

# COUNCIL AGENDA

March 1, 2016 ★ 6:30 p.m.



317 South Washington ★ Wellington, Kansas 67152

## I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE           Eisenhower Elementary Students

III. INVOCATION                       Reverend Brent Clayton of First United Methodist Church

## IV. ROLL CALL

## V. AUDIENCE PARTICIPATION

## VI. CONSENT AGENDA

### A. APPROVAL OF MINUTES

- 1) Regular Session of February 16, 2016
- 2) Special Session of February 24, 2016

### B. APPROVAL OF APPROPRIATIONS

- 1) Payroll Report February 7 - 20, 2016
- 2) ACH Authorization Voucher #986 for BCBS for February 10 - 16, 2016
- 3) ACH Authorization Voucher #987 for BCBS for February 17 - 23, 2016
- 4) Claims Register for February 13 - 29, 2016

### C. COUNCIL CORRESPONDENCE

- 1) Clerk's Report for January 2016
- 2) Electric, Water Works, Sewage Utility Operating Fund for January 2016
- 3) Local Retailer Sales Tax & Compensating Use Tax for January 2016
- 4) SRMC Financial Report for January 2016
- 5) HCA Board of Director's Meeting Minutes for January 21, 2016
- 6) WRC Board Meeting Minutes for November 24, 2015
- 7) WRC Board Meeting Minutes for December 15, 2015
- 8) Housing Authority Board Meeting Minutes for January 26, 2016

## VII. REPORTS OF MAYOR AND COUNCIL

## VIII. REPORTS OF CITY OFFICIALS

- 1) Special Alcohol & Drug Committee Appointment – Memo from Finance Director Shields
- 2) Housing Authority Resident Board Appointment –Memo from City Clerk Mericle & Appointment/Election Certificate

## IX. PUBLIC HEARING

## X. ORDINANCE

- 1) AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF PRINCIPAL AMOUNT OF ELECTRIC, WATERWORKS AND SEWAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2016, OF THE CITY OF WELLINGTON, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

## XI. RESOLUTIONS

- 1) A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF ELECTRIC, WATERWORKS AND SEWAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2016, OF THE CITY OF WELLINGTON, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. \_\_\_\_\_ 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.

- 2) A RESOLUTION APPROVING AND ACCEPTING BIDS AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH PROENERGY OF SEDALIA, MISSOURI FOR THE PURCHASE OF A MECHANICAL OIL PUMP FOR THE GAS TURBINE BRUSH GENERATOR IN THE AMOUNT OF \$24,140
- 3) A RESOLUTION APPROVING AND ACCEPTING A BID AND AUTHORIZING THE CITY MANAGER TO EXECUTE A THREE-YEAR AGREEMENT WITH DAVIS TREE SERVICE OF ARKANSAS CITY, KANSAS FOR \$90,000 AT THE HOURLY RATE OF \$93.83 PER HOUR

**XII. STUDY ITEMS**

**XIII. EXECUTIVE SESSION**

An executive session will be held to discuss confidential data relating to financial affairs or trade secrets of second parties.

**FUTURE AGENDA ITEMS**

03/07 Work Session- Wellington Humane Shelter, Linda Stewart

03/15 Proclamation for Fair Housing Month (April 2016)

**ADJOURN**

The Council of the City of Wellington, Kansas, met in Regular Session on February 16, 2016 at 6:30 p.m., in the City Council Room, City Administration Center, with Mayor Shelley Hansel presiding.

The Pledge of Allegiance was led by Washington Elementary student Elly DeJarnett and her teacher Mrs. Withington.

The Invocation was given by Reverend William Wingfield of Calvary Lutheran Church.

Council members Bill Butts, Kip Etter, Jan Korte, Jim Valentine, and Kelly Green were present at roll call. Council member Vince Wetta was absent.

Members of the Staff present were City Attorney Mike Brown, City Manager Roy Eckert, Finance Director Shane Shields, City Clerk Carol S. Mericle, Public Works Director Jeremy Jones and Water Production Supervisor Mike Clift.

#### **AUDIENCE PARTICIPATION**

**SRMC Update.** Terry Deschaine, SRMC Health Care Authority Board member, gave the following update on the Sumner Regional Medical Center. A recent national study was released regarding 31 rural Kansas hospitals that are at risk for closure and SRMC is on that list. In 2015, there were 17 hospitals listed and SRMC was on that list, as well. Roughly 1/3 of rural hospitals are at risk for closure so it is not just us struggling, it is a national issue – mainly a reimbursement issue. The worst states that are in the most trouble and at risk are those that have not expanded Medicaid. He believes there are 31 states that have expanded Medicaid but we have not. If we did, our hospital would stand to gain between \$600,000- \$750,000 in reimbursements annually. SRMC is currently giving care or pre-care to uninsured patients and they are not being reimbursed. To assist this issue, the Kansas Hospital Association (KHA) has sponsored a budget-neutral bill called, “A Bridge to a Healthy Kansas” which has already been introduced to the House and Senate.

Mayor Hansel informed Mr. Deschaine that the Sumner County Leadership Initiative (SCLI) group is travelling to Topeka to the state house next week and she will make sure that our Kansas Legislators and Governor hear from Wellington regarding support.

Mr. Deschaine discussed December hospital financial reports: Total operating revenue of \$1,208,000; expenses of \$984,500; depreciation of \$76,863; which would have given them a bottom line of \$146,863. They had a one-time bad debt write-off in 12/31/2015 due to timely filing issues from 2014 & 2015 with the former collection company of \$492,000. They had a one-time sale of an asset in the amount of \$275,000. Between all of those factors, ended up with about a \$71,000 loss on the books for December. He will report on January at the next meeting but he does know they ended with a profit due to good collections month. The Hospital Board approved the 2016 budget at the January meeting. Budget for 2016 is projected to be a positive \$232,653 so that is a good change. A positive report is what the hospital does for the community which is the amount of free care they provide – last year they provided \$1.4 million dollars in free care to the community. There are changes to the surgery program: Dr. Brown has increased amounts of surgeries performed at the hospital and volume is continuing to grow. He will start coming every Thursday instead of every-other Thursday. The morale in the surgery and outpatient clinic areas has improved. The new coding company that started in January has showed an increase in productivity – there is no backlog in coding, which was part of the problem with the billing issues – inaccurate or backlogs. They still have an issue with the back-office regarding billing but they are figuring things out. They cannot hold the new billing company accountable until they fix internal issues and they are on the right track. Cash collected in January was a little over \$1 million, which allowed them to pay a couple of vendors who are calling almost daily for payment, which is a negative challenge. They hope to keep the cash flowing each month so they can continue to improve their accounts payable situation. He shared an email from February 5, 2016 from their Controller to the Board

Chairman regarding filing of their 2015 4<sup>th</sup> quarter IRS filing of 941 form that all withholding has been paid. He reported that the hospital CEO, Barry Harding, was doing much better.

Mayor Hansel thanked the CEO, Controller and the rest of the SRMC Board for their great work.

#### **CONSENT AGENDA**

Council member Jan Korte moved to approve the consent agenda as presented. Council member Bill Butts seconded. The motion carried. The following items were approved under the Consent Agenda.

➤ **APPROVAL OF MINUTES**

- 1) Special Session of January 29, 2016
- 2) Regular Session of February 2, 2016

➤ **APPROVAL OF APPROPRIATIONS**

- 1) Payroll Report January 24 – February 6, 2016 in the amount of \$216,853.08
- 2) Claims Register for January 16 – 31, 2016 in the amount of \$811,274.58
- 3) ACH Authorization Voucher #984 for BCBS for January 27 – February 2, 2016
- 4) ACH Authorization Voucher #985 for BCBS for February 3 – February 9, 2016

➤ **COUNCIL CORRESPONDENCE**

- 1) Treasurer's Quarterly Report for October 1 – December 31, 2015
- 2) 2015 Sludge Report – Memo from WWTP Supervisor Berryman
- 3) Building/Demo Permit Report for January 2016
- 4) Ambulance Monthly Financial Report for January 2016
- 5) Fire/EMS Activities/Overtime/Revenue Report for January 2016
- 6) Library Board Meeting Minutes for December 9, 2015
- 7) Library Annual State Report for 2015
- 8) Library Board Meeting Minutes for January 13, 2016
- 9) Auditorium Board Meeting Minutes for January 7, 2016
- 10) Park Board Meeting Minutes for January 11, 2016
- 11) Safety Newsletter for February 2016
- 12) Accident History Report 2012 thru 2015
- 13) PSA/Media Release – Park Board Vacancy, dated February 9, 2016
- 14) Housing Authority, Resident Vacancy – Memo from City Clerk Mericle
- 15) Thank you Letter from City of Anthony re: Assistance from Wellington Electric Distribution
- 16) Street Closing Request, Lincoln Splash & Dash, May 16, 2016

#### **REPORTS OF MAYOR AND COUNCIL**

Council member Jim Valentine commended the Fire Department for doing good deeds on Valentine's Day. He was also glad to see the J-Turn signs are up.

Mayor Hansel also shared her gratitude towards the Fire Department and the help given by delivering flowers to residents on Valentine's Day. She added that she and the SCLI group will be traveling on Sunday and Monday to Topeka and they will certainly mention the hospital and not to forget about Wellington and South Central Kansas.

#### **REPORTS OF CITY OFFICIALS**

*Sale of Settlers Circle Lot.* City Manager Roy Eckert opened discussion about the sale of Lot #24, 814 Settlers Circle at Settlers Creek addition. He said there were two offers – the gentleman from last year who is moving forward with his offer and also from another gentleman. They are recommending the higher bid of \$1,000, which is the range that other bids have been accepted at previously.

Tony Farley asked to speak. He has lived at Settlers Creek for last 5 years or so. He owns 3 lots and he wants to know what the lots are going to be used for. He was concerned that it was not residential

– he does not feel the Board is being informed correctly because he heard the bidder was wanting to make the lots a driveway for apartments and the Church.

Attorney Brown responded that there zoning regulations the new owner would have to comply with. Manager Eckert agreed about the zoning regulations and told the group that the bidder informed him he was planning on building a house.

Council member Korte asked if it was possible that the bidder planned to build a house and also a drive to allow the church access.

Director Jones replied that he believes the ordinance specifically prohibits commercial property being accessed through residential property.

Council member Etter made a motion to sell the house to the highest bidder with contingency that buyer follows rules and city ordinance. Council member Green seconded. The motion carried.

***Year-end Capital Improvement Transfer.*** Director Shields discussed the 2015 year-end Capital Improvement transfer memo. This year there will not be a recommendation regarding a significant transfer to the general fund. He stated there is funding of \$35,000 that was not used in the street department budget for street improvements in 2015. We could transfer that \$35,000 to the capital improvement fund and designate it for street improvements in 2016.

Director Jones replied that \$35,000 was not used because they were going through the pavement survey and wanted to wait and make a plan depending on the survey results. He stated they would like to carry it over and put it to better use in 2016. They felt a year end transfer would be best plan. A couple of things came up that is causing them to reorganize the project list. He wanted to first make sure that money could be transferred to them and then wrap up a list of projects, allowing him to present a specific list of projects to the Council.

Council member Korte said she is in favor of transferring money for street repairs.

Council member Etter agreed that there are many streets that need repaired and he would like to make sure we get the best bang for our buck. He would like to see us focus on 9<sup>th</sup> Street to Woodlawn because of the vast amount of people coming to our area to attend sporting events, with the football field and school there. It would provide us an opportunity to put our best foot forward for anyone considering moving to Wellington.

Council member Valentine asked Director Jones if 9<sup>th</sup> street was a top priority from the surveys.

Director Jones explained how the program worked to determine the streets in need. He did not know how 9<sup>th</sup> street ranked without looking at the report.

Director Jones replied that the budget also needed to be considered: \$200,000 per year was really about \$125,000 in street work after sand and gravel was purchased. Trying to maximize use of those funds – doing maintenance to more roads with lesser costs than a smaller amount of more expensive projects. He plans to address that by using the \$100-\$125,000 to preserve roads and look at addressing the worst roads also. He said 9<sup>th</sup> Street specifically, he cannot address at this time, but a project like C Street is on the list and it has asphalt over concrete, so he has no idea what the team will find once they get into it. He knows 9<sup>th</sup> street complaints are about it being rough – there are things that can be done to make all of it work the best they can this year.

Director Jones added that the budget also has funds for curb and gutter and they will do what they can, usually getting 10-15 blocks done. If it cannot be done this year, it will be focused on in 2017.

Council member Korte asked if we were able to purchase the traffic counter. Director Jones informed her that we did purchase it. She replied she was concerned we might spend money making repairs to areas we think need fixed instead of using the survey, which would be a waste of money. Director Jones explained the traffic counter to the group that a better counter was purchased that would be

able to determine if a vehicle traveling a road was a car or a large truck, by counting axles. He added when we start to address improving a road, he knows what materials need to be used, which could be a difference in money spent.

Council member Korte made a motion to authorize the transfer the \$35,000 from the 2015 street operating budget to the 325 Capital Improvement Fund to increase the amount of street preservation/repair in 2016. Council member Green seconded. The motion carried.

**PUBLIC HEARINGS**

There were no public hearings included in the agenda.

**ORDINANCES**

There were no ordinances included in the agenda.

**RESOLUTIONS**

A RESOLUTION SELECTING A PURCHASER FOR, AND AUTHORIZING THE OFFERING FOR SALE OF ELECTRIC, WATERWORKS AND SEWAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2016, OF THE CITY OF WELLINGTON, KANSAS was introduced and considered.

John Haas, President of Ranson Financial Consultants, LLC, Wichita, KS introduced the proposal summary. He explained that the decision needs to be expedited due to rates. He recommended DA Davidson, for the Underwriter proposal.

Council member Etter moved to adopt the resolution as presented. Council member Korte seconded. Upon roll call vote, those voting "AYE" were Council members Butts, Etter, Green, Korte and Valentine. There were no "NAY" votes. Number 5727 was assigned to this resolution.

A RESOLUTION APPROVING AN AMENDMENT TO THE KANSAS POWER POOL (KPP) SECOND AMENDED OPERATING AGREEMENT BY AMENDING ARTICLE III OF THE SECOND AMENDED OPERATING AGREEMENT AND ARTICLE 13, SPECIFICALLY SECTION 13.3 OF THE SECOND AMENDED OPERATING AGREEMENT AS IS FULLY REFLECTED ON THE ATTACHED REVISIONS, ATTACHED EXHIBITS A AND B was introduced and considered.

Manager Eckert explained that this amendment does away with the proxy vote for KPP. Future amendments will require a two-thirds vote of its member cities to pass and all member cities must pass this resolution to approve the amendment.

Council member Green moved to adopt the resolution as presented. Council member Korte seconded. Upon roll call vote, those voting "AYE" were Council members Butts, Etter, Green, Korte, and Valentine. There were no "NAY" votes. Number 5728 was assigned to this resolution.

A RESOLUTION APPROVING AND ACCEPTING BIDS AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH HOA SOLUTIONS, INC. (HYDRO OPTIMIZATION & AUTOMATION SOLUTIONS) OF LINCOLN, NEBRASKA, FOR VFD's (VARIABLE FREQUENCY DRIVES) IN THE AMOUNT OF \$95,000 FOR THE WATER TREATMENT PLANT was introduced and considered.

Manager Eckert explained that the 2016 budget included the purchase of this VFD and explained the advantages, such as reduction in future water main breaks and others. He said the City requested bids from three companies but only one replied. He added the Water Production Department budgeted \$115,000 and this company came in at \$95,000. It includes a complete turn-key system and training for the crew. Water Production Supervisor Clift was recognized and agreed that this will be a good system for us.

Council member Etter asked if this system is for Water Production only or if it will benefit Water Distribution, as well. Mr. Clift verified it would help distribution and explained the process and advantages.

Council member Butts moved to adopt the resolution as presented. Council member Green seconded. Upon roll call vote, those voting "AYE" were Council members Butts, Etter, Green, Korte, and Valentine. There were no "NAY" votes. Number 5729 was assigned to this resolution.

A RESOLUTION APPROVING AND ACCEPTING BIDS AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH CORNERBANK TO PROVIDE FOR THE LEASE PURCHASE FINANCING FOR AN IRRIGATION SYSTEM FOR THE WELLINGTON MUNICIPAL GOLF COURSE was introduced and considered.

Manager Eckert introduced the resolution and informed the group that bids were submitted with both monthly and annual rates. He shared the rates submitted by three banks showing they were all grouped fairly close. He explained that going with CornerBank would save us about \$18,000 in interest.

Council member Valentine asked if this was a fixed or annual rate. Manager Eckert responded that it was a fixed rate either way we go.

Council member Korte asked the term of the loan. Manager Eckert responded that the term was 5 years.

Council member Valentine asked where the money was coming from. Manager Eckert informed him that we would be borrowing it and budgeting payment money from the Capital Improvement fund that is transferred monthly from the General Fund. Director Shane Shields confirmed the same thing and explained various sources of the General Fund, which is Ad Valorem Tax, ambulance billing payments, Court payments, Lake receipts, and other miscellaneous.

Council member Valentine shared his concerns of using tax money to fund this expense.

Council member Etter moved to adopt the resolution as presented. Council member Green seconded. Upon roll call vote, those voting "AYE" were Council members Butts, Etter, Green and Korte. Voting "NAY" was Valentine. Number 5730 was assigned to this resolution.

A RESOLUTION APPROVING AND ACCEPTING BIDS AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH BROWNLEE HEATING & AIR CONDITIONING OF WELLINGTON, KANSAS, FOR AC/HEAT UNITS IN THE AMOUNT OF \$18,450 FOR THE EAST SIDE OF THE CITY ADMINISTRATION BUILDING was introduced and considered.

Manager Eckert introduced the resolution and explained why the new unit is needed. He said three bids were requested but we only received two. We included in 2016 budget the purchase of a HVAC unit for the east side of the building. He explained the efficiency and bid differences.

Council member Green asked about the Waldorf Riley bid. City Clerk Mericle explained that they bid to install a 10 ton unit on the City hall rooftop vs our current attic location and that our building inspector informed us of additional needs and expenses to accommodate that change.

Council member Green moved to adopt the resolution as presented. Council member Butts seconded. Upon roll call vote, those voting "AYE" were Council members Butts, Etter, Green, Korte and Valentine. There were no "NAY" votes. Number 5731 was assigned to this resolution.

A RESOLUTION PROVIDING FOR THE CHARGE-OFF OF UNCOLLECTED UTILITY ACCOUNTS was introduced and considered. Director Shields explained this is an annual process and a recommendation of the City Auditor, Kenneth Cooper. He reminded the group that even though the account is charged off, this only removes the debt from the accounts receivables but does not clear the

customer's debt, should they wish to have future services with the City. Total amount to be charged off is \$58,679.64, and is approximately .007% of the 2014 Utility billing.

Council member Green asked about other options of pursuing the debt versus writing it off. Director Shields explained we currently use a set-off program.

Council member Etter asked if we have used a collection agency in the past and Director Shields replied although we don't currently use that method, it is an option.

Council member Korte asked that the set-off program be further explained. City Clerk Mericle explained the set off program that is currently being used by the Utility, Ambulance, and Court Departments.

Council member Korte moved to adopt the resolution as presented. Council member Etter seconded. Upon roll call vote, those voting "AYE" were Council members Butts, Etter, Green, Korte and Valentine. There were no "NAY" votes. Number 5732 was assigned to this resolution.

**STUDY ITEMS**

There were no study items included in the agenda.

**FUTURE AGENDA ITEMS**

Mayor Hansel reminded the group that there is still a Park Board vacancy and that we are currently accepting applications until February 24, 2015. She publicly thanked Kent Johnston for his service over the years and hopes he enjoys his retirement. We also have an opening on the Housing Authority Board that must be a resident of Wheat Capital Manor.

Council member Green informed the group that a Work Session was needed for both the issues of the Humane Society and on Code Enforcements. The number one complaint she receives is the condition of some resident's yards and the lack of enforcement. A previous work session on the same issue garnished ideas but as far as she knows, nothing has changed or been done. She is requesting we schedule a work session, either the same night as Humane Society or another night and invite Code Enforcement and the City Prosecutor to try and figure out where the problem is: policies or enforcement. She reminded group of recent discussions on forming the CDBG but she also wants to enforce current codes to help Wellington look nicer.

Mayor Hansel agreed and responded that the dates requested by the Humane Society to discuss Humane Society issues were March 7, 8, 21 or 22<sup>nd</sup>. Manager Eckert agreed and will arrange invitations for legal and code attendance. A work session was decided on for March 7<sup>th</sup> at 5:30 p.m. at City Hall. They will meet first regarding Humane Society and then discuss Code Enforcement. A motion to adjourn was seconded and carried.

Approved and filed this 1<sup>st</sup> day of March, 2016.

\_\_\_\_\_  
Mayor

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City Clerk



The Council of the City of Wellington, Kansas, met in Special Session on February 24, 2016 at 12:00 p.m., in the City Council Room, City Administration Center, with Mayor Shelley Hansel presiding. Mayor Hansel called the special meeting to discuss raw water user issues.

The Pledge of Allegiance was led by Mayor Hansel.

Council members Bill Butts, Kip Etter, Jan Korte, Kelly Green, and Vince Wetta were present at roll call. Council member Jim Valentine was absent at roll call.

Members of the Staff present were City Attorney Mike Brown, Finance Director Shane Shields, City Clerk Carol S. Mericle, Utility Director Jason Newberry, City Manager Roy Eckert, and Public Works Director Jeremy Jones.

#### **REPORTS OF CITY OFFICIALS**

City Manager Roy Eckert explained the Raw Water issue: the City of Wellington, in some instances, has been providing raw water to residents outside of the city limits. As many as ten years ago, the state of Kansas asked us to cease this practice but they did not push the issue until a few months ago; therefore, they have ordered that all users of raw water must disconnect by May 1, 2016. In order to make that happen, he is asking for the authority to work with individuals and reach agreements without having to come back to the Council with each instance.

Attorney Mike Brown explained more about how the agreements and leases of raw water to users works and how the Kansas Department of Health and Environment (KDHE) is stating we must cease this practice. He further explained that Roy is asking for approval to negotiate with users. He added we have been trying to work out something with KDHE but the employee we have dealt with for many years has recently retired so they are no longer willing to work with the City.

Manager Eckert continued to explain that May 1<sup>st</sup> is the cutoff date and if services are not disconnected, we will be fined.

Director of Utilities Jason Newberry added that this is the reason for the urgency, to give the customers as much time as we can to deal with this issue. He said we have to shut these customers off and they will no longer have water to their residences as of May 1<sup>st</sup> unless they come up with another means of establishing water service.

Council member Korte asked if we are sure the City will continue to keep authority to use the wells on an individual's property.

Attorney Brown responded that was what we were trying to accomplish with the negotiations. He added we own the easements so if that happens, we may have to cap the well.

Mayor Hansel commented that she understood there may be raw water users that we have not identified and asked how we were going to handle that issue.

Manager Eckert responded that we can monitor water flows and find out if there is usage; he believes in the past there have been taps that we did not permit. He added that our crews are watching very closely and they do a wonderful job. He said we want to be fair to all users of raw water and we will work with them and we have resources set aside to make that happen.

Council member Butts asked if the City anticipated any customers being difficult in the negotiations.

Attorney Brown responded that although we know that could happen, the users understand that this is not a problem that the City created. We advised them about 7 years ago about the KDHE issue, and now we have a May 1<sup>st</sup> deadline that we are stuck with.

Mayor Hansel asked if there was a cap on the amount that we are offering users and wanted to know where that money was coming from.

Financial Director Shane Shields replied that there was \$150,000 budgeted in the year 2016 for a project to address the raw water issue. He explained that the money is in the Capital Improvement Fund but it can also be used to negotiate agreements with users.

Council member Vince Wetta moved to approve the City Manager have the authority to negotiate a settlement with the raw water customers in order to comply with the KDHE mandate. Council member Korte seconded. The motion carried.

Council member Green asked about the time frame in reaching these agreements.

Manager Eckert responded as quickly as possible because we do have to have it resolved and we don't want any of the customers going without water.

Manager Eckert asked Utility Director Newberry to talk about the scheduled maintenance with Westar Energy on their transmission lines to the City of Wellington. He explained it was a success and that the Electric Departments did a great job. He stated the gas turbine ran great, and our guys were on top of it immediately. He added they found a few things we could do better and we are going to make those adjustments for next time, but everything worked great. We had no disruption in service.

Mayor Hansel and Manager Eckert commented on the great job our electric employees did. Mayor Hansel reminded everyone about the regular Council sessions on March 1<sup>st</sup> and the work session on March 7<sup>th</sup>.

A motion to adjourn was seconded and carried.

Approved and filed this 1st day of March, 2016.

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Mayor

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City Clerk

**PAYROLL REPORT**  
**FEBRUARY 7, 2016 THRU FEBRUARY 20, 2016**  
**February 26, 2016**

					YR-TO-DATE		YR-TO-DATE	
			GROSS	OVERTIME	GROSS	OVERTIME		
MAYOR/COUNCIL	001-901	DEPT. TOTAL	\$ 800.00	\$ -	\$ 1,600.00	\$ -		
MANAGER'S OFFICE	001-902	DEPT. TOTAL	\$ 11,250.76	\$ -	\$ 44,811.45	\$ -		
CLERK'S OFFICE	001-903	DEPT. TOTAL	\$ 8,090.78	\$ -	\$ 32,452.59	\$ -		
UTILITY OFFICE	001-904	DEPT. TOTAL	\$ 5,947.60	\$ -	\$ 24,259.13	\$ 39.20		
CUSTODIAL	001-909	DEPT. TOTAL	\$ 903.20	\$ -	\$ 3,655.14	\$ 42.34		
POLICE	001-911	DEPT. TOTAL	\$ 33,528.23	\$ 674.84	\$ 136,096.76	\$ 2,788.27		
FIRE	001-912	DEPT. TOTAL	\$ 43,852.35	\$ 9,652.41	\$ 174,628.02	\$ 32,287.33		
PARKS	001-915	DEPT. TOTAL	\$ 4,407.93	\$ 55.33	\$ 17,393.73	\$ 55.33		
STREET	001-918	DEPT. TOTAL	\$ 18,566.86	\$ 251.30	\$ 74,848.44	\$ 1,630.26		
CEMETERY	001-919	DEPT. TOTAL	\$ 2,255.80	\$ -	\$ 9,098.28	\$ 75.08		
ENGINEERING	001-920	DEPT. TOTAL	\$ 4,856.20	\$ -	\$ 19,455.73	\$ -		
LEGAL / COUNSEL	001-921	DEPT. TOTAL	\$ 2,012.70	\$ 69.47	\$ 8,069.73	\$ 296.81		
LAKE	001-923	DEPT. TOTAL	\$ 4,329.80	\$ -	\$ 17,369.94	\$ -		
GOLF COURSE	402-916	DEPT. TOTAL	\$ 4,960.69	\$ -	\$ 19,288.10	\$ -		
ELECTRIC PRODUCTION	415-930	DEPT. TOTAL	\$ 17,868.42	\$ 1,044.44	\$ 71,648.31	\$ 3,462.88		
ELECTRIC DISTRIBUTION	415-931	DEPT. TOTAL	\$ 20,276.92	\$ 821.11	\$ 84,417.01	\$ 6,459.56		
WATER PRODUCTION	415-932	DEPT. TOTAL	\$ 5,483.53	\$ 24.53	\$ 22,994.24	\$ 787.89		
WATER DISTRIBUTION	415-933	DEPT. TOTAL	\$ 7,737.41	\$ 728.81	\$ 33,076.58	\$ 5,042.18		
WASTEWATER TREATMT.	415-934	DEPT. TOTAL	\$ 7,754.57	\$ 645.77	\$ 30,577.14	\$ 2,141.94		
SANITATION	430-935	DEPT. TOTAL	\$ 8,780.21	\$ 11.59	\$ 35,458.08	\$ 137.82		
TRANSFER STATION	430-936	DEPT. TOTAL	\$ 3,044.80	\$ -	\$ 12,226.87	\$ 10.36		
AIRPORT	441-941	DEPT. TOTAL	\$ 1,661.40	\$ -	\$ 6,645.60	\$ -		
SCCDAT GRANT	603-987	DEPT. TOTAL	\$ 1,920.00	\$ -	\$ 6,580.00	\$ -		
<b>GRAND TOTAL</b>			<b>\$ 220,290.16</b>	<b>\$ 13,979.60</b>	<b>\$ 886,650.87</b>	<b>\$ 55,257.25</b>		

## ACH Authorization Voucher

**Account Number:**  
**Bank:** Bank of Commerce  
**Employee Benefit Contributions**

<b>Balance in Account:</b>	<b>666,735.03</b>
<b>Amount of Funds Withdrawn:</b>	<b>25,989.46</b>
<b>New Balance in Account:</b>	<b>640,745.57</b>

**Date of Withdrawl:** \_\_\_\_\_ **02/19/16**

**Claims for period of:** \_\_\_\_\_ **2/10/16 to 2/16/16**

**Voucher:** \_\_\_\_\_ **#986**

<b>Amount of Funds Withdrawn represents Blue Cross/Blue Shield payment of Claims for the time period indicated.</b>
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## ACH Authorization Voucher

**Account Number:**  
**Bank:** Bank of Commerce  
**Employee Benefit Contributions**

<b>Balance in Account:</b>	<b>643,620.57</b>
<b>Amount of Funds Withdrawn:</b>	<b>79,697.28</b>
<b>New Balance in Account:</b>	<b>563,923.29</b>

**Date of Withdrawl:** \_\_\_\_\_ **02/26/16**

**Claims for period of:** \_\_\_\_\_ **2/17/16 to 2/23/16**

**Voucher:** \_\_\_\_\_ **#987**

<b>Amount of Funds Withdrawn represents Blue Cross/Blue Shield payment of Claims for the time period indicated.</b>
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DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT		
NON-DEPARTMENTAL	GENERAL FUND	AFLAC	2/26/16	AFLAC EMPLOYEE CONTRIB PRE	170.81		
			2/26/16	AFLAC EMPLOYEE CONTRIB PRE	170.81		
		AFLAC GROUP INSURANCE	2/26/16	AFLAC-CAIC GROUP TAXABLE	86.62		
			2/26/16	AFLAC-CAIC GROUP TAXABLE	86.62		
		HARTFORD LIFE/RETIREMENT PLAN	2/26/16	RETIREMENT SAVINGS	295.80		
		KANSAS PAYMENT CENTER	2/26/16	CHILD SUPPORT	412.04		
		OFFICE OF CHILD SUPPORT ENFORCEMENT	2/26/16	257629023B	208.62		
		PRE-PAID LEGAL SERVICES	2/26/16	EMPLOYEE CONTRIBUTIONS	26.90		
			2/26/16	EMPLOYEE CONTRIBUTIONS	26.90		
		US BANK	2/26/16	KPERS 457	666.00		
		WELLINGTON GOLF CLUB	2/26/16	EMPLOYEE CONGTRIBUTIONS	110.00		
			2/26/16	EMPLOYEE CONGTRIBUTIONS	110.00		
		WELLINGTON RECREATION COMMISSION	2/26/16	EMPLOYEE CONTRIBUTIONS	158.00		
			2/26/16	EMPLOYEE CONTRIBUTIONS	158.00		
		CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	5,250.00		
			2/26/16	HEALTH SINGLE PRE-TAX	435.00		
		CITY OF WELLINGTON	2/26/16	TRANSFER WITHHOLDING	13,410.68		
			2/26/16	FICA TRANSFER	8,366.67		
			2/26/16	MEDICARE TRANSFER	1,956.74		
		CITY OF WELLINGTON	2/26/16	KP&F CONTRIBUTION	4,924.44		
			2/26/16	KPERS CONTRIBUTION	2,965.86		
			2/26/16	KPERS T2 CONTRIBUTION	581.25		
			2/26/16	KPERS T3 CONTRIBUTION	367.47		
			2/26/16	OPTIONAL LIFE	202.44		
			2/26/16	OPTIONAL LIFE P & F	107.19		
			2/26/16	OPTIONAL LIFE SPOUSE	19.32		
		CITY OF WELLINGTON	2/26/16	TRANSFER STATE WITHHOLDING	4,299.78		
		LAURIE B. WILLIAMS, TRUSTEE	2/26/16	GARNISHMENT-INC. W/H	316.15		
				TOTAL:	45,890.11		
		MAYOR AND COUNCIL	GENERAL FUND	CORNER BANK	12/31/15	DONUTS-MGR-MAYOR TO DEPTS	85.57
					2/23/16	LUNCH-SPECIAL MEETING	143.65
				CITY OF WELLINGTON	2/26/16	FICA TRANSFER	49.60
					2/26/16	MEDICARE TRANSFER	11.60
						TOTAL:	290.42
		CITY MANAGER	GENERAL FUND	CORNER BANK	2/23/16	EXPENSES PAID WITH VISA	130.00
					12/31/15	LUNCH MTG-MGR/MAYOR/DEREK	41.79
				MIDWEST SINGLE SOURCE, INC.	2/29/16	OST MACH INK CART REPLACME	52.66
				SOUTHWEST BUSINESS PRODUCTS, INC.	2/29/16	ADDRESS/FILE LABELS FOR DY	9.13
				TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	5.95
				CITY OF WELLINGTON	2/26/16	ADVANCE INS - IN LIEU OF	2.95
	2/26/16			HEALTH FAMILY PRE-TAX	692.00		
	2/26/16			HEALTH SINGLE PRE-TAX	692.00		
CITY OF WELLINGTON	2/26/16			FICA TRANSFER	680.19		
	2/26/16			MEDICARE TRANSFER	159.08		
CITY OF WELLINGTON	2/26/16			KPERS RETIREE-EMPL CONTRI	252.63		
	2/26/16			KPERS INS CONTRIBUTION	95.87		
	2/26/16			KPERS CONTRIBUTION	370.18		
	2/26/16			KPERS T2 CONTRIBUTION	392.09		
	2/26/16	KPERS T3 CONTRIBUTION	117.78				
		TOTAL:	3,694.30				
CITY CLERK'S OFFICE	GENERAL FUND	HUMMINGBIRD PRINTING	2/29/16	3000 #10 WINDOW ENVELOPES	145.00		
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	9.16		
		THE WELLINGTON DAILY NEWS	2/22/16	4TH QTR TREAS.RPT	78.00		

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
		CITY OF WELLINGTON	2/26/16	ADVANCE INS - IN LIEU OF	2.95
			2/26/16	HEALTH FAMILY PRE-TAX	1,038.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	475.28
			2/26/16	MEDICARE TRANSFER	111.16
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	80.91
			2/26/16	KPERS CONTRIBUTION	635.97
			2/26/16	KPERS T3 CONTRIBUTION	106.76
				TOTAL:	2,683.19
UTILITY COLLECTION	GENERAL FUND	HUMMINGBIRD PRINTING	2/29/16	#10 WINDOW PERMIT ENVELOPE	975.00
		KOEHN MOTORS, INC.	2/29/16	SERVICE 2015 F-150 P/U & T	48.84
		HD SUPPLY WATERWORKS, LTD.	2/29/16	HONDA DEWATERING PUMP HOSE	486.39
		SOUTHWEST BUSINESS PRODUCTS, INC.	2/29/16	CALC RIBBON / TAX	5.65
			2/29/16	BASE PRONG FASTENERS/TAX	8.21
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE JAN. 16	5.16
		CITY OF WELLINGTON	2/26/16	ADVANCE INS - IN LIEU OF	2.95
			2/26/16	HEALTH FAMILY PRE-TAX	692.00
			2/26/16	HEALTH SINGLE PRE-TAX	692.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	351.39
			2/26/16	MEDICARE TRANSFER	82.18
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	59.48
			2/26/16	KPERS CONTRIBUTION	382.18
			2/26/16	KPERS T2 CONTRIBUTION	92.83
			2/26/16	KPERS T3 CONTRIBUTION	70.98
				TOTAL:	3,955.24
GENERAL SERVICES	GENERAL FUND	KLEY-AM/KKLE-AM/KWME-FM	2/29/16	BOOSTER/NEW YEAR SPOTS	96.00
		MIDWEST SINGLE SOURCE, INC.	2/29/16	OST MACH INK CART REPLACME	52.67
		SOUTHWEST BUSINESS PRODUCTS, INC.	2/29/16	ADDRESS/FILE LABELS FOR DY	9.14
			2/29/16	8TAB INSERT DIVIDERS (25)	22.75
		SUMNER COMMUNICATIONS, INC.	2/29/16	FIBER INTERNET SVCS	100.00
				TOTAL:	280.56
JANITORIAL	GENERAL FUND	MASSCO, INC.	2/29/16	GLOVES TRASH BAGS CARP CLN	126.51
		CITY OF WELLINGTON	2/26/16	HEALTH SINGLE PRE-TAX	346.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	55.07
			2/26/16	MEDICARE TRANSFER	12.88
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	9.03
			2/26/16	KPERS CONTRIBUTION	82.91
				TOTAL:	632.40
POLICE	GENERAL FUND	TEMPORARY VENDO STOPSTICK LTD	2/29/16	STOPSTICK LTD:STOPSTICK SL	18.00
		CORNER BANK	2/23/16	BATTERY SAVERS	239.90
			2/23/16	EVIDENCE POSTAGE	27.57
			2/23/16	TRNG CLASS KLETC-HEATH	30.00
			2/23/16	DARE KAT AWARD	20.00
		COUNTRYSIDE MOTORS, L.L.C	2/29/16	VEH#162 - LUBE,OIL, FLTR,	41.74
		DIRKS COPY PRODUCTS, INC.	2/29/16	1 CLEAR SHEET PROTECTORS	8.63
		GALLS, LLC	2/29/16	2 SS DS LED FLASHLIGHTS- S	205.78
		HUMMINGBIRD PRINTING	2/29/16	250 WELL PD IMPOUND FORMS	81.00
		KANSAS GAS SERVICE	2/15/16	GAS BILL-200 N. C	240.99
		KRIZ-DAVIS COMPANY	2/29/16	LAMPS T-8 (60)	152.04
		MASSCO, INC.	2/29/16	PAPER TOWELS	38.44
		O'REILLY AUTOMOTIVE STORES, INC.	2/29/16	CHEVY IMPALA HEADLIGHTS (2	36.43
		CONSTELLATION NEWENERGY-GAS DIVISION,	2/22/16	BULK TRANSPORT GAS SERVICE	482.53
		SOUTH CENTRAL COMMERCIAL MECHANICAL LL	2/29/16	HVAC MAINT-WINTER 2015/16	480.25

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
		SUMNER COMMUNICATIONS, INC.	2/29/16	FIBER INTERNET SVCS	100.00
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	45.34
		WELLINGTON WHEEL	12/31/15	2 FIRESTONE TIRES,ETC UNIT	410.26
		CITY OF WELLINGTON	2/29/16	RETIREE HEALTH COSTS	692.00
			2/26/16	ADVANCE INS - IN LIEU OF	2.95
			2/26/16	HEALTH FAMILY PRE-TAX	4,152.00
			2/26/16	HEALTH SINGLE PRE-TAX	2,422.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	1,987.23
			2/26/16	MEDICARE TRANSFER	464.76
		CITY OF WELLINGTON	2/26/16	KP&F CONTRIBUTION	6,667.80
			2/26/16	KPERS INS CONTRIBUTION	35.37
			2/26/16	KPERS CONTRIBUTION	324.77
		WHEAT COUNTRY LAUNDRY	2/29/16	MAT SERVICE-6 WK 1/22,2/5,	78.45
				TOTAL:	19,486.23
FIRE	GENERAL FUND	CORNER BANK	2/23/16	BOOKS-HAZ MAT	167.50
			2/23/16	DRESS SHIRTS	166.61
			2/23/16	DONUTS-CLASS	29.69
			2/23/16	KSAFC DUES	80.00
			2/23/16	POSTAGE-RETURN SHIRTS	11.94
			2/23/16	FLOWERS-WIENS	42.29
			2/23/16	CLASSES REG.	225.00
			2/23/16	PELLETS/ILLUMINATING TAPE	362.25
			2/23/16	DODGE BALLS-AIR PACK TRNG	52.23
			2/23/16	BOOTS-PARAMEDIC CLASS	135.11
			2/23/16	BOOTS-PARAMEDIC CLASS	62.09
		KANSAS GAS SERVICE	2/15/16	GAS BILL-200 N. C	447.55
		MASSCO, INC.	2/29/16	PAPER TOWELS	12.82
		CONSTELLATION NEWENERGY-GAS DIVISION,	2/22/16	BULK TRANSPORT GAS SERVICE	896.14
		P.E.T. TESTING LABORATORY	2/29/16	ANN TEST FIRE TRK	410.00
			2/29/16	TRIP CHARGE	105.00
		SOUTH CENTRAL COMMERCIAL MECHANICAL LL	2/29/16	HVAC MAINT-WINTER 2015/16	480.25
		SUMNER COMMUNICATIONS, INC.	2/29/16	FIBER INTERNET SVCS	100.00
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	19.20
		CITY OF WELLINGTON	2/29/16	RETIREE HEALTH COSTS	1,038.00
			2/26/16	HEALTH FAMILY PRE-TAX	4,498.00
			2/26/16	HEALTH SINGLE PRE-TAX	2,422.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	2,619.34
			2/26/16	MEDICARE TRANSFER	612.59
		CITY OF WELLINGTON	2/26/16	KP&F CONTRIBUTION	9,117.89
			2/26/16	KPERS INS CONTRIBUTION	12.35
			2/26/16	KPERS CONTRIBUTION	113.39
				TOTAL:	24,239.23
AUDITORIUM	GENERAL FUND	ELECTRONIC CONTRACTING CO	2/29/16	WORK ON SPRINKLER SYSTEM	187.50
		HAWKINS EXTINGUISHER CO.	2/29/16	16 FIRE EXT ANNUAL MAINT	160.00
			2/29/16	EXT - NEW HOSE ASSEMBLY	15.00
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	0.85
				TOTAL:	363.35
PARKS	GENERAL FUND	DISC GOLF ASSOCIATION, INC.	2/29/16	DIS GOLF SIGNS/POSTS-PART	502.65
		OXFORD SAW & MOWER	2/29/16	SET VALVES GRASSHOPPER MOW	120.00
		POTTER SAW SERVICE	2/29/16	REPLACED OIL P/U LINE & RO	40.95
		PRESSURE WASHER SALES	2/29/16	55 GAL SOAP/PUMP	274.50
		RAUSCH TIRE & EQUIPMENT	2/29/16	TIRE REPAIRS	11.50
		SUMNER COMMUNICATIONS, INC.	2/29/16	INTERNET SVCS	44.00



DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
		MILL CREEK LUMBER OF KANSAS INC.	2/29/16	HARDWOOD DOWELS (3)	4.17
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	0.95
		CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	346.00
			2/26/16	HEALTH SINGLE PRE-TAX	692.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	263.68
			2/26/16	MEDICARE TRANSFER	61.67
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	44.08
			2/26/16	KPERS CONTRIBUTION	302.64
			2/26/16	KPERS T3 CONTRIBUTION	102.01
		UNIFIRST CORPORATION	2/29/16	LAUNDRY TICKET	16.84
			2/29/16	LAUNDRY TICKET	31.60
			2/29/16	LAUNDRY TICKET	14.31
				TOTAL:	<u>2,873.55</u>
SWIMMING POOL	GENERAL FUND	MILL CREEK LUMBER OF KANSAS INC.	2/29/16	DECKING BLADE	17.99
			2/29/16	SCREWS	41.80
				TOTAL:	<u>59.79</u>
STREETS	GENERAL FUND	APAC, INC.-SHEARS	2/29/16	12 FLUME COVERS	515.88
		ASSOCIATED MATERIAL & SUPPLY	2/29/16	FILL SAND-MATERIAL PILE 14	38.87
		AUTOMART OF WELLINGTON	2/29/16	BULLET CONNECTOR	0.80
		CORNER BANK	2/23/16	REG. 7 EMPL-ASPHALT MAINT.	525.00
		FARMERS CO-OP GRAIN ASSOC	2/29/16	PROPANE PATCH TRK-9 GAL 1.	13.05
		FASTENAL	2/29/16	BOLTS - ELGIN SWEEPER (4)	2.55
		FOLEY INDUSTRIES	2/29/16	HYD 10W 1G & 5G	293.73
			2/29/16	COUPLINGS & CAPS	298.40
			2/29/16	MIRROR/ARM/EXP CHG-CAT LDR	271.61
		MURDOCK ELECTRIC & SUPPLY CO.	2/29/16	PULLEY FOR TABLE SAW	38.32
		O'REILLY AUTOMOTIVE STORES, INC.	2/29/16	FUEL FLTR/WATER FLTR HUST	13.81
			2/29/16	MEGACRIMP	11.72
			2/29/16	AIR & OIL FILTER-MOWER	25.40
			2/29/16	HYDR FLTR MOWERS (2)	38.84
		OLD DOMINION BRUSH	2/29/16	MASTER CYLINDER ELGIN SWEE	565.00
		OXFORD SAW & MOWER	2/29/16	MED SPOOL VORTEX MOWERS	38.83
		POTTER SAW SERVICE	2/29/16	STILH FUEL MIX (12)	46.20
		PRICE BROS.EQUIPMENT CO.	2/29/16	OIL FLUID SINGLE & CASE	230.40
		RAUSCH TIRE & EQUIPMENT	2/29/16	TIRE RPRS TK #159 (2)	80.00
			2/29/16	BOTTLE OXYGEN FOR SHOP	48.67
		SAFETY-KLEEN SYSTEMS, INC.	2/29/16	SVC SOLV TANK	178.30
		SALISBURY SUPPLY CO. INC.	2/29/16	REPAIRS TO HAMMER DRILL	55.58
		SOUTH WEST BUTLER QUARRY, LLC	2/15/16	ROCK FOR MATERIAL PILE	1,705.99
			2/15/16	ROCK FOR ROSEDALE ADDITIO	1,186.72
		SUMNER COMMUNICATIONS, INC.	2/29/16	FIBER INTERNET SVCS	100.00
		MILL CREEK LUMBER OF KANSAS INC.	2/29/16	WOOD FILLER BOARD	28.91
			2/29/16	FORM BOARDS (10)	30.71
		TIFCO INDUSTRIES	2/29/16	RE-STOCK PTS FOR MACHINERY	821.25
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	9.42
		CITY OF WELLINGTON	2/29/16	RETIREE HEALTH COSTS	346.00
			2/26/16	HEALTH FAMILY PRE-TAX	2,768.00
			2/26/16	HEALTH SINGLE PRE-TAX	1,038.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	1,086.35
			2/26/16	MEDICARE TRANSFER	254.08
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	184.73
			2/26/16	KPERS CONTRIBUTION	1,605.85
			2/26/16	KPERS T2 CONTRIBUTION	89.98
		UNIFIRST CORPORATION	2/29/16	UNIFORM CLEANING	74.38

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
			2/29/16	UNIFORM CLEANING	71.20
		WHEATLAND SERVICES	2/29/16	MAINT AGREEMENT FOR COPIER	40.29
		WHITE STAR MACHINERY & SUPPLY	2/29/16	ELBOW / FRT (MINI EX)	15.11
			2/29/16	HYDR FL GAL/ANTIFREEZE	69.48
		WICHITA TRACTOR CO.	2/29/16	WLDMNT/BEARING-4630 MOWER	469.86
				TOTAL:	15,327.27
CEMETERY	GENERAL FUND	AUTOMART OF WELLINGTON	2/29/16	FUEL FILTER /HECKENDORN	1.05
		CARROT-TOP INDUSTRIES INC.	2/29/16	5 FLAG AND PLEATED FANS	115.09
		FASTENAL	2/29/16	43 BOLTS, NUTS FOR GATOR S	20.92
		HAWKINS EXTINGUISHER CO.	2/29/16	2- ANL FIRE EXT MAINT	20.00
		OXFORD SAW & MOWER	2/29/16	DECK BUSHINGS (2)	5.50
			2/29/16	HYDRAULIC FLUID (3)	52.29
			2/29/16	CHNG HYD FL/ADJ VALV/GRASS	187.50
		POTTER SAW SERVICE	2/29/16	REPAIR STIHL MS290 CHAINSA	179.37
			2/29/16	WEEDEATER LINE SPOOLS (5)	299.95
		STRAUB INTERNATIONAL	2/29/16	FILTERS STEER COL MAHINDRA	151.38
		SUMNER COMMUNICATIONS, INC.	2/29/16	INTERNET SVCS	44.00
		MILL CREEK LUMBER OF KANSAS INC.	2/29/16	35' TAPE MEASURE	42.99
			2/29/16	QUIKCRETE	42.90
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	2.24
		CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	346.00
			2/26/16	HEALTH SINGLE PRE-TAX	346.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	131.18
			2/26/16	MEDICARE TRANSFER	30.68
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	22.55
			2/26/16	KPERS CONTRIBUTION	119.47
			2/26/16	KPERS T2 CONTRIBUTION	87.61
		UNIFIRST CORPORATION	2/29/16	LAUNDRY TICKET	13.51
			2/29/16	LAUNDRY TICKET	13.51
			2/29/16	LAUNDRY TICKET	7.78
				TOTAL:	2,283.47
ENG, PLANNING, INSPECT	GENERAL FUND	CORNER BANK	2/23/16	ICC MEMBER DUES	135.00
			2/23/16	MEAL-R. JACK -WINFIELD	9.02
			2/23/16	FUEL-WINFIELD MTG	25.00
		INTERNATIONAL ASSOCIATION	2/29/16	CEU TRG HANDBOOKS	2,159.50
		MIDWEST SINGLE SOURCE, INC.	2/29/16	OST MACH INK CART REPLACME	52.67
		PROFESSIONAL ENGINEERING	2/29/16	PROF SVCS THRU 1/30/16	800.00
		SOUTHWEST BUSINESS PRODUCTS, INC.	2/29/16	ADDRESS/FILE LABELS FOR DY	9.13
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	10.97
		THE WELLINGTON DAILY NEWS	2/22/16	ZONING PUBLIC HEARING NOTI	31.50
		CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	346.00
			2/26/16	HEALTH SINGLE PRE-TAX	692.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	291.48
			2/26/16	MEDICARE TRANSFER	68.16
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	48.56
			2/26/16	KPERS CONTRIBUTION	152.81
			2/26/16	KPERS T2 CONTRIBUTION	128.28
			2/26/16	KPERS T3 CONTRIBUTION	164.71
				TOTAL:	5,124.79
LEGAL/COURT	GENERAL FUND	ADDICTION SERVICES	2/29/16	CITY V. HAILEY LAWSON	150.00
			2/29/16	CITY V. HAILEY LAWSON	150.00
			2/29/16	CITY V. ROBERT HAMILTON	150.00
		MICHAEL C. BROWN, P.A.	2/29/16	ATY FEES FOR FEBRUARY 2016	2,583.18

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
		CORNER BANK	2/23/16	LAPTOP FOR COURT	739.11
		LINDA K. HOWERTON, ATTORNEY	2/29/16	COUNT APPT ATTY FEES-ALCOR	180.00
		TYLER TECHNOLOGIES, INC.	2/29/16	SUPPORT & HOST WEBSITE MAR	50.00
			2/29/16	COURT ONLINE MAINT MAR 201	75.00
		LEAGUE OF KANSAS MUNICIPALITIES	2/29/16	STO/UPOC BOOK & POSTAGE	19.45
		SOUTHWEST BUSINESS PRODUCTS, INC.	2/29/16	1 BOX PRONG FASTENER	5.96
			2/29/16	PANEL WALL HOOKS	6.48
		KERWIN SPENCER	2/29/16	CITY PROSECUTOR FEB 16	2,269.78
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	1.87
		CITY OF WELLINGTON	2/26/16	HEALTH SINGLE PRE-TAX	346.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	123.86
			2/26/16	MEDICARE TRANSFER	28.96
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	16.20
			2/26/16	KPERS CONTRIBUTION	148.66
				TOTAL:	7,044.51
LAKE RECREATION	GENERAL FUND	HAMPEL OIL	2/25/16	301 GL UNL. FUEL-LAKE	481.60
		SOUTH WEST BUTLER QUARRY, LLC	2/15/16	AB3 ROCK-CAMPER PADS	3,232.79
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	5.94
		TRAF-O-TERIA SYSTEM	2/29/16	DROP BOX ENVELOPES & SHPNG	160.93
		CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	692.00
			2/26/16	HEALTH SINGLE PRE-TAX	346.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	252.02
			2/26/16	MEDICARE TRANSFER	58.94
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	43.29
			2/26/16	KPERS CONTRIBUTION	298.94
			2/26/16	KPERS T2 CONTRIBUTION	98.54
				TOTAL:	5,670.99
FIRE	AMBULANCE & FF EQU	CORNER BANK	2/22/16	LEASE PYMT RESCUE TRK	2,736.14
				TOTAL:	2,736.14
GENERAL SERVICES	EMPLOYEE BENEFIT C	TEMPORARY VENDO AARON NORTON	2/25/16	AARON NORTON:EMPLOYEE EYE	250.00
		ADVANCE LIFE INSURANCE CO	2/25/16	LIFE INS. PREMIUMS	793.78
		GRENE VISION GROUP LLC	2/25/16	EMPLOYEE EYE CARE	189.19
		NEW DIRECTIONS BEHAVIORAL HEALTH	2/25/16	EAP SERVICES MAR.16 TO MAY	892.80
				TOTAL:	2,125.77
HOSPITAL SALES TAX	HOSPITAL SALES TAX	SUMNER REGIONAL MEDICAL CENTER	2/25/16	HOSPITAL SALES TAX/COMP US	115,398.95
				TOTAL:	115,398.95
STREETS	SPECIAL CITY HIGHW	CORNER BANK	2/22/16	LEASE PYMT TRACTOR W/MOWER	1,434.29
				TOTAL:	1,434.29
GENERAL SERVICES	EQUIPMENT RESERVE	CORNER BANK	12/31/15	COMPUTERS/PROJECTOR	24.66
				TOTAL:	24.66
FIRE	EQUIPMENT RESERVE	BANK OF COMMERCE	2/22/16	LEASE PYMT MEDIC 2	2,518.55
		USBANCORP-GOVERNMENT LEASING AND FINAN	2/22/16	FIRE ENGINE/TENDER TRK	4,670.29
				TOTAL:	7,188.84
CEMETERY	EQUIPMENT RESERVE	CORNER BANK	2/22/16	LEASE PYMT COMPACT EXCAVAT	2,120.56
				TOTAL:	2,120.56
PROPERTY CONDEMNATION	CAPITAL IMPROVEMEN	T & T DOZER	2/15/16	DEMO-3 LOCATIONS	8,250.00
				TOTAL:	8,250.00

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT		
NON-DEPARTMENTAL	GOLF COURSE	HARTFORD LIFE/RETIREMENT PLAN	2/26/16	RETIREMENT SAVINGS	60.00		
		US BANK	2/26/16	KPERS 457	175.00		
		WELLINGTON GOLF CLUB	2/26/16	EMPLOYEE CONGTRIBUTIONS	35.00		
			2/26/16	EMPLOYEE CONGTRIBUTIONS	35.00		
		CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	125.00		
			2/26/16	HEALTH SINGLE PRE-TAX	30.00		
		CITY OF WELLINGTON	2/26/16	TRANSFER WITHHOLDING	469.72		
			2/26/16	FICA TRANSFER	297.95		
			2/26/16	MEDICARE TRANSFER	69.67		
		CITY OF WELLINGTON	2/26/16	KPERS CONTRIBUTION	178.71		
			2/26/16	KPERS T2 CONTRIBUTION	107.84		
			2/26/16	OPTIONAL LIFE	3.10		
		CITY OF WELLINGTON	2/26/16	TRANSFER STATE WITHHOLDING	144.57		
				TOTAL:	1,731.56		
		GOLF	GOLF COURSE	CORNER BANK	2/23/16	SUNFLOWER GOLF TRAIL CARDS	34.87
				FARMERS CO-OP GRAIN ASSOC	2/29/16	SULFATE	42.84
					2/29/16	MAKAZE/SULFATE	90.53
HARRISON GOLF MANAGEMENT, INC.	2/29/16			COMMISSION - FEBRUARY 2016	1,685.03		
O'REILLY AUTOMOTIVE STORES, INC.	2/29/16			OIL & HYDRAULIC FILTER	25.03		
	2/29/16			HYDRAULIC FILTER	35.14		
CLUB PROPHET SYSTEMS	2/29/16			FEB POS EXP SOFTWARE&SUPPO	299.00		
SUMNER COUNTY FAMILY CARE CENTER	12/31/15			EMPLOYEE PHYSICAL	75.00		
TOUCHTONE COMMUNICATIONS	2/22/16			LONG DISTANCE	3.88		
VAN WALL EQUIPMENT	2/29/16			VAN WALL EQUIPMENT	16.00		
VINCE ERWIN GLASS INC.	2/29/16			DUP KEYS & LOCK CHANGE-CHT	100.00		
CITY OF WELLINGTON	2/29/16			RETIREE HEALTH COSTS	346.00		
	2/26/16			HEALTH FAMILY PRE-TAX	346.00		
	2/26/16			HEALTH SINGLE PRE-TAX	692.00		
CITY OF WELLINGTON	2/26/16			FICA TRANSFER	297.95		
	2/26/16			MEDICARE TRANSFER	69.67		
CITY OF WELLINGTON	2/26/16			KPERS INS CONTRIBUTION	47.76		
	2/26/16			KPERS CONTRIBUTION	273.42		
	2/26/16			KPERS T2 CONTRIBUTION	165.00		
UNIFIRST CORPORATION	2/29/16			DISPENSER SERVICE	36.75		
	2/29/16			DISPENSER SERVICE	36.75		
	2/29/16			DISPENSER SERVICE	36.75		
	2/29/16			DISPENSER SERVICE	36.75		
	2/29/16	DISPENSER SERVICE	36.75				
	2/29/16	DISPENSER SERVICE	36.75				
	2/29/16	DISPENSER SERVICE	36.75				
	12/31/15	DISPENSER SERVICE	36.75				
	12/31/15	DISPENSER SERVICE	36.75				
	12/31/15	DISPENSER SERVICE	36.75				
	12/31/15	DISPENSER SERVICE	36.75				
		TOTAL:	5,049.37				
NON-DEPARTMENTAL	ELEC-WATER. -WWTP	AFLAC	2/26/16	AFLAC EMPLOYEE CONTRIB PRE	13.26		
			2/26/16	AFLAC EMPLOYEE CONTRIB PRE	13.26		
		CAPITAL ONE BANK (USA), N.A.	2/26/16	GARNISHMENT	78.05		
		AFLAC GROUP INSURANCE	2/26/16	AFLAC-CAIC GROUP TAXABLE	27.55		
			2/26/16	AFLAC-CAIC GROUP TAXABLE	27.55		
		HARTFORD LIFE/RETIREMENT PLAN	2/26/16	RETIREMENT SAVINGS	161.00		
		KANSAS PAYMENT CENTER	2/26/16	CHILD SUPPORT	186.98		
		PRE-PAID LEGAL SERVICES	2/26/16	EMPLOYEE CONTRIBUTIONS	7.98		
			2/26/16	EMPLOYEE CONTRIBUTIONS	7.97		

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
		US BANK	2/26/16	KPERS 457	380.00
		WELLINGTON RECREATION COMMISSION	2/26/16	EMPLOYEE CONTRIBUTIONS	111.50
			2/26/16	EMPLOYEE CONTRIBUTIONS	111.50
		CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	2,375.00
			2/26/16	HEALTH SINGLE PRE-TAX	210.00
		CITY OF WELLINGTON	2/26/16	TRANSFER WITHHOLDING	5,065.39
			2/26/16	FICA TRANSFER	3,504.40
			2/26/16	MEDICARE TRANSFER	819.60
		CITY OF WELLINGTON	2/26/16	KPERS CONTRIBUTION	2,839.61
			2/26/16	KPERS T2 CONTRIBUTION	647.16
			2/26/16	KPERS T3 CONTRIBUTION	60.46
			2/26/16	OPTIONAL LIFE	82.21
			2/26/16	OPTIONAL LIFE SPOUSE	6.60
		CITY OF WELLINGTON	2/26/16	TRANSFER STATE WITHHOLDING	1,770.23
		LAURIE B. WILLIAMS, TRUSTEE	2/26/16	GARNISHMENT-INC. W/H	183.69
				TOTAL:	18,690.95
ELECTRIC PRODUCTION	ELEC-WATER.-WWTP	AIRGAS USA, LLC	2/29/16	5 HYDROGEN INDUSTRIAL SIZE	223.85
			2/29/16	DELIVERY CHG, FUEL SRCG HA	46.08
			2/29/16	TAX	24.29
			2/29/16	93 RNTL CYL LG CARB DIOX	39.99
			2/29/16	620 RNTL CYL LG HYDROGEN	254.20
			2/29/16	124 RNTL CYL OXYGEN	53.32
			2/29/16	HAZ MAT	31.75
			2/29/16	SALES TAX	34.13
		BLACK HILLS ENERGY	2/15/16	NAT.GAS TRANS. JAN 16 GAS	369.18
		CORNER BANK	2/23/16	60"SINK BASE CAB/30"BASE C	476.23
		GRAINGER	2/29/16	2 LUBRICANT AEROSOL - GENS	8.10
			2/29/16	8 INCAN LIGHT BULBS 300 W	57.28
			2/29/16	2 CONTACT CLEANER 11 OZ -G	17.12
			2/29/16	1 TONGUE & GROOVE PLIERS	12.10
			2/29/16	1 SOLID JOINT PLIERS	11.78
			2/29/16	TAX	7.98
		KANSAS GAS SERVICE	2/15/16	GAS TRANSPORT JAN 16 STEAM	765.27
		KANSAS MUNICIPAL GAS AGENCY	2/22/16	NAT. GAS-GAS TURBINE	60.08
		KANSAS POWER POOL	2/15/16	ENERGY CHGS JAN. 16	607,314.34
		MOTION INDUSTRIES, INC.	2/29/16	8 HYDRAULIC FILTERS/FRTTAX	667.99
		SUMNER COMMUNICATIONS, INC.	2/29/16	FIBER INTERNET SVCS	100.00
		MILL CREEK LUMBER OF KANSAS INC.	2/29/16	MISC SUPPLIES BRK RM/TAX	78.60
			2/29/16	MISC SUPP BRK RM PROJ / TA	8.88
			2/29/16	DRYWALL BRK RM PROJ	26.91
			2/29/16	MISC SUPP BRK RM PROJ/ TAX	31.35
			2/29/16	CIRCUIT BRKR BRK RM/TAX	24.82
			2/29/16	BOARDS FOR BRK RM/TAX	39.41
			2/29/16	BOARDS FOR BRK RM PROJ / T	204.92
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE JAN. 16	10.59
		CITY OF WELLINGTON	2/29/16	RETIREE HEALTH COSTS	346.00
			2/26/16	HEALTH FAMILY PRE-TAX	2,422.00
			2/26/16	HEALTH SINGLE PRE-TAX	1,038.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	1,049.97
			2/26/16	MEDICARE TRANSFER	245.56
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	178.69
			2/26/16	KPERS CONTRIBUTION	1,520.82
			2/26/16	KPERS T2 CONTRIBUTION	119.49
		UNIFIRST CORPORATION	2/29/16	UNIFORM RENTAL / TAX	145.83
			2/29/16	UNIFORM RENTAL / TAX	145.83

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
				TOTAL:	618,212.73
ELECTRIC DISTRIBUTION	ELEC-WATER.-WWTP	ALTEC INDUSTRIES, INC.	2/29/16	2 BOOM TIP COVER, PLSTC BO	289.66
			2/29/16	FREIGHT	48.73
			2/29/16	TAX	30.45
			2/29/16	12 SAFETY PLACARDS	31.72
			2/29/16	FREIGHT	10.74
			2/29/16	TAX	3.81
		ASSOCIATED MATERIAL & SUPPLY	2/29/16	FILL SAND-ELEC DIST 14.99/	38.97
		AUTOMART OF WELLINGTON	2/29/16	2 LED LIGHTS	84.90
			2/29/16	5 #18 WIRE, 1/4" TUB, HEAT	15.94
		BEST WAY, INC.	2/29/16	4 SAFETY SIGNS, BASES	1,427.60
			2/29/16	FREIGHT	99.40
			2/29/16	24 MARKING PAINT	137.90
			2/29/16	FREIGHT	29.10
		BLACKBURN MANUFACTURING	2/29/16	2000 MARKING FLAGS	143.20
			2/29/16	FREIGHT	35.02
		CORNER BANK	2/23/16	RESISTORS/18V 1/2" IMPACT/	382.11
			2/23/16	3 TO KMU OPERATIONS CONF.	585.00
			2/23/16	LENS/3V BATT-AED	85.02
		KOEHN MOTORS, INC.	12/31/15	SERVICE VAN #99	219.74
		KRIZ-DAVIS COMPANY	2/29/16	UBOLTS/TAX	257.84
			2/29/16	STANDOFF/UBOLTS/TAX	979.91
			2/29/16	TAPE/TAX	499.77
			2/29/16	STANDOFF/BOLTS/TAX	1,224.89
			2/29/16	400W MH LAMPS	336.00
			2/29/16	TERMINATOR/ELBOW/BUSH/RISE	1,971.81
		MASSCO, INC.	2/29/16	TISSUE/TOWELS/CUPS	182.59
		MID WEST ELECTRIC TRANSFORMERS INC.	12/31/15	TRANSFORMERS RPR/TAX	2,066.93
			12/31/15	TRANSFORMERS RPR/TAX	1,724.01
		O'REILLY AUTOMOTIVE STORES, INC.	2/29/16	LED LIGHTS/TX	29.30
			2/29/16	CUT OFF WHEELS/TX	17.33
		P.E.T. TESTING LABORATORY	2/29/16	ANN TEST ELE TOOLS (20)	405.00
			2/29/16	ANN TEST ELE TRUCKS (4)	1,420.00
		RAUSCH TIRE & EQUIPMENT	2/29/16	BALANCE ROTATE 4 TIRES/TX	34.00
		SUMNER COMMUNICATIONS, INC.	2/29/16	FIBER INTERNET SVCS	100.00
		SUMNER COUNTY FAMILY CARE CENTER	2/29/16	EMPLOYEE PHYSICAL	100.00
		MILL CREEK LUMBER OF KANSAS INC.	2/29/16	SAND PAPER/TAX	10.44
			2/29/16	EXT CORD / TAX	13.07
			2/29/16	EXT CORD / TAX	13.07
			2/29/16	2X8 LUMBER / TAX	22.62
			2/29/16	ROLE PLASTIC/TAX	14.16
			2/29/16	SAW BLADES / TAX	18.27
		TIFCO INDUSTRIES	2/29/16	WSHR/BLT/SCRW/BLT/BIT/TIE-	1,175.54
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE JAN. 16	5.79
		VERIZON WIRELESS SERVICES LLC	2/22/16	CELL PHONE BILLS	125.22
		CITY OF WELLINGTON	2/29/16	RETIREE HEALTH COSTS	346.00
			2/26/16	HEALTH FAMILY PRE-TAX	2,076.00
			2/26/16	HEALTH SINGLE PRE-TAX	1,384.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	1,206.95
			2/26/16	MEDICARE TRANSFER	282.27
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	202.77
			2/26/16	KPERS CONTRIBUTION	1,387.10
			2/26/16	KPERS T2 CONTRIBUTION	474.32
		UNIFIRST CORPORATION	2/29/16	UNIFORMS CLEANED	209.85
			2/29/16	UNIFORMS CLEANED / TAX	209.85

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
		WILSON & COMPANY	12/31/15	ARC FLASH STUDY	6,074.00
				TOTAL:	30,273.54
WATER PRODUCTION	ELEC-WATER.-WWTP	AMERICAN WATER WORKS ASSOCIATION	2/29/16	AWWA MEMBER DUES 5116-4301	75.00
		CITY SHIPPERS	2/29/16	SHIPPING WATER SAMPLES	10.09
		CULLUM & BROWN OF K.C., INC.	12/31/15	HOSE KIT/OIL-ROLLER PUMPS	1,116.60
		FREMONT INDUSTRIES, INC.	2/29/16	2968 LB PHOSPHATE KLENPHOS	5,410.24
		HAWKINS, INC.	2/29/16	7125 # AQUA HAWK 6817 POLY	3,918.75
		OVERHEAD DOOR COMPANY OF WICHITA	2/29/16	RPR SOUTH GAR DOOR PLNT	167.06
		R.E. PEDROTTI CO., INC.	2/29/16	PRTS RPR OLD WATER TOWER	909.86
			2/29/16	PRTS RPR NEW WATER TOWER	175.87
			2/29/16	SVC CALL & PART GAUGE OLD	746.80
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	6.62
		CITY OF WELLINGTON	2/29/16	RETIREE HEALTH COSTS	346.00
			2/26/16	HEALTH FAMILY PRE-TAX	1,038.00
			2/26/16	HEALTH SINGLE PRE-TAX	346.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	315.80
			2/26/16	MEDICARE TRANSFER	73.86
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	54.84
			2/26/16	KPERS CONTRIBUTION	417.24
			2/26/16	KPERS T2 CONTRIBUTION	86.15
		WIESE USA	2/29/16	RPR MAIN LIFT	1,150.14
				TOTAL:	16,364.92
WATER DISTRIBUTION	ELEC-WATER.-WWTP	APAC, INC.-SHEARS	2/29/16	FILL SAND	472.18
			2/29/16	ROCK	833.10
			2/29/16	8.50 CY 4000 CONCRETE	928.20
			2/29/16	8.50 BAGS TYPE I/II CEMENT	80.75
			2/29/16	8.50 LBS CALCIUM CHLORIDE	15.73
			2/29/16	9.00 FIBER MESH	58.50
			2/29/16	8.50 CY NO ASH MIX	51.00
		CITY SHIPPERS	2/29/16	SAMPLES	9.93
			2/29/16	SAMPLES	9.93
			2/29/16	SAMPLES	9.84
		HD SUPPLY WATERWORKS, LTD.	2/29/16	CLAMP INVENTORY	62.77
			2/29/16	BALL VALVES	30.78
		O'REILLY AUTOMOTIVE STORES, INC.	2/29/16	HEX HEAD SET TO FIX LOCATO	9.99
		RAUSCH TIRE & EQUIPMENT	2/29/16	LABOR FOR TIRES ON SKIDSTE	50.00
			2/29/16	LABOR FOR TIRES ON DUMP	194.00
			2/29/16	LABOR FOR TIRES ON BACKHOE	155.00
		SUMNER COMMUNICATIONS, INC.	2/29/16	INTERNET SVCS	44.00
		MILL CREEK LUMBER OF KANSAS INC.	2/29/16	CONNECTORS	21.56
			2/29/16	LUMBER FOR DRAWERS	20.75
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	1.90
		THE VICTOR L. PHILLIPS CO	2/29/16	SERVICE ON TRACTOR & REPAI	7,654.63
		CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	692.00
			2/26/16	HEALTH SINGLE PRE-TAX	1,038.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	461.44
			2/26/16	MEDICARE TRANSFER	107.93
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	77.38
			2/26/16	KPERS CONTRIBUTION	513.61
			2/26/16	KPERS T2 CONTRIBUTION	196.67
		UNIFIRST CORPORATION	12/31/15	UNIFORMS	25.60
			2/29/16	UNIFORMS	27.95
			2/29/16	UNIFORMS	26.77
			2/29/16	UNIFORMS	26.77

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
			2/29/16	UNIFORMS	27.57
			2/29/16	UNIFORMS	26.77
		WICHITA WINWATER WORKS CO INC.	2/29/16	BRASS FOR INVENTORY	1,409.24
			2/29/16	RPR CLAIMPS FOR INVENTORY	697.02
			2/29/16	FLANGE PACKS	262.98
				TOTAL:	16,332.24
WASTEWATER TREATMENT	ELEC-WATER.-WWTP	ACCURATE ENVIRONMENTAL LLC	2/29/16	BOD,TSS & TKN SAMPLING (EP	186.00
			2/29/16	BOD,TSS & TKN SAMPLING (EP	176.00
			2/29/16	MONTHLY WWTP WS/1ST FEB	184.00
			2/29/16	BOD,TSS & TKN SMPLING (EPA	176.00
			2/29/16	BOD & TSS SAMPLING ON ELKH	56.00
			2/29/16	BOD,TSS & TKN SAMPLING (EP	186.00
			2/29/16	BOD,TSS & TKN SAMPLING (EP	176.00
			2/29/16	BOD,TSS & TKN SAMPLING (EP	176.00
			2/29/16	BOD & TSS SMPL ON ELKHORN	98.00
		AUTOMART OF WELLINGTON	2/29/16	3 ANTIFREEZE 50/50	18.27
			2/29/16	2 AIR GAUGES	5.86
		CITY SHIPPERS	2/29/16	SHIPPING CHARGE (EPA SAMPL	94.13
			2/29/16	EPA SAMPLE SHIPPING CHARGE	94.13
		CORNER BANK	2/23/16	COOLERS	37.45
			2/23/16	VACUUM PUMP-TESTING	755.42
			2/23/16	CK VALVE REBUILD KIT-LIFT	348.86
		FORT BEND SERVICES, INC.	2/29/16	450 LB BARREL POLYMER	2,664.00
		4 STATE MAINTENANCE SUPPLY	2/29/16	30 ROLLS PAPER TOWELS	38.46
		HAWKINS EXTINGUISHER CO.	2/29/16	ANNUAL MAINT FIRE EXTING (	210.00
		KANSAS GAS SERVICE	2/25/16	GAS BILL-1500 E. BOTKIN	458.37
		KSU SOIL TESTING LABORATORY	2/29/16	SOIL SAMPLES FOR SLUDGE	15.75
		MCCONNELL & ASSOCIATES	2/29/16	MARKING PAINT & FLAGS	157.00
		O'REILLY AUTOMOTIVE STORES, INC.	2/29/16	WIPER FLUID 4 GAL	10.36
		RAUSCH TIRE & EQUIPMENT	2/29/16	TRACTOR TIRE/TUBE/LBR-REAR	1,295.40
		SUMNER COMMUNICATIONS, INC.	2/29/16	INTERNET SVCS	44.00
		SUMNER COUNTY HEALTH DEPT	2/29/16	HEP A SHOT (2)	92.00
		SUNFLOWER CUSTOM T'S	2/29/16	SWEATSHIRT	23.00
		MILL CREEK LUMBER OF KANSAS INC.	2/29/16	BRASS ADAPTER (2)	7.98
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	3.32
		USA BLUEBOOK	2/29/16	POLYMER PUMP PARTS (2)	372.22
		UV DOCTOR LAMPS	2/29/16	UV LAMPS (6)	1,973.36
		CITY OF WELLINGTON	2/26/16	ADVANCE INS - IN LIEU OF	2.95
			2/26/16	HEALTH FAMILY PRE-TAX	346.00
			2/26/16	HEALTH SINGLE PRE-TAX	1,038.00
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	470.24
			2/26/16	MEDICARE TRANSFER	109.98
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	77.55
			2/26/16	KPERS CONTRIBUTION	505.83
			2/26/16	KPERS T2 CONTRIBUTION	113.54
			2/26/16	KPERS T3 CONTRIBUTION	92.51
		UNIFIRST CORPORATION	2/29/16	UNIFORM RENTAL	34.28
			2/29/16	UNIFORM RENTAL	51.56
				TOTAL:	12,975.78
NON-DEPARTMENTAL ELECT	ELEC-WATER.-WWTP	HAMPEL OIL	2/22/16	3969 GL UNL FUEL	6,350.40
				TOTAL:	6,350.40
CAPITAL IMPROVEMENTS	MULTI-YR CPTL. IMP	CORNER BANK	12/31/15	COMPUTER REPLACEMENTS	778.05
				TOTAL:	778.05



DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT		
ELECTRIC DISTRIBUTION	MULTI-YR CPTL. IMP	APAC, INC.-SHEARS	2/29/16	3 YDS CONCRETE,RCK WIRE ME	562.10		
			2/29/16	TAX	50.60		
			2/29/16	CONCRETE	397.60		
		CUTTING EDGE CONCRETE CUTTING INC.	2/29/16	12 HOLES DRILLED IN CONCRE	1,536.00		
		STANION WHOLESALE	2/29/16	4" 90 / TAX	67.59		
		MILL CREEK LUMBER OF KANSAS INC.	2/29/16	QUIKRETE	18.70		
			2/29/16	QUIKRETE/TAX	18.70-		
			2/29/16	QUIKRETE MOTAR MIX	23.94		
			2/29/16	QKRETE/BRSH/RLR/WIRE/WTR P	89.29		
				TOTAL:	2,727.12		
		WASTEWATER TREATMENT	MULTI-YR CPTL. IMP	CORNER BANK	2/22/16	LEASE PYMT COMBO JET/VAC T	5,676.16
				TOTAL:	5,676.16		
NON-DEPARTMENTAL	SANITATION LANDFIL	KANSAS PAYMENT CENTER	2/26/16	CHILD SUPPORT	151.38		
		WELLINGTON RECREATION COMMISSION	2/26/16	EMPLOYEE CONTRIBUTIONS	18.50		
			2/26/16	EMPLOYEE CONTRIBUTIONS	18.50		
		CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	375.00		
			2/26/16	HEALTH SINGLE PRE-TAX	120.00		
		CITY OF WELLINGTON	2/26/16	TRANSFER WITHHOLDING	1,078.92		
			2/26/16	FICA TRANSFER	702.46		
			2/26/16	MEDICARE TRANSFER	164.28		
		CITY OF WELLINGTON	2/26/16	KPERS CONTRIBUTION	322.72		
			2/26/16	KPERS T2 CONTRIBUTION	66.29		
			2/26/16	KPERS T3 CONTRIBUTION	320.50		
			2/26/16	OPTIONAL LIFE	8.60		
		CITY OF WELLINGTON	2/26/16	TRANSFER STATE WITHHOLDING	313.10		
		LAURIE B. WILLIAMS, TRUSTEE	2/26/16	GARNISHMENT-INC. W/H	235.85		
				TOTAL:	3,896.10		
		SANITATION COLLECTION	SANITATION LANDFIL	TEMPORARY VENDO FLOYD THOMPSON	2/25/16	FLOYD THOMPSON:REIMB POSTA	6.45
				AUTOMART OF WELLINGTON	2/29/16	3 SPIN ON HYDRAULIC FILTER	101.79
					2/29/16	1 HEATER HOSE	25.20
				CITY SHIPPERS	2/29/16	SHIPPING/ DEHART RECYCLING	13.58
				KOEHN MOTORS, INC.	2/29/16	BLINKER BULB	1.95
POTTER SAW SERVICE	2/29/16			RPR STIHL WEDEATER	61.34		
PRESSURE WASHER SALES	2/15/16			POWER WASHER/TRAILER/TANK	8,000.00		
REDNECK TRAILER SUPPLIES	2/29/16			UNIV COUPLER LOCK-PWR WSH	57.83		
SOUTH HAVEN LP GAS, INC.	2/29/16			425 GAL PROPANE (1.19 GAL)	505.75		
SUMNER COMMUNICATIONS, INC.	2/29/16			INT SVC FOR 006-011769	26.00		
SUNFLOWER CUSTOM T'S	2/29/16			SWEATSHIRT (2)	46.00		
TOUCHTONE COMMUNICATIONS	2/22/16			LONG DISTANCE	0.85		
WASTE CONNECTIONS, INC.	2/29/16			RECYCLING COMPACTOR RNTL	250.00		
	2/29/16			HAUL RATE	200.00		
	2/29/16			RECYCLING COMPACTOR RNTL	156.06-		
CITY OF WELLINGTON	2/26/16			HEALTH FAMILY PRE-TAX	1,038.00		
	2/26/16			HEALTH SINGLE PRE-TAX	1,730.00		
CITY OF WELLINGTON	2/26/16			FICA TRANSFER	516.47		
	2/26/16			MEDICARE TRANSFER	120.78		
CITY OF WELLINGTON	2/26/16			KPERS INS CONTRIBUTION	87.81		
	2/26/16			KPERS CONTRIBUTION	403.50		
	2/26/16			KPERS T3 CONTRIBUTION	402.52		
UNIFIRST CORPORATION	2/29/16			UNIFORM CLEANING	30.83		
	2/29/16	UNIFORM CLEANING	34.47				
		TOTAL:	13,505.06				

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT		
TRANSFER STATION	SANITATION LANDFIL	TEMPORARY VENDO AUSTIN CLIFT	2/22/16	AUSTIN CLIFT:BOOT REIMB	150.00		
		FARMERS CO-OP GRAIN ASSOC	2/29/16	8 3/4" X 7" GRADE 8 BOLTS	22.40		
			2/29/16	8 3/4" LOCKNUTS	14.40		
		KANSAS DEPT OF HLTH & ENV	2/29/16	\$1.00 P/TON FOR C/D	176.80		
		PLUMB THICKET LANDFILL	2/29/16	TONS OF HOUSEHOLD TRASH 22	25,894.95		
		SOUTH CENTRAL SOLID WASTE AUTHORITY	2/29/16	REQ MO PYMT SO CEN SOL WAS	285.05		
		SOUTH HAVEN LP GAS, INC.	2/29/16	125 GAL PROPANE (1.19 GAL	148.75		
		MILL CREEK LUMBER OF KANSAS INC.	2/29/16	PLYWOOD/SCREWS	45.98		
			2/29/16	UTILITY BOX COVER	0.79		
		TOUCHTONE COMMUNICATIONS	2/22/16	LONG DISTANCE	6.82		
		CITY OF WELLINGTON	2/26/16	HEALTH SINGLE PRE-TAX	1,038.00		
		CITY OF WELLINGTON	2/26/16	FICA TRANSFER	185.99		
			2/26/16	MEDICARE TRANSFER	43.50		
		CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION	30.45		
			2/26/16	KPERS CONTRIBUTION	90.26		
			2/26/16	KPERS T2 CONTRIBUTION	101.42		
			2/26/16	KPERS T3 CONTRIBUTION	87.83		
				TOTAL:	28,323.39		
		SANITATION COLLECTION	SANITATION EQUIP.	CORNER BANK	2/22/16	LEASE PYMT BACKHOE/LDR	1,487.18
					2/22/16	LEASE PYMT DOZER	3,962.88
						TOTAL:	5,450.06
NON-DEPARTMENTAL	WELLINGTON MUNIC.A	WELLINGTON GOLF CLUB	2/26/16	EMPLOYEE CONGTRIBUTIONS	35.00		
			2/26/16	EMPLOYEE CONGTRIBUTIONS	35.00		
			CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX	125.00	
			CITY OF WELLINGTON	2/26/16	TRANSFER WITHHOLDING	161.33	
				2/26/16	FICA TRANSFER	95.26	
				2/26/16	MEDICARE TRANSFER	22.28	
			CITY OF WELLINGTON	2/26/16	KPERS CONTRIBUTION	99.68	
			CITY OF WELLINGTON	2/26/16	TRANSFER STATE WITHHOLDING	50.42	
					TOTAL:	623.97	
			WELLINGTON AIRPORT	WELLINGTON MUNIC.A	CORNER BANK	2/23/16	YRLY FUEL PRICE ADV.
2/29/16	LAWN MOWER TIRE	48.84					
12/31/15	RUNWAY SAFETY AREA CONST	1,600.00					
2/29/16	ANNUAL FIRE EXT CERTIF	190.00					
2/29/16	1/2 HP MOTOR HOUSE REEL/FR	822.09					
2/29/16	WATER USAGE 2/1/06-2/29/16	33.00					
2/29/16	AWOS INTERNET WEB SVC	300.00					
2/29/16	INTERNET SVCS	44.00					
2/22/16	LONG DISTANCE	1.89					
CITY OF WELLINGTON	2/26/16	HEALTH FAMILY PRE-TAX				346.00	
CITY OF WELLINGTON	2/26/16	FICA TRANSFER				95.26	
	2/26/16	MEDICARE TRANSFER				22.28	
CITY OF WELLINGTON	2/26/16	KPERS INS CONTRIBUTION				16.61	
	2/26/16	KPERS CONTRIBUTION				152.52	
UNIFIRST CORPORATION	12/31/15	FLOOR MAT SERVICE				42.24	
	12/31/15	FLOOR MAT SERVICE	41.64				
		TOTAL:	4,057.37				
NON-DEPARTMENTAL	CLAIMS	TEMPORARY VENDO BRAUM'S ICE CREAM & DA KBI-LABORATORY ANALYSIS FEE FUND SUMNER COUNTY TREASURER	2/29/16	BRAUM'S:RESTITUTION 16MC02	3.00		
			2/29/16	COURT ORD LAB FEES-WEIKAL	400.00		
			2/25/16	SLATE VALLEY ESTATES SEWER	8,510.13		
				TOTAL:	8,913.13		

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT	
NON-DEPARTMENTAL	SCCDAT GRANT	CITY OF WELLINGTON	2/26/16	TRANSFER WITHHOLDING	155.00	
			2/26/16	FICA TRANSFER	119.04	
		CITY OF WELLINGTON	2/26/16	MEDICARE TRANSFER	27.84	
			2/26/16	TRANSFER STATE WITHHOLDING	43.47	
				TOTAL:	345.35	
SCCDAT GRANT	SCCDAT GRANT	CITY OF WELLINGTON	2/26/16	FICA TRANSFER	119.04	
			2/26/16	MEDICARE TRANSFER	27.84	
				TOTAL:	146.88	
RECREATION TRUST	RECREATION TRUST	DISC GOLF ASSOCIATION, INC.	2/29/16	DIS GOLF SIGNS/POSTS-PART	774.17	
				TOTAL:	774.17	
AIRPORT IMPROVEMENTS	WELLINGTON AIRPORT DONDLINGER & SONS CONST. CO., INC.		12/31/15	RUNWAY SAFETY AREA CONST	14,392.00	
				TOTAL:	14,392.00	
POLICE	DRUG AWARENESS FUN	CORNER BANK	12/31/15	DARE GRADUATION	100.00	
			CREATIVE PRODUCT SOURCING, INC.-DARE	12/31/15	DARE SHIRTS/PRINT/SETUP/S&	1,355.33
					TOTAL:	1,455.33

===== FUND TOTALS =====

001	GENERAL FUND	139,899.40
112	AMBULANCE & FF EQUIPMENT	2,736.14
114	EMPLOYEE BENEFIT CONTR	2,125.77
121	HOSPITAL SALES TAX FUND	115,398.95
131	SPECIAL CITY HIGHWAY	1,434.29
324	EQUIPMENT RESERVE	9,334.06
325	CAPITAL IMPROVEMENT	8,250.00
402	GOLF COURSE	6,780.93
415	ELEC-WATER.-WWTP	719,200.56
425	MULTI-YR CPTL. IMP.&EQU.	9,181.33
430	SANITATION LANDFILL UTILI	45,724.55
434	SANITATION EQUIP. RESERVE	5,450.06
441	WELLINGTON MUNIC.AIRPORT	4,681.34
601	CLAIMS	8,913.13
603	SCCDAT GRANT	492.23
606	RECREATION TRUST	774.17
619	WELLINGTON AIRPORT FAA GR	14,392.00
629	DRUG AWARENESS FUND	1,455.33

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 GRAND TOTAL: 1,096,224.24  
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SELECTION CRITERIA

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SELECTION OPTIONS

VENDOR SET: 01-CITY OF WELLINGTON  
VENDOR: All  
CLASSIFICATION: All  
BANK CODE: All  
ITEM DATE: 0/00/0000 THRU 99/99/9999  
ITEM AMOUNT: 99,999,999.00CR THRU 99,999,999.00  
GL POST DATE: 0/00/0000 THRU 99/99/9999  
CHECK DATE: 2/13/2016 THRU 2/29/2016

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PAYROLL SELECTION

PAYROLL EXPENSES: NO  
CHECK DATE: 0/00/0000 THRU 99/99/9999

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PRINT OPTIONS

PRINT DATE: GL Post Date  
SEQUENCE: By Department  
DESCRIPTION: Distribution  
GL ACCTS: NO  
REPORT TITLE: C O U N C I L R E P O R T 2/13 - 2/29/16  
SIGNATURE LINES: 0

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PACKET OPTIONS

INCLUDE REFUNDS: YES  
INCLUDE OPEN ITEM:NO

FUND	Beginning	Current	Change In	Current	Change In	Ending	Total	Uncumbered
	Cash	Revenues	Receiveables	Expenditures	Payables	Cash	Encumbrances	Cash Balance
001-GENERAL FUND	1,691,805.42	1,215,308.86	0.00	595,817.82	(13,237.61)	2,298,058.85	16,992.50	2,281,066.35
112-AMBULANCE & FF EQUIPMENT	14,379.21	45,779.82	0.00	2,736.14	0.00	57,422.89	0.00	57,422.89
113-LIBRARY	19,919.03	113,518.74	0.00	0.00	0.00	133,437.77	0.00	133,437.77
114-EMPLOYEE BENEFIT CONTR	676,391.23	61,181.17	0.00	138,187.80	(507.17)	598,877.43	0.00	598,877.43
115-SPECIAL LIABILITY EXPENSE	189,374.58	78.05	0.00	41.00	(821.00)	188,590.63	0.00	188,590.63
121-HOSPITAL SALES TAX FUND	0.00	99,371.22	0.00	99,371.22	0.00	0.00	0.00	0.00
131-SPECIAL CITY HIGHWAY	29,933.95	52,237.06	0.00	7,490.53	0.00	74,680.48	0.00	74,680.48
133-SPEC ALCOHOL & DRUG PROG	3,647.91	1.86	0.00	0.00	0.00	3,649.77	0.00	3,649.77
134-SPECIAL PARKS & RECREATIO	16,119.45	7.07	0.00	0.00	0.00	16,126.52	3,623.29	12,503.23
137-TOURISM & CONVENTION	839.39	9,159.27	0.00	10,000.00	0.00	(1.34)	0.00	(1.34)
201-BOND & INTEREST	25,390.62	387,842.15	0.00	0.00	(58.50)	413,174.27	0.00	413,174.27
311-HOUSING AUTH RESERVE	121,075.26	0.00	0.00	0.00	0.00	121,075.26	0.00	121,075.26
324-EQUIPMENT RESERVE	135,021.72	16,142.83	0.00	9,309.40	(3,264.29)	138,590.86	6,065.89	132,524.97
325-CAPITAL IMPROVEMENT	547,145.85	16,666.67	0.00	522.50	(15,265.69)	548,024.33	93,299.61	454,724.72
326-FEMA GRANT FUND	36,635.40	0.00	0.00	0.00	0.00	36,635.40	0.00	36,635.40
332-COYOTE RIDGE DEVELOPMENT	2,655.26	0.00	0.00	0.00	0.00	2,655.26	0.00	2,655.26
334-WASTEWATER TREATMENT PLNT	9,862.19	3.86	0.00	0.00	0.00	9,866.05	0.00	9,866.05
337-SHORT 2ND ADDITION	6,343.11	0.00	0.00	0.00	0.00	6,343.11	0.00	6,343.11
401-AUDITORIUM A/C FUND	2,835.76	0.00	0.00	0.00	0.00	2,835.76	0.00	2,835.76
402-GOLF COURSE	(20,224.91)	12,599.17	0.00	19,924.59	(2,336.13)	(29,886.46)	0.00	(29,886.46)
415-ELEC-WATER.-WWTP	1,443,707.10	1,373,678.21	195,861.83	577,116.82	(630,786.88)	1,413,619.78	70,780.31	1,342,839.47
425-MULTI-YR CPTL. IMP.&EQU.	1,320,876.01	104,818.53	0.00	5,676.16	(234,654.14)	1,185,364.24	10,706.87	1,174,657.37
430-SANITATION LANDFILL UTILI	147,795.16	102,876.65	3,798.09	89,206.27	(51,100.50)	106,566.95	0.00	106,566.95
434-SANITATION EQUIP. RESERVE	188,579.10	2,201.38	0.00	5,450.06	0.00	185,330.42	0.00	185,330.42
441-WELLINGTON MUNIC.AIRPORT	31,254.21	15,894.72	0.00	22,718.59	52.39	24,482.73	18,882.32	5,600.41
501-SPECIAL IMPROVEMENT	167,767.69	65.57	0.00	0.00	0.00	167,833.26	0.00	167,833.26
601-CLAIMS	4,180.76	0.00	4,476.90	0.00	9,142.33	8,846.19	0.00	8,846.19
602-PUBLIC LIBRARY TRUST	287,336.12	112.31	0.00	0.00	0.00	287,448.43	0.00	287,448.43
603-SCCDAT GRANT	39.56	5,197.54	0.00	7,920.66	0.00	(2,683.56)	0.00	(2,683.56)
604-MUNI. AUD. RENOVATION TRS	30,898.31	13.17	2.43	0.00	0.00	30,909.05	0.00	30,909.05
606-RECREATION TRUST	774.17	10.60	10.29	0.00	0.00	774.48	0.00	774.48
607-REGIONAL PARK TRUST	44,255.22	19.15	3.53	0.00	0.00	44,270.84	0.00	44,270.84
608-WELL. MUNI. GOLF CRSE TRU	24,873.03	11.31	5.90	0.00	(369.72)	24,508.72	0.00	24,508.72

FUND	Beginning Cash	Current Revenues	Change In Receiveables	Current Expenditures	Change In Payables	Ending Cash	Total Encumbrances	Uncumbered Cash Balance
609-HAZMAT RESPONSE FUND	11,069.79	4.33	0.00	0.00	0.00	11,074.12	0.00	11,074.12
610-WELL. MUNI. AIRPORT TRUST	1,413.61	0.56	0.01	0.00	0.00	1,414.16	0.00	1,414.16
611-FIRE PREVENTION & EDUCATI	17.49	0.00	0.00	0.00	0.00	17.49	0.00	17.49
612-WELL. AMB. SERVICE TRUST	620.82	0.25	0.00	0.00	0.00	621.07	0.00	621.07
613-NICHOLS FAMILY TRUST	661.07	0.23	0.00	0.00	0.00	661.30	0.00	661.30
614-DRUG TAX DIST. TRUST	6,973.09	2.70	0.00	0.00	0.00	6,975.79	0.00	6,975.79
615-EMER. SHELTER GRANT TRUST	0.00	1,444.59	0.00	0.00	0.00	1,444.59	0.00	1,444.59
617-EMPLOYEE COMMUNITY SVC	241.59	0.00	0.00	0.00	0.00	241.59	0.00	241.59
619-WELLINGTON AIRPORT FAA GR	(2,948.00)	2,948.00	0.00	0.00	0.00	0.00	0.00	0.00
620-ANNIE HAMILTON TRUST	1,621.16	0.62	0.00	0.00	0.00	1,621.78	0.00	1,621.78
622-MILDRED SHARE MCLEAN TRUS	9,267.85	3.63	0.00	0.00	0.00	9,271.48	0.00	9,271.48
623-CEMETERY BEAUTY. TRUST	9,961.62	33.87	0.00	0.00	0.00	9,995.49	0.00	9,995.49
624-MAUSOLEUM MAINT. TRUST	13,942.94	5.45	0.00	0.00	0.00	13,948.39	0.00	13,948.39
626-CARA SAUNDERS BEAUTY. TRU	492.99	0.19	0.00	0.00	0.00	493.18	0.00	493.18
628-PERM. CEMETERY ENDOWMENT	133,584.29	152.01	0.00	0.00	0.00	133,736.30	0.00	133,736.30
629-DRUG AWARENESS FUND	7,934.46	2.82	0.00	0.00	(35.00)	7,902.28	0.00	7,902.28
630-LAW ENFORCEMENT TRUST	18,985.36	997.39	0.00	0.00	(234.20)	19,748.55	0.00	19,748.55
<b>TOTALS</b>	<b>7,415,327.00</b>	<b>3,640,393.58</b>	<b>204,158.98</b>	<b>1,591,489.56</b>	<b>(943,476.11)</b>	<b>8,316,595.93</b>	<b>220,350.79</b>	<b>8,096,245.14</b>

## ELECTRIC/WATERWORKS/SEWAGE UTILITY OPERATING FUND

## DEPARTMENT

	Jan. 2016 EXPENDITURES	Jan. 2016 ENCUMBRANCE	TOTAL 2016 EXPENDITURES	PRIOR YR P.O. ADJUSTMENT	YTD 2016 TOTAL CASH EXPENSED
<b>WATER EXPENDITURES:</b>					
932 Production	17,403.00	0.00	17,406.00	0.00	17,406.00
933 Distribution	27,834.02	0.00	27,834.02	0.00	27,834.02
934 Wastewater Treatment	30,549.52	0.00	30,549.52	0.00	30,549.52
952 Transfers	111,502.67	0.00	111,502.67	0.00	111,502.67
998 Contingency	0.00	0.00	0.00	0.00	-
999 Non-Departmental	18,598.36	0.00	18,598.36	0.00	18,598.36
999 Debt Service	0.00	0.00	0.00	0.00	-
<b>TOTAL WATER AND SEWER</b>	<b>205,887.57</b>	<b>0.00</b>	<b>205,890.57</b>	<b>0.00</b>	<b>205,890.57</b>
<b>ELECTRIC EXPENDITURES:</b>					
930 Production	60,411.52	0.00	60,411.52	0.00	60,411.52
931 Distribution	90,383.55	0.00	90,383.55	0.00	90,383.55
951 Transfers	142,888.33	0.00	142,888.33	0.00	142,888.33
998 Contingency	0.00	0.00	0.00	0.00	-
999 Non-Departmental	77,545.85	0.00	77,545.85	0.00	77,545.85
999 Debt Service	0.00	0.00	0.00	0.00	-
<b>TOTAL ELECTRIC</b>	<b>371,229.25</b>	<b>0.00</b>	<b>371,229.25</b>	<b>0.00</b>	<b>371,229.25</b>
<b>TOTAL E/WW/SEW UTIL.EXPENDITURES</b>	<b>577,116.82</b>	<b>0.00</b>	<b>577,119.82</b>	<b>0.00</b>	<b>577,119.82</b>
<b>REVENUES:</b>					
Water Sales	147,193.51		147,193.51		
Sewer Service	185,747.60		185,747.60		
Interest Earnings	176.90		176.90		
Bond Proceeds & Accrued Interest	0.00		0.00		
Miscellaneous Revenues	7,296.16		7,296.16		
<b>TOTAL WATER &amp; SEWER REVENUE</b>	<b>340,414.17</b>		<b>340,414.17</b>		
Sales of Electricity	1,002,956.03		1,002,956.03		
Interest Earnings	1,592.05		1,592.05		
Bond Proceeds & Accrued Interest	0.00		0.00		
Miscellaneous Revenues	28,715.96		28,715.96		
<b>TOTAL ELECTRIC REVENUE</b>	<b>1,033,264.04</b>		<b>1,033,264.04</b>		
<b>TOTAL E/WW/SEW.UTILITY REVENUE</b>	<b>1,373,678.21</b>		<b>1,373,678.21</b>		
<b>BALANCES IN RESERVE ACCOUNTS:</b>					
Principal & Interest	483,594.94				
Temp Note Investments	0.00				
Sewer Improvement Reserve	1,078,566.09				
Cost of Issuance	27,556.83				
Emergency Depre.Reserve	400,000.00				
Bond Reserve Account	0.00				
Utility Reserve Account-Water/Elec	1,227,606.95				
Long Term Reserve Investments	2,127,577.71				
<b>TOTAL</b>	<b>5,344,902.52</b>				

SUBMITTED BY:

MARY M. GREEN, CITY TREASURER

February 26, 2016

TO THE HONORABLE MAYOR AND COUNCIL:

On February 26, 2016 we received funds from the Kansas State Treasurer that represented our portion of the Local Retailer Sales Tax and Local Consumers Compensating Use Tax Funds remitted to the state in January 2016.

The following is the breakdown between Local Retailer Sales Tax and Compensating Use Tax:

SALES – \$210,367.69    USE - \$26,297.78

The following deposits were made:

General Fund Local Retailers Sales Tax – \$108,115.99

General Fund Local Compensating Use Tax - \$13,150.53

Hospital Sales Tax Fund - Local Ret Sales Tax – \$102,251.70

Hospital Sales Tax Fund - Local Comp Use Tax - \$13,147.25

Received year to date in the Hospital Sales Tax Fund:

Sales Tax - \$191,655.83

Comp Use Tax - \$23,114.34

Respectfully submitted,

Mary M. Green  
City Treasurer



## MEMORANDUM

**TO:** Members, Health Care Authority  
**FROM:** Larry Hooker  
 Controller  
**RE:** *Sumner Regional* Financial Report, January 2016  
**DATE:** February 18, 2016

The following is an overview of the financial status of Sumner Regional Medical Center, as of January, 2016. More detailed financial reports are included as attachments to this report.

<i>Income Statement</i>	<i>January 2016</i>	<i>Year-To-Date 2016</i>
Total Operating Revenue	\$ 1,606,729	\$ 1,606,729
Total Operating Expense	\$ 1,218,533	\$ 1,218,533
Total Depreciation	\$ 67,638	\$ 67,638
Net Income or (Loss)	\$ 388,196	\$ 388,196
Tax Support	\$ 99,371	\$ 99,371

1. Adjusted Patient Days (which takes into account both Inpatient and Outpatient volumes) are reflected below: **(Average budgeted APD is 1310 for 2016)**

Month	2015	2016
Jan	1176	1399
Feb	1114	
Mar	1370	
Apr	1374	
May	1426	
Jun	1601	

Month	2015	2016
Jul	1283	
Aug	1284	
Sep	1214	
Oct	1331	
Nov	1322	
Dec	1227	

2. Budgeted labor cost per patient day is \$395 beginning in January 2015, with actual labor cost as follows:

Month	2015	2016
Jan	\$397	\$475
Feb	\$406	
Mar	\$403	
Apr	\$405	
May	\$402	
Jun	\$404	

Month	2015	2016
Jul	\$418	
Aug	\$390	
Sep	\$416	
Oct	\$332	
Nov	\$344	
Dec	\$426	

<b>Accounts Receivable</b>	<b>January 2016</b>	<b>December 2015</b>
Gross Patient Accounts Receivable	\$ 5,834,564	\$ 5,898,722
Days in Net Accounts Receivable	70 Days	71 Days
SRMC 2016 Days in A/R Goal: <b>60</b>		
Ingenix 2011 Kansas Median: <b>58.00</b>		

<b>Statement of Cash Flow</b>		
<b>General Operating Fund</b>	<b>January 2016</b>	<b>December 2015</b>
Beginning Balance	\$ 233,427	\$ 275,404
Cash Received	\$ 1,032,130	\$ 1,147,808
CD Cashed		
Transfers To/From M Market		
Transfer To/From Line of Credit	\$ 0	\$ 0
Cash Available	\$ 1,265,557	\$ 1,423,212
Disbursements		
Payroll	\$ 665,059	\$ 522,972
Accounts Payable	\$ 326,795	\$ 666,813
Total Disbursements	\$ 991,854	\$ 1,189,785
Ending Balance	\$ 273,703	\$ 233,427

<b>Accounts Payable</b>	<b>January 2016</b>	<b>December 2015</b>
Ending Balance	\$ 1,778,669	\$ 1,757,375
Cash Target 74 days	\$ 2,583,326	\$ 2,583,326
Cash on Hand	\$ 273,703	\$ 233,427
Amount over (under) Target	\$ (2,309,623)	\$ (2,349,899)
Days Cash on Hand	7.84 Days	6.69 Days
Ingenix 2011 Kansas Median: <b>74.40</b>		

<b>Money Market Fund</b>	<b>January 2016</b>	<b>December 2015</b>
Beginning Balance	\$ 000.00	\$ 000.00
Cash Received	\$	\$
Disbursements	\$	\$
Ending Balance	\$ 000.00	\$ 000.00

<b>Investments [Ending Balances]</b>	<b>January 2016</b>	<b>December 2015</b>
Certificates of Deposit	\$ 0	\$ 0
Memorial Funds/Donated Funds Money Market	\$ 9,196	\$ 9,196

**Recommend the Health Care Authority of the City of Wellington approve the following disbursements:**

Total Disbursements: (Includes PR & AP)

<b>Current Month</b>	<b>Prior Month</b>
\$ 991,854.00	\$ 1,189,785.00

Payroll, Pay Periods:

<b>Period Paid</b>	<b>Current Month</b>	<b>Prior Month</b>
01-08-2016	\$ 132,857.60	\$ 125,436.44
01-22-2016	\$ 130,801.37	\$ 129,447.66

	<b>January 2014 YTD</b>	<b>January 2015 YTD</b>	<b>January 2016 YTD</b>
<b>Acute Days</b>	96	29	58
<b>OB Days</b>	12	8	18
<b>SNF Days</b>	173	84	154
<b>BHU Days</b>	294	238	225
<b>Residential Care Days</b>	372	520	425
<b>ER Visits</b>	280	292	266
<b>Surgical Cases - IP</b>		11	6
<b>Surgical Cases - OP</b>		38	41
<b>OP Visits - All Other</b>	1,278	1507	1493
<b>Adjusted Days</b>	1,260	951	1399
<b>Observation Admits - OB</b>	17	0	0
<b>Observation Admits - Med</b>	42	40	16

**Attachments**

1. Sumner Regional Operating Income Statement Ending 01-31-2016
2. Sumner Regional Balance Sheet as of 01-31-2016

cc: Shelley Hansel, Mayor w/ Attachments  
Shana Jarmer, MD, Chief of Medical Staff w/ Attachments  
Doug Pfalzgraf, Legal Counsel w/ Attachments

**SUMNER REGIONAL MEDICAL CENTER**  
Income Statement  
For the One Month Ending 1/31/2016

	Month to Date				Year to Date			
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
<b>Revenue</b>								
Routine Services	\$94,835	\$99,930	(\$5,095)	(5.1%)	\$94,835	\$99,930	(\$5,095)	(5.1%)
Inpatient Ancillary	\$219,919	\$241,275	(\$21,356)	(8.9%)	\$219,919	\$241,275	(\$21,356)	(8.9%)
Skilled Nursing	\$250,312	\$168,975	\$81,337	48.1%	\$250,312	\$168,975	\$81,337	48.1%
Behavioral Health	\$292,971	\$336,376	(\$43,405)	(12.9%)	\$292,971	\$336,376	(\$43,405)	(12.9%)
Outpatient Revenue	\$1,377,963	\$1,084,201	\$293,761	27.1%	\$1,377,963	\$1,084,201	\$293,761	27.1%
E/R Revenue	\$401,850	\$310,943	\$90,907	29.2%	\$401,850	\$310,943	\$90,907	29.2%
<b>Total Patient Revenue</b>	<b>\$2,637,850</b>	<b>\$2,241,700</b>	<b>\$396,149</b>	<b>17.7%</b>	<b>\$2,637,850</b>	<b>\$2,241,700</b>	<b>\$396,149</b>	<b>17.7%</b>
<b>Deductions From Revenue</b>								
Contractual Adjustments	\$1,561,607	\$1,258,423	\$303,184	24.1%	\$1,561,607	\$1,258,423	\$303,184	24.1%
Net Bad Debts	(\$443,100)	\$174,558	(\$617,658)	(353.8%)	(\$443,100)	\$174,558	(\$617,658)	(353.8%)
<b>Total Deducts From Revenue</b>	<b>\$1,118,507</b>	<b>\$1,432,981</b>	<b>(\$314,474)</b>	<b>(21.9%)</b>	<b>\$1,118,507</b>	<b>\$1,432,981</b>	<b>(\$314,474)</b>	<b>(21.9%)</b>
<b>Net Patient Revenue</b>	<b>\$1,519,343</b>	<b>\$808,719</b>	<b>\$710,624</b>	<b>87.9%</b>	<b>\$1,519,343</b>	<b>\$808,719</b>	<b>\$710,624</b>	<b>87.9%</b>
Miscellaneous Revenue	\$87,386	\$59,972	\$27,414	45.7%	\$87,386	\$59,972	\$27,414	45.7%
<b>Total Operating Revenue</b>	<b>\$1,606,729</b>	<b>\$868,691</b>	<b>\$738,038</b>	<b>85.0%</b>	<b>\$1,606,729</b>	<b>\$868,691</b>	<b>\$738,038</b>	<b>85.0%</b>
<b>Operating Expenses</b>								
Salaries & Wages	\$482,661	\$446,619	\$36,042	8.1%	\$482,661	\$446,619	\$36,042	8.1%
Employee Benefits	\$182,635	\$106,752	\$75,884	71.1%	\$182,635	\$106,752	\$75,884	71.1%
Supplies: Patient Centric	\$47,665	\$92,650	(\$44,985)	(48.6%)	\$47,665	\$92,650	(\$44,985)	(48.6%)
Supplies: G & A	\$20,307	\$29,199	(\$8,892)	(30.5%)	\$20,307	\$29,199	(\$8,892)	(30.5%)
Medical Specialty Fees	\$233,291	\$196,259	\$37,032	18.9%	\$233,291	\$196,259	\$37,032	18.9%
G&A Contract Services	\$86,719	\$14,744	\$71,975	488.2%	\$86,719	\$14,744	\$71,975	488.2%
Repairs & Maintenance	\$51,555	\$48,434	\$3,121	6.4%	\$51,555	\$48,434	\$3,121	6.4%
Equipment: Leasing & Rental	\$58,274	\$59,640	(\$1,366)	(2.3%)	\$58,274	\$59,640	(\$1,366)	(2.3%)
Utilities	\$37,349	\$18,250	\$19,098	104.6%	\$37,349	\$18,250	\$19,098	104.6%
Other Expenses	\$18,077	\$15,360	\$2,717	17.7%	\$18,077	\$15,360	\$2,717	17.7%
<b>Total Operating Expense</b>	<b>\$1,218,533</b>	<b>\$1,027,907</b>	<b>\$190,626</b>	<b>18.5%</b>	<b>\$1,218,533</b>	<b>\$1,027,907</b>	<b>\$190,626</b>	<b>18.5%</b>
<b>Net Income/(Loss)</b>	<b>\$388,196</b>	<b>(\$159,215)</b>	<b>\$547,412</b>	<b>(175.2%)</b>	<b>\$388,196</b>	<b>(\$159,215)</b>	<b>\$278,999</b>	<b>(175.2%)</b>
Depreciation/Amortization	\$67,638	\$76,863	(\$9,225)	(12.0%)	\$67,638	\$76,863	(\$9,225)	(12.0%)
<b>Net Income/(Loss)</b>	<b>\$320,558.46</b>	<b>(\$236,078)</b>	<b>\$556,637</b>	<b>(235.8%)</b>	<b>\$320,558</b>	<b>(\$236,078)</b>	<b>\$556,637</b>	<b>(235.8%)</b>
Acute Days	58	29	29	100.0%	58	29	29	100.0%
OB Days	18	8	10	125.0%	18	8	10	125.0%
SNF Days	154	84	70	83.3%	154	84	70	83.3%
BHU Days	225	238	-13	-5.5%	225	238	-13	-5.5%
Residential Care Days	425	520	-95	-18.3%	425	520	-95	-18.3%
ER Visits	266	292	-26	-8.9%	266	292	-26	-8.9%
Surgical Cases - IP	6	11	-5	-45.5%	6	11	-5	-45.5%
Surgical Cases - OP	41	38	3	7.9%	41	38	3	7.9%
OPVisits - All Other	1493	1507	-14	-0.9%	1493	1507	-14	-0.9%
Adjusted Days	1399	951	448	47.1%	1399	951	448	47.1%
Observation Admits - OB	0	0	0	0.0%	0	0	0	0.0%
Observation Admits - Med	16	40	-24	-60.0%	16	40	-24	-60.0%

**SUMNER REGIONAL MEDICAL CENTER**

Income Statement: Current vs. PY

For the One Month Ending 1/31/2016

	Month to Date				Year to Date			
	Current Year	Prior Year	\$ Variance	% Variance	Current Year	Prior Year	\$ Variance	% Variance
<b>Revenue</b>								
Routine Services	\$94,835	\$99,930	(\$5,095)	(5.1%)	\$94,835	\$99,930	(\$5,095)	(5.1%)
Inpatient Ancillary	\$219,919	\$241,275	(\$21,356)	(8.9%)	\$219,919	\$241,275	(\$21,356)	(8.9%)
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<b>Total Patient Revenue</b>	<b>\$2,637,850</b>	<b>\$2,241,700</b>	<b>\$396,149</b>	<b>17.7%</b>	<b>\$2,637,850</b>	<b>\$2,241,700</b>	<b>\$396,149</b>	<b>17.7%</b>
<b>Deductions From Revenue</b>								
Contractual Adjustments	\$1,561,607	\$1,258,423	\$303,184	24.1%	\$1,561,607	\$1,258,423	\$303,184	24.1%
Net Bad Debts	(\$443,100)	\$174,558	(\$617,658)	(353.8%)	(\$443,100)	\$174,558	(\$617,658)	(353.8%)
<b>Total Deducts From Revenue</b>	<b>\$1,118,507</b>	<b>\$1,432,981</b>	<b>(\$314,474)</b>	<b>(21.9%)</b>	<b>\$1,118,507</b>	<b>\$1,432,981</b>	<b>(\$314,474)</b>	<b>(21.9%)</b>
<b>Net Patient Revenue</b>	<b>\$1,519,343</b>	<b>\$808,719</b>	<b>\$710,624</b>	<b>87.9%</b>	<b>\$1,519,343</b>	<b>\$808,719</b>	<b>\$710,624</b>	<b>87.9%</b>
Miscellaneous Revenue	\$87,386	\$59,972	\$27,414	45.7%	\$87,386	\$59,972	\$27,414	45.7%
<b>Total Operating Revenue</b>	<b>\$1,606,729</b>	<b>\$868,691</b>	<b>\$738,038</b>	<b>85.0%</b>	<b>\$1,606,729</b>	<b>\$868,691</b>	<b>\$738,038</b>	<b>85.0%</b>
<b>Operating Expenses</b>								
Salaries & Wages	\$482,661	\$446,619	\$36,042	8.1%	\$482,661	\$446,619	\$36,042	8.1%
Employee Benefits	\$182,635	\$106,752	\$75,884	71.1%	\$182,635	\$106,752	\$75,884	71.1%
Supplies: Patient Centric	\$47,665	\$92,650	(\$44,985)	(48.6%)	\$47,665	\$92,650	(\$44,985)	(48.6%)
Supplies: G & A	\$20,307	\$29,199	(\$8,892)	(30.5%)	\$20,307	\$29,199	(\$8,892)	(30.5%)
Medical Specialty Fees	\$233,291	\$196,259	\$37,032	18.9%	\$233,291	\$196,259	\$37,032	18.9%
G&A Contract Services	\$86,719	\$14,744	\$71,975	488.2%	\$86,719	\$14,744	\$71,975	488.2%
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Equipment: Leasing & Rental	\$58,274	\$5,390	\$52,884	981.1%	\$58,274	\$5,390	\$52,884	981.1%
Utilities	\$37,349	\$18,250	\$19,098	104.6%	\$37,349	\$18,250	\$19,098	104.6%
Other Expenses	\$18,077	\$15,360	\$2,717	17.7%	\$18,077	\$15,360	\$2,717	17.7%
<b>Total Operating Expense</b>	<b>\$1,218,533</b>	<b>\$973,657</b>	<b>\$244,876</b>	<b>25.2%</b>	<b>\$1,218,533</b>	<b>\$973,657</b>	<b>\$244,876</b>	<b>25.2%</b>
<b>Net Income/(Loss)</b>	<b>\$388,196</b>	<b>(\$104,965)</b>	<b>\$493,162</b>	<b>(469.8%)</b>	<b>\$388,196</b>	<b>(\$104,965)</b>	<b>\$493,162</b>	<b>(469.8%)</b>
Depreciation/Amortization	\$67,638	\$76,863	(\$9,225)	(12.0%)	\$67,638	\$76,863	(\$9,225)	(12.0%)
<b>Net Income/(Loss)</b>	<b>\$320,558</b>	<b>(\$181,828)</b>	<b>\$502,387</b>	<b>(276.3%)</b>	<b>\$320,558</b>	<b>(\$181,828)</b>	<b>\$502,387</b>	<b>(276.3%)</b>
Acute Days	58	29	29	100.0%	58	29	29	100.0%
OB Days	18	8	10	125.0%	18	8	10	125.0%
SNF Days	154	84	70	83.3%	154	84	70	83.3%
BHU Days	225	238	-13	-5.5%	225	238	-13	-5.5%
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Surgical Cases - OP	41	38	3	7.9%	41	38	3	7.9%
OPVisits - All Other	1493	1507	-14	-0.9%	1493	1507	-14	-0.9%
Adjusted Days	1399	951	448	47.1%	1399	951	448	47.1%
Observation Admits - OB	0	0	0	0.0%	0	0	0	0.0%
Observation Admits - Med	16	40	-24	-60.0%	16	40	-24	-60.0%

Balance Sheet  
For the Twelve Months Ending 01/31/2016

	2016	2015	Net Change
<b>Assets</b>			
<b>Current Assets</b>			
<b>Operating Fund Assets</b>			
Cash	179,747.05	68,942.51	110,804.54
Accounts Receivable	5,834,564.39	7,329,542.73	(1,494,978.34)
Less: Allowance for Bad Debts	(869,283.11)	(1,264,346.44)	395,063.33
Est Contr Adjustment	(3,294,626.78)	(3,023,436.00)	(271,190.78)
Inventory	135,819.17	159,287.33	(23,468.16)
Prepaid Expenses	493,100.81	241,137.44	251,963.37
	<u>2,479,321.53</u>	<u>2,653,897.79</u>	<u>(174,576.26)</u>
<b>Board Designated Fund Assets:</b>			
Operating Fund Receivable	127,507.48	13,025.99	114,481.49
	<u>127,507.48</u>	<u>13,025.99</u>	<u>114,481.49</u>
<b>Specific Purpose Fund Assets:</b>			
Cash and Investments	118,139.40	119,507.48	(1,368.08)
	<u>118,139.40</u>	<u>119,507.48</u>	<u>(1,368.08)</u>
<b>Bond Sinking Fund Assets:</b>			
<b>Total Current Assets</b>	<b><u>2,724,968.41</u></b>	<b><u>2,786,431.26</u></b>	<b><u>(61,462.85)</u></b>
<b>Fixed Assets:</b>			
Land and Land Improvements	429,148.31	429,148.31	-
Building and Fixed Equipment	9,345,354.75	9,345,354.75	-
Construction in Progress	9,499.33	9,499.33	-
Major Movable Equipment	8,094,705.17	8,094,705.17	-
Fixed Asset Clearing	131,041.47	131,041.47	-
Minor Movable Equipment	861,248.76	861,248.76	-
Less: Accumulated Depreciation	(16,256,436.03)	(15,347,512.03)	(908,924.00)
<b>Total Fixed Assets</b>	<b><u>2,614,561.76</u></b>	<b><u>3,523,485.76</u></b>	<b><u>(908,924.00)</u></b>
<b>Total Assets</b>	<b><u>5,339,530.17</u></b>	<b><u>6,309,917.02</u></b>	<b><u>(970,386.85)</u></b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts Payable	1,778,669.02	1,436,754.74	341,914.28
Salaries and Wages Payable	228,079.86	-	228,079.86
Payroll Taxes and Deductions Payable	355,140.89	248,653.20	106,487.69
KPERS Retirement Plan Payable	337,888.92	145,606.00	192,282.92
Other Payable	42,576.46	22,582.43	19,994.03
Lease Purchases Payable	1,360,605.86	2,101,544.00	(740,938.14)
BHU Management Fee Payable	781,598.61	886,184.98	(104,586.37)
Line of Credit Payable	274,266.73	274,097.73	169.00
Patient Refunds Payable	(33,805.71)	(16,158.90)	(17,646.81)
Accrued Benefits Payable	415,296.21	415,296.21	-
Accrued Interest Payable	94,929.71	54,245.13	40,684.58
	<u>5,635,246.56</u>	<u>5,568,805.52</u>	<u>66,441.04</u>
<b>Long Term Liabilities</b>			
City of Wellington	1,357,670.29		1,357,670.29
<b>Total Liabilities</b>	<b><u>6,992,916.85</u></b>	<b><u>5,568,805.52</u></b>	<b><u>1,424,111.33</u></b>
<b>Capital</b>			
Results of Operation	320,558.46	(205,259.11)	525,817.57
Operating and Plant Fund Balances	(2,067,980.98)	852,334.77	(2,920,315.75)
Specific Purpose Fund Balance	94,035.84	94,035.84	-
<b>Total Capital</b>	<b><u>(1,653,386.68)</u></b>	<b><u>741,111.50</u></b>	<b><u>(2,394,498.18)</u></b>
<b>Total Liabilities and Capital</b>	<b><u>5,339,530.17</u></b>	<b><u>6,309,917.02</u></b>	<b><u>(970,386.85)</u></b>

HEALTHCARE AUTHORITY OF THE CITY OF WELLINGTON  
Governing Body for Sumner Regional Medical Center  
**Board of Director's Meeting**  
**MINUTES**  
**January 21, 2016**

**Board Members Present:**

Fred Hinman, Chairman

Terry Deschaine, Treasurer

Faustino Naldoza, MD, Member

**Board Members Absent:**

Tami McCue, DO, Secretary

**Staff Members Absent:**

**Guests Present:**

Julie Dry, Environmental Services, SRMC

Amy Walker, Business Office, SRMC

Roanna Fritzler, Radiology Manager, SRMC

Mary Beck, Materials Manager, SRMC

Jeanette Christy, Surgery Manager, SRMC

Marsha Dugan, Surgery, SRMC

Cheryl Byers, Environmental Services Manager, SRMC

Trecia Thayer, Environmental Services, SRMC

Julie Hibbs, Infection Control Manager, SRMC

Channity Farley, Outpatient Manager, SRMC

Derrick Mead, Wellington Daily News

Teri Stinson

**Staff Present:**

Barry Harding, Interim CEO/CFO

Darlene Cooney, Chief Nursing Officer

Allen Keller, Director of Human Resources

Larry Hooker, Interim Controller

Jessica Yunker, Recorder

**Call to Order:** Mr. Hinman, called the meeting to order at 12:00 pm.

**Approval of Consent Agenda:** Mr. Hinman requested the approval of the consent agenda. *It was moved by Mr. Deschaine seconded by Dr. Naldoza and carried to approve the consent agenda with the following items:*

- HCA Board Minutes December 17, 2015
- February Committee Meeting Calendar
- Medical Staff Recommendations and Appointments
- Policies
  - Corporate Compliance Program—950.045
  - Dress & Personal Appearance—951.004
  - Occupational Injury or Illness Reporting—815.601
  - Patient's Right to Request Restrictions of Use & Disclosures of PHI—952.017
  - Supply Management-Non-Emergent—820.001
  - Uses & Disclosures for Health Oversight Activities—952.011

## HCA Board Meeting Minutes

January 21, 2016

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**Employee of the Month:** Ms. Cooney presented the January Employee of the Month certificate to Julie Dry, Environmental Services assistant. Ms. Dry focuses mostly on the Skilled Nursing Facility and has connected with all the residents & nurses. SNF is a busy unit and Ms. Dry always stays on task.

**Administration Report:** Mr. Harding said Dr. Nicholas Brown and Dr. Samantha Beck began surgery coverage this month and the transition is going smoothly. All employees show good morale and appear to be happy with both surgeons. There have been over 20 cases so far this month, there are 45 to 50 procedures on average every month. There are eight procedures scheduled for next week. Dr. Naldoza thanked the medical staff for the recruitment of Drs. Brown & Beck. Mr. Harding said he thanked the medical staff during yesterday's medical staff meeting. The medical staff's assistance in recruiting Drs. Brown & Beck show great commitment to SRMC. CHC is in their final review of the Medical Staff Development Plan. This will determine if we need additional physicians in the service area.

The charge master review is finished and Cerner should have it completely uploaded by the end of the month.

In discussions with a vendor to perform a zero balance review of all 3<sup>rd</sup> party paid claims for accurate payment. Mr. Harding wants to work with Cerner for the information needed and expects additional reimbursements.

The new coding company, Trust HCS, began at the end of December and has shown much improvement on accuracy. The backlog in "waiting coding" has been completely eliminated. We are also starting to see the way claims are getting paid. Medicare is in process of growing as well. Dr. Naldoza asked if SRMC employees were still completing some of the paperwork in terms of coding. Mr. Harding said the physicians still do their chart dictation and discharge orders. Ms. Cooney said we still make sure all the components are in place before sending to Trust HCS such as discharge orders, signatures, etc. Mr. Hooker said from a process standpoint, once the procedure is completed the goal is to validate the chart for coding in three days. It is the physician's responsibility to assign proper diagnosis to match the medical record for that procedure.

Meaningful Use Attestation has been accepted by CMS and payment should be received in February.

Mr. Harding said costs have been reduced by approximately \$550,000 annually due to the new surgery group, redistributing responsibilities among staff after manager vacancies and a change in the employee health insurance contribution. We continue to make the most out of the current staff and shuffle responsibilities.

Cash for the month of January has been strong. December 2015 showed to be the weakest month of the year. The impact of the coding company has increased our cash in January.

Mr. Deschaine asked about the manpower activity report included in the board packet. Mr. Keller said we started 2016 with an estimate of 116 FTEs which is significantly down than what we started with. The CEO and CFO/Controller positions are filled with non-SRMC employees. In addition to the CEO & CFO positions, there are also two Registered Nurse positions, one medical tech position, one CAN position and one part-time cook position. This would total 123 FTEs. Some positions are still on hold.

**Financial Report:** Mr. Hooker reviewed the financials. For the month of December we experienced a net gain of \$109,575.

The accounts receivable balance at 12/31/15 was \$5,898,722. Net days in accounts receivable decreased from 76 days to 71 days. Days cash on hand decreased from 7.89 days to 6.69 days.



## HCA Board Meeting Minutes

January 21, 2016

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Following is a summary of the financial report.

<u>Income Statement</u>	<u>December 2015</u>	<u>Year-to-Date 2015</u>
Total Operating Revenue	\$ 1,208,226	\$ 14,453,540
Total Operating Expense + Depreciation	\$ 984,500	\$ 13,589,846
Total Depreciation	\$ 76,863	\$ 918,149
Net Income or (Loss) – Total	\$ (70,910)	\$ (272,228)

Mr. Guild requested approval from the Health Care Authority for the following disbursements and write-offs:

	<u>Current Month</u>	<u>Prior Month</u>
Accounts Payable	\$ 125,436.44	\$ 786,825.00
Payroll Pay Periods:		
12-11-2015	\$ 125,436.44	\$ 136,617.21
12-25-2015	\$ 129,447.66	\$ 130,595.26
	\$	\$

Mr. Hooker said we paid off Siemen's MRI unit and then sold it to Shared Imaging. We are now leasing the machine and saving 25% per month.

Accounts Receivable shows great improvement due to the one-time write offs directly related to bad debts due to prior EBO organizations not timely filing with insurances. We are fine tuning how we make allowances for contractual and bad debts during 2016.

Mr. Harding said that it is important to look at EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) as this is approximation of the cash flow.

Accounts Payable is significantly different by \$500,000 on the balance sheet due to Mr. Hooker relocation the city sales tax and paying off the MRI. We have a different relationship with the city compared to a regular "vendor." The ending balance in AP is getting closer and closer to a "current" AP and still being reconciled.

Mr. Deschaine asked why BHU is significantly under budget. Mr. Harding said for the month of December they were 27 days below budget and around 50% occupancy for the last few months. They have had turnover with employees and two different psychiatrists in the past few months. They have also hired a new Chief Operating Officer so Mr. Harding will look into meeting with him.

*It was moved by Dr. Naldoza, seconded by Mr. Deschaine, and carried to approve the financial report and disbursements and write-offs as presented.*

**Open Forum:** Mr. Hinman said Dr. Naldoza has agreed to be the board representative for the Quality Committee. They will be meeting once a month. He thanked him for his willingness to participate.

**Report from Individual Members:** Dr. Naldoza said he was pleased to hear from a department manager who has started a work out group with her employees. It shows our employees promote wellness and support in each other in a positive way.

**Quality/Safety Report:** Mrs. Cooney reviewed the memo report included in the board packet. Everyone is learning their new responsibilities to make sure no deadlines are missed. The Quality Team will meet on the fourth Tuesday of every month instead of quarterly. First meeting is next Tuesday.

**HCA Board Meeting Minutes**

January 21, 2016

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**Old Business:** *None.*

**New Business:** *March Board Meeting.* Mr. Hinman will be out of town the week of the March board meeting. He will move forward on postponing it a week unless something comes up in the meantime.

*2016 Budget.* Mr. Hooker said the basis for the 2016 Budget is to take actuals for 2015 and use this as the basis for the 2016 budget with minor adjustments. The adjustments include removing Dr. Shore & his expenses and adding the surgical group.

If the proposed budget is met, we would experience an EBITDA of \$1.1 million, which is \$400,000 greater than this year's EBITDA.

Mr. Harding said this is a conservative budget and he's optimistic about the volume with changes in the surgical group.

*It was moved by Mr. Deschaine, seconded by Dr. Naldoza, and carried to approve the 2016 Budget as presented.*

**Executive Session:** *It was moved by Dr. Naldoza, seconded by Mr. Deschaine and carried, that this meeting of the Wellington Health Care Authority recess at 12:40 pm hours for an executive session, pursuant to K.S.A. 75-4319 for the following reason(s):*

- *To consider confidential data relating to financial affairs or trade secrets of corporations, partnerships, trust and individual proprietorships*

*The subjects to be discussed relate only to the above stated matters. The open meeting shall resume at 1:30 pm hours.*

The meeting was reconvened at 1:30 pm.

**Adjournment:** *There being no further business to come before the board, the meeting of the Health Care Authority of the City of Wellington adjourned at 1:30 pm.*

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Jessica Yunker, Recorder

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Tamara McCue, DO, Secretary

November 24, 2015

**Call to Order / Roll Call** – The meeting was called to order by WRC Chairman, Hankie Holefelder at 7 a.m. with the following members and staff present: Hankie, Betty Zeka, Tami McCue, John Brand, Tanner Ford, Cody White, Marcine Goodrum and Julie Wellington.

**Audience Participation**- None

**Minutes / Income & Expenditures** – The increase in WRFC salaries is due to increasing the staff to two on duty at all times. October Income / Expenditures and Minutes were approved by Betty and seconded by John. Motion carried.

**Board Member Report** – Great job goes to Instructor, Marcine Goodrum for the adult program, Paint Your Art Out. She had a great group and they all came away with a positive experience.

**Old Business**- None

**New Business**- the WRFC is having a Black Friday Special, highlighting a ONE day only, annual membership discount.

Another promotion is the special 12 Days of Fitness. Exercise 12 days between Thanksgiving and Christmas and for \$8 the participant will receive a free T-shirt with the WRFC logo and a special design screen printed on it.

ActiveNet is complying with the credit card companies and offering a new EMV compliant credit card reader. The cost is \$292.50 each and the WRC would need four.

The Java Plug-In kept crashing on ActiveNet. It was through Microsoft Chrome. We had to start opening the ActiveNet program through Fire Fox. This search engine allows plug-ins. The IT department and Cody had to work on this together to figure out and stop the crashes.

KC Chiefs Bus Trip Ticket and chance sales are going better now that they are playing better. The chance bucket was taken over to the WRFC for exposure.

2016 Program Ideas are being hashed out by the WRC staff. One of the ideas is an annual and 6 months WRFC memberships to include basic fitness classes.

Pay in Advance?

Only include basic fitness classes?

Revamping the fitness class program, Hi/Lo?

Changing prices? On corporate packages also?

All these questions were discussed and considered. The promo will start Jan 1, 2016.

**Memorial Auditorium**- Board minutes of the last meeting were enclosed in the WRC board packet.

The decision to open the veteran's room for 1 day a week for public viewing was decided.

Triumph's Wings program, put a new roof on the MA shed, Did a marquee update and made scenes for display in Heritage Park for Christmas.

The annual WRC staff Christmas Party will be held at the WRC's Community room. A caterer will be hired to provide a dinner. The event will be held on Sunday evening, December 6, 2015 if the date is fine with the board.

The WRC public relations list for October thru Dec 2015 includes, Marcine doing a presentation on Wellington Today on Oct 28, 2015. Hosting Chamber Coffee on December 10<sup>th</sup> and our program: Warm the Children, which will run through December 15, 2015. We also have a box out in the lobby collecting shoes for Eisenhower Elementary program.

The Red Line Event had 148 participants that attended. There were 12 teams that signed up for Dodgeball and the played double elimination.

The 6<sup>th</sup> – 8<sup>th</sup> grade dance was also well attended.

The 2014/2015 audit on the WRC's finances is ongoing with Chad Andra, CPA and Tracy Goodrum, CPA conducting it. The annual GAAP resolution needs to be signed and made official.

**Marcine** – She is pumped up to instruct the new season of Paint Your Art Out has new projects for spring. The kid's art class's attendance is so-so. The 2 Halloween events that were planned on Halloween had low attendance also. There is a lot of conflict happening around town.

She has been busy planning next winter/spring programs.

**Tanner** – Youth Basketball registration is going very well. There are 219 Wellington only participants. 7 Ark City participants will also be playing in our league. Oxford, Caldwell, South Haven and Belle Plaine and Udall are the other towns are playing also.

Open Gym starts on Sunday afternoons on December 6<sup>th</sup> and runs till March 2016.

Tanner attended the conference in New Orleans. He arrived a day late because of a delayed flight, and a miss-connection flight. He cancelled the hotel for that night as soon as he realized he flight wasn't going to happen. It made it difficult to walk into the conference late because everyone else had already checked in. But, he adapted and made it work. He attended 4 sessions and the trade show. Better Solutions presented a program about promoting youth sports. He came away with good ideas to implement at the WRC.

**Cody** – informed the board that another large payment for the bond was due this week.

The WRC staff is working on the 2016 Capital Outlay Wish List. Several construction items that were put off last year will be put on the list for 2016.

Tami made a motion to enter into executive session for 30 minutes at 7:46 am. Betty seconded and all said Aye.

The executive session was out at 8:16 am

Tami made a motion to adjourn. John seconded and all said Aye. The meeting was adjourned.

**The next regular meeting is: December 15, 2015 at 7 a.m.**  
**This meeting date is moved up because of the holidays.**

Respectfully submitted by Julie Wellington



Wellington Recreation  
Commission  
Board Meeting Notes

December 15, 2015

**Call to Order / Roll Call** – The meeting was called to order by WRC Chairman, Hankie Holefelder at 7 a.m. with the following members and staff present: Hankie, Betty Zeka, Tami McCue, John Brand, Matt Barton, Tanner Ford, Cody White, Marcine Goodrum and Julie Wellington.

Cody wanted everyone to know that the WRC had gotten the word out about the meeting but the Wellington Daily News had not placed it in the paper as we had requested. The proof is in the email that was sent out.

**Audience Participation**- None

**Minutes / Income & Expenditures** – November Income / Expenditures and Minutes were approved by John and seconded by Tami. Motion carried.

**Board Member Report** – None

**Old Business**- the Fitness Center's Black Friday special was successful. The WRFC had \$580.00 worth of annual fitness memberships sold that day.

ActiveNet is complying with the credit card companies and offering a new EMV compliant credit card reader. Data is not secure through the old credit card machines, but the staff is keying the cards in themselves to bypass the machine until we are able to order some after the first of the year.

**New Business**- The annual KRPA conference is being held in Dodge City at the Hampton Inn by the Boot Hill casino. It will be held Feb. 1<sup>st</sup> through the 4<sup>th</sup>, 2016. Cody extended an invitation to any board member that would like to attend.

In the Winter/Spring Program Guide, the fitness class, Hi Lo, will be converted into Functional Fitness. It will be taught by Debbie Murphy and she will also be teaching a Cycle 45 class.

Cycle and Core and Cycle 45 classes will be offered at multiple times, M- F, morning noon and night.

We are averaging about 25 in Fit Camp per session. This class is held at the MA and is \$45 per session.

The Wellington Recreation has had several public relations events in the month of December 2015. The Warm the Children fundraiser comes to a conclusion on December 18<sup>th</sup>. The community was once again very generous to the children in the elementary schools and the quest to keep them warm. The Chamber Coffee was sponsored by the WRC on December 10<sup>th</sup>.

The WMS Holiday Dance was held on December 12<sup>th</sup>. 84 kids attended.

Plans for the January membership drive at the Wellington Recreation Fitness Center are underway. The decision to offer free basic fitness classes to anyone that signs up for an annual or 6 month fitness membership was made. The basic classes will exclude cycle classes and fit camp at the Memorial Auditorium. These classes are considered to be in the premium category. There will be a special membership rate for members to choose from that will include these classes. Corporate rates will also be sent out to include the chance to upgrade to include classes in their annual memberships. Explanation Letters and new forms will be sent out this month to all our corporate members.

On the WRFC annual memberships, our members will also have the option to leave their credit card information on file with our ActiveNet program, and have monthly payments added to their account instead of having to pay the annual rate in full in January. We will be offering this for 3 month, 6 month and annual memberships.

Cody was able to evaluate the slow times in the WRFC (on an average) to see when we could possibly cut back on staff. There is 5 hours of down time. Activenet statistics reported 13% of the day is down time, with 87% of the time being essential to have 2 staff members on duty Cody was having Debbie Zens make adjustments to the schedule.

The suggestion for the staff to do walkthroughs of locker rooms during their shifts was made. Cleaning up after the members is part of their duties. Also, security concerns were voiced.

Holidays hours were posted at the entrances and on the website.

**Memorial Auditorium**- No meeting in December.

**Marcine** – The Special Holiday event, Santa Saturday, was held in the WRC Community Room. It was awesome. The face painting was a big hit with the kids. Susan Treft was there with Santa Earl to take pictures with the children. Santa Earl even played ping pong with some of the kids.

Marcine is working on the Winter/Spring 2016 Program Guide.

She would like to do another tile wall fundraiser. She will include the opportunity in the program guide.

**Tanner** – Youth Basketball practice is ongoing. The games will start on January 23, 2016. He had some scheduling issues with the High School, but is making adjustments. There will be some games held at the WMC gym and also on a Sunday afternoon. He also will have to cancel Open Gym at the WHS on that particular Sunday.

He is working to increase adult sport attendance numbers. He will be having a league meeting to discuss this.

Adult Flag Football Championship is finally over. The season was extended when games were cancelled because of the Royal's baseball games being on at the same time.

**Cody** – visited with the board about the 2016 Capital Outlay list. He pointed out some big projects that need to be done. The front office, the utility room, a new treadmill, timeclock software, a sign, is some examples. These items were placed on the list by the staff as priorities.

Chad Renn was in touch with Cody about a donation from the Voran Trust. Cody hopes that the WRC will be considered for a distribution.

The teen center has a Wii going out. Cody hopes it is a simple fix; otherwise we will have to replace it.

Cody has been visiting with the City of Wellington about needs at the Wellington Family Aquatic Center. The need of a backboard and new pavers are imminent before opening for the summer season.

Cody reminded all the board members to reply to Chad Andra and his auditing staff on the letters that were sent out.

Cody informed the Board that the John Deere Gator may have to be replaced soon.

The Board asked for a Heat update. Jeremy Jones of the City of Wellington has made the contract for the agreement between the owners of the Heat and the City of Wellington. In his verbiage he wrote that the WRC will run the concessions. After the first of the year we will find out if this was accepted.

Even though the agenda said at this time the board would be entering into executive session, it did not take place.

Tami made a motion to adjourn. John seconded and all said Aye. The meeting was adjourned.

**The next regular meeting is: January 26, 2016 at 7 a.m.**

Respectfully submitted by Julie Wellington

Minutes of the Housing Authority of the City of Wellington, Kansas  
Public Meeting, January 26, 2016  
Recreation Room 12:30pm

The Housing Authority of the City of Wellington, Kansas, met for their monthly Public Board meeting at 12:30pm on January 26, 2016, in the Recreation room. Commissioners present were: Paula Mortimer, chairperson, commissioners Larry Schalk, Darlene Ferguson and Roger Stallbaumer and Dennis Guinn. Secretary Melissa Hamlin and Tenant Service Director Susan Nance were in attendance. There were 17 residents in attendance. Commissioner Mortimer called the meeting to order.

The pledge of allegiance was lead by the board.

One guest, Sherri Sawyer was welcomed.

A verbal roll call was taken by Secretary Melissa Hamlin.

The December minutes were presented. A motion was made by Commissioner Stallbaumer to pass the minutes. Commissioner Ferguson seconded the motion. The vote was unanimously in favor to accept.

The Financial reports currently available were given and the remaining reports will be sent to board members when the yearend books have completed and returned by Lindsey and company. No vote was taken.

The Directors report was given by Melissa Hamlin, Executive Director.

**UNFINISHED BUSINESS:**

1. KNIPP Equipment has started on the chiller project.
2. I received a letter from HUD along with Board members, the mayor and city manager that explained the reason for their recent visit. I have a copy of the letter if anyone would like to read it. HUD staff was very impressed with this facility and thought it was in very good shape for its age. They were really interested in the storm shelter and the beauty shop, mentioning that we were one of the only PHA's left that still had a beauty shop in house. The letter also states that "the Department reviewed the Housing Authority's 2010 by-laws and 2009 Procurement Policy and found contradicting language regarding contract approvals; therefore, the Department finds no clear evidence that the Executive Director improperly signed the contract for health insurance benefits for employee dependents. In the Department's research on the health insurance issue, it was found that the City of Wellington changed their by-laws to require the City Council's approval of Board members prior to the Mayor's appointment and restricting the power to remove Board members only to the City Manager.
3. The 2015-month and yearend books have been sent to Lindsey. As soon as they are back and checked, a copy of the remaining financials that are needed for review will

be ready for February's board meeting. At next month's board meeting, I will give a yearend report to the board.

4. The W2's, 1099's and the required statement of proof of insurance have been handed out and mailed.

#### NEW BUSINESS

1. HUD has announced the final 2016 flat rents for all bedroom size apartments by each county in the country. The Sumner county rate established is: Efficiency \$414.00, up 20.00, One Bedroom \$492.00, up 7.00, and Two Bedroom \$658.00, up 76.00. These flat rents will not change until the resident's next annual re-exam. Most of the residents at the manor are on income base rent, so these changes will not affect you. Only the residents that pay Flat or Ceiling rent will be affected by this change. Please keep in mind that this is not only a local change, but each county in the country will have the flat rent adjusted.
2. We have received a dividend check from Housing Authority Insurance for \$966.14. This represents a disbursement of funds to housing authorities with no claims and top ratings. There were many claims in 2015 nationwide, so the amounts of funds available for disbursement were way down from years' past.
3. Current Personnel Policy's are available for any board member that cannot find there's. I have marked a number of areas that need to be changed or addressed. It would probably be in the best interest of the board and staff to wait until the new Executive Director is in place to make all of the necessary changes and adopt a new policy.

**An Executive Session was called with a 30 minute limit for a personnel matter was announced. A motion by Commissioner Guinn and seconded by Commissioner Stallbaumer was made. The board vote was unanimously in favor to go into Executive Session.**

**The meeting was called back to order.**

#### **Floor Open for Discussion and Concerns**

#### **ANNOUNCEMENTS:**

#### **Non Agenda Items**

**A motion to Adjourn was made by Commissioner Guinn and seconded by Commissioner Stallbaumer. The vote was unanimously in favor to adjourn.**

Respectfully submitted,

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Melissa Hamlin, Secretary

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Paula Mortimer, Chairperson





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## Memorandum

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**To:** Honorable Mayor and Council Members

**From:** Shane Shields, Finance Director

**Date:** February 23, 2016

**Re:** Council meeting of March 1, 2016 - Special Alcohol and Drug Advisory Board Appointments – Council member Representatives

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Ordinance No. 2987, adopted October 4, 1988, created the Special Alcohol and Drug Advisory Board. The Board serves as an Advisory Board to the Council to consider recommendations for the allocation of funds received from the alcohol tax. Moneys in the Special Alcohol and Drug Programs Fund are to be expended for alcohol and drug programs or services relating to education, detoxification, intervention and treatment. Recommendations for allocations are given to the City Council for their consideration and approval annually.

The Advisory Board consists of the Mayor, two Council members, the City Manager and City Clerk. In 2015 the council members serving were Jan Korte and B.J. Tracy. With Mr. Tracy no longer serving on the council, it is necessary to appoint a council member to the Advisory Board.

Also, a meeting date for the Advisory Board needs to be set for later in March for the 2016 Special Alcohol and Drug funding process. Once a meeting date is set, a public service announcement will be distributed and notice sent to prior year recipients informing of the submittal deadline for funding requests.

Action necessary: Motion to appoint a Council member to fill the vacant position.  
(Council member Korte already serves in 1 of the 2 council positions.)

Set a meeting date for the committee for later in March.

Respectfully Submitted,

Shane J. Shields  
Finance Director



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## Memorandum

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**To:** Honorable Mayor and Council Members

**From:** Carol S. Mericle, City Clerk

**Date:** February 24, 2016 for March 1, 2016 Council Meeting

**Re:** Housing Authority Member Appointment (Resident)

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Resolution No. 5457, adopted September 6, 2011, requires the appointment of a Wheat Capital Manor resident as a member of the Housing Authority.

Due to the resignation of Larry Schalk on February 2, 2016, who fulfilled the HUD requirement of the one member to be a resident of the facility, a vacancy was created for another resident to be appointed to fulfill the term expiring on April 30, 2018.

On February 24, 2016, Paula Mortimer, Chairperson of the Housing Authority, informed my office that an election has been conducted of the Manor residents. Alois Hutchinson, Manor resident, was elected for a four-year term beginning March 1, 2016 to April 30, 2018.

With the election of Wheat Capital Manor resident Alois Hutchinson by the Manor residents, the governing body shall now appoint the member so-elected to the Housing Authority. Approval of this memo results in governing body action to make the appointment.

Respectfully Submitted,

Carol S. Mericle  
City Clerk

City of Wellington, County of Sumner

STATE OF KANSAS

CERTIFICATE OF ELECTION/APPOINTMENT/REAPPOINTMENT

MEMBER OF HOUSING AUTHORITY BOARD

THIS IS TO CERTIFY that, on the 18 day of February 2016.

Alois Hutchison

Was elected by Wheat Capitol Manor residents to a regular \_\_, expired \_\_, unexpired X, four-year (4) term as a member of the Housing Authority of the City of Wellington, Sumner County, Kansas. The Mayor and Council of the City of Wellington, Kansas, pursuant to the provision and conditions of the Ordinance of the City of Wellington, Kansas, and the Kansas Statutes of the State of Kansas approves this appointment through the resident election process contained in the Policy passed by the Wellington Housing Authority Board, on February 24, 2015.

The new term expires on the day of 30<sup>th</sup> of April, 2018.

Board of Commissioners of the Housing Authority of the City of Wellington, Kansas, was established by Resolution adopted by the Board of Commissioners on the fifth day of December, 1966.

GIVEN AT MY HAND this 1st day of March, 2016, under the corporate seal of the City of Wellington, Kansas, affixed and attested by the City Clerk.

\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Clerk

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF PRINCIPAL AMOUNT OF ELECTRIC, WATERWORKS AND SEWAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2016, OF THE CITY OF WELLINGTON, KANSAS; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.**

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**WHEREAS**, the City of Wellington, Kansas (the “City”) is a city of the second class, duly created, organized and existing under the Constitution and laws of the State; and

**WHEREAS**, the City is authorized under the provisions of the Act, to issue and sell revenue bonds for the purpose of paying all or part of the cost of the acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement of the System, provided that the principal of and interest on such revenue bonds shall be payable solely from the Gross Revenues derived by the City from the operation of the System; and

**WHEREAS**, the governing body of the City has pursuant to Resolution No. 5599 declared its intention under the Act to acquire, construct, reconstruct, alter, repair, improve, extend or enlarge the System (the “Project”) at an estimated acquisition and construction cost of \$5,200,000 and to issue Electric, Waterworks and Sewage Utility System Revenue Bonds in an amount of not to exceed \$5,500,000; notice of such intention was published one time in the official newspaper of the City and no sufficient written protest thereto was filed with the Clerk within fifteen (15) days after said publication date all as set forth in the Act; and

**WHEREAS**, none of such revenue bonds so authorized have heretofore been issued and the City proposes to issue \$4,790,000 of the revenue bonds so authorized to pay the costs of the Project; and

**WHEREAS**, the governing body of the City has caused plans and specifications for the Project and an estimate of the cost thereof to be made by the Consulting Engineer and the same have been or are hereby accepted and approved and placed on file in the office of the Clerk; and

**WHEREAS**, the City does not have Outstanding any System Indebtedness other than the Series B, 2011 Bonds and the Series 2015 Bonds.

**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WELLINGTON, KANSAS, AS FOLLOWS:**

**Section 1. Definitions of Words and Terms.** In addition to words and terms defined elsewhere herein, the following words and terms in this Ordinance shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

**“Act”** means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 10-1201 *et seq.*, all as amended and supplemented from time to time.

**“Additional Bonds”** means any bonds secured by the Gross Revenues hereafter issued pursuant to the Bond Resolution.

**“Additional Obligations”** means any leases or other obligations of the City payable from the Gross Revenues, other than the Bonds.

**“Bond Resolution”** means the resolution to be adopted by the governing body of the City prescribing the terms and details of the Series 2016 Bonds and making covenants with respect thereto.

**“Bonds”** means the Series B, 2011 Bonds, the Series 2015 Bonds, the Series 2016 Bonds and any Additional Bonds.

**“City”** means the City of Wellington, Kansas.

**“Clerk”** means the duly appointed and acting Clerk of the City or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk.

**“Bond Reserve Account”** means the Bond Reserve Account for System Parity Bonds created by the Bond Resolution.

**“Current Expenses”** means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Indebtedness and depreciation and amortization charges during the period of determination), determined in accordance with generally accepted accounting principles, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, paying agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, for System operation, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the City not related to the operation of the System and transfers into the Bond Reserve Account provided for in the Bond Resolution.

**“Fiscal Year”** means the twelve month period ending on December 31.

**“Gross Revenues”** means all income and revenues derived and collected by the City from the operation and ownership of the System, including investment and rental income, net proceeds from business interruption insurance, transfers from the Surplus Account to the Revenue Fund of Net Revenues derived in a prior Fiscal Year and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Indebtedness, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

**“Mayor”** means the duly elected and acting Mayor or, in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the City.

**“Net Revenues”** means, for the period of determination, all Gross Revenues less all Expenses.

**“Ordinance”** means this Ordinance authorizing the issuance of the Bonds.

**“Parity Bonds”** means the Outstanding Series 2016 Bonds, and any Additional Bonds hereafter issued pursuant to the Bond Resolution and standing on a parity and equality with the Series 2016 Bonds with respect to the lien on the Net Revenues.

**“Parity Obligations”** means any Additional Obligations hereafter issued or incurred pursuant to the Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

**“Parity Resolution”** means the Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

**“Project”** means the acquisition, construction, reconstruction, alterations, repair, improvements, extensions or enlargements of the System described in the Preamble to this Ordinance or any Substitute Project.

**“Revenue Fund”** means the Electric, Waterworks and Sewage Utility System Revenue Fund referred to in the Bond Resolution.

**“Series 2016 Bonds”** means the City's Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016, authorized by this Ordinance.

**“Series 2015 Resolution”** means the City's Ordinance No. 4179 and Resolution No. 5696, which authorized the Series 2016 Bonds.

**“Series B, 2011 Resolution”** means the City's Ordinance No. 4095 and Resolution No. 5451, which authorized the Series B, 2011 Bonds.

**“State”** means the State of Kansas.

**“Substitute Project”** means a substitute or additional project of the System authorized in the manner set forth in the Bond Resolution.

**“System”** means the electric generating plants and all appurtenances thereto, the electric distribution system, and the electric street lighting system, now serving the City and its inhabitants and others, together with all extensions and improvements thereto hereafter made or acquired by the City and the entire combined waterworks plant and system and sewerage plant and system owned and operated by the City for the production, storage, treatment and distribution of water, and for the collection, treatment and disposal of sewage, to serve the needs of the City and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the City.

**“System Indebtedness”** means collectively the Bonds and any Additional Obligations which are payable out of, or secured by an interest in, the income and Gross Revenues derived from the operation of the System.

**Section 2. Authorization of the Series 2016 Bonds.** There shall be issued and are hereby authorized and directed to be issued the Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016, of the City in the aggregate principal amount of \$4,790,000\* for the purpose of providing funds to: (a) pay the costs of the Project; (b) paying costs of issuance of the Series 2016 Bonds; and (c) make a deposit to the Bond Reserve Account.

**Section 3. Security for the Series 2016 Bonds.** The Series 2016 Bonds shall be special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Series 2016 Bonds. The Series 2016 Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Series 2016 Bonds, either as to principal or interest.

The covenants and agreements of the City contained herein and in the Series 2016 Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Series 2016 Bonds, all of which Series 2016 Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Series 2016 Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Ordinance. The Series 2016 Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues with any Parity Bonds. The Series 2016 Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Parity Bonds; and the Parity Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Series 2016 Bonds.

#### SUBORDINATE LIEN

**Section 4. Terms, Details and Conditions of the Series 2016 Bonds.** The Series 2016 Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Bond Resolution hereafter adopted by the governing body of the City.

**Section 5. Rate Covenant.** The City will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, including all repairs, alterations, extensions, reconstructions, enlargements or improvements thereto hereafter constructed or acquired by the City, as will produce Gross Revenues sufficient to (a) pay Current Expenses; (b) pay the principal of and interest on the Bonds as and when the same become due; and (c) provide reasonable and adequate reserves for the payment of the Parity Bonds and the interest thereon and for the protection and benefit of the System as provided in this Ordinance and the Bond Resolution. The Bond Resolution may establish requirements in excess of the requirements set forth herein.

**Section 6. Further Authority.** The Mayor, Clerk and other City officials are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of the Ordinance to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

**Section 7. Governing Law.** This Ordinance and the Series 2016 Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 8. Effective Date.** This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City, approval by the Mayor and publication in the official City newspaper.

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**PASSED** by the governing body of the City on March 1, 2016 and **APPROVED AND SIGNED** by the Mayor.

(SEAL)

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Mayor

ATTEST:

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Clerk

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RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF ELECTRIC, WATERWORKS AND SEWAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2016, OF THE CITY OF WELLINGTON, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. \_\_\_\_\_ 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.**

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**WHEREAS**, the Issuer has heretofore passed the Ordinance authorizing the issuance of the Series 2016 Bonds; and

**WHEREAS**, the Ordinance authorized the governing body of the Issuer to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Series 2016 Bonds.

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

**ARTICLE I**

**DEFINITIONS**

**Section 101. Definitions of Words and Terms.** In addition to words and terms defined elsewhere herein, the following words and terms as used in this Bond Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

**“Act”** means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 10-1201 *et seq.*, all as amended and supplemented from time to time.

**“Additional Bonds”** means any bonds secured by the Gross Revenues hereafter issued pursuant to *Article IX* hereof.

**“Additional Obligations”** means any leases or other obligations of the Issuer payable from the Gross Revenues, other than the Bonds.

**“Authorized Denomination”** means \$5,000 or any integral multiples thereof.

**“Balloon Indebtedness”** means Long-Term Indebtedness, 25% or more of the original principal amount of which becomes due (either by maturity or mandatory redemption) during any consecutive twelve-month period, if such principal amount becoming due is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period.

**“Beneficial Owner”** of Bonds includes any Owner of Bonds and any other Person who, directly or indirectly has the investment power with respect to any such Bonds.

**“Bond Counsel”** means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

**“Bond Payment Date”** means any date on which principal of or interest on any Bond is payable.

**“Bond Purchase Agreement”** means: (a) with respect to the Series 2016 Bonds, the Bond Purchase Agreement dated as of March 1, 2016 between the Issuer and the Purchaser; and (b) with respect to Additional Bonds, the Bond Purchase Agreement between the Issuer and the Purchaser of such Additional Bonds.

**“Bond Register”** means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

**“Bond Registrar”** means: (a) with respect to the Series 2016 Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Bond Registrar in the supplemental resolution authorizing such Additional Bonds.

**“Bond Reserve Account”** means the Bond Reserve Account for System Parity Bonds created by *Section 501* hereof.

**“Bond Reserve Requirement”** means the amount on the date of original issuance and delivery of any Series of Parity Bonds equal to the least of (a) 10% of the stated principal amount of all Parity Bonds, (b) the Maximum Annual Debt Service Requirements for all Parity Bonds during any Fiscal Year, or (c) 125% of the average annual Debt Service Requirements for all Parity Bonds over the term of all Parity Bonds. If the aggregate initial offering price of any series of Parity Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in clause (a) in lieu of the stated principal amount. When calculating the Bond Reserve Requirement in conjunction with the issuance of refunding Bonds, the principal amount of the refunded bonds shall be deducted from said calculations.

**“Bond Resolution”** means this resolution relating to the Series 2016 Bonds and any supplemental resolution authorizing any Additional Bonds.

**“Bonds”** means the Series B, 2011 Bonds the Series 2015 Bonds, the Series 2016 Bonds and any Additional Bonds.

**“Business Day”** means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

**“Cede & Co.”** means Cede & Co., as nominee of DTC and any successor nominee of DTC.

**“City”** means the City of Wellington, Kansas.

**“Clerk”** means the duly appointed and/or elected Clerk or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk of the Issuer.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder by the United States Department of the Treasury.

“**Compliance Account**” means the Compliance Account created pursuant to *Section 501* hereof.

“**Consultant**” means the Consulting Engineer, the Independent Accountant, or an independent consultant qualified and having a favorable reputation for skill and experience in financial affairs selected by the Issuer for the purpose of carrying out the duties imposed on the Consultant by the Bond Resolution.

“**Consulting Engineer**” means an independent engineer or engineering firm or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public utilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Bond Resolution.

“**Costs of Issuance**” means all costs of issuing any series of Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving financial ratings on any series of Bonds, and any premiums or expenses incurred in obtaining any credit enhancement.

“**Costs of Issuance Account**” means the Costs of Issuance Account for Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016 created pursuant to *Section 501* hereof.

“**Current Expenses**” means all necessary expenses of operation, maintenance and repair of the System, including, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incident to the operation of the System, but shall exclude depreciation, all general administrative expenses of the City not related to the operation of the System, and the payments into the Bond Reserve Account and Emergency and Depreciation Account.

“**Dated Date**” means March 24, 2016.

“**Debt Service Account**” means the Debt Service Account for Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016 created by *Section 501* hereof.

“**Debt Service Coverage Ratio**” means, for any Fiscal Year: (a) with respect to the covenants contained in *Section 802* hereof, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year by (ii) a denominator equal to the Debt Service Requirements for such Fiscal Year, provided that with respect to the rate covenant relating to Parity Bonds, Debt Service Requirements on the Junior Lien Bonds and Subordinate Lien Bonds shall be disregarded; further provided that with respect to the rate covenant relating to Junior Lien Bonds, Debt Service Requirements on Subordinate Lien Bonds shall be disregarded; and (b) with respect to the covenants contained in *Article IX* hereof, the ratio determined by dividing (i) a numerator equal to the Net Revenues for such Fiscal Year by (ii) a denominator equal to the average annual Debt Service Requirements on all System Indebtedness, provided that with respect to Additional Bonds that are proposed to be Parity Bonds, Debt Service Requirements on the Junior Lien Bonds and Subordinate Lien Bonds shall be disregarded; further provided that with respect to Additional Bonds that are proposed to be Junior Lien Bonds, Debt Service Requirements on Subordinate Lien Bonds shall be disregarded.

“**Debt Service Requirements**” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the

Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

**“Defaulted Interest”** means interest on any Bond which is payable but not paid on any Interest Payment Date.

**“Defeasance Obligations”** means any of the following obligations:

- (a) Cash; or
- (b) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or
- (c) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:
  - (1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;
  - (2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;
  - (3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;
  - (4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;
  - (5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and
  - (6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

**“Derivative”** means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

**“Director of Finance”** means the duly appointed and acting Director of Finance of the Issuer or, in the Director's absence, the duly appointed Deputy, Assistant or Acting Director of Finance of the Issuer.

**“Disclosure Undertaking”** means the Issuer's Omnibus Continuing Disclosure Undertaking, as may be amended and supplemented, relating to certain obligations contained in the SEC Rule.

**“Discount Indebtedness”** means Long-Term Indebtedness that is originally sold at a price (excluding accrued interest, but without deduction of any underwriters' discount) of less than 75% of the maturity amount including the amount of principal and interest to accrete at maturity of such Long-Term Indebtedness.

**“DTC”** means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

**“Emergency and Depreciation Account”** means the Electric, Waterworks and Sewage Utility System Emergency and Depreciation Account.

**“Emergency and Depreciation Requirement”** means an amount equal to \$100,000.

**“Event of Default”** means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise; or

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) Any substantial part of the System shall be destroyed or damaged to the extent of impairing its efficient operation or adversely affecting its Net Revenues and the Issuer shall not within a reasonable time commence the repair, replacement or reconstruction thereof and proceed thereafter to complete with reasonable dispatch the repair, replacement or reconstruction thereof; or

(e) Final judgment for the payment of money shall be rendered against the Issuer as a result of the ownership, control or operation of the System and any such judgment shall not be discharged within one hundred twenty (120) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(f) An order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the System or any part thereof or of the revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(g) Any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Net Revenues; or

(h) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Resolution (other than the covenants relating to continuing disclosure contained herein and in the Disclosure

Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding; or

- (i) A monetary default shall have occurred on any System Indebtedness.

**“Federal Tax Certificate”** means the Issuer's Federal Tax Certificate dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

**“Financeable Costs”** means the amount of expenditure for a Project which has been duly authorized by action of the governing body of the Issuer to be financed by System Indebtedness, less: (a) the amount of any System Indebtedness of the Issuer which is currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

**“Fiscal Year”** means the twelve month period ending on December 31.

**“Fitch”** means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“Funds and Accounts”** means funds and accounts created pursuant to or referred to in *Section 501* hereof.

**“Gross Revenues”** means all income and revenues derived and collected by the City from the operation and ownership of the System, including investment and rental income, net proceeds from business interruption insurance, transfers from the Surplus Account to the Revenue Fund of Net Revenues derived in a prior Fiscal Year and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Indebtedness, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

**“Independent Accountant”** means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

**“Index Rate”** means the rate of interest set forth in *The Bond Buyer* Revenue Bond Index (or, in the event that *The Bond Buyer* does not compile such index or ceases publication, another comparable publication recognized in the municipal bond market) published for the week immediately preceding the date of determination.

**“Insurance Consultant”** means an individual or firm selected by the Issuer qualified to survey risks and to recommend insurance coverage for entities engaged in operations similar to those of the System and having a favorable reputation for skill and experience in making such surveys and recommendations.

**“Interest Payment Date(s)”** means: (a) with respect to the Series 2016 Bonds, the Stated Maturity of an installment of interest on the Series 2016 Bonds which shall be May 1 and November 1 of

each year, commencing May 1, 2017; and (b) with respect to Additional Bonds, the Stated Maturity of an installment of interest on such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

**“Interim Indebtedness”** means System Indebtedness having a term not less than one year, and not in excess of five years, incurred or assumed in anticipation of being refinanced or refunded with Long-Term Indebtedness.

**“Issue Date”** means the date when the Issuer delivers any series of Bonds to the Purchaser in exchange for the Purchase Price.

**“Issuer”** means the City and any successors or assigns.

**“Junior Lien Bonds”** means the Series B, 2011 Bonds, the Series 2015 Bonds and any Additional Bonds or Additional Obligations payable from the Net Revenues on a subordinate lien basis to any Parity Bonds or Subordinate Lien Bonds, and which constitute general obligations of the Issuer.

**“Long-Term Indebtedness”** means System Indebtedness having an original stated maturity or term greater than five years, or renewable or extendible at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof.

**“Maturity”** when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

**“Mayor”** means the duly elected and acting Mayor, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the Issuer.

**“Maximum Annual Debt Service”** means the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year; provided that the Debt Service Requirements in the final Stated Maturity of any series of Parity Bonds shall be reduced by the value of cash and Permitted Investments on deposit in the Bond Reserve Account, so long as the Bond Reserve Account is maintained at the Bond Reserve Requirement.

**“Moody's”** means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“Net Revenues”** means, for the period of determination, all Gross Revenues less all Current Expenses.

**“Notice Address”** means with respect to the following entities:

(a) To the Issuer at:

317 S. Washington  
Wellington, Kansas 67152  
Fax: (620) 326-8506



(b) To the Paying Agent at:

**Series 2016 Bonds:**

State Treasurer of the State of Kansas  
Landon Office Building  
900 Southwest Jackson, Suite 201  
Topeka, Kansas 66612-1235  
Fax: (785) 296-6976

**Additional Bonds:**

The address set forth in the supplemental resolution authorizing such Additional Bonds.

(c) To the Purchaser:

**Series 2016 Bonds:**

D.A. Davidson & Co.  
515 East Locust, Suite 200  
Des Moines, Iowa 50309  
Fax: (515) 471-2702

**Additional Bonds:**

The address set forth in the supplemental resolution authorizing such Additional Bonds.

(d) To the Rating Agency(ies):

Moody's Municipal Rating Desk  
7 World Trade Center  
250 Greenwich Street  
23rd Floor  
New York, New York 10007

Standard & Poor's Ratings Services, a division of  
McGraw Hill Financial Inc.  
55 Water Street, 38th Floor  
New York, New York 10004  
Fax: (212) 581-3266

or such other address as is furnished in writing to the other parties referenced herein.

**“Notice Representative”** means:

- (a) With respect to the Issuer, the Clerk.
- (b) With respect to the Bond Registrar and Paying Agent, the Director of Bond Services.
- (c) With respect to any Purchaser, the manager of its Municipal Bond Department.

(d) With respect to any Rating Agency, any Vice President thereof.

**“Official Statement”** means Issuer’s Official Statement relating to the Series 2016 Bonds.

**“Ordinance”** means Ordinance No. \_\_\_\_ of the Issuer authorizing the issuance of the Series 2016 Bonds, as amended from time to time.

**“Outstanding”** means, when used with reference to Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

(a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to the Bond Resolution;

(b) Bonds deemed to be paid in accordance with the provisions of *Section 1101* of the Bond Resolution; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Bond Resolution.

**“Owner”** when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of this Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

**“Parity Bonds”** means the Outstanding Series 2016 Bonds, and any Additional Bonds hereafter issued pursuant to *Section 902* or *Section 905* of the Bond Resolution and standing on a parity and equality with the Series 2016 Bonds with respect to the lien on the Net Revenues.

**“Parity Obligations”** means any Additional Obligations hereafter issued or incurred pursuant to *Section 902* or *Section 905* of this Bond Resolution and standing on a parity and equality with the Parity Bonds with respect to the lien on the Net Revenues.

**“Parity Resolution”** means this Bond Resolution and the ordinances and/or resolutions under which any Additional Bonds which constitute Parity Bonds are hereafter issued.

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“Paying Agent”** means: (a) with respect to the Series 2016 Bonds, the State Treasurer, and its successors and assigns; and (b) with respect to Additional Bonds, the entity designated as Paying Agent in the supplemental resolution authorizing such Additional Bonds.

**“Permitted Investments”** shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan

banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

**“Person”** means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

**“Project”** shall mean the repairs, alterations, extensions, reconstructions, enlargements or improvements to the System referred to in the preamble to the Ordinance and any Substitute Project.

**“Project Fund”** means the Project Fund for Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016 created by *Section 501* hereof.

**“Purchase Price”** means: (a) with respect to the Series 2016 Bonds the amount set forth in the Bond Purchase Agreement; and (b) with respect to Additional Bonds, the amount set forth in the supplemental resolution authorizing such Additional Bonds.

**“Purchaser”** means: (a) with respect to the Series 2016 Bonds, D.A. Davidson & Co., Des Moines, Iowa, the original purchaser of the Series 2016 Bonds, and any successor and assigns; and (b) with respect to Additional Bonds, the original purchaser of such Additional Bonds, as set forth in the supplemental resolution authorizing such Additional Bonds.

**“Put Indebtedness”** means Long-Term Indebtedness which is (a) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, at the option of the holder thereof, prior to its stated maturity date, or (b) payable or required to be purchased or redeemed from the holder by or on behalf of the underlying obligor, other than at the option of the holder, prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund, or other than by reason of acceleration upon the occurrence of an Event of Default under this Bond Resolution.

**“Rating Agency”** means any company, agency or entity that provides financial ratings for the Bonds.

**“Record Dates”** for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

**“Redemption Date”** when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of this Bond Resolution.

**“Redemption Price”** when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of the Bond Resolution, including the

applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

**“Replacement Bonds”** means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Section 212* hereof.

**“Revenue Fund”** means the Electric, Waterworks and Sewage Utility System Revenue Fund referred to in *Section 501* hereof.

**“SEC Rule”** means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

**“Securities Depository”** means, initially, DTC, and its successors and assigns.

**“Series B, 2011 Bonds”** means the Issuer's General Obligation Electric, Waterworks and Sewage Utility System Refunding Bonds, Series B, 2011, dated August 15, 2011.

**“Series 2015 Bonds”** means the Issuer's General Obligation Electric, Waterworks and Sewage Utility System Refunding Bonds, Series 2015, dated August 1, 2015.

**“Series 2016 Bonds”** means the Issuer's Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016, authorized and issued by the Issuer pursuant to the Ordinance and this Bond Resolution.

**“Series B, 2011 Resolution”** means the Issuer's Ordinance No. 4095 and Resolution No. 5451, which authorized the Series B, 2011 Bonds.

**“Series 2015 Resolution”** means collectively the Issuer's Ordinance No. 4179 and Resolution No. 5696, which authorized the Series 2015 Bonds.

**“Series 2016 Resolution”** means collectively the Issuer's Ordinance No. \_\_\_\_ and Resolution No. \_\_\_\_\_, which authorized the Series 2016 Bonds.

[ **“Series 2016-\_\_\_\_ Term Bonds”** means the Series 2016 Bonds scheduled to mature in the year \_\_\_\_.]

**“Short-Term Indebtedness”** means System Indebtedness having an original maturity less than or equal to one year from the date of original incurrence thereof, and not renewable or extendible at the option of the obligor thereon for a term greater than one year beyond the date of original issuance.

**“Special Record Date”** means the date fixed by the Paying Agent pursuant to *Section 207* hereof for the payment of Defaulted Interest.

**“Standard & Poor's”** means Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., New York, New York, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with notice to the Bond Insurer.

**“State”** means the state of Kansas.

**“State Treasurer”** means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

**“Stated Maturity”** when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

**“Subordinate Lien Obligations”** means any Additional Bonds or Additional Obligations payable from, and secured by a lien on the Gross Revenues, which lien is junior to that of any Parity Bonds, but senior to that of the Junior Lien Bonds.

**“Substitute Project”** means a substitute or additional project of the System authorized in the manner set forth in *Section 504(a)* of this Bond Resolution.

**“Surplus Account”** means the Electric, Waterworks and Sewage Utility System Surplus Account referred to in *Section 501* hereof.

**“System”** means, collectively, the electric generating plants and all appurtenances thereto, the electric distribution system, and the electric street lighting system, now serving the Issuer and its inhabitants and others, together with all extensions and improvements thereto hereafter made or acquired by the Issuer; and the entire combined waterworks plant and system and sewerage plant and system owned and operated by the Issuer for the production, storage, treatment and distribution of water, and for the collection, treatment and disposal of sewage, to serve the needs of the Issuer and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the Issuer.

**“System Indebtedness”** means collectively the Bonds and any Additional Obligations which are payable out of, or secured by an interest in, the Gross Revenues.

**“Term Bonds”** means any Bonds designated as Term Bonds in this Bond Resolution or in any supplemental resolution authorizing the issuance of Additional Bonds.

**“Treasurer”** means the duly appointed and/or elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

**“United States Government Obligations”** means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

**“Variable Rate Indebtedness”** means any System Indebtedness which provides for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such System Indebtedness.

**ARTICLE II**

**AUTHORIZATION AND DETAILS OF THE BONDS**

**Section 201. Authorization of the Series 2016 Bonds.** The Series 2016 Bonds have been heretofore authorized and directed to be issued pursuant to the Ordinance in the principal amount of \$4,790,000\*, for the purpose of providing funds to: (a) pay the costs of the Project, and (b) pay Costs of Issuance; and (c) make a deposit to the Bond Reserve Account.

**Section 202. Description of the Series 2016 Bonds.** The Series 2016 Bonds shall consist of fully registered bonds in Authorized Denominations, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2016 Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, and subject to redemption and payment, prior to their Stated Maturities as provided in *Article III* hereof and shall bear interest at the rates per annum as follows:

**SERIAL BONDS**

<u>Stated Maturity</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>	<u>Stated Maturity</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2017	\$60,000	_____%	2027	\$220,000	_____%
2018	145,000	_____%	2028	225,000	_____%
2019	195,000	_____%	2029	265,000	_____%
2020	215,000	_____%	2030	275,000	_____%
2021	230,000	_____%	2031	285,000	_____%
2022	235,000	_____%	2032	295,000	_____%
2023	235,000	_____%	2033	305,000	_____%
2024	200,000	_____%	2034	315,000	_____%
2025	205,000	_____%	2035	330,000	_____%
2026	210,000	_____%	2036	345,000	_____%

[TERM BONDS

<u>Stated Maturity</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2036	\$_____	_____ %]

The Series 2016 Bonds shall bear interest at the above specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in *Section 208* hereof. The Series 2016 Bonds shall be issued as Book-Entry-Only Bonds and administered in accordance with the provisions of *Section 212* hereof.

Each of the Series 2016 Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as *Exhibit A* or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

**Section 203. Designation of Paying Agent and Bond Registrar.** The State Treasurer, Topeka, Kansas, is hereby designated as the Paying Agent for the payment of principal of and interest on the Series 2016 Bonds and Bond Registrar with respect to the registration, transfer and exchange of the Series

2016 Bonds. The Mayor of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Series 2016 Bonds.

The Issuer will at all times maintain a Paying Agent and Bond Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Bond Registrar by (a) filing with the Paying Agent or Bond Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Bond Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Bond Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Bond Registrar.

Every Paying Agent or Bond Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

**Section 204. Method and Place of Payment of the Bonds.** The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner or (b) in the case of an interest payment to any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the Issuer.

**Section 205. Registration, Transfer and Exchange of Bonds.** The Issuer covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Bond Registrar as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 208** hereof.

The Issuer and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.



**Section 206. Execution, Registration, Authentication and Delivery of Bonds.** Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Clerk and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the Clerk, which registration shall be evidenced by the manual or facsimile signature of the Clerk with the seal of the Issuer affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication.

The Series 2016 Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as *Exhibit A* hereof, which shall be manually executed by an authorized officer or employee of the Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Series 2016 Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Series 2016 Bond shall be conclusive evidence that such Series 2016 Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Series 2016 Bond to the Purchaser upon instructions of the Issuer or its representative.

**Section 207. Mutilated, Lost, Stolen or Destroyed Bonds.** If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the Issuer, and shall be entitled to all the benefits of this Bond Resolution equally and ratably with all other Outstanding Bonds.

**Section 208. Cancellation and Destruction of Bonds Upon Payment.** All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

**Section 209. Book-Entry Bonds; Securities Depository.** Any series of Bonds may be issued as Book-Entry-Only Bonds. If so, such series of Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds as provided in this Section. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraph.

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, or (b) if the Bond Registrar receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such

successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

**Section 210. Nonpresentment of Bonds.** If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

**Section 211. Calculation of Debt Service Requirements.**

(a) ***Debt Service Requirements on Balloon, Put, Short-Term and Interim Indebtedness.***

(1) The principal of Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under **Section 902** hereof, or Interim Indebtedness shall be deemed due and payable at its Stated Maturity; provided, however, that at the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal deemed payable on Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness being treated as Long-Term Indebtedness under **Section 902** hereof, or Interim Indebtedness, shall be deemed to be payable as set forth below:

(A) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(B) If the Issuer has entered into a binding agreement providing for the deposit by the Issuer with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or a portion thereof, when due from the sums so deposited and investment earnings realized thereon, then the principal amount of the Balloon Indebtedness, Put

Indebtedness, Short-Term Indebtedness or Interim Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(C) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness, other than those referred to in subsections (A) and (B) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the Owners of System Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(D) Such Balloon Indebtedness, Put Indebtedness or Short-Term Indebtedness may be deemed to be System Indebtedness which, at the date of its original incurrence, was payable over a term not to exceed twenty (20) years in equal annual installments of principal and interest at the Index Rate.

A Consultant shall deliver to the Issuer a certificate stating that it is reasonable to assume that installment obligations of such term of the Issuer can be incurred and stating the interest rate then applicable to installment obligations of such term of comparable quality. Interim Indebtedness may be deemed to be Indebtedness which, at the date of its original incurrence, would meet the conditions specified in the statement of the Consultant as required in **Section 902**; provided that the Consultant shall for each annual period that the Debt Service Requirement is computed, provide a supplemental statement that at such period, the certifications contained in the statement are reasonable.

(2) Interest that is payable prior to the Stated Maturity of any Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness shall be taken into account for such appropriate period in computation of Debt Service Requirements. Interest payable at maturity or early redemption on Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness may either be amortized over the anticipated maturity or such longer period as is permitted under **Section 902** or **Section 214(a)(1)(D)** or may be treated as principal payable on the principal maturity date of such Balloon Indebtedness, Put Indebtedness, Short-Term Indebtedness or Interim Indebtedness.

(3) In measuring compliance with the applicable tests hereunder in connection with incurring Put Indebtedness and generally for purposes of determining the Debt Service Requirements relating thereto, Put Indebtedness shall be deemed to mature based upon the actual amortization requirements for the Put Indebtedness, only to the extent that the Issuer has a commitment to refinance such Put Indebtedness.

(b) **Debt Service Requirements on Discount Indebtedness.** At the election of the Issuer for the purpose of any computation of Debt Service Requirements, whether historical or projected, the principal and interest deemed payable on Discount Indebtedness shall be deemed to be payable as set forth below:

(1) If the Issuer has obtained a binding commitment of a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency) to refinance such Discount Indebtedness, or a portion thereof, including without limitation, a letter of credit or a line of credit, the Discount Indebtedness, or portion thereof

to be refinanced, may be deemed to be payable in accordance with the terms of the refinancing arrangement;

(2) If the Issuer has entered into a binding agreement providing for the deposit with a bank or other financial institution (whose senior debt obligations, or the senior debt obligations of the holding company of which such bank or financial institution is the principal subsidiary, are then rated "A" or better by any Rating Agency), in trust (herein called a "Special Redemption Fund") of amounts, less investment earnings realized and retained in the Special Redemption Fund, equal in aggregate to the principal amount of such Discount Indebtedness, or a portion thereof, and providing for the payment of such principal amount when due from the sums so deposited, and investment earnings realized thereon, then the Discount Indebtedness, or portion thereof, may be deemed to be payable in accordance with the terms of such agreement;

(3) If the Issuer has entered into arrangements or agreements with respect to the principal amount of such Discount Indebtedness, other than those referred to in subsections (1) and (2) above, which a Consultant in a certificate filed with the Issuer determines, taking into account the interests of the holders of System Indebtedness, provides adequate assurances that the Issuer will be able to meet the Debt Service Requirements due on such Indebtedness, the Discount Indebtedness may be deemed to be payable in accordance with the terms of such arrangement or agreement; or

(4) As of any time the maturity amount represented by Discount Indebtedness shall be deemed to be the accreted value of such Indebtedness computed on the basis of a constant yield to maturity.

When calculating interest requirements on Variable Rate Indebtedness which bears a variable rate of interest for periods as to which the rate of interest has not been determined, the rate of interest on Outstanding Variable Rate Indebtedness shall be the average annual rate of interest which was payable on such Variable Rate Indebtedness during the twelve (12) months immediately preceding the date as of which the calculation is made; and the rate of interest on Variable Rate Indebtedness to be incurred (or incurred less than twelve (12) months preceding such date) shall be the average annual rate of interest which would have been payable on such Variable Rate Indebtedness had it been outstanding for a period of twelve (12) months immediately preceding the date as of which the calculation is made, as evidenced in a certificate of a Consultant, delivered to the Issuer.

#### **Section 212. Preliminary and Final Official Statement.**

The Preliminary Official Statement dated February 16, 2016, is hereby ratified and approved. The final Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor or chief financial officer are hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the SEC Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

**Section 213. Sale of the Series 2016 Bonds - Bond Purchase Agreement.** The execution of the Bond Purchase Agreement for the Series 2016 Bonds by the Mayor is hereby ratified and confirmed. Pursuant to the Bond Purchase Agreement, the Issuer agrees to sell the Series 2016 Bonds to the Purchaser for the Purchase Price, upon the terms and conditions set forth therein.

### ARTICLE III

#### REDEMPTION OF BONDS

**Section 301. Redemption by Issuer.** The Bonds shall be subject to redemption and payment prior to their Stated Maturity, as follows:

(a) ***Optional Redemption.***

(1) *Series 2016 Bonds.* At the option of the Issuer, Series 2016 Bonds maturing on November 1, in the years 2025 and thereafter will be subject to redemption and payment prior to their Stated Maturity on November 1, 2024, and thereafter as a whole or in part (selection of maturities and the amount of Series 2016 Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

(2) *Additional Bonds.* Additional Bonds are subject to redemption and payment prior to Stated Maturity in accordance with the provisions of the supplemental resolution authorizing the issuance of such Additional Bonds.

(b) ***Mandatory Redemption.***

(1) *General.* The Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the Issuer may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the Issuer under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Issuer to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity as designated by the Issuer, and the principal amount of Term Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the Issuer intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the Issuer will, on or before

the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

(2) *The Series 2016-\_\_\_\_\_ Term Bonds.* [There are **no** Series 2016 Term Bonds.] [The Issuer shall from the payments specified in **Section 602(b)** hereof which are to be deposited into the Debt Service Account redeem on November 1 in each year, the following principal amounts of Series 2016-\_\_\_\_\_ Term Bonds:

<b><u>Principal Amount</u></b>	<b><u>Year</u></b>
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\_\_\_\_\_  
\*Final Maturity]

([3]) *Additional Bonds.* Additional Bonds designated as Term Bonds shall be subject to mandatory redemption in accordance with the provisions of the supplemental resolution authorizing such Additional Bonds.

**Section 302. Selection of Bonds to be Redeemed.**

Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine. Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

**Section 303. Notice and Effect of Call for Redemption.** In the event the Issuer desires to call the Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. [The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Term Bonds

hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.]

Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the State Treasurer and the Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

For so long as the Securities Depository is effecting book-entry transfers of any series of Bonds, the Bond Registrar shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the



unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. Further notice may be given by the Issuer or the Bond Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Bond Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

## ARTICLE IV

### SECURITY FOR BONDS

**Section 401. Security for the Bonds.** The Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues, and the Issuer hereby pledges said Net Revenues to the payment of the principal of and interest on the Bonds. The Bonds shall not be or constitute a general obligation of the Issuer, nor shall they constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the Issuer is not pledged to the payment of the Bonds, either as to principal or interest.

The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. The Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with any Parity Bonds and Parity Obligations. The Bonds shall not have any priority with respect to the payment of

principal or interest from said net income and revenues or otherwise over the Parity Bonds and Parity Obligations and the Parity Bonds and Parity Obligations shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Bonds.

## ARTICLE V

### ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF BOND PROCEEDS

**Section 501. Creation of Funds and Accounts.** Simultaneously with the issuance of the Series 2016 Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Project Fund for Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016.
- (b) Costs of Issuance Account for Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016.
- (c) Debt Service Account for Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016.
- (d) Bond Reserve Account for System Parity Bonds.
- (e) Compliance Account for Electric, Waterworks and Sewage Utility System Revenue Bonds, Series 2016.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Bond Resolution so long as the Series 2016 Bonds are Outstanding.

The following separate Funds and Accounts created and established in the treasury of the Issuer are hereby ratified and confirmed:

- (a) Electric, Waterworks and Sewage Utility System Revenue Fund;
- (b) Electric, Waterworks and Sewage Utility System Surplus Account; and
- (c) Electric, Waterworks and Sewage Utility System Emergency and Depreciation Account.

The Funds and Accounts referred to in this paragraph shall be administered in accordance with the provisions of this Bond Resolution.

**Section 502. Deposit of Series 2016 Bond Proceeds.** The net proceeds received from the sale of the Series 2016 Bonds shall be deposited simultaneously with the delivery of the Series 2016 Bonds as follows:

- (a) All accrued interest received from the sale of the Series 2016 Bonds shall be deposited in the Debt Service Account.
- (b) The sum of \$\_\_\_\_\_ shall be deposited in the Costs of Issuance Account.

(c) An amount equal to the Bond Reserve Requirement (\$ \_\_\_\_\_) shall be deposited in the Bond Reserve Account.

(d) The remaining balance of the proceeds derived from the sale of the Series 2016 Bonds (\$ \_\_\_\_\_) shall be deposited in the Project Fund.

**Section 503. Application of Moneys in the Project Fund.** Moneys in the Project Fund shall be used for the sole purpose of: (a) paying the costs of the Project, in accordance with the plans and specifications therefor prepared by the Consulting Engineer, heretofore approved by the governing body of the Issuer and on file in the office of the Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the Consulting Engineer and approved by the governing body of the Issuer; and (b) paying interest on the Series 2016 Bonds during construction of the Project.

Withdrawals from the Project Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Project shall be supported by a certificate executed by the Mayor (or designate) that such payment is being made for a purpose within the scope of this Bond Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, and that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other purposes shall be supported by a certificate executed by the Mayor (or designate) stating that such payment is being made for a purpose within the purpose of this Bond Resolution. Upon completion of the Project, any surplus remaining in the Project Fund shall be deposited in the Debt Service Account.

**Section 504. Substitute Project; Reallocation of Proceeds.**

(a) The Issuer may elect for any reason to substitute or add other System improvements to be financed with proceeds of the Series 2016 Bonds provided the following conditions are met: (1) the Substitute Project and the issuance of Bonds to pay the cost of the Substitute Project has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (2) a resolution authorizing the use of the proceeds of the Series 2016 Bonds to pay the Financeable Costs of the Substitute Project has been duly adopted by the governing body of the Issuer pursuant to this Section, (3) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Series 2016 Bonds to include the Substitute Project; and (4) the use of the proceeds of the Series 2016 Bonds to pay the Financeable Cost of the Substitute Project will not adversely affect the tax-exempt status of the Series 2016 Bonds under State or federal law.

(b) The Issuer may reallocate expenditure of Series 2016 Bond proceeds among all Projects financed by the Series 2016 Bonds; provided the following conditions are met: (1) the reallocation is approved by the governing body of the Issuer; (2) the reallocation shall not cause the proceeds of the Series 2016 Bonds allocated to any Project to exceed the Financeable Costs of the Project; and (3) the reallocation will not adversely affect the tax-exempt status of the Series 2016 Bonds under State or federal law.

**Section 505. Application of Moneys in the Costs of Issuance Account.** Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Series 2016 Bonds, shall be transferred to the Project Fund until completion of the Project and thereafter to Compliance Account.

**Section 506. Application of Moneys in the Compliance Account.** Moneys in the Compliance Account shall be used by the Issuer to pay the to pay fees and expenses relating to compliance with federal arbitrage law and state or federal securities laws. Any funds remaining in the Compliance Account on the sixth anniversary of the Issue Date shall be transferred to the Debt Service Account.

## ARTICLE VI

### COLLECTION AND APPLICATION OF REVENUES

**Section 601. Revenue Fund.** The Issuer covenants and agrees that from and after the delivery of the Series 2016 Bonds, and continuing as long as any of the Bonds remain Outstanding hereunder, all of the Gross Revenues shall as and when received be paid and deposited into the Revenue Fund. Said Gross Revenues shall be segregated and kept separate and apart from all other moneys, revenues, Funds and Accounts of the Issuer and shall not be commingled with any other moneys, revenues, Funds and Accounts of the Issuer. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Bond Resolution, except as may be modified by the provisions of the Parity Resolution. Except for payment of Current Expenses, which will occur as bills accrue, all other applications shall be made as of the first day of each month.

**Section 602. Application of Moneys in Funds and Accounts.** The Issuer covenants and agrees that from and after the delivery of the Series 2016 Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will on the first day of each month administer and allocate all of the moneys then held in the Revenue Fund as follows:

(a) **Current Expenses.** There shall first be paid and credited all Current Expenses of the System as bills accrue, and such bills shall be paid by a proper system of vouchers. Such amounts as may be necessary in the opinion of the governing body of the Issuer to pay the reasonable and proper Current Expenses of the System for a period of sixty (60) days may be retained and accumulated in the Revenue Fund before transfers to the other Accounts hereinafter provided for.

**Parity Resolutions.** The following transfers shall be made on a parity of lien basis with the transfers and requirements of the Parity Resolutions.

(b) **Debt Service Account.** There shall next be paid and credited monthly to the Debt Service Account, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Series 2016 Bonds, the following sums:

(1) Beginning with the first of said monthly deposits and continuing on the first day of each month thereafter to and including April 1, 2017, an equal pro rata portion of the amount of interest becoming due on the Series 2016 Bonds on May 1, 2017; and thereafter, beginning on May 1, 2017, and continuing on the first day of each month thereafter so long as any of the Series 2016 Bonds remain Outstanding an amount not less than 1/6 of the amount of interest that will become due on the Series 2016 Bonds on the next succeeding Interest Payment Date; and

(2) Beginning November 1, 2016; and continuing on the first day of each month thereafter, so long as any of the Series 2016 Bonds remain Outstanding, an amount not less than 1/12 of the amount of principal that will become due on the Series 2016 Bonds on the next succeeding Maturity date.

The amounts required to be paid and credited to the Debt Service Account pursuant to this Section shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service accounts established for the payment of the Debt Service Requirements on Parity Bonds and Parity Obligations under the provisions of the Parity Resolution(s).

Any amounts deposited in the Debt Service Account in accordance with **Section 502(a)** hereof shall be credited against the Issuer's payment obligations as set forth in subsection (b)(1) of this Section.

All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the Debt Service Requirements of the Series 2016 Bonds as and when the same become due at Maturity and on each Interest Payment Date.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Account and to the debt service accounts established to pay the principal of and interest on any Parity Bonds or Parity Obligations, the available moneys in the Revenue Fund shall be divided among such debt service accounts in proportion to the respective principal amounts of said series of Bonds at the time Outstanding which are payable from the moneys in said debt service accounts.

(c) **Bond Reserve Account.** Except as hereinafter provided in this Section, all amounts paid and credited to the Bond Reserve Account shall be expended and used by the Issuer solely to prevent any default in the payment of interest on or principal of the Parity Bonds on any Maturity date or Interest Payment Date if the moneys in the respective debt service accounts are insufficient to pay the Debt Service Requirements of said Parity Bonds as they become due. So long as the Bond Reserve Account aggregates the Bond Reserve Requirement, no further payments into said Account shall be required, but if the Issuer is ever required to expend and use a part of the moneys in said Account for the purpose herein authorized and such expenditure reduces the amount of the Bond Reserve Account below the Bond Reserve Requirement, or if the valuation of the Bond Reserve Account as provided in **Section 701(b)** establishes that the value of the Bond Reserve Account is below the Bond Reserve Requirement, the Issuer shall transfer all available Net Revenues after providing for the transfers set forth above into the Bond Reserve Account until the Bond Reserve Account shall again aggregate the Bond Reserve Requirement.

Moneys in the Bond Reserve Account may be used to call the Parity Bonds for redemption and payment prior to their Stated Maturity or may be used to pay and retire the Parity Bonds and interest thereon; provided that after such redemption or payment there shall remain in the Bond Reserve Account an amount equal to the Bond Reserve Requirement. Any amounts in the Bond Reserve Account in excess of the Bond Reserve Requirement on any valuation date shall be transferred (i) during the period of construction of the Project, to the Project Fund, and (ii) after such construction period, to the Debt Service Account.

(d) **Debt Service Accounts-Subordinate Lien Obligations.** There shall next be paid and credited monthly to the debt service account(s) for any Subordinate Lien Obligations, to the extent necessary to meet on each Bond Payment Date an amount equal to the payment of all interest on and principal of any Subordinate Lien Obligations. The amounts required to be paid and credited to the debt service account(s) for any Subordinate Lien Obligations shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Subordinate Lien Obligations.

(e) **Debt Service Accounts-Junior Lien Bonds.** There shall next be paid and credited monthly to the debt service account(s) for any Junior Lien Bonds, to the extent necessary to meet on each

Bond Payment Date an amount equal to the payment of all interest on and principal of any Junior Lien Bonds. The amounts required to be paid and credited to the debt service account(s) for any Junior Lien Bonds shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to other debt service accounts established for the payment of the Debt Service Requirements on any Junior Lien Bonds.

(f) ***Emergency and Depreciation Account.*** As of the date of issuance of the Series 2016 Bonds, the Emergency and Depreciation Account is funded at the Emergency and Depreciation Requirement. Except as hereinafter provided, moneys in the Emergency and Depreciation Account shall be expended and used by the Issuer, if no other funds are available therefor, solely for the purpose of making emergency replacements and repairs in and to the System as may be necessary to keep the System in good repair and working order and to assure the continued effective and efficient operation thereof. If the Emergency and Depreciation Account aggregates the Emergency and Depreciation Requirement, no payments into the Emergency and Depreciation Account shall be required, but if the Issuer is ever required to expend a part of the moneys in the Emergency and Depreciation Account for its authorized purposes and such expenditure reduces the amount of the Emergency and Depreciation Account below the Emergency and Depreciation Requirement, then the Issuer shall commence said monthly payments into the Emergency and Depreciation Account until the Emergency and Depreciation Account again aggregates the Emergency and Depreciation Requirement.

(g) ***Surplus Account.*** After all payments and credits required at the time to be made under the provisions of the preceding subsections have been made, all moneys remaining in the Revenue Fund shall be paid and credited to the Surplus Account. Moneys in the Surplus Account may be expended and used for the following purposes as determined by the governing body of the Issuer:

(1) Paying the cost of the operation, maintenance and repair of the System to the extent that may be necessary after the application of the moneys held in the Revenue Fund under the provisions of paragraph (a) of this Section;

(2) Paying the cost of extending, enlarging or improving the System;

(3) Preventing default in, anticipating payments into or increasing the amounts in the Debt Service Account, any debt service account for Parity Bonds or Parity Obligations, the Bond Reserve Account referred to in this Section, or any one of them, or establishing or increasing the amount of any debt service account or debt service reserve account created by the Issuer for the payment of any Parity Bonds or Parity Obligations;

(4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the Issuer, purchasing in the open market at the best price obtainable not exceeding the redemption price (if any bonds are callable), any Bonds, including principal, interest and redemption premium, if any;

(5) Any other lawful purpose in connection with the operation of the System and benefiting the System;

(6) To make transfers to the Revenue Fund; or

(7) To make lawful transfers to any fund of the Issuer.

(h) ***Deficiency of Payments into Funds and Accounts.*** If at any time the Gross Revenues are insufficient to make any payment on the date or dates hereinbefore specified, the Issuer will make

good the amount of such deficiency by making additional payments or credits out of the first available Gross Revenues, such payments and credits being made and applied in the order hereinbefore specified in this Section.

**Section 603. Transfer of Funds to Paying Agent.** The Treasurer of the Issuer is hereby authorized and directed to withdraw from the Debt Service Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Bonds, from the Bond Reserve Account and the Surplus Account as provided in *Section 602* hereof, sums sufficient to pay the principal of and interest on the Bonds as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Bond Resolution.

**Section 604. Payments Due on Saturdays, Sundays and Holidays.** In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

## ARTICLE VII

### DEPOSIT AND INVESTMENT OF MONEYS

**Section 701. Deposits and Investment of Moneys.**

(a) Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States : (a) which has a main or branch office located in the Issuer; or (b) if no such entity has a main or branch office located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositaries shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

(b) Moneys held in any Fund or Account may be invested in accordance with this Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created; and provided, further, that Permitted Investments in the Bond Reserve Account shall have an average aggregate weighted term to maturity not greater than five years. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the extensions and improvements to the System, all earnings on the investment of such funds derived from proceeds of the Series 2016 Bonds shall be credited to the Project Fund. All earnings on investments held in the Bond Reserve Account shall accrue to and become a part of the Bond Reserve Account until the amount on deposit in the Bond Reserve Account shall aggregate the Bond Reserve Requirement; thereafter, all such earnings shall be credited to the Debt Service Account and any debt service account for Parity Bonds or Parity Obligations on a pro rata basis. All earnings on investments held in the Emergency and

Depreciation Account shall accrue to and become a part of the Emergency and Depreciation Account until the amount on deposit in the Emergency and Depreciation Account shall aggregate the Emergency and Depreciation Requirement; thereafter, all such earnings shall be credited to the Revenue Fund.

In determining the amount held in any Fund or Account under any of the provisions of this Bond Resolution, Permitted Investments shall be valued at their market value. Such valuation shall be made as of the final Stated Maturity of principal of any Fiscal Year that the Bonds remain Outstanding and may be made in conjunction with redemption of any Bonds. If and when the amount held in any Fund or Account shall be in excess of the amount required by the provisions of this Bond Resolution, the Issuer shall direct that such excess be paid and credited to the Revenue Fund.

(c) So long as any of the Parity Bonds remain Outstanding, any investments made pursuant to this Section shall be subject to any restrictions in the Parity Resolution with respect to the Funds and Accounts created by and referred to in the Parity Resolution.

## ARTICLE VIII

### GENERAL COVENANTS AND PROVISIONS

The Issuer covenants and agrees with each of the Owners of any of the Bonds that so long as any of the Bonds remain Outstanding and unpaid it will comply with each of the following covenants:

**Section 801. Efficient and Economical Operation.** The Issuer will continuously own and will operate the System as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order.

**Section 802. Rate Covenant.** The Issuer, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Gross Revenues sufficient to (a) pay the Current Expenses; (b) pay the Debt Service Requirements on the Bonds as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) enable the Issuer to have in each Fiscal Year, a Debt Service Coverage Ratio of not less than 1.25 on all Parity Bonds and Parity Obligations at the time Outstanding; 1.10 on any Subordinate Lien Bonds at the time Outstanding, and 1.00 on all Junior Lien Bonds at the time Outstanding; and (d) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the System as provided in the Bond Resolution. The Issuer will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The Issuer will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations under this Section and otherwise under the provisions of this Bond Resolution. If in any Fiscal Year, Net Revenues are an amount less than as hereinbefore provided, the Issuer will immediately employ a Consultant to make recommendations with respect to such rates and charges. A copy of the Consultant's report and recommendations shall be filed with the Clerk and the Purchaser of the Bonds and shall be furnished to any Owner of the Bonds requesting a copy of the same, at the cost of such Owner. The Issuer shall, to the extent feasible, follow the recommendations of the Consultant.

**Section 803. Reasonable Charges for all Services.** None of the facilities or services provided by the System will be furnished to any user (excepting the Issuer itself) without a reasonable charge being made therefor. If the Gross Revenues derived from the System are at any time insufficient to pay the



reasonable Current Expenses of the System and also to pay the Debt Service Requirements of the Bonds and Additional Obligations as and when the same become due, then the Issuer will thereafter pay into the Revenue Fund a fair and reasonable payment in accordance with effective applicable rates and charges for all services or other facilities furnished to the Issuer or any of its departments by the System, and such payments will continue so long as the same may be necessary in order to prevent or reduce the amount of any default in the payment of the Debt Service Requirements of the Bonds and Additional Obligations.

**Section 804. Restrictions on Mortgage or Sale of System.** The Issuer will not mortgage, pledge or otherwise encumber the System or any part thereof, nor will it sell, lease or otherwise dispose of the System or any material part thereof; provided, however, the Issuer may:

(a) sell at fair market value any portion of the System which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the System, and in the event of sale, the Issuer will apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the System as hereinbefore provided;

(b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the Issuer;

(c) grant a security interest in equipment to be purchased with the proceeds of any loan, lease or other obligation undertaken in accordance with *Article IX* hereof; or

(d) sell, lease or convey all or substantially all of the System to another entity or enter into a management contract with another entity if:

(1) The transferee entity is a political subdivision organized and existing under the laws of the State, or instrumentality thereof, or an organization described in Code § 501(c)(3), and expressly assumes in writing the due and punctual payment of the principal of and premium, if any, and interest on all outstanding System Indebtedness according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Bond Resolution;

(2) If there remains unpaid any System Indebtedness which bears interest that is not includable in gross income under the Code, the Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, to the effect that under then existing law the consummation of such sale, lease or conveyance, whether or not contemplated on any date of the delivery of such System Indebtedness, would not cause the interest payable on such System Indebtedness to become includable in gross income under the Code;

(3) The Issuer receives a certificate of the Consultant which demonstrates and certifies that immediately upon such sale or conveyance the transferee entity will not, as a result thereof, be in default in the performance or observance of any covenant or agreement to be performed or observed by it under this Bond Resolution;

(4) Such transferee entity possesses such licenses to operate the System as may be required if it is to operate the System; and

(5) The Issuer receives an opinion of Bond Counsel, in form and substance satisfactory to the Issuer, as conclusive evidence that any such sale, lease or conveyance, and any such assumption, is permitted by law and complies with the provisions of this Section.

**Section 805. Insurance.** The Issuer will carry and maintain insurance with respect to the System and its operations against such casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature, public liability, business interruption or use and occupancy insurance, worker's compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other enterprises engaged in similar activities of comparable size and similarly situated; provided the amount of such liability insurance shall be in amounts not less than the then maximum liability of a governmental entity for claims arising out of a single occurrence, as provided by the State's tort claims act or other similar future law (currently \$500,000 per occurrence). In the event of loss or damage, the Issuer, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or in paying the claims on account of which such proceeds were received, or if such reconstruction or replacement is unnecessary or impracticable, then the Issuer will pay and deposit the proceeds of such insurance into the Revenue Fund. The Issuer will annually review the insurance it maintains with respect to the System to determine that it is customary and adequate to protect its property and operations. The Issuer may elect to be self-insured for all or any part of the foregoing requirements if (a) the Issuer annually obtains a written evaluation with respect to such self-insurance program from an Insurance Consultant, (b) the evaluation is to the effect that the self-insurance program is actuarially sound, (c) unless the evaluation states that such reserves are not necessary, the Issuer deposits and maintains adequate reserves for the self-insurance program with a corporate trustee, who may also be the Paying Agent, and (d) in the case of workers' compensation, adequate reserves created by the Issuer for such self-insurance program are deposited and maintained in such amount and manner as are acceptable to the State. The Issuer shall pay any fees and expenses of such Insurance Consultant in connection therewith. The cost of all insurance obtained pursuant to the requirements of this Section shall be paid as an Expense out of the Gross Revenues.

**Section 806. Books, Records and Accounts.** The Issuer will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the Issuer) in which complete and correct entries will be made of all dealings and transactions of or in relation to the System. Such accounts shall show the amount of Gross Revenues received from the System, the application of such funds, and all financial transactions in connection therewith. Said books shall be kept by the Issuer according to standard accounting principles as applicable to the operation of municipal utilities.

**Section 807. Annual Budget.** Prior to the commencement of each Fiscal Year, the Issuer will cause to be prepared and filed with the Clerk a budget setting forth the estimated receipts and expenditures of the System for the next succeeding Fiscal Year. The Clerk, promptly upon the filing of said budget in the Clerk's office, will mail a copy of said budget to the Purchaser of the Bonds. Said annual budget shall be prepared in accordance with the requirements of the laws of the State and shall contain all information that is required by such laws, including:

- (a) An estimate of the Gross Revenues from the System during the next ensuing Fiscal Year.
- (b) A statement of the estimated Current Expenses during the next ensuing Fiscal Year.
- (c) A statement of any anticipated unusual Current Expenses for the System during the next Fiscal Year.

(d) A statement of any necessary repairs or replacements to the System which may be anticipated during the next Fiscal Year.

(e) A statement of the amount of Debt Service Requirements to be paid on Outstanding Bonds and Additional Obligations to be paid from Net Revenues during the next Fiscal Year.

(f) A statement of the estimated Net Revenues during the next Fiscal Year.

**Section 808. Annual Audit.** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements System for the preceding Fiscal Year by an Independent Accountant to be employed for that purpose and paid from the Gross Revenues. Said annual audit shall cover in reasonable detail the operation of the System during such Fiscal Year. The report of said annual audit shall include:

(a) A classified statement of the Gross Revenues received, the Current Expenses for operation and maintenance, the Net Revenues and the amount of any capital expenditures made in connection with the System during the previous Fiscal Year;

(b) A complete balance sheet as of the end of each Fiscal Year with the amount on hand at the end of such Fiscal Year in each of the Funds and Accounts created by and referred to in this Bond Resolution;

(c) A statement of all Bonds and Additional Obligations matured or redeemed and interest paid on Bonds and Additional Obligations during said Fiscal Year;

(d) A statement of the number of customers served by the System at the beginning and the end of such Fiscal Year;

(e) A statement showing the amount and character of the insurance carried on the property constituting the System and showing the names of the insurers, the expiration dates of the policies and the premiums thereon;

(f) A calculation of the Debt Service Coverage Ratio for such Fiscal Year, and a statement regarding compliance by the Issuer with the rate covenants set forth in the Bond Resolution;

(g) A statement regarding compliance by the Issuer with the arbitrage rebate covenants set forth in **Section 1202** hereof and in the Federal Tax Certificate;

(h) A statement regarding compliance by the Issuer with the continuing disclosure covenants set forth in **Section 1301** hereof and in the Disclosure Undertaking; and

(i) Such remarks and recommendations regarding the practices and procedures of operating the System and its accounting practices as said Independent Accountant may deem appropriate.

Within 30 days after the completion of each such annual audit, a copy of the report of thereof shall be filed in the office of the Clerk, and a duplicate copy shall be mailed to the Purchaser. Such audit reports shall at all times during the usual business hours be open to the examination and inspection by any user of the services of the System, any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review the report of such audit, and if the audit report discloses that proper provision has not been made for all of the requirements of this Bond Resolution and the Act, the Issuer will promptly cure such deficiency and will promptly proceed to modify the rates and charges to be charged for the use and services furnished by the System or take such other action as may be necessary to adequately provide for such requirements.

**Section 809. Right of Inspection.** The Purchaser of the Bonds and any Owner or Owners of 10% of the principal amount of the Bonds then Outstanding shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto, and shall be furnished all such information concerning the System and the operation thereof which the Purchaser or such Owner or Owners may reasonably request.

**Section 810. Administrative Personnel.** The Issuer shall use its best efforts to employ at all times administrative personnel experienced and well qualified to operate the System. The Issuer further agrees that such administrative personnel shall be employed in sufficient numbers to ensure that the System will be operated in a prudent and efficient manner.

**Section 811. Performance of Duties and Covenants.** The Issuer will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the System now or hereafter imposed upon the Issuer by the Constitution and laws of the State and by the provisions of this Bond Resolution.

**Section 812. Report on System Condition.** The Issuer shall annually cause a qualified employee of the Issuer to make an examination of and report on the condition and operations of the System. Upon request of the Purchaser, but in no event more often than every five years such examination and report shall be made by the Consulting Engineer. Each such report shall make recommendations as to any changes in operations of the System deemed desirable and shall also make reference to any unusual or extraordinary items of maintenance and repair and any extensions, enlargements or improvements that may be needed in the period prior to the preparation of the next report required by this Section. A copy of each such report shall be filed in the office of the Clerk, shall be sent to the Purchaser of the Bonds and, upon written request, to any Owner (at the expense of such Owner).

**Section 813. Parity Bond Certification.** The Issuer hereby represents and covenants that the Series 2016 Bonds directed to be issued by this Bond Resolution are so issued in full compliance with the restrictions and conditions upon which the Issuer may issue Additional Bonds payable out of the Gross Revenues derived from the operation of the System and which stand on a parity with the Parity Bonds heretofore issued and Outstanding, as set forth and contained in the Parity Resolution, and that the Series 2016 Bonds herein directed to be issued are so issued in all respects on a parity and equality with the Parity Bonds heretofore issued and Outstanding.

## ARTICLE IX

### ADDITIONAL BONDS AND OBLIGATIONS

**Section 901. Senior Lien Bonds.** The Issuer covenants and agrees that so long as any of the Parity Bonds remain Outstanding, the Issuer will not issue any System Indebtedness payable out of the Gross Revenues which are superior to the Parity Bonds with respect to the lien on the Gross Revenues.

**Section 902. Parity Bonds and Parity Obligations.** The Issuer covenants and agrees that it will not issue any System Indebtedness which stands on a parity or equality of lien against the Net Revenues with the Parity Bonds unless the following conditions are met:

(a) The Issuer shall not be in default in the payment of principal of or interest on any Parity Bonds or Parity Obligations at the time Outstanding or in making any payment at the time required to be made into the respective Funds and Accounts created by and referred to in this Bond Resolution or any Parity Resolution (unless such System Indebtedness is being issued to provide funds to cure such default) nor shall any other Event of Default have occurred and be continuing;

(b) The Issuer shall deliver the following:

(1) **Long-Term Indebtedness.** A certificate signed by the Issuer evidencing *either* of the following:

(i) The Debt Service Coverage Ratio for the Fiscal Year immediately preceding the issuance of such System Indebtedness, as reflected by information provided by the Independent Accountant, shall be not less than 1.25, including the System Indebtedness proposed to be issued. In the event that the Issuer has instituted any increase in rates for the use and services of the System and such increase shall not have been in effect during the full Fiscal Year immediately preceding the issuance of such proposed System Indebtedness, the additional Net Revenues which would have resulted from the operation of the System during said preceding Fiscal Year had such rate increase been in effect for the entire period may be added to the stated Net Revenues for the calculation of the Debt Service Coverage Ratio, provided that such estimated additional Net Revenues shall be determined by a Consultant.

(ii) The estimated Debt Service Coverage Ratio (as determined by a Consultant), for the Fiscal Year immediately following the Fiscal Year in which the project, the cost of which is being financed by such System Indebtedness, is to be in commercial operation, shall be not less than 1.25, including the System Indebtedness proposed to be issued. In the event that the Issuer anticipates additional Gross Revenues as a result of expansion or modification of the System by such System Indebtedness, the Issuer may adjust the estimated Net Revenues in determining the Debt Service Coverage Ratio, by adding thereto any estimated increase in Net Revenues resulting from any increase in Gross Revenues, which, in the opinion of the Consultant, are reasonable based on projected operations of the System for such Fiscal Year.

(2) **Short-Term Indebtedness.** A certificate signed by the Issuer evidencing any *one* of the following:

(i) The principal amount of all Outstanding Short-Term Indebtedness does not exceed 15% of the Gross Revenues for the most recently ended Fiscal Year for which financial information is available from the Independent Accountant;

(ii) The Short-Term Indebtedness could be incurred under **subsection (b)(1)** hereof assuming it was Long-Term Indebtedness.

(iii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Short-Term Indebtedness prior to its Stated Maturity in compliance

with the provisions of this Section and the conditions described in *subsection (b)(1)* are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Short-Term Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement)

(3) *Interim Indebtedness.* A certificate signed by the Issuer evidencing *either* of the following:

(i) The Interim Indebtedness could be incurred under *subsection (b)(1)* hereof assuming it was Long-Term Indebtedness.

(ii) There is delivered to the Issuer a certificate of a Consultant to the effect that it is such Consultant's opinion that it is reasonable to assume that the Issuer will be able to refinance such Interim Indebtedness prior to its Stated Maturity in compliance with the provisions of this Section and the conditions described in *subsection (b)(1)* are met with respect to such Interim Indebtedness when it is assumed that such Interim Indebtedness is Long-Term Indebtedness maturing over 20 years (or such shorter period as such Consultant indicates is reasonable to assume in such statement) from the date of issuance of the Interim Indebtedness and bears interest on the unpaid principal balance at the Index Rate and is payable on a level annual debt service basis over a 20-year period (or such shorter period as such Consultant indicates is reasonable to assume in such statement).

(c) When the issuance of System Indebtedness of equal stature and priority is permitted by the Statutes of the State.

(d) With respect to the issuance of Additional Bonds, an additional deposit to the Bond Reserve Account shall be made to bring the Bond Reserve Account to an amount equal to the Bond Reserve Requirement.

(e) The ordinance and/or resolution authorizing such System Indebtedness shall contain or provide for substantially the same terms, conditions, covenants and procedures as established in this Bond Resolution.

Notwithstanding the foregoing restrictions, additional System Indebtedness may be issued under this Section if it is necessary: (1) in the opinion of the Consulting Engineer to do so to repair the System if damaged or destroyed by disaster to such extent necessary to keep it in good operating condition; or (2) in the opinion of the Issuer's legal counsel to remedy any deficiency of the System relating to environmental pollution matters or to comply with the requirements of any governmental agency having jurisdiction over the Issuer with respect thereto.

Additional System Indebtedness issued under the conditions set forth in this Section shall stand on a parity with the Parity Bonds and Parity Obligations and shall enjoy complete equality or lien on and claim against the Net Revenues, and the Issuer may make equal provision for paying the Debt Service Requirements on such System Indebtedness out of the Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of the

Debt Service Requirements on such System Indebtedness and the interest thereon out of moneys in the Revenue Fund.

**Section 903. Subordinate Lien Obligations.** Nothing in this Article shall prohibit or restrict the right of the Issuer to issue Subordinate Lien Obligations for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Subordinate Lien Obligations shall be payable out of the Net Revenues, provided at the time of the issuance of such Subordinate Lien Obligations the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such System Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds and Parity Obligations) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds or Parity Obligations, or of the Issuer is in default in making debt service, operation and maintenance or debt service reserve deposits or payments required to be made by it under the Bond Resolution, the Issuer shall make no payments of either principal of or interest on said Subordinate Lien Obligations until said default or defaults be cured.

**Section 904. Junior Lien Bonds.** Nothing in this Article shall prohibit or restrict the right of the Issuer to issue Junior Lien Bonds for any lawful purpose in connection with the operation of and benefiting the System and to provide that the Debt Service Requirements on such Junior Lien Bonds shall be payable out of the Net Revenues, provided at the time of the issuance of such Junior Lien Bonds the Issuer is not in default in the performance of any covenant or agreement contained in the Bond Resolution (unless such System Indebtedness shall be issued to cure such default and shall be junior and subordinate to the Parity Bonds, Parity Obligations and Subordinate Lien Obligations) so that if at any time the Issuer shall be in default in paying either interest on or principal of the Parity Bonds, Parity Obligations and Subordinate Lien Bonds, or of the Issuer is in default in making debt service, operation and maintenance or debt service reserve deposits or payments required to be made by it under the Bond Resolution, the Issuer shall make no payments of either principal of or interest on said Junior Lien Bonds until said default or defaults be cured. Such Junior Lien Bonds may also constitute general obligations of the Issuer.

**Section 905. Refunding Bonds.** The Issuer shall have the right, without complying with the provisions of *Section 902* hereof, to issue Refunding Bonds for the purpose of refunding any of the System Indebtedness under the provisions of any law then available, and the Refunding Bonds so issued shall enjoy complete equality of pledge as did the System Indebtedness that was refunded; provided, however, that if only a portion of any series of System Indebtedness is refunded and if said System Indebtedness is refunded in such manner that the Refunding Bonds bear a higher average rate of interest or become due on a date earlier than that of the System Indebtedness which is refunded, then said System Indebtedness may be refunded without complying with the provisions of *Section 902* hereof only by and with the written consent of the Owners of a majority in principal amount of the System Indebtedness that is not refunded; ; provided that such consent is not needed from Owners of Junior Lien Bonds or Subordinate Lien Obligations, nor is such consent needed if the System Indebtedness to be refunded constitutes Subordinate Lien Obligations or Junior Lien Bonds.

## ARTICLE X

### DEFAULT AND REMEDIES

**Section 1001. Remedies.** The provisions of this Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in

principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

The Issuer hereby directs the Paying Agent to notify the Owners and Bond Insurer of any Event of Default of which it has actual notice.

**Section 1002. Limitation on Rights of Owners.** The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds of any series shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

**Section 1003. Remedies Cumulative.** No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Bond Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

**Section 1004. No Obligation to Levy Taxes.** Nothing contained in this Bond Resolution shall be construed as imposing on the Issuer any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bonds.

**Section 1005. Control of Remedies Upon an Event of Default and Event of Insolvency.** Notwithstanding anything herein to the contrary, upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond



Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under this Bond Resolution.

Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Insured Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Insured Bonds.

## ARTICLE XI

### DEFEASANCE

**Section 1101. Defeasance.** When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Gross Revenues hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with *Section 303* of this Bond Resolution. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Bond Resolution.

Notwithstanding anything in this Bond Resolution to the contrary, in the event that the principal and/or interest due on the Insured Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Insured Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer and the covenants, agreements and other obligations of the Issuer to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

## ARTICLE XII

### TAX COVENANTS

**Section 1201. General Covenants.** The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2016 Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Mayor and Clerk are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 2016 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

**Section 1202. Survival of Covenants.** The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Series 2016 Bonds pursuant to *Article XI* hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

### ARTICLE XIII

#### CONTINUING DISCLOSURE REQUIREMENTS

**Section 1301. Disclosure Requirements.** The Issuer hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking, which are incorporated herein by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

**Section 1302. Failure to Comply with Continuing Disclosure Requirements.** In the event the Issuer fails to comply in a timely manner with its covenants contained in the preceding section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section.

### ARTICLE XIV

#### MISCELLANEOUS PROVISIONS

**Section 1401. Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;

- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond;
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Bond Resolution; or
- (e) permit the creation of a lien on the Gross Revenues prior or equal to the lien of the Parity Bonds or Additional Obligations.

Any provision of the Bonds or of this Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Project, to reallocate proceeds of the Bonds among Project, to provide for Substitute Project, to conform this Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Bonds or of this Bond Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution adopted by the governing body of the Issuer amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Bond Resolution shall always be kept on file in the office of the Clerk, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Bond Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of this Bond Resolution will be sent by the Clerk to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of the resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Bond Resolution which affects the duties or obligations of the Paying Agent under this Bond Resolution.

**Section 1402. Notices, Consents and Other Instruments by Owners.** Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Bonds owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond Resolution, except that, in determining whether the Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer.

**Section 1403. Notices.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

**Section 1404. Inconsistent Provisions.** In case any one or more of the provisions of this Bond Resolution or of the Bonds issued hereunder shall for any reason be inconsistent with the provisions of any Parity Resolution or any Parity Bonds: (a) the provisions of any Parity Resolution adopted prior to this Bond Resolution shall prevail with respect to Parity Bonds issued prior in time, so long as such Parity Bonds are Outstanding; and (b) the provisions of this Bond Resolution shall prevail with respect to any Parity Resolution adopted subsequent to the Bond Resolution, so long as any Parity Bonds issued under this Bond Resolution are Outstanding.

**Section 1405. Electronic Transactions.** The issuance of the Series 2016 Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

**Section 1406. Further Authority.** The officers and officials of the Issuer, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Bond Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments

and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

**Section 1407. Severability.** If any section or other part of this Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Bond Resolution.

**Section 1408. Governing Law.** This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 1409. Effective Date.**  
This Bond Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

**ADOPTED** by the governing body of the Issuer on March 1, 2016.

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

**CERTIFICATE**

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. \_\_\_\_\_ (the "Bond Resolution") of the City of Wellington, Kansas, adopted by the governing body on March 1, 2016, as the same appears of record in my office, and that the Bond Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: March 1, 2016.

\_\_\_\_\_  
Clerk

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING AND ACCEPTING A BID AND AUTHORIZING  
THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH  
PROENERGY OF SEDALIA, MISSOURI FOR THE PURCHASE OF  
A MECHANICAL OIL PUMP FOR THE GAS TURBINE BRUSH GENERATOR  
IN THE AMOUNT OF \$24,140

WHEREAS, a request for bids was distributed to qualified vendors for bid/quotes for a Mechanical Oil Pump for the Gas Turbine Brush Generator for the City of Wellington Electric Department; and

WHEREAS, the Director of Utilities and the City Clerk have ascertained that funds are budgeted and available for this purpose; and

WHEREAS, the bids were received, publicly opened, read aloud and tabulated by the City Clerk, Director of Utilities, and Electric Production Supervisor at 1:30p.m. on February 24<sup>th</sup>, 2016 for any and all persons interested;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Wellington, Kansas that an award in the amount of \$24,140 be made and the City Manager is authorized to execute a purchase order with Proenergy of Sedalia, Missouri for a Mechanical Oil Pump for the Gas Turbine Brush Generator.

ADOPTED by the Governing Body of the City of Wellington, Kansas, this 1st day of March 2016.

\_\_\_\_\_  
Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
City Clerk

FORM APPROVED:

\_\_\_\_\_  
City Attorney

CITY OF WELLINGTON  
CERTIFICATE OF BID OPENING

BID: Three (3)

DATE BID DUE: February 24, 2016

TIME: 1:30 PM

DESCRIPTION OF BID ITEM: Mechanical Oil Pump for GT Brush  
Generator for Electric Production Department

BIDS OPENED BY: Carol Mericle

READ ALOUD BY: Travis Horsch, Electric Production Supervisor

DEPARTMENT HEAD PRESENT: Jason Newberry

OTHERS PRESENT: Roger Estes, Electric Production

I, Carol Mericle, certify the above bid was opened and tabulated at 1:30 PM,  
on February 24, 2016.

Signed, Carol S. Mericle.



Bid #3-Mechanical Oil Pump

BID TAB SHEET

**COPY**

BID DATE: February 24, 2016 BID NO: Three (3) BID TIME: 1:30 p.m.		BRUSH AFTERMARKET		BASELOAD POWER GENERATION		PROENERGY	
ITEM NO.	DESCRIPTION	PRICE		PRICE		PRICE	
1	Mechanical Oil Pump for GT Brush Generator	No Bid			\$ 33,060.00		\$ 24,140.00
TOTAL			\$ -		\$ 33,060.00		\$ 24,140.00
			\$ -				
Start Date				not indicated		9 weeks ARO	
Completion Date				not indicated		not indicated	
				states 2 days to complete			



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## Memorandum

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**To:** City Manager Eckert, Honorable Mayor and Council Members

**From:** Travis Horsch, Electric Production Supervisor

**Date:** February 25, 2016

**Re:** Oil Pump for Gas Turbine

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Bids were requested from three companies to supply a new oil pump and coupling for the gas turbine generator. Of the three companies who received bid invitations, only two responded.

The existing pump is leaking and is obsolete. The manufacturer no longer supplies parts for it. This is the original pump on the generator from 1986. If the pump fails the damage to the gas turbine could be catastrophic, and could lead to replacement of the entire turbine.

Replacing the oil pump was not included in the 2016 Budget. Staff has spoken with Finance Director Shields, and the funds to cover this expense will be covered out of the normal/approved operating budget. Due to the severity of the leak, Staff highly recommends moving forward with the repair as soon as possible.

Bids were sent out to three companies and two were received.

ProEnergy	\$24,140.00
Baseload Power	\$33,060.00
BRUSH	NO BID

I recommend accepting the bid from ProEnergy. ProEnergy meets all specifications and is the lowest bid.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING AND ACCEPTING A BID  
AND AUTHORIZING THE CITY MANAGER TO EXECUTE A THREE-YEAR  
AGREEMENT WITH DAVIS TREE SERVICE OF ARKANSAS CITY, KANSAS  
FOR \$90,000 AT THE HOURLY RATE OF \$93.83 PER HOUR**

**WHEREAS**, bid #4 was distributed to qualified vendors; and

**WHEREAS**, the Director of Utilities and the City Clerk have ascertained that funds are budgeted and available for this purpose; and

**WHEREAS**, bids were received, publicly opened and read aloud and tabulated by the Administrative Clerk, Electric Department Master Technician and the Director of Utilities at 2:00 pm o'clock on the 24th day of February 2016 for any and all persons concerned.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WELLINGTON, KANSAS** that an award in the amount of \$90,000 at the hourly rate of \$93.83 per hour be made and that the City Manager is hereby authorized to execute a three-year agreement on behalf of the City of Wellington, Kansas with Davis Tree Service.

**ADOPTED BY THE GOVERNING BODY OF THE CITY OF WELLINGTON, KANSAS**  
this 1st day of March 2016.

**APPROVED BY THE MAYOR**

\_\_\_\_\_  
Mayor

**(SEAL)**

**ATTEST:**

\_\_\_\_\_  
City Clerk

**FORM APPROVED:**

\_\_\_\_\_  
City Attorney

CITY OF WELLINGTON  
CERTIFICATE OF BID OPENING

BID: NO. FOUR (4) – TREE TRIMMING SERVICES

DATE BID DUE: 2/24/16

TIME: 2:00 P.M.

DESCRIPTION OF BID ITEM: Tree Trimming Services

BIDS OPENED BY: Kelly Ford

READ ALOUD BY: Dale Miller, Master Technician -Electric Department

DEPARTMENT HEAD PRESENT: Jason Newberry, Assistant City  
Manager/IT/Utilities

OTHERS PRESENT: Adam Davis, Davis Tree Service; Fred Kawik, Davis  
Tree Service;

I, Kelly Ford, certify the above bid was opened and tabulated at 2:00 p.m. on  
February 24, 2016.

Signed, .

# COPY

Bid #4-Tree Trimming

BID TAB SHEET

	BID DATE: February 24, 2016 BID NO: Four (4) BID TIME: 2:00 p.m.	DAVIS TREE SERVICE	HENDERSON TREE CARE, LLC		WOLF TREE		LOGAN'S LANDSCAPE TREE SERVICE & DESIGN		
ITEM NO.	DESCRIPTION	RATES PER HOUR		RATES PER HOUR		RATES PER HOUR		RATES PER HOUR	
1	Tree Trimming Services for 3 years	3 man crew	\$ 93.83	NO BID		NO BID		NO BID	
		2 man crew	\$ 75.14						
Approximate Age/Condition of Equipment		AGE	CONDITION	AGE	CONDITION	AGE	CONDITION	AGE	CONDITION
Bucket truck		2004	Good						
Chipper		2006	Good						
Saws		New	New						
Tree Climbing Equipment		New	New						
General Experience/Training/Certificates		YRS. EXP	CERTIFICATES	YRS. EXP	CERTIFICATE	YRS. EXP	CERTIFICATE	YRS. EXP	CERTIFICATES
Years of Experience		10 plus years	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX
Arborist Certificate		XXXXXXXXXX	yes	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX	
Dielectric Certificate of testing for bucket truck		XXXXXXXXXX	yes	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX	



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## Memorandum

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**To:** City Manager Eckert, Honorable Mayor and Council Members

**From:** Jason Newberry, Director of Utilities

**Date:** February 25, 2016

**Re:** Tree Trimming Services

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Trees keep our communities healthy and provide beauty and shade to our homes. However, trees and power lines can be a dangerous combination, creating hazards and causing power outages. The crews trim trees across our service territory for your safety and the reliability of your electric service. Our goal is to reduce the number of tree-related power outages by pruning trees then maintaining that vegetation by returning on a regular four- year cycle. Additional benefits of tree trimming include a reduction in weather-related outages and wildlife-related outages.

Requests for bids were sent out to four contractors for tree trimming services. We received one bid from Davis Tree Service. The City contracted with Davis Tree Service for the 2015 Budget year as they were the low bidder. Staff has been pleased with their service.

Council approved \$80,000 for contracted personal service (right-of-way clearance) for the Electric Department and \$10,000 trimming streets, alleys and parks for the Street Department 2016 budgets

Attached is the Bid Tab Sheet. I recommend accepting the bid from Davis Tree Service. They have met all the requirements.

Action needed:

Motion to adopt this resolution. (Roll call vote)