

**I. Call to Order –Council President Pete Murray**

**II. Roll Call:**

\_\_\_ Murray \_\_\_ Meadows \_\_\_ Leeper \_\_\_Honeycutt \_\_\_Blumanhourst

**III. Pledge of Allegiance**

**IV. Approval of August 15, 2016 Regular Meeting Minutes**

*Action:* Motion to approve the August 15, 2016 minutes.

*Motion:* \_\_\_\_\_ *Second:* \_\_\_\_\_ *Vote:* \_\_\_\_\_

**V. Discussion and Approval of Appropriations**

*Action:* Motion to approve the appropriations.

*Motion:* \_\_\_\_\_ *Second:* \_\_\_\_\_ *Vote:* \_\_\_\_\_

**VI. Determination of Agenda Additions**

**VII. Public Comments** (*Please limit comments to 5 minutes*)

**VIII. Employee Service Recognition**

Mike Foster, Public Works 15 years

Paul Allen, SHPD 10 years

**IX. Requested Appearances**

Jared Oatney, regarding Farm Lease

**X. Appointments**

Shane Patterson, 81 Morningside Rd. to the Planning Commission

Mark Thompson to the South Hutchinson Public Housing Authority Board of Directors

**XI. Ordinances, Resolutions and Action Items**

- a. Consideration of **AN ORDINANCE AMENDING SECTION 14-101 OF THE CODE OF THE CITY OF SOUTH HUTCHINSON, KANSAS PROVIDING FOR THE ADOPTION OF “2016 STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES” 44<sup>th</sup> EDITION BY REFERNCE FOR THE PURPOSE OF REGULATING TRAFFIC IN THE CITY OF SOUTH HUTCHINSON, KANSAS; PROVIDING PENALTIES FOR VIOLATION THEREOF AND REPEALING ORDINANCE 15-858.**

*ACTION:* Motion to (approve/deny/table) Ordinance 16-877 and authorize the Council President to sign.

*Motion:* \_\_\_\_\_ *Second:* \_\_\_\_\_

*Vote:* \_\_\_ Murray \_\_\_ Meadows \_\_\_ Leeper \_\_\_Honeycutt \_\_\_Blumanhourst

- b. Consideration of **AN ORDINANCE AMENDING SECTION 11-101 OF THE CODE OF THE CITY OF SOUTH HUTCHINSON, KANSAS PROVIDING FOR THE ADOPTION OF THE 2016 UNIFORM PUBLIC OFFENSE CODE FOR KANSAS CITIES, 32<sup>nd</sup> EDITION BY REFERNCE AND REPEALING ORDINANCE 15-859.**

**ACTION:** Motion to (approve/deny/table) Ordinance 16-878 and authorize the Council President to sign.

**Motion:** \_\_\_\_\_ **Second:** \_\_\_\_\_

**Vote:** \_\_\_\_\_ Murray \_\_\_\_\_ Meadows \_\_\_\_\_ Leeper \_\_\_\_\_ Honeycutt \_\_\_\_\_ Blumanhourst

- c. Consideration of **A RESOLUTION DETERMINING THE ADVISABILITY OF THE MAKING OF CERTAIN INTERNAL IMPROVEMENTS IN CITY OF SOUTH HUTCHINSON, KANSAS; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AND AUTHORIZING AND PROVIDING FOR THE MAKING OF THE IMPROVEMENTS IN ACCORDANCE WITH SUCH FINDINGS (WATER LINE IMPROVEMENTS).**

**ACTION:** Motion to (approve/deny/table) Resolution 16-540 and authorize the Council President to sign.

**Motion:** \_\_\_\_\_ **Second:** \_\_\_\_\_

**Vote:** \_\_\_\_\_ Murray \_\_\_\_\_ Meadows \_\_\_\_\_ Leeper \_\_\_\_\_ Honeycutt \_\_\_\_\_ Blumanhourst

- d. Consideration of **RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF TAXABLE GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2016, OF THE CITY OF SOUTH HUTCHINSON, KANSAS.**

**ACTION:** Motion to (approve/deny/table) Resolution 16-541 and authorize the Council President to sign.

**Motion:** \_\_\_\_\_ **Second:** \_\_\_\_\_

**Vote:** \_\_\_\_\_ Murray \_\_\_\_\_ Meadows \_\_\_\_\_ Leeper \_\_\_\_\_ Honeycutt \_\_\_\_\_ Blumanhourst

- e. Consideration of **A RESOLUTION REQUIRING THE USE OF GENERALLY ACCEPTED ACCOUNTING PRINCIPALS IN THE PREPARATION OF THE FINANCIAL STATEMENTS AND REPORTS FOR THE CITY OF SOUTH HUTCHINSON, KANSAS.**

**ACTION:** Motion to (approve/deny/table) Resolution 16-542 and authorize the Council President to sign.

**Motion:** \_\_\_\_\_ **Second:** \_\_\_\_\_ **Vote:** \_\_\_\_\_

- f. Consideration of bids and the bid alternate for patching and chip sealing of city streets.

**ACTION:** Motion to (approve/deny/table) the bid and bid alternate from Circle C Paving at a cost of \$207,905.36.

**Motion:** \_\_\_\_\_ **Second:** \_\_\_\_\_ **Vote:** \_\_\_\_\_

## XII. Discussion Items

- Transient Guest Tax
- Love's Community Improvement District
- Elevator Lease
- Personnel Policy Changes
- Community Center Landscaping

## XIII. Reports

- a. Mayor & Council Members
- b. City Attorney
- c. City Administrator

**XIV. Adjournment**

***Motion:*** \_\_\_\_\_ ***Second:*** \_\_\_\_\_ ***Vote:*** \_\_\_\_\_

**I. Call to Order – Mayor Dave Pitman**

**II. Roll Call:**

X Murray      X Meadows      X Leeper      X Honeycutt      X Blumanhourst

**III. Pledge of Allegiance**

**IV. Approval of August 1, 2016 Regular Meeting Minutes**

*Action:* Motion to approve the August 1, 2016 minutes.

*Motion:* Leeper      *Second:* Blumanhourst      *Vote:* 5-0

**V. Discussion and Approval of Appropriations**

*Action:* Motion to approve the appropriations.

*Motion:* Honeycutt      *Second:* Leeper      *Vote:* 5-0

**VI. Determination of Agenda Additions**

**VII. Public Comments** (*Please limit comments to 5 minutes*)

**VIII. Public Hearing for 2017 Budget**

The Mayor opened a public hearing for the purpose of receiving comment on the proposed 2017 budget setting the mill levy at 41.920.

Motion to close the public hearing.

*Motion:* Blumanhourst      *Second:* Honeycutt      *Vote:* 5-0

**IX. Ordinances, Resolutions and Action Items**

- a. Consideration of the proposed 2017 budget setting the mill levy at 41.920.

*ACTION:* Motion to approve the proposed 2017 budget setting the mill levy at 41.920 mills.

*Motion:* Leeper      *Second:* Meadows      *Vote:* 5-0

- b. Consideration of **AN ORDINANCE ATTESTING TO AN INCREASE IN TAX REVENUE FOR BUDGET YEAR 2017 FOR THE CITY OF SOUTH HUTCHINSON.**

*ACTION:* Motion to approve Ordinance 16-875 and authorize the Mayor to sign.

*Motion:* Honeycutt      *Second:* Meadows

*Vote:* X Murray      X Meadows      X Leeper      XHoneycutt      XBlumanhourst

- c. Consideration of **AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016, OF THE CITY OF SOUTH HUTCHINSON, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AUTHORIZING CERTAIN OTHER**

**DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.**

**ACTION:** Motion to approve Ordinance 16-876 and authorize the Mayor to sign.

**Motion:** Meadows                      **Second:** Blumanhourst

**Vote:**  Murray       Meadows       Leeper       Honeycutt       Blumanhourst

- d. Consideration of **A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2016, OF THE CITY OF SOUTH HUTCHINSON, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 16-873 OF THE ISSUER; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.**

**ACTION:** Motion to approve Resolution 16-539 and authorize the Mayor to sign.

**Motion:** Meadows                      **Second:** Blumanhourst                      **Vote:** 5-0

- e. Consideration of an agreement with the Collection Bureau of Kansas.

**ACTION:** Motion to approve agreement with the Collections Bureau of Kansas and authorize the Mayor to sign.

**Motion:** Honeycutt                      **Second:** Blumanhourst                      **Vote:** 5-0

- f. Consideration of bids for the additional parking at the community center.

**ACTION:** Motion to approve the proposed bid from Yoder Builders for \$45,837 for parking at the community center.

**Motion:** Leeper                      **Second:** Murray                      **Vote:** 5-0

- g. Consideration of the purchase of Flygt 3152.091-1761 Pump for the wastewater treatment facility at a cost of \$25,558.

**ACTION:** Motion to approve the purchase of Flygt 3152.091-1761 Pump for the wastewater treatment facility at a cost of \$25,558.

**Motion:** Honeycutt                      **Second:** Blumanhourst                      **No:** Murray      **Vote:** 4-0

**X. Discussion Items**

Quarterly Strategic Plan Update

**XI. Reports**

- a. Mayor & Council Members
- b. City Attorney
- c. City Administrator

**XII. Adjournment**

**Motion:** Murray                      **Second:** Leeper                      **Vote:** 5-0

**Invoice Approval List  
September 6, 2016**

<b>Gen Gov</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-101-5001	Insurance Premium	Assurant	\$822.02
101-101-5001	Insurance Premium	Vision	\$13.16
101-101-6000	Electric service	Westar	\$564.98
101-101-6000	Water bill	City of South Hutch	\$78.88
101-101-6002	Attorney service	Don Gottschalk	\$1,000.00
101-101-6002	Computer support	Gavin Lusk	\$70.00
101-101-6002	Bond & Budget Ordinance	Hutchinson News	\$107.23
101-101-6003	Pest control	Orkin	\$23.00
101-101-6003	Microsoft	First Bank Card	\$32.00
101-101-6004	Work Comp Audit	KFSA	\$103.00
101-101-7000	Postage	Reserve Account	\$210.00
101-101-7001	Lemonaide	First Bank Card	\$8.99
101-101-7001	Mileage-Matt	Petty Cash	\$117.81
101-101-7002	Adhesive	Lowe's	\$9.43
101-101-7002	Key board, hooks	Westlake	\$88.46
101-101-7002	Paper towels, suckers	Dollar General	\$15.50
101-101-7004	Postage-Gilmore & Bell	First Bank Card	\$6.80

**\$3,271.26**

<b>Police</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-102-5001	Insurance Premium	Assurant	\$5,806.90
101-102-5001	Insurance Premium	Vision	\$129.98
101-102-6000	Water bill	City of South Hutch	\$45.01
101-102-6000	Electric service	Westar	\$790.42
101-102-6002	Computer support	Gavin Lusk	\$700.00
101-102-6003	Pest control	Orkin	\$80.15
101-102-6004	Work Comp Audit	KFSA	\$2,446.00
101-102-6008	Spraying	Sallee	\$105.00
101-102-6012	Spray paint	Westlake	\$9.00
101-102-7000	Postage	Reserve Account	\$500.00
101-102-7000	USB, cases	First Bank Card	\$81.93
101-102-7001	Pizza	First Bank Card	\$64.96
101-102-7002	IP Phone	First Bank Card	\$318.00
101-102-7004	Overpayment on fines	Rebecca Bryant	\$25.00
101-102-7005	Belts, flashlights	Chief Supply	\$382.78
101-102-7005	Slings	First Bank Card	\$45.78
101-102-7009	Shorts	Chief Supply	\$94.82
101-102-8000	Winch	First Bank Card	\$149.97

**\$11,775.70**

<b>Street</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-103-5001	Insurance Premium	Assurant	\$1,995.33
101-103-5001	Insurance Premium	Vision	\$63.11
101-103-6000	Electric service	Westar	\$402.87
101-103-6000	Water bill	City of South Hutch	\$281.51
101-103-6002	Computer support	Gavin Lusk	\$70.00
101-103-6004	Work Comp Audit	KFSA	\$672.36
101-103-7000	Postage	Reserve Account	\$205.00
101-103-7001	Doughnuts	First Bank Card	\$22.37

**\$3,712.55**

<b>Fire</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
101-104-6000	Electric service	Westar	\$701.34
101-104-6000	Water bill	City of South Hutch	\$78.01



**Invoice Approval List  
September 6, 2016**

<b>Water</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
201-000-5001	Insurance Premium	Assurant	\$2,587.11
201-000-5001	Insurance Premium	Vision	\$77.13
201-000-6000	Water Bill	City of South Hutch	\$281.50
201-000-6000	Electric service	Westar	\$4,429.73
201-000-6000	Locates	Kansas One Call	\$18.50
201-000-6002	Attorney service	Don Gottschalk	\$500.00
201-000-6002	Computer support	Gavin Lusk	\$70.00
201-000-6004	Work Comp Audit	KFSA	\$672.31
201-000-6004	Update plat book	Garber Surveying	\$1,250.00
201-000-7000	Postage	USPS	\$750.00
201-000-7000	Postage	Reserve Account-Meter	\$32.00
201-000-7002	Meter Box, Lid	J&J Drainage	\$511.00
201-000-7002	Boots-Mike Foster	Longs	\$135.00
201-000-7002	Reducer, meter	HD Supply	\$5,818.88
201-000-7002	Stainless nipples	Ferguson	\$8.32
201-000-7002	Redi clamp	Wichita Winwater Works	\$30.10
201-000-7002	Battery	Midwest Electronic	\$10.00
201-000-7002	Stamps, shipping	First Bank Card	\$192.95
201-000-7002	Shipping	First Bank Card	\$22.95
201-000-8000	Valley Pride Waterline	McCullough Excavation	\$39,251.40
			<b>\$56,648.88</b>

<b>Sewer</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
301-000-5001	Insurance Premium	Assurant	\$3,548.93
301-000-5001	Insurance Premium	Vision	\$78.80
301-000-6000	Water Bill	City of South Hutch	\$281.51
301-000-6000	Electric service	Westar	\$9,918.65
301-000-6000	Locates	Kansas One Call	\$18.50
301-000-6002	Attorney service	Don Gottschalk	\$500.00
301-000-6002	Computer Support	Gavin Lusk	\$70.00
301-000-6003	Grit removal	Reno County Solid Waste	\$128.73
301-000-6004	Update Plat Book	Garber Surveying	\$1,250.00
301-000-7000	Postage	USPS	\$750.00
301-000-7000	Postage	Reserve Account-Meter	\$33.00
301-000-7001	Mileage-Randy	Petty Cash	\$47.80
301-000-7004	Work Comp Audit	KFSA	\$672.33
301-000-7002	Replace lines	Decker Mattison	\$546.50
301-000-7002	Stamps	First Bank Card	\$170.00
301-000-7002	Paint brush	Westlake	\$8.97
301-000-7004	Postage	Petty Cash	\$1.71
			<b>\$18,025.43</b>

<b>Sewer/repl</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
303-000-8000	Software-Water meters	First Bank Card	\$1,200.00
			<b>\$1,200.00</b>

<b>Special Hwy</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
401-000-7002	Filters	Agri Center	\$497.93
401-000-7002	Toilet cleaners	Dollar General	\$16.45
401-000-7002	Tubes	Fairview Service	\$17.98
401-000-7002	Turn symbol	Michael Todd	\$107.35

**Invoice Approval List  
September 6, 2016**

401-000-7002	Aluminum brightner	Steffens Auto	\$67.80
401-000-7002	Buccaneer Plus, Fyfanon	Van Diest Supply	\$1,712.50
401-000-7002	Stud prong	Wichita Tractor	\$3.18
401-000-7002	Fastners, film, stud finder	Westlake	\$90.22
401-000-7002	Push button on stop light	Gades	\$56.19
401-000-7002	Maintenance kit	Red Municipal	\$643.77
401-000-7002	Ear plugs	Colladay	\$30.60
			<b>\$3,243.97</b>

<b>Sales/Street</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
403-000-7004	Water bill	City of South Hutch	\$36.00
403-000-7004	Shipping-Loves easement	First Bank Card	\$27.79
			<b>\$63.79</b>

<b>Bond &amp; Int</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
601-000-6024	2016 Bond	Cusip Global Service	\$602.00
601-000-6024	Issue Service-2016 Bond	Kansas State Treasurer	\$5,136.25
601-000-6024	Investor Service-2016 Bond	Moody'	\$11,000.00
			<b>\$16,738.25</b>

<b>Donations</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
702-000-6004	Fire Tatos-trunk or treat	Creative Product Source	\$303.78
			<b>\$303.78</b>

<b>Food Policy</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
808-000-7001	Burgers, buns	First Bank Card	\$59.88
808-000-7004	Advertisisng	Rural Messenger	\$49.60
			<b>\$109.48</b>

<b>Equip Res</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
901-000-8021	Radar	Applied Concepts	\$1,512.50
			<b>\$1,512.50</b>

<b>Bldg Res</b>	<b>Description</b>	<b>Vendor</b>	<b>Inv. Amt</b>
902-000-8020	AC-City Office-back unit	Decker Mattison	\$3,594.93
902-000-8024	Replace tower & motor	Inman Irrigation	\$1,195.83
902-000-8028	AC-Sewer Plant	Decker Mattison	\$3,506.30
			<b>\$8,297.06</b>

**GRAND TOTAL                    \$150,291.94**

**FARM LEASE**

This Lease made and entered into this 17<sup>th</sup> day of December, 2012, by and between the City of South Hutchinson, Kansas, hereinafter referred to as "Landlord", and Jared Oatney and Yolanda Oatney, husband and wife, hereinafter jointly referred to as "Tenant".

**WITNESSETH:**

**WHEREAS**, "Landlord" owns tracts of land described as follows:

- 1) A tract located in the East Half of Section 31, township 23 South, Range 5 West of the 6<sup>th</sup> P.M., Reno County, Kansas, consisting of one hundred thirty (130) acres, more or less, but with tillable acreage of one hundred three (103) acres, the legal description of which is shown on Exhibit A, attached hereto and made a part of hereof for reference, and
- 2) A tract of land described as the Southeast Quarter (1/4) of Section 34, Township 23 South, Range 6 West of the 6<sup>th</sup> P.M. Reno County, Kansas, consisting of one hundred sixty acres, more or less, but with tillable acreage of one hundred fifty three point one six (153.16) acres, and

**WHEREAS**, "Tenant" desires to lease from City and farm all tillable acres only on the property described in 1) above, consisting of approximately ninety-four point four three (94.43) irrigated acres and seven point eight three (7.83) non-irrigated acres, and

**WHEREAS**, "Tenant" desires to lease from City and farm all tillable acres only on the property described in 2) above, consisting of approximately one hundred twenty-nine (129) irrigated acres and twenty-four point one six (24.16) non irrigated acres, and

**WHEREAS**, pursuant to bid, the parties have reached agreement regarding the rent, terms and provisions of a cash rent lease and desire to reduce the same to writing,

**NOW THEREFORE**, for and in consideration of the rental payments, covenants, terms and provisions contained hereinafter, "Landlord" hereby leases unto "Tenant" and "Tenant" leases from "Landlord" a total of two hundred fifty-five point four two (255.42) acres of tillable acreage located on the two heretofore described premises to be used for agricultural purposes pursuant to the terms and provisions contained herein. It is agreed by the parties hereto that said 255.42 tillable acres consists of 223.43 irrigated acres and 31.99 non-irrigated acres.

1. **Term.** The term of this Lease shall be for one (1) year and shall commence on January 1, 2013, and terminate on December 31, 2013 at twelve o'clock (12:00) a.m. This Lease shall automatically renew itself from year to year on January 1 of each year unless written notice of non-renewal for the ensuing year is provided by either party on or before December 1, of the then current lease year. In the event such notice of non-renewal is given by either party hereto, this Lease shall terminate pursuant to the provisions provided herein, to-wit on December 31, 2013 or of the then current lease year. Notwithstanding such termination, Lessee shall have the right to harvest all crops planted but not harvested prior to December 31 of the current lease year. In the event this Lease is automatically renewed for an ensuing year, all of the terms, provisions and

payments provided herein shall be applicable to the said ensuing lease year. It is agreed that, notwithstanding any automatic renewal of this Lease from year to year as provided herein, any term or provision of this Lease may be amended by mutual agreement of the parties hereto. Any such amendment shall be in writing and signed by the parties hereto.

2. Sludge. It is understood by the parties hereto that "Landlord" shall have the unilateral right without Lessee's consent to spread sludge obtained from its' sewage disposal plant located in South Hutchinson, Kansas on any portion of the leased premises is agreed that no provision contained in this Lease shall be construed to prevent, hinder, nor discourage "Landlord" from entering upon and spreading sludge on or over all or any portion of the described property at any time during the term of this Lease or renewal hereof. The "Landlord" under normal circumstances utilizes approximately 10 acres of property for sludge disposal, but retains the unilateral right to spread sludge on any portion of the property if necessary. The "Landlord" will make a good faith effort to notify the "Lessee" of situations requiring the spreading of sludge beyond normal conditions. In the event "Landlord" spreads said sludge on any portion of the leased premises, "Landlord" shall deduct such acres or portions of acres from the cash rent owed by lessee.

3. Tenant's Use of Property. "Tenant" shall utilize the described property for agricultural purposes only: to-wit: "Tenant" shall plant, tend and harvest any legal agricultural crop on all 255.42 acres thereof, more or less, and shall use the premises for no other purpose, provided however that "Tenant" shall have the right to graze livestock on all described property and shall provide proper and adequate fencing therefore.

4. Costs and Expenses. This is what is commonly referred to as a cash rent farm lease. Consequently, all costs of farming the property shall be paid by "Tenant" save and except those specifically referred to herein. Costs of farming to be paid by "Tenant" shall include but shall not be limited to costs for tilling, seed, labor, fuel, equipment and machinery, fertilizer, electricity, repairs of machinery and equipment, insurance on equipment and machinery and any and all other costs associated with or incurred by "Tenant" in farming the property.

5. Rent. "Tenant" shall pay unto "Landlord" the cash sum of Two Hundred Forty-One Dollars (\$241.00), per acre for 223.43 acres of irrigated cropland to-wit the sum of Fifty-Three Thousand Eight Hundred Forty Six Dollars and Sixty-Three Cents (\$53,846.63) and together with the sum of Seventy Dollars (\$70.00) per acre for 31.99 acres of non-irrigated cropland, to-wit the sum of Two Thousand Two Hundred Thirty-Nine Dollars and Thirty Cents (\$2239.30) for a total lease sum of Fifty-Six Thousand and Eighty Five Dollars and Ninety Three Cents (\$56,085.93). All said cash rent shall be paid by "Tenant" to "Landlord" on or before December 31, of each year this Lease is in effect. It is agreed that nonpayment of rent as prescribed herein shall constitute a default in this Lease by "Tenant" and "Landlord" may, at its option, cancel this Lease and/or pursue its' remedies for such default.

6. Irrigation System. Both parties acknowledge that located on both properties is a complete pivot-type irrigation system and water wells which are owned by "Landlord". Both parties acknowledge each irrigation system and their wells are, at the signing of this Lease, in good working order."Tenant" agrees to keep said system in a good state of repair and shall at its own expense pay for all repairs required thereto up to but not exceeding Two Hundred Twenty-five Dollars (\$225.00), per individual repair. "Landlord" shall pay for each said individual repair all

amounts which exceed Two Hundred Twenty-five Dollars (\$225.00). Such repairs shall include but shall not be limited to small electric motors on the pivot tower, micro switches and repairs required when the pivot system requires realigning. Further, "Tenant" agrees to properly winterize the irrigation system at its own expense. "Tenant" shall have the right, at its own expense, to install a remote control system on each irrigation system, however, upon termination of this lease, "Tenant" shall, at its own expense, restore each irrigation system to its original working condition.

The "Landlord" agrees to pay for all individual repairs which exceed Two Hundred Twenty-five Dollars (\$225.00), per repair including but not limited to repairs to gear boxes, pipes, tires, wiring, underground water pipeline, wells, pumps and pump motors. It is expressly agreed that "Landlord" shall not be obligated to install replacement equipment for the irrigation system which is not covered by its insurance policy.

7. Insurance. "Landlord" shall keep and maintain appropriate casualty insurance on all irrigation equipment.

"Tenant" shall during the life of this Lease, keep and maintain a general farm liability insurance policy, insuring against liability for injury, disability and death of workers or other persons, caused by operating, handling or transporting equipment or crop during the life of this Lease. "Tenant" shall provide "Landlord" an appropriate insurance binder showing both "Tenant" and "Landlord" as named insured in such policy and in the minimum sum of Five Hundred Thousand Dollars (\$500,000.00). "Tenant" shall be responsible for keeping and maintaining casualty insurance on all equipment, except for the irrigation system, utilized in farming the property.

8. C.R.P. "Landlord" shall be responsible for reporting for and shall be entitled to receive all payments from a farm program commonly known as C.R.P. on all non-tillable acres.

9. Government Payments. "Tenant" shall be responsible for reporting and shall be entitled to receive all government subsidy payments on all tillable acres planted and harvested by "Tenant" during the life of this Lease.

10. Water Usage and Sludge Record. "Landlord" shall be responsible for reporting all water usage from the water well on the property to appropriate governmental agencies Further, "Landlord" shall be responsible for keeping records for and reporting to appropriate governmental agencies all sludge distribution on the property.

11. Hunting. "Landlord", alone, shall determine whether or not hunting in any form shall be allowed on the property."Tenant" shall not interfere with "Landlord's" right to allow hunting thereon. Further, "Tenant" shall neither hunt nor allow nor permit any third party to engage in hunting activities on the leased property without the express written consent of "Landlord".

12. Right of Inspection. "Landlord", and its agents, shall have the absolute right to at any time enter upon the leased property for any purpose including the inspection of the premises and the irrigation system or for sludge application and soil testing. "Tenant" shall not interfere with "Landlord's" right to do so.

13. Liens and Encumbrances. "Tenant" shall, during the life of this Lease, cause no lien

or encumbrance, mechanic's or otherwise, to be levied against the property nor any equipment located thereon, and further, "Tenant" agrees to save and hold "Landlord" harmless from any and all such liens and encumbrances, whatsoever.

14. Notices. All required notices provided herein shall be written and shall be delivered in person, or sent by certified United States mail, postage prepaid, addressed to the other party at the addresses stated hereinafter. "Landlord", 2 South Main, South Hutchinson, KS 67505. "Tenant", 7705 South Partridge Road, Partridge, KS 67566.

Notices shall be deemed effective three (3) days after they are mailed. Notices delivered by any means other than by mail shall be effective upon receipt thereof by addressee.

15. Default. It is mutually agreed by and between the parties hereto that if "Tenant" fails to pay the lease payments as provided herein, or if "Tenant" fails to perform any of the covenants and agreements contained herein as provided, then "Landlord" shall have the right and privilege to declare this agreement cancelled, and "Tenant" shall forfeit all rights under this Lease and will on demand surrender the peaceable possession of the said property to "Landlord", their heirs, successors or assigns, in which event this agreement shall become null and void and all rights and interest hereby created or then existing in favor of or derived from the "Tenant" shall cease and determine and the right of possession and all equitable interest in this Lease or its subject property shall revert to and vest in "Landlord" without any declaration of forfeiture or act of reentry and all rental accruing by reason of this lease shall be considered as liquidated damages for the use and occupancy of the premises.

Furthermore, time of performance is material to the obligations hereunder. In the event of a default by "Tenant", "Landlord" may at its option

- (a) declare this Lease null and void and be entitled to the immediate and peaceable possession of the premises,
  - (b) sue for specific performance of this agreement in a court of proper jurisdiction,
  - (c) bring an action for money damages for breach of contract
  - (d) avail itself of any other remedy available to Lessors in law or in equity
- and,
- (e) use any appropriate combination of these enumerated remedies.

16. "Tenant's" Bankruptcy or Receivership. "Tenant's" bankruptcy, the appointment of a receiver for "Tenant" or the assignment of "Tenant's" interest by operation of law shall constitute a default in the terms and provisions of this Lease. Thereafter, "Landlord" shall have all the rights and remedies and follow all the same procedures applicable in case of such default on the part of the "Tenant". For the purpose of this paragraph, the term "Tenant" shall mean its Joint Members or any of their individual Members.

17. Applicable Law. This Lease, in its validity, construction and performance, shall be governed by the laws of the State of Kansas.

18. Non-Waiver Clause. Any failure to require strict compliance with any of the terms of this Lease shall not authorize any prior or subsequent departure nor shall obligate any party to continue any departure and shall not affect the validity of this Lease, nor any part thereof or the right of any party to enforce it.

right of any party to enforce it.

19. Severability. If any provision of this Lease is held to be invalid, the validity of the remaining provisions shall not be affected.

20. Assignment. It is agreed that "Tenant" shall neither assign, sell nor transfer this Lease agreement nor any interest under it nor any interest in or to the subject of this Lease without first obtaining the written consent of the "Landlord". The qualifications of any assignee of "Tenant" shall be determined solely by "Landlord". Any attempt on the part of the "Tenant" to so assign, transfer or sell this agreement or any interest under it or any interest in or to the subject matter of this Lease, without first obtaining the written consent of the "Landlord" shall be utterly void and shall constitute a default in the provisions of this agreement.

21. Binding Effect. This agreement shall be fully binding upon the parties hereto, their heirs, executors, administrators, personal representatives, successors and authorized assigns.

**IN WITNESS WHEREOF** the parties have hereto set their hands the day and year first written above.

"LANDLORD"  
CITY OF SOUTH HUTCHINSON

Weldon Cook

Weldon Cook, Mayor

Attest:

Denise McCue  
Denise McCue, City Clerk

"TENANT"  
JARED OATNEY AND YOLANDA

OATNEY

Jared Oatney  
Yolanda Oatney  
Yolanda Oatney

STATE OF KANSAS)

)SS:

COUNTY OF RENO )

BE IT REMEMBERED, that on this 14<sup>th</sup> day of December, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Weldon Cook, Mayor, and Denise McCue, City Clerk, authorized representatives of Landlord and Jared Oatney and Yolanda Oatney, Lessee, all of whom are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.



Notary Expires:

7-18-2014

*Kristi Wineinger*  
\_\_\_\_\_  
Notary Public

**ORDINANCE NO. 16-877**

**AN ORDINANCE AMENDING SECTION 14-101 OF THE CODE OF THE CITY OF SOUTH HUTCHINSON, KANSAS PROVIDING FOR THE ADOPTION OF “2016 STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES” 44<sup>th</sup> EDITION BY REFERENCE FOR THE PURPOSE OF REGULATING TRAFFIC IN THE CITY OF SOUTH HUTCHINSON, KANSAS; PROVIDING PENALTIES FOR VIOLATION THEREOF AND REPEALING ORDINANCE 15-858.**

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

Section 1. That Section 14-101 of the Code of the City of South Hutchinson, Kansas is hereby amended to read as follows:

14-101. INCORPORATING STANDARD TRAFFIC ORDINANCE. There is hereby incorporated by reference for the purpose of regulating traffic within the corporate limits of the City of South Hutchinson, Kansas, that certain standard traffic ordinance known as the “2016 Standard Traffic Ordinance for Kansas Cities” Code”, 44<sup>th</sup> Edition, prepared and published in book form by the League of Kansas Municipalities, Topeka, Kansas, save and except such articles, sections, parts or portions as are hereinafter or heretofore omitted, deleted, modified or changed. Such incorporation by reference is authorized by K.S.A. 12-3009 through K.S.A. 12-3012, inclusive and K.S.A. 12-3301 and K.S.A. 12-3302, all as amended. No fewer than three (3) copies of said 2016 Standard Traffic Ordinance 44<sup>th</sup> Edition shall be marked or stamped “Official Copy as Incorporated by the Code of the City of South Hutchinson, Kansas”, with all sections or portions thereof intended to be omitted or changed clearly marked to show any such omission or change and to which shall be attached a copy of this section and filed with the City Clerk to be open to inspection and available to the public at all reasonable hours.

Section 2. That Ordinance 15-888 of the City of South Hutchinson, Kansas, passed and approved the 3<sup>rd</sup> day of August, 2015, incorporating Standard Traffic Ordinance for Kansas Cities Edition of 2015 is hereby repealed, except those sections which have been amended. Further, any other ordinances in conflict with the provisions of the 2016 Standard Traffic Ordinance for Kansas Cities 44<sup>th</sup> Edition are hereby repealed.

Section 3. That this ordinance shall be in full force and effect from and after its passage and summary publication once in the official City newspaper.

**PASSED AND APPROVED THIS 6<sup>TH</sup> DAY OF SEPTEMBER, 2016**

\_\_\_\_\_  
A.E. Murray, Council President

ATTEST:

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

**ORDINANCE NO. 16-878**

**AN ORDINANCE AMENDING SECTION 11-101 OF THE CODE OF THE CITY OF SOUTH HUTCHINSON, KANSAS PROVIDING FOR THE ADOPTION OF THE 2016 UNIFORM PUBLIC OFFENSE CODE FOR KANSAS CITIES, 32<sup>nd</sup> EDITION BY REFERENCE AND REPEALING ORDINANCE 15-859.**

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

Section 1. That Section 11-101 of the Code of the City of South Hutchinson, Kansas is hereby amended to read as follows:

11-101. INCORPORATING UNIFORM PUBLIC OFFENSE CODE. There is hereby incorporated by reference for the purpose of regulating public offenses within the corporate limits of the City of South Hutchinson, Kansas, that certain code known as the “2016 Uniform Public Offense Code”, 32<sup>nd</sup> Edition, prepared and published in book form by the League of Kansas Municipalities, Topeka, Kansas, save and except such articles, sections, parts or portions as are hereinafter omitted, deleted, modified or changed. Such incorporation by reference is authorized by K.S.A. 12-3302, all as amended. No fewer than three (3) copies of said 2016 Uniform Public Offense Code, 32<sup>nd</sup> Edition shall be marked or stamped “Official Copy as Incorporated by the Code of the City of South Hutchinson, Kansas,” with all sections or portions thereof intended to be omitted or changed clearly marked to show any such omission or change and to which shall be attached a copy of this section and filed with the City Clerk to be open for inspection and available to the public at all reasonable hours.

Section 2. That Ordinance 15-859 of the City of South Hutchinson, Kansas, passed and approved the 3<sup>rd</sup> day of August, 2015, incorporating Uniform Public Offense Code, 31<sup>st</sup> Edition of 2015 is hereby repealed. Further, any other ordinances in conflict with the provisions of the 2016 Uniform Public Offense Code, 32<sup>nd</sup> Edition, are hereby repealed.

Section 3. That this ordinance shall be in full force and effect from and after its passage and summary publication once in the official City newspaper.

**PASSED AND APPROVED THIS 6<sup>TH</sup> DAY OF SEPTEMBER, 2016.**

\_\_\_\_\_  
A.E. Murray, Council President

ATTEST:

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

# City of South Hutchinson Staff Report



**Topic: Morton Salt Water Line**

**Date: September 6, 2016**

There are two resolutions on the agenda related to the Morton Water Line project. Morton has submitted a petition for the city to acquire the water line extension that we have provided them. The extension was designed and built as a city main, so the acquisition meets the city standards. This acquisition would take the capital expenses that Morton has laid out and assess them to the main facility via special assessment taxes over 15 years. This is same process we use for housing subdivisions.

Resolution 16-540 is a project authorization for that allows the city to acquire the project.

Resolution 16-541 authorizes the sale of notes. This note also includes \$197,605.68 that was not included in the recent GO Bond issue. That money will be used to reimburse the City for funds we provided back during the closing of the GO Bond issuance. Because they were not included we will essentially will have loan ourselves the money on approximately 30 days between when the GO Bond closes and the reimbursement. The numbers listed for those projects are the total costs, however we will only be issuing for the \$197,605.68.

(Published in the *Hutchinson News* on September 9, 2016)

**RESOLUTION NO. 16-540**

**A RESOLUTION DETERMINING THE ADVISABILITY OF THE MAKING OF CERTAIN INTERNAL IMPROVEMENTS IN CITY OF SOUTH HUTCHINSON, KANSAS; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AND AUTHORIZING AND PROVIDING FOR THE MAKING OF THE IMPROVEMENTS IN ACCORDANCE WITH SUCH FINDINGS (WATER LINE IMPROVEMENTS).**

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**WHEREAS**, a petition (the “Petition”) was filed with the City Clerk of the City of South Hutchinson, Kansas (the “City”) proposing certain internal improvements; and said Petition sets forth: (a) the general nature of the proposed improvements; (b) the estimated or probable cost of the proposed improvements; (c) the extent of the proposed improvement district to be assessed for the cost of the proposed improvements; (d) the proposed method of assessment; (e) the proposed apportionment of the cost between the improvement district and the City-at-large; and (f) a request that such improvements be made without notice and hearing as required by K.S.A. 12-6a01 *et seq.*; and

**WHEREAS**, the governing body of the City hereby finds and determines that said Petition was signed by the owners of record of more than one-half of the area liable for assessment for the proposed improvements, and is therefore sufficient in accordance with the provisions of K.S.A. 12-6a01 *et seq.* (the “Act”).

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

**Section 1. Findings of Advisability.** The governing body hereby finds and determines that:

(a) It is advisable to make the following improvements (the “Improvements”):

Acquisition of water line improvements to serve the area described as the Improvement District, all in accordance with City standards and plans and specifications prepared or approved by the City Engineer.

(b) The estimated or probable cost of the proposed Improvements is: \$319,500, exclusive of interest on financing and administrative and financing costs; said estimated cost to be increased at the pro rata rate of 1 percent per month from and after the date of adoption of this Resolution.

(c) The extent of the improvement district (the “Improvement District”) to be assessed for the cost of the Improvements is:

All that part of the Northwest 1/4 of Section 23, Township 23 South, Range 6 West of the 6th P.M., Reno County, Kansas, lying South of the Arkansas River Flood Control, EXCEPT Lot 4 and D-4 lying North and West of the right of way of Arkansas River and Western Railroad, now known as the Atchison, Topeka, and Santa Fe Railroad; AND

EXCEPT that portion deeded to the Railroad by Deed filed February 17, 1953 and recorded in Book 278, Page 320.

(d) The method of assessment is: equally per square foot. In the event that unplatted property within the Improvement District is platted after adoption of a resolution authorizing the Improvements, each platted lot shall be equally assessed for the costs associated with the unplatted property. Where the ownership of a single lot or parcel is or may be divided into two or more parcels, the assessment to the lot or parcel so divided shall be assessed to each ownership or parcel on a square foot basis

(e) The apportionment of the cost of the Improvements between the Improvement District and the City-at-large is: 100% to be assessed against the Improvement District and 0% to be paid by the City-at-large.

**Section 2. Authorization of Improvements.** The Improvements are hereby authorized and ordered to be made in accordance with the findings of the governing body of the City as set forth in *Section 1* of this Resolution.

**Section 3. Bond Authority; Reimbursement.** The Act provides for the costs of the Improvements, interest on interim financing and associated financing costs to be paid by the issuance of general obligation bonds or special obligation bonds of the City (the "Bonds"). The Bonds may be issued to reimburse expenditures made on or after the date which is 60 days before the date of this Resolution, pursuant to Treasury Regulation 1.150-2.

**Section 4. Effective Date.** This Resolution shall be effective upon adoption. This Resolution shall be published one time in the official City newspaper, and shall also be filed of record in the office of the Register of Deeds of Reno County, Kansas.

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**ADOPTED** by the governing body of the City on September 6, 2016.

(SEAL)

By: \_\_\_\_\_  
Name: Dave Pitman  
Title: Mayor

ATTEST:

By: \_\_\_\_\_  
Name: Denise McCue  
Title: Clerk

**CERTIFICATE**

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the City adopted by the governing body on September 6, 2016, as the same appears of record in my office.

DATED: September 6, 2016.

By: \_\_\_\_\_  
Name: Denise McCue  
Title: Clerk

**RESOLUTION NO. 16-541**

**RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF TAXABLE  
GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2016, OF THE CITY  
OF SOUTH HUTCHINSON, KANSAS.**

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**WHEREAS**, the City of South Hutchinson, Kansas (the “Issuer”), has previously authorized certain internal improvements described as follows (collectively the “Improvements”):

<u>Project Description</u>	<u>Res. No.</u>	<u>Authority</u>	<u>Amount*</u>
Street Improvements – Poplar Street	13-509	K.S.A. 15-731 & Ch. Ord. 12	\$ 271,396.34
Street Improvements – Maple, Avenue A, Marshall/Walnut Intersection, Forest, and Marshall	14-518	K.S.A. 15-731 & Ch. Ord. 12	197,039.93
Street Improvements – Avenue A, Avenue C, Washington, and Poplar	15-529	K.S.A. 15-731 & Ch. Ord. 12	784,689.48
Public Water Supply System Improvements – Waterline	15-530	K.S.A. 65-163d <i>et seq.</i>	448,723.02
Water Line Improvements	16-540	K.S.A. 12-6a01 <i>et seq.</i>	<u>319,500.00</u>
<b>Total:</b>			<b><u>\$2,021,348.77</u></b>

\* Not including costs of issuance and interest on interim financing

**WHEREAS**, the governing body of the Issuer is authorized by law to issue general obligation bonds to pay the costs of the Improvements and approximately \$1,579,000 of such general obligation bonds heretofore authorized have been issued and the City; and

**WHEREAS**, it is necessary for the Issuer to provide cash funds (from time to time) to meet its obligations incurred in constructing the Improvements prior to the completion thereof and the issuance of the Issuer's general obligation bonds, and it is desirable and in the interest of the Issuer that such funds be raised by the issuance of temporary notes of the Issue; and

**WHEREAS**, the Issuer proposes to issue its temporary notes to pay a portion of the costs of the Improvements; and

**WHEREAS**, the Issuer hereby selects the firm of Piper Jaffray & Co., Leawood, Kansas (the “Purchaser”), as underwriter for one or more series of temporary notes of the Issuer in order to provide funds to temporarily finance the Improvements; and

**WHEREAS**, the Issuer desires to authorize the Purchaser to proceed with the offering for sale of said temporary and related activities; and

**WHEREAS**, one of the duties and responsibilities of the Issuer is to prepare and distribute a preliminary official statement relating to said temporary notes; and

**WHEREAS**, the Issuer desires to authorize the Purchaser, in conjunction with the City Administrator, Clerk and Gilmore & Bell, P.C., Wichita, Kansas, the Issuer’s bond counsel (“Bond Counsel”), to proceed with the preparation and distribution of a preliminary official statement and all other preliminary action necessary to sell said temporary notes; and

**WHEREAS**, due to the volatile nature of the municipal bond market and the desire of the Issuer to achieve maximum benefit of timing of the sale of said temporary, the governing body desires to authorize the Mayor to confirm the sale of such temporary notes, if necessary, prior to the next meeting of the governing body to adopt the necessary resolution providing for the issuance thereof.

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

**Section 1.** The Purchaser is hereby authorized to proceed with the offering for sale of the Issuer's Taxable General Obligation Temporary Notes, Series 2016 (the "Notes") in accordance with the presentation made by the Purchaser this date. The offering for sale of the Notes shall be accomplished in consultation with the City Administrator, Clerk, Bond Counsel, and the Purchaser. The confirmation of the sale of the Notes shall be subject to the execution of a note purchase agreement (the "Note Purchase Agreement") between the Purchaser and the Issuer in a form approved by Bond Counsel and the City Attorney, and the adoption of a resolution by the governing body of the Issuer authorizing the issuance of the Notes and the execution of various documents necessary to deliver the Notes. The Mayor is hereby authorized to execute the Note Purchase Agreement subject to the following parameters: (a) the principal amount of the Notes shall not exceed \$600,000; and (b) true interest cost ("TIC") of the Notes shall not exceed 3.00%.

**Section 2.** The Preliminary Official Statement, dated September 6, 2016, is hereby approved in substantially the form presented to the governing body this date, with such changes or additions as the Mayor and Clerk shall deem necessary and appropriate. The Issuer hereby consents to the use and public distribution by the Purchaser of the Preliminary Official Statement in connection with the sale of the Bonds.

**Section 3.** The Mayor and Clerk are each hereby authorized: (a) to approve the form of said Preliminary Official Statement, and to execute the "Certificate Regarding Preliminary Official Statement" in substantially the form attached hereto as *Exhibit A* as approval of the Preliminary Official Statement, such official's signature thereon being conclusive evidence of such official's and the Issuer's approval thereof; and (b) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary; to enable the Purchaser to comply with the requirement of the Rule.

**Section 4.** The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Notes or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

**Section 5.** The Mayor, City Administrator, Clerk and the other officers and representatives of the Issuer, and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Notes.

**Section 6.** This Resolution shall be in full force and effect from and after its adoption.

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**ADOPTED** by the governing body on September 6, 2016.

(SEAL)

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Mayor

ATTEST:

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Clerk

**EXHIBIT A**

**CERTIFICATE REGARDING  
PRELIMINARY OFFICIAL STATEMENT**

September 6, 2016

To: Piper Jaffray & Co.  
Leawood, Kansas

Re: City of South Hutchinson, Kansas, Taxable General Obligation Temporary Notes,  
Series 2016

The undersigned are the duly acting Mayor and Clerk of the City of South Hutchinson, Kansas (the "Issuer"), and are authorized to deliver this Certificate to the addressee (the "Purchaser") on behalf of the Issuer. The Issuer has previously caused to be delivered to the Purchaser copies of the Preliminary Official Statement (the "Preliminary Official Statement") relating to the above-referenced notes (the "Notes").

The Issuer hereby deems the information regarding the Issuer contained in the Preliminary Official Statement to be accurate as of its date, except for the omission of certain information as such as offering prices, interest rates, selling compensation, aggregate principal amount, principal per maturity, delivery dates, ratings and other terms of the Notes depending on such matters.

**CITY OF SOUTH HUTCHINSON, KANSAS**

By: \_\_\_\_\_  
Title: Mayor

By: \_\_\_\_\_  
Title: Clerk

**RESOLUTION NO. 16-542**

**A RESOLUTION REQUIRING THE USE OF GENERALLY ACCEPTED ACCOUNTING PRINCIPALS IN THE PREPARATION OF THE FINANCIAL STATEMENTS AND REPORTS FOR THE CITY OF SOUTH HUTCHINSON, KANSAS.**

**WHEREAS** the City of South Hutchinson, Kansas, has determined that the financial statements and financial reports for the year ended 2015 to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the Governing Body or the members of the general public of the City of South Hutchinson and;

**WHEREAS** there are no revenue bond ordinances or other ordinances or resolutions of the municipality which require financial statements and financial reports to be prepared in conformity with K.S.A. 75-1120a(a) for the year ended 2015.

**NOW, THEREFORE BE IT RESOLVED**, by the Governing Body of the City of South Hutchinson, Kansas in regular meeting duly assembled this 21st day of September, 2015 that the Governing Body waives the requirements of K.S.A. 75-1120a(a) as they apply to the City of South Hutchinson for the year ended 2015.

**BE IT FURTHER RESOLVED** that the Governing Body shall cause the financial statements and financial reports of the City of South Hutchinson to be prepared on the basis of cash receipt and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

**ADOPTED BY THE COUNCIL OF THE CITY OF SOUTH HUTCHINSON ON THIS 6<sup>TH</sup> DAY OF SEPTEMBER, 2016**

---

Dave Pitman, Mayor

ATTEST:

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Denise McCue, City Clerk

# City of South Hutchinson Staff Report



**Topic: Chip Sealing Bids**

**Date: September 6, 2016**

Bids for street maintenance chip sealing were opened on Thursday, September 1 at 10:00 am. As expected two bidders submitted for the project, Circle C Paving and APAC-Kansas, Inc. The bid was for sealing on Truman, Ensign and Lewis Lane; the neighborhood west of Main between Avenue D and Avenue E; and the Apollo edition behind the SHPHA. An alternate was included for the Williams Addition area roughly between Wabash and Des Monies.

During the bidding process, the contractors expressed concern that the schedule included in the bidding could not be met in the 2015 calendar due to availability of supplies and potential volatility of the weather. Staff and city engineers amended the bid specifications to allow the work to be completed by July 2017 to accommodate bidders provided they could maintain the pricing until the 2017. Rather than being the last project this year, this will be the first project of next spring.

Bid tabs are attached. The engineer's estimate for the main bid was \$164,828.50, \$189,602.00 for the alternate for a total of \$354,430.50 The low bidder is Circle C Paving at \$100,986.62 on the base bid, \$106,918.74 for the alternate for a total of \$207,905.36. A total of \$4,702.87, 2.2% separated the two bidders.

Staff recommends accepting the low bid from Circle C Paving for both the base bid and the alternate, for a total of \$207,905.36. The funds that would have been used for this year's project will be rolled into 2017 and combined with next year's budget to pay for the projects. Funds were earmarked from the Economic Development/Street sales tax. The current balance of that fund is \$205,000. Staff anticipates an additional \$32,000 in revenue for that fund this year and a budgeted \$110,000 in 2017.

OWNER: CITY OF SOUTH HUTCHINSON  
 PROJECT: 2016 STREET MAINTENANCE IMPROVEMENTS  
 PEC PROJECT NO: 31-15545-000-1173  
 Bid Date/Time: SEPTEMBER 1, 2016 @ 10:00 AM

# BID TABULATION



PROFESSIONAL ENGINEERING CONSULTANTS, P.A.

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	ENGINEER'S ESTIMATE		CIRCLE C PAVING AND CONSTRUCTION, LLC		APAC - KANSAS, INC., SHEARS DIVISION	
				UNIT PRICE	COST	UNIT PRICE	COST	UNIT PRICE	COST
<b>BASE BID</b>									
1	Single Chip Seal	6,999	SY	\$ 3.00	\$ 20,997.00	\$ 1.74	\$ 12,178.26	\$ 1.84	\$ 12,878.16
2	Double Chip Seal	14,705	SY	\$ 5.50	\$ 80,877.50	\$ 3.48	\$ 51,173.40	\$ 3.15	\$ 46,320.75
3	Fog Seal	21,704	SY	\$ 1.00	\$ 21,704.00	\$ 0.49	\$ 10,634.96	\$ 0.48	\$ 10,417.92
4	Leveling Asphalt Patch	250	SY	\$ 45.00	\$ 11,250.00	\$ 40.00	\$ 10,000.00	\$ 27.96	\$ 6,990.00
5	Full Depth Pavement Patch	100	SY	\$ 100.00	\$ 10,000.00	\$ 90.00	\$ 9,000.00	\$ 84.95	\$ 8,495.00
6	Site Clearing & Restoration	1	LS	\$ 20,000.00	\$ 20,000.00	\$ 8,000.00	\$ 8,000.00	\$ 16,386.12	\$ 16,386.12
<b>BASE BID TOTAL</b>				<b>\$</b>	<b>164,828.50</b>	<b>\$</b>	<b>100,986.62</b>	<b>\$</b>	<b>101,487.95</b>
<b>ADD ALTERNATE NO. 1 - (EX: BRICK PAVERS)</b>									
1	Single Chip Seal	35,838	SY	\$ 3.00	\$ 107,514.00	\$ 1.74	\$ 62,358.12	\$ 1.81	\$ 64,866.78
2	Fog Seal	35,838	SY	\$ 1.00	\$ 35,838.00	\$ 0.49	\$ 17,560.62	\$ 0.51	\$ 18,277.38
3	Leveling Asphalt Patch	250	SY	\$ 45.00	\$ 11,250.00	\$ 40.00	\$ 10,000.00	\$ 27.96	\$ 6,990.00
4	Full Depth Pavement Patch	100	SY	\$ 100.00	\$ 10,000.00	\$ 90.00	\$ 9,000.00	\$ 84.95	\$ 8,495.00
5	Site Clearing & Restoration	1	LS	\$ 25,000.00	\$ 25,000.00	\$ 8,000.00	\$ 8,000.00	\$ 12,491.12	\$ 12,491.12
<b>ADD ALTERNATE NO. 1 TOTAL</b>				<b>\$</b>	<b>189,602.00</b>	<b>\$</b>	<b>106,918.74</b>	<b>\$</b>	<b>111,120.28</b>
<b>GRAND TOTAL BASE BID AND ALTERNATE</b>				<b>\$</b>	<b>354,430.50</b>	<b>\$</b>	<b>207,905.36</b>	<b>\$</b>	<b>212,608.23</b>
<b>BID BOND</b>				<b>N/A</b>		<b>YES</b>		<b>YES</b>	
<b>ADDENDUM NO. 1</b>				<b>N/A</b>		<b>YES</b>		<b>YES</b>	

# City of South Hutchinson Staff Report



**Topic: Transient Guest Tax**

**Date: September 6, 2016**

Multiple council members have requested copies of the agreements between the City and Convention and Visitors Bureau (CVB) located within the Chamber of Commerce as well as Market South Hutch. Those agreements are attached as well as the below information. The current rate for transient guest tax is 7%; 4% is remitted quarterly to the CVB and 3% is remitted to Market South Hutch. The rate was changed to 7% in second quarter of 2015. Below is a list of the quarterly payments since the rate change.

Date	CVB	Market South Hutch	Total
October 2015	\$10,703.18	\$8,027.38	\$18,730.57
January 2016	\$9,670.36	\$7,252.76	\$16,923.13
April 2016	\$4,563.54	\$3,422.65	\$7,986.19
July 2016	\$8,780.61	\$6,585.45	\$15,366.06
<b>TOTAL</b>	<b>\$33,717.69</b>	<b>\$25,288.24</b>	<b>\$59,005.95</b>

According to Charter Ordinance 14 adopted in April 2013, there must be committee or contracted agency to make recommendations on transient guest tax expenditures:

*The governing body of this City, having levied a transient guest tax pursuant to the Transient Guest Tax Act may establish one or more committees to make recommendations to the City Council concerning programs and expenditures for promotion of convention and tourism. The governing body shall provide for the appointment for each committees members. The governing body levying such tax shall have the authority to contract for convention and tourism programs to be implemented.*

The Transient Guest Tax Act allows for the funds to be used for the promotion of conventions or tourism. This defined in the act as:

*(1)Activities to attract visitors into the community through marketing efforts, including advertising, directed to at least one of the five basic convention and tourism market segments consisting of group tours, pleasure travelers, association meetings and conventions, trade shows and corporate meetings and travel; and (2) support of those activities and organizations which encourage increased lodging facility occupancy*

The definition of what constitutes an activity which encourages increased lodging has been interpreted in many different ways by multiple communities. The gray area in that definition would require a legal opinion based on the specific uses. The City Attorney is currently researching that statue and practice to determine what could be acceptable uses.

Representatives from the CVB have offered to discuss the specific functions and services that they provide in relation to South Hutchinson. That could be done individually, in groups of two or as a whole council.

If the Council voted to pursue a different course of action with the transient guest tax, then there would need to be formal action to terminate the agreement with the CVB and Market South Hutch. The agreement with the CVB requires an October 1 notification for a January 1 termination. Market South Hutchinson requires a written termination notice effective immediately.

CONTRACT NO. 2007 C190

THIS AGREEMENT is made and entered into this 16<sup>th</sup> day of October, 2007 by and between:

THE CITY OF HUTCHINSON, KANSAS, a municipal corporation ("Hutchinson"), THE CITY OF SOUTH HUTCHINSON, KANSAS, a municipal corporation ("South Hutchinson"), referred to jointly as ("Cities"), and

HUTCHINSON/RENO COUNTY CHAMBER OF COMMERCE, a not-for-profit Kansas Corporation ("Chamber"), doing business for purposes of the Agreement through its Greater Hutchinson Convention/Visitors Bureau ("CVB").

WITNESSETH:

WHEREAS, the Cities have determined it advisable to aggressively market the Greater Hutchinson/Reno County community for the purpose of encouraging travel and tourism; and

WHEREAS, the Cities have enacted transient guest tax ordinances for the purpose of funding such marketing program; and

WHEREAS, the Chamber has created the CVB for the purpose of providing such services; and

WHEREAS, the Cities propose to provide funds derived from said transient guest taxes to permit the Chamber to implement a program consisting of activities which are undertaken by the CVB for the purpose of promoting conventions and tourism within the Greater Hutchinson/South Hutchinson community.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Chamber to Operate CVB. The Cities do hereby engage and retain the Chamber to manage and operate as a separate division of its organization the Greater Hutchinson Convention/Visitors Bureau and to render the services hereinafter contemplated, and the Chamber does hereby agree to accept such engagement and to discharge its duties in accordance with the terms and conditions hereinafter set forth.

2. Duties of Chamber. Subject to the approval of both Cities' governing bodies and the funding limitations hereinafter set forth, the Chamber shall, through the CVB, plan and implement a comprehensive program for the purpose of promoting conventions and tourism.

The CVB shall use transient guest tax funds from both Cities for convention and tourism promotion in accordance with state law. As defined in applicable state law, convention and tourism promotion means: (a) activities to attract visitors into the community through marketing efforts including advertising directed to at least one of the five basic convention and tourism market segments consisting of tour groups, pleasure travelers, association meetings and conventions, trade shows and corporate meetings and travel; and (b) support those activities and organizations which encourage increased lodging facility occupancy. The CVB shall annually prepare a Plan of Action to be presented to the Cities in January of each year this Agreement is in effect.

3. Duties of Cities. In furtherance of the purposes of this Agreement, the Cities shall:

A. Distribute pursuant to one or more appropriate ordinances funds generated from its transient guest tax, unless directed otherwise by the State of Kansas or an agency of the State of Kansas, to the CVB operating accounts to be used for its budgeted operations; provided, however, that the City of Hutchinson shall distribute to the CVB funds equivalent to a four percent (4%) transient guest tax assessed in Hutchinson. It is the intent of this paragraph that the City of Hutchinson pay the CVB the equivalent of a four percent (4%) transient guest tax and pay to the developer of the convention center the equivalent of a three percent (3%) transient guest tax. This Agreement shall serve as the authorization required for release of said transient guest tax funds on a quarterly basis.

B. The City of Hutchinson shall, in cooperation with the City of South Hutchinson, appoint members to the Convention and Visitors Advisory Bureau Advisory Board ("CVBAB") in accordance with ordinary and charter ordinances passed by both cities.

C. Hutchinson to maintain its Ordinance No. 7105 and South Hutchinson to maintain its Ordinance No. 87-505, both in full force and effect until such time as the Cities' governing bodies deem repeal or amendment appropriate.

4. Convention and Visitors Bureau Advisory Board. The Cities agree that the membership and responsibilities of the CVBAB shall be as follows:

A. Members of the CVBAB Board shall be established by resolution of the Governing Body of the City of Hutchinson with the appointment of the South Hutchinson members to be made by the Mayor with the consent of the South Hutchinson City Council. The CVBAB shall consist of no more than fifteen (15) appointed by the Mayors of both Cities with the approval of both Cities' governing bodies. The CVBAB shall consist of no more than fifteen (15) members. Members whose terms are for three years may succeed themselves

without limitation. The CVBAB shall be comprised of the categories and number of representatives with corresponding terms listed as follows:

- Four (4) from Hotels or Motels (3 Hutchinson, 1 South Hutchinson):

Grand Prairie Hotel/Convention Center, 3-year term  
Hampton Inn Express, 3-year term  
Best Western Sun Dome, 3-year term  
Rotating Hotel/Motel, a single 1-year term\*

\*1-year Hotel/Motel Rotation:

2008 - Hampton Inn  
2009 - Microtel Inn  
2010 - Comfort Inn  
2011 - Econolodge  
2012 - America's Best Value Inn  
2013 - Scotsman Inn  
2014 - Astro Motel  
2015 - Economy Inn

- Five (5) from Attractions (Hutchinson):

Kansas Cosmosphere & Space Center, 3-year term  
Kansas State Fair, 3-year term  
Kansas Underground Salt Museum/Reno Co. Historical  
Museum, 3-year term  
Fun Valley Sports Complex, 3-year term  
Rotating Attraction, a single 1-year term\*\*

\*\* 1-year Attraction Rotation:

2008 - Historic Fox Theatre  
2009 - Dillon Nature Center/Salt City Splash  
2010 - Hutchinson Zoo

If a hotel/motel or an attraction declines its position for a specific assigned year, the next hotel/motel or attraction on the rotation list would be asked to fill the open one-year position.

- Three (3) Businesses At-Large Representatives (2 Hutchinson, 1 South Hutchinson), a single 2-year term
- Three (3) Ex-officio representatives from City of Hutchinson, City of South Hutchinson, and the Hutchinson/Reno County Arts and Humanities Council.

B. The CVBAB shall make recommendations to the CVB concerning the programs and expenditures for the promotion of conventions and tourism and shall advise the CVB on all other matters related thereto. The CVBAB shall monitor the finances of the CVB and shall make recommendations concerning the CVB's annual budget. The CVBAB shall approve minutes of their meetings and submit such minutes to the governing bodies of Hutchinson and South Hutchinson. The CVBAB shall make reports to Hutchinson and South Hutchinson as appropriate or as requested by the Cities.

5. Term of Agreement. The term of this Agreement shall be from the date of approval and signature by all parties through December 31, 2008; and shall renew itself for a period of one (1) year in succeeding years unless written notice of termination shall have been provided by any party to the others on or before October 1 of any year, in which case the Agreement shall terminate upon December 31 of that year. In the event of termination, payments of the transient guest tax shall be paid pursuant to the agreed budget up to the date of termination.

6. Budget Coordination. The parties anticipate that the Cities will provide funding of the Program in future years. Not later than April 1 of the year preceding any year in which the Chamber intends to operate the CVB with transient guest tax funding, it shall furnish to both Cities a budget for the CVB's operation in the coming year. Any such proposed budget shall include those categories of revenue and expense deemed appropriate by the Cities. The president of the Chamber and/or the director of the CVB, or their respective designees, shall upon request, meet and confer with the Cities for the purpose of explanation and discussion of the proposed budget. Chamber and/or CVB shall provide such additional information as may be requested by the Cities in order to review and analyze the proposed budget. It is understood and agreed that if the revenues from the transient guest tax are insufficient to meet the approved budget, the CVB must then make adjustments to compensate for the reduced receipts.

7. Financial Accounting and Reporting Requirements. The CVB shall furnish to the City Clerk of both Cities no later than ninety (90) days after the close of each of its fiscal year any portion of which falls within the term of this Agreement, a financial statement for such year which statement shall be prepared according to generally accepted accounting principles and shall, at a minimum, encompass all aspects of the operation of the CVB and an audit report prepared by a certified public accountant. The Cities may request any additional financial information they deem necessary or appropriate to assist the Cities' staff or the governing bodies in analyzing a request for financial assistance or in verifying the accuracy of any payment due the CVB or of the CVB's financial records. Any duly authorized agents of the Cities shall be entitled to inspect and

audit all books and records of the CVB for compliance with the terms of this Agreement.

8. Non-Discrimination. During the performance of this Agreement, the Chamber will not discriminate against any employee or applicant for employment because of race, sex, religion, color, age, national origin, ancestry or disability. The Chamber will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, sex, religion, color, age, national origin, ancestry or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Chamber agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause.

The Chamber may be required prior to commencement and during the term of this Agreement to furnish to the Hutchinson Human Relations Officer or the City of South Hutchinson designee, upon request and on such form(s) as may be required, a report of the affirmative action taken by the Chamber implementing the terms of this provision and will permit access to records of employment, employment advertisements, application forms, other pertinent data and records for the purpose of investigation to determine compliance with this provision.

If upon investigation, the Hutchinson Human Relations Officer or South Hutchinson designee finds probable cause to believe that the Chamber has failed to comply with any of the nondiscrimination provisions, the Chamber, the Hutchinson City Manager and the South Hutchinson designee shall be notified in writing. After serving notice, the parties will attempt to bring about compliance through conference, conciliation and persuasion. If compliance cannot be brought about through conference, conciliation and persuasion, the parties shall submit written findings and a recommendation to the Hutchinson City Manager or South Hutchinson designee. If the Hutchinson City Manager or South Hutchinson designee concurs with the finding(s) and recommendation(s), it may cancel and/or withhold any funds due to the Chamber, pending compliance by the Chamber with the terms of this provision.

Failure to comply with any of the terms of this provision shall be a material breach of contract.

9. Limitation on Use of Funds by Chamber. All monies paid to the Chamber hereunder shall be used solely for the operation of the Program. Goods and services procured in support of such program shall be purchased from suppliers located within Reno County whenever possible, consistent with sound business judgment.

10. Indemnification. The Chamber agrees to hold the Cities harmless and to indemnify the Cities against all claims arising out of any agreement, debt, obligation, condition of employment, personal injury or damage to property which might be made against the City in connection with the responsibilities imposed upon the Chamber pursuant to this Agreement.

11. Relationship of Parties. The Cities and the Chamber are separate entities. Nothing in this Agreement shall be construed to create or imply any agency, partnership or joint venture between the parties hereto, nor shall any officer, employee or agent of the Chamber be deemed to be an officer, employee or agent of the Cities for any purpose.

12. Assignment. The Chamber shall neither delegate duties nor assign rights imposed by or arising from this Agreement without first obtaining the written consent of the Cities.

13. Resolution of Disputes. All disputes concerning the application or interpretation of this Agreement shall be resolved by the governing bodies of the Cities, whose decision shall be final and conclusive upon the parties hereto.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

Attest:  
  
Gina Rayburn  
Gina Rayburn  
Finance Officer/City Clerk

“HUTCHINSON”  
THE CITY OF HUTCHINSON, KANSAS,  
a municipal corporation

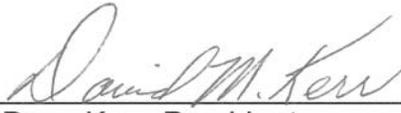
By: R. E. Sellers  
R. E. Sellers, Mayor

Attest:  
Denise McCue  
Denise McCue, City Clerk

“SOUTH HUTCHINSON”  
THE CITY OF SOUTH HUTCHINSON,  
KANSAS, a municipal corporation

By: Pete Murray  
Pete Murray, Mayor

"CHAMBER"  
HUTCHINSON/RENO COUNTY  
CHAMBER OF COMMERCE, a not-for-profit  
Kansas corporation

By:   
Dave Kerr, President

## AGREEMENT

This article of agreement made and entered into this 15th day of February, 2005 by and between the City of South Hutchinson, Kansas, hereinafter known as "City" and Market South Hutchinson, hereinafter known as "MSH".

WHEREAS; although all of the revenue generated from the transient guest tax in the City of South Hutchinson is paid to the Greater Hutchinson Convention/Visitors Bureau, also known as CVB, by and through an agreement entered into by and between the City of Hutchinson, Kansas, the City of South Hutchinson, Kansas and the Hutchinson/Reno County Chamber of Commerce on January 1, 1995, and its amendments; and

WHEREAS; a portion of those funds are returned to the City of South Hutchinson each year to be utilized for convention and tourism promotion in accordance with state law; and

WHEREAS; the City of South Hutchinson has engaged an organization known as Market South Hutchinson to utilize such funds for the purpose of promoting convention and tourism within the City.

NOW THEREFORE;

1. The City hereby agrees to pay unto MSH, from time to time, all funds received by it from the CVB.
2. All such funds shall be utilized by MSH in a manner pursuant to and consistent with the purposes provided by State law for the use of transient guest tax revenues.
3. MSH shall account for all such funds received from the City by providing a financial report to the City illustrating its activities and expenditures each quarter, commencing April 1, 2005.
4. This agreement may be terminated by either party hereto at any time and for any reason by providing the other party written notification of such termination. In such event, termination hereof shall be effective upon receipt of such notification.

Attest: Dennis J. McLee

"CITY OF SOUTH HUTCHINSON"

Ronald W. Hunt, Mayor

"MARKET SOUTH HUTCHINSON"

Erwin Leeper, chairman

# City of South Hutchinson Staff Report



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**Topic: Love's Community Improvement District**

**Date: September 6, 2016**

Steve Walters from Love's contacted me regarding the use of a potential Community Improvement District for their project. Community Improvement Districts use a defined area where 51% of the landowners have agreed to be part of the district. The district can opt to charge a special sales tax up to 2% on sales within the district to pay for any number of improvements including lighting, parking, buildings, advertising, signage, etc. A dollar cap and a set number of years and put in place on the district. For example, a CID could be a 1% sales tax for 22 years or \$2 million dollars. As money is earned it is deposited and can be used to pay for project expenses.

The Love's CID would be self contained their site. All the costs for the district including setup and legal review would be paid by Love's. There is a defined process to establish the district, but Love's wanted to know if the City would consider allowing such a district. Given that it only impacts Love's and does not impact the city in anyway, staff has no objections to allowing Love's to seek a CID.

# City of South Hutchinson Staff Report



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**Topic: Elevator Lease**  
**Date: September 6, 2016**

Staff was approached by Skylink Wireless, a small wireless internet provider about the possibility of leasing space on the elevator for wireless internet equipment. We discussed a potential lease arrangement that could include providing wireless internet service for the community center and cash rent. Wireless internet providers garner a fraction of cell phone tower leases income, but could be used generate a small amount of revenue and avoid having to pay for internet service at the community center.

If the Council is interested, then I would recommend that approving staff negotiating a lease agreement with Skylink Wireless for a lease on part of the elevator space.