

In no event will such resolution or published notice of the vote be required if the total budget year tax levy is \$1,000 or less.



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Steve Cottrell, Assistant to the City Manager
DATE: July 19, 2016
RE: US-83 Widening & Access Road Project for Meadowlark Dairy Nutrition Plant

ISSUE:

The Governing Body is asked to consider bids received July 13th for the US-83 widening and access road project related to the Meadowlark Dairy Nutrition plant.

BACKGROUND:

The Development Agreement between the City and Meadowlark Dairy Nutrition LLC includes a requirement for the City to construct highway and access road improvements. The City's application for KDOT Economic Development funding was approved for a maximum of \$1,200,000 for construction costs, with no City match required. Engineering costs for the project are entirely the City's responsibility.

The bid was structured with a base bid, for everything except the pavement, plus the choice between two alternates for paving. One alternate was for all asphalt pavement and the second was asphalt with some concrete pavement on the access road approach to the highway.

Only 1 bid was received on July 13th. The bid summary and tabulation are attached. The sole bid from Sporer Land Development, Inc. is over the Engineer's Estimate and the available KDOT funding. As such it must be rejected.

We are evaluating our options for readvertising with KDOT and the Meadowlark/DFA staff and contractor.

ALTERNATIVES:

1. Reject the bids and authorize readvertising the project.
2. Defer action to a later date.

RECOMMENDATION:

Staff recommends rejecting the bids and authorizing Staff to readvertise the project.

FISCAL NOTE:

We will use fund 008, Community Trust Reserve, for the monthly construction payments and submit monthly reimbursement requests to KDOT. Engineering costs are budgeted in line item 001-17-171-6010.06.

ATTACHMENTS:

Description	Upload Date	Type
Bid Tabulation	7/13/2016	Backup Material

US-83 Widening
Project No. 83-28 KA-4278-01
City of Garden City, Kansas
Bid Opening 7/13/2016 10:00 am

No.	Bid Item	Unit	Quantity	Engineer's Estimate		Sporer Land Development	
				Unit Cost	Extension	Unit Cost	Extension
Base Bid							
1	Cleaning of Existing Structures	LS	1	\$1,000.00	\$1,000.00	\$100.00	\$100.00
2	Contractor Construction Staking	LS	1	\$11,400.00	\$11,400.00	\$10,000.00	\$10,000.00
3	Field Office and Laboratory (Type A)	EA	1	\$5,300.00	\$5,300.00	\$3,500.00	\$3,500.00
4	Mobilization	LS	1	\$80,000.00	\$80,000.00	\$118,500.00	\$118,500.00
5	Removal of Existing Structures	LS	1	\$5,000.00	\$5,000.00	\$5,500.00	\$5,500.00
6	Clearing and Grubbing	LS	1	\$5,000.00	\$5,000.00	\$11,500.00	\$11,500.00
7	Common Excavation	CY	8,294	\$8.00	\$66,352.00	\$5.25	\$43,543.50
8	Common Excavation (Contractor Furnished)	CY	14,772	\$12.00	\$177,264.00	\$9.30	\$137,379.60
9	Rock Excavation	CY	1,590	\$15.00	\$23,850.00	\$19.50	\$31,005.00
10	Compaction of Earthwork (Type AA) (MR-5-5)	CY	2,181	\$1.15	\$2,508.15	\$2.50	\$5,452.50
11	Compaction of Earthwork (Type A) (MR-5-5)	CY	17,983	\$0.65	\$11,688.95	\$2.25	\$40,461.75
12	Water (Grading) (Set Price)	Mgal	1	\$35.00	\$35.00	\$35.00	\$35.00
13	Salvage Topsoil	SY	40,410	\$0.65	\$26,266.50	\$1.00	\$40,410.00
14	24" Cross Road Pipe (RCP)	LF	56	\$70.00	\$3,920.00	\$70.00	\$3,920.00
15	30" Cross Road Pipe (RCP)	LF	62	\$90.00	\$5,580.00	\$80.00	\$4,960.00
16	24" End Section (RC)	EA	4	\$700.00	\$2,800.00	\$700.00	\$2,800.00
17	30" End Section (RC)	EA	2	\$900.00	\$1,800.00	\$800.00	\$1,600.00
18	Temporary Surfacing Material (Aggregate) (Set Price)	CY	1	\$35.00	\$35.00	\$35.00	\$35.00
19	Temporary Surfacing Material (HMA)(Set Price)	Ton	1	\$125.00	\$125.00	\$125.00	\$125.00
20	Concrete Ditch Lining	SY	26	\$100.00	\$2,600.00	\$500.00	\$13,000.00
21	Water (Treated Subgrade) (Set Price)	Mgal	1	\$35.00	\$35.00	\$35.00	\$35.00
22	Electrical Lighting System	LS	1	\$45,000.00	\$45,000.00	\$60,000.00	\$60,000.00
23	Temporary Fertilizer (15-30-15)	LB	511	\$1.00	\$511.00	\$2.00	\$1,022.00
24	Temporary Seed (Canada Wildrye)	LB	154	\$16.00	\$2,464.00	\$15.00	\$2,310.00
25	Temporary Seed (Grain Oats)	LB	347	\$4.00	\$1,388.00	\$10.00	\$3,470.00
26	Temporary Seed (Sterile Wheatgrass)	LB	347	\$7.50	\$2,602.50	\$15.00	\$5,205.00
27	Soil Erosion Mix	LB	8	\$12.00	\$96.00	\$60.00	\$480.00
28	Temporary Berm (Set Price)	LF	1	\$1.00	\$1.00	\$1.00	\$1.00
29	Silt Fence	LF	1,051	\$3.50	\$3,678.50	\$4.00	\$4,204.00
30	Biodegradable Log (9")	LF	1,985	\$3.10	\$6,153.50	\$3.00	\$5,955.00
31	Biodegradable Log (12")	LF	1,985	\$3.90	\$7,741.50	\$3.50	\$6,947.50
32	Biodegradable Log (20")	LF	1051	\$7.00	\$7,357.00	\$10.00	\$10,510.00
33	Sediment Removal (Set Price)	CY	1	\$35.00	\$35.00	\$35.00	\$35.00
34	Erosion Control (Class 1, Type D)	SY	212	\$2.00	\$424.00	\$3.00	\$636.00
35	Erosion Control (Class 2, Type E)	SY	856	\$2.00	\$1,712.00	\$3.00	\$2,568.00
36	Mulch Tacking Slurry	LB	6,930	\$1.00	\$6,930.00	\$2.00	\$13,860.00
37	Mulching (Temporary)	Ton	15	\$285.00	\$4,275.00	\$500.00	\$7,500.00

US-83 Widening
Project No. 83-28 KA-4278-01
City of Garden City, Kansas
Bid Opening 7/13/2016 10:00 am

No.	Bid Item	Unit	Quantity	Engineer's Estimate		Sporer Land Development	
				Unit Cost	Extension	Unit Cost	Extension
38	Water (Erosion Control) (Set Price)	Mgal	1	\$35.00	\$35.00	\$35.00	\$35.00
39	Fertilizer (15-30-15)	LB	385	\$1.00	\$385.00	\$2.00	\$770.00
40	Seed (Big Bluestem Grass Seed) (Kaw)	LB	11	\$15.00	\$165.00	\$30.00	\$330.00
41	Seed (Blue Grama Grass) (Lovington)	LB	2	\$25.00	\$50.00	\$30.00	\$60.00
42	Seed (Buffalo Grass) (Treated)	LB	56	\$20.00	\$1,120.00	\$30.00	\$1,680.00
43	Seed (Little Bluestem Grass) (Aldous)	LB	11	\$30.00	\$330.00	\$30.00	\$330.00
44	Seed (Sand Bluestem Grass) (Garden County)	LB	28	\$23.00	\$644.00	\$40.00	\$1,120.00
45	Seed (Sand Dropseed)	LB	8	\$8.00	\$64.00	\$30.00	\$240.00
46	Seed (Side Oats Grama (El Reno)	LB	49	\$20.00	\$980.00	\$30.00	\$1,470.00
47	Seed (Sterile Wheatgrass)	LB	77	\$12.00	\$924.00	\$20.00	\$1,540.00
48	Seed (Switchgrass) (Blackwell)	LB	5	\$20.00	\$100.00	\$30.00	\$150.00
49	Seed (Western Wheatgrass) (Barton)	LB	35	\$20.00	\$700.00	\$30.00	\$1,050.00
50	Seed (Native Wildflower Mix 3)	LB	36	\$130.00	\$4,680.00	\$80.00	\$2,880.00
51	Mulching (Permanent) (Set Price)	Ton	1	\$250.00	\$250.00	\$250.00	\$250.00
52	Sign (Flat Sheet) (High Performance)	SQFT	36	\$18.00	\$648.00	\$30.00	\$1,080.00
53	Sign (Reinforced Panel) (High Performance)	SQFT	221	\$20.00	\$4,420.00	\$40.00	\$8,840.00
54	Sign Post (4" x 6" Wood) (Flat Sheet Sign)	LF	123	\$18.00	\$2,214.00	\$20.00	\$2,460.00
55	Sign Post (W6x9 Steel Beam)	LF	34	\$45.00	\$1,530.00	\$46.00	\$1,564.00
56	Sign Post (W10x22 Steel Beam)	LF	46	\$45.00	\$2,070.00	\$53.00	\$2,438.00
57	Sign Post Stub With Breakaway Base Plate (W6x9)	EA	2	\$120.00	\$240.00	\$200.00	\$400.00
58	Sign Post Stub With Breakaway Base Plate (W10x22)	EA	2	\$200.00	\$400.00	\$300.00	\$600.00
59	Sign Post Footing (24" Steel Beam Post Concrete)	LF	12	\$126.00	\$1,512.00	\$200.00	\$2,400.00
60	Sign Post Footing (30" Steel Beam Post Concrete)	LF	22	\$152.00	\$3,344.00	\$250.00	\$5,500.00
61	Sign Post Footing (18" Wood Post Concrete)	LF	24	\$182.00	\$4,368.00	\$200.00	\$4,800.00
62	Sign (Remove and Reset)	LS	1	\$5,000.00	\$5,000.00	\$3,000.00	\$3,000.00
63	Pavement Marking (Multi-Component) (White) (6")	LF	6,499	\$0.40	\$2,599.60	\$1.00	\$6,499.00
64	Pavement Marking (Multi-Component) (Yellow) (4")	LF	9,603	\$0.35	\$3,361.05	\$1.00	\$9,603.00
65	Pavement Marking (Multi-Component) (Yellow) (12")	LF	167	\$2.50	\$417.50	\$10.00	\$1,670.00
66	Pavement Marking (Intersection Grade) (White) (24")	LF	114	\$17.00	\$1,938.00	\$25.00	\$2,850.00
67	Pavement Marking Symbol (Intersection Grade) (White) (Left Turn Arrow)	EA	11	\$250.00	\$2,750.00	\$300.00	\$3,300.00
68	Pavement Marking Symbol (Intersection Grade) (White) (Right Turn Arrow)	EA	6	\$250.00	\$1,500.00	\$300.00	\$1,800.00
69	Work Zone Signs (0 to 9.25 Sq.Ft.)	EADA	5,460	\$0.10	\$546.00	\$0.20	\$1,092.00
70	Work Zone Signs (9.26 to 16.25 Sq.Ft.)	EADA	6,552	\$0.15	\$982.80	\$0.25	\$1,638.00
71	Work Zone Barricades (Type 3 - 4 to 12 Lin. Ft.)	EADA	4,048	\$0.25	\$1,012.00	\$0.50	\$2,024.00
72	Channelizer (Portable)	EADA	13,104	\$0.15	\$1,965.60	\$0.10	\$1,310.40
73	Work Zone Warning Light (Type "A" Low Intensity)	EADA	1,104	\$0.25	\$276.00	\$0.50	\$552.00
74	Work Zone Warning Light (Type "B" Low Intensity)	EADA	92	\$0.70	\$64.40	\$5.00	\$460.00
75	Portable Changeable Message Sign	EADA	273	\$24.50	\$6,688.50	\$40.00	\$10,920.00

US-83 Widening
Project No. 83-28 KA-4278-01
City of Garden City, Kansas
Bid Opening 7/13/2016 10:00 am

No.	Bid Item	Unit	Quantity	Engineer's Estimate		Sporer Land Development	
				Unit Cost	Extension	Unit Cost	Extension
76	Pavement Marking (Temp) 4" Solid (Type I)	STAL	220	\$75.00	\$16,500.00	\$100.00	\$22,000.00
77	Pavement Marking (Temp) 4" Solid (Type II)	STAL	14	\$65.00	\$910.00	\$60.00	\$840.00
78	Pavement Marking Removal	LF	5,607	\$0.35	\$1,962.45	\$0.60	\$3,364.20
79	Traffic Control (Initial Setup)	LS	1	\$25,000.00	\$25,000.00	\$60,000.00	\$60,000.00
80	Flagger (Set Price)	Hour	1	\$25.00	\$25.00	\$25.00	\$25.00
81	Fence(Barbed Wire)(Removal & Resetting)	LF	60	\$5.00	\$300.00	\$90.00	\$5,400.00
Bid Alternate No. 1							
82	HMA – Commercial Grade (Class A)	Ton	5,690	\$90.00	\$512,100.00	\$87.75	\$499,297.50
83	Fly-Ash	Ton	357	\$75.00	\$26,775.00	\$88.00	\$31,416.00
84	Manipulation for Treated Subgrade (Fly-Ash)	SY	9,624	\$7.00	\$67,368.00	\$4.25	\$40,902.00
Bid Alternate No. 2							
82	HMA – Commercial Grade (Class A)	Ton	4,989	\$90.00	\$449,010.00	\$88.75	\$442,773.75
83	Concrete Pavement (11" Uniform) (AE) (NRDJ)	SY	1,173	\$82.00	\$96,186.00	\$115.00	\$134,895.00
84	Granular Base (4")	SY	1,249	\$10.00	\$12,490.00	\$8.50	\$10,616.50
85	Fly-Ash	Ton	360	\$75.00	\$27,000.00	\$88.00	\$31,680.00
86	Manipulation for Treated Subgrade (Fly-Ash)	SY	9,689	\$7.00	\$67,823.00	\$4.25	\$41,178.25
Base Bid Total						\$627,900.50	\$778,900.45
Bid Alternate No. 1 Total						\$606,243.00	\$571,615.50
Base Bid + Bid Alternate No.1 Total						\$1,234,143.50	\$1,350,515.95
Bid Alternate No. 2 Total						\$652,509.00	\$661,143.50
Base Bid + Bid Alternate No.2 Total						\$1,280,409.50	\$1,440,043.95
Certificate of Nonsegregated Facilities						Included	
Certificate - Noncollusion and History of Debarment						Included	
Tax Clearance Certificate						Included	
Bid Bond						Included	
KDOT Prequalification Documentation						Included	

New Business



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Kelly Stevenson, Cemetery Director
DATE: July 19, 2016
RE: Columbarium Ordinances and Fees

ISSUE:

The Governing Body is asked to consider and approve ordinances and fees related to the new Columbarium.

BACKGROUND:

A columbarium consists of 12" squared cubicles arranged in vertical and horizontal rows. Each cubicle in the columbarium is called a niche. Each of the columbarium units at Valley View Cemetery contain 48 niches. An inurnment is the burial of an urn into a niche. There is a maximum of two cremations per niche allowed.

The niche fees reflect a single or double inurnment at the time of purchase. Should the purchaser decide to add an unplanned second cremation to a single niche, at a later date, the cost of a new replacement niche panel and engraving will be \$375 with the additional cremation costing \$350.

The niche fees include an inurnment, a single vase, vase name plate and engraving. One vase per niche is attached to a vase rail near the columbarium unit. A permanent name plate will be placed on the rail below the vase to indicate the name of the deceased. Holiday and weekend inurnments will cost an additional \$300. If there is a need for disinterment it will cost \$350.

If the original purchaser decides to sell the niche back to the City of Garden City, the purchaser will receive the original purchase price less \$50 for the endowment fund. If the niche is occupied then the cost of the disinterment will be deducted from the original purchase price as well as \$50 for the endowment fund.

Columbarium Decorations

- Decorations are only allowed in the vase provided on the vase rail.
- No decorations are allowed on or below the vase rail.
- No decorations are allowed on or at the base of the columbarium unit.
- Fresh flowers or other decorations will be allowed at the base of the columbarium and the vase rail at the time of inurnment. Those decorations will be removed 48 hours after the inurnment.
- No decals, engraving, or any other defacing of niche panels or vases are allowed.

ALTERNATIVES:

Alternative 1. N

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Top Row	\$900.00
Second Row	\$800.00
Third Row	\$700.00
Bottom Row	\$600.00

Approve recommended regulations/ordinances.

Alternative 2.

Top Row	\$1,000.00
Second Row	\$900.00
Third Row	\$800.00
Bottom Row	\$700.00

Approve recommended regulations/ordinances.

Alternative 3.

Top Row	\$1,100.00
Second Row	\$1,000.00
Third Row	\$900.00
Bottom Row	\$800.00

Approve recommended regulations/ordinances.

Alternative 4.

Request staff make specific changes to the regulations/ordinances and/or niche pricing schedules provided above.

RECOMMENDATION:

Staff recommends Alternative 2 as this is on par or slightly lower than industry standards.

FISCAL NOTE:

Estimated revenue on the two existing columbarium units:

- (Alternative 1) \$72,000
- (Alternative 2) \$81,000
- (Alternative 3) \$91,200

The total estimated project cost of the columbarium is \$68,400. This results in the following potential revenue:

- (Alternative 1) \$22,800
- (Alternative 2) \$13,200
- (Alternative 3) \$ 3,600

*The above numbers are based on single niche reservations and therefore could be higher depending on how they are purchased.



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Staff
DATE: July 19, 2016
RE: Financial Management Guidelines

ISSUE:

The Governing Body is asked to consider and approve a Financial Management Guidelines document which ensures the City is financially able to meet its immediate needs, plan for long-term goals and keep accountability to the public.

BACKGROUND:

At its February Goal Setting Retreat, the City Commission established a 12-18 month goal of developing a financial preparedness plan. In researching the topic and in reviewing existing financial policies and practices, staff determined the need for a central written collection of such policies and practices that also would articulate the City Commission's desired financial goals. Ideally, this document would be annually reviewed as part of a public meeting, as well as used as an annual performance measurement tool.

Attached please find the Financial Management Guidelines which we believe reflect current practices, policies, and goals. Upon establishing the document we can begin developing a financial preparedness plan which 1) will be included in the Guidelines, and 2) reference other parts of the Guidelines.

ALTERNATIVES:

1. Approve the Financial Management Guidelines document as presented.
2. Approve the Financial Management Guidelines document as edited.
3. Take no action.
4. Vote to "not approve" the Financial Management Guidelines document.

RECOMMENDATION:

Staff recommends Alternative 1, approve the Financial Management Guidelines document as presented.

FISCAL NOTE:

None

ATTACHMENTS:

Description	Upload Date	Type
Financial Management Guideline	7/13/2016	Backup Material



FINANCIAL MANAGEMENT GUIDELINES





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Referenced Attachments:

- Code of Ethics
- Fund Balance Policy Resolution
- Fixed Asset Accounting and Reporting System Policy
- Debt Issuance and Management Policy
- Continuing Disclosure Policy
- Post Issuance Compliance Policy
- Investment Policies
- Purchasing and Contracting Manual
- Purchase Card Policies and Procedures
- Economic Development - Firm Data Sheet

City of Garden City, KS

Financial Management Guidelines

PURPOSE

The Financial Management Guidelines assemble all of the City's financial policies in one document. These guidelines collectively ensure the City is financially able to meet its immediate needs, plan for long-term goals and keep accountability to the public at all times.

The City of Garden City is committed to the highest standard of excellence and transparency in the use of public funds, consistent with the City's Code of Ethics (attached). These guidelines are collected, reviewed and used for the purpose of holding appointed and elected officials to that standard.

OBJECTIVES

In order to achieve its purpose, the Financial Management Guidelines have the following objectives for the City's fiscal performance.

- To promote a culture where our Code of Ethics is embodied in our financial management practices.
- To guide the City Commission in policy decisions that have significant fiscal impact.
- To set forth for the administration operating principles that minimize the cost of government and financial risk.
- To employ balanced and fair revenue policies that provide adequate funding for desired programs.
- To maintain appropriate financial capacity for present and future needs.
- To promote sound financial management by providing accurate and timely information to the City Manager, and the City Commission and the public, on the City's financial condition.
- To secure a favorable credit and bond ratings by meeting or exceeding the requirements of bond rating agencies through sound, conservative financial decision making.
- To ensure the legal use of financial resources through an effective system of internal controls.
- To promote cooperation and coordination with other governments and the private sector in financing the construction of projects and the delivery of services.
- To link long-term financial planning with short-term daily operations.

Fund Balance and Reserves

Fund balance measures the net financial resources available to finance expenditures of future periods as defined by the Governmental Accounting Standards Board (GASB). Rating agencies examine fund balance when considering the overall economic health and credit quality of the City. Reserves protect the City's essential service programs during periods of economic downturn, which may temporarily reduce actual resources or cut the growth rate of City resources below that necessary to maintain pre-existing service levels.

- It is a performance goal of the City to achieve and maintain a minimum Unreserved Fund Balance of 15% of the General Fund's annual operating budget, as noted in the Fund Balance Policy as required by GASB 54 (attached).
- The Unreserved Fund Balance of the City's General Fund should not be used to support recurring operating expenditures outside of the current budget year. A decision by the City Commission to do so should include an explanation as to the extraordinary circumstances which exist and compel on action in opposition to this policy.
- The City's Community Trust Reserve will be maintained to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies, withstand local and regional economic shocks, and unexpected declines in revenue without borrowing. While the City Commission may choose to use these funds to temporarily finance one-time expenses in other City funds, it should only be done when in conjunction with a repayment schedule. It is a performance goal of the City to achieve and maintain a minimum fund balance of \$2,000,000 in the Community Trust Reserve.

Budgeting

The Annual Budget is one of the most important documents the City prepares since it identifies the services to be provided and how the services are to be financed. Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. During the budget process, the City will reorganize both short-term needs and objectives in relation to the long-term goals of the City. The annual budget will be prepared and adopted in accordance with state laws.

- The City Manager will prepare a budget in accordance with the guidelines established by the State Law.
- The City Manager will develop annually a Budget Preparation Calendar outlining the preparation and adoption timelines for the proposed budget.
- Budget packages for the preparation of the budget, including forms and instructions, will be distributed to City departments to complete. Departments will prepare and return their budget proposals to the City Manager, as required in the Budget Preparation Calendar.
- During the annual budget development process, the existing base budget will be thoroughly examined to assure removal or reduction of any services that could be eliminated or reduced in cost.
- Financial Management procedures will be designed to account for distinct functions, activities, and operational budgets, therefore, will be prepared accordingly.
- Duplication of services and inefficiency in delivery should be eliminated wherever identified. The City will continue to examine alternative service delivery options for all City functions. Alternatives for improving the efficiency and effectiveness of the City's programs and the productivity of its employees will be considered during the budget process.
- Performance measures will be utilized and reported in department budgets. The City will prepare trends, comparisons to other cities, and other financial management tools to monitor and improve service delivery in City programs.
- Officials and department heads are required to monitor revenues and control expenditures to prevent exceeding the amount of expenditures budgeted for their department as well as accurately tracking and projecting revenues.

Budgeting (cont.)

- The City will maintain a Vehicle and Equipment Replacement Schedule which provides a multi-year estimate of the funds necessary to maintain and replace the City's vehicles and equipment. The Vehicle and Equipment Replacement Schedule will be updated as part of the budget process and will be presented to the City Commission as part of the annual budget document.
- The City will maintain a Capital Improvement Plan which provides a multi-year estimate of the funds necessary to finance the City's capital projects. The Capital Improvement Plan will be updated as part of the Capital Improvement Program and will be presented in the City Manager's Proposed Budget for final funding consideration by the City Commission.
- The Finance Department will maintain a system for monitoring the City's budget performance. The Finance Department will analyze the budgeted revenues and expenditures in accordance with the monthly budgets prepared by the Department Heads. This system will provide the City Manager and City Commission with monthly reports on the most recent revenue and expense information, and the relationship of both to the adopted Annual Budget.

Revenues

The City collects revenues, primarily in the form of property taxes, sales taxes, permits, fines, and user fees to provide services and meet operational needs. The structure, fluctuation, and collection of revenues are examined by rating agencies to determine the City's credit quality.

- The City will maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source.
- The City's overall revenue structure should be designed to recapture for the residents and property owners some of the financial benefits resulting from communities economic and community development projects.
- The City will strive to keep a total revenue mix that encourages growth and keeps Garden City economically competitive, and a preferred City in which to live and do business.
- The Finance Director will monitor trends in major revenue streams and report findings to the City Manager and City Commission on a monthly basis.

Major revenue sources should provide for the following principles:

- Revenue sources should provide appropriate treatment of taxpayers at different levels of economic well-being.
- The collection of revenue administration and enforcement should not absorb an undue percentage of total revenue.
- The City will establish all user charges and fees at a level related to the cost of providing the services. Decisions to subsidize a user fee with another revenue source will be clearly presented to, and approved by the City Commission.
- The City will estimate its annual revenues by an objective and analytical process.
- It is a goal of the City that all Enterprise Funds will be self-supporting.

Capital Improvement Program and Fixed Assets

The City's assets are held primarily in the form of infrastructure, physical assets, or capital plants, such as streets, buildings, and equipment. Sound infrastructure is an important aspect of the quality of life, economic development, and credit quality of the City.

Dedicating resources to capital investment is appropriate for a growing city such as Garden City. Committing to and implementing the City's Capital Improvement Program will protect its capital assets and minimize future maintenance and replacement costs.

- The City Manager will submit annually a multi-year Capital Improvement Plan (CIP) for review by the City Commission. The CIP should include capital improvements for all agencies for which the City sets tax rates, makes levies or approves budgets or programs. The CIP will include an estimate of the cost and of the anticipated sources of revenue for financing the capital improvements and an estimate of the impact of each capital improvement on City revenues and the capital and operating budget.
- The City Commission will, by resolution, formally adopt the multi-year Capital Improvement Plan.
- Upon completion of any capital project, remaining appropriated funds in that project will be returned to the undesignated capital projects fund, or when required, used to buy down or retire existing debt.
- Safeguarding the investment in Fixed Assets is accomplished by identifying and fixing responsibility for their custody to each respective Department Head and establishing a capitalization policy whereby dollar values assigned to fixed assets are permanently recorded (see Fixed Asset Accounting and Reporting System Policy).

Debt Management

The City will maintain a high credit rating in the financial community to: 1) assure the City's taxpayers that the City government is well managed and financially sound; 2) obtain reduced borrowing costs.

- Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The City will use debt financing as noted in the Debt Issuance and Management Policy (attached) only for one-time capital improvement projects, unusual equipment purchases, and in the following circumstances:
 - when the project is included in the City's multi-year Capital Improvement Plan; or
 - when the project involves acquisition of equipment that cannot be purchased outright without causing an unacceptable spike in the property tax rate, or unacceptable depletion of reserves; or
 - when the project is the result of growth-related activities within the community that require unanticipated and unplanned infrastructure or capital improvements by the City; or
 - when the project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing; or
 - when there are designated revenues sufficient to service a debt, whether from project revenues, other specified and reserved resources, or infrastructure cost sharing revenues.

- The following criteria will be used to evaluate pay-as-you-go versus debt financing in funding capital improvements:

Factors which favor pay-as-you-go financing include circumstances where:

- the project can be adequately funded from available current revenues and fund balances;
- the project can be completed in an acceptable timeframe given the available revenues;
- additional debt levels could adversely affect the City's credit rating or repayment sources; or
- market conditions are unstable or suggest difficulties in marketing a debit.

Debt Management (cont.)

Factors which favor long-term debt financing include circumstances where:

- revenues available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained; or
 - market conditions present favorable interest rates and demand for City debt financing; or
 - a project is mandated by state or federal government and current revenues or fund balances are insufficient to pay project costs; or
 - a project is immediately required to meet or relieve capacity needs and existing unprogrammed cash reserves are insufficient to pay project costs; or
 - the life of the project or asset financed is ten years or longer
-
- City debt will be structured to achieve the lowest possible net interest cost to the City given market conditions, the urgency of the capital project, and the nature and type of any security provided. City debt will be structured in ways that will not compromise the future flexibility to fund projects. Moreover, to the extent possible, the City will design the repayment of its overall debt issues so as to rapidly recapture its credit capacity for future use. As a benchmark, the City will strive to repay issues over a ten year period for City internal improvement projects.
 - The decision on whether or not to assume new general obligation bonds will, in part, be based on (a) costs and benefits, (b) the current conditions of the municipal bond market, and (c) the City's ability to assume new general obligation bonds as determined by the aforementioned benchmarks.
 - The City may issue bonds secured solely by dedicated non-advalorem revenue streams if doing so will yield clearly identifiable advantages. For the City to issue revenue bonds, a primary objective will be to minimize risk through the use of adequate coverage requirements while remaining in compliance with overall debt management policy objectives. The City will adhere and where necessary take actions to ensure compliance with all outstanding revenue bond covenants.
 - The City will not assume more debt than it retires each year if it will cause the City to exceed the Kansas statutory limit of 30% of the City's assessed valuation.

Debt Management (cont.)

- The City will consider debt financing for the acquisition, replacement, or expansion of physical assets (including land) only if a capital project has a useful life longer than the term of the bond issue supporting it. Debt will be used only to finance capital projects and equipment, except in the case of unforeseen emergencies. Debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed.
- City debts will be amortized for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users, and in keeping with other related provisions of this guideline.
- The City normally will issue bonds with a maximum life of 10 years or less for general obligation bonds, discretionary bonds, and revenue bonds.
- Unless specific compelling reasons exist there will be no “balloon” bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term. There will always be at least interest paid in the first fiscal year after a bond sale and principle repayment starting no later than the second fiscal year after the bond issue.
- Call provisions for bond issues will be made as short as possible consistent with the lowest interest cost to the City. Unless specific compelling reasons exist, all bonds will be callable only at par.
- At a minimum, the City will seek to amortize general obligation bonds with level principal and interest costs over the life of the issue. Pushing higher costs to future years in order to reduce short-term budget liabilities will be considered only when natural disasters or extraordinary or unanticipated external factors make the short-term cost of general obligation bonds prohibitive.
- Any capital financing proposal of a City division, agency, or utility involving the pledge or other extension of the City's credit through sale of bonds, execution of loans or leases, or otherwise involving directly or indirectly the lending or pledging of the City's credit, will be referred to the Finance Department for review before such pledge is considered by the City Commission.
- All payment of general obligation bonds and special assessment bonds will be from the City's Bond & Interest Fund. The fund balance in the Bond & Interest Fund will be liability. Maintained at a level equal to or greater than 5% of the total principal and interest payable from that Fund for the upcoming semi-annual debt service

Debt Management (cont.)

payment. Furthermore, the fund balance will be managed to eliminate or minimize arbitrage rebate liability.

- The City will utilize external bond counsel for all debt issues. All debts issued by the City will include a written opinion by Bond Counsel affirming that the City is authorized to issue the debt, stating that the City has met all Federal and State constitutional and statutory requirements necessary for issuance, and determining the federal income tax status of the debt.
- The City will retain an external financial advisor. The utilization of the financial advisor for each debt issuance will be at the discretion of the Finance Department on a case-by-case basis. For each City bond sale the financial advisor will provide the City with information on pricing and underwriting fees for comparable sales by other issuers.
- Use of short-term borrowing, such as temporary notes, will be undertaken only if the transaction costs plus interest on a debt are less than the cost of internal financing, or available cash or reserves are insufficient to meet both project needs and current obligations.
- Credit enhancement (letters of credit, bond insurance, etc.) may be used if the costs of such enhancements will reduce the net debt service payments on the bonds or provide other significant financial benefits to the City.
- The use of lease/purchase agreements in the acquisition of vehicles, equipment and other capital assets will be considered carefully relative to any other financing option or a "pay-as-you-go" basis. The lifetime cost of a lease typically will be higher than other financing options or cash purchases. Nevertheless, lease/purchase agreements may be used by the City as funding options for capital acquisitions if operational or cash-flow considerations preclude the use of other financing techniques.
- The City, as a matter of policy, will seek to issue its general or revenue bond obligations in a competitive sale unless it is determined by the Finance Director and City Financial Advisor that such a sale method will not produce the best results for the City. In such instances where the City, through a competitive bidding for its bonds, deems the bids received as unsatisfactory or does not receive bids, it may, at the election of the Finance Director, enter into negotiation for sale of the bonds.

Debt Management (cont.)

- Periodic reviews of all outstanding debts will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding or the refunding is essential in order to modernize covenants essential to operations and management. City staff and the financial advisor will monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debts. As a general rule, current refundings will be undertaken only if the present value savings of a particular refunding will exceed 2% of the refunded principal. As a general rule, advance refundings will be undertaken only if the present value savings of a particular refunding will exceed 2% of the refunded principal.
- Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of this legislation, the City will not issue obligations except for identifiable projects with very good prospects of timely initiation. Temporary notes and subsequent long term bonds will be issued timely as project contracts are awarded so that debt issues will be spent quickly.
- The City is committed to full and complete primary and secondary financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to meeting secondary disclosure requirements on a timely and basis, as documented in the City's Continuing Disclosure Policy (attached).
- Official statements accompanying debt issues, Annual Financial Reports and continuous disclosure statements will meet (at a minimum) the standards articulated by the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The Finance Director will be responsible for ongoing disclosure to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies. The Post Issuance Compliance Policy (attached) documents existing practices and establishes procedures and systems designed to identify and monitor facts relevant to demonstrating the City's compliance with Code requirements applicable to Bonds and which must be satisfied after Bonds during the time Bonds are outstanding to maintain the exclusion of interest paid on the Bonds from gross income for federal tax purposes. The City recognizes that complying with the applicable provisions of the Code is an on-going process, required for the entire time Bonds remain outstanding, and is an integral component of the City's debt management.

Cash Management and Investments

Cash management is the practice of safeguarding and maximizing the income earned on liquid assets. Cash, liquidity and investment management activities will be conducted prudently. The City will maintain adequate management procedures, controls, and policies for the City's liquid assets.

- Effective cash management is recognized as essential to good fiscal management. An aggressive cash management and investment policy will be pursued to take advantage of investment interest as a viable and material revenue source for all operating and capital funds. The City's portfolio will be designed and managed in a manner responsive to the public trust and consistent with state and local law.
- Investments will be made with the primary objectives of:
 - Security of City funds and investments.
 - Preservation of capital and protection of principal.
 - Maintenance of sufficient liquidity to meet operating needs.
 - Diversification of investments to avoid unreasonable or avoidable risks.
 - Maximization of return on the portfolio.
- Earnings from investments will be used in a manner which will best serve the interests of the City and comply with Kansas statutes.
- The Investment Policies (attached) adopted by the City will apply uniformly to all employees, officials, departments, agencies, boards, commissions, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions on behalf of the City. These policies will apply to all funds handled and managed by the City.
- The primary objectives, in priority order, of investment activities will be safety, liquidity, and yield:
 1. Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner seeking to ensure the preservation of capital in the overall portfolio. The objective will be to reduce credit risk and interest rate risk.

Cash Management and Investments (cont.)

a. Interest Rate Risk

The City will minimize the risk that the market value of securities in the portfolio will decline due to the changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby minimizing the need to sell securities on the open market prior to maturity.
 - Investing idle funds in securities with maturities of two years or less or the Kansas Municipal Investment Pool (MIP).
 - Limiting investments to a maximum stated maturity of two years.
-
- The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This will be accomplished by structuring the portfolio so that securities mature concurrently with cash needs to meet anticipated demands.
 - The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is a lower priority than the safety and liquidity objectives described above.
 - Officers and employees involved in the investment process will refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials will disclose any material interests in financial institutions with which they conduct business.
 - Responsibility for the operation of the investment program is delegated to the Finance Director, who will establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director will be responsible for all

Cash Management and Investments (cont.)

transactions undertaken and will establish a system of controls to regulate the activities of subordinate officials.

- All investments of the City should be bid to insure competitive pricing. In addition, investments with the Kansas Municipal Investment Pool or money market mutual funds are not considered biddable securities.
- A list will be maintained of financial institutions authorized to provide investment services. An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the Finance Director.
- The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the investments of the City are protected from loss, theft or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.
- The investment program will be subject to an annual independent review by an external auditor to assure adequate internal controls. The internal controls will address the following points:
 - Control of collusion.
 - Separation of transaction authority from accounting and record keeping.
 - Custodial safekeeping.
 - Avoidance of physical delivery securities other than certificates of deposit.
 - Clear delegation of authority to subordinate staff members.
 - Written confirmation of transactions for investments and wire transfers.
 - Development of a wire transfer agreement with the lead bank and third-party custodian.

Cash Management and Investments (cont.)

- The investments authorized for idle funds under this policy will be in conformance with K.S.A. 12-1675, K.S.A. 12-1677b and any other applicable statutes and amendments thereto. The following list represents the range of investments which the City will consider and will be authorized for the investment of funds.
 - In temporary notes or no-fund warrants issued by such investing governmental unit.
 - In time deposit, open accounts, certificates of deposit or time certificates of deposit with maturities of not more than two years.
 - In United States treasury bills or notes with maturities as the governing body will determine, but not exceeding two years.
 - In the municipal investment pool fund established in K.S.A. 12-1677a, and amendments thereto.
- The investments authorized for the proceeds of bonds (other than industrial revenue bonds for which the City is merely a conduit issuer) or temporary notes under this policy will be in conformance with K.S.A. 10-131 and amendments thereto.
- To qualify as a depository under K.S.A. 9-1401 et seq., a bank, trust company, savings and loan association, or savings bank must collateralize City deposits in accordance with K.S.A. 9-1402.
- The City will attempt to match its investments with anticipated cash flow requirements.
- The investment portfolio will be managed in accordance with the parameters specified within the policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The investment portfolio objective is for the short-term portfolio to exceed the 91-day U.S. Treasury Bill and the long-term portfolio to exceed the 1-year U.S. Treasury Bill average rate of return, the benchmark for risk-free investment transactions.

Cash Management and Investments (cont.)

- The market value of the portfolio will be calculated at least monthly and a statement of the market value of the portfolio will be issued at least monthly.
- The City of Garden City will designate by official action recorded upon its minutes the banks, savings and loan associations and savings banks which will serve as depositories of its funds and the officer and official having the custody of such funds will not deposit such funds other than at such designated banks, savings and loan associations and savings banks as outlined in Kansas Statute 9-1401. The City of Garden City will solicit bids for banking services every three years from all banks, savings and loan associations and savings banks that have main or branch offices in Finney County.

Enterprise Fund Management

The City will continue to maintain all enterprise funds on a self-sustaining basis, with no support from property tax or general fund sales tax revenues.

- Enterprise Fund rates and fees will be reviewed annually by staff and the results of the review will be presented to the City Commission with recommendations which consider net revenue requirements, realistic sales forecasts, contractual obligations including bond covenants, and utility conservation goals. Revenue requirements may include funds programmed for rate stabilization, utility capital projects, and reimbursement of indirect costs to the General Fund.
- Enterprise Funds rates and fees will be adjusted when necessary to meet revenue requirements, bond covenants, or to support the adopted budget.
- The City will continue to fund Capital Reserve accounts for each of its Enterprise Funds.
- It is a goal of the City Commission to maintain operating cash reserves at an amount equal to or greater than 15% of operating revenues to provide the City with sufficient working capital and to offer a comfortable margin of safety to address emergencies and unexpected declines in revenue.

Accounting, Auditing, and Financial Reporting

Accounting and financial reporting provide the informational infrastructure for the City. Credit rating agencies consider reporting based on Generally Accepted Accounting Principles (GAAP) a credit strength.

- The City will comply with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) pronouncements as applicable in its accounting processes and reporting, as contained in the following publications.
- Monthly financial data will be made available electronically through the City's online accounting system to all department administrators allowing them to summarize financial activity and compare actual revenues and expenditures with budgeted amounts.
- A financial audit, including an audit of federal grants according to the U.S. Office of Management and Budget Circular A-133, will be performed annually by an independent public accounting firm. The independent public accounting firm will express an opinion on the City's Financial Statements. The firm will be selected by the City through a Request for Proposals process for audit services every three (3) years.
- The City will prepare its annual financial report in compliance with the principles and guidelines established by the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.
- Full disclosure will be provided in the City's annual audit and budget reports and bond documents.
- The City will provide annual disclosure to the rating agencies and national bond disclosure libraries.
- A system of internal accounting controls will be maintained to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions of the City.
- The City's annual audit, budget, and monthly report of the Finance Director will be made available electronically through the City website for viewing by the general public.

Risk Management

Risk Management functions to protect City resources such as employees, buildings, equipment, vehicles, and financial assets. The City will manage its risk and limit risk exposure in a professional and prudent manner.

- The City will make diligent efforts to protect and preserve City assets against losses that could deplete City resources or impair the City's ability to provide services to its citizens. The City will reduce its exposure to liability through training, safety programs, risk financing and the transfer of risk when cost effective.
- When cost effective, the City will manage its exposure to risk through self-insurance and/or the purchase of traditional insurance in the following areas:
 - a) General liability
 - b) Automobile liability
 - c) Public officials' errors and omissions
 - d) Police professional liability
 - e) Property loss and workers' compensation
 - f) Employee health
 - g) Short-term disability
- When cost effective, the City will further control its exposure to risk through the use of hold harmless agreements in City contracts and by requiring contractors to carry liability insurance.
- When cost effective, the City will utilize the services of a Third Party Risk Manager. The Third Party Risk Manager will examine, analyze, and advise on all aspects of the City's risk exposure. The Third Party Risk Manager will be retained under a fee-for-service contract and will not receive a commission. The Third Party Risk Manager services will be retained on a year-to-year basis and re-bid every three (3) years.

Procurement

Procurement utilizes monetary assets of the City to purchase products and services. All acquisitions must be performed in accordance with applicable laws and regulations.

- Expenditures will be controlled by an annual budget at the departmental level.
- All purchases will be made in accordance with the City's purchasing policies and procedures as well as applicable state and federal laws. The City will endeavor to obtain supplies, equipment and services as economically as possible.
- The City will maintain a purchasing system which provides needed materials in a timely manner to avoid interruptions in the delivery of services.
- The Purchasing and Contracting Manual (attached) and the Purchase Card Policies and Procedures (attached) have the detailed guidelines in which to follow.

Intergovernmental Revenues

Many service costs of the City are influenced by other governments, either because of service overlap or service mandates imposed by the county, state, or federal government. The City should take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants while aggressively opposing mandates that distort local service priorities.

- The City will refrain from using grants to meet ongoing service delivery needs. In particular, the City will not apply for grants that involve the hiring of personnel either on a one-year or multi-year basis for which the City will ultimately have to provide the total cost of hiring personnel without first having ascertained whether or not future funds will be available to offset the expense of hiring additional personnel. A judgment will also be made prior to applying for such a grant as to whether additional personnel are indeed needed on a long-term basis for the best service provision to the citizens of Garden City. In the City's financial planning, grants will be treated in the same manner as all other temporary and uncertain resources and will not be used to fund ongoing, basic service needs.
- All grant agreements will be reviewed by the appropriate City staff, including the Finance Department, City Attorney's Office and sponsoring department, to ensure compliance with state, federal and City regulations.
- When possible, the City will budget expenditures for grant-funded programs only after the grant award notice or letter of commitment has been received, and only for the amount of the grant award. City overhead or indirect costs for grant funded programs will be included in all grant proposals, where permitted.
- The City will aggressively oppose state or federal actions that mandate expenditures which the City Commission considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.
- The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. All intergovernmental agreements and contracts for service delivery will be brought forward to the City Commission for approval.

Economic Development

The City's economic base is an important element in determining the City's credit rating and has a dramatic influence on the City's financial health.

- The City will continue to expand and diversify its economic base by attracting industrial and commercial firms. Special emphasis should be given to industrial and commercial enterprises that will employ the local labor force. Additional emphasis will be made to recruit and expand the available workforce. Such business and industry will be in accordance with the plans and ordinances of the City.
- The City will promote and assist residential development when a demand for housing exist as evidenced by a recent and creditable Housing Assessment.
- The City will continue to partner with Finney County in funding the Finney County Economic Development Corporation.
- The City will continue the current economic development incentives as spelled out in the Tax Abatement Policy, and other defined programs offered by the City, and customized incentives presented to the City Commission as part of a Developer's Agreement for review consideration and approval.
- The City will perform a fiscal impact analysis on each economic development investment see Firm Data Sheet (attached) that evaluates the economic costs, economic benefits, intrinsic benefits and the levels of each type of risk associated with the economic development investment.

Guideline Review

- The City Commission will annually review, amend if necessary, the policies contained in this document.
- The City Manager will provide the City Commission a written status report concerning the City's compliance with the policies contained in this document on an annual basis.

Referenced Attachments

Code of Ethics

BE IT RESOLVED, by the City Commissioners of the City of Garden City, Kansas, that the following be a "Code of Ethics for the Public Service of the City of Garden City, Kansas."

1. Declaration of Policy:

The proper operation of democratic government requires that public officials and employees be independent, impartial, and responsible to the people; that governmental decisions and policy be made in the proper channels and that the public have confidence in the integrity of its government. In recognition of these goals, there is hereby established a Code of Ethics for all officials and employees, whether elected or appointed, paid or unpaid. The purpose of this Code is to establish ethical standards of conduct for all such officials and employees by setting forth these acts or actions that are incompatible with the best interests of the City of Garden City, Kansas.

2. Responsibilities of Public Office :

Public Officials and employees are agents of public purpose and hold office for the benefit of the public. They are bound to uphold the Constitution of the United States and the Constitution of this State and to carry out impartially the laws of the nation, state, and municipality and thus to foster respect for all government. They are bound to observe in their official acts the highest standards of morality and to discharge faithfully the duties of their office regardless of personal considerations, recognizing that the public interest must be their primary concern. Their conduct in both their official and private affairs should be above reproach.

3. Dedicated Service:

All officials and employees of the municipality should be loyal to the political consensus formally expressed by the electorate and the programs developed to attain those objectives. Appointed officials and employees should adhere to the rule of work and performance established as the standard for their positions by the appropriate authority. Officials and employees should not exceed their authority or breach the law or ask others to do so, and they should work in full cooperation with other public officials and employees unless prohibited from so doing by law or by officially recognized confidentiality of their work. (10/29/03)

4. Fair and Equal Treatment:

- A. Interest in Appointments. Canvassing of members of the City Commission, directly or indirectly, in order to obtain preferential consideration in connection with any appointment to the municipal service shall disqualify the candidate for appointment except with reference to positions filled by appointment by the City Commission.
- B. Use of Public Property. No official or employee shall request or permit the use of city-owned vehicles, equipment, materials, or property for personal convenience or profit, except when such services are available to the public generally or are provided as municipal policy for the use of such official or

employee in the conduct of official business.

- C. Obligations to Citizens. No official or employee shall grant any special consideration, treatment, or advantage to any citizen beyond that which is available to every other citizen.

5. Conflict of Interest :

No City Commissioner or other official or employee, whether paid or unpaid, shall engage in any business or transaction or shall have a financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of his official duties in the public interest or would tend to impair his independence of judgment or action in the performance of his official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business or political association.

Specific conflicts of interest are enumerated below for the guidance of officials and employees:

A. Incompatible Employment

No City Commissioner or other official or employee shall engage in or accept private employment or render services for private interests when such employment or service is incompatible with the proper discharge of his official duties or would tend to impair his independence of judgment or action in the performance of his official duties.

B. Disclosure of Confidential Information

No City Commissioner or other official or employee, shall, without proper legal authorization disclose confidential information concerning the property, government, or affairs of the city. Nor shall he use such information to advance the financial or other private interest of himself or others.

C. Gifts and Favors

No City Commissioner or other official or employee shall accept any valuable gift, whether in the form of service loan, thing, or promise, from any person, firm, or corporation which to his knowledge is interested directly or indirectly in any manner whatsoever in business dealings with the City; nor shall any such official or employee.

1. Accept any gift, favor, or thing of value that may tend to influence him in the discharge of his duties, or
2. Grant in the discharge of his duties any improper favor, service, or thing of value.

D. Representing Private Interests Before City Agencies or Courts

No City Commissioner or other official or employee whose salary is paid in whole or in part by the City shall appear in behalf of private interests in any

action or proceeding against the interests of the City in any litigation to which the City is a party.

A City Commissioner may appear before city agencies on behalf of constituents in the course of his duties as a representative of the electorate or in the performance of public or civic obligations. However, no City Commissioner or other official or employee shall accept a retainer or compensation that is contingent upon a specific action by a city agency.

E. Disclosure of Interest in Legislation

A City Commissioner who has a financial or other private interest in any legislation shall disclose on the records of the Commission or other appropriate authority the nature and extent of such interest. This provision shall not apply if the Commissioner disqualifies himself from voting.

Any other official or employee who has a financial or other private interest, and who participates in discussion with or gives an official opinion to the City Commission, shall disclose on the records of the Commission or other appropriate authority the nature and extent of such interest.

6. Political Activity:

A. No appointive official or employee in the administrative service shall use the prestige of his position in behalf of any political party.

B. No appointive official or employee in the administrative service shall orally, by letter, or otherwise, solicit or be in any manner concerned in soliciting any assessment, subscription, or contributions to any political party; nor shall he be a party to such solicitation by others. Such appointed officials and employees shall not take an active part in political campaigns for candidates

C. No official or employee, whether elected or appointed, shall promise an appointment to any municipal position as a reward for any political activity.

7. Sanctions:

Violations of any provisions of this Code should raise conscientious questions for the City Commissioner or other official or employee concerned as to whether voluntary resignation or other action is indicated to promote the best interests of the City. Violation may constitute a cause for suspension, removal from office or employment, or other disciplinary action.

Mission Statement

The scope and purpose of the City's mission statement is to serve as a goal by which measurable performance oriented objectives and criteria may be established, by each department, with the sincere intentions to achieve equality, effectiveness and efficiency in providing facilities and services to the City of Garden City.

Mission

The Mission of the City of Garden City is to effectively, efficiently, and equitably provide services and facilities which meet the public needs of the people of the City, and enhance the quality of life in the community.

Organizational Values: Service, Community, and Performance

The City of Garden City, as an organization, places heavy emphasis on the values of Service, Community and Performance. As new employees entering into the City of Garden City, please take a moment to review what we mean when we say "our core values are comprised of Service, Community and Performance."

Service

As public servants, service to the public is our priority external value. We also value service within the organization, helping each other fulfill the organization's goals.

Community

The City organization is one piece of a complex network of public and private entities working to make Garden City a better place to work, live and play. We value being part of this progressive community and commit to recognizing those times when we are called upon to lead and those times when it is in the community's best interest to play a supporting role. As individual members of the City organization, we value the same character trait in each other and place no individual higher than another even though we are charged with performing varying tasks and responsibilities.

Performance

Externally and internally, the City organization and its employees undergo regular performance measurement, expect to have honest and open discussions about the results, and be rewarded or corrected consistent with those results.

(Published in the Garden City Telegram on the 27th day of December, 2011)

RESOLUTION NO. 2450-2011

**A RESOLUTION ESTABLISHING FUND BALANCE POLICIES AS
REQUIRED BY GASB 54.**

WHEREAS, the Governmental Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB 54"), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010; and

WHEREAS, the City of Garden City, Kansas (the "City") elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the current (January 1, 2011 to December 31, 2011) fiscal year.

THEREFORE, BE IT RESOLVED that City of Garden City hereby adopts the following policy:

FUND BALANCE POLICY

Fund balance measures the net financial resources available to finance expenditures of future periods.

The City's Unassigned General Fund Balance will be maintained to provide the City with sufficient working capital and a margin of safety to address local needs without borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the City.

Fund Balance of the City may be committed for a specific source by formal action of the City's Governing Body. Amendments or modification of the committed fund balance must also be approved by formal action of the City's Governing Body.

When it is appropriate for fund balance to be assigned, the City Commission delegates authority to the City Manager or the City Finance Director.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, and lastly, unassigned fund balance.

THEREFORE, BE IT RESOLVED that City of Garden City Governing Body commits the following amounts, as follows:

- Fund balance in Cemetery Endowment
- Fund balance in the Community Trust Fund
- Fund balance in local temporary note proceeds
- Fund balance in hail damage proceeds
- Fund balance in Community Development Loan Fund

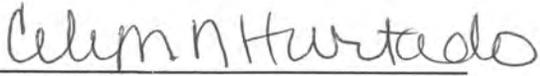
AND BE IT RESOLVED that City of Garden City's financial goal is to have a sufficient balance in the General Fund with sufficient working capital and a margin of safety to address local needs without borrowing. The City shall strive to maintain a yearly fund balance in the General Fund in which the total fund balance is 15% of the total operating expenditures and within that amount the Unassigned fund balance is 4%.

APPROVED AND PASSED by the Governing Body of the City of Garden City, Kansas, this 20th day of December, 2011.



JOHN DOLL, Mayor

ATTEST:



CELYN HURTADO,
City Clerk

APPROVED AS TO FORM:



RANDALL D. GRISELL,
City Counselor

**FIXED ASSET ACCOUNTING
AND REPORTING SYSTEM POLICY**

POLICY OBJECTIVE:

To provide the City with a framework to effectively use the fixed asset system:

1. Safeguarding the investment in fixed assets is accomplished by identifying and fixing responsibility for their custody to each respective Department Head and establishing a capitalization policy whereby dollar values assigned to fixed assets are permanently recorded.
2. The fixed assets system should be used as a management tool for the replacement of reoccurring items and avoiding duplication and inefficient use of fixed assets.
3. Comply with State laws and regulations concerning municipal accounting, auditing, and reporting requirements and, thereby, provide information for the preparation of financial statements in accordance with generally accepted accounting principles.
4. Provide information essential to the operation of enterprise type activities.
5. The fixed assets system will work in conjunction with the City's risk management program to ensure that assets are insured adequately to cover losses.

POLICY STATEMENT:

I. Definitions

The following definitions should be included in the system to assist in determining whether a particular transaction should enter the system:

- A. **Fixed Assets** are tangible property of significant value at acquisition with a useful life of more than one (1) year. Fixed assets fall into two main categories:
 1. General Fixed Assets – those which are not related to a specific service from which revenue is obtained. These are recorded in the balance sheet of the "General Fixed Asset Group of Accounts".
 2. Enterprise Fixed Assets – those directly related to a revenue producing activity conducted by an enterprise, inter-governmental service, or in

certain instances, a trust fund. For financial statement purposes, these assets and related depreciation are recorded in the balance sheets of these related funds.

- B. **Land** includes all real estate owned by the municipality, exclusive of improvements.
- C. **Buildings** include all permanent walled and/or roofed structures.
- D. **Improvements Other Than Buildings** include any permanent improvements to land which cannot be classed as buildings. (Examples are streets, bridges, and lighting systems.) These assets are immovable and of value only to the municipality.
- E. **Construction Work in Process** includes all costs of labor, material, and overhead accumulated in the construction of a fixed asset. Upon completion of the project, this account must be cleared out by the transfer of costs to another class of fixed assets.
- F. **Furnishings/Equipment** includes movable personal property and is distinguished from supply items with the following characteristics:
 - 1. It retains its original shape and appearance with use.
 - 2. It is nonexpendable; that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit.
 - 3. It represents an investment of money which makes it feasible and advisable to capitalize the item.
 - 4. It does not lose its identity through incorporation into a different or more complex unity or substance.
 - 5. It is not permanently built into the building.
- G. **A Supply Item** cannot be a fixed asset. A supply item is any article or material which meets one or more of the following conditions:
 - 1. It is consumed in use.
 - 2. It loses its original shape or appearance with use.

3. It is expendable; that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace it with an entirely new unit rather than repair it.
4. It is an inexpensive item, having characteristics of equipment, but whose small unit cost makes it inadvisable to capitalize the item.
5. It loses its identity through incorporation into a different or more complex unit or substance.

II. Capitalization

In determining whether fixed assets as defined above should be capitalized, the following items should be considered:

- A. The cost, estimated cost or market value (where acquired by gift), of the fixed asset must be of significant value. Significant value will be established at \$5,000 as a minimum amount and will be adjusted every three years.
- B. At the time of capitalization, the asset must not have been in use beyond its normal estimated life.
- C. In accordance with the option provided by generally accepted accounting principles, "General Fixed Assets" classified as improvements other than building will not be capitalized. Improvements that are installed, attached, and/or added onto a building or project must be added to the value of the fixed asset.

III. Depreciation

Generally accepted accounting principles require that depreciation be computed only on depreciable assets of enterprise, inter-governmental service, and certain trust funds. Depreciation will not be recorded on general fixed assets.

Regardless of whether or not all assets are depreciated, all initially inventoried assets shall be assigned an estimated useful life for purposes of the capitalization test. Straight-line depreciation will be utilized using estimated useful life expectancy of various classes of assets as follows:

Equipment and vehicles	3 – 10 years
Land and building improvements	20 years
Buildings	40 years

IV. Initial Inventory of Fixed Assets

A complete beginning inventory record of all fixed assets is required to implement the Fixed Asset Accounting System. Continuous reference to the various fixed asset definitions is necessary during the inventory process. All fixed assets, as defined, shall be inventoried regardless of whether or not they will be capitalized. (Example: a piece of equipment which has been in use longer than its normal useful life should be inventoried, but will not be capitalized.)

V. Valuation of Initial Inventory

Fixed asset accounting is to account for total fixed asset costs rather than current market or replacement values. Fixed assets which are to be capitalized shall be assigned a dollar value in accordance with one of the following bases:

- A. Actual historical cost – This cost can be obtained by reference to documents such as invoices, checks, vouchers, contracts, or purchase orders.
- B. Estimated historical cost – Although historical costs are more desirable, they may be impossible or impractical to obtain. In this case an estimated fair market value (estimated cost) as of the date of acquisition should be placed on each item. Estimated costs may be obtained from such sources as minutes, contracts, purchase orders, bond indentures, vendors, appraisers, newspaper articles, or inquiries of person on hand at the time the asset was acquired.
- C. Estimated fair market value – Gifts or donations shall be valued at fair market value at the time of receipt. This value can generally be obtained from the donor.

VI. Updating the System

All acquisitions and dispositions should be recorded when they occur. Some problem areas may arise with regard to the updating of the system:

- A. Trade-in. Recording a trade-in of one asset for another will be affected by the depreciation policy. For all assets being depreciated, the original value and accumulated depreciation of the old asset should be deleted. The amount to record for the new asset will be the net book value of the old asset plus the difference paid.
- B. Partial disposition. A problem may arise when part of a unit recorded as a single amount is destroyed, sold, or otherwise disposed of. Ordinarily, the

cost of that portion (and accumulated depreciation) would be deleted and the cost of its replacement added.

- C. Maintenance costs. Maintenance is defined as expenditures which neither materially add to the value nor appreciably prolong its life, but merely keep it in an ordinary efficient operating condition.

VII. Financial Reporting

The fixed asset accounting system shall provide information for the preparation of financial statements in accordance with generally accepted accounting principles. The system will provide information sufficient to produce a set of financial statements. The system must also provide information sufficient to produce complete balance sheets and income statements for enterprise, inter-governmental service, and certain trust funds.

The Finance Department, on a quarterly basis, will provide Department Heads with a means of updating the fixed assets system. The use of quarterly monitoring will ensure that all additions or deletions to the fixed assets system are made.

RESPONSIBILITY FOR ENFORCEMENT:

The enforcement and records management of fixed asset policy shall be under the jurisdiction of the Finance Director with day-to-day assistance from Department Heads.

CITY OF GARDEN CITY, KANSAS

DEBT ISSUANCE AND MANAGEMENT

POLICY

DEBT MANAGEMENT AND FISCAL POLICIES

A. GENERAL POLICIES

1. The city will conduct its debt management functions in a manner designed to maintain or enhance its existing credit ratings.
2. Debt issuance will be utilized by the city only in those cases where public policy, equity and efficient use of limited resources favor debt over contemporary financing. Decision criteria considered shall include but not be limited to the following:
 - (a) Debt shall be self-supporting whenever possible. Self-supporting is the use of special revenues for revenue bonds, special assessments, or other capital improvement charges. Self-supporting is the requirement that the city authorize and identify certain specific revenues to meet the debt service requirement. It is designed to avoid conflicts in providing necessary funding to meet the debt service requirements.
 - (b) Debt shall be primarily used to finance capital projects with a relatively long life expectancy, i.e., 10 years or greater.
 - (c) Debt shall be issued in such a way so that the term of the financing does not exceed the useful life of the asset.
3. The various types of debt instruments available to the city are as follows:
 - General Obligation Bonds -- Bonds which are secured by the full faith and credit of the issuer.
 - Revenue Bonds -- Bonds payable from a specific sources of revenue and which do not pledge the full faith and credit of the issuer.
 - Sales Tax Bonds -- Bonds secured by the pledge by a specific tax or category of taxes limited as to rate or

amount.

Lease Purchase Agreements -- Payments are conditioned on the city's budgeting and appropriating the money for that purpose.

Certificates of Participation -- Devise to market shares of lease purchase agreements when the agreement is substantial in amount.

4. The city has the capability to issue industrial revenue bonds (IRB's) to provide financing of private business facilities. The facility is owned by the city while the bonds are outstanding. The Federal Tax Reform Act of 1986 severely limited the types of IRB's that are exempt from federal income taxes. Generally, tax exempt IRB's are now available only to construct "manufacturing" facilities and other facilities for certain non-profit entities.

B. MANAGEMENT

1. It shall be the responsibility of the Finance Director to maintain all necessary files associated with the issuance of the city debt including all requirements consistent with Resolution No. 1615 of the City which is attached as Schedule 1 to this policy.
2. The City Manager shall submit for Commission consideration a fiscal impact statement prior to any Commission action to authorize a project involving the issuance of debt. The fiscal impact statement shall contain, at a minimum, an estimate of the debt service levy to be required at the time of long term debt issuance and a calculation showing the impact of this additional levy on the existing debt service levy. The fiscal impact statement shall provide information on any projected user fee rate increases in the case of revenue bond financing.
3. The Finance Director will maintain records indicating the particular type of debt

incurred by the city on an annual basis. Care will be taken by the city so as to not incur a preponderance of one type of debt over another, particularly those that constitute a general obligation of the city.

C. CAPITAL IMPROVEMENTS PROGRAM.

1. A capital improvements program shall be prepared and submitted to and approved by the City Commission annually.
2. The capital improvements program shall consist of a 5-year priority listing of capital projects, accompanied by a financing plan which finances all projects in the plan, and is supported by the appropriate sources of revenue. The financing plan shall be in accordance with the debt management policies contained herein.
3. It is the intent of these policies that authorized projects must be part of an adopted capital improvements program.

D. DEBT ISSUANCE PURPOSES AND REVENUE SOURCES

1. Benefit district debt shall be issued in conformance with the city's policies on benefit district creation and financing as governed by many specific Kansas statutes. The following provisions shall apply:
 - (a) Bonds shall be secured by the full faith and credit pledge of the city, but assessment payments shall be adequate to pay 100% of debt service, unless otherwise stipulated by the creation document. The City may elect to provide additional faith and credit through insurance purchased specifically for that purpose, if in the opinion of the Finance Director, Fiscal Advisor or Governing Body the additional cost will be justified by a more beneficial credit rating or interest rate.
 - (b) Benefit district project costs shall include all construction, engineering,

financing, legal and administrative costs of the program. For financing purposes, construction, temporary financing, outside engineering services, and legal services shall be calculated at the actual cost for those services.

- (c) Assessments for benefit district improvements will include a maximum of 5% of the total cost of the improvement to reimburse the city for services rendered by the city in the administration and supervision of the improvement by its general officers (KSA 12-6a01(d)). Engineering services that are provided by the City staff, will be charged to the improvement and reimbursed to the City. Reimbursement will be charged in accordance with the following schedules for administration and engineering:

<u>Total Project Cost</u>	<u>Administrative Costs Not to Exceed</u>	<u>Engineering Costs Not to Exceed</u>
1 - 500,000	5%	7%
500,001 - 1,000,000	4%	6%
1,000,001 - 2,500,000	3%	5%
2,500,001 -	2%	4%

- (d) Outstanding bonds will be retired when sufficient revenues are accumulated as set forth in the repayment schedules of the bond documents.

2. General capital improvements shall be financed in accordance with the capital improvements program. Funds shall be available for the financing of general capital improvements in accordance with the following:

- (a) Current property tax revenues and future property tax revenues generated by increases in valuation, together with sales tax revenues, and other tax revenues as may be authorized by state statute, shall be used to fund the city's operating budget.
- (b) To the extent funds described in paragraph D 2(a) above are in excess of that required by the city's general fund operating budget, the excess amount shall

first be used to fully fund the operating capital general fund reserve to the level required by these policies and then used for pay-as-you-go financing of general capital improvements.

- (c) It shall be a goal of the city to maximize the city-at-large capital improvement budget with pay-as-you-go financing from current resources.
 - (d) Debt service payments on non-benefit district general obligation bonds, not abated by other revenues, shall be paid from the debt service property tax levy or sales tax revenue.
3. Debt issued for electric, water, sewer, solid waste and other purposes, for which operating and capital needs are supported by user fees, shall be in the form of revenue bonds secured by the appropriate user fees. User fees shall be adequate to support operating requirements and revenue bond covenants and reserves for each purpose.

E. DEBT ISSUANCE LIMITS AND REPAYMENT SCHEDULES

1. The city shall use the following limits as customarily used and established by Moody's and Standard & Poors to guide issuance of general obligation and revenue debt:
- (a) The aggregate debt limit of the city shall not exceed 30% of its assessed valuation without a specific act of the Governing Body.
 - (b) Outstanding general obligation debt shall not exceed a direct debt burden ratio of 3%.
$$\text{Direct debt burden ratio} = \frac{\text{Outstanding general obligation debt}}{\text{Appraised value of City}}$$
 - (c) Debt service shall not exceed 25% of budgeted expenditures for general fund operations and general obligation debt service combined.
2. Repayment schedules shall be designed to relate to the useful life of the asset and

generally be in accordance with the following:

- (a) 10 years for most general obligation public improvement debt.
- (b) 10 years for benefit district debt. Debt will be structured with even principal payments over the life of the issue.
- (c) Up to 20 years for capital improvements of city wide significance and where justified by the magnitude of the project.
- (d) On an overall basis, all general obligation debt and special revenue debt of the city shall be structured to retire on a basis that considers the impact of the debt issuance with regard to the total overlapping debt of all community public agencies for the term of the issuance. Consideration will also be given to the existing debt service pattern for the type of debt to be issued from the city's perspective.
- (e) Both general obligation and revenue bond issues shall be structured to permit the City to make advance payments to retire the issue if sufficient funds are available or a more desirable interest rate is accessible.

F. OPERATING RESERVES

1. The maintenance of adequate operating reserves is essential to the financial strength and flexibility of the city as a whole. Adequate operating reserves are an integral part of the financial structure of the city and help make it possible for the city to issue debt. Operating reserves are a significant factor considered in evaluating and assigning credit ratings by the bond rating agencies.
2. The city shall seek to maintain the following reserves:
 - (a) An annual unencumbered cash balance carried forward in the general fund operating budget not less than 10% of annual expenditures.
 - (b) A 60 day reserve in enterprise operating funds in order to meet potential

unanticipated needs.

- (c) All those reserves required by revenue bond indentures are to remain in complete compliance with bond issue covenants.

CONTINUING DISCLOSURE POLICY GARDEN CITY, KANSAS

This Continuing Disclosure Policy (the "Disclosure Policy") establishes specific policies of Garden City, Kansas (the "Issuer") designed to supplement existing policies and undertakings and ensure satisfaction of the Issuer's continuing disclosure obligations undertaken in connection with the Issuer's bonds and other securities pursuant to Rule 15c2-12, as amended, promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

I. Definitions

The definitions below apply to any capitalized term used in this Disclosure Policy unless the term is otherwise defined herein. In addition to such terms and the terms defined above, as used in this Disclosure Policy, the following capitalized terms have the following meanings:

"Annual Financial Information" means the financial information or operating data with respect to the Issuer, provided at least annually according to the applicable Undertaking, of the type included in portions of the Final Official Statement and described on Exhibit A to the applicable Undertaking and shall include the Audited Financial Statements.

"Audited Financial Statements" means the Issuer's annual financial statements or Comprehensive Annual Financial Report, prepared using generally accepted accounting principles and audited as required or permitted by the laws of the State of Kansas according to auditing standards generally accepted in the United States, and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States.

"Disclosure Administrator" means the Finance Director of the Issuer.

"Governing Body" means the City Commission.

"Employee" means any person who, as part of his or her employment with the Issuer, has regular responsibility for the administration of matters related to Obligations.

"EMMA" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org/>.

"Event" means any of the events listed in Schedule I of this Disclosure Policy.

"Fiscal Year" means the fiscal year of the Issuer, being the period commencing on January 1 and ending on the following December 31.

"MSRB" means the Municipal Securities Rulemaking Board or any other board or entity which performs the functions currently delegated to the Municipal Securities Rulemaking Board by the Rule.

"Obligations" means any bonds, notes or other securities issued by, or whose payment is guaranteed by, the Issuer and for which the Issuer is an "Obligated Person" as defined by the Rule.

"Operating Data" means the Issuer's financial information and operating data disclosed pursuant to this Disclosure Policy and described on Exhibit A to any applicable Undertaking.

"SEC" means the U.S. Securities and Exchange Commission.

"Undertaking" means any agreement, ordinance or other undertaking by the Issuer to make continuing disclosure with respect to Obligations pursuant to the Rule.

II. Submission of Annual Financial Information

1. Not later than December 31 following the end of each fiscal year of the Issuer, or an earlier date set forth in an Undertaking (September 15), and annually thereafter while any Obligations described in an Undertaking remain outstanding, the Disclosure Administrator shall submit or cause the Issuer's Annual Financial Information to be submitted to the MSRB through EMMA.

2. Not more than five (5) days after the submission of the Annual Financial Information to the MSRB, the Disclosure Administrator shall provide to the Governing Body written confirmation from EMMA that the Annual Financial Information has been submitted and filed properly with the MSRB through EMMA, which confirmation shall be acknowledged at the next regular meeting of the Governing Body.

3. In the event that the Annual Financial Information is not completed in time to submit the Annual Financial Information to EMMA at the time specified in paragraph 1 above, the Disclosure Administrator will file a notice of occurrence of that Event according to the policy and procedures set forth below under "Reporting of Events," and as described in the Rule, and the Issuer's Annual Financial Information shall be submitted as soon as it is available.

III. Reporting of Events

1. The Disclosure Administrator shall file a notice of the occurrence of any Event or Events with the MSRB via EMMA with respect to any Obligations to which the Event or Events apply, in a timely manner, but not in excess of ten (10) business days after the occurrence of the Event. The Disclosure Administrator shall provide notice of an Event to the MSRB through EMMA, as required by the Rule. The Events to be disclosed are listed on Schedule I of this policy. The Disclosure Administrator shall consult with legal counsel and update Schedule I if there are changes to the Rule with respect to Events to be reported.

2. Not less than three (3) business days after providing notice of an Event to the MSRB, the Disclosure Administrator shall provide a copy of the notice submission filed with the MSRB to the Governing Body, along with written confirmation from EMMA that such notice submission was properly filed with the MSRB through EMMA, as required by the Rule, which confirmation shall be acknowledged at the next regular meeting of the Governing Body.

3. If an Employee obtains actual knowledge of an Event, the employee must inform the Disclosure Administrator in writing as soon as possible. If the Disclosure Administrator is made aware of any occurrence and he or she is uncertain whether it constitutes an Event, the Disclosure Administrator shall confer with legal counsel regarding the occurrence. If such consultation cannot occur by the deadline established in Section III, Subsection 1, the Disclosure Administrator shall nonetheless file notice of the occurrence as required for any Event.

IV. Manner of Submission

The documents, reports and notices required to be submitted to the MSRB pursuant to the Disclosure Policy shall be submitted through EMMA in an electronic format, shall be accompanied by identifying information, in the manner prescribed by the MSRB, or in such other manner as is consistent with the Rule, and shall be linked directly to each applicable Obligation on EMMA according to any SEC, MSRB, or EMMA rules and regulations in effect from time to time. A description of such format and information as presently prescribed by the MSRB is included in Exhibit A.

The Annual Financial Information may be provided to the MSRB through EMMA in one document or a set of documents, or may be included by specific reference to documents available to the public on EMMA, including official statements of Obligations. The Disclosure Administrator shall clearly identify each document provided by cross reference.

V. Disclosure Training for Issuer Employees

1. The Disclosure Administrator shall conduct conducting annual training of Issuer Employees regarding this Disclosure Policy, or arrange for the Issuer's financial advisor, bond counsel, or other outside resources to conduct training. The training shall include a complete review of this Disclosure Policy, the Rule, and the Events listed on Schedule 1, and shall include a complete overview of the Issuer's obligations under the federal securities laws.

2. Not later than fourteen (14) business days after the end of each fiscal year of the Issuer, the Disclosure Administrator shall provide annual written certification to the Governing Body that the annual disclosure training has been completed.

VI. Public Statements Regarding Financial Information

Whenever the Issuer makes statements or releases information relating to its finances to the public that is reasonably expected to reach investors and the trading markets (including, without limitation, all Event notices, statements in the Annual Financial Information, and other financial reports and statements of the Issuer), the Issuer is obligated to ensure that such statements and information are complete, true, and accurate in all material aspects. The Disclosure Administrator shall have primary responsibility for ensuring that such statements and information are accurate and not misleading in any material aspect. The Mayor, the Disclosure Administrator, and Issuer Employees shall work together to ensure that all public statements and information released by the Issuer are accurate and non-misleading in all material aspects.

VII. Future Issuance

Whenever the Issuer issues Obligations subject to the Rule a preliminary official statement and a final official statement shall be prepared in consultation with the Issuer's financial advisor. Each of these official statements contains information relating to the Issuer's finances and operations. The Mayor, the Disclosure Administrator, and Issuer Employees shall have primary responsibility for ensuring that all such information is accurate and not misleading in any material aspect. The official statement shall also include a certification by the Mayor that the information contained in the official statement regarding the Issuer, as of the date of each official statement, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the information contained in the offering statement, in light of the circumstances under which it was provided, not misleading. The Mayor and Disclosure Administrator shall also ensure that each official statement shall contain a description of any instances in the previous five years in which the Issuer failed to comply, in all material respects, with any Undertakings.

VIII. Records

The Disclosure Administrator shall be responsible for retaining records demonstrating compliance with this Disclosure Policy. At a minimum, the Disclosure Administrator shall retain the following:

A. Master Obligation List. A master list of all Obligations (including those not subject to the Rule) in the form and including the information shown on the table set forth on Schedule II to this policy. The Disclosure Administrator may add any relevant information or categories to the Master Obligation List from time to time as it determines appropriate.

B. Disclosure Files. An electronic or paper file for each Obligation subject to the Rule. Each Disclosure File shall include the final version of the applicable Undertaking; written confirmations of all disclosures made to EMMA related to the applicable Obligation; and a copy of this Disclosure Policy. Notwithstanding any other existing or future records retention policy, each Disclosure File shall be maintained in a central depository for a period of five years after the date the applicable Obligation is no longer outstanding.

IX. Additional Information

Nothing in this Disclosure Policy shall be deemed to prevent the Issuer from disseminating any other accurate information using the means of dissemination set forth in this Disclosure Policy or any other means of communication.

X. Bond Counsel

The Issuer has previously engaged Triplett, Woolf & Garretson, LLC, and may from time to time engage Triplett, Woolf & Garretson, LLC and others as the Issuer's Bond Counsel with respect to the issuing Obligations. The Issuer understands that such engagement does not constitute a lawful substitute for the exercise of the continuing diligence of its Disclosure Administrator, Governing Body or its employees, as outlined in this Policy. To the extent Bond Counsel has assisted the Issuer with development of this Policy, is requested in the future to assist or opine on matters of training or continuing disclosure pursuant to this Policy, or may

assist the Issuer with reporting under any SEC actions or programs, the City acknowledges that a potential conflict of interest may exist, as it relates to Obligations where Triplett, Woolf & Garretson, LLC served as Bond Counsel. The Issuer has had an opportunity to consider the consequences with other counsel (including the potential need for Bond Counsel to withdraw from representation of the Issuer in the event a non-waivable conflict should arise) and has been provided sufficient information to allow it to evaluate the representation. The Issuer waives such conflict of interest and consents to such representation, training and reporting assistance by its adoption of this Policy.

This Continuing Disclosure Policy was adopted and approved by a majority of the members of the Governing Body of the Issuer at its regular meeting on December 16, 2014.

GARDEN CITY, KANSAS

[seal]

Celyn N. Hurtado, City Clerk

SCHEDULE I

The Rule requires reporting to EMMA of the occurrence of any of the Events listed as (1) through (14) below with respect to any applicable Obligation. Reporting of Events occur in a timely manner, but not more than ten (10) business days an Event has occurred. Reporting Events are as follows:

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to tax status of the Obligations, or other events affecting the tax status of the Obligations;
7. Modifications to rights of registered owners of the Obligation, if material;
8. Bond calls (excluding mandatory sinking fund redemptions of term bonds), if material, and tender offers;
9. Defeasances (usually occurs in connection with advance refunding);
10. Release, substitution or sale of property securing repayment of the Obligations;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or a similar proceeding by an obligated person;
13. Consummation of a merger, consolidation, acquisition involving an obligated person, or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or determination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of an additional or a successor trustee, or the change in name of a trustee, if material.

EXHIBIT A

MSRB PROCEDURES FOR SUBMISSION OF CONTINUING DISCLOSURE DOCUMENTS AND RELATED INFORMATION

Securities and Exchange Commission Release No. 34-59061 (the "Release") approves an MSRB rule change establishing a continuing disclosure service of the MSRB's Electronic Municipal Market Access system ("EMMA"). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 ("Rule 15c2-12") under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, date, maturity date and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter. Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, as of January 1, 2010, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB's continuing disclosure service are to be made through password protected accounts on EMMA by: (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB's Internet-based electronic submitter interface (EMMA Dataport) is at www.emma.msrb.org.

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CITY OF GARDEN CITY, KANSAS
TAX-EXEMPT OBLIGATION POST-ISSUANCE COMPLIANCE POLICY

This Tax-Exempt Obligation Post-Issuance Compliance Policy (the "Policy") sets forth specific policies of the City of Garden City, Kansas (the "City") designed to monitor post-issuance compliance of tax-exempt qualified obligations issued by the City ("Bonds") with applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (collectively, the "Code").

The Policy documents existing practices and establishes procedures and systems designed to identify and monitor facts relevant to demonstrating the City's compliance with Code requirements applicable to Bonds and which must be satisfied after Bonds during the time Bonds are outstanding to maintain the exclusion of interest paid on the Bonds from gross income for federal income tax purposes. The City recognizes that complying with the applicable provisions of the Code is an on-going process, required for the entire time Bonds remain outstanding, and is an integral component of the City's debt management. Accordingly, the Policy will require on-going monitoring and consultation with bond counsel beyond the scope of its initial engagement with respect to outstanding Bonds. The requirements of the Code are generally related to investment, use and expenditure of Bond proceeds and restrictions on the use of Bond financed facilities or purposes (the "Project").

I. Coordinator

The City' Finance Director shall be the coordinator responsible for monitoring post-issuance compliance under this Policy (the "Coordinator"). The Coordinator shall consult bond counsel, rebate analysts, financial advisors, IRS publications and other resources as are necessary to understand and meet the requirements of this Policy. The Coordinator may delegate responsibilities under this Policy to other employees and outside agents. The Coordinator, however, shall review the work performed by any person performing work under this Policy and shall remain responsible for requirements under this Policy. All monitoring requirements under this Policy shall be performed by the Coordinator no less than once each calendar year with respect to all outstanding Bonds of the City. The City anticipates performing the annual responsibilities set forth in this Policy on or before September 1 of each calendar year Bonds are outstanding.

The Coordinator shall seek training from bond counsel with respect to proper maintenance of records, identification of private use, proper use and allocation of Bond proceeds, arbitrage and rebate requirements/restrictions, and other Code requirements. Bond counsel will provide such training in connection with adoption of this Policy and during a review session conducted at least once each five (5) years thereafter. Training shall also be obtained when significant changes in the Code or other applicable law occur or when a new individual becomes the Coordinator or a new person is hired for a position that the Coordinator has delegated responsibility to under this Policy.

II. Transcripts and Other Documents

The Coordinator shall cause the City Clerk to obtain from bond counsel a transcript of proceedings for each issuance of Bonds, which transcript shall contain, at a minimum:

- A. All bond documents, including bond counsel opinions;
- B. Appropriate IRS Form 8038;
- C. Minutes, resolutions, ordinances and certificates authorizing or relating to issuance of Bonds and authorizing the Project;
- D. Certifications of issue price from the underwriter;
- E. Information relating to refunded bonds if applicable;
- F. Formal elections required by the IRS; and
- G. Tax compliance certificates and/or agreements.

The form of the transcript of proceedings may be in hard copy or electronic form and shall be maintained by the City Clerk in the City's records.

In addition to the transcript, the Coordinator shall also create a file for each particular issue of Bonds that includes the transcript, contains the records required by this Policy and:

- H. Any opinions of bond counsel not included in the transcript;
- I. Amendments, modification or substitution of any agreement or document found in the transcript;
- J. Correspondence with the IRS relating to the Bonds, including any records of an audit by the IRS or any Voluntary Closing Agreement Program proceedings;
- K. For Bonds that refund a prior issue of Bonds, the transcript and any related documents for the refunded Bonds, including the records required by this Policy;
- L. The annual compliance checklist described in Section V; and
- M. Other documents or evidence relating to Bonds relevant to the goals of this Policy.

III. Use of Proceeds

A. For each issue of Bonds and each project financed with proceeds of Bonds, the City shall adopt, or cause its duly authorized corporate trustee to adopt, an accounting methodology that separately maintains each source of funding for a project and identifies the use of such sources of funding by individual project, and monitors and identifies the expenditure of proceeds of the Bonds.

B. The Coordinator shall maintain or ensure the following records are maintained by the City or a duly appointed corporate trustee:

- 1. records showing the deposit of Bond proceeds into funds and accounts established for Bond proceeds by authorizing documents;

2. a list of all facilities, equipment or purposes financed by Bond proceeds and comprising the Project as defined herein; and
3. requisitions, draw requests, invoices and bills requesting payment from Bond proceeds and records of the payment of Bond proceeds that evidence allocation of the proceeds and any investments earnings on such proceeds to pay Project costs or make other permitted expenditures, including any reimbursement of expenditures made before Bonds were issued;
4. records showing the investment of and interest earnings on Bond proceeds and reserve funds, including records of any investment contracts, credit enhancement transactions, and the bidding of financial products related to Bond proceeds;
5. records showing allocation of funds other than Bond proceeds spent for Project costs or other permitted expenditures;
6. records of, including copies of any and all contracts, leases or other documents, evidencing any private use (i.e., use by a non-governmental person or entity) of projects financed with Bond proceeds.

C. The Coordinator shall monitor the use of all Projects financed with Bond proceeds to ensure no unqualified private use is made of such projects. Examples of possible private use include:

1. sale of the Project;
2. lease or sublease of the Project or portions thereof;
3. management contracts (in which the City authorizes a third party to operate a Project or any portion thereof), research contracts and naming rights contracts with respect to a Bond financed Project;
4. preference arrangements (in which the City authorizes use of a Project by a third party on a preferential basis, e.g., specific rights to parking facilities);
5. contracts for purchase of output from public utilities or other contracts for use of Bond financed improvements to public utilities (e.g., sales of water or electricity to large non-governmental users);
6. joint-ventures, limited liability companies or partnership arrangements relating to the Project or the use of the Project;
7. agreements or contracts that provide for guaranteed payments from non-governmental third parties with respect to Bond financed facilities;

8. a grant or loan made to non-governmental entities from Bond proceeds;
and
9. any changes in the use of Project.

Before the City enters into any arrangement or contract which may result in private use of Bond-financed facilities, the Coordinator shall present such arrangement or contract to bond counsel for review.

The Code provides certain remedial actions available to the City in the event that post-issuance use of a Bond-financed Project causes private use, which includes redemption of the non-qualified portion of the Bonds, alternative use of any disposition proceeds, and alternative use of the facility.

If the Coordinator identifies any possible private use of Bond financed Projects, the Coordinator will consult with bond counsel to determine whether such use will have any adverse effect under the Code and whether any remedial action is necessary.

D. Following completion of a Bond-financed Project (or thirty (30) months from the date of issuance of a Bond, whichever occurs first), the Coordinator shall:

1. review the expenditures of Bond proceeds to determine whether all Bond proceeds have been allocated to the Project as intended;
2. direct the use of unspent proceeds in accordance with the limitations of the bond documents, and if no provision is otherwise made therefore, to the redemption or defeasance of outstanding Bonds of the same issue;
3. consult with bond counsel regarding potential yield restriction or yield reduction payments if unspent Bond proceeds remain after three years from issuance.

If there are any questions or concerns regarding unspent Bond proceeds and the use or allocation thereof, the Coordinator shall consult bond counsel.

IV. Arbitrage/Rebate Compliance

A. The Coordinator shall review and cause the City Clerk to execute and file the appropriate IRS Form 8038 by the fifteenth (15th) day of the second calendar month following the quarter in which the Bonds are issued.

B. The Coordinator shall review with bond counsel each Certificate Related to Arbitrage and Tax Matters, Arbitrage Rebate Compliance Agreement, or other tax certificate/agreement related to Bonds and shall:

1. obtain from the underwriter or financial advisor a computation of the yield on each issuance of Bonds, computed in compliance with the Code;
2. monitor the investment and expenditure of Bond proceeds to comply with the temporary periods and reasonable expectations set forth in such certificate/agreement;
3. if applicable, monitor and ensure all Bond proceeds are spent in accordance with one or more of the applicable spending exceptions to rebate as set forth in such certificate/agreement;
4. monitor the purchase of investments with Bond proceeds to ensure such investments are purchased a fair market value and in compliance with the Code;
5. consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or hedging transactions.

C. In the event any expenditure of Bond proceeds has failed, or will fail, any temporary period or rebate spending exception, the Coordinator shall immediately notify and consult with bond counsel and a rebate analyst to procure a computation of any rebate liability and any necessary yield reduction payments, all as required by the Code.

D. The Coordinator shall, or shall cause another appropriate officer to, monitor and ensure that no formal or informal fund is created which is reasonably expected to be used to pay debt service on any Bonds without first consulting bond counsel.

V. Checklist; Record Retention

As soon as practical after this Policy is adopted the Coordinator will work with bond counsel and/or the city attorney to develop an annual compliance checklist to be completed for all outstanding Bonds. The annual compliance checklist shall be substantially in the form attached to this document as **Exhibit A** and shall be completed annually for each series of Bonds outstanding.

The Coordinator shall ensure the following records are retained by the City Clerk during the time any Bond remains outstanding (or the time that any issue that refunds the Bond remains outstanding) and for a period of three (3) years thereafter:

- A. The transcript of proceedings and additional documents, as described in Section II of this Policy.
- B. Documentation evidencing the expenditure and use of Bond proceeds, as described in Section III.

- C. Documentation evidencing use of Bond financed facilities by both public and private entities (including all leases, contracts, and other arrangements).
- D. Documentation evidencing the investment of Bond proceeds (including the purchase and sale of securities, SLGs subscriptions), yield calculations for each class of investments, actual investment income received by the investment of Bond proceeds, guaranteed investment contracts, and rebate calculations.
- E. Copies of all certificates and returns filed with the IRS and all reports regarding IRS examinations of the City or its Bonds.
- F. Copies of all documentation used to establish valuation of a Bond-financed facility, including appraisals, demand and feasibility studies and grant contracts.
- G. Copies of all construction and purchase contracts for Bond financed Projects.
- H. All other documentation necessary to establish qualification for tax-exemption of the Bonds.
- I. Documentation evidencing all monitoring and compliance performed by the Coordinator pursuant to this Policy.

VI. “Bank Qualified” Bonds. If the City issues Bonds in any calendar year that it designates as “qualified tax-exempt obligations” under the Code, the Coordinator shall monitor all tax-exempt obligations issued by the City in that calendar year (including lease purchase contracts and Bonds issued by the City on behalf of qualified 501(c)(3) organizations under the Code) to determine if the City will comply with the limitation of the amount of “qualified tax-exempt obligations” which may be issued in such calendar year (established by the Code, currently \$10,000,000 per calendar year). If it appears a proposed issue of Bonds or other tax-exempt obligation may cause the limit to be exceeded in a calendar year, the Coordinator will consult with bond counsel before proceeding to issue the Bonds or other obligations.

VII. Industrial Revenue Bonds – Conduit Bonds. If the City issues tax-exempt industrial revenue bonds or other conduit bonds on behalf of a third party borrowers, the City will consult with bond counsel and require that before such bonds or obligations are issued, the documents prepared in connection with such issues require appropriate post-issuance compliance measures be undertaken by the conduit borrower or the bond trustee or both.

VIII. Advance Refunding Bonds Before the City issues Bonds to advance refund any outstanding Bonds, the Coordinator shall consult with bond counsel, the City’s financial advisor (if any) and others to determine if proposed refunding complies with all applicable requirements of the Code, including a determination that the Bonds to be advance refunded remain “tax-exempt obligations” in compliance with all applicable provision of the Code.

IX. Tax Exempt Bond – Voluntary Closing Agreement Program

Tax Exempt Bonds (“TEB”) is a division of the Tax Exempt and Governmental Entities division of the IRS. TEB administers a program known as the Voluntary Closing Agreement Program (“TEB VCAP”) to assist governmental issuers in resolving violations of the federal tax laws applicable to tax-exempt bonds. TEB VCAP allows a governmental issuer to conclusively resolve such violations through the execution of closing agreements with the IRS.

The City is aware of the TEB VCAP program and the TEB VCAP procedures set forth in the Internal Revenue Manual sections 7.2.3.1 – 7.2.3.3.6 and section 4.81.6. If the Coordinator discovers a deficiency in compliance under the terms of the Policy or the applicable provisions of the Code or otherwise, the Coordinator shall consult with bond counsel and follow the procedures identified by the Code or the TEB VCAP to remediate noncompliance. If the Coordinator and bond counsel determine a TEB VCAP request is necessary, the Coordinator shall obtain approval from the governing body before submitting such request.

X. Continuing Disclosure – SEC Rule 15c2-12

The Coordinator shall review the Continuing Disclosure Undertaking for each issue of Bonds and determine the financial information and operating data the City is required to include in an annual report filed with the MSRB or EMMA and cause the annual report to be filed as required by the applicable Continuing Disclosure Agreement. The Coordinator will review the Continuing Disclosure Undertaking to determine which “material events” related to an issue of Bonds will require filing of a notice with the MSRB. If the Coordinator has knowledge of any event the Coordinator believes may require disclosure as a “material event” under the Continuing Disclosure Agreement, the Coordinator will consult with bond counsel. If the Coordinator and bond counsel conclude that notice of a “material event” should be provided, the Coordinator will cause appropriate notice to be filed as provided in the Continuing Disclosure Agreement.

I hereby certify that the foregoing Tax-Exempt Obligation Post-Issuance Compliance Policy was adopted by the governing body of the City of Garden City, Kansas by motion at its regular meeting on October 16, 2012.

[seal]

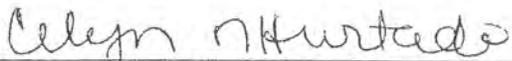

Celyn N. Hurtado, City Clerk

EXHIBIT A
Form of Compliance Checklist



POST ISSUANCE COMPLIANCE CHECKLIST

The National Association of Bond Lawyers (“NABL”) and the Government Finance Officers Association (“GFOA”) have jointly developed the following checklist to assist bond counsel in discussing with issuers and conduit borrowers, as applicable, post issuance compliance matters. The checklist is divided into three parts: tax, securities and State law matters. The checklist can serve as a framework for discussion at an appropriate time during the transaction or as a written document prepared by bond counsel and furnished to the issuer or conduit borrower after completion of the financing. Bond counsel may need to explain various items on the checklist to provide the issuer with a more complete understanding of the noted concept. The checklist can be amended or supplemented as needed to address the particular financing issue. Issuers and conduit borrowers are encouraged to contact bond counsel at any time they may have questions or concerns pertaining to tax, securities or State law issues.

In the “document reference” column, where applicable, the financing document pertaining to the referenced point should be named. This will assist others on the finance team – present and future – to be able to locate the original notation. The “responsibility” column should list the various offices/desks within the government or legal or other professional that have been engaged for the purpose of that section who is/are responsible for maintaining the noted task. This list covers a broad spectrum of financing purposes of which only some will apply to your financing. Instances where each line will be completed are unlikely. However, you are encouraged to review the entire document and complete the lines that are applicable to your financing.

The checklist is intended to help issuers and/or borrowers throughout the entire lifetime of the financing to identify matters that need to be analyzed by the issuer and perhaps by counsel. Issuers are encouraged to retain and distribute the checklist to all “responsible” parties and others who may find it useful during the lifetime of a financing. **Keeping the checklist throughout the lifetime of the financing is important. Thus, issuers are encouraged to keep the document with the transcript.**

The completion and distribution of this checklist does not presume a contractual obligation on parties to complete these tasks.



National Association of Bond Lawyers

POST ISSUANCE COMPLIANCE CHECKLIST

TRANSACTION PARTIES		
Overall Responsible Office for Debt Management Activities	_____	
Bond Counsel	_____	
Trustee	_____	
Paying Agent	_____	
Rebate Specialist	_____	
Other:	_____	
Other:	_____	
Other:	_____	
A. TAX LAW REQUIREMENTS	Document Reference	Responsibility
1. General Matters.		
(a) Proof of filing Form 8038, 8038-G or 8038-GC. Copies of Form 8038, etc., to State authorities as required by State procedures.		
(b) "Significant modification" to bond documents results in reissuance under Treas. Reg. § 1.1001-3. Proof of filing new Form 8038, etc., plus final rebate calculation on pre-modification bonds.		
2. Use of Proceeds: Governmental Bonds or Qualified 501(c)(3) Bonds.		
(a) No private business use arrangement with private entity (includes federal government) beyond permitted <i>de minimis</i> amount unless cured by remedial action under Treas. Reg. § 1.141-12.		
(i) Sale of facilities.		
(ii) Lease.		
(iii) Nonqualified management contract. Rev. Proc. 97-13.		
(iv) Nonqualified research contract. Rev. Proc. 97-14.		
(v) "Special legal entitlement."		

(b) Additional requirements for qualified 501(c)(3) bonds.		
(i) No unrelated business activity income in facility beyond permitted <i>de minimis</i> amount.		
(ii) No activities jeopardizing 501(c)(3) exemption of 501(c)(3) borrower.		
(c) Remedial action may consist generally of redemption or defeasance of bonds (with notice of defeasance to IRS). Where disposition is a cash sale, remedial action may be an alternative qualifying use of proceeds. If bonds are 501(c)(3) bonds, alternative use must have "TEFRA" hearing and elected official approval prior to sale of original facilities. Proof of filing new Form 8038, etc.		
3. Private Activity Bonds. IRC §142.		
(a) Exempt facilities—in general.		
(i) Continuing use of exempt facilities in accord with basis of tax exemption.		
(ii) Use excess proceeds for redemption or defeasance (with notice of defeasance to IRS) within 90 days of determination that proceeds will not be spent, or date financed facility is placed in service. Treas. Reg. § 1.142-2(c).		
(b) Residential rental project bonds.		
(i) Meet low-income requirements for qualified project period. IRC §142(d).		
(ii) Proof of filing annual reports of compliance by project operator on Form 8703.		
(c) Qualified mortgage bonds.		
(i) Good faith compliance efforts for mortgage eligibility. IRC §143(a)(2).		
(ii) Spend proceeds or redeem bonds within 42 months of issuance; use mortgage prepayments after first 10 years to redeem bonds at next semiannual debt service date after receipt.		

(iii) Proof of filing annual reports of mortgagor income due 8/15. Treas. Reg. § 1.103A-2(k)(2)(ii).		
(d) Small issue manufacturing bonds using \$10,000,000 (\$20,000,000 for 2007) capital expenditure limit: monitor capital expenditures during three years after issuance for compliance with limit. IRC §144(a).		
(e) Acquisition of existing facilities: make qualifying rehabilitation within 24 months unless covered by exceptions. IRC §147(d).		
4. Arbitrage.		
(a) Rebate. IRC §148(f).		
(i) First installment of arbitrage rebate due on fifth anniversary of bond issuance plus 60 days.		
(ii) Succeeding installments every five years.		
(iii) Final installment 60 days after retirement of last bonds of issue.		
(iv) Monitor expenditures prior to semi-annual target dates for six-month, 18-month, or 24-month spending exception.		
(b) Monitor expenditures generally against date of issuance expectations for three-year or five-year temporary periods or five-year hedge bond rules.		
(c) For advance refunding escrows, confirm that any scheduled purchases of 0% Securities of State and Local Government Series are made on scheduled date.		
5. Special Rules for Pool Bonds.		
(a) Redeem bonds at one-year and three-year expenditure target dates. Pay 95% of costs of issuance within 180 days. IRC §149(f), as amended 2006.		
(b) 501(c)(3) pools: redeem bonds at one-year expenditure target date. IRC §147(b)(4).		
6. Record Retention.		

(a) Maintain general records relating to issue for life of issue plus any refunding plus three years.		
(b) Maintain special records required by safe harbor for investment contracts or defeasance escrows. Treas. Reg. § 1.148-5.		
(c) Maintain record of identification on issuer's books and records of "qualified hedge" contract. Treas. Reg. § 1.148-4(h)(2)(viii) and § 1.148-11A(i)(3).		
(d) Maintain record of election not to take depreciation on leased property that must be treated as owned by a governmental unit. Treas. Reg. § 1.103(n)-2T Q/A7.		
(e) Maintain record of agreements and assignments between governmental units that affect volume cap allocations under IRC §146. Treas. Reg. § 1.103(n)-3T Q/A8, 13 & 14.		
(f) Maintain record of election to utilize the \$10,000,000 small issue bond limit on the books and records of the issuer. Treas. Reg. § 1.103-10(b)(2)(vi).		
<p>7. Allocations of Bond Proceeds to Expenditures.</p> <p>Make any allocations of bond proceeds to expenditures needed under Treas. Reg. § 1.148-6(d) and § 1.141-6(a) by 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than the earlier of five years after the bonds were issued or 60 days after the issue is retired.</p>		
B. DISCLOSURE REQUIREMENTS		
1. SEC Rule 15c2-12 Requirements.		
(a) Determine applicability of continuing disclosure undertaking ("CDU").		
<p>(b) Identification of "obligated person" for purposes of Rule 15c2-12.</p> <p>Governmental Bonds: Issuer. Private Activity Bonds: Issuer or Borrower.</p>		
(c) Name of Dissemination Agent, if applicable.		
(d) Periodically determine that required CDU filings have been prepared, sent to and received by NRMSIR's.		

(e) Information required to be provided to NRMSIR and SID:		
(i) Annual Reports.		
(1) Quantitative financial information and operating data disclosed in official statement.		
(2) Audited financial statements.		
(ii) Other information.		
(1) Change of fiscal year.		
(2) Other information specified in CDU.		
(f) Material Event Disclosure. Notification by obligated person to SID and each NRMSIR, in timely manner, of any following events with respect to bonds, if event is material within the meaning of the federal securities laws:		
(i) Principal and interest payment delinquencies.		
(ii) Non-payment related defaults.		
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.		
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.		
(v) Substitution of credit or liquidity providers, or their failure to perform.		
(vi) Adverse tax opinions or events affecting the tax-exempt status of the bonds.		
(vii) Modifications to rights of holders of the bonds.		
(viii) Bond calls.		
(ix) Defeasances.		
(x) Release, substitution or sale of property securing repayment of the bonds.		

(xi) Rating changes.		
(g) Failure of the obligated person to timely file financial information (including audited financial statements) and operating data with SID and either each NRMSIR or MSRB.		
<p>2. Notification to Underwriters of Bonds.</p> <p>Determination of whether bond purchase agreement requires issuer of the bonds to notify underwriters for a specified period of time of any fact of event that might cause the official statement to contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading.</p>		
3. Information Required to be Filed with Other Entities.		
(a) Trustee.		
(b) Rating Agency(ies).		
(c) Bond Insurer.		
(d) Credit Enhancer.		
Examples:		
(i) Financial records.		
(1) Annual.		
(2) Quarterly.		
(ii) Budgets.		
(iii) Issuance of additional bonds.		
(iv) Events of default.		
(v) Notices of redemption.		
(vi) Amendments to bond documents.		
<p>4. Local Disclosure.</p> <p>State and/or local requirements.</p>		

C. MISCELLANEOUS STATE LAW AND DOCUMENT REQUIREMENTS		
1. Security.		
(a) Proof of filing UCC statements with appropriate authorities as required by State procedures.		
(i) Initial UCC financing statements filed with appropriate authorities. UCC 9-515(a).		
(ii) Continuation statements filed by fifth anniversary. UCC 9-515(d).		
(iii) Transfer by government or governmental unit not requiring a UCC statement. UCC 9-102(a)(45) (UCC exception adopted in certain jurisdictions).		
(iv) Public finance transaction in connection with debt securities (all or portion of securities have initial stated maturity of 20 years; obligated party is State or State governmental unit) qualifies for 30-year filing. UCC 9-515(b)		
(v) Other local requirements or exceptions.		
(b) Proof of filing recorded mortgages, deeds of trust with appropriate authorities and proof of delivery of originals to trustee or custodian.		
2. Insurance.		
(a) Proof of receipt of final title policy and proof of delivery to trustee or custodian.		
(b) Monitor compliance with property and casualty insurance requirements.		
3. Financial Covenants.		
Monitor compliance with rate covenant or other covenants not included in B(3) above.		
4. Transfer of Property.		
(a) Restrictions on transfer of cash.		
(b) Restrictions on releases of property.		
(c) Restrictions on granting liens or encumbering property.		

<p>5. Investments.</p> <p>Compliance with permitted investments.</p>		
<p>6. Derivatives.</p> <p>Entering into and ongoing compliance of derivatives contracts is complex and a universe in and of itself. GFOA has created a Derivatives Checklist and a Recommended Practice on the Use of Debt-Related Derivatives Products and the Development of a Derivatives Policy to assist issuers with understanding these products. These documents can be found at: http://gfoa.org/services/rp/debt.shtml.</p>		

CITY OF GARDEN CITY, KANSAS

INVESTMENT POLICIES

I. SCOPE

This investment policy applies to all financial assets held or controlled by the City of Garden City other than pension fund assets which are held by a third party custodian.

II. INVESTMENT OBJECTIVES

The following investment objectives will be applied in the management of the City's funds.

The primary objective of the City of Garden City's investment activities is the preservation of capital and the protection of investment principal.

In investing public funds, the City will strive to maximize the return on the portfolio and to preserve the purchasing power but will avoid assuming unreasonable investment risk.

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements which might be reasonably anticipated.

The City will employ mechanisms to control risks and diversify its investments regarding specific security types or individual financial institutions.

The City will comply with all applicable State and Federal requirements with regard to investment practices, including the type of investment instrument.

III. PRUDENCE

Investments shall be made with judgement and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

IV. AUTHORIZED INSTRUMENTS

The Finance Director may purchase investment securities, at prevailing market rates, in an

appropriate amount thereof in:

- (a) Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government and their agencies; or
- (b) Non-negotiable interest bearing time certificates of deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in federal savings and loan associations located in this state and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law; or
- (c) Temporary notes issued by the City of Garden City.
- (d) Repurchase agreements as authorized herein.
- (e) Municipal Investment Pool (instruments limited by Kansas statute).

Additional discussion of these instruments and the limits on issues, issuers and maturities is provided in the section titled "Instrument Selection".

V. INVESTMENT COMMITTEE

The Finance Director will establish an Investment Committee for the purpose of formulating alternative investment strategies and short-range directions and for monitoring the performance and structure of the City's portfolio. Members of the Committee shall include the Finance Director as Chairman, the City Manager, and other members as may be designated by the City Manager from time to time.

The Finance Director will provide the committee members with current market information, an updated portfolio listing and analysis, and various related financial data. The Committee shall meet as often as deemed necessary under the given conditions, to review, discuss and affirm or alter the then current investment strategy.

VI. INVESTMENT MATURITY

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than two (2) years from the date of purchase, unless specifically authorized taking into account the need for liquid assets of the investing fund and the overall liquidity needs of the City.

VII. RISK AND DIVERSIFICATION

It is the policy of the City of Garden City to diversify its investment portfolios. Assets held shall be diversified to control the risk of loss resulting from over concentration of assets in the specific maturity, a specific issuer or a specific instrument and /or class of instruments. Diversification strategies shall be reviewed and revised periodically as necessary by the investment committee or other appropriate designee.

VIII. CRITERIA FOR SELECTION OF FINANCIAL INSTITUTIONS

Investments shall be purchased only from financial institutions which qualify under Kansas Law. These institutions must meet capital adequacy guidelines as determined by their respective regulatory agencies and certify that no material adverse events have occurred since the issue of their most recent financial statements. They must also agree to notify the City in the event of material adverse events affecting their capital adequacy. Repurchase agreements shall be negotiated only with the financial institutions with whom the City has negotiated a Master Repurchase Agreement. Lists of authorized institutions of the various security types will be maintained by the Investment Committee or the appropriate designee.

Criteria for addition to or deletion from the lists will be based on the following: 1) State Law, City's Ordinance Code, or investment policy requirements where applicable; 2) perceived and actual financial difficulties; 3) consistent lack of competitiveness; 4) lack of experience or familiarity of the account representative in providing service to large institutional accounts; 5) request of the institution and or 6) when deemed in the best interest of the City.

IX. INTERNAL CONTROLS

The Finance Director shall establish and monitor a set of written internal controls designed to protect the City's assets and ensure proper accounting and reporting of the transactions related thereto.

Such internal control procedures shall include details of delivery vs. payment procedures and trust receipt documentation.

A. DELIVERY VERSUS PAYMENT

All securities purchased or sold will be transferred when possible only under "delivery versus payment" method to insure that funds or securities are not released until all criteria relating to the specific transaction are met. Only after advising the City Manager shall the responsible official be authorized to deliver securities free of payment.

B. TRUST RECEIPT AND CONFIRMATION

The Finance Director is authorized to accept, on the behalf of and in the name of the City of Garden City, Kansas, bank trust receipts or confirmations from a third party custodian in return for investment of temporarily idle funds as evidence of actual delivery of the obligations or securities. Any such trust receipt or confirmation shall fully describe the various obligations or securities held, together with the specific number of each obligation or security held, for the City. The actual obligations or securities, whether in book-entry or physical form, on which trust receipts or confirmations are issued may be held by any bank/depository chartered by the State of Kansas.

C. OTHER

Internal controls will also encompass at a minimum the following additional issues:

- transfers of all funds (purchases, sales, etc.)
- separation of functions including transaction authority from accounting and record-keeping
- custodial safekeeping
- avoidance of delivery of bearer-form or non-wireable securities
- delegation of authority to subordinate staff members
- written confirmation of telephone transactions
- supervisory control of employee actions
- identification and minimization of authorized investment officials
- documentation of decisions made at the committee level and transactions by investment officials

X. INSTRUMENT SELECTION

The following are the authorities for investments and limits on security issues, issuers, and maturities as established under the authority as provided in Section 2-6 of the City's Code. The Investment Committee or other appropriate designee shall have the option to further restrict investment in selected instruments to conform to short-range strategies.

A. PORTFOLIO MATURITY

The average maturity of the portfolio as a whole may not exceed two (2) years. This calculation excludes the maturities of the underlying securities of a repurchase agreement or temporary notes issued by the City.

B. GOVERNMENT SECURITIES

1. Authority to Purchase

The Finance Director may invest in negotiable direct obligations of the U.S. Government. Such securities will include but may not be limited to the following:

Direct Obligations:

Treasury Bills
Treasury Notes
Treasury Bonds

2. Maturity Limitations

The maximum length to maturity of any direct investment in government obligations is two (2) years except for repurchase agreements (see E5: Repurchase Agreements Limits on Maturities), and Section VI of this policy.

C. NON-NEGOTIABLE INTEREST BEARING TIME CERTIFICATES OF DEPOSIT

1. Authority to Purchase

The Finance Director may invest in non-negotiable interest bearing time certificates of deposits or savings accounts in banks or savings and loans organized under the laws of this state provided that any such deposits are secured by collateral as may be prescribed by law.

2. Limits on Individual Issuers

a. All issuers must be approved as required under Section IV (b) of this policy.

3. Maturity Limitations

a. The maximum length to maturity of any non-negotiable interest bearing time certificate of deposit is two (2) years, unless modified under Section VI of this policy.

D. TEMPORARY NOTES ISSUED BY CITY

1. Authority to Purchase

The Finance Director may invest in temporary notes issued by the City of Garden City.

2. Maturity Limitations

The maximum length to maturity of any temporary note will not exceed two (2) years.

E. REPURCHASE AGREEMENTS

1. Authority to Purchase

All banks with whom the City enters into repurchase agreements will have in place and executed the City's Master Repurchase ("Repo") Agreement.

Such an agreement will address at a minimum the following issues:

- a. Source of policies allowing repurchase agreements such as state law, local ordinance, written policies, and/or unwritten management practices.
- b. The securities underlying the repurchase agreements must be periodically valued (marked-to-market), as specified herein (or in formalized procedures).
- c. Independent third parties acting as custodians shall hold securities underlying repurchase agreements separate from its assets and from the seller's assets.
- d. Each party's rights in repurchase agreements and the significant conditions of those rights. Significant conditions could include:
 - (1) specifications for the delivery and complete identification of the underlying securities
 - (2) the rights of the purchaser (the City) to liquidate the underlying securities in the event of default by the seller
 - (3) the required margin of market value of the securities over the cost of the agreements
 - (4) specifications for review (repricing) of market value of the underlying securities, as necessary, depending on the term of the repurchase agreement
 - (5) rights and/or specifications regarding substitution of securities
 - (6) the purchaser's (the City's) rights to additional securities or a return of cash if the market value of the underlying securities falls below the required amount.
 - (7) remedial action should violation of agreement provisions occur.
- e. Securities authorized for purchase: negotiable direct obligations of the U.S. Government or any specified agency thereof.

2. Limits on Individual Sellers

- a. To provide flexibility for short-term cash management needs, the Investment Committee shall determine the maximum percentage of the portfolio which may be invested with the City's primary bank.
- b. The institution/dealer must be on the current approved list.

3. Limits on Transaction Maturities

- a. The maximum length to maturity of any repurchase agreement is thirty (30) days from date of purchase.

4. Limits on Maturities of Underlying Securities

The maximum length to maturity for securities underlying these agreements is ten (10) years for treasury securities.

F. MUNICIPAL INVESTMENT POOL

1. Authority to Purchase

The Finance Director may invest in the Municipal Investment Pool only after local banks or savings and loan associations will not match the investment rate defined by Kansas statute. Securities in the Municipal Investment Pool will include but may not be limited to the following:

Direct Obligations of the US Government
Interest bearing time deposits
Repurchase agreements fully collateralized

2. Maturity Limitations

The maximum length to maturity of any investment in the Municipal Investment Pool will not exceed two (2) years.

XI. POLICY AMENDMENT:

This policy may be amended upon full consideration and presentation by the Finance Director and approval by the City Commission.

Recommended and Approved By:

(Finance Director)

Date

(City Manager)

Date

Approved by the City Commission on this ____ day of _____, 19__.

City of Garden City, Kansas

Attest/Witness:

CITY CLERK



GARDEN CITY

— KANSAS —

**PURCHASING &
CONTRACTING MANUAL**

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Adopted by City Commission, Resolution No. 2436-2011, September 20, 2011.

1. AUTHORITY

The City of Garden City purchasing and contracting policies are based upon State Statutes, City Ordinances, and Administrative Regulations adopted by the City Commission. These policies serve as the regulations and procedures that are employed in daily operations of the City.

- **Objectives:**

- To secure the greatest value for dollar spent (economy in quality).
- To obtain lower prices through bid competition and group purchasing.
- To improve budgetary control.
- To standardize specifications, where practical.
- To purchase for the City of Garden City in accordance with the City's Ordinances and in accordance with the Statutes of the State of Kansas.
- Strive to interest all vendors and contractors in competing.
- Treat all vendors and contractors fairly.
- Consider Cooperative Purchasing with other local governments or with the State of Kansas.
- Conduct ourselves with honesty and truth and demand same of vendors.

- **Conflict of Interest:**

No City official or employee shall accept any valuable gift, (caps, coffee mugs, pens, pencils, note pads, etc., and items under \$25 in value are excluded) whether in the form of service, loan, thing, or promise, from any person, firm, or corporation which to his knowledge is interested directly or indirectly in any manner whatsoever in business dealings with the City; nor shall any such official or employee:

- Accept any gift, favor, or thing of value that may tend to influence him in the discharge of his duties or
- Grant in the discharge of his duties any improper favor, service, or thing of value.

- **Contracts:**

Unless otherwise approved by the Governing Body, the Mayor is the only individual authorized to contractually bind the City by the execution of a contract. Any official signature shall be attested to by the City Clerk.

- **Used Equipment:**

The City does not generally purchase used equipment. However, if it can be demonstrated that it is advantageous to do so, used equipment may be purchased from an established and reliable vendor of the type of equipment to be purchased. Normal bidding procedures are required for this type of purchase.

2. DEFINITIONS

- *Bids* – refers to the quotation or proposal from a vendor for the commodity or service required. Sealed bids are those to be received at a specified time and place for opening. Informal bids may be received orally or in writing and will be a firm price quotation.

- *Bonds* – Bonds used in the purchasing and contracting process are the Bid Bond, Contract and Maintenance Bond and Statutory Bond.
- *Department* – refers to any office, institution, department, division, board, commission, or agency of the City government except as specifically excluded by law.
- *Emergency Purchases* – refers to only those made for commodities or services to meet unforeseen emergencies that would otherwise cause a loss to the City.
- *Open Market Orders* – refers to bids taken by the Department, either orally or in writing with or without advertising, in lieu of the procedure followed in receiving sealed bids.
- *Price Agreement (Sub-Orders)* – refers to that procedure whereby contracts are awarded on the basis of bids for supplying an indefinite amount of commodity or commodities, service or services. Price agreements will contain either certain unit prices or a varying price scale, for stipulated periods of time, and such other terms as may be set forth in the agreement.
- *Public Works and Public Improvement Projects* – refers to those contractual services and materials purchased for capital construction which is stationary and has a depreciation schedule of a relatively long period, such as, the construction or repair of buildings, streets, bridges, municipal enterprises, etc.
- *Purchasing Card (City Credit Card)* – a credit card issued for official City business.
- *Specifications* – refers to an adequate description of the commodity or service required, including all data necessary to provide the bidder with the exact needs and desires of the using agency.

3. GENERAL PURCHASING PROCEDURES

A. Authority

The City Manager and each Department and/or Division Head have purchasing authority for the City of Garden City. Department and/or Division Heads are authorized to delegate purchasing authority within their department or division as needed for efficient operations. Department and/or Division Heads shall cooperate in joint purchasing plans through which the best interests of the City will be served. Department Heads shall receive authorization to proceed on non-budgeted capital outlay purchases exceeding \$5,000 from the City Manager.

B. Responsibility

Department and/or Division Heads have the responsibility for procurement of suitable materials, supplies, equipment and services at the best possible prices for quality required.

Each Department and/or Division Head has the authority and responsibility to determine and prepare purchase requirements, specifications, conduct purchase transactions and process necessary operational purchases.

Department and/or Division Heads shall obtain and engage in as much competition as possible in the solicitation of bids, pricing and procurement.

The Finance Department may conduct periodic purchasing audits to determine if purchasing procedures are being properly followed. Such audits will check for: unauthorized items are being purchased, purchases are being split up into small increments in order to bypass procedures for larger purchases, and to see how effectively Departments are making follow-up inquiries for delinquent deliveries, shortages, damaged, and/or incorrect materials, verify invoice prices and extensions are correct and the items were actually received and used by the Department, and whether adequate departmental control records are being kept. Departmental delegated purchasing authority will be revoked for an employee if abuse or irresponsible purchasing is discovered.

C. Purchases Excluded from Purchasing Procedure

Any purchase which is a "sole source of supply" if approved by the City Manager's office may be exempted from procedural purchase requirements of the City. For the purposes of this manual, "sole source of supply" shall mean:

- Any supplier who is the only seller of goods or services available to the City.
- Specific equipment which is the standard item used by the City in multiple operations or locations when equipment from a different supplier would require additional expense to maintain a second set of repair parts.
- A seller whose product or service is necessary for the well-being of the City which, if purchased elsewhere, would be economically impractical. This exception shall not be applicable to the use of Federal Funds and is not intended to be a waiver of federal, state, or local laws prohibiting discrimination.
- Contracts for independent audits, special legal, special engineering and construction, special financial and administrative survey service.
- Utilities, advertising and like services.

D. Emergency Purchases

Emergency Purchases which do not follow the normal purchasing policies for commodities or services to meet unforeseen emergencies that would otherwise cause a loss to the City require Department Head approval.

E. Requisitions and Purchase Orders

Department Heads determine whether a purchase needs a requisition or can be placed directly on a purchase order. A requisition is used to record information about the

purchase, such as the initiating department, the commodities being ordered and the accounting distribution to be pre-encumbered as a result of the request.

A purchase order authorizes a vendor to supply goods or services to the City and is the document that authorizes the Finance Department to pay an invoice.

- A short form purchase order is used for most daily operations
- A long form purchase order authorizes a purchase following a requisition

F. Purchasing (City Credit) Cards

City Policy is that all commodities and services will be paid with a Purchasing (City Credit) Card, unless the vendor does not accept credit cards, then it will be paid using a purchase order.

G. Construction Projects

The policy of the City of Garden City regarding construction of public improvements is developed under the authority of Charter Ordinance No. 25, which exempts the City from the provisions of K.S.A. 13-1017. Construction projects include: the construction or reconstruction of any street, highway, sidewalk, bridge, sewer main, water main, storm sewer, traffic signals, electric transmission or distribution line, or any other public improvement, other than emergency repairs thereto.

H. TAXES ON PURCHASES

All Departments, except the Electric Department, are exempt from all federal, state and county taxes with the exception of state tax on gasoline and room tax. For purchases of goods and services, an exemption form will be provided to the vendor; this form may be obtained from the Finance Department. For construction projects, a Sales Tax Exemption Certificate will be provided to the contractor; this form is obtained through the City Engineer.

On all Electric Department activities, an in-state vendor is required to add Kansas sales tax and the applicable county tax. The Electric Department and Finance Department will be responsible to ascertain that the applicable sales tax is added to all orders.

4. PURCHASING VALUE LEVELS & REQUIREMENTS

For the purchase of any budgeted or approved non-budgeted capital outlay, all City Departments shall adhere to the following procedures.

- The Department Head shall prepare written specifications for the item(s) to be purchased. These specifications shall be thorough in nature and provide the bidder with the necessary information in which to respond back to the City. Specifications shall include the name of

the contact person and their phone number as well as the deadline to submit a bid quotation.

- A list of all potential local vendors shall be identified by the Department. Each local vendor shall receive a copy of the specifications. If less than three vendors are identified, advertisements may be placed in the newspaper.
- Upon receipt of the bids or quotations, the Department Head shall review bids or quotations and prepare a tabulation for the departmental files or for review with the City Manager and/or City Commission as identified in the Table below. After obtaining the necessary approval, the Department Head shall have authorization to proceed with a requisition and/or purchase order or contract and notification of the bid award to the vendor with the lowest bid who meets the specifications.

TABLE 1			
PURCHASING & CONTRACTING VALUE LEVELS			
<i>Bid Process</i>	<i>Purchase Value</i>	<i>Approval of Purchase</i>	<i>Format of Purchase</i>
Verbal or written quotes	< \$5,000	Department Head	Purchasing Card or PO
3 written quotes required	\$5,000 to \$30,000	Department Head	Purchasing Card or PO
Formal Bids, short process	\$30,000 to \$50,000	City Manager	Contract or PO
Formal Bids, long process	> \$50,000	City Commission	Contract or PO
<i>See Appendix A for additional requirements</i>			

- **Purchases Under \$5,000:**
Small dollar purchases are defined as a commodity or service under \$5,000. All purchases should be made competitively. Purchases under \$5,000 may be made by Purchasing Card or Purchase Order, if approved by the Department/Division Head in advance.
- **Purchases Between \$5,000 and \$30,000:**
Competitive bids or written quotes on purchases between \$5,000 and \$30,000 will be obtained by the Department. Purchases between \$5,000 and \$30,000 may be made by Purchasing Card or Requisition and Purchase Order.
- **Purchases Between \$30,000 and \$50,000:**
All purchases estimated to between \$30,000 and \$50,000 shall require a contract or requisition and purchase order and shall utilize the formal bid – short process.
- **Purchases Exceeding \$50,000:**
All purchases in excess of \$50,000 shall require a contract or requisition and purchase order and shall utilize the formal bid – long process.

5. SPECIFICATIONS

Specifications are the responsibility of the Department Head or other qualified personnel. All specifications shall be definite, certain and permit competition. All technical content of specifications constitutes that information which describes the commodity, service or construction desired.

Modification or interpretation of specifications after their distribution must be by addendum only. These will be issued by the Department Head to every prospective bidder who received a copy of the original specifications.

The Department Head shall prepare standard specifications. After preparation, these standard specifications shall apply alike in terms and effect to future purchases and contracts for the commodity or service described.

Specifications common to all bids are as follows:

- Any bid which stipulates that the work will be performed in a greater period of time than that specified shall be deemed irregular.
- The successful bidder may be required to satisfy the City as to his experience, competence, integrity, reliability and his resources.
- No bidder shall be interested in more than one (1) bid.
- Bidders may be required to provide an acceptable bidding bond of five percent (5%) of the total bid as guarantee that he will file all bonds required and enter into the contract.
- In obtaining material or equipment which meets the requirements for performance and quality, the preparation of clear and complete specifications is essential.
- Specifications may be as simple as a list of requirements or very complex, requiring detailed explanation in writing.
- Specifications should not be prepared in a manner which would effectively exclude any responsible bidder from offering a comparable product or service.
- Specify the brand and model number of the desired equipment, including the names and model numbers of two or more manufacturers, whenever possible.
- Identify the features and/or characteristics considered essential to the function or intended use of the product. Specifications should be edited for nonessential proprietary features or characteristics of the names brands which tend to effectively exclude competition in bidding.
- Minor deviations in size and operational characteristics from those set forth in the specifications may be considered when such deviations do not adversely affect the intended use or function at the desired level of performance.

6. BIDS AND CONTRACTS

Bidding documents should state whether or not the project is subject to sales tax. Except for the Electric Department, all City Departments are exempt from state and local sales tax. On non-

exempt projects, the cost of applicable sales tax on material, equipment and supplies incorporated in the work shall be included in the Contract prices for the work. The City Engineer will coordinate issuance of the sales tax Project Exemption Certificate.

Projects involving state or federal aid or grants usually have additional contract and bidding requirements such as front-end documents (boilerplate), specifications and/or provisions, or certifications that are submitted with the proposal. The Department Head is responsible for getting those items to the City Engineer in a timely manner. The City Engineer will assist the Department Head with necessary documentation for reporting to the grant authority.

Bidding procedures and required documents are listed in Appendix A. The bidding process shall allow at least two weeks from when the documents are available to contractors to the bid opening. Bid openings for projects requiring City Commission approval shall be scheduled in advance of the City Commission meeting so that the bid tabulation and recommendation of award can be transmitted in the agenda packet. Additional time should be allowed for complex projects, if references must be checked or concurrence of the award is required by an outside agency.

Bidders do not have to be in attendance. Bid openings are open to the public; after checking and tabulation, the results may be distributed to the bidders or other interested parties. Bids received after the scheduled bid opening time shall be returned unopened, NO EXCEPTIONS. No bidder may withdraw his bid for at least thirty days after the bid opening. The City reserves the right to reject any or all bids, to waive informalities, and to accept the bid deemed to be in the best interest of the City.

Modified bids are prohibited. The Department Head shall not permit any modification of bids after the expiration of the time deadline. Any changes in bids such as type, quality, price or price items, guarantees, service terms, delivery, or any other changes of commodities or services is not permitted except by negotiated bid. Whenever circumstances warrant and if authorized by the Governing Body, the City Manager may negotiate bids submitted. The low qualified bidder must be made part of all negotiations.

Projects under \$5,000

For any construction estimated to cost less than \$5,000, an informal process may be used. The Department Head will obtain at least three quotes, which may be by telephone or in writing. Local contractors should be given the opportunity to respond. Publication of a Notice to Bidders in the newspaper is not required. Written specifications and/or plans shall be provided. In lieu of obtaining Governing Body acceptance and approval of such bids, the Department Head may submit the tabulation of bids/quotes to the City Manager with a Requisition for approval and issuance of a Purchase Order, which takes the place of a written contract and is the authorization to proceed.

Projects between \$5,000 and \$30,000

For any construction estimated to cost between \$5,000 and \$30,000, a shortened formal bidding process administered by either the Department Head, or City Engineer, will be followed. Written specifications and/or plans shall be provided. Sealed bids submitted at a

public bid opening are required. The bid opening may be held at the City Engineer's office. Bid security (5%) may be required. A Notice to Bidders shall be published twice in the newspaper, at least a week apart. Local contractors should also be notified by direct mail. An Engineer's Estimate is usually provided. The Department Head will submit a tabulation of bids to the Governing Body for approval.

Projects exceeding \$50,000

For any construction estimated to cost over \$50,000, a formal bidding process administered by the City Engineer will be followed. Written specifications and/or plans shall be provided. Sealed bids submitted at a public bid opening are required. The bid opening will be held at the City Engineer's office. Bid security shall be required on construction projects. A Notice to Bidders shall be published twice in the newspaper, at least a week apart. Local contractors should also be notified by direct mail. An Engineer's Estimate is required. The City Engineer will submit a tabulation of bids to the Governing Body for approval.

On construction projects exceeding \$100,000 contractors shall be required to furnish surety bonds. For contracts under \$100,000 which do not require surety bonds, the City requires the Contractor to certify that subcontractors and suppliers are being paid in a timely manner.

AWARD OF BIDS

The bid tabulation and recommendation of award shall be transmitted to the City Commission in the agenda packet. The recommendation for awarding a contract shall also request authorization for the Mayor and City Clerk to execute the contract when all required documents have been returned by the Contractor.

The Governing Body shall let all work by written contract to the lowest responsible bidder, reserving the right to accept the bid deemed to be in the best interest of the City, if there is any whose bid does not exceed the Engineer's Estimate, subject to the following:

- A. In determining the bid "deemed to be in the best interest of the City", in addition to price, the Governing Body shall consider the following:
 - The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
 - Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
 - The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
 - The quality of performance of previous contracts or services by the bidder.
 - The previous and existing compliance of the bidder with the laws and ordinances relating to the contract or service.
 - The number and scope of conditions attached to the bid.
- B. For all public improvements not utilizing federal or state funds, in determining the lowest responsible bidder, the Governing Body may also consider the domicile of a bidder. If there are bids from a bidder having a principal place of business in Finney County, Kansas (local

bidder) and a bidder with a principal place of business outside of Finney County, Kansas and the lowest bid is submitted by a bidder which is not a local bidder, the Governing Body may award the bid to the local bidder, if all other factors set forth above are substantially in conformity with those factors as applied to the low bidder and 1) if the project cost is \$250,000 or less, and the local bidder is not more than 1% greater than the low bid, or if the project cost is more than \$250,000, and the local bidder is not more than .5% greater than the low bid, and 2) the local bidder agrees in writing to meet the low bid within 48 hours (two business days) after receiving notification from the City.

- C. If no responsible bidder proposes to enter into the contract at a price not exceeding the engineer's estimated cost or if no responsible bidder submits a bid that is within two percent (2%) of the Engineer's Estimate, all bids shall be rejected and the same proceedings as before shall be repeated. In the event a responsible bidder submits a bid that is the lowest bid and the bid only exceeds the Engineer's Estimate by two percent (2%) or less of the total estimated cost of the project, the Governing Body may let the contract to such lowest responsible bidder, if the lowest responsible bidder agrees to reduce its bid to an amount equal to the Engineer's Estimate, within 48 hours (two business days) of notice of the results of the bidding procedure. In the event such a bidder does not choose to reduce its bid to meet the Engineer's Estimate, the Governing Body shall reject all bids.

BONDS

There are three types of Bonds used in the purchasing and contracting process: Bid Bond, Contract and Maintenance Bond and Statutory Bond. These Bonds must be issued by a bonding company authorized to do business in Kansas by the Kansas State Department of Insurance. Bonds must delete any reference to a notice period or claims period that is less than the five (5) year Statute of Limitations applicable under Kansas's law. Said Bonds shall be furnished along with the other contract documents within fifteen (15) working days.

- *Bid Bond*

Bid Bonds are required to ensure that the vendor honors his bid and signs a contract. If Bid Bonds are required, but not included in the sealed bid, the bid is rejected and not read. When bid security is required, it may be by a Bid Bond, or by a certified or cashier's check. Bid security shall be in the amount of five percent (5%) of the total bid.

- *Contract and Maintenance Bond*

All construction projects, exceeding \$100,000 in value will require a Contract and Maintenance Bond in the amount of one hundred percent (100%) of the total bid. The maintenance period shall run for one year after the date of final acceptance of the project.

- *Statutory Bond*

K.S.A. 60-1111 requires in all contracts exceeding \$100,000 entered into by the City for the purpose of making public improvements, constructing or repairing any public building that the contractor provide a bond guaranteeing payment of all indebtedness incurred for labor furnished, materials, equipment or supplies used or consumed in connection with or in or

about the construction, improvements or repairs. The bond is issued to the State of Kansas and filed with the Clerk of the District Court.

- *Certification of Payment*

For contracts under \$100,000 which do not require Statutory Bonds, the Contractor is required to certify that subcontractors and suppliers are being paid in a timely manner. The *Certificate of Subcontractor and Supplier Payment* will be the certifying document.

7. PROFESSIONAL SERVICES CONTRACTS

The City uses a Qualifications Based Selection (QBS) process for obtaining professional services (i.e. engineering, architectural, legal). Professional services are not subject to competitive bidding, but are determined by a QBS process based upon the qualifications of the individual or firm to provide the necessary services. For the purpose of selecting and retaining professional consultant services the following process shall be followed. Projects involving state or federal aid or grants may be subject to procedures prescribed by that agency.

REQUEST FOR QUALIFICATIONS

The City shall solicit professional services through a Request for Qualifications (RFQ) from at least five, generally no more than ten, professionals deemed qualified to provide the necessary services. The City may invite only pre-selected professionals to respond to the RFQ or it may publish an open notice to any and all interested professionals in such newspapers or newsletters as deemed appropriate to reach the maximum audience. All local qualified consultants shall be invited to respond. The City may also use a listing of pre-qualified professionals developed by a state agency, such as KDOT or KDHE.

The RFQ should include the following information to assist the consultants with their response:

- project location,
- scope of work (the more detail the better),
- specific design standards or regulations that will be met,
- desired bid letting date,
- other time constraints.

The RFQ shall, at a minimum, request the following information in the form of a "Letter of Interest":

- name of the firm or individual,
- description of the firm's or individual's background, capabilities and relevant experience,
- names and numbers of personnel that would or could be assigned to the project, including their qualifications and relevant experience,
- personnel and support services available to the project compared to the current workload of the firm,
- evidence of the implementation of a functioning Affirmative Action program for the firm.

SELECTION PROCESS

Following receipt of Letters of Interest, a selection committee will review them and reduce (shortlist) the candidate field to a minimum of three. The selection committee shall be comprised of three to five members from the following group: Governing Body, City Manager, City Engineer, Public Works Director, Public Utilities Director, Community Development Director and the Department/Division Head who would be directly involved with the consultant.

The selection committee may conduct personal or telephone interviews. A member of the Governing Body should be included, if one was not on the original selection committee. The final selection will be based upon the following criteria, as applicable:

- capability to provide the services
- recent experience with comparable projects
- reputation for personal and professional competence, ethics, and integrity
- current workload
- capability to meet the schedules and/or deadlines
- professional background and caliber of key personnel
- capability and evidence of projects being completed on time and within budget
- quality of previous projects
- if a branch office is to be used, capability of that office to complete the project and/or the availability of support from the main office to provide support
- approach and conceptual understanding of the proposed project
- individual or firm's experience on other City of Garden City projects
- references

NEGOTIATION OF CONTRACT

After the selection committee has ranked the consultants, a recommendation shall be forwarded to the Governing Body to begin negotiations with the top ranked consultant. The top ranked consultant will be asked for a cost proposal. The proposal shall preferably be a detailed cost with a not to exceed limit based upon actual costs however the proposal may also be on a percentage of construction cost. If the proposal is acceptable or can be negotiated to an acceptable amount, the proposal shall be recommended to the Governing Body for acceptance and award of a contract. If the proposal is unacceptable or cannot be negotiated to an acceptable level, negotiations will cease with that consultant and be undertaken with the second ranked consultant. The professional services contract shall normally be a City standard format document. Non-standard format contracts may be used, but shall require review by the City Attorney.

ADMINISTRATION OF CONTRACT

The City Engineer shall have administrative responsibilities over the professional services contract (processing payments, etc.) and shall maintain the official City contract file. While the Department/Division Head is responsible for general oversight of the project, consultant

payments will be initiated and/or approved by the Department/Division Head prior to forwarding to the City Engineer for processing.

8. DESIGN-BUILD CONTRACTS

AUTHORITY

The policy of the City of Garden City regarding construction of public improvements is developed under the authority of Charter Ordinance No. 25, which exempts the City from the provisions of K.S.A. 13-1017. As an alternative to the standard design-bid-build procedure, the Governing Body may, if deemed in the best interest of the City, utilize the following design-build procedure and award a contract to a designer/contractor team.

REQUEST FOR QUALIFICATIONS

The City shall solicit design-build services through a Request for Qualifications (RFQ) from a suitable number of design professionals and general contractors deemed qualified to provide the necessary services. The City may invite only pre-selected professionals to respond to the RFQ or it may publish an open notice to any and all interested professionals in such newspapers or newsletters as deemed appropriate to reach the maximum audience. The City may secure professional services to define the project needs or scope of work which may include facility size, performance needs, finish requirements, capacities, etc.

The RFQ should include the following information to assist the consultants with their response:

- project location
- scope of work (the more detail the better)
- specific design requirements and needs
- specific design standards, codes or regulations that will be met
- budget constraints
- time constraints

The RFQ shall, at a minimum, request the following information in the form of a "Letter of Interest":

- name of the design-build team
- description of the design-build team's background, capabilities and relevant experience
- names and numbers of personnel that would or could be assigned to the project, including their qualifications and relevant experience
- personnel and support services available to the project compared to the current workload of the firm

SELECTION PROCESS

Following receipt of Letters of Interest, a selection committee will review the letters of interest and reduce (shortlist) the candidate field to a minimum of three. The selection committee shall be comprised three to five members from the following group: Governing Body, City Manager, City

Engineer, Public Works Director, Public Utilities Director, Community Development Director and the Department/Division Head who would be directly involved with the consultant.

The selection committee may conduct personal or telephone interviews. A member of the Governing Body should be included, if one was not on the original selection committee. The selection committee may use the professional services selection criteria to reduce the candidate field.

QUALITATIVE PROPOSALS

After the selection committee has completed the shortlist, a recommendation shall be forwarded to the Governing Body to begin the design and cost proposal (qualitative proposal) phase. The qualitative proposal requirements may be further refined from the RFQ information and may include preliminary design solutions, construction management plans, other qualitative issues, and a firm price proposal. The firm price proposals will be submitted in separate sealed envelopes. The selection committee will conduct interviews with the shortlist teams. The selection committee will rank the design-build teams based upon the interviews and the qualitative proposals. After the interviews have been completed and the ranking established, the firm price proposals are opened and read.

FINAL SELECTION

The final selection may be made by two methods – the Weighted Criteria Method and Adjusted Low-Bid Method.

Weighted Criteria Method

For example, out of a possible score of 100 points, 60 points would come from the qualitative interview criteria and 40 points would come from the firm price proposal. Points for the firm price proposal would be given in inverse order, with the lowest cost proposal receiving the most points. If a project budget has been previously set, maximum points would be given for the lowest firm price which is under the budget. The final ranking is based on total points.

Adjusted Low-Bid Method

The final selection is based upon the adjusted firm price. For example, out of a possible 100 points, a team scores 85 points on the interview and their firm price proposal is \$500,000. The price is divided by the interview score, in this example, the adjusted price is \$588,235. The final ranking is based upon the adjusted price, with the lowest price being highest ranked.

The selected design-build proposal will then be forwarded to the Governing Body for approval and authorization to proceed. The design-build team may be asked to present their concept to the Governing Body. The Governing Body may award a contract as proposed or authorize negotiations. If negotiations are unsuccessful, the Governing Body may cease negotiations with that team and begin with the second ranked team.

EXECUTION OF CONTRACTS

The design-build contract shall be prepared by the team and presented to the City Attorney for review prior to submission to the Governing Body. The contract shall require Professional Liability

Insurance for the design phase and the normal bonding required for a public improvement project for the construction phase. The City Engineer will issue a Sales Tax Exemption Certificate at the appropriate time.

ADMINISTRATION OF CONTRACTS

The City Engineer shall have administrative responsibilities over all construction contracts (processing contractor payments, etc.) and shall maintain the official City contract files. When the Department Head is responsible for construction oversight, contractor payments will be initiated and/or approved by the Department Head prior to forwarding to the City Engineer for processing.

Change orders to contracts may be authorized by the City Engineer in those cases when sufficient project funding is available.

9. AMENDMENT OF CONTRACT DOCUMENTS

The standard contract documents may be amended from time to time to meet the requirements of city ordinances, state and/or federal law or regulations. The City Engineer shall coordinate any amendments with the City Attorney. Substantive changes shall require approval by the Governing Body before becoming effective.

10. PRICE AGREEMENTS

Price Agreements are used to purchase commodities in which 1) there is no adequate storage space, 2) cannot be stored because of spoilage, or 3) no definite estimate of required amounts can be made. Such commodities include concrete, street construction and surfacing materials, drugs, chemicals, gas, oil and certain replacement parts. By purchasing such commodities through Purchase Agreements, the City can lower per unit costs and eliminate the need for repetitive procedures.

- **Gas Cards**

A fuel purchase agreement, which provides Gas Cards, has been established to provide a convenient, efficient means to purchase fuel from a local vendor. A Gas Card is assigned to a vehicle or specified equipment and is intended only for use for City vehicles and equipment. Misuse of a Gas Card will result in disciplinary actions against the card user. This may include personal financial responsibility for the purchase and consideration of disciplinary action up to and including removal from position and possible criminal prosecution. The Gas Card user will turn in documentation of fuel purchases daily to the Department.

11. RECEIVING, INSPECTION AND ACCEPTANCE OF MERCHANDISE

Receiving, inspection, and acceptance of goods transported by common carrier are the responsibility of the Ordering Department. Shipments should be delivered directly to the Ordering Department. As merchandise arrives at the delivery point, it should be received and inspected

without delay. Acceptance of merchandise occurs when the receiver signs the carrier's bill of lading or other delivery document. Any shortages, overages, evidence of damage or other inconsistencies must be clearly noted and outlined by the receiver on the carrier's bill of lading or other delivery document. If merchandise is accepted without notation of inconsistencies or if evidence of damage is not noted, the City is at risk of losing their rightful claim to reimbursement, credit or replacement.

When the receiving personnel are unable to determine the validity of grade certificates or other certification regarding the quality of the goods received, the items in question should be received for storage only pending clear certification.

On F.O.B. destination shipments, the seller owns the goods while in transit and title does not pass on to the City until the merchandise has been received and accepted in satisfactory condition. The receiver must carefully note any inconsistencies or evidence of damage and immediately notify the vendor to establish this claim. On F.O.B. shipping point transactions, the receiver should exercise the same care in receiving because the City owns the merchandise while in transit and is responsible for filing the required claims.

- **Concealed Damage:**

In order to reduce the possibility of concealed damage, request that merchandise deliveries are shipped F.O.B. destination, uncrated, set-up or erected and ready for use in a specific location. Avoid moving crated or carton-packaged merchandise and perform the detailed inspection as soon as possible after receipt of merchandise (within seven to ten days). Report discovery of concealed damage to the carrier and request an inspection, then notify the vendor.

- **Freight and Express Payments:**

Normally freight charges should be included in the purchase order and designated as F.O.B. destination prepaid and allowed. Departments should closely analyze all freight invoices to determine their liability for payment. Identify each shipment to the related freight or express bill and to the related order.

12. PURCHASING CARD (CITY CREDIT CARD)

PURPOSE

This Policy provides for the authorization, handling and use of the City of Garden City Purchasing (Credit) Cards. This Policy is applicable to all City Departments. It applies to all purchases and purchase-related documents prepared or processed by the City of Garden City Departments regardless of the source of funds. The objectives in using the Purchasing Card are to expedite procurement and reduce purchasing and related payment paperwork by reducing the number of purchase order transactions and administrative processing costs. Purchasing Cards are intended only for City business transactions.

This Program is designed to delegate authority and responsibility to purchase items directly to the Departments. The Finance Department is responsible for managing the Program and each Department is responsible for managing their cardholder accounts in a manner that conforms to the City's Purchasing Policy. A number of unique controls have been developed for the Purchasing Card Program to ensure the cards can be used only for specific purchases and within specific daily and monthly dollar limits. In addition, each Cardholder is required to certify all purchases, with verification performed by the Department/Division Head before the bill is submitted for payment.

AUTHORIZATION

The Purchasing Card is the preferred means to purchase and pay for eligible goods and services that normally cost less than \$5,000. With authorization from the Finance Director, a Department Head may request a higher purchasing level for selected Cardholders. Under no circumstances is the Purchasing Card to be used for personal purchases. Cardholders are encouraged to use the Purchasing Card instead of other modes of payment for City purchases to the maximum extent practicable. The Purchasing Card is specifically designed showing "*Official City Use Only*" imprinted on it to avoid being mistaken for a personal credit card. Most Cards are also imprinted with "*Tax Exempt*".

OBTAINING A PURCHASING CARD

- ***Department Head will:***
 - Designate a Program Administrator for their Department, who is assigned the responsibility of Purchasing Card coordination including security, monthly reconciliation and tracking the use of the card accounts for their Department
 - Decide who, within their Department, may apply for a Purchasing Card
 - Recommend transaction and daily and monthly purchase limits for their Cardholders
 - Forward Purchasing Card Application Forms to the Finance Department

- ***Program Administrator will:***
 - Track the use of the card accounts for their Department
 - Make sure lost/stolen credit cards are reported to the Department Head and Finance Department
 - Reconcile monthly statements for their Department

- ***Finance Department will:***
 - Approve or deny Purchasing Card applications
 - Set daily and monthly spending limits
 - Submit approved applications to the Purchasing Card vendor
 - Distribute Purchasing Cards to Cardholders
 - Retain Cardholder Agreement Forms

- ***Card applicant will:***
 - Read and sign a Cardholder Agreement Form before receiving their Purchasing Card
 - Follow City Purchasing Policy and Procedures

AUTHORITY AND RESPONSIBILITY

- **Finance Department**

The Finance Department is responsible for the implementation and oversight of the Program. The Finance Department will:

- Develop a process for Program Administrators to reconcile card accounts each month
- Monitor accounts for inappropriate or illegal use
- Revoke card privileges for inappropriate or illegal use
- Suspend card privileges for failure to provide transaction documentation in a timely manner
- Increase or decrease card spending limits as necessary

- **Department Head:**

The Department Head is responsible for overseeing the Department's Purchasing Card purchases. The Department Head will:

- Monitor accounts for inappropriate or illegal use
- Revoke card privileges for inappropriate or illegal use
- Increase or decrease card spending limits as necessary
- Reconcile the Program Administrator's Purchasing Card transactions with the monthly statement.
- Department Head purchases shall be approved by the City Manager or Finance Director.

- **Program Administrator:**

An Administrator is designated for each Department/Division to be the point person for the Purchasing Card Program. The Administrator will:

- Receive and distribute information from the Finance Department pertaining to the Purchasing Card
- Gather all supporting purchase documentation from employees for each purchase transaction
- Identify and record the account number for each purchase transaction
- Review and approve cardholder documentation and reconciliation
- Route documents to approving official for signature on credit card purchase certification sheet
- Notify the Department Head of suspected inappropriate or illegal use
- Notify the Department Head and the Finance Department of lost/stolen cards
- Forward all documentation to Accounts Payable

Department Heads will review and approve the Programs Administrator's reconciled Purchasing Card transactions with the monthly statements. Program Administrator purchases shall be approved by the Department Head.

- **Cardholder:**

This Purchasing Policy places direct responsibility for the proper and lawful execution of purchasing actions upon the Cardholder. The Purchasing Card bears the Cardholder's

name and may only be used by the cardholder. No other person is authorized to use the Card. No employee of the City of Garden City has authority to issue instructions or approve a procedure that is in direct violation with the law or City policies or procedures. Any act exceeding an individual's authority is no longer an act of the City but becomes a personal responsibility. This may include personal financial responsibility for the purchase and consideration of disciplinary action up to and including removal from position and possible criminal prosecution. Cardholder understands that the City of Garden City may withhold his/her final paycheck until the Purchasing Card is returned.

All employees must maintain the highest standard of conduct. Any conflict of interest or appearance thereof between an employee's City responsibilities and his/her personal life must be avoided. Cardholder responsibilities are to:

- Make eligible purchases within authorized spending limits and funds availability. Use the card for purchasing items in accordance with City policies.
- The Cardholder must inform the merchant that the purchase is for "Official City Business" and not subject to state or local sales tax, unless it is for the Electric Department. For large purchases where the merchant refuses to waive the tax, the Cardholder can present a State Tax Exemption Form. Cardholders can get a copy of the exemption form from the Program Administrator or Finance Department. If the merchant refuses to waive the sales tax, contact the Program Administrator or Finance Department who can fax or email an exemption form to the merchant.
- Maintain Purchasing Cards in a secure fashion and prevent unauthorized charges to the account.
- Record a brief description of each purchase on the purchase log. This responsibility includes documentation of funds availability, receipts, packing lists, invoice, etc.
- Give purchase documentation to Program Administrator in a timely manner to ensure prompt payment.
- Assist with reconciling the purchase documentation with the monthly card statement.
- Notify the Program Administrator if the Card is lost or stolen. The Program Administrator will notify the Department Head and Finance Department.

PURCHASING CARD USE

- ***Over-the-Counter Purchases***

Although the process may vary slightly, the following steps give a general overview of how the Purchasing Card works. A Cardholder using the Purchasing Card should:

- Identify the purchase needed and determine funds availability
- Determine if the purchase amount is within their pre-approved daily and/or monthly purchase limit. If yes, proceed to the next step. If no, check with their supervisor for details on how to proceed.
- Purchase goods/services. Provide merchant with the Purchasing Card. Inform the merchant that the purchase is for "Official City Business" and not subject to state or local sales tax, unless it is for the Electric Department.
- If the merchant refuses to waive the sales tax, contact the Program Administrator or Finance Department who can fax or email an exemption form to the merchant.

- Provide merchant with the card number and expiration date
 - Retain receipt (i.e. cash register receipt, purchasing card charge slip).
 - Give receipt and supporting documentation to the Program Administrator.
- **Telephone and Internet Orders**
 An employee using the Purchasing Card to order by telephone or internet should:
 - Identify the purchase needed and determine funds availability
 - Determine if the purchase amount is within the pre-approved daily and/or monthly purchase limit. If yes, proceed to the next step. If no, check with their supervisor for details on how to proceed
 - Contact the merchant and place the order
 - Purchase good/services. Inform the merchant that the purchase is for "Official City Business" and is not subject to state or local sales tax unless it's for the Electric Department. Provide merchant with the card number and expiration date
 - If the merchant refuses to waive the sales tax, contact the Program Administrator or Finance Department who can fax or email an exemption form to the merchant.
 - Relay all pertinent information to supplier, e.g., Cardholder name, shipping address, etc.
 - Inspect and verify order accuracy, quality, and price when merchandise arrives
 - Retain shipping documents and receipts received with the merchandise
 - Give all related documents to the Program Administrator

SALES TAX EXEMPTION

Most Purchasing Cards are imprinted with the statement "**Tax Exempt**". Charges for most purchases billed directly to the City of Garden City are exempt from sales tax except the Electric Department. Merchants can determine whether an account is exempt from sales tax by looking at the account number. For large purchases where the merchant refuses to waive the tax, the Cardholder can present a State Tax Exemption Form, which may be obtained from the Program Administrator or Finance Department. If the merchant refuses to waive the sales tax, contact the Program Administrator or Finance Department who can fax or email an exemption form to the merchant.

CARD SECURITY

The Cardholder is responsible for safeguarding the Purchasing Card at all times. The Cardholder should never allow anyone else to use the Card or account number and should never use the Purchasing Card to procure personal items.

LOST OR STOLEN CARD

When a Purchasing Card is lost or stolen, the Cardholder should contact the Program Administrator. The Program Administrator will notify the Department Head and the Finance Department. Contact should be immediate so that the highest level of detail regarding account activity leading up to the lost/stolen date can be provided.

SEPARATION OF CARDHOLDER

Prior to separation from the Cardholder's department or assignment to another function that does not require Cardholder authority the Cardholder will surrender the Card to the Program Administrator, who will return it to the Finance Department. The Cardholder will review with the Program Administrator the status of any unreconciled, questionable, partially approved, unresolved and disputed transactions, and identify any supplies and/or services which have been ordered but not yet received, so appropriate action can be taken to complete these activities. Cardholder understands that the City of Garden City may withhold his/her final paycheck until the Purchasing Card is returned and all items have been reconciled.

PURCHASING CARD CHANGES

There may be occasions when the information about the Cardholder in the bank's master file must be changed (e.g. location change, default accounting change, authorization limits). The Department Head will make the request and the Finance Department will make the appropriate change.

CARD MISUSE/FRAUD

Misuse of the Purchasing Card will require the Purchasing Card to be withdrawn from the Cardholder. Disciplinary actions may be taken against the Cardholder. This may include personal financial responsibility for the purchase and consideration of disciplinary action up to and including removal from position and possible criminal prosecution.

13. TRAVEL

The City reimburses the City Commission and City Employees for the expenses of travel provided such travel is approved and performed in the course of conducting City business and proper documentation is submitted. The City of Garden City *Employee Handbook* prescribes the acceptable guidelines for expenses incurred by the City Commission and City Employees while attending authorized meetings and related travel.

AUTHORIZATION

Attendance by City Employees at professional meetings, educational seminars and training sessions shall be approved by the Department Director and/or the City Manager. For meetings, seminars and training located outside of Finney County, travel shall be requested in advance with a Personnel Action Report and Travel Expense Report – Budget. To the maximum extent possible, all travel expenses should be paid by City Purchasing Card.

The Travel Expense Report – Budget shall include the dates to be gone, purpose of travel, anticipated budgeted expenditures for meals, lodging, transportation and registration fees. Any prepaid expenses shall be documented. Upon return to the city, the employee will complete the Travel Expense Report – Actual, with detailed receipts for all expenses for final approval and payment or reimbursement. Failure to provide a detailed receipt or other

appropriate documentation of an expense may result in the employee being personally responsible for the cost.

All Departments shall keep travel expense files for each employee who incurs travel expenses along with all records pertaining to such travel. These files are subject to random checks by the Finance Department and City's financial auditors.

14. INVENTORY

An inventory shall be kept for recording acquisition and dispensing/use of equipment and supplies. Supervision and control of the stockroom(s) shall be the responsibility of the Department Head. Inventory of stock, as determined by the Finance Director, shall be maintained by an approved electronic file system.

15. FIXED ASSETS

The Finance Department maintains a fixed assets data base. Department Heads track and monitor purchases meeting the fixed asset threshold value and reports qualifying items to the Finance Department. A *Fixed Asset/Vehicle Form* must be filled out along with a copy of the invoice attached.

Equipment and vehicle information shall also be entered into the Vehicle Replacement Program database as needed. Department Heads shall be responsible for proper data maintenance and utilization of the Vehicle Replacement Program database.

16. VEHICLE REGISTRATION

The City Clerk maintains records of State Registration of ALL City vehicles, handles the annual purchase of vehicle licenses, and records vehicle transfer with the State of Kansas. Department Heads track and monitor new vehicle purchases and coordinate with the City Clerk for new or replacement tags when required.

Upon delivery of a new vehicle, a *Fixed Asset/Vehicle Form* must be filled out along with a copy of the invoice attached. All information pertaining to the vehicle should be completed except for the tag number and registration fee. At this point, a title should also be given to the City Clerk. The City Clerk will add the insurance to the vehicle, purchase the tag and registration title and order a new Gas Card if needed.

If an invoice is not received upon delivery of the vehicle, and the Department needs to use the vehicle, then all paperwork except the invoice attachment should be turned in to the City Clerk. Insurance is added only at the time the paperwork is completed and turned in. Once the paperwork is turned in, the City Clerk will process the license, registration and title. After the license has been acquired, the Department will be contacted to pick up the license, registration, and proof of insurance. Be sure to put the registration pocket in the glove box of the vehicle.

When transferring a vehicle, **both** departments must complete and turn in a *Fixed Asset/Vehicle Form*. The vehicle being transferred keeps the original car tag. The receiving department may need a different tag if the vehicle comes from the Water or Electric Departments. Please bring this to the City Clerk's attention at the time the paperwork is turned in. Gas Cards are not transferred with the vehicle.

When deleting a vehicle, whether it is being sent to auction or is being used as a trade-in, a *Fixed Asset/Vehicle Form* must be completed. Insurance remains on the vehicle until paperwork has been received. Your department should turn in the paperwork for the vehicles going to auction at the time you submit the initial information to the Police Department.

If a Department makes changes to the vehicle numbering, the Department Head is responsible for completing the *Fixed Asset/Vehicle Form* or providing a list showing the old number and the new number that has been assigned. It is important that the Clerk's Office has their master vehicle list accurate.

17. SURPLUS EQUIPMENT

Whenever a Department Head determines that various equipment and materials are beyond use, or are of no further use to the Department, the City Manager shall be notified. No Department shall permit any such materials to be loaned, destroyed or removed from the City's custody without prior approval of the City Manager.

- Materials and equipment which are of no further use by a Department may be transferred to another Department, if usable, if a need for said materials or equipment has been established by that department. If no Department demonstrates a need for said materials or equipment, the City Manager will proceed to dispose of items as soon as practicable through public auction. Impounded vehicles are also sold at this time.
- When title transfers are involved, the City Clerk shall handle the transactions.
- If the Department Head determines the equipment in question should be junked, they will be responsible for the actual disposal of the equipment. The Department Head will also be responsible for ensuring the "Fixed Asset Form" is completed and forwarded to the Finance Department and entered into the Vehicle Replacement Program database as needed.
- If equipment can be reassigned to another Department, the receiving Department Head will be responsible for affecting the physical transfer of the equipment within a reasonable period of time. The initiating Department Head will be responsible for ensuring the "Fixed Asset Form" is completed and forwarded to the Finance Department and entered into the Vehicle Replacement Program database as needed.
- If the equipment is neither junked nor transferred, it will be declared to be surplus and then be placed in the Surplus Equipment Auction. The Department Head will be responsible for ensuring that the "Fixed Asset Form" is completed and forwarded to the Finance Department and entered into the Vehicle Replacement Program database as needed.

APPENDICES

APPENDIX A PURCHASING AND CONTRACTING PROCEDURES

APPENDIX B PURCHASING CARD FORMS

APPENDIX C TRAVEL EXPENSE REPORT

APPENDIX A

PURCHASING AND CONTRACTING PROCEDURES

APPENDIX A

TABLE 1 PURCHASING PROCEDURE					
Documentation	Purchase Value				State Aid involved
	under \$5,000	\$5,000 to \$30,000	\$30,000 to \$50,000	over \$50,000	
Written or telephone quotes	X				
Sealed Bids - Short Format		X	Optional		
Sealed Bids - Long Format		Optional	X	X	X
Public Bid Opening		X	X	X	X
Publish Notice to Bidders		X	X	X	X
City Commission Approval		X	X	X	X
Sales Tax Exemption Certificate	X	X	X	X	X

TABLE 2 CONTRACTING PROCEDURE					
Documentation	Contract Value				State Aid involved
	under \$5,000	\$5,000 to \$30,000	\$30,000 to \$50,000	over \$50,000	
Written or telephone quotes	X				
Engineer's Estimate of Cost		X	X	X	X
Sealed Bids - Short Format		X	X		
Sealed Bids - Long Format		X	X	X	X
Public Bid Opening		X	X	X	X
Bid Bond or Certified Check		Optional	X	X	X
Publish Notice to Bidders		X	X	X	X
City Commission Approval		X	X	X	X
Sales Tax Exemption Certificate	X	X	X	X	X

TABLE 3 CONTRACTING ~ REQUIRED DOCUMENTS					
Document	Contract Value				State Aid involved
	under \$5,000	\$5,000 to \$30,000	\$30,000 to \$50,000	over \$50,000	
Notice to Bidders		X	X	X	X
Information for Bidders			X	X	X
EEO clauses			X	X	X
Nondiscrimination clauses			X	X	X
Special Attachment			X	X	X
General Conditions		Optional	X	X	X
Technical Specifications/Provisions	X	X	X	X	X
General Specifications		X	X	X	X
Special Provisions	X	X	X	X	X
Contract Document (City)	X	X	X	X	
Contract Document (State version)					X
C&M and Statutory Bond				Over \$100,000	X
Cert. of Subcontractor Payment	X	X	X	Under \$100,000	
Bidders Checklist		X	X	X	X
Cert of Nonsegregated Facilities		X	X	X	X
Proposal	X	X	X	X	X
Plans and/or drawings	X	X	X	X	X
Bid Bond or Certified Check		See Table 2	X	X	X
Addenda (as needed)		X	X	X	X
Change Orders (as needed)		X	X	X	X

APPENDIX B

PURCHASING CARD FORMS

CITY OF GARDEN CITY, KANSAS
PURCHASING CARD CARDHOLDER AGREEMENT

_____ Name of Cardholder	_____ Cardholder Business Address
_____ Department/Division	_____ Cardholder Business Phone Number
_____ Supervisor's Name and Title	_____ Supervisor's Phone Number

Cardholder agrees to accept responsibility for the protection and proper use of the Visa Purchasing Card in accordance with the terms and conditions below:

1. Cardholder agrees to provide the supporting receipts from the vendor and/or a transaction log for each transaction as designated by the Department Coordinator under the Department Policies and Procedures. Failure to report or document any purchase may be deemed an improper use of the Purchasing Card.
2. If the Card is lost or stolen, Cardholder shall notify the Department Coordinator immediately.
3. Cardholder's department shall be responsible for all charges, including fees and interest incurred from the proper use of the Purchasing Card.
4. **THE CARDHOLDER MAY NOT MAKE PERSONAL PURCHASES ON THE CARD.** Cardholder understands that he/she shall be personally liable for any improper use of the Purchasing Card and agrees to pay to the issuer of the Card (City) for any such improper use, as the result of a lost or stolen Card which was immediately reported as required in Paragraph 2, including fees and interest assessed against the improper purchase. Cardholder understands that his/her improper use of the purchasing may be cause for disciplinary action by the Department including termination and that improper use of the Purchasing Card may subject Cardholder to criminal prosecution.
5. Cardholder understands that should his/her employment with the Department be terminated for any reason the Purchasing Card must be returned to the Department Coordinator. Cardholder understands that Department may withhold his/her final paycheck until the Purchasing Card is returned. Cardholder also understands that Department may withdraw authorization to use the Purchasing Card and require the return of the Purchasing Card at any time for any reason.
6. Cardholder understands that use of the Purchasing Card is for the purchase of commodity and non-inventory capital items only of less than **\$5,000** per purchase subject to individual card limitations on expenditures for use in Official City Business. All purchases must comply with City accounting and purchasing statues, regulations and policies including all policies the Cardholder's Department implements in the use of the Card. Items on contracts may be acquired from the contract vendor with the Purchasing Card. The following items may not be purchased with the Purchasing Card, however, the list is not all inclusive:

Alcoholic beverages
Capital purchases (subject to inventory)
Cash advances
Construction, renovation or installation
Purchase involving trade-ins

Blind and Handicapped Made Products
Correctional Industries catalog
Hazardous Materials
Personal Items
Weapons, ammunition

If in doubt that a purchase is authorized under this Agreement through the use of the Purchasing Card, Cardholder understands that he/she should seek prior approval from the Department Coordinator. Such approval presumes the proper use of the Purchasing Card.

7. Cardholder acknowledges by his/her signature to this agreement, that he/she has received training in the proper use of the Purchasing Card, has received, read and understands the City's Purchasing Card policy and has read and understands this agreement.

Cardholder signature

Date

For Department Use Only

Daily Limit _____ (not to exceed without authorization)

Cycle Credit Limit _____ (not to exceed without authorization)

Approval: Print Name: _____ Title: Department Head

Signature: _____ Date: _____

Approval: Print Name: _____ Title: Department Coordinator

Signature: _____ Date: _____

Approval: Print Name: _____ Title: Finance Department

Signature: _____ Date: _____

VISA PURCHASING CARD DISPUTE FORM

ACCOUNT INFORMATION

Name

Account Number

Department/Division

Business Phone

TRANSACTION INFORMATION

Merchant Name

Amount of Dispute

Date of Transaction

Reference Number of Transaction from Statement

DISPUTE DETAILS

Please mark the appropriate dispute reason listed below and if indicated, provide the requested documentation.

- Need a copy of the transaction in order to submit payment.
- Need a copy of the transaction for our records only.
- Amount is to be billed to a different UMB card number. UMB card number: _____
- Incorrect Amount. Must provide copy of receipt. I was billed: _____ should have been _____
- Duplicate Posting. The original transaction posted to my statement for _____ on _____ date.
- I returned the merchandise to the merchant on _____ date. The reason for return is listed below.
Must provide proof of return.
- I have a credit slip and the credit has not posted to my account. *Must provide copy of credit slip.*
- I did not participate in the transaction and I do not know what the transaction is for.
- I have not received the merchandise and it was to be delivered on _____ date.
Must give dates when the merchant was contacted to check on the status of the order and their response below.
- I cancelled a guaranteed late arrival hotel reservation on _____ date at _____ time and
cancellation number is _____
- Other. Details of the dispute have been provided below.

ADDITIONAL INFORMATION REGARDING THE DISPUTED CHARGE

Cardholder's signature

Date

APPENDIX C

TRAVEL EXPENSE REPORT

**CITY OF GARDEN CITY
TRAVEL EXPENSE REPORT**

Attach supporting documents when reporting actual expenses for reimbursement

Name: _____ Department: _____
 Date(s): _____ to _____ Purpose of Travel: _____
 Destination: _____

MEALS - (PER DAY TOTALS)

Date	BUDGET	ACTUAL
_____ \$35/day		
_____ per diem		
_____ \$45/day		
_____ High Area		
_____ per diem		
_____ (Tips Included)		
(1) TOTAL MEALS	\$ -	\$ -

LODGING

	BUDGET	ACTUAL
# of days _____ at _____	\$ -	\$ -
# of days _____ at _____	\$ -	\$ -
(2) TOTAL LODGING	\$ -	\$ -

AIRFARE

	BUDGET	ACTUAL
FROM: _____		
TO: _____		
FROM: _____		
TO: _____		
(3) TOTAL AIRFARE	\$ -	\$ -

PURCHASE CARD ACTIVITY - INFORMATION

Description	Amount
registration	\$ -
meals	\$ -
motel	\$ -
fuel	\$ -
(8) TOTAL PURCHASE CARD	\$ -

MILEAGE OR FUEL

Budget	BUDGET	ACTUAL
_____ miles @ \$0.51/mile		
Actual		
Beginning _____ Ending _____	\$ -	\$ -
_____ 0 miles @ \$0.51/mile		
Fuel		
Date _____		
Date _____		
Date _____		
TOTAL MILEAGE/FUEL	\$ -	\$ -

Rate changes annually, see Accounts Payable for rate.

TAXI/SHUTTLE SERVICE

	BUDGET	ACTUAL
From _____ To _____		
(5) TOTAL TAXI/SHUTTLE	\$ -	\$ -

(6) REGISTRATION FEE

BUDGET	ACTUAL

OTHER

Date	Description	BUDGET	ACTUAL
_____	_____		
_____	_____		
_____	_____		
(7) TOTAL OTHER		\$ -	\$ -

PREPAID BY CITY

Description	Amount

(9) TOTAL PREPAID BY CITY	\$ -

BUDGET _____ ACTUAL _____

Signed _____ Date _____

Approved _____ Date _____

Department Director and/or City Manager

To be used for reporting out-of-town travel expenses, including all Professional Development/CPE expenses. Submit budgeted expense amounts to Department Director and/or City Manager for approval prior to incurring travel expense. 9/12/11

SUMMARY

	Budget	Actual
(1) Meals	\$ -	\$ -
(2) Lodging	\$ -	\$ -
(3) Airfare	\$ -	\$ -
(4) Mileage/Fuel	\$ -	\$ -
(5) Taxi/Shuttle	\$ -	\$ -
(6) Registration	\$ -	\$ -
(7) Other	\$ -	\$ -
Subtotal	\$ -	\$ -
(8) Less Purchase Card Activity		\$ -
(9) Less Prepaid by City		\$ -
TOTAL - Reimburse/(Refund) Due	\$ -	\$ -

CITY OF GARDEN CITY

Purchasing Card Policies and Procedures

Use of the Purchase Card

The purchasing card works like a personal credit card, except that all charges are paid in full by the City. It is to be used only for the purchase of goods and services in support of City business.

Cardholders should always treat the purchasing card with at least the same level of care as one does their personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded. The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be lent to another person for any reason.

Requesting a Purchase Card

A request for a card must be made by the Department Director and submitted to the Finance Director. The Finance Director reviews and approves all requests. All disapproved requests are returned to the Department Director indicating the reason for the disapproval.

Training

Each new cardholder will receive the Purchasing Card Policies and Procedures that guide card use and the procedural elements of the program. A card will not be distributed until the cardholder signs a Purchasing Card Cardholder Agreement.

Purchasing With the Card

The purchasing card may be used to purchase goods or services in person (at the point of sale), over the telephone, or over the Internet. When using your card over the Internet, please be sure that you are using a secure site.

A cardholder must:

- Ensure that the card is used only for legitimate City business purposes.
- Ensure that only the cardholder uses the card; use by anyone other than the approved cardholder is strictly prohibited.
- Obtain all sales slips and register receipts.
- Avoid cash transactions such as accepting cash in lieu of a credit to the purchasing card account or using the card to obtain a cash advance.

Sales Tax

The City is tax-exempt. The tax-exempt status appears on the front of the card. If the vendor insists upon charging sales tax, terminate the transaction. If sales tax is billed incorrectly to the cardholder's account, it is the responsibility of the cardholder to dispute the charge.

Lost of Stolen Card

Report any lost to stolen card immediately to the Finance Director in the Finance Department.

Credits

The vendor should issue a credit to your card for any item they have agreed to accept for return. Under no circumstances should you accept cash in lieu of a credit to the purchasing card account.

Disputes and Billing Errors

Cardholders may dispute a charge that appears on their purchasing card statement. The cardholder is responsible for following up with a vendor regarding any erroneous charges, disputed items or returns within ten (10) business days from receipt of the statement. Disputed charges can result from failure to receive goods, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The cardholder should contact the vendor first to resolve any outstanding issues.

If the cardholder is unable to reach agreement with the vendor, the next step is to complete the Cardholder Statement of Questioned Item form and send it to the Finance Director in the Finance Department.

Misuse of Fraudulent Use of Card

1. The term "misuse or abuse" shall mean the use of the purchasing card outside of the employee's authorized parameters. Misuse or abuse of the card includes, but is not limited to:
 - Using the card for personal or unauthorized purposes
 - Using the card to obtain a cash advance or cash in lieu of a credit to the purchasing card account
 - Using the card to purchase alcoholic beverages or any substance, material, or service which violated policy, law or regulation pertaining to the City
 - Allowing use of the card by another individual
 - Splitting a purchase or using another cardholder's card to circumvent the purchasing limit of the card
 - Failing to provide the Department Director with required receipts
 - Failing to complete and submit the purchasing Log of Transaction (PLOT) within five (5) business days after the close of each billing cycle
 - Failing to prove, when requested, information about any specific purchase
 - Not adhering to all of the City Purchasing Card Policy and Procedures

2. The term “fraudulent use” shall mean the use of the purchasing card with a deliberately planned purpose and intent to deceive and thereby gain a wrongful advantage for oneself or anyone else other than the City.

Depending on the severity of the violations(s), any employee may be subject to any of the following activities:

- Immediate suspension of card privileges
- Removal of cardholder’s purchasing authority
- Required employee reimbursement to the City for any unauthorized purchases; and
- Formal disciplinary action which may result in termination of employment

These actions, with the exception of formal disciplinary action, may be initiated at the discretion of the Finance Director after consultation with the appropriate Department Director. Further, the Department Director may ask the Finance Director to initiate any of the above actions at any time. The Department Director in accordance with the City’s Personnel Policies and Procedures must initiate formal disciplinary action.

Employee Termination or Transfer

A cardholder who terminates employment with City must return the purchasing card to the Finance Director in the Finance Department.

A cardholder who transfers to a position within the City that does not require a purchasing card to perform the duties and responsibilities of the position must return the card to the Finance Director in the Finance Department. Failure to comply will result in progressive disciplinary action against the employee.

In each instance, and irrespective of the timeliness of the return of the card, the purchasing card account will be cancelled immediately upon notice of termination or transfer.

Audit of Individual Accounts

The Finance Department may elect to audit a cardholder’s account and Purchasing Lot of Transactions (PLOT) at any time and without notice. It is, therefore, important that cardholders maintain accurate records of all transactions at all time. The cardholder is responsible for the transactions identified on their card statement. When an audit of the cardholder’s account is conducted, the cardholder must be able to produce receipts, and/or proof that the transaction occurred.

Documentation

The cardholder is responsible for maintaining adequate documentation to verify and explain all purchasing card transactions. To facilitate reconciliation and approval of statements, it is essential that cardholders obtain and retain vendor documentation for purchases, including:

- Itemized vendor sales receipts
- Itemized packing slips or shipping orders, and
- Purchasing card charge slips with items descriptions

On an ongoing basis, the cardholder must maintain a Purchasing Log of Transactions (PLOT) to document transactions made with the card, whether the transaction was made at the point of sale, by telephone or on the Internet. Adequate documentation, as described above, must be attached to the PLOT for each transaction.

Each month, the cardholder will receive a statement, which lists charges made during the previous billing cycle. Upon receiving the statement, it is essential that the cardholder perform the following:

- Review the statement; compare the back-up documentation (receipts, packing slips, charge slips, etc) to the transactions listed on the statement
- Reconcile each and every transaction on the PLOT to assure that it is correctly listed on the statement; it is, however, possible that transactions listed on the PLOT will not appear until the next statement
- Reconcile each and every transaction on the statement to assure that it is correctly listed on the PLOT and that adequate documentation for each transaction is attached to the PLOT

If the cardholder is disputing a charge listed on the statement, attach a copy of the Cardholder Statement of Questioned Item form that has been completed to dispute the charge.

Upon reconciliation, the statement and PLOT (including all supporting documentation) should be forwarded to the Department Director within five (5) business days after the close of each billing cycle. The Department Director will review and approve the statement by:

- Ensuring that each purchase is an appropriate use of City funds
- Confirming that receipts and written explanations are attached for each listing on the statement
- Confirming that the attached receipts match the dollar amount of each listing on the statement
- Ensuring that the card is not used for personal purposes, and
- Ensuring that the card is used and only the cardholder signs receipts

The Department Director must approve (by signing) the statement. By signing and approving the statement, the Department Director certifies the statement's compliance to the established policies and procedures governing the purchasing card program. The Department Director must forward the approved statement to the Finance Director in the Finance Department within then (10) days after the close of each billing cycle.

Cardholder Statement of Questioned Item Form

If the cardholder cannot resolve the matter with the vendor, (s) he should initiate a dispute by immediately completing this form and contacting the Purchasing Agent in the Finance Department.

Cardholder name: _____
Please Print or Type Telephone Number

The transaction(s) in question is described below:

Transaction Date	Vendor	Amount	Items(s) in Dispute
------------------	--------	--------	---------------------

Please read carefully each of the following situations and circle the most appropriate to your particular dispute:

1. **Sales Tax:** Sales tax was included with my transaction. I have notified the vendor that this sales tax charge should be reversed.
2. **Unauthorized Mail, Internet or Phone Order:** I have not authorized this charge to my account. I have not ordered this merchandise or received any goods or services.
3. **Duplicate Processing:** The transaction listed above represents a multiple billing to my account. I only authorized on charge from this vendor for this amount.
4. **Goods or Services Not Received:** My account has been charged for the above listed transaction but I have not received the goods or services.
5. **Order Cancelled:** My account has been charged for the above listed transaction. I have contacted the vendor on _____ and cancelled the order. I will refuse delivery should the goods still be received.
6. **Goods Returned:** My account has been charged for the above listed transaction but the goods have since been returned.
7. **Credit Not Received:** I have received a credit voucher for the above listed charge but it has not appeared on my account. A copy of the credit voucher is attached.
8. **Alteration of Amount:** The amount of this charge has been altered since the time of the purchase. Attached is a copy of the sales receipt showing the amount for which I signed.
9. **Other:** I dispute this transaction because: _____

Note: Provide a complete description of the problem, attempted resolution, and outstanding issue. Use a separate sheet of paper, if necessary.

Cardholder Signature: _____
Date

Distribution: The original should be sent to the Finance Director. Retain a copy of this form to attach to your PLOT sheet.

Purchasing Card Cardholder Agreement

I, _____, hereby request a Commerce Bank Purchasing Card. As a Cardholder, I agree to comply with the following terms and conditions regarding my use of the card:

1. I understand that I will be making financial commitments on behalf of the City of Garden City and will seek to maximize the purchasing value of public funds.
2. I understand that the City is liable to commerce Bank for all charges made with this card.
3. I agree to use this card for business purposes only. Misuse or abuse of the purchasing card will result in suspension or revocation of the card. Misuse or abuse of the card includes, but is not limited to:
 - Using the card for personal or unauthorized purposes
 - Using the card to obtain a cash advance or cash in lieu of a credit to the purchasing card account
 - Using the card to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to the City
 - Allowing use of the card by another individual
 - Splitting a purchase or using another cardholder's card to circumvent the purchasing limit of the card
 - Failing to provide the Department Director with required receipts
 - Failing to complete and submit the purchasing Log of Transaction (PLOT) within five (5) business days after the close of each billing cycle
 - Failing to prove, when requested, information about any specific purchase
 - Not adhering to all of the City Purchasing Card Policy and Procedures
4. Fraudulent use of the card, defined as the use of the purchasing card with a deliberately-planned purpose and intent to deceive and thereby gain a wrongful advantage for oneself or anyone else other than the City will result in the following actions being taken:
 - Immediate suspension of card privileges
 - Removal of cardholder's purchasing authority
 - Required employee reimbursement to the City for any unauthorized purchases; and
 - Formal disciplinary action which may result in termination of employment
5. I agree to return the card immediately upon request by the Department Director or Finance Director, or upon termination of employment.
6. If the card is lost or stolen, I agree to immediately notify the Finance Director in the Finance Department.
7. I have been given a copy of the Purchasing Card Policies and Procedures and have attended a training session on the proper use of the purchasing card.
8. I agree that if I violate the terms of this agreement, I will reimburse the City for all charges incurred and any fees related to the collection of those charges.

Employee Signature

Social Security Number

Department

Date

Firm Data Sheet
(To be completed by the Firm)

Firm and Its Employees _____

Name of firm: _____

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

SIC (NAICS Code as shown on tax return) _____

Market value of the firm's initial new or additional investment in:

Land	\$ _____
Building and improvements	\$ _____
Furniture, fixtures and equipment	\$ _____

Project expansions:

Expansion 2:

Year of expansion _____

Additional investment in:

Land	\$ _____
Building and improvements	\$ _____
Furniture, fixtures and equipment	\$ _____

Expansion 3:

Year of expansion _____

Additional investment in:

Land	\$ _____
Building and improvements	\$ _____
Furniture, fixtures and equipment	\$ _____

Expansion 4:

Year of expansion _____

Additional investment in:

Land	\$ _____
Building and improvements	\$ _____
Furniture, fixtures and equipment	\$ _____

New or additional sales of the firm (please fill in for all 10 years)

<u>Year</u>	
1	\$ _____
2	\$ _____
3	\$ _____
4	\$ _____
5	\$ _____
6	\$ _____
7	\$ _____
8	\$ _____
9	\$ _____
10	\$ _____

Percent of sales subject to sales taxes in the:

City	_____ %
County	_____ %
State	_____ %

Annual net taxable income, as a percent of sales, on which state corporate income taxes will be computed: _____ %

Annual Additional Purchases of the Firm (please fill in for all 10 years)

<u>Year</u>	
1	\$ _____
2	\$ _____
3	\$ _____
4	\$ _____
5	\$ _____
6	\$ _____
7	\$ _____
8	\$ _____
9	\$ _____
10	\$ _____

Percent of additional purchases subject to sales taxes in the:

City	_____ %
County	_____ %
State	_____ %

Additional Annual utilities that will be used by the firm:

Water	\$ _____
Wastewater	\$ _____
Telephone	\$ _____
Electricity	\$ _____
Gas	\$ _____
Garbage	\$ _____
Cable	\$ _____
Other:	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Number of new employees to be hired each year (please fill in for all 10 years):

<u>Year</u>	
1	_____
2	_____
3	_____
4	_____
5	_____
6	_____
7	_____
8	_____
9	_____
10	_____

Number of new employees moving to the county each year (please fill in for all 10 years):

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

Average annual salaries of employees (please fill in for all 10 years- this is not total salaries for the firm):

<u>Year</u>	
1	\$ _____
2	\$ _____
3	\$ _____
4	\$ _____
5	\$ _____
6	\$ _____
7	\$ _____
8	\$ _____
9	\$ _____
10	\$ _____

Household size of a typical new worker _____

Number of school age children in the household of a typical new worker _____

Construction

Initial construction or expansion:

Cost of construction at the firm's new or expanded facility: \$ _____

If construction is by an outside contractor, estimated Percent profit on the cost of construction: \$ _____

Amount of taxable construction materials purchased in:

Kansas \$ _____
The County \$ _____
The City \$ _____

Amount of taxable furniture, fixtures and equipment purchased in:

Kansas \$ _____
The County \$ _____
The City \$ _____

Total construction salaries \$ _____

Amount paid to an average construction worker during the construction period \$ _____

Household size of an average construction worker \$ _____

Number of construction workers \$ _____

Expansion 2:

Expansion construction costs \$ _____

If construction is by an outside contractor, estimated percent profit on the cost of construction: \$ _____

Amount of taxable construction materials purchased in:

Kansas \$ _____
The County \$ _____
The City \$ _____

Amount of taxable furniture, fixtures and equipment purchase in:

Kansas \$ _____
The County \$ _____
The City \$ _____

Total construction salaries \$ _____

Amount paid to an average construction worker during the construction period \$ _____

Number of construction workers _____

Expansion 3:

Expansion construction costs \$ _____

If construction is by an outside contractor, estimated percent profit on the cost of construction: \$ _____

Amount of taxable construction materials purchased in:

Kansas \$ _____
The County \$ _____
The City \$ _____

Amount of taxable furniture, fixtures and equipment purchase in:

Kansas \$ _____
The County \$ _____
The City \$ _____

Total construction salaries \$ _____

Amount paid to an average construction worker during the construction period \$ _____

Number of construction workers _____

Expansion 4:

Expansion construction costs \$ _____

If construction is by an outside contractor, estimated percent profit on the cost of construction: \$ _____

Amount of taxable construction materials purchased in:

Kansas \$ _____
The County \$ _____
The City \$ _____

Amount of taxable furniture, fixtures and equipment purchase in:

Kansas \$ _____
The County \$ _____
The City \$ _____

Total construction salaries \$ _____

Amount paid to an average construction worker during the construction period \$ _____

Number of construction workers _____

Visitors

Number of out-of-town visitors expected at the firm:

Year

- 1 _____
- 2 _____
- 3 _____
- 4 _____
- 5 _____
- 6 _____
- 7 _____
- 8 _____
- 9 _____
- 10 _____

Number of days that each visitor will stay in the area _____

Number of nights that a typical visitor will stay in a local hotel or motel:

In the City _____
Anywhere in the County _____



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Jennifer Cunningham, Assistant City Manager
DATE: July 19, 2016
RE: Excess LEC Sales Tax Expenditure Agreement

ISSUE:

The Governing Body is asked to consider and approve the use of the excess Law Enforcement Center Sales Tax Funds.

BACKGROUND:

Garden City and Finney County entered into a Sales Tax Expenditure Agreement on October 21, 2014. A sales tax approved by the electorate of City and County was levied for the purpose of constructing the Finney County Law Enforcement Center (LEC) and in October of 2014 that sales tax was no longer required for debt service on the LEC. Therefore, the City and County at that time agreed that the excess funds would be used for expenses related to the LEC. The original agreement is attached.

Several projects were completed over the last two years with the excess funds, however, the accounting of those funds had not met the standard of the original agreement. On May 17, 2016 during a joint City-County meeting, the Sales Tax Expenditure Agreement was discussed. During that joint meeting, the Governing Bodies directed County and City staff to review the funds that had been spent, projects that had been completed, projects that were in-progress, provide a current balance of the funds and a wish list of items to be completed with the rest of the available funds. That information was gathered and evaluated and is attached. The first page of that document is the original list of projects with their status, including cost and who completed the project. The second page lists the additional projects that were not on the original list, but that were determined over the last two years to be within the scope of use for the funds. The third page is the wish list items from the City, County and District Courthouse.

To date \$573,573.80 has been spent to complete sixteen projects. The current balance in the account is \$325,127.00. There is \$141,000.00 committed to projects that are in-progress. This leaves \$184,127.88 left for any wish list projects.

ALTERNATIVES:

1. Finish all in-progress projects and move forward to complete wish list items provided by the City and County but not any additional projects at the District Courthouse.
2. Finish all in-progress projects and not complete any of the wish list items leaving a balance in the account of \$184,127.88.
3. Choose from the items on the wish list a combination of projects that total no more than \$184,127.88.

RECOMMENDATION:

The joint recommendation of staff and County Administrator Partington would be to select alternative #1.

FISCAL NOTE:

The total cost of alternative #1 would be \$181,750.00. This amounts to \$141,000.00 of in-progress projects to finish up and \$140,750.00 that includes \$55,000.00 of additional City projects and \$85,750.00 of additional County Projects. This would leave \$43,377.88 to cover any unexpected expenses of this or other in-progress projects.

ATTACHMENTS:

Description	Upload Date	Type
Original Sales Tax Expenditure Agreement	7/13/2016	Backup Material
Sales Tax Expenditures	7/13/2016	Backup Material

SALES TAX EXPENDITURE AGREEMENT

THIS SALES TAX EXPENDITURE AGREEMENT (Agreement) is entered into this 21st day of October, 2014, by and between the City of Garden City, Kansas (City), and the County of Finney, Kansas (County).

WHEREAS, a sales tax approved by the electorate of City and County was levied for the purpose of constructing the Finney County Law Enforcement Center (LEC); and

WHEREAS, the sales tax is no longer required for debt service for the LEC; and

WHEREAS, City and County have excess sales tax funds that will not be used for LEC debt service, but which can be used for expenses related to the LEC.

NOW, THEREFORE, City and County enter into this Agreement, and agree as follows:

1. City and County agree that capital improvements to the LEC are necessary and such improvements would be an appropriate expenditure of excess sales tax proceeds. City and County have agreed on the capital improvements to be made to the LEC, as set forth in Exhibit 1 attached hereto.

2. City and County agree that sales tax proceeds already collected that were not used to retire the debt on the LEC, and which will be collected until August 2014 shall be committed to and expended for the improvements set forth in Exhibit 1.

3. Subject to the provisions of the Finney County Law Enforcement Occupancy Agreement, a copy of which is attached hereto and incorporated herein, prior to a capital improvement project taking place, City and County will consult on the nature and scope of the project and reach a mutual agreement as to the project to be completed. No capital improvement project shall be initiated without the consent of City and County.

4. City agrees that upon receipt of its portion of excess sales tax proceeds from the state of Kansas, that it will pay those proceeds to County. Thereafter, County will be responsible for payment of all contractors, subcontractors, vendors, and suppliers involved in LEC capital improvement projects agreed to by City and County.

5. County shall maintain an accounting of all sales tax proceeds received from City and expended on capital improvement projects. County shall provide City with an LEC capital improvement project accounting on a monthly basis.

6. City and County agree that excess sales tax proceeds paid by the State of Kansas to the City of Holcomb, Kansas (Holcomb), shall be maintained by Holcomb and used as deemed appropriate by Holcomb.

7. City and County agree that any excess sales tax proceeds remaining after completion of all LEC capital improvement projects on Exhibit 1, shall be maintained by County and expended for future LEC capital improvement projects agreed to by City and County.

8. Should one of the parties experience an expense related to the LEC not set out in Exhibit 1 or otherwise anticipated by the parties, and there remains sales tax funds available, the parties agree to meet and discuss the possibility of those funds being used to help allay the unanticipated expense.

9. Exhibit 1 is subject to change by written agreement of City and County.

This Agreement made and entered into the date set forth above, as approved by the governing bodies of City and County.

CITY OF GARDEN CITY, KANSAS,

10-21-14
Date

By: Roy Cassna
Roy Cassna, Mayor

ATTEST:

Celyn N. Hurtado
Celyn N. Hurtado, City Clerk

COUNTY OF FINNEY, KANSAS

12-1-14
Date

A circular seal for the County Clerk of Finney County, Kansas. The seal features the word "SEAL" in the center, surrounded by the text "COUNTY CLERK" at the top and "FINNEY COUNTY, KANSAS" at the bottom.

ATTEST:

Elsa Ulrich
Elsa Ulrich, County Clerk

By: Larry C. Jones
Larry C. Jones, Chairman

This information is based upon the original agreed upon list as part of the Sales Tax Agreement signed by the Commissions.

Excess LEC Sales Tax Proceeds LEC and Courthouse Projects		Original List			
Needed Improvements	Estimated Cost	Status	Actual Cost	Contractor(s)	
ORIGINAL LEC Improvements					
Mechanical					
Air handling updates/recommendations	\$ 12,000.00	Removed from list	NA	NA	
HVAC computer workstation updates	\$ 25,000.00	Done - Terms of Cost	\$ 25,170.55	C&C	
Water Heaters	\$ 75,000.00	Done	\$181,300.00	Tatro Plumbing	
HVAC Chiller downstairs update	\$ 75,000.00	Removed from list	NA	NA	
HVAC Jail HPU's	\$ 25,000.00	Maintenance staff flushing units	None	County Maintenance Staff	
Boiler updates	\$ 25,000.00	Removed from list	NA	NA	
Elevator Updates	\$ 170,000.00	Done	\$124,467.62	ThyssenKrupp	
Structural					
Front Door	\$ 5,000.00	Done - Terms of Cost	\$ 7,562.89	Kinney Glass/Square Deal	
Northeast Door	\$ 3,000.00	Done	\$ 550.00	Overhead Door	
Roof Repair	\$ 10,000.00	RFP next 30 days	TBD	TBD	
Sliding Doors	\$ 10,000.00	Done	\$ 3,950.00	KUBL Group	
LED lighting around building	\$ 5,000.00	Done	\$ 4,320.00	American Electric	
Municipal Court Room Security	\$ 50,000.00	Removed from list	NA	NA	
Equipment					
Kitchen Range	\$ 4,000.00	Removed from list	NA	NA	
Proofers	\$ 4,000.00	Done	\$ 2,052.34	Sysco Supply	
Convection Ovens	\$ 8,000.00	Done	\$ 6,628.60	Sysco Supply	
Carpeting	\$ 150,000.00	Done	\$141,317.60	L&L; J&M	
Interior Painting	\$ 30,000.00	Done	\$ 10,833.00	Staff, Tim Novack	
Pod Tiles	\$ 50,000.00	Removed from list	NA	NA	
Kitchen LEC Flooring	\$ 25,000.00	RFP next 60 days	TBD	TBD	
ORIGINAL Courthouse Improvements					
Mechanical					
Replace Rooftop Units	\$ 21,000.00	RFP next 60 days	TBD	TBD	
Replace main courtroom units	\$ 25,000.00	RFP next 60 days	TBD	TBD	
Structural					
Repair and plaster walls & windows	\$ 20,000.00	Removed from list	NA	NA	
Remodel rooms 209 & 210	\$ 25,000.00	Removed from list	NA	NA	
Remodel Room 411	\$ 11,000.00	Removed from list	NA	NA	
Modfiy Room 300	\$ 7,000.00	Removed from list	NA	NA	
Architect Study & 1st Floor Remodel	\$60,000	1st Floor Remodel Only - Pending	TBD	TBD	
Remove and remodel law library	\$ 30,000.00	Removed from list	NA	NA	
Building security upgrades, card reader locks	\$ 125,000.00	Removed from list	NA	NA	
Remodel court administrator's office	\$ 7,500.00	Removed from list	NA	NA	
Totals	\$ 1,092,500.00		\$508,152.60		
		Completed and paid out			
		Removed from the initial agreed upon list			
		Going to be completed at or under estimate			

Excess LEC Sales Tax Proceeds		Added Items				
LEC and Courthouse Projects						
Needed Improvements	Estimated Cost	Status	Actual Cost	Contractor(s)		
ADDED LEC Improvements						
Equipment						
Remove and Replace 2(washers/dryers)	None	Done	\$31,236.20	CKCL		
ADDED Courthouse Improvements						
Equipment						
Upgrade Courtroom PA systems	\$ 25,000.00	Done	\$ 8,120.00	McClelland Sound, Inc./Office Solutions/Ergotron		
Install Secure Wi-Fi	\$ 35,000.00	Done	\$18,300.00	Sperry Elec. & Alexander Open Systems		
Add Video Conferencing Equipment - All Courtrooms	\$ 40,000.00	Done	\$ 7,765.00	Sperry Elec./Solze Comm./J's Fencing/Burgardt Kustom Metals		
Totals	\$ 100,000.00		\$ 65,421.20			
		Completed and paid out				

This information includes the projects not on the original list but within the scope of the agreement that were completed.

Excess LEC Sales Tax Proceeds		Wishlist
LEC and Courthouse Projects		
Current Balance	\$	325,127.88
Amount Spent To Date	\$	573,573.80
Cost of In-Progress Projects	\$	141,000.00
Amount Left to Spend - Wishlist	\$	184,127.88
City Wishlist	Estimated Cost	
Kitchenette & Storage Cabinets - Training Room	\$	12,000.00
Office Desk & Cubicles for Investigations	\$	23,000.00
City/County Water Fountains w/Bottle	\$	10,000.00
Replace outdated formica in courtroom	\$	10,000.00
County Wishlist		
Detention Door Lock Retrofit	\$	37,950.00
CCTV Storage & Viewing Upgrade	\$	47,800.00
Total	\$	140,750.00
Left If above projects are completed	\$	43,377.88
Courthouse Wishlist		
Court Clerk/Public Access Remodel Project	\$	60,000.00
Repairs & Upgrades - Courtroom 301	\$	100,000.00
MondoPad & Sound System Upgrades (Rms. 304, 301, 202, 201)	\$	60,000.00
Restoration & Upgrades - Main Entry Area & Stairwells	\$	65,000.00
Repairs & Upgrades - 1st & 4th Floors	\$	150,000.00
Repairs & Upgrades - 2nd Floor	\$	150,000.00
Repairs & Upgrades - 3rd Floor	\$	150,000.00
Total	\$	735,000.00
***1st floor remodel is included with in progress projects (\$125,000)		

These are all items that have not yet been started, but that are desired by the listed parties.

Consent Agenda



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Steve Cottrell, Assistant to the City Manager
DATE: July 19, 2016
RE: KDOT FY 2017 KLINK Project Agreement

ISSUE:

The Governing Body is asked to consider and approve an Agreement No. 302-16 with KDOT for the FY 2017 KLINK project, on Kansas Avenue from 350 feet west of Crestway Drive to 550 feet east of Crestway Drive.

BACKGROUND:

The City applied for this project in May of 2015 and the grant was approved last September. It is for concrete reconstruction on Kansas Avenue from 350 feet west of Crestway Drive to 550 feet east of Crestway Drive.

The plans for the project are being revised after KDOT review. We anticipate a bid letting later this year with construction in 2017.

ALTERNATIVES:

1. Approve the agreement with KDOT.
2. Defer action to a later date.

RECOMMENDATION:

Staff recommends approving Agreement No 302-16 with KDOT for the FY 2017 KLINK project.

FISCAL NOTE:

Funding for the City's share of the project is included in the 2016 General Obligation Bond issue, at \$451,000. We would also borrow from the Community Trust Reserve for the KDOT share until repaid by KDOT upon project completion and acceptance.

ATTACHMENTS:

Description	Upload Date	Type
FY 2017 KLINK Agreement # 302-16	7/13/2016	Backup Material

PROJECT NO. 156-28 U-0926-01
KLINK RESURFACING PROJECT
CMS CONTRACT NO. _____
CITY OF GARDEN CITY, KANSAS

AGREEMENT

This Agreement is between the **Secretary of Transportation**, Kansas Department of Transportation (KDOT) (the “Secretary”) and the **City of Garden City, Kansas** (“City”), **collectively**, the “Parties.”

RECITALS:

- A. The City has applied for and the Secretary has approved a KLINK Resurfacing Project.
- B. The Secretary and the City are empowered by the laws of Kansas to enter into agreements for the construction and maintenance of city connecting links of the State Highway System through the City.
- C. The City desires to construct a street resurfacing Project on US-156, a city connecting link for the State Highway System, in the City.
- D. The Secretary desires to enter into an Agreement with the City to participate in the cost of the Project by use of State Highway funds.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I

DEFINITIONS:

As used in this Agreement, the capitalized terms below have the following meanings:

1. City Connecting Link - a route inside the city limits of a city which: (1) connects a state highway through a city; (2) connects a state highway to a city connecting link of another state highway; (3) is a state highway which terminates within such city; (4) connects a state highway with a road or highway under the jurisdiction of the Kansas Turnpike Authority; or (5) begins and ends within a city’s limits and is designated as part of the national system of Interstate and defense highways.

2. KLINK Resurfacing Program - a city connecting link (KLINK) resurfacing program that is a part of the KDOT Local Partnership Program with cities and counties. The state’s participation in the cost of construction and construction engineering will be seventy-five percent (75%) for cities with a population of less than 10,000 or fifty percent (50%) for cities with a population of 10,000 or greater, up to a maximum of \$300,000.00 per fiscal year of state funds. The KLINK Resurfacing Program is for contract maintenance only.

3. Project - mill and overlay, reconstruction, minor patching, joint repair, slurry seal, microsurfacing, and any other pre-approved resurfacing methods for the KLINK Resurfacing Program for US-156 from West of Crestway Drive to East of Crestway Drive.

4. **Eligible/Participating Bid Items** - all bid items that pertain to Project resurfacing and striping along the connecting link only. Items eligible for KLINK funding include manhole adjustments, milling, overlays, aggregate or paved shoulders (if already existing), concrete pavement, thin bonded concrete overlays, joint repair, slurry seals, bituminous seals, ultra thin bonded overlay, concrete and asphalt pavement patching, subgrade improvement, reconstruction, traffic control, transporting of salvageable material (millings), striping, traffic signal loops on the state highway and that portion of the traffic signal loops that lie inside the return on side streets, and pavement marking on the connecting link. Video-detection systems are participating, except on side streets; however, such systems will require pre-approval, as well as additional details, and a bill of materials to be included in the final design plans. Resurfacing work is participating out to the curb returns on side streets.

5. **Non-Eligible/Non-Participating Bid Items** - items typically non-eligible for KLINK funding include but are not limited to: bridge deck patching, utility adjustments, curb and gutter, overlay of curb and gutter, adjustment or reestablishment of survey markers, drainage appurtenances, driveways, entrances, sidewalks, sidewalk ramps, construction warranties, traffic loop construction outside the return on a side street, video detection on side streets, and construction outside of the curb and gutter. Work performed outside the Project limits on side streets, or outside the city limits is non-eligible for state participation, items with unit price changes from the let price (other than items with price adjustment specification in the bid documents) and any other items deemed non-eligible by the Secretary.

6. **Fiscal Year (FY)** - the state's fiscal year begins July 1 and ends on June 30 of the following calendar year.

ARTICLE II

SECRETARY RESPONSIBILITIES:

1. **Reimbursement of Project Costs.** The Secretary agrees to reimburse the City fifty percent (50%) of the total actual costs of construction (which includes the costs of all construction contingency items) and construction engineering, but not to exceed \$300,000.00, as the Secretary's total share of the cost to construct the Project. The Secretary shall not be responsible for the total actual costs of construction (which includes the costs of all construction contingency items) and construction engineering that exceed \$600,000.00. The Secretary shall not be responsible for the total actual costs of preliminary engineering, utility adjustments, or items not participating in the KLINK Resurfacing Program.

2. **Reimbursement Payments.** The Secretary will make such payment to the City as soon as reasonably possible after construction of the Project is completed, after receipt of proper billing, and attestation by a licensed professional engineer employed by the City that the Project was constructed within substantial compliance of the final design plans and specifications.

ARTICLE III

CITY RESPONSIBILITIES:

1. **Limited Scope.** The Project is limited to roadway resurfacing along the Project location. The Project roadway resurfacing may include all eligible items as defined above. Roadway resurfacing does not include such non-eligible items as defined above and any other items deemed non-eligible by the Secretary. The City will be responsible for construction of any traffic signal and/or sidewalk improvements that are necessary to comply with the American Disabilities Act of 1990 (ADA) and its implementing regulations at 28 C.F.R. Part 35, regardless of whether such improvements are deemed non-eligible/non-participating bid items by the Secretary for reimbursement purposes.

2. **Secretary Authorization.** The Secretary is authorized by the City to take such steps as are deemed by the Secretary to be necessary or advisable for the purpose of securing the benefits of the current KLINK Resurfacing Program for this Project.

3. **General Indemnification.** To the extent permitted by law and subject to the maximum liability provisions of the Kansas Tort Claims Act, the City will defend, indemnify, hold harmless, and save the Secretary and the Secretary's authorized representatives from any and all costs, liabilities, expenses, suits, judgments, damages to persons or property or claims of any nature whatsoever arising out of or in connection with the provisions or performance of this Agreement by the City, the City's employees, agents, or subcontractors. The City shall not be required to defend, indemnify, hold harmless, and save the Secretary for negligent acts or omissions of the Secretary or the Secretary's authorized representatives or employees.

4. **Indemnification by Contractors.** The City will require the contractor to indemnify, hold harmless, and save the Secretary and the City from personal injury and property damage claims arising out of the act of omission of the contractor, the contractor's agent, subcontractors (at any tier), or suppliers (at any tier). If the Secretary or the City defends a third party's claim, the contractor shall indemnify the Secretary and the City for damages paid to the third party and all related expenses either the Secretary or the City or both incur in defending the claim.

5. **Design, Letting, and Administration.** The City will prepare or contract to have prepared, the design plans, specifications, and cost estimate (PS&E) for the Project, let the contract, and award the contract to the lowest responsible bidder. The City agrees to construct or have constructed the Project in accordance with the final design plans and specifications; inspect or have inspected the construction; administer the Project; and make the payments due the contractor, including the portion of cost borne by the Secretary. The City shall design the Project or contract to have the Project designed in conformity with the current version of Section 16.0 City Connecting Links (KLINK) Resurfacing Program of the LPA Project Development Manual.

6. **Responsibility for Adequacy of Design.** The City and any consultant retained by the City shall have the sole responsibility for the adequacy and accuracy of the design plans, specifications, and estimates. Any review of these items that may be performed by the Secretary or the Secretary's representatives is not intended to and shall not be construed to be an undertaking of the City's and its consultant's duty to provide adequate and accurate design plans, specifications, and estimates. Such reviews are not done for the benefit of the consultant, the construction contractor, the City, or other political subdivision, nor the traveling public. The Secretary makes no representation, expressed or implied warranty to any person or entity concerning the adequacy or accuracy of the design plans, specifications, and estimates or any other work performed by the consultant or the City.

7. **Design Schedule and Submission to Secretary.** The City will follow a schedule for design and development of plans that will allow the Project to be let to contract in the programmed fiscal year; otherwise, the City agrees the Secretary has the right to withdraw the Secretary's participation in the Project. If the City's Project preliminary plans, specifications, and a cost estimate (PPS&E) are submitted to KDOT's Bureau of Local Projects later than May 1 of the programmed fiscal year, at the Secretary's discretion, the Project may be moved into a future fiscal year.

8. **Movement of Utilities.** The City will move or adjust, or cause to be moved or adjusted, and will be responsible for such removal or adjustment of all existing structures, pole lines, pipelines, meters, and other utilities, publicly or privately owned, which may be necessary for construction of the Project in

accordance with the final design plans. The expense of the removal or adjustment of the utilities and encroachments located on public right of way or easement shall be borne by the owner or the City.

9. Future Encroachments. The City will prohibit future erection, installation or construction of encroachments either on or above the right of way, and it will not in the future permit the erection of fuel dispensing pumps upon the right of way of the connecting link. The City further agrees it will require any fuel dispensing pumps erected, moved or installed along the connecting link be placed a distance from the right of way line no less than the distance permitted by the National Fire Code.

10. Legal Authority. The City will adopt all necessary ordinances and/or resolutions and take such administrative or legal steps as may be required to give full effect to the terms of this Agreement.

11. Temporary Traffic Control. The City shall provide a temporary traffic control plan within the design plans, which includes the City’s plan for handling multi-modal traffic during construction, including detour routes and road closings, if necessary, and installation of alternate or temporary pedestrian accessible paths to pedestrian facilities in the public Right of Way within the Project Limits. The City’s temporary traffic control plan must be in conformity with the latest version of the Manual on Uniform Traffic Control Devices (MUTCD), as adopted by the Secretary, and be in compliance with the American Disabilities Act of 1990 (ADA) and its implementing regulations at 28 C.F.R. Part 35, and FHWA rules, regulations, and guidance pertaining to the same.

12. Permanent Traffic Control. The City shall conform the location, form and character of informational, regulatory and warning signs, of traffic signals and of curb and pavement or other markings installed or placed by a public authority, or other agency as authorized by K.S.A. 8-2005, shall conform to the manual and specifications adopted under K.S.A. 8-2003, and any amendments thereto are incorporated by reference, and shall be subject to the approval of the Secretary.

13. Access Control. The City will maintain control of access rights and prohibit the construction or use of any entrances or access points along the Project within the City other than those shown on the final design plans, unless prior approval is obtained from the Secretary.

14. Final Design Plans. The final design plans will depict the entire Project location. The eligible/participating bid items must be shown separated and listed apart from the non-eligible/non-participating bid items on the final design plans, bid documents, and on the detailed billing provided by the City. The City shall have the final design plans signed and sealed by a licensed professional engineer. The City will furnish to KDOT’s Bureau of Local Projects an electronic set of final design plans and specifications. The City further agrees the specifications will require the contractor to provide a performance bond in a sum not less than the amount of the contract as awarded.

15. Program Administration. In addition to complying with all requirements contained in Section 16.0 City Connecting Links (KLINK) Resurfacing Program of the LPA Project Development Manual:

(a) The City acknowledges that funding for the Project may be cancelled if the City proceeds to advertise, let, or award a contract for the Project, prior to receipt of notification from KDOT’s Bureau of Local Projects of its completion of the final review of the plans, specifications, and estimates (PS&E).

(b) The City acknowledges that funding for the Project may be cancelled if the City awards the contract for the Project prior to its receipt of an “Authority to Award” notification from KDOT’s Bureau of Local Projects.

(c) The City will provide to KDOT's Bureau of Local Projects an electronic copy of the executed contract, the completed tax exemption form (PR-76 or PR-74a) and the City's Notice of Award.

(d) After the contract for the Project is awarded, the City will promptly notify both the Project Manager of KDOT's Bureau of Local Projects and the KDOT Area Engineer to communicate the date the contractor is anticipated to begin work on the Project.

(e) The City acknowledges that any costs for work completed prior to receipt of a Notice of Actual Start Date from the KDOT Area Engineer are ineligible for participation in the Program, will be deemed non-participating costs, and shall be the responsibility of the City.

16. Discrimination Laws. The City will: (a) comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 *et seq.*) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 *et seq.*) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 *et seq.*)(ADA) and not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; and (d) include those provisions in (a) through (c) in every contract, subcontract or purchase order so they are binding upon such contractor, subcontractor or vendor. If the City fails to comply with any applicable requirements of (a) through (d) above or if the City is found guilty of any violation by federal or state agencies having enforcement jurisdiction for those Acts, such violation will constitute a breach of this Agreement. If the Secretary determines the City has violated applicable provisions of the ADA, the violation will constitute a breach of this Agreement. If any violation under this paragraph occurs, this Agreement may be cancelled, terminated or suspended in whole or in part.

17. Inspections. The City will provide the construction engineering/inspection necessary to determine substantial compliance with the final design plans, specifications, and this Agreement. The City will require at a minimum all personnel, whether City or consultant to comply with the high visibility apparel requirements of the *KDOT Safety Manual*, Chapter 4, Section 8 Fluorescent Vests. If the City executes an agreement for inspection, the agreement must contain this requirement as a minimum. The City may set additional clothing requirements for adequate visibility of personnel.

18. Corrective Work. Representatives of the Secretary may make periodic inspection of the Project and the records of the City as may be deemed necessary or desirable. The City will direct or cause its contractor to accomplish any corrective action or work required by the Secretary's representative as needed for a determination of the funding participation in the KLINK Resurfacing Program. The Secretary does not undertake (for the benefit of the City, the contractor, the consultant, or any third party) the duty to perform day-to-day detailed inspection of the Project or to catch the contractor's errors, omissions or deviations from the final design plans and specifications.

19. Attestation. Upon completion of the Project the City shall have a licensed professional engineer employed by the City attest in an email to the KDOT Area Engineer and the Project Manager for KDOT's Bureau of Local Projects, that the Project was completed in substantial compliance with the final design plans and specifications.

20. Final Acceptance. Prior to issuing final payment to the contractor, the City must obtain final acceptance of the Project from the KDOT Area Engineer.

21. Accounting. Upon request by the Secretary, the City will provide the Secretary an accounting of all actual non-participating costs which are paid directly by the City to any party outside of KLINK Master – City Let (Rev. 03-2016)

KDOT and costs incurred by the City not to be reimbursed by KDOT for preliminary engineering, utility adjustments, or any other major expense associated with the Project. This will enable the Secretary to report all costs of the Project to the legislature.

22. Reimbursement Request. The City will request payment from the Secretary after the City has paid the contractor in full, and a licensed professional engineer has attested in writing the Project has been completed in conformance with the plans and specifications.

23. Audit. The City will participate and cooperate with the Secretary in an annual audit of the Project. The City shall make its records and books available to representatives of the Secretary for audit for a period of five (5) years after date of final payment under this Agreement. If any such audits reveal payments have been made with state funds by the City for items considered non-participating, the City shall promptly reimburse the Secretary for such items upon notification by the Secretary.

ARTICLE IV

GENERAL PROVISIONS:

1. Existing Right of Way. The Project will be constructed within the limits of the existing right of way.

2. Incorporation of Final Plans. The final design plans and specifications are by this reference made a part of this Agreement.

3. Compliance with Federal and State Laws. The Parties agree to comply with all appropriate state and federal laws and regulations applicable to this Project.

4. Project Modification. Any of the following Project changes require the City to send a formal notice to the Secretary for approval:

- a. Fiscal year the Project is to be let
- b. Project length
- c. Project location
- d. Project scope

Items b, c, and d require an attached map to scale.

It is further mutually agreed during construction, the City shall notify the Secretary of any changes in the plans and specifications.

5. Civil Rights Act. The “Special Attachment No. 1,” pertaining to the implementation of the Civil Rights Act of 1964, is attached and made a part of this Agreement.

6. Contractual Provisions. The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-12), which is attached hereto, are hereby incorporated in this contract and made a part hereof.

7. Termination. If, in the judgment of the Secretary, sufficient funds are not appropriated to continue the function performed in this Agreement and for the payment of the charges hereunder, the Secretary may terminate this Agreement at the end of its current fiscal year. The Secretary will participate in all costs approved by the Secretary incurred prior to the termination of the Agreement.

8. **Binding Agreement.** This Agreement and all contracts entered into under the provisions of this Agreement are binding upon the Secretary and the City and their successors in office.

9. **No Third Party Beneficiaries.** No third party beneficiaries are intended to be created by this Agreement and nothing in this Agreement authorizes third parties to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

10. **Headings.** The captions of the various articles and sections of this Agreement are for convenience and ease of reference only, and do not alter the terms and conditions of any part or parts of this Agreement.

11. **Effective Date.** This Agreement will become effective as of the date signed by the Secretary or designee.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their duly authorized officers.

ATTEST:

THE CITY OF GARDEN CITY, KANSAS

CITY CLERK (Date)

MAYOR

(SEAL)

Kansas Department of Transportation
Secretary of Transportation

By: _____
Jerome T. Younger, P.E. (Date)
Deputy Secretary and
State Transportation Engineer

KANSAS DEPARTMENT OF TRANSPORTATION

Special Attachment
To Contracts or Agreements Entered Into
By the Secretary of Transportation of the State of Kansas

NOTE: Whenever this Special Attachment conflicts with provisions of the Document to which it is attached, this Special Attachment shall govern.

THE CIVIL RIGHTS ACT OF 1964, and any amendments thereto,
REHABILITATION ACT OF 1973, and any amendments thereto,
AMERICANS WITH DISABILITIES ACT OF 1990, and any amendments thereto,
AGE DISCRIMINATION ACT OF 1975, and any amendments thereto,
EXECUTIVE ORDER 12898, FEDERAL ACTIONS TO ADDRESS ENVIRONMENTAL JUSTICE IN MINORITY
POPULATIONS AND LOW INCOME POPULATIONS 1994, and any amendments thereto,
49 C.F.R. Part 26.1 (DBE Program), and any amendments thereto

NOTIFICATION

The Secretary of Transportation for the State of Kansas, in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964 (78 Stat. 252), §504 of the Rehabilitation Act of 1973 (87 Stat. 355) and the Americans with Disabilities Act of 1990 (42 USC 12101), the Age Discrimination Act of 1975 (42 USC 6101), the regulations of the U.S. Department of Transportation (49 C.F.R., Part 21, 23, and 27), issued pursuant to such Act, Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations (1994), and the DBE Program (49 C.F.R., Part 26.1), hereby notifies all contracting parties that, the contracting parties will affirmatively ensure that this contract will be implemented without discrimination on the grounds of race, religion, color, gender, age, disability, national origin, or minority populations and low income populations as more specifically set out in the following "Nondiscrimination Clauses".

CLARIFICATION

Where the term "Consultant" appears in the following "Nondiscrimination Clauses", the term "Consultant" is understood to include all parties to contracts or agreements with the Secretary of Transportation of the State of Kansas.

Nondiscrimination Clauses

During the performance of this contract, the Consultant, or the Consultant's assignees and successors in interest (hereinafter referred to as the "Consultant"), agrees as follows:

- 1) Compliance with regulations: The Consultant will comply with the regulations of the U.S. Department of Transportation relating to nondiscrimination in its federally-assisted programs and codified at Title 49, Code of Federal Regulations, Parts 21, 23 and 27, (hereinafter referred to as the "Regulations"). The Regulations are herein incorporated by reference and made a part of this contract.
- 2) Nondiscrimination: The Consultant, with regard to the work performed by the Consultant after award and prior to the completion of the contract work, will not discriminate on the grounds of race, religion, color, gender, age, disability, national origin or minority populations and low income populations in the selection and retention of subcontractors, including in the procurements of materials and leases of equipment. The Consultant will not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
- 3) Solicitations for Subcontractors, including Procurements of Material and Equipment: In all solicitations, either competitive bidding or negotiation made by the Consultant for work to be performed under a subcontract including procurements of materials and equipment, each potential subcontractor or supplier shall be notified by the Consultant of the Consultant's obligation under this contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, gender, age, disability, national origin or minority populations and low income populations.

- 4) Information and Reports: The Consultant will provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and the Secretary of the Transportation of the State of Kansas will be permitted access to the Consultant's books, records, accounts, other sources of information, and facilities as may be determined by the Secretary of Transportation of the State of Kansas to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a Consultant is in the exclusive possession of another who fails or refuses to furnish this information, the Consultant shall so certify to the Secretary of Transportation of the State of Kansas and shall set forth what efforts it has made to obtain the information.
- 5) Employment: The Consultant will not discriminate against any employee or applicant for employment because of race, religion, color, gender, age, disability, or national origin.
- 6) Sanctions for Noncompliance: In the event of the Consultant's noncompliance with the nondiscrimination provisions of this contract, the Secretary of Transportation of the State of Kansas shall impose such contract sanctions as the Secretary of Transportation of the State of Kansas may determine to be appropriate, including, but not limited to,
 - (a) withholding of payments to the Consultant under the contract until the Consultant complies, and/or
 - (b) cancellation, termination or suspension of the contract, in whole or in part.
- 7) Disadvantaged Business Obligation
 - (a) Disadvantaged Business as defined in the Regulations shall have a level playing field to compete for contracts financed in whole or in part with federal funds under this contract.
 - (b) All necessary and reasonable steps shall be taken in accordance with the Regulations to ensure that Disadvantaged Businesses have equal opportunity to compete for and perform contracts. No person(s) shall be discriminated against on the basis of race, color, gender, or national origin in the award and performance of federally-assisted contracts.
 - (c) The Consultant, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Consultant shall carry out applicable requirements of 49 C.F.R. Part 26 in the award and administration of Federally-assisted contracts. Failure by the Consultant to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.
- 8) Executive Order 12898
 - (a) To the extent permitted by existing law, and whenever practical and appropriate, all necessary and reasonable steps shall be taken in accordance with Executive Order 12898 to collect, maintain, and analyze information on the race, color, national origin and income level of persons affected by programs, policies and activities of the Secretary of Transportation of the State of Kansas and use such information in complying with Executive Order 12898.
- 9) Incorporation of Provisions: The Consultant will include the provisions of paragraphs (1) through (8) in every subcontract, including procurements of materials and equipment, unless exempt by the Regulations, order, or instructions issued pursuant thereto. The Consultant will take such action with respect to any subcontract or procurement as the Secretary of Transportation of the State of Kansas may direct as a means of enforcing such provisions including sanctions for noncompliance: PROVIDED, however, that, in the event a Consultant becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Consultant may request the State to enter into such litigation to protect the interests of the State.

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-12), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the _____ day of _____, 20_____.

1. **Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.
2. **Kansas Law and Venue:** This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.
3. **Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges-hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
4. **Disclaimer Of Liability:** No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Contractor agrees to comply with all applicable state and federal anti-discrimination laws.

The provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting State agency cumulatively total \$5,000 or less during the fiscal year of such agency.

6. **Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
7. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
8. **Representative's Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
9. **Responsibility For Taxes:** The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
10. **Insurance:** The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.
11. **Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
12. **The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."
13. **Campaign Contributions / Lobbying:** Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Steve Cottrell, Assistant to the City Manager
DATE: July 19, 2016
RE: KDOT Supplemental Agreements for Kansas Avenue Widening and KLINK projects

ISSUE:

The Governing Body is asked to consider and approve supplemental agreements with KDOT for the Kansas Avenue Widening project and the 2016 KLINK project.

BACKGROUND:

The City and KDOT have previously executed agreements and supplemental agreements for both the Kansas Avenue Widening (Geometric Improvement) project and the 2016 Kansas Avenue KLINK project. Both agreements originally required Davis Bacon wage rates. KDOT no longer requires Davis Bacon wages on State funded projects and has prepared the attached supplemental agreements for Governing Body consideration and approval.

Elimination of the Davis Bacon requirement will result in some savings to the projects, mostly in the form of reduced administrative costs to the contractor. Most contractors have been paying comparable wages so there will not be any major savings in labor.

Supplemental Agreement No. 2 to Agreement No. 29-13 is for the Kansas Avenue Widening project. Supplemental Agreement No. 2 to Agreement No. 201-12 is for the 2016 KLINK project.

The Widening project is ready to bid. We previously combined it and a watermain replacement as a single contract but had no bidders in February. We will add the 2016 KLINK project to tied bid; we hope to let bids in September, depending upon final review of the KLINK plans by KDOT this month.

ALTERNATIVES:

- 1) Approve the Supplemental Agreements.
- 2) Defer action until a later date.

RECOMMENDATION:

Staff recommends Governing Body approval of the two supplemental agreements.

FISCAL NOTE:

Funding of the estimated \$893,800 local share of the Kansas Avenue Widening project is included in the 2014 General Obligation Bond issue and funding of the estimated \$495,000 local share of the 2016 KLINK is included in the 2015 General Obligation Bond issue.

ATTACHMENTS:

Description	Upload Date	Type
Supplemental Agreement No. 2 Kansas Avenue Widening	7/11/2016	Backup Material
Supplemental Agreement No. 2 2016 KLINK	7/11/2016	Backup Material

PROJECT NO. 156-28 KA-2621-01
GEOMETRIC IMPROVEMENT
CITY OF GARDEN CITY, KANSAS

S U P P L E M E N T A L A G R E E M E N T N o . 2

This Agreement, made and entered into effective the date signed by the Secretary or designee, is by and between the **Secretary of Transportation**, Kansas Department of Transportation (KDOT) (the "Secretary") and the **City of Garden City, Kansas** ("City"), **collectively**, the "Parties."

RECITALS:

- A. The Parties entered into an Agreement dated April 11, 2013 for reconstruction on K-156 (the "Original Agreement").
- B. The Parties entered into a supplemental agreement dated November 17, 2015 ("Supplemental No. 1") to reflect the City's sponsorship and local administration of the Project.
- C. The Parties now mutually desire to supplement the Original Agreement to remove provisions that do not apply to the Project.

NOW, THEREFORE, the Parties agree as follows:

- 1. On page 11 of the Original Agreement, and page 3 of Supplemental No.1, Article III, paragraph 23 "Prevailing Wages" be removed in its entirety.

THIS SUPPLEMENTAL AGREEMENT shall not be construed to alter, modify, or void the terms, provisions or conditions of the Original Agreement, incorporated herein by reference, except as herein specifically provided.

IN WITNESS WHEREOF, the Parties have caused this Supplemental Agreement to be signed by their duly authorized officers.

ATTEST:

THE CITY OF GARDEN CITY, KANSAS

CITY CLERK (Date)

MAYOR

(SEAL)

Kansas Department of Transportation
Secretary of Transportation

By: _____
Jerome T. Younger, P.E. (Date)
Deputy Secretary and
State Transportation Engineer

PROJECT NO. 156-28 U-0154-01
KLINK RESURFACING PROJECT
CITY OF GARDEN CITY, KANSAS

S U P P L E M E N T A L A G R E E M E N T N o . 2

This Agreement, made and entered into effective the date signed by the Secretary or designee, is by and between **MICHAEL S. KING, Secretary of Transportation**, Kansas Department of Transportation (KDOT) (the “Secretary”) and the **City of Garden City, Kansas** (“City”), collectively, the “Parties.”

RECITALS:

- A. The Parties entered into Agreement No. 201-12 dated October 12, 2012 for a KLINK resurfacing project on K-156, a city connecting link for the State Highway System in the City (the “Original Agreement”).
- B. The Parties entered into a Supplemental Agreement, dated February 16, 2015 to cancel KLINK Project No. 156-28 U-0203-01 (Agreement No. 41-14) and combine the work and funding into Project No. 156-28 U-0154-01.
- C. The Parties mutually desire the Secretary cancel KLINK Project No. 156-28 U-0375-01 and combine the work and funding into Project. No. 156-28 U-0154-01, such that the resurfacing is now for K-156, from 0.066 miles West of Belmont Place to Anderson Street.
- D. The Parties mutually agree for the benefit of the Project administration and the benefit to the traveling public, Project No. 156-28 U-0375-01 is cancelled and Agreement No. 201-12 is supplemented.

NOW, THEREFORE, the Parties agree as follows:

1. On page 1 of the Original Agreement, the definition for Project, be replaced in its entirety to read as follows:

Project – mill and overlay, reconstruction, minor patching, joint repair, slurry seal, microsurfacing, and any other pre-approved resurfacing methods for the KLINK Resurfacing Program for K-156, from 0.066 miles West of Belmont Place to Anderson Street, in Garden City, Kansas.

2. On page 2 of the Original Agreement, Article I, “THE SECRETARY AGREES,” paragraph 1, be replaced in its entirety to read as follows:

1. To reimburse the City fifty percent (50%) of the total actual costs of construction (which includes the costs of all construction contingency items) and construction engineering, but not to exceed \$600,000.00, as the Secretary’s total share of the cost to construct the Project. The Secretary shall not be responsible for the total actual costs of construction (which includes the costs of all construction contingency items) and construction

engineering that exceeds \$1,200,000.00. The Secretary shall not be responsible for the total actual costs of preliminary engineering, utility adjustments, or items not participating in the KLINK Resurfacing Program.

THIS SUPPLEMENTAL AGREEMENT shall not be construed to alter, modify, or void the terms, provisions or conditions of the Original Agreement, incorporated herein by reference, except as herein specifically provided.

IN WITNESS WHEREOF, the Parties have caused this Supplemental Agreement to be signed by their duly authorized officers.

ATTEST:

THE CITY OF GARDEN CITY, KANSAS

CITY CLERK (Date)

MAYOR

(SEAL)

Kansas Department of Transportation
Michael S. King, Secretary of Transportation

By: _____
Jerome T. Younger, P.E. (Date)
Deputy Secretary and
State Transportation Engineer



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Jennifer Cunningham, Assistant City Manager
DATE: July 19, 2016
RE: Lease Agreement - 306 North 6th Street

ISSUE:

The Governing Body is asked to consider and approve a lease agreement for 306 North 6th Street between the City of Garden City and Aaron Stewart, Garden City Recreation Commission Superintendent.

BACKGROUND:

During the Commission meeting on May 3, 2016, the Governing Body voted to sell the property at 306 North 6th Street. At that time staff informed the Governing Body that the property would not be for sell immediately. The property needs to be surveyed and re-plat before being sold. This property is currently on a waiting list to be surveyed. It will be an additional 3-4 months before everything is complete.

Last week the Garden City Recreation Commission hired Aaron Stewart from Firestone, Colorado as their new Superintendent. Aaron and his family are selling a home in Colorado and purchasing a home in Garden City, but in the interim they need a place to lease. Work and school obligations require the family to physically transition in less than 30 days.

Staff asked City Attorney Grisell to draft a lease agreement between the City of Garden City and Aaron Stewart for the property at 306 North 6th Street as an option. That agreement is attached.

ALTERNATIVES:

1. Lease the property at 306 North 6th Street to Aaron Stewart based on the attached lease agreement while we await the survey and re-plat.
2. Lease the property at 306 North 6th Street to Aaron Stewart while we await the survey and re-plat, but suggest changes to the attached lease agreement.
3. Do not lease the property at 306 North 6th Street while we wait for the survey and re-plat.

RECOMMENDATION:

Staff recommends alternative #1.

FISCAL NOTE:

The City would receive rental income from the property at \$425 per month for the months that Aaron Stewart and his family occupy the home. During the lease, staff will continue to take the necessary steps to get the home ready to sell when the agreement terminates.

ATTACHMENTS:

Description
Lease Agreement - 302 N. 6th Street

Upload Date Type
7/14/2016 Backup Material

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into the ____ day of July, 2016, by and between CITY OF GARDEN CITY, KANSAS, a municipal corporation, (Lessor), and AARON STEWART (Lessee).

RECITALS

A. Lessor owns the real property described below; and,

B. Lessor and Lessee mutually desire to enter into a written lease agreement specifying the terms, conditions and provisions governing the leasing of the real property by Lessee.

NOW, THEREFORE, in consideration of the premises and the provisions hereinafter set forth, the parties agree as follows:

1. DESCRIPTION OF LEASED PREMISES. Lessor does hereby let and lease to Lessee and Lessee does hereby lease from Lessor the following described real property, to-wit:

Residence commonly known and numbered as 306 North Sixth Street
in the City of Garden City, Finney County, Kansas (Leased Premises).

2. TERM. The term of this Lease Agreement shall be month to month, effective the 1st day of August, 2016, regardless of date of execution or approval by the parties, and continue thereafter until terminated by either party. This Lease Agreement may be terminated by either party, for any reason, by giving thirty (30) days written notice to the other party.

3. MAINTENANCE. Lessee shall be responsible for any and all maintenance necessary to keep the Leased Premises in a clean and neat condition. The Leased Premises shall be kept by Lessee in a neat and orderly fashion, including, but not limited to, mowing of grass and control of weeds. Lessor shall be responsible for maintenance, repair, and replacement of all major items on or at the Leased Premises, including but not limited to, plumbing, heating and air conditioning, exterior paint, windows, roof, and carpeting and flooring; provided, however, Lessee shall be solely responsible for any repair or replacement for damage occurring as a result of the negligence, acts, or omissions of Lessee, his family members or guests.

4. RENT. Lessee agrees to pay as rent for the Leased Premises, the sum of Four Hundred Twenty-five Dollars (\$425) per month, payable on or before the 1st day of each month, with such payments to begin August 1, 2016. All rent payments shall be made to the City Clerk, 301 North 8th Street, P.O. Box 998, Garden City, Kansas 67846. A late fee of Ten Dollars (\$10) shall be assessed for rent paid after the 6th day of any month.

5. CONDITION OF PREMISES. Lessee stipulates, represents and warrants that Lessee has examined the Leased Premises, and that they are at the time of this Lease Agreement in good order, repair, and in a safe, clean and tenantable condition.

6. USE OF PREMISES. The Leased Premises shall be used and occupied by Lessee and Lessee's immediate family, as a private single family dwelling, and no part of the Leased Premises shall be used at any time during the term of this Lease Agreement by Lessee for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a private single family dwelling. Lessee shall not allow any other person, other than Lessee's immediate family, to use or occupy the Leased Premises.

7. RIGHT OF ENTRY. Lessor reserves the right by its designated agents or employees to enter into the Leased Premises, at any reasonable time, subject to prior notice to Lessee, to inspect the Leased Premises, and for the purposes of making any repairs, additions or alterations as may be deemed appropriate by Lessor for the preservation of the Leased Premises.

8. UTILITIES. Lessee shall be responsible for the payment of utility services used on the Leased Premises, including but not limited to electricity, gas, water, telephone, and internet, and Lessee shall indemnify Lessor against any and all liability on such charges.

9. LIENS AND ENCUMBRANCES. Lessee covenants and agrees at all times to keep the Leased Premises free from liens and encumbrances of whatever kind or nature arising from, or predicated upon, materials furnished or work or labor performed upon the Leased Premises at Lessee's request or by Lessee's authority.

10. TAXES. Lessor agrees to pay any and all taxes or special assessments which may be levied or assessed upon the Leased Premises, or upon Lessor's interest in said Leased Premises. Lessee shall be responsible for any and all taxes or assessments against personal property of Lessee on the Leased Premises.

11. CASUALTY INSURANCE. Lessor agrees to keep the Leased Premises insured against loss or damage by fire or other casualties, although Lessee shall not be named as loss payee or insured. Lessee shall be responsible for insurance on Lessee's personal property and any and all contents in the residence or located on the Leased Premises.

12. INDEMNIFICATION. Lessor shall not be liable for damage to any property or any injury or death to Lessee, Lessee's family, guests, invitees, or agents occurring on the Leased Premises, regardless of cause or fault. Lessee agrees to indemnify Lessor against, and to hold Lessor harmless from, any and all claims or demands for loss of or damage to property or for the injury or death to any person from any cause whatsoever while in, upon, or about the Leased Premises, during the term of this Lease Agreement.

13. HAZARDOUS MATERIALS. Lessee shall not keep on the Leased Premises any item of a dangerous, flammable or explosive character that might unreasonably increase the danger of fire or explosion on the Leased Premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

14. LESSEE'S RESPONSIBILITIES AND DUTIES. The responsibilities and duties of Lessee, in addition to any other responsibilities and duties set forth in this Lease Agreement, shall be as follows:

- a) Obey all city, state and federal laws applicable to use or occupancy of the Leased Premises;
- b) Not engage in, or allow any guest to engage in, any criminal conduct, including, but not limited to, use or possession of controlled substances; and
- c) Not create any nuisance condition.

15. ALTERATIONS. Lessee shall not make any material or substantial alteration or addition to the Leased Premises without the prior written consent of Lessor. All installations, additions, or improvements in or upon the Leased Premises, made by either party, shall become the property of Lessor and shall remain upon the Leased Premises and be surrendered with the Leased Premises as a part thereof, at the expiration or sooner termination of this Lease Agreement.

16. ASSIGNMENT/SUBLETTING. Lessee shall not assign, transfer, pledge, or sublet, the Leased Premises or this Lease Agreement, or any interest therein.

17. DEFAULT. This Lease Agreement is made upon the express condition that if Lessee fails to pay rent after the same shall become due, and such failure shall continue for a period of five (5) days after written notice from Lessor to Lessee, or if Lessee fails or neglects to perform or observe any of Lessee's other obligations hereunder and such failure and neglect shall continue for thirty (30) days after written notice to Lessee from Lessor, Lessor at any time thereafter, by written notice to Lessee, may lawfully declare the termination hereof and re-enter the Leased Premises or any part thereof, and further, Lessor shall be entitled to pursue all available legal remedies.

18. DAMAGE TO PREMISES. In the event the Leased Premises are destroyed or rendered wholly uninhabitable by fire, storm, or other casualty not caused by the negligence of Lessee, this Lease Agreement shall terminate from such time except for the purpose of enforcing rights that may have then accrued hereunder. The rental provided for herein shall then be accounted for by and between Lessor and Lessee up to the time of such injury or destruction of the Leased Premises, Lessee paying rental up to such date and Lessor refunding rental collected beyond such date. Should a portion of the Leased Premises be rendered uninhabitable, Lessor shall have the option of either repairing such injured or damaged portion or terminating this Lease Agreement. In the event Lessor exercises its right to repair such uninhabitable portion, the rental shall abate in the proportion that the injured part bears to the whole Leased Premises, and such part so injured shall be restored by Lessor as speedily as practicable, after which the full rent shall recommence and the Lease Agreement continue according to its terms.

19. SURRENDER. Upon expiration of this Lease Agreement for any reason, whether by reason of expiration of the term hereof or cancellation for default or otherwise, Lessee shall, and hereby covenants and agrees, to peacefully surrender and deliver up possession of the Leased Premises to Lessor, broom-clean and in as good condition or repair as the same was at the inception of this Lease Agreement, reasonable depreciation and damages from the elements excepted.

20. QUIET ENJOYMENT. Lessee, upon payment of all of the sums referred to herein as being payable by Lessee and Lessee's performance of all Lessee's agreements contained herein and Lessee's observance of all rules and regulations, shall and may peacefully and quietly have, hold and enjoy the Leased Premises for the term hereof.

21. ABANDONMENT. If, at any time during the term of this Lease Agreement, Lessee abandons the Leased Premises or any part thereof, Lessor may, at Lessor's option, obtain possession of the Leased Premises in the manner provided by law, and without becoming liable to Lessee for damages or for any payment of any kind whatsoever. If Lessor's right of reentry is exercised following abandonment of the Leased Premises by Lessee, then Lessor shall consider

any personal property belonging to Lessee and left on the Leased Premises to also have been abandoned, in which case Lessor may dispose of all such personal property in any manner Lessor shall deem proper and Lessor is hereby relieved of all liability for doing so.

22. GENERAL COVENANTS.

(a) All notices required or which may be given hereunder shall be considered as properly given if delivered in writing, personally, or sent by certified mail, postage prepaid, addressed as follows:

(1) If to Lessor: Jennifer V. Cunningham, Assistant City Manager
301 North Eighth Street
P. O. Box 998
Garden City, Kansas 67846

(2) If to Lessee: Aaron Stewart
306 North Sixth Street
Garden City, Kansas 67846

Notices served by mail shall be deemed to be given on the date on which such notice is deposited in the United States mail. Lessor and Lessee shall each have the right from time to time to change the place notice is to be given under this subparagraph by written notice thereof to the other party.

(b) This instrument incorporates all of the obligations, agreements and understandings of the parties hereto, and there are no oral agreements or understandings between the parties hereto concerning the property or any subject covered by this Lease Agreement.

(c) This Lease Agreement may be amended, changed, or modified, only upon the written consent of all the parties.

(d) This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, personal representatives and permitted assigns.

(e) This Lease Agreement shall be construed in accordance with the laws of the state of Kansas.

(f) The headings of the paragraphs of this Lease Agreement are for convenience of reference only and shall not be considered a part of or affect the construction or interpretation of any provisions of this Lease Agreement.

(g) In the event any provision of this Lease Agreement shall be invalid under applicable laws, such invalid provision shall automatically be considered reformed and amended so as to conform to all applicable legal requirements, or, if such invalidity cannot be cured by reformation or amendment, the same shall be considered stricken and deleted, but in neither such event or events shall the validity or the enforceability of the remaining valid portions hereof be affected thereby.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the day and year first above written.

Lessor

CITY OF GARDEN CITY, KANSAS

By _____
Chris Law, Mayor

Date

ATTEST:

Celyn N. Hurtado, City Clerk

Lessee

Aaron Stewart

Date



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Michael D. Utz, Chief of Police
DATE: July 19, 2016
RE: 2016-2017 Law Enforcement Officer Assignment Agreement

ISSUE:

The Governing Body is asked to consider and approve the proposed agreement between USD 457 and the GCPD School Resource Officers for the 2016-2017 school year.

BACKGROUND:

The GCPD has provided four School Resource Officers to USD 457 for assignments to the High School, Middle Schools and the Intermediate Schools. Officers are present in the schools to investigate and enforce statutes of the State of Kansas, and City ordinances; and conduct seminars and or classroom presentations. The GCPD has also provided security at USD 457 after school events to include dances, sporting events.

ALTERNATIVES:

1. Approve the attached agreement.
2. Reject the agreement.

RECOMMENDATION:

Staff recommends Governing Body approve the attached agreement between USD 457 and the GCPD.

FISCAL NOTE:

Compensation for the School Resource Officers will be in the amount of \$266,022.80. USD 457 will reimburse the GCPD in two incremental payments of \$133,011.40. Additionally, GCPD has budgeted funds for the officers to provide security at various events within USD 457, with the agreement that half of the expenses be reimbursed by USD 457. Upon receipt of reimbursements, funds will then be returned to the General Fund 001-12-000-3470.04.

ATTACHMENTS:

Description	Upload Date	Type
LEOA Agreement	7/13/2016	Backup Material

LAW ENFORCEMENT OFFICER ASSIGNMENT AGREEMENT

THIS LAW ENFORCEMENT OFFICER ASSIGNMENT AGREEMENT (Agreement) made and entered into this _____ day of July, 2016, by and between the CITY OF GARDEN CITY, KANSAS (CITY), the GARDEN CITY POLICE DEPARTMENT (GCPD), and the BOARD OF EDUCATION, UNIFIED SCHOOL DISTRICT NO. 457, FINNEY COUNTY, STATE OF KANSAS (USD 457).

WHEREAS, USD 457 has a need to provide a safe educational environment for staff and students at Garden City High School (GCHS), Kenneth Henderson Middle School (KHMS), Horace J. Good Middle School (HGMS), Charles Stones Intermediate Center (CSIC), and Bernadine Sitts Intermediate Center (BSIC); and

WHEREAS, CITY/GCPD have a desire to discharge law enforcement duties for the citizens of Garden City, including staff and students at GCHS, KHMS, HGMS, CSIC, and BSIC, in an efficient and effective manner; and

WHEREAS, placement of GCPD law enforcement officers at GCHS, KHMS, HGMS, CSIC, and BSIC for the purposes delineated in this Agreement will serve the needs of USD 457 and GCPD.

NOW, THEREFORE, in consideration of the terms and conditions set forth below, the parties agree as follows:

1. PURPOSE. The purpose of this Agreement is for the placement of a GCPD law enforcement officer at each designated school, GCHS, KHMS, HGMS, CSIC, and BSIC as a means of providing security, and law enforcement related education, to the staff and students of GCHS, KHMS, HGMS, CSIC, and BSIC.

2. TERM. The term of this Agreement shall be for the 2016-17 school year, commencing on August 11, 2016, and ending May 19, 2017.

3. ASSIGNMENT OF LAW ENFORCEMENT OFFICER. GCPD shall assign GCPD law enforcement officers to GCHS, KHMS, and HGMS for the 2016-17 school year. The law enforcement officers shall be present at their respective schools each day school is in session, from 7:00 a.m. to 4:00 p.m., and as otherwise designated as to frequency and time at CSIC and BSIC. USD 457 shall provide an office for the law enforcement officer at each school.

4. COMPENSATION. USD 457 shall pay to CITY, the sum of Two Hundred Sixty-six Thousand Twenty-two and 80/100 Dollars (\$266,022.80), for the services of four (4) law enforcement officers for the 2016-17 school year. The payments from USD 457 to CITY shall be made as follows: One Hundred Thirty-three Thousand Eleven and 40/100 Dollars (\$133,011.40) on or before December 15, 2016, and the remaining amount of One Hundred Thirty-three Thousand Eleven and 40/100 (\$133,011.40) on or before June 15, 2017. The amount paid by USD 457 represents three-fourths of the total salary and benefits to be paid to the law enforcement officers.

5. DUTIES OF LAW ENFORCEMENT OFFICERS. The law enforcement officers shall discharge all duties expected of any law enforcement officer employed by CITY/GCPD, including, but not limited to the following:

- (a) Enforcement of all statutes of the State of Kansas and ordinances of CITY.
- (b) Investigation of statutory or ordinance violations occurring at GCHS, KHMS, HGMS, CSIC, and/or BSIC.
- (c) Discharge of duties pursuant to state statute and rules and regulations of CITY and GCPD.
- (d) Conduct educational seminars and/or give classroom presentations on relevant subjects related to the law and GCHS, KHMS, HGMS, CSIC, and BSIC students.

6. ASSIGNMENT OF LAW ENFORCEMENT OFFICERS AT USD 457 ACTIVITIES. When requested by USD 457, GCPD shall assign GCPD law enforcement officers to provide security at USD 457 activities, such as sporting events, dances, and other events where law enforcement security is normally required. USD 457 shall pay GCPD the rate of thirty dollars (\$30) per hour per assigned law enforcement officer for the security services provided. GCPD shall bill, and USD 457 shall pay for, one-half (1/2) of the total hours of security services provided during the 2016-17 school year, on January 15, 2017, and June 15, 2017.

7. DISCIPLINE AND CONTROL OF STUDENTS. The law enforcement officers shall not engage in the discipline of students which might be required as a result of a violation of GCHS, KHMS, HGMS, CSIC, or BSIC policies and procedures or USD 457 board policy. The law enforcement officers shall not be required to control the conduct of students who may be violating GCHS, KHMS, HGMS, CSIC, or BSIC policy or procedure or USD 457 board policy, if the conduct does not rise to the level of a statutory or ordinance violation. The complete responsibility for discipline and control of students for conduct which is a violation of GCHS, KHMS, HGMS, CSIC, or BSIC policies and procedures or USD 457 board policy shall be with USD 457.

8. SCOPE OF EMPLOYMENT. The law enforcement officers shall be employees of CITY/GCPD, and shall be under the sole and exclusive direction and control of the Chief of Police of the GCPD. The specific law enforcement officers to be assigned to GCHS shall be within the discretion of the Chief of Police of the GCPD, and the specific law enforcement officers may be substituted from time to time, although the parties acknowledge and agree that uniformity in assignment of law enforcement officer to the schools is an important factor.

9. RECORDS. The law enforcement officers shall not have access to educational records unless authorized by federal or state law or USD 457 board policy. This Agreement in no manner abrogates any federal or state law governing juvenile, criminal, or educational information or records, and neither party to this Agreement is authorized to disclose any information or record to the other party, which has been deemed to be confidential by federal or state law, or USD 457 board policy.

10. ADMINISTRATION OF AGREEMENT. The Chief of Police of the GCPD and the Principals of GCHS, KHMS, HGMS, CSIC, and BSIC shall be responsible for implementation of this Agreement, and they shall be the contact persons for their respective entities pertaining to any issue involving this Agreement or the law enforcement officers.

11. AUTHORITY TO CONTRACT. CITY and USD 457 possess the power, privilege, and/or authority to enter into this Agreement pursuant to K.S.A. 12-101, *et seq.*, K.S.A. 72-8201, and the Kansas Constitution, Article 6, Sec. 5; and Article 12, Sec. 5.

12. ADOPTION. CITY and USD 457 shall take all appropriate action to adopt and approve this Agreement by ordinance, resolution, or motion. Any subsequent amendment to, or extension of, this Agreement shall also require adoption by appropriate action.

13. SEPARATE ENTITY. It is not the intent of CITY and USD 457 to create a separate legal or administrative entity to perform the functions of this Agreement.

14. MANNER OF FINANCING. The manner of financing to support the purpose of this Agreement shall be through expenditure of general funds, by CITY and USD 457.

15. TERMINATION. This Agreement may be terminated by either party, for any reason, by giving not less than thirty (30) days' notice to the other party. The parties agree that upon termination of this Agreement prior to the end of the term contemplated by Paragraph 2 above, the parties shall determine a pro-rata apportionment of compensation on the basis of CITY - 1/4th and USD 457 - 3/4ths of the yearly compensation of the four (4) law enforcement officers.

16. DEFAULT. Should a party fail to abide by the terms and conditions of this Agreement, the other party may declare a default and thereafter, give written notice of intent to terminate by reason of default, said notice to be not less than thirty (30) days. This Agreement shall not limit in any manner, the legal rights or remedies a party might have in the event of a default.

17. LEGAL RESPONSIBILITY. It is not the intent of CITY or USD 457 to relieve either party of any obligation or responsibility imposed upon a party by law.

18. CONTROL OF LEGISLATURE/FUNDING. The parties acknowledge and agree that this Agreement is subject to change, termination, or limitations, as may be determined by the Legislature of the State of Kansas. In the event sufficient funds shall not be appropriated by CITY or USD 457 for any obligations required under the terms and conditions of this Agreement, CITY and/or USD 457 may terminate this Agreement pursuant to the notice requirements set forth herein.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement the day and year first above written.

CITY OF GARDEN CITY, KANSAS

Date

By _____
Chris Law, Mayor

ATTEST:

Celyn N. Hurtado, City Clerk

GARDEN CITY POLICE DEPARTMENT

Date

By _____
Michael D. Utz, Chief

BOARD OF EDUCATION,
UNIFIED SCHOOL DISTRICT NO. 457,
FINNEY COUNTY, STATE OF KANSAS

Date

By _____
President

ATTEST:

Joanne Nelson, Clerk of the Board



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Michael D. Utz, Chief of Police
DATE: July 19, 2016
RE: 2016-2017 Crossing Guard Agreement

ISSUE:

The Governing Body is asked to consider and approve the proposed Crossing Guard Agreement between USD 457 and the GCPD for the 2016-2017 school year.

BACKGROUND:

Attached is the proposed Crossing Guard Agreement for the 2016-2017 school year.

ALTERNATIVES:

1. Approve the Crossing Guard Agreement.
2. Reject the Crossing Guard Agreement.

RECOMMENDATION:

Staff recommends approval of Alternative 1.

FISCAL NOTE:

None.

ATTACHMENTS:

Description	Upload Date	Type
2016-2017 Crossing Guard Agreement	7/13/2016	Backup Material

CROSSING GUARD AGREEMENT

THIS CROSSING GUARD AGREEMENT (Agreement) made and entered into this ____ day of July, 2016, by and between the CITY OF GARDEN CITY, KANSAS (City), and the BOARD OF EDUCATION, UNIFIED SCHOOL DISTRICT NO. 457, FINNEY COUNTY, STATE OF KANSAS (USD 457).

WHEREAS, USD 457 and City have a desire to provide a safe environment for students walking to and from USD 457 schools and crossing City streets adjacent or close to USD 457 schools; and

WHEREAS, City and USD 457 have a desire to provide crossing guards for USD 457 students, in an efficient and effective manner.

NOW, THEREFORE, in consideration of the terms and conditions set forth below, the parties agree as follows:

1. PURPOSE. The purpose of this Agreement is to establish policies and procedures between City and USD 457 concerning the staffing, training, and administration of personnel assigned as crossing guards on City streets adjacent or close to USD 457 schools.

2. TERM. The term of this Agreement shall be for the 2016-17 school year, commencing on August 11, 2016, and ending on May 19, 2017.

3. TRAINING. Each person assigned as a crossing guard shall receive not less than one (1) hour of orientation and training for the position, to be provided as specified herein.

4. DUTIES OF CITY. City shall be responsible for the following duties under this Agreement:

- (a) Training of crossing guards through the Garden City Police Department (GCPD);
- (b) Providing each crossing guard with a safety vest, stop sign, and whistle; and
- (c) Providing USD 457 with applications from citizens who are interested in becoming a crossing guard.

5. DUTIES OF USD 457. USD 457 shall be responsible for the following duties under this Agreement:

- (a) Recruitment and hiring of crossing guards;
- (b) Administration of all personnel issues pertaining to crossing guards; and
- (c) Assignment of crossing guards to locations adjacent or close to USD 457 schools.

6. SCOPE OF EMPLOYMENT. All crossing guards shall be employees of USD 457, and shall be under the sole and exclusive direction and control of USD 457.

7. ADMINISTRATION OF AGREEMENT. The Chief of Police of the GCPD and the Deputy Superintendent of USD 457 shall be responsible for implementation of this Agreement, and they shall be the contact persons for their respective entities pertaining to any issue involving this Agreement or a crossing guard.

8. AUTHORITY TO CONTRACT. City and USD 457 possess the power, privilege, and/or authority to enter into this Agreement pursuant to K.S.A. 12-101, *et seq.*, K.S.A. 72-8201, and the Kansas Constitution, Article 6, Sec. 5; and Article 12, Sec. 5.

9. ADOPTION. City and USD 457 shall take all appropriate action to adopt and approve this Agreement by ordinance, resolution, or motion. Any subsequent amendment to, or extension of, this Agreement shall also require adoption by appropriate action.

10. SEPARATE ENTITY. It is not the intent of City and USD 457 to create a separate legal or administrative entity to perform the functions of this Agreement.

11. MANNER OF FINANCING. The manner of financing to support the purpose of this Agreement shall be through expenditure of general funds, by City and USD 457.

12. DEFAULT. Should a party fail to abide by the terms and conditions of this Agreement, the other party may declare a default and thereafter, give written notice of intent to terminate by reason of default, said notice to be not less than thirty (30) days. This Agreement shall not limit in any manner, the legal rights or remedies a party might have in the event of a default.

13. LEGAL RESPONSIBILITY. It is not the intent of the City or USD 457 to relieve either party of any obligation or responsibility imposed upon a party by law.

14. CONTROL OF LEGISLATURE/FUNDING. The parties acknowledge and agree that this Agreement is subject to change, termination, or limitations, as may be determined by the Legislature of the State of Kansas. In the event sufficient funds shall not be appropriated by City or USD 457 for any obligations required under the terms and conditions of this Agreement, City and/or USD 457 may terminate this Agreement pursuant to the notice requirements set forth herein.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement the day and year first above written.

CITY OF GARDEN CITY, KANSAS

Date

By _____
Chris Law, Mayor

ATTEST:

Celyn N. Hurtado, City Clerk

BOARD OF EDUCATION, UNIFIED
SCHOOL DISTRICT NO. 457,
FINNEY COUNTY, STATE OF KANSAS

Date

By _____
President

ATTEST:

Joanne Nelson, Clerk of the Board



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Kaleb Kentner, Neighborhood & Development Services Director
DATE: July 19, 2016
RE: New and Renewed Licenses

ISSUE:

The Governing Body is asked to consider and approve a license for July 19, 2016.

BACKGROUND:

Attached is the list of contractors who have applied for a new or renewal license from Neighborhood & Development Services. All of the contractors on this list have completed the requirements necessary to obtain their license for 2016.

ALTERNATIVES:

None

RECOMMENDATION:

None

FISCAL NOTE:

None

ATTACHMENTS:

Description	Upload Date	Type
July 19 Licenses	7/14/2016	Backup Material

CONTRACTOR LICENSE AGENDA

July 19, 2016

2016 NEW

CLASS E-SOC SPECIALIZED OTHER

Team1RV, LLC



MEMORANDUM

TO: Governing Body
THRU: Matthew C. Allen, City Manager
FROM: Jacob M. Cunningham, Assistant City Attorney
DATE: July 19, 2016
RE: TekVet Technologies Co.

ISSUE:

The Governing Body is asked to consider and approve the proposed *First Addendum to Lease Agreement* ("Lease Addendum") and *First Addendum to Promissory Note* ("Note Addendum") related to the original *Promissory Note* ("Note") and *Lease Agreement* ("Lease") entered into by and between the City of Garden City, Kansas ("City") and TekVet Technologies Co. ("TekVet").

BACKGROUND:

City and TekVet desired to revise their relationship under the Lease to that of a more traditional, commercial landlord-tenant relationship. Thus, the attached Lease Addendum incorporates a more traditional rental term of 36 months, as well as a revised amount of monthly rent. Further, the Note Addendum incorporates a revised amount due and owing to the City under the original Note, utilizing the same interest rate as the Note. Finally, the payment of the Note is included as a required term of the Lease (via the Lease Addendum) such that a failure to make timely payments under the Note shall result in a default under the Lease.

In addition to the two (2) documents referenced above, TekVet's CEO, David S. Robbins ("Robbins"), executed a *First Addendum to Personal Guaranty* wherein the revised amount enumerated under the Note Addendum is personally guaranteed by Robbins.

ALTERNATIVES:

1. The Governing Body can approve the Lease Addendum and Note Addendum.
2. The Governing Body can elect to take no action and leave the existing Lease and Note in full force and effect.

RECOMMENDATION:

It is my recommendation that the Governing Body approve Alternative 1, approving the Lease Addendum and Note Addendum.

FISCAL NOTE:

The City will immediately begin (i.e. 8/1/16) to receive monthly rent of \$500.00 and monthly payments of \$1,131.86 pursuant to the Note Addendum and Lease Addendum.

ATTACHMENTS:

Description	Upload Date	Type
First Addendum to Lease Agreement	7/14/2016	Backup Material

FIRST ADDENDUM TO LEASE AGREEMENT

This First Addendum to Lease Agreement, made and entered into this 1st day of July, 2016, by and between the City of Garden City, Kansas ("City"), a municipal corporation, and TekVet Technologies Co. ("Tenant").

WITNESSETH:

WHEREAS, the parties entered into a Lease Agreement ("Lease") under date of February 1, 2011 wherein the City agreed to lease to Tenant and Tenant agreed to lease from City the Premises described at Paragraph 1 of the Lease; and

WHEREAS, the parties desire to revise the provisions of the Lease concerning the Term and Rent, as well as to define expectations concerning Tenant's ability to be engaged in "doing business"; and

WHEREAS, the parties are memorializing this First Addendum to Lease Agreement ("First Addendum") as part of a settlement agreement resolving a number of issues between the parties.

NOW, THEREFORE, the parties agree as follows:

1. Paragraph "2. **TERM.**" of the Lease is hereby revoked and replaced with the following, as if part of the original Lease:

"2. **TERM.** The initial term of this lease agreement shall be for a period of thirty-six (36) months, said term beginning on the 1st day of July, 2016 and ending on the 30th day of June, 2019. Subsequent to the completion of the initial term, the lease agreement shall automatically renew for twelve (12) month terms *unless* either party gives ninety (90) days' notice of its intent to terminate. No cause or reason for termination shall be required of either party hereto. The notice of intent to terminate the lease agreement shall be given in the manner provided in Paragraph 32 subparagraphs (a)(1) or (a)(2). Upon repayment in full of the note, the parties may negotiate a renewed term."

2. Paragraph "3. **RENT.**" of the Lease is hereby revoked and replace with the following, as if part of the original Lease:

"3. **RENT.** Tenant shall pay to City as rent for the leased premises the sum of \$500.00 per month, due and payable on the first day of each month, beginning August 1, 2016. In the event the first day of the month shall fall upon a weekend or legal holiday, the rent shall be due and payable on the next business day. If tenant shall fail to pay rent when due, and such failure to pay rent shall continue for a period of thirty (30) days, such a failure to pay shall constitute a default as defined in Paragraph 21 *infra*."

3. Paragraph "8. **TERMINATION OF TENANT'S BUSINESS.**" is hereby revoked and replaced with the following, as if part of the original Lease:

"8. **TERMINATION OF TENANT'S BUSINESS.** Should tenant cease doing business at the leased premises for a period of sixty (60) consecutive days or longer, City may terminate this lease agreement by giving Tenant fifteen (15) days written notice. For the purposes of this provision, Tenant shall substantiate that it is in fact "doing business" by providing proof of any, or all, of the following documents within no less than **ten (10) days of the same being requested by City** (for the purposes of this provision the term "timely"

shall mean within the prescribed due dates pursuant to the IRS's instructions for each of the forms below referenced):

- Timely filed payroll tax returns (IRS Form 941);
- Timely filed corporate income tax return and payment voucher (IRS Form 1120);
- Payroll records to substantiate payments to current employees; and
- Active Customer/Client List."

The City shall be permitted to request the above described documents no more than six (6) times per year. For the purposes of this Addendum a "year" shall be the fiscal year measured from July 1 through June 30 of each year the Lease is in effect. Further, Tenant and City agree that such records shall be made available at the leased premises and in the presence of Tenant's counsel. Tenant may waive, in writing, the requirement that its counsel be present for an inspection.

4. This Addendum is part of a settlement agreement, including an Addendum to both the Promissory Note and Personal Guaranty entered into on June 28, 2011, by and among City, Tenant and David S. Robbins. Parties hereto this Agreement explicitly acknowledge that a failure to make a timely payment under the terms of the Promissory Note Agreement as amended by the First Addendum thereto, shall constitute a default of this Lease Agreement, with such default being actionable pursuant to Paragraph 21 of the Lease.

5. The remaining terms and conditions of the Lease not specifically supplemented herein shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Addendum to Lease Agreement, as of the date and time first written above.

CITY OF GARDEN CITY, KANSAS

By _____
J. Christopher Law, Mayor

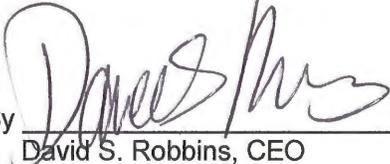
"City"

ATTEST:

Celyn N. Hurtado, City Clerk

[TENANT'S EXECUTION APPEARS ON NEXT PAGE]

TEKVET TECHNOLOGIES CO.

By  _____
David S. Robbins, CEO

"Tenant"

FIRST ADDENDUM TO PROMISSORY NOTE

This First Addendum to Promissory Note, made and entered into this 1st day of July, 2016, by and between TekVet Technologies Co. ("Debtor") and the City of Garden City, Kansas ("Lender"), a municipal corporation.

WITNESSETH:

WHEREAS, the parties entered into a Promissory Note ("Note") under date of June 28, 2011 wherein "Debtor" agreed to repay the principal sum \$60,000.00 with interest at the rate of 4.00% per annum, said interest to not begin accruing on the Note until after March 31, 2012, with interest being calculated upon the total principal balance still remaining at that date; and

WHEREAS, as of the date of this First Addendum to Promissory Note ("First Addendum"), Debtor has made no payments on the Note; and

WHEREAS, the parties desire to revise the provisions of the Note to increase the value owed by Debtor, taking into account the unpaid interest accruing since the creation of the Note, and to identify a method of repayment; and

WHEREAS, the parties recognize that the Note is part of the Loan Agreement entered into by the parties under date of June 28, 2011; and

WHEREAS, the parties are memorializing this First Addendum as part of settlement agreement resolving a number of issues between the parties.

NOW, THEREFORE, the parties agree as follows:

1. The preamble of the Note is amended to reflect a new principal sum of \$75,000.00 with interest at the rate of 4.00% per annum.

2. Paragraph "2. PAYMENT OF PRINCIPAL AND INTEREST." of the Note is hereby revoked and replaced with the following, as if part of the original Note:

"2. PAYMENT OF PRINCIPAL AND INTEREST. This Promissory Note evidences the "Debtors" obligation to repay the loan made to the "Debtor" by the "Lender" pursuant to the Loan Agreement, and the principal amount of the loan proceeds together with interest shall be repaid in the following manner:

(a) Commencing on the date of July 1, 2016, the note, with a new value of \$75,000.00 shall accrue interest at a rate of 4.00% per annum and be paid to "Lender" via monthly payments as further described *infra*.

(b) Commencing on the date of August 1, 2016, "Debtor" shall begin repaying the principal and interest in monthly installments of **\$1,131.86**. In total, "Debtor" shall make 75 monthly payments concluding with a final payment of **\$1,131.86** on or before October 1, 2022.

(c) The monthly installment of **\$1,131.86** shall be due and payable on the first day of each month. In the event the first day of the month shall fall upon a weekend or legal holiday, the monthly installment shall be due on the next business day. If "Debtor" fails

TEKVET TECHNOLOGIES CO.

By  _____
David S. Robbins, CEO

"Debtor"

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AMORTIZATION SCHEDULE

	Date	Payment	Interest	Principal	Balance
Loan	7/1/2016				75,000.00
1	8/1/2016	1,131.86	250.00	881.86	74,118.14
2	9/1/2016	1,131.86	247.06	884.80	73,233.34
3	10/1/2016	1,131.86	244.11	887.75	72,345.59
4	11/1/2016	1,131.86	241.15	890.71	71,454.88
5	12/1/2016	1,131.86	238.18	893.68	70,561.20
2016 Totals		5,659.30	1,220.50	4,438.80	
6	1/1/2017	1,131.86	235.20	896.66	69,664.54
7	2/1/2017	1,131.86	232.22	899.64	68,764.90
8	3/1/2017	1,131.86	229.22	902.64	67,862.26
9	4/1/2017	1,131.86	226.21	905.65	66,956.61
10	5/1/2017	1,131.86	223.19	908.67	66,047.94
11	6/1/2017	1,131.86	220.16	911.70	65,136.24
12	7/1/2017	1,131.86	217.12	914.74	64,221.50
13	8/1/2017	1,131.86	214.07	917.79	63,303.71
14	9/1/2017	1,131.86	211.01	920.85	62,382.86
15	10/1/2017	1,131.86	207.94	923.92	61,458.94
16	11/1/2017	1,131.86	204.86	927.00	60,531.94
17	12/1/2017	1,131.86	201.77	930.09	59,601.85
2017 Totals		13,582.32	2,622.97	10,959.35	

18	1/1/2018	1,131.86	198.67	933.19	58,668.66
19	2/1/2018	1,131.86	195.56	936.30	57,732.36
20	3/1/2018	1,131.86	192.44	939.42	56,792.94
21	4/1/2018	1,131.86	189.31	942.55	55,850.39
22	5/1/2018	1,131.86	186.17	945.69	54,904.70
23	6/1/2018	1,131.86	183.02	948.84	53,955.86
24	7/1/2018	1,131.86	179.85	952.01	53,003.85
25	8/1/2018	1,131.86	176.68	955.18	52,048.67
26	9/1/2018	1,131.86	173.50	958.36	51,090.31
27	10/1/2018	1,131.86	170.30	961.56	50,128.75
28	11/1/2018	1,131.86	167.10	964.76	49,163.99
29	12/1/2018	1,131.86	163.88	967.98	48,196.01
2018 Totals		13,582.32	2,176.48	11,405.84	
30	1/1/2019	1,131.86	160.65	971.21	47,224.80
31	2/1/2019	1,131.86	157.42	974.44	46,250.36
32	3/1/2019	1,131.86	154.17	977.69	45,272.67
33	4/1/2019	1,131.86	150.91	980.95	44,291.72
34	5/1/2019	1,131.86	147.64	984.22	43,307.50
35	6/1/2019	1,131.86	144.36	987.50	42,320.00
36	7/1/2019	1,131.86	141.07	990.79	41,329.21
37	8/1/2019	1,131.86	137.76	994.10	40,335.11
38	9/1/2019	1,131.86	134.45	997.41	39,337.70
39	10/1/2019	1,131.86	131.13	1,000.73	38,336.97
40	11/1/2019	1,131.86	127.79	1,004.07	37,332.90
41	12/1/2019	1,131.86	124.44	1,007.42	36,325.48
2019 Totals		13,582.32	1,711.79	11,870.53	

42	1/1/2020	1,131.86	121.08	1,010.78	35,314.70
43	2/1/2020	1,131.86	117.72	1,014.14	34,300.56
44	3/1/2020	1,131.86	114.34	1,017.52	33,283.04
45	4/1/2020	1,131.86	110.94	1,020.92	32,262.12
46	5/1/2020	1,131.86	107.54	1,024.32	31,237.80
47	6/1/2020	1,131.86	104.13	1,027.73	30,210.07
48	7/1/2020	1,131.86	100.70	1,031.16	29,178.91
49	8/1/2020	1,131.86	97.26	1,034.60	28,144.31
50	9/1/2020	1,131.86	93.81	1,038.05	27,106.26
51	10/1/2020	1,131.86	90.35	1,041.51	26,064.75
52	11/1/2020	1,131.86	86.88	1,044.98	25,019.77
53	12/1/2020	1,131.86	83.40	1,048.46	23,971.31
2020 Totals		13,582.32	1,228.15	12,354.17	
54	1/1/2021	1,131.86	79.90	1,051.96	22,919.35
55	2/1/2021	1,131.86	76.40	1,055.46	21,863.89
56	3/1/2021	1,131.86	72.88	1,058.98	20,804.91
57	4/1/2021	1,131.86	69.35	1,062.51	19,742.40
58	5/1/2021	1,131.86	65.81	1,066.05	18,676.35
59	6/1/2021	1,131.86	62.25	1,069.61	17,606.74
60	7/1/2021	1,131.86	58.69	1,073.17	16,533.57
61	8/1/2021	1,131.86	55.11	1,076.75	15,456.82
62	9/1/2021	1,131.86	51.52	1,080.34	14,376.48
63	10/1/2021	1,131.86	47.92	1,083.94	13,292.54
64	11/1/2021	1,131.86	44.31	1,087.55	12,204.99
65	12/1/2021	1,131.86	40.68	1,091.18	11,113.81
2021 Totals		13,582.32	724.82	12,857.50	
66	1/1/2022	1,131.86	37.05	1,094.81	10,019.00
67	2/1/2022	1,131.86	33.40	1,098.46	8,920.54
68	3/1/2022	1,131.86	29.74	1,102.12	7,818.42
69	4/1/2022	1,131.86	26.06	1,105.80	6,712.62
70	5/1/2022	1,131.86	22.38	1,109.48	5,603.14
71	6/1/2022	1,131.86	18.68	1,113.18	4,489.96
72	7/1/2022	1,131.86	14.97	1,116.89	3,373.07
73	8/1/2022	1,131.86	11.24	1,120.62	2,252.45
74	9/1/2022	1,131.86	7.51	1,124.35	1,128.10
75	10/1/2022	1,131.86	3.76	1,128.10	0.00
2022 Totals		11,318.60	204.79	11,113.81	
Grand Totals		84,889.50	9,889.50	75,000.00	

Other
Entities
Minutes



**GARDEN CITY REGIONAL AIRPORT
ADVISORY BOARD MINUTES
JUNE 9, 2016**

5:00 P.M. MEETING CALLED TO ORDER

MEMBERS PRESENT

Charlie Robinson, Marlo Miller, Jette DeSalvo, Ken Frey, and Max Meschberger.

MEMBERS ABSENT

Darin Germann

STAFF PRESENT

Rachelle Powell, Darroch Perkins, and Miranda Benedict.

ITEM 1 PUBLIC COMMENT

Ernest Senecal with the FAA inquired about the reoccurring issue with the glideslope.

ITEM 2 APPROVAL OF MAY 12, 2016 MINUTES

Marlo Miller made a motion to approve the May 12, 2016 Airport Advisory Board minutes. Charlie Robinson seconded the motion. The motion passed unanimously.

ITEM 3 LEASE REVIEW SCOTT AUCTION

J. Kent Scott d/b/a Scott Auction rents 11.3 acres of land to operate a yearly auction. The rental amount is \$2,000 a year. The lease was amended on February 17, 2015 to increase acreage and rental amount. The term is October 1, 2015 September 30, 2016.

Staff requests Airport Advisory Board consideration and recommendation of the automatic renewal of J. Kent Scott d/b/a Scott Auction and the City of Garden City's lease agreement.

Ken Frey made a motion to approve the automatic renewal of J. Kent Scott d/b/a Scott Auction and the City of Garden City's lease agreement. Charlie Robinson seconded the motion. The motion passed unanimously.

ITEM 4 LEASE REVIEW O'BRATE REALTY

O’Brate Realty, LLC rents a 60’x100’ hangar at the airport. The term of the lease is November 1, 2010 – October 31, 2035. The rental amount is \$0 as the tenant paid for the construction of the hangar.

Staff requests Airport Advisory Board consideration and recommendation of the automatic renewal of O’Brate Realty, LLC and the City of Garden City’s lease agreement.

Marlo Miller made a motion to approve the automatic renewal of O’Brate Realty, LLC and the City of Garden City’s lease agreement. Ken Frey seconded the motion. The motion passed unanimously.

ITEM 5 DIRECTOR’S REPORT

Staff discussed the Director’s Report with the Airport Advisory Board.

ITEM 6 MONTHLY REPORTS

Staff reviewed the monthly reports with the Airport Advisory Board.

ITEM 7 BOARD MEMBER COMMENTS

- A. Charlie Robinson –Inquired on the load factor, as well as, flight times for current flights and encouraged staff to pursue additional flight(s).
- B. Ken Frey –No comment.
- C. Marlo Miller –No comment.
- D. Darin Germann –Absent.
- E. Max Meschberger –No Comment.
- F. Jette DeSalvo –No comment.
- G. Vacant

ITEM 8 ADJOURNMENT

Ken Frey made a motion to adjourn. Jette DeSalvo seconded the motion. The motion passed unanimously.



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**City of Garden City
Cultural Relations Board Meeting Minutes
July 7, 2016
5:00 pm – 6:00 pm**

Present: Stephanie Juarez, Geovannie Gone, Edith Mejia-Castillo, , Liz Sabandith, Patricia Long
Absent: Lisa Cady
Staff: Allie Medina
Guest(s):

I. Call the Meeting to Order

Geovannie Gone called the meeting order at 5:12 pm.

II. Approval of Minutes

Geovannie asked for a motion to approve the June 2016 meeting minutes. Stephanie made a motion to approve the June meeting minutes, Liz seconded the motion. All in favor and motion carried.

III. Old Business

A. Event List

Members discussed the purpose of looking at the event list instead of the Neighborhood Block Party. Stephanie stated that this was an opportunity to encourage local businesses and services to reach diverse neighborhoods. CRB would take a support the event in several different ways rather than put on an event. Geovannie stated that both the Neighborhood Block Party and CRB members being a presence in the community would be great.

Stephanie stated that the International Refugee Meeting was in about two weeks and this would be a great opportunity to discuss the block party.

CRB Members will take a look at the event list provided and determine what events would help bring cultural awareness to the community and how that would be measured.

B. Promotional Material

Promotional material was presented for members to review.

C. Diversity Breakfast Update

Staff provided an update on the progress of the event along with the Save the Date that was created by the City of Garden City IT Department.

Staff will begin sending out the Save the Date information to the community as well as work to have the information on the City website.



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IV. New Business

A. Sponsorship Request

None

B. African Community Center

Staff provided an update on the African Community Center and their services. Members were interested in attending the center to view some of the volunteer services available. Members also requested information regarding fundraising efforts. Stephanie Juarez indicated that there were several grant programs available that the Center could apply for.

Staff will provide an update at the next regularly scheduled meeting.

V. Monthly Financial Report

Members reviewed a copy of the monthly financial report. There were no changes to the monthly financial report.

VI. Other Business

Stephanie Juarez attended the World Refugee Day on June 25, 2016. Stephanie provided an update and stated that there were many great stories and experiences that were shared.

VII. Adjournment

Edith made a motion to adjourn the meeting at 5:51 pm. Stephanie seconded the motion. All in favor and motion carried.

Zoo Advisory Board
Minutes of Meeting Held
Tuesday, July 5, 2016

Members Present: Jimmy Deal, Phil Sloderbeck, Donna Lightner, Kathy Diehl, Ryan Derstein, Taylor Freburg

Members Absent: Stacy Regan-Green

Others Present: Kristi Newland, Donna Wohler, Jordan Piha

- I. The meeting was called to order at 5:15
- II. Approval of Agenda –The agenda was approved.
- III. Approval of Minutes –The minutes from the June meeting were approved.
- IV. New Business
 - a. Zoo Monthly Report – Zoo staff have been addressing the “lesser concerns” from the AZA inspection report. The Beef Empire Days events on the West Green went well. Kristi provided zoo tours to City Commission pre-meeting attendees and also to Safari Shoppe staff. Sensaphones, which monitor temperature and power in some animal buildings, were switched to a cellular connection. The Education Division developed a workshop for the Girl Scouts. The upright half of the Spirit Nest was removed for safety concerns; the Dream Fort is still in place. Dead trees cut down at the zoo were repurposed in a shade structure for the rhino yard. Privacy slats are being added in the fence between the walking trail and shop.
 - b. FOLRZ Report – New LRZ Rhino shirts are available in the Safari Shoppe. A signup sheet for helping with the Jungle Run II Car Show was passed around.
 - c. Board Election of New Officers – Kathy made a motion that Taylor continue as Chair and Jimmy continue as Vice-Chair. Phil seconded and the motion passed. Jimmy nominated Phil as Secretary. Kathy seconded and the motion passed.
 - d. Zoo’s 90th Birthday Next Year – The Zoo will turn 90 in 2017 and Kristi asked for any ideas the board may have. Kristi and Jordan were thinking of a celebration in May or August and mentioned LRZ is the oldest accredited zoo in the state. Some of the ideas were to hold a photo contest, bring in a zoo or wildlife personality, design a banner, or hold the celebration in conjunction with Blues at the Zoo or another band.
- V. Old Business
 - a. Upcoming Animal Moves – Jordan said the lion cub males will be going to the Denver Zoo as a bachelor group. Razi, Amali and Lulu will stay here and 2 brothers will come here from another zoo as a separate group. A farewell party will be held Sunday for the lions. Two new duck species will be added to the aviary that can be out all year. Cavies will be brought back and capybaras, Przewalski’s horses, and a Basilisk lizard will be added to the collection.
- VI. Board Member Reports – Jimmy asked for an update on the Butterfly Garden. Kid-oriented signs, a path, and A Monarch Day in September are some possibilities in development.
- VII. The meeting was adjourned at 6:13.

Next scheduled Meeting is August 2, 2016 at 5:00 p.m.