

TO: Mayor and City Commissioners
RE: **Study Session Agenda**
FROM: Richard U. Nienstedt, City Manager

A Study Session is scheduled for **March 5, 2012 at 4:00 pm** in the conference room on the first floor of City Hall, 101 S. Hickory. The following items will be presented:

I. Public Comments

Shawn Dickinson

II. Items to be Placed on the Regular City Commission Agenda

- a. A request to approve the Urban Growth Agreement and the Memorandum of Understanding between the City of Ottawa and Franklin County.
- b. A Constitutional Charter ordinance providing for the creation of an ordinance establishing a stormwater management program and a stormwater utility fee. *pp. 1 - 2*
- c. Discussion continues from the February 27, 2012 Study Session regarding an ordinance establishing a stormwater management program and a stormwater utility fee. *pp. 3*
- d. Discussion continues from the February 27, 2012 Study Session regarding a resolution establishing a stormwater utility fee. *pp. 4 - 10*
- e. An ordinance related to the refunding (refunding) of the 2003 River Levee Improvement bonds. *pp. 11 - 14*
- f. A resolution related to the refunding (refinancing) of the 2003 River Levee Improvement bonds. *pp. 15 - 42*
- g. A request to adopt a policy related to new IRS regulations related to bonds. *pp. 43 - 48*
- h. A resolution authorizing a contract with Mac Fasteners, Inc. to establish a property tax exemption. *pp. 49 - 61*
- i. An ordinance detailing the terms and conditions of a property tax exemption for Mac Fasteners, Inc. *pp. 62 - 63*
- j. A contract detailing the terms and conditions of a property tax exemption for Mac Fasteners, Inc. *pp. 64 - 67*

II. Items for Presentation and Discussion

- a. An update on the levee certification project. *pp. 68 - 69*
- a. Youth in Government Update
- b. An interview with Crystal Camis for the vacant position on the Fourth Judicial District Community Corrections Advisory Board. *pp. 70*
- c. January Monthly Financial and Activity Report *pp. 71 - 101*
- d. City Manager's Report
Harveyville, Kansas Storm Donation
- e. Commissioners' Reports
- f. Mayor's Report

IV. Announcements

- March 7, 2012 **NEXT REGULAR MEETING**, 7:00 pm
- March 12, 2012 Study Session, 4:00 pm
- March 19, 2012 Study Session, 4:00 pm
- March 21, 2012 Regular Meeting, 9:30 am
- March 21, 2012 Joint City/County/USD 290 Luncheon Canceled
- March 26, 2012 Study Session, 4:00 pm
- March 27, 2012 Mayor's Prayer Breakfast, 7:30 am Westminster Presbyterian Church, 401 W. 13
- April 2, 2012 Study Session, 4:00 pm
- April 4, 2012 Regular Meeting, 7:00 pm

V. Adjourn

VI. Items Already Placed

- a. An ordinance to rezone an area in the Urban Growth Area from Franklin County zoning to City zoning. Addresses in this Phase 26 rezone include: 2730, 2641, 2804, 2340, 2550, 2530, 2441, 2740, 2410, 2739, 2450, 2640, 2510, 2715, 2729, 2316, 2341, 2435, 2621, 2720, 2631, 2427, 2719, 2710, 2449, 2411, 2315 Greenwood Dr., 2721, 2736, 2740, 2726, 2716, 2711 Maple Terrace, 2446, 2439, 2440, 2435 Autumn Court, and 2350 Labette Road.
- b. An ordinance to rezone an area in the Urban Growth Area from Franklin County zoning to City zoning. Addresses in this Phase 27 rezone include: 2615 Louisiana Road, 2679 Louisiana Road, 2671 Louisiana Road, 2350 Labette Road, 2326 Labette Road, 2635 Louisiana Road, 2354 Labette Road, 2320 Labette Road, 2663 Louisiana Road, 2641 Louisiana Road and 2344 Labette Road.
- c. A resolution approving the final plat and accepting the dedication of all easements within the NCCC property located at 900 E. Logan.
- d. A resolution accepting public improvements within the NCCC property located at 900 E. Logan.
- e. A request to approve the annual updates to the recommended list of priorities for improvements to the Ottawa Municipal Airport in order for these projects to be considered for funding from the Federal Aviation Administration.
- f. A request to approve the Airspace Protection Planning Grant application.

A CONSTITUTIONAL CHARTER ORDINANCE EXEMPTING THE CITY OF OTTAWA, KANSAS FROM THE PROVISIONS OF THE KANSAS WATER POLLUTION ACT, KSA 12-3101 ET SEQ AND PROVIDING FOR THE CREATION OF A AN ORDINANCE ESTABLISHING A STORMWATER MANAGEMENT PROGRAM AND A STORMWATER UTILITY FEE FOR THE CITY OF OTTAWA, KANSAS, FOR THE PURPOSE OF PLANNING, DESIGNING, FUNDING, CONSTRUCTING AND MAINTAINING STORMWATER MANAGEMENT, SEDIMENT AND EROSION CONTROL, AND FLOOD AND STORMWATER DISCHARGE PROGRAMS, PROJECTS AND FACILITIES, AND REVIEWING AND APPROVING STORMWATER MANAGEMENT AND SEDIMENT CONTROL PLANS FOR LAND DISTURBING ACTIVITIES, AND PROVIDING FOR THE ADMINISTRATION AND ENFORCEMENT THEREOF AND PROVIDING FOR STORMWATER MANAGEMENT RATES TO BE SET BY RESOLUTION OF THE GOVERNING BODY.

Whereas, the State of Kansas has passed legislation, known as the Kansas Water Pollution Act, K.S.A. 12-3101, et seq, (KWPA) which has been found by the Kansas Supreme Court to be a non-uniform legislative act that affects different classes of cities in the State in different manners; and

Whereas, the KWPA also has a provision that allows the Secretary of the KDHE to, by resolution, allow cities to create their own storm water utility; and

Whereas, the Kansas Legislature has not created, in the KWPA the authority for the KDHE to issue resolutions, and KDHE has taken the position that it does not have the authority to issue resolutions allowing cities to create a storm water utility under the KWPA; and

Whereas, various cities have used their Constitutional Charter Ordinance authority to exempt themselves from the provisions of the KWPA, and the Kansas Supreme Court has determined, on a number of occasions, that the KWPA is not uniform as it applies to all cities in the State; and

Whereas, the City of Ottawa seeks to create a storm water utility for the purpose of managing storm water in the city and to collect of fee for that sole purpose, and to manage, administer and enforce such regulations as promulgated by the City of Ottawa for that purpose;

Now, Therefore Be it Ordained by the Governing Body of the City of Ottawa, Kansas, that:

Section 1. Exemption from State law. The City of Ottawa, Kansas, by the virtue of the power vested in it by Article 12, Section 5 of the Constitution of the State of Kansas, hereby exempts itself from the provisions of the Kansas Water Pollution Act, KWPA, K.S.A. 12-3101 et seq, for the purpose of creating a storm water utility and a fee to implement the same.

Section 2. Repeal of inconsistent provisions. Any provision of the current ordinances of the City of Ottawa that are inconsistent or in conflict with this Charter Ordinance are hereby repealed to the extent of such conflict; otherwise all such provisions are hereby ratified and confirmed.

Section 3. Publication and effective date. The City Clerk shall make proper publication of this Ordinance once each week for two consecutive weeks in the Official City newspaper, The Ottawa Herald. This Charter Ordinance shall take effect 61 days after such lawful final publication unless a sufficient petition for a referendum to be held on this Charter Ordinance as provided in Article 12, Section (c) (3) of the Constitution of the State of Kansas in which case this Charter Ordinance shall become effective if approved by a majority of the electors voting thereon.

Passed by the Governing Body of the City by not less than two thirds of the members-elect voting in favor thereof this _____, day of _____, 2012 thereof.

Mayor

City Clerk

ORDINANCE NO. _____

AN ORDINANCE ESTABLISHING A STORMWATER MANAGEMENT PROGRAM AND A STORMWATER UTILITY FEE FOR THE CITY OF OTTAWA, KANSAS, FOR THE PURPOSE OF PLANNING, DESIGNING, FUNDING, CONSTRUCTING AND MAINTAINING STORMWATER MANAGEMENT, SEDIMENT AND EROSION CONTROL, AND FLOOD AND STORMWATER DISCHARGE PROGRAMS, PROJECTS AND FACILITIES, AND REVIEWING AND APPROVING STORMWATER MANAGEMENT AND SEDIMENT CONTROL PLANS FOR LAND DISTURBING ACTIVITIES, AND PROVIDING FOR THE ADMINISTRATION AND ENFORCEMENT THEREOF AND PROVIDING FOR STORMWATER MANAGEMENT RATES TO BE SET BY RESOLUTION OF THE GOVERNING BODY.

WHEREAS, the City of Ottawa maintains a system of storm and surface water management facilities including, but not limited to, inlets, conduits, manholes, channels, ditches, drainage easements, retention and detention basins, infiltration facilities, and other components as well as natural waterways. The stormwater system in the City needs regular maintenance and improvements; and

WHEREAS, all property in the City uses or benefits from the maintenance of the stormwater system. The extent of use of the stormwater system by each property is dependent on factors that influence runoff, including land use and the amount of impervious surface on the property; and

WHEREAS, the costs of improving, maintaining, operating and monitoring the stormwater system should be equitably allocated, to the maximum extent practicable, to all properties based on the impact of runoff from the impervious areas of the property on the stormwater management system; and

WHEREAS, management of the stormwater system to protect the public health, safety and welfare requires adequate revenues and it is in the interest of the public to finance stormwater management adequately with a user fee system that is reasonable and equitable so that each user of the system pays to the extent to which the user contributes to the need for it. The City is responsible for the provision of a planned and orderly system for managing and mitigating the effects of development on stormwater and appropriate balancing between development and preservation of the natural environment. To accomplish these ends, the City desires to create a Stormwater Management Program and Stormwater Utility; and

WHEREAS, the Stormwater Management Program will also initiate innovative and proactive approaches to stormwater management to address problems in areas of the City that currently are prone to flooding, protect against replication of these types of problems and the creation of similar problems in newly developing areas of the City, and assist in meeting the mandates of the National Pollutant Discharge Elimination System (NPDES) as created by the Federal Clean Water Act and associated state and federal laws and their supporting regulations; and

WHEREAS, the Stormwater Utility Fee imposed by this ordinance is neither a tax nor a special assessment, but a charge (in the nature of tolls, fees or rents) for services rendered or available.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OTTAWA, KANSAS,

CITY OF OTTAWA, KANSAS
MEMORANDUM

TO: City Manager and City Commission
FROM: Andy Haney
SUBJECT: Stormwater Utility Proposal
DATE: February 29, 2012

Staff has been developing the Stormwater Utility proposal, including associated fees that would be assessed to properties. A Stormwater Task Force (focus group) has been working with us on this project. We've also made presentations at civic club meetings, First Friday Forum, and other such events. We've met twice with owners/operators of businesses at the Industrial Park. There has also been media coverage by the Ottawa Herald and by KOFO Radio.

The attached ordinance establishing the utility is provided for your information and action. This ordinance has been progressing for several months with input from different groups, included the City Commission, and we believe it to be a complete and accurate proposal.

Also attached is a Resolution establishing the amount of the Stormwater Utility fee and a system of credits based on stormwater handling improvements made and maintained by private property owners. The proposed fee is based on anticipated annual maintenance and compliance costs, along with a list of capital improvement projects.

The target date to begin collecting fees is January 1, 2013. This provides time for business, etc. who need to prepare budget forecasts to allocate funding for this new expense. The taskforce concurred with the recommendation of \$5 per ERU, begin collecting January 1, hold the fee flat for three years, and on the credits proposed.

This packet was reviewed at the study session on February 27th. Bruce Kimmel discussed the rationale for the proposed fee, and the impact of any changes to that proposed fee. Additional information (requested by the Commission) includes the attached printed spreadsheet prepared by Bruce Kimmel which reflects the forecast for funding that would result from adoption of the recommended proposal. Mr. Kimmel reviewed these briefly with the Commission on Monday.

We propose that the Ordinance and the Resolution be adopted as soon as possible so that staff can continue to refine details with members of the community.

**City of Ottawa, Kansas
Stormwater ERU Projections**

Residential Growth	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(1) Annual Inflation Rate or	2.00%									
(2) Residential ERU Growth	10	30	35	40	45	50	50	50	50	50
Subtotal: Residential Units	4,500	4,510	4,540	4,575	4,615	4,660	4,710	4,760	4,810	4,860
less Estimated Credits	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Net Total: Residential Units	4,455	4,465	4,495	4,529	4,569	4,613	4,663	4,712	4,762	4,811

Annual Net ERU Growth: 0.22% 0.67% 0.77% 0.87% 0.98% 1.07% 1.06% 1.05% 1.04% 1.03%

Commercial Growth	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(1) Annual Inflation Rate or	2.00%									
(2) Commercial ERU Growth	20	60	70	80	90	100	100	100	100	100
Total Commercial Units	4,150	4,170	4,230	4,300	4,380	4,470	4,570	4,670	4,770	4,870
less Estimated Credits	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Net Total: Commercial Units	4,109	4,128	4,188	4,257	4,336	4,425	4,524	4,623	4,722	4,821

Annual Net ERU Growth: 0.48% 1.44% 1.65% 1.86% 2.05% 2.24% 2.19% 2.14% 2.10% 2.05%

Tax-Exempt Growth	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(1) Annual Inflation Rate or	2.00%									
(2) Exempt ERU Growth	10	30	35	40	45	50	50	50	50	50
Total Tax-Exempt Units	2,500	2,510	2,540	2,575	2,615	2,660	2,710	2,760	2,810	2,860
less Estimated Credits	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Net Total: Tax-Exempt Units	2,475	2,485	2,515	2,549	2,589	2,633	2,683	2,732	2,782	2,831

Annual Net ERU Growth: 0.40% 1.20% 1.38% 1.55% 1.72% 1.88% 1.85% 1.81% 1.78% 1.75%

Net Total: All Units	11,039	11,078	11,197	11,336	11,494	11,672	11,870	12,068	12,266	12,464	12,662
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City of Ottawa, Kansas
 Stormwater CIP and Project Funding Projections - \$5.00 ERU

Annual Cost Inflation: 2.00%

Project Code	Project Description	Project Year	2012 Dollar Cost	Bond Funding	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SWMP	Ten Year Stormwater Rehab Program	2013	290,000	0%	295,800	-	-	-	-	-	-	-	-	-
SWMP	Ten Year Stormwater Rehab Program	2014	290,000	0%	-	301,716	-	-	-	-	-	-	-	-
SWMP	Ten Year Stormwater Rehab Program	2015	290,000	0%	-	-	307,750	-	-	-	-	-	-	-
SWMP	Ten Year Stormwater Rehab Program	2016	290,000	0%	-	-	-	313,905	-	-	-	-	-	-
SWMP	Ten Year Stormwater Rehab Program	2017	290,000	0%	-	-	-	-	320,183	-	-	-	-	-
SWMP	Ten Year Stormwater Rehab Program	2018	290,000	0%	-	-	-	-	-	326,587	-	-	-	-
SWMP	Ten Year Stormwater Rehab Program	2019	290,000	0%	-	-	-	-	-	-	333,119	-	-	-
SWMP	Ten Year Stormwater Rehab Program	2020	290,000	0%	-	-	-	-	-	-	-	339,781	-	-
SWMP	Ten Year Stormwater Rehab Program	2021	290,000	0%	-	-	-	-	-	-	-	-	346,577	-
SWMP	Ten Year Stormwater Rehab Program	2022	290,000	0%	-	-	-	-	-	-	-	-	-	353,508
PW-01	Enhancement 15th & Poplar - Rock Creek	2014	2,320,000	100%	-	2,413,728	-	-	-	-	-	-	-	-
SWMP-11	Replacement - Oak & Poplar Streets	2016	3,532,200	100%	-	-	-	3,823,367	-	-	-	-	-	-
PW-04	Addition - 10th Street east from OU	2018	2,320,000	100%	-	-	-	-	-	2,612,697	-	-	-	-
SWMP-03	Improvement - Hickory & Poplar Streets	2020	2,816,480	100%	-	-	-	-	-	-	-	3,299,955	-	-
LEVEE-03	Replacement - Possum Run Pump Station	0	104,400	0%	-	-	-	-	-	-	-	-	-	-
LEVEE-01	Replacement - Skunk Run Pump Station	0	139,200	0%	-	-	-	-	-	-	-	-	-	-
LEVEE-02	Replacement - Willow Street Pump Station	0	104,400	0%	-	-	-	-	-	-	-	-	-	-
SWMP-14	Replacement - 23rd Street Culverts	0	70,760	0%	-	-	-	-	-	-	-	-	-	-
SWMP-13	Improvement - Eisenhower	0	870,000	100%	-	-	-	-	-	-	-	-	-	-
TBD	Other	0	-	0%	-	-	-	-	-	-	-	-	-	-
TBD	Other	0	-	0%	-	-	-	-	-	-	-	-	-	-
TBD	Other	0	-	0%	-	-	-	-	-	-	-	-	-	-
TBD	Other	0	-	0%	-	-	-	-	-	-	-	-	-	-
Total Capital Costs with Estimated Inflation			15,388,674		295,800	2,715,444	307,750	4,137,272	320,183	2,939,284	333,119	3,639,736	346,577	353,508

Cash Portion of CIP Costs

Project Code	Project Description	Project Year	Cash Funding	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SWMP	Ten Year Stormwater Rehab Program	2013	295,800	295,800	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2014	301,716	0	301,716	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2015	307,750	0	0	307,750	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2016	313,905	0	0	0	313,905	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2017	320,183	0	0	0	0	320,183	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2018	326,587	0	0	0	0	0	326,587	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2019	333,119	0	0	0	0	0	0	333,119	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2020	339,781	0	0	0	0	0	0	0	339,781	0	0
SWMP	Ten Year Stormwater Rehab Program	2021	346,577	0	0	0	0	0	0	0	0	346,577	0
SWMP	Ten Year Stormwater Rehab Program	2022	353,508	0	0	0	0	0	0	0	0	0	353,508
PW-01	Enhancement 15th & Poplar - Rock Creek	2014	-	0	0	0	0	0	0	0	0	0	0
SWMP-11	Replacement - Oak & Poplar Streets	2016	-	0	0	0	0	0	0	0	0	0	0
PW-04	Addition - 10th Street east from OU	2018	-	0	0	0	0	0	0	0	0	0	0
SWMP-03	Improvement - Hickory & Poplar Streets	2020	-	0	0	0	0	0	0	0	0	0	0
LEVEE-03	Replacement - Possum Run Pump Station	0	-	0	0	0	0	0	0	0	0	0	0
LEVEE-01	Replacement - Skunk Run Pump Station	0	-	0	0	0	0	0	0	0	0	0	0
LEVEE-02	Replacement - Willow Street Pump Station	0	-	0	0	0	0	0	0	0	0	0	0
SWMP-14	Replacement - 23rd Street Culverts	0	-	0	0	0	0	0	0	0	0	0	0
SWMP-13	Improvement - Eisenhower	0	-	0	0	0	0	0	0	0	0	0	0
TBD	Other	0	-	0	0	0	0	0	0	0	0	0	0
TBD	Other	0	-	0	0	0	0	0	0	0	0	0	0
TBD	Other	0	-	0	0	0	0	0	0	0	0	0	0
TBD	Other	0	-	0	0	0	0	0	0	0	0	0	0
Total Cash Funding			3,238,927	295,800	301,716	307,750	313,905	320,183	326,587	333,119	339,781	346,577	353,508

Bond Portion of CIP Costs

Project Code	Project Description	First Debt Service	Bond Funding	Interest Rate	Bond Term (yrs)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SWMP	Ten Year Stormwater Rehab Program	2014	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2015	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2016	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2017	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2018	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2019	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2020	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2021	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2022	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP	Ten Year Stormwater Rehab Program	2023	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
PW-01	Enhancement 15th & Poplar - Rock Creek	2015	2,413,728	4.50%	20	0	185,558	185,558	185,558	185,558	185,558	185,558	185,558	185,558	185,558
SWMP-11	Replacement - Oak & Poplar Streets	2017	3,823,367	4.50%	20	0	0	0	293,926	293,926	293,926	293,926	293,926	293,926	293,926
PW-04	Addition - 10th Street east from OU	2019	2,612,697	4.50%	20	0	0	0	0	0	200,854	200,854	200,854	200,854	200,854
SWMP-03	Improvement - Hickory & Poplar Streets	2021	3,299,955	4.50%	20	0	0	0	0	0	0	0	0	253,688	253,688
LEVEE-03	Replacement - Possum Run Pump Station	1	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
LEVEE-01	Replacement - Skunk Run Pump Station	1	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
LEVEE-02	Replacement - Willow Street Pump Station	1	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP-14	Replacement - 23rd Street Culverts	1	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
SWMP-13	Improvement - Eisenhower	1	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
TBD	Other	1	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
TBD	Other	1	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
TBD	Other	1	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
TBD	Other	1	-	4.50%	20	0	0	0	0	0	0	0	0	0	0
Total Debt Service			12,149,747			0	0	185,558	185,558	479,484	479,484	680,338	680,338	934,026	934,026

City of Ottawa, Kansas

Stormwater Fund - \$5.00 Monthly ERU Collection Starting January 1, 2013

		Annual Rate Growth: 0.00% 0.00% 15.00% 0.00% 0.00% 15.00% 0.00% 0.00% 15.00%									
ERU Revenue Projection		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Monthly ERU Rate		5.00	5.00	5.00	5.75	5.75	5.75	6.61	6.61	6.61	7.60
times Res + Comm ERUs		11,078	11,197	11,336	11,494	11,672	11,870	12,068	12,266	12,464	12,662
Monthly Revenues		55,391	55,985	56,678	66,090	67,115	68,253	79,800	81,110	82,419	96,287
Annual Revenues		664,686	671,814	680,130	793,079	805,375	819,037	957,604	973,315	989,026	1,155,448
Revenues											
Stormwater Revenues		664,686	671,814	680,130	793,079	805,375	819,037	957,604	973,315	989,026	1,155,448
Bond Proceeds		-	2,413,728	-	3,823,367	-	2,612,697	-	3,299,955	-	-
Interest Earnings		-	-	-	-	-	-	-	-	-	-
Interest Earnings	Int. Rate: 1.00%	-	3,089	6,215	7,533	9,926	9,458	9,052	7,947	6,915	3,419
Other Revenues	Inflation: 1.00%	1,000	1,010	1,020	1,030	1,041	1,051	1,062	1,072	1,083	1,094
Total Revenue		665,686	3,089,641	687,365	4,625,009	816,342	3,442,243	967,717	4,282,289	997,024	1,159,961
Expenses											
CIP Project Costs		295,800	2,715,444	307,750	4,137,272	320,183	2,939,284	333,119	3,639,736	346,577	353,508
Bond Debt Service		-	-	185,558	185,558	479,484	479,484	680,338	680,338	934,026	934,026
Operating Costs	Inflation: 1.00%	60,000	60,600	61,206	61,818	62,436	63,061	63,691	64,328	64,971	65,621
Other Expenses	Inflation: 1.00%	1,000	1,010	1,020	1,030	1,041	1,051	1,062	1,072	1,083	1,094
Total Expenses		356,800	2,777,054	555,535	4,385,679	863,144	3,482,879	1,078,209	4,385,475	1,346,657	1,354,249
Annual Surplus / (Deficit)	Starting Capital	308,886	312,587	131,830	239,331	(46,802)	(40,636)	(110,492)	(103,185)	(349,632)	(194,288)
Ending Fund Balance	-	308,886	621,473	753,303	992,634	945,832	905,195	794,703	691,518	341,885	147,597

From: Lois Zaremba [<mailto:lois@zarco66.com>]
To: samdavis@ottawaks.gov
Sent: Tue, 28 Feb 2012 11:05:16 -0600
Subject: Ottawa City Commission Meeting March 5th

February 28, 2012

Ottawa City Commission:

Regarding Monday, March 5th, 2012 meeting for Storm Water Project for City of Ottawa:

I am sending you this E- Mail supporting the city staff recommendations on the storm water project.

Because of surgery, I am not able to appear in person but I would like to convey my opinion on this matter.

The proposal that staff presented to us and the one that gained the consensus of our committee seemed reasonable. The rate set is reasonable and the projections are reasonable.

The rates we discussed should be stable for several years, which I believe is a good idea so that the tax payers do not feel like they are being burdened with a possible yearly increase.

The incentive built into the program gives the option to the citizens to help defray some of their costs, therefore, benefiting everyone.

This is a simple, straight forward program and deserves our full support.

Thank you.

Stan Zaremba
Zarco 66 Inc.

RESOLUTION NO. _____

A RESOLUTION FINDING THE ADVISABILITY OF AND ORDERING THE ADOPTION AND ESTABLISHMENT OF A STORMWATER UTILITY FEE AND ESTABLISHMENT OF A STORMWATER UTILITY CREDIT SYSTEM, AND PROVIDING FOR THE ENFORCEMENT THEREOF AND ESTABLISHING AN EFFECTIVE DATE THEREFORE.

Whereas, the Governing Body has previously adopted such rules a regulations deemed necessary to establish a Stormwater Utility; and

Whereas, Section 14-606 et seq., of the Municipal Code of the City of Ottawa, Kansas, 2012 provides for the establishment of rates, conditions of service, rules and regulations pertaining to the Stormwater Utility to be set by resolution of the Governing Body of the City of Ottawa; and

Whereas, Section 14-615 of the Municipal Code of the City of Ottawa, Kansas, 2012 provides for the establishment of a Stormwater Utility credit system, which may reduce the Stormwater Utility fee.

Now, therefore, be it resolved by the Governing Body of the City of Ottawa:

Section 1: For the purposes of calculating a Stormwater Utility Fee, the Equivalent Residential Unit (ERU) method shall be used. The ERU is established at 2,600 square feet (sqft) of impervious area. The ERU rate is hereby established at \$5.00 as a monthly service charge for each individual dwelling unit.

Section 2: For the purpose of calculating Stormwater Utility Fees for non-residential property, the ERU rate shall be multiplied by the square footage for all impervious area of each non-residential property divided by the ERU.

Example: $\$5.00 * (\text{Total sqft of impervious area} / 2600 \text{ sqft}) = \text{Non-residential monthly charge}$

Section 3: The Governing Body shall establish a system of credits as detailed and attached to this Resolution. Credits may reduce the assessed Stormwater Utility Fee and are applied to those who implement Best Management Practices (BMPs) that minimize site-specific stormwater runoff and/or reducing site pollutants in stormwater runoff or any other similar BMP measure.

- A. Residential and Non-Residential properties may apply for a Stormwater Utility credit that may reduce the assessed stormwater utility fee.
- B. In order to qualify for a credit, the applicant must provide proper documentation that demonstrates proper installation and/or maintenance has taken place on an annual basis.
- C. Applicants must renew any credit they receive on an annual basis per the date as recommended by the Director of Finance.
- D. The City of Ottawa offers the following stormwater utility credits, not to exceed a total of 15%, except where an engineer designed detention system is in use. In the case of such a detention system a maximum of 25% may be allowed. (See Table 1 below)

Table 1: Stormwater Utility Credit, Outline

% Credit	Credit Type	Applicability
5%	Residential Rain Barrel	Residential properties
10%	Residential Rain Garden (Bioretention)	Residential properties
10%	Stormwater Detention	Any
10%	Stormwater Education	Primary/secondary/post-secondary; public/private institutions only
10%	SW Quality Improvements	Any
25%**	SW Detention (1% Storm)	Engineered/designed system that can detain a 1% rainfall event

Section 4: The Stormwater Utility Fee for each active water account shall be imposed for the purpose of collecting sufficient fees to adequately finance new stormwater infrastructure and maintenance activities which reduce flooding hazards and reduce pollution in stormwater outfalls.

Section 5: The City Manager or his/her designee is charged with the enforcement of the stormwater utility fee.

Section 6: The imposed Stormwater Utility fee remain at the rate as defined in Section 1 for a minimum of three (3) years after adoption of this Resolution. After such time, the City Manager may make an annual recommendation to the Governing Body as to the monthly charge necessary to fulfill the proposed purpose of the Stormwater Management Program as established in City of Ottawa Municipal Code Sec. 14-606.

Section 7: The imposed Stormwater Utility fee shall remain in full force and effect until rescinded or modified by subsequent resolution(s) of the Governing Body of the City of Ottawa.

Passed and adopted on this [DAY] day of [MONTH] 2012.

Attest:

Mayor

City Clerk

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND DELIVERY OF \$820,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012B, OF THE CITY OF OTTAWA, KANSAS, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO

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

WHEREAS, the City has previously authorized its General Obligation Bonds, Series 2003, dated November 15, 2003, in the original principal amount of \$1,060,000 (the “Series 2003 Bonds”);

WHEREAS, the Governing Body of the City has determined it is desirable to refund the Series 2003 Bonds maturing in the years 2012 through 2023 (collectively, the “Refunded Bonds”) to achieve interest cost savings through early redemption of the Refunded Bonds and to provide an orderly plan of finance for the City;

WHEREAS, the City is authorized by K.S.A. 10-427 *et seq.*, to issue general obligation refunding bonds of the City for the purpose of refunding the Refunded Bonds; and

WHEREAS, the Governing Body of the City finds and determines that it is necessary for the City to authorize the issuance and delivery of its general obligation refunding bonds in the principal amount of \$820,000 to pay the cost of refunding the Refunded Bonds;

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

Section 1. Definitions of Words and Terms.

“**Bond and Interest Fund**” means the Bond and Interest Fund of the City for its general obligation bonds.

“**Bonds**” means the City’s General Obligation Refunding Bonds, Series 2012B, authorized by the Ordinance in the aggregate principal amount of \$820,000, and dated March 15, 2012.

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

“**City Clerk**” means the appointed and acting City Clerk or, in the City Clerk’s absence, the appointed acting City Clerk of the City.

“**City Treasurer**” means the appointed and acting City Treasurer or, in the City Treasurer’s absence, the appointed acting City Treasurer of the City.

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

“**Mayor**” means the elected and acting Mayor of the City or, in the Mayor’s absence, the appointed acting Mayor of the City.

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

“**Refunded Bonds**” means the Refunded Bonds described in the recitals to this Ordinance.

“**Resolution**” means the Resolution of the City containing the terms and details of the Bonds.

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

Section 2. Authorization of and Security for the Bonds. There shall be issued and are authorized and directed to be issued the Bonds in the principal amount of \$820,000, for the purpose of providing funds to refund the Refunded Bonds, including the costs of issuance of the Bonds.

The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 3. Terms, Details and Conditions of the Bonds. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such form, shall be subject to redemption and payment prior to the maturity and shall be issued and delivered in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Resolution adopted by the Governing Body of the City.

Section 4. Levy and Collection of Annual Tax. The Governing Body of the City shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes and/or assessments upon all of the taxable tangible property within the City in the manner provided by law.

The taxes and/or assessments above referred to shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the general ad valorem taxes of the City are levied and collected, and the proceeds derived from the taxes and/or assessments shall be deposited in the Bond and Interest Fund.

If at any time the taxes and/or assessments are not collected in time to pay the principal of or interest on the Bonds when due, the City Treasurer is authorized and directed to pay the

principal or interest out of the general funds of the City and to reimburse the general funds for money so expended when the taxes and/or assessments are collected.

Section 5. Tax Covenants. The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; (2) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds, (3) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, (4) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code; and (5) it will not use or permit the use of any proceeds of Bonds or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds. The City 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 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

The City covenants and agrees that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Bond to be a “private activity bond” within the meaning of Section 141(a) of the Code.

Section 6. Further Authority. The Mayor, City Clerk and other City officials are 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 this Ordinance and to make alterations, changes or additions in the agreements, statements, instruments and other documents 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 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 and publication in the official City newspaper.

PASSED by the Governing Body of the City on March 7, 2012.

(Seal)

Mayor

ATTEST:

City Clerk

RESOLUTION NO. _____

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING THE DELIVERY OF \$820,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012B, OF THE CITY OF OTTAWA, KANSAS, PREVIOUSLY AUTHORIZED BY AN ORDINANCE OF THE CITY AND APPROVING CERTAIN POLICIES AND PROCEDURES RELATING TO THE CITY'S GENERAL OBLIGATION DEBT.

WHEREAS, the City of Ottawa, Kansas (the "City"), has adopted the Ordinance (as herein defined) authorizing the issuance of the Bonds (as herein defined);

WHEREAS, the Ordinance authorized the Governing Body of the City to adopt a resolution prescribing certain details and conditions and to make certain covenants with respect to the issuance of the Bonds; and

WHEREAS, in order to provide for the payment of the Refunded Bonds it is desirable to enter into an Escrow Trust Agreement, by and between the City and the Escrow Trustee;

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

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions of Words and Terms.

"Act" shall mean the Constitution and Statutes of the State including, but not limited to, K.S.A. 10-427 *et seq.*, as amended and supplemented.

"Authorized Investments" means those investments authorized by K.S.A. 10-131, as amended and supplemented, and by other provisions of State law applicable to the City.

"Bond and Interest Fund" means the Bond and Interest Fund of the City for its general obligation bonds.

"Bond Counsel" means the firm of Kutak Rock LLP, 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 City.

"Bond Payment Date" means any date on which principal of or interest on any Bond is payable.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the City and the Underwriter.

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

“Bond Registrar” means the State Treasurer, Topeka, Kansas, and any successors and assigns.

“Bonds” means the City’s General Obligation Refunding Bonds, Series 2012B, in the aggregate principal amount of \$820,000, and dated March 15, 2012.

“Business Day” means a day other than a Saturday, Sunday or holiday on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operation.

“Cede & Co.” shall mean Cede & Co., as nominee of The Depository Trust Company, New York, New York.

“City” means the City of Ottawa, Kansas.

“City Clerk” means the appointed and acting City Clerk of the City or, in the City Clerk’s absence, the appointed acting City Clerk of the City.

“City Treasurer” means the appointed and acting City Treasurer of the City or, in the City Treasurer’s absence, the appointed Assistant City Treasurer of the City.

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

“Costs of Issuance” shall mean all costs of issuing the Bonds, including all publication, preparation, signing and mailing expenses, registration fees, all legal fees and expenses of Bond Counsel and other legal counsel, all expenses incurred in connection with receiving ratings on the Bonds, and all fees and expenses of the Escrow Trustee, and fees and expenses associated with the escrow verification, and all fees of the Attorney General of the State.

“Costs of Issuance Fund” means the fund by that name established under the Escrow Trust Agreement and referenced in Section 5.01.

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

“Escrow Fund” means the fund by that name established under the Escrow Trust Agreement and referenced in Section 5.01.

“Escrow Trust Agreement” means the Escrow Trust Agreement, dated as of March 15, 2012, between the City and the Escrow Trustee.

“Escrow Trustee” means Security Bank of Kansas City, Kansas City, Kansas, and its successors and assigns.

“Final Official Statement” means the final official statement prepared by the City or its representatives in connection with the sale of the Bonds and delivered to the Underwriter within seven Business Days after the sale of the Bonds in accordance with the SEC Rule. The Final Official Statement includes the information in the Preliminary Official Statement as supplemented or amended.

“Interest Payment Dates” means the Stated Maturity of an installment of interest on any Bond which shall be April 1 and October 1 of each year, commencing October 1, 2012.

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

“Mayor” means the elected and acting Mayor of the City or, in the Mayor’s absence, the appointed or Acting Mayor of the City.

“Ordinance” means the ordinance of the City authorizing the issuance of the Bonds as further described on Exhibit B to this Resolution.

“Outstanding” means as of a particular date of determination, all Bonds authenticated and delivered under the provisions of this Resolution, except:

- (a) Bonds canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to this Resolution;
- (b) Bonds for the payment or redemption of which moneys or investments have been deposited in accordance with Article XI of this Resolution; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Resolution.

“Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the registration books of the Bond Register.

“Participants” shall mean 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 the State Treasurer, Topeka, Kansas, and any successors and assigns.

“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 or other public body.

“Preliminary Official Statement” means the Preliminary Official Statement which was prepared by the City and its advisors in connection with the sale of the Bonds and distributed to

potential purchasers of the Bonds before the Final Official Statement, as described in the SEC Rule, was made available.

“Principal and Interest Account” means the account by that name created by Section 5.01.

“Purchase Price” means the original purchase price of the Bonds described on Exhibit B to this Resolution.

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

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of this 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 this Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Refunded Bonds” means the Series 2003 Bonds maturing in the years 2012 through 2023.

“Refunded Bonds Principal and Interest Amounts” means the amounts set forth in the definition for such terms on Exhibit B to this Resolution.

“Replacement Bonds” shall mean Bonds issued to the beneficial owners of the Bonds in accordance with Section 2.04 of this Resolution.

“Resolution” means this resolution relating to the Bonds.

“SEC Rule” means the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. part 240, § 240 15c2-12).

“Securities Depository” means, initially, The Depository Trust Company, New York, New York, and its successor and assigns.

“Series 2003 Bonds” means the City’s General Obligation Bonds, Series 2003, dated November 15, 2003, in the original principal amount of \$1,060,000.

“Special Record Date” means the date fixed by the Paying Agent pursuant to Section 2.04 for the payment of Defaulted Interest.

“State” means the State of Kansas.

“State Treasurer” means the elected Treasurer of the State or, in the Treasurer’s absence, the appointed Assistant Treasurer of the State.

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

“**Term Bonds**” means the Term Bonds, if any, described on Exhibit B to this Resolution.

“**Underwriter**” means UMB Bank, N.A., Kansas City, Missouri.

“**United States Governmental 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 evidence 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 City.

ARTICLE II DETAILS OF THE BONDS

Section 2.01. Authorization of the Bonds. The Bonds have been authorized to be issued pursuant to the Ordinance and the Act for the purpose of providing funds to refund the Refunded Bonds.

Section 2.02. Description of the Bonds. The Bonds shall consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated March 15, 2012, shall become due on the Stated Maturities, and shall bear interest as the rates per annum set forth on Exhibit B to this Resolution.

The Bonds shall bear interest at the rates described on Exhibit B to this Resolution (computed on the basis of a 360-day year of 12 30-day months) from that date or from the most recent Interest Payment Date to which interest has been paid or provided for, shall be payable on the Interest Payment Dates.

Section 2.03. Designation of Paying Agent and Bond Registrar. The State Treasurer is designated as the Paying Agent and Bond Registrar for the Bonds. The Mayor and City Clerk of the City are authorized and empowered to execute on behalf of the City an agreement with the Bond Registrar and Paying Agent for the Bonds.

Section 2.04. Initial Registration with Securities Depository, Method and Place of Payment of the Bonds. The Bonds shall be registered on bond registration books maintained by the Bond Registrar 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 City 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, and interest on, the Bonds until

and unless the City authenticates and delivers Replacement Bonds to the beneficial owners in the manner described in this section.

If the City determines: (a) that the Securities Depository is unable to properly discharge its responsibilities, (b) 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, (c) that the continuation of a book-entry only system to the exclusion of any Bonds being issued to any Owner other than Cede & Co., is no longer in the best interest of the beneficial owners of the Bonds, or if the City receives written notice from Participants having interests in not less than 50% of the Bonds, as shown on the records of the Securities Depository, that the continuation of a book-entry only system to the exclusion of Bonds being issued to any Owner other than Cede & Co., is no longer in the best interest of the beneficial owners of the Bonds, or if the Securities Depository determines to discontinue providing book-entry services, then the City shall notify the owners of the Bonds of such determination or such notice and of the availability of certificates to Owners who request certificates, and the City shall 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. In such event, all references to the Securities Depository in this Resolution shall relate to the period of time when the Securities Depository has possession of at least one certificate. Upon the issuance of Replacement Bonds, all references in this Resolution to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the City, to the extent such provisions are consistent with and applicable to Replacement Bonds. If the Securities Depository resigns and the City or Bond Owners are unable to locate a qualified successor of the Securities Depository, then the City shall authenticate and deliver Replacement Bonds to the Participants for the benefit of the Bond Owners.

The principal of, or Redemption Price, if any, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment, 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, 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

(b) at such other address as is furnished to the Paying Agent in writing by such Owner; or

(c) in the case of an interest payment to any Owner that is a securities depository, by wire 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 (which shall be in the continental United States), address, ABA routing number and account number to which such Owner wishes to have such wire directed.

Notwithstanding the 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 specified in this paragraph. The City 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 City of such Special Record Date and, in the name and at the expense of the City, 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 City.

Section 2.05. Method of Execution and Authentication of the Bonds. The Bonds shall be executed for and on behalf of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk and the seal of the City shall be affixed or imprinted on the Bonds. The Bonds shall be registered in the office of the City Clerk, which registration shall be evidenced by the manual or facsimile signature of the City Clerk with the seal of the City affixed or imprinted. 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 or imprinted thereon. In the event that any of the previously mentioned officers shall cease to hold such offices before the Bonds are issued and delivered, the Bonds may be issued and transferred to other Owners as though the officers had not ceased to hold office, and such signatures appearing on the Bonds shall be valid and sufficient for all purposes as if they had remained in office until such issuance or transfer.

The Bonds shall not be valid obligations under the provisions of the Resolution until authenticated by the Bond Registrar or an authorized representative of the Bond Registrar by execution of the Certificate of Authentication appearing on each Bond. It shall not be necessary that the same representative of the Bond Registrar execute the Certificate of Authentication on all of the Bonds.

Section 2.06. Registration, Transfer and Exchange of Bonds. The City 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 provided. Each Bond when issued shall be registered in the name of the Owner 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, executed by the Owner or by the Owner's 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 Resolution. The City shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Resolution and the cost of preparation of 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.

The City 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 3.03 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 City 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 2.04.

The City 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 the 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 City nor the Paying Agent shall be affected by any notice to the contrary.

Section 2.07. 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 canceled by the Paying Agent immediately upon the payment, redemption and surrender 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 canceled and destroyed and shall file an executed counterpart of such certificate with the City.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond; and (b) there is delivered to the City and the Paying Agent such security or indemnity as may be required by each of them, then, in the absence of notice to the City or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon the City's request, the Paying Agent 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 City, in its discretion, may pay such Bond instead of issuing a new Bond.

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

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

Section 2.09. Delivery of the Bonds. The Mayor and City Clerk are authorized and directed to cause the Bonds to be registered in the offices of the City Clerk and the State Treasurer as provided by law, and, when executed and registered, to deliver the Bonds to the Underwriter upon receipt by the City of the Purchase Price.

ARTICLE III REDEMPTION OF THE BONDS

Section 3.01. Optional Redemption. At the option of the City, Bonds maturing on October 1, 2019, and thereafter may be called for redemption and payment prior to maturity on October 1, 2018, or thereafter at any time in whole or in part (selection of Bonds to be designated by the City in such equitable manner as it may determine) at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Section 3.02. Sinking Fund Redemption. Any Term Bonds shall also be subject to mandatory redemption and payment as described on Exhibit B to this Resolution.

Section 3.03. Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, the Bonds shall be redeemed in such manner as the City shall determine, Bonds of less than a full Stated Maturity to be selected by lot in units of \$5,000.

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value

represented by any Bond is selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Owner or the Owner's authorized agent shall present and surrender such Bond to the Bond Registrar:

- (a) for payment of the Redemption Price (including the redemption, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption; and
- (b) for exchange, without charge to the Owner, for a new Bond(s) of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond.

If the Owner of any Bond of a denomination greater than \$5,000 shall fail to present such Bond as described above, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the amount called for redemption (and to that extent only).

Notwithstanding the provisions of the preceding paragraph, in the event of a partial redemption of the Bonds, the Securities Depository may, at its option, in lieu of surrendering such Bond, make an appropriate notation on the Bond certificate indicating the date and amounts of the reduction in the principal amount of such Bond (except in the case of the final maturity of such Bond, where the Bond certificate shall be presented to the City prior to payment).

Section 3.04. Notice of Redemption. In the event the City 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 date fixed for redemption or such lesser time period acceptable to the Bond Registrar. Unless waived by any Owner of Bonds to be redeemed, if the City shall call any Bonds for redemption and payment prior to the maturity, the City shall instruct the Bond Registrar to give written notice of its intention to call and pay the Bonds on a specified date, the same being described by maturity, such notice to be mailed by United States first class mail addressed to the Owners of the Bonds and to the Municipal Bond Insurer, if any, each of the notices to be mailed not less than 30 days prior to the date fixed for redemption. The City and Bond Registrar shall also give such additional notice as may be required by State law or regulations of the Securities and Exchange Commission in effect as of the date of such notice.

All official notices of redemption shall be dated and shall state:

- (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, the respective principal amounts) of the Bonds to be redeemed;
- (d) that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion called for redemption, and that interest shall

cease to accrue from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price); and

(e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent.

During the time the Bonds are registered in the name of Cede & Co., the notice described in the immediately preceding paragraphs shall be delivered to the Securities Depository. The Securities Depository shall, in turn, notify its Participants. It is expected that the Participants, in turn, will notify or cause to be notified the beneficial owners of the Bonds. Any failure on the part of the Securities Depository, or failure on the part of a nominee of a beneficial owner of a Bond (having received notice from the City, a Participant or otherwise) to notify the beneficial owner of the Bonds so affected, shall not affect the validity of the redemption of such Bonds.

Prior to or simultaneously with any Redemption Date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds which are to be redeemed on that date. Upon surrender of such Bonds for redemption in accordance with the notice, such Bonds shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as 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 maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Paying Agent and shall not be reissued.

Section 3.05. Effect of Call for Redemption. Whenever any Bond is called for redemption and payment as provided in this Article, all interest on such Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the Redemption Price specified.

ARTICLE IV FORM OF THE BONDS

Section 4.01. Form of the Bonds. The Bonds shall be printed in accordance with the format required by the Attorney General of the State and shall contain information substantially in the form set forth on Exhibit A to this Resolution 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 to 10-632, inclusive.

ARTICLE V ESTABLISHMENT OF FUNDS AND ACCOUNTS

Section 5.01. Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the treasury of the City the “Principal and Interest Account for the City of Ottawa, Kansas, General Obligation Refunding Bonds, Series 2012B.”

Simultaneously with the issuance of the Bonds, there shall also be created with the Escrow Trustee pursuant to the Escrow Trust Agreement, the Escrow Fund and the Costs of Issuance Fund.

Section 5.02. Administration of Funds and Accounts. The funds and accounts established shall be administered in accordance with the provisions of the Resolution so long as the Bonds are outstanding.

ARTICLE VI APPLICATION OF BOND PROCEEDS AND OTHER FUNDS

Section 6.01. Disposition of Bond Proceeds. The proceeds of the Bonds, upon issuance and delivery, shall be deposited as follows:

(a) In the Principal and Interest Account, a sum equal to the accrued interest on the Bonds;

(b) The balance of the proceeds of the Bonds shall be deposited with the Escrow Trustee for further deposit into the Escrow Fund and Costs of Issuance Fund as set forth in the Escrow Trust Agreement.

Section 6.02. Source and Use of Other Moneys. Simultaneously with the issuance of the Bonds, the City shall deposit with the Escrow Trustee for further deposit into the Escrow Fund in accordance with the terms of the Escrow Trust Agreement the Refunded Bonds Principal and Interest Amounts.

Section 6.03. Application of Moneys in the Escrow Fund and Cost of Issuance Fund. Moneys in the Escrow Fund and Cost of Issuance Fund shall be administered in accordance with the provisions of the Escrow Trust Agreement. The Mayor or acting Mayor is further authorized and directed to execute and deliver the Escrow Trust Agreement on behalf of, and as the act and deed of the City, in substantially the form on file in the office of the City Clerk, with such corrections or amendments thereto as the Mayor or acting Mayor may approve, which approval shall be evidenced by his or her execution thereof, and to execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Resolution and the Ordinance. The City Clerk or the acting City Clerk of the City is hereby authorized and directed to attest the execution of the Escrow Trust Agreement and execute or attest such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Resolution and the Ordinance under the City's official seal.

ARTICLE VII PAYMENT OF THE BONDS

Section 7.01. Application of Moneys in the Principal and Interest Account. All amounts paid and credited to the Principal and Interest Account shall be expended and used by the City for the sole purpose of paying the principal of, premium, if any, and interest on the Bonds as and when the same become due and paying the usual and customary fees and expenses of the Paying Agent.

Section 7.02. Transfer of Funds to Paying Agent. The Treasurer is authorized and directed to withdraw from the Principal and Interest Account and forward to the Paying Agent sums sufficient to pay both principal of and premium, if any, and interest on the Bonds as and when the same become due, and also to pay the charges made by the Paying Agent for acting in such capacity in the payment of principal and interest on the Bonds, and the charges shall be forwarded to the Paying Agent over and above the amount of the principal of, premium, if any, and interest on the Bonds. If, through the lapse of time, or otherwise, the Owners of Bonds shall no longer be entitled to enforce payment of their obligations, it shall be the duty of the Paying Agent to return the funds to the City. 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 the Resolution.

Section 7.03. Surplus in Principal and Interest Account. Any moneys or investments remaining in the Principal and Interest Account after the retirement of the indebtedness for which the Bonds were issued shall be transferred and paid into the Bond and Interest Fund of the City.

ARTICLE VIII DEPOSITS AND INVESTMENT OF FUNDS

Section 8.01. Deposits. Cash moneys in each of the funds and accounts created and established by this Resolution shall be deposited and secured in accordance with State law.

Section 8.02. Investments. Moneys held in the funds and accounts created or established in conjunction with the issuance of the Bonds (other than the Escrow Fund) may be invested by the City in Authorized Investments, or in other investments allowed by State law in such amounts and maturing at such times as shall reasonably provide for moneys to be available when required in the accounts or funds; 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 or account was created. All interest on any Authorized Investment held in any fund or account shall accrue to and become a part of such fund or account. In determining the amount held in any fund or account under the provisions of the Resolution, Authorized Investments shall be valued at their principal par value or at their then redemption value, whichever is lower.

ARTICLE IX DEFAULT AND REMEDIES

Section 9.01. Remedies. The provisions of the Resolution, including the covenants and agreements contained, shall constitute a contract between the City and the Owners of the Bonds. 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 City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the 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 City, 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.

Section 9.02. Limitation on Rights of Owners. The covenants and agreements of the City contained in this Resolution 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 shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds 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 Resolution. No one or more Owners secured shall have any right in any manner whatever by such Owner's or Owners' action to affect, disturb or prejudice the security granted and provided for in this Resolution, or to enforce any right hereunder, except in the manner 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 9.03. Remedies Cumulative. No remedy conferred 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. 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. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the City 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.

ARTICLE X AMENDMENTS

Section 10.01. Amendments. The City may from time to time, without the consent of or notice to any of the Owners, provide for amendment to the Bonds or the Resolution, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Resolution or Bonds or to make any other change not prejudicial to the Owners;

(b) 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; or

(c) To conform the Resolution or Bonds to the Code or future applicable federal law concerning tax-exempt obligations.

The following modifications or amendments to the Bonds or the Resolution shall require the consent of 100% of the Owners of the Bonds:

(a) The extension of the maturity of the principal of any of the Bond, or the extension of the maturity of any interest on any of the Bonds;

(b) A reduction in the principal amount of any of the Bonds or the rate of interest on the Bonds; or

(c) A reduction in the aggregate principal amount of the Bonds.

Amendments or modifications of the Bonds and the Resolution not listed above may be made at any time by the City with the written consent of the Owners of not less than 66.66% in aggregate principal amount of the Bonds at the time Outstanding.

Section 10.02. Written Evidence of Amendments. Every amendment or modification of a provision of the Bonds or of the Resolution to which the written consent of the Owners is given as above provided shall be expressed in a resolution of the City amending or supplementing the provisions of the Resolution and shall be deemed to be a part of the Resolution. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification, if any. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of the Resolution shall always be kept on file in the office of the City Clerk and shall be made available for inspection by the Owners of any Bond or prospective purchaser or Owners of any Bond authorized by the Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of the Resolution will be sent by the City Clerk to any such Owner or prospective Owner.

ARTICLE XI DEFEASANCE

Section 11.01. Defeasance. When all or any part of the Bonds or scheduled interest payments shall have been paid and discharged, then the requirements contained and the pledge of the City's faith and credit and all other rights granted shall cease and determine. Bonds or scheduled interest payments shall be deemed to have been paid and discharged within the meaning of the Resolution if there shall have been deposited with the Paying Agent or a bank located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of the Bonds, in trust for and irrevocably appropriated, moneys and/or United States Government Obligations, or other investments allowed by State law which, together with the interest to be earned on such United States Government Obligations, will be sufficient for the payment of the principal of the Bonds, the redemption premium thereon, if any there be, and/or interest accrued to the Stated Maturity or Redemption Date, as the case may be, or if default in

such payment shall have occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds shall be redeemed prior to their Stated Maturity (a) the City has elected to redeem such Bonds and (b) either notice of such redemption has been given or the City has given irrevocable instructions, or shall have provided an escrow agent to give irrevocable instructions to the Paying Agent to give such notice of redemption in compliance with Article III of this Resolution. Any moneys and United States Government Obligations which at any time shall be deposited with the Paying Agent or such bank by or on behalf of the City, for the purpose of paying and discharging any of the Bonds shall be and are assigned, transferred and set over to the Paying Agent or such bank in trust for the respective Owners of the Bonds, and such moneys shall be and are irrevocably appropriated to the payment and discharge. All moneys and United States Government Obligations deposited with the Paying Agent or such bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Resolution.

ARTICLE XII TAX COVENANTS

Section 12.01. General Covenants.

(a) The City covenants and agrees that:

(i) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and

(ii) it will not use or permit the use of any proceeds of Bonds or any other funds of the City, not take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds. The City 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 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants and agrees that:

(i) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds;

(ii) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued; and

(iii) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of §148(a) of the Code.

(c) The City covenants and agrees that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Bond to be a “private activity bond” within the meaning of §141(a) of the Code.

Section 12.02. Exception From Rebate Requirements. The City makes the following representations in connection with the exception for small governmental units from the arbitrage rebate requirements under §148(f)(4)(c) of the Code:

(a) The City is a governmental unit with general taxing powers;

(b) None of the Bonds is a private activity bond as defined in Section 141 of the Code;

(c) 95% or more of the net proceeds of the Bonds are to be used for local government activities of the City (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the City);

(d) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City and all other entities described in § 148(f)(4)(D)(ii) of the Code during the calendar year that the Bonds are issued, including the Bonds, is not reasonably expected to exceed \$5,000,000; and

(e) The City (and all other entities described in § 148(f)(4)(D)(ii) of the Code) will not issue in excess of \$5,000,000 of tax-exempt bonds (including the Bonds, but excluding private activity bonds) during the calendar year in which the Bonds are issued without first obtaining an opinion of Bond Counsel that the excludability of the interest on the Bonds from gross income for federal tax purposes will not be adversely affected.

Section 12.03. Designation of Bonds as Qualified Tax-Exempt Obligations. The City designates the Bonds to be “qualified tax-exempt obligations” as such term is defined in § 265(b)(3) of the Code. In addition, the City represents that:

(a) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds which are not “qualified 501(c)(3) bonds”) which will be issued by the City (and all subordinate entities) during the calendar year that the Bonds are issued is not reasonably expected to exceed \$10,000,000; and

(b) the City (including all subordinate entities) will not issue an aggregate principal amount of obligations designated by the City to be “qualified tax-exempt obligations” during the calendar year that the Bonds are issued, including the Bonds, in excess of \$10,000,000, without first obtaining an opinion of Bond Counsel that the designation of the Bonds as “qualified tax-exempt obligations” will not be adversely affected.

The Mayor is authorized to take such other action as may be necessary to make effective the designation contained in this subsection.

Section 12.04. Survival of Covenants. The covenants contained in this Article shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to Article XI or any other provision of this Resolution until the final maturity date of all Bonds Outstanding.

ARTICLE XIII DISCLOSURE

Section 13.01. Preliminary Official Statement and Final Official Statement. The City ratifies and confirms its prior approval of the form and content of the Preliminary Official Statement. The Preliminary Official Statement is “deemed final” by the City except for the omission of certain information as provided in the SEC Rule. The City approves the form and content of any addenda, supplement, or amendment thereto utilized to prepare the Final Official Statement. The Final Official Statement is “deemed final” by the City in accordance with the provisions of the SEC Rule. The use of the Final Official Statement in the reoffering of the Bonds by the Underwriter is approved and authorized. The proper officials of the City are authorized to execute and deliver a certificate pertaining to the accuracy and adequacy of the information in the Preliminary Official Statement and the Final Official Statement.

Section 13.02. Continuing Disclosure. The City covenants and agrees to provide continuing disclosure as required by the SEC Rule and as set forth in the Continuing Disclosure Letter attached to the Preliminary Official Statement and made a part hereof.

ARTICLE XIV MISCELLANEOUS PROVISIONS

Section 14.01. Bond Purchase Agreement. The Mayor and the City Clerk are authorized to enter into the Bond Purchase Agreement between the City and the Underwriter in substantially the form submitted to the Governing Body concurrently with the adoption of the Resolution, under which the City agrees to sell the Bonds to the Underwriter at the Purchase Price, upon the terms and conditions set forth, with such changes as shall be approved by the Mayor and the City Clerk, which officers are authorized to execute such document for and on behalf of the City, such officers’ signatures thereon being conclusive evidence of their approval.

Section 14.02. Succession of a Securities Depository. In the event the Securities Depository resigns 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 City may appoint a successor Securities Depository provided the City receives written evidence, satisfactory to the City, 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. The City, upon receipt of a book-entry Bond for cancellation shall cause the authorization and delivery of a book-entry Bond to the successor Securities Depository in appropriate denominations and form as provided in this Resolution. If the City makes the determinations or receives the notice described in Section 2.04

of this Resolution, the City shall cause the notices described in Section 2.04 to be delivered and issue Bonds as described in that section.

Section 14.03. Severability. In case any one or more of the provisions of the Resolution or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of the Resolution, or of the Bonds appertaining thereto, but the Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in the Resolution shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent permitted by law.

Section 14.04. Further Authority. The Mayor, City Clerk and other officials of the City are 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 Resolution to make alterations, changes or additions in the 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 14.05. Governing Law. The Resolution and the Bonds shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 14.06. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Governing Body of the City.

[Remainder of Page Intentionally Left Blank]

ADOPTED by the Governing Body of the City on March 7, 2012.

CITY OF OTTAWA, KANSAS

By _____
Mayor

(Seal)

Attest:

City Clerk

EXHIBIT A
(Form of Bond)

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation, (“DTC”), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED
NUMBER R-__

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF FRANKLIN
CITY OF OTTAWA

GENERAL OBLIGATION REFUNDING BOND
SERIES 2012B

Interest Rate:	Maturity Date:	Dated Date:	CUSIP:
_____%	October 1, ____	March 15, 2012	_____

REGISTERED OWNER: Cede & Co. Tax Identification No. 132555119-0

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Ottawa, in the County of Franklin, State of Kansas (the “City”), for value received, acknowledges itself to be indebted and promises to pay to the owner identified above or registered assigns (the “Owner”), as of the Record Dates as provided on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on such Principal Amount at the rate of interest per annum set forth above (computed on the basis of a 360-day year of 12 30-day months), semiannually on April 1 and October 1 of each year, commencing October 1, 2012 (the “Interest Payment Dates”), until the Principal Amount is paid from the Dated Date hereof or the most recent Interest Payment Date to which interest has been paid.

The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date, upon presentation and surrender of this Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest

payable on this Bond on any Interest Payment Date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Bond Registrar at the close of business on the record date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding the Interest Payment Date (the "Record Dates"). Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of the Owner shown on the Bond Register, (b) at such other address as is furnished to the Paying Agent in writing by the Owner or (c) in the case of an interest payment to any Owner that is a securities depository, by wire transfer to such Owner upon written notice given to the Paying Agent by such Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address (which shall be in the continental United States) to which such Owner wishes to have such wire directed. The principal or redemption price of and interest on the Bonds shall be payable in any coin or currency that, on the respective dates of payment, is legal tender for the payment of public and private debts.

This Bond is one of an authorized series of Bonds of the City designated "General Obligation Refunding Bonds, Series 2012B," in an aggregate principal amount of \$820,000 (the "Bonds") issued for the purposes set forth in the Ordinance of the City authorizing the issuance of the Bonds and the Resolution of the City prescribing the form and details of the Bonds (jointly, the "Resolution"). The Bonds are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including, but not limited to, K.S.A. 10-427 *et seq.*, as amended, and all other applicable provisions of the laws of the State of Kansas. The Bonds constitute general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are pledged for the payment of the principal of and interest on this Bond and the issue of which it is a part as the same respectively become due.

Optional Redemption. At the option of the City, Bonds maturing October 1, 2019, and thereafter, may be called for redemption and payment prior to maturity on October 1, 2018, or thereafter at any time, in whole or in part (selection of Bonds to be designated by the City in such equitable manner as it may determine), at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

[Sinking Fund Redemption. Each of the Bonds maturing on October 1, _____ (the "Term Bonds") shall also be subject to mandatory redemption and payment on October 1, _____, or on any October 1 thereafter, pursuant to the redemption schedule in the Resolution, at the principal amount, plus accrued interest to date fixed for redemption and payment, without premium. The City agrees to redeem the Term Bonds in the principal amounts and at the times set forth in the Resolution.]

Whenever the City is to select Bonds for the purpose of redemption, it shall, in the case of Bonds in denominations greater than \$5,000, if less than all of the Bonds then outstanding are to be called for redemption, treat each \$5,000 of face value of each such fully registered Bond as though it were a separate Bond in the denomination of \$5,000.

If any Bonds are called for redemption and payment prior to maturity, the City shall instruct the Bond Registrar to give written notice of its intention to call and pay such Bonds on a

specified date, the same being described by maturity, this notice to be mailed by United States first class mail addressed the Owners of the Bonds, each of these notices to be mailed not less than 30 days prior to the date fixed for redemption. All Bonds so called for redemption and payment as described above shall cease to bear interest from and after the date for which such call is made, provided funds are available for the payment of such Bonds at the price specified.

The Bonds are issued in fully registered form in the denomination of \$5,000 or any integral multiple. This Bond may be transferred or exchanged, as provided in the Resolution, only on the Bond Register kept for that purpose at the office of the Bond Registrar, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar executed by the Owner or the Owner's authorized agent, and thereupon a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution and upon payment of the charges prescribed. The City, the Paying Agent and the Bond Registrar may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute owner for the purpose of receiving payment of, or on account of, the principal or redemption price and interest due and for all other purposes, and the City, the Paying Agent and the Bond Registrar shall not be affected by any notice to the contrary. The City shall pay all costs incurred in connection with the issuance, payment and initial registration of the Bonds and the cost of a reasonable supply of bond blanks.

The City 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 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 City of its intent to pay Defaulted Interest (as defined in the Resolution) and ending at the close of business on the date fixed for the payment of Defaulted Interest.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond Registrar.

IT IS DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Bond have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, and that the total indebtedness of the City, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its seal to be affixed to or imprinted on, and this Bond to be dated the Dated Date shown herein.

CITY OF OTTAWA, KANSAS

By _____
Mayor

(Seal)

CERTIFICATE OF STATE TREASURER

I, RON ESTES, Treasurer of the State of Kansas, do certify that a transcript of the proceedings leading up to the issuance of this Bond has been filed in my office, and that this Bond was registered in my office according to law on _____.

WITNESS my hand and official seal.

(Seal)

RON ESTES
Treasurer of the State of Kansas

BOND ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

(Print or Type Name, Address and Social Security Number or
other Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and irrevocably constitutes and appoints _____ agent to transfer the within Bond on the books kept by the Paying Agent for the registration, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By _____
Name _____
Title _____

**EXHIBIT B
ADDITIONAL TERMS OF THE BONDS**

Definitions. The following terms defined in the Resolution shall have the meanings ascribed below

“Ordinance” means Ordinance No. _____ of the City authorizing the issuance of the Bonds.

“Purchase Price” for the Bonds shall be the par value of the Bonds plus accrued interest to the date of delivery plus a premium of \$_____[, less an underwriting discount of \$_____].

“Refunded Bonds Principal and Interest Amounts” means \$_____ from the principal and interest account established in the treasury of the City for payment of the Series 2003 Bonds.

[**“Term Bonds”** shall mean the ____ Term Bonds and the ____ Term Bonds.]

[**“____ Term Bonds”** shall mean the Bonds maturing in the year ____.]

[**“____ Term Bonds”** shall mean the Bonds maturing in the year ____.]

Maturity Schedule. All of the Bonds shall be become due on the Stated Maturities, and shall bear interest as the rates per annum as follows:

SERIAL BONDS

Stated Maturity October 1	Principal Amount	Interest Rate	Stated Maturity October 1	Principal Amount	Interest Rate
2012	\$20,000	%	2018	\$75,000	%
2013	65,000		2019	75,000	
2014	65,000		2020	75,000	
2015	70,000		2021	75,000	
2016	70,000		2022	80,000	
2017	70,000		2023	80,000	

[TERM BONDS

Stated Maturity October 1	Principal Amount	Interest Rate
	\$	%

[**Mandatory Redemption.** Each of the ____ Term Bonds shall also be subject to mandatory redemption and payment on October 1, _____, or on any Stated Maturity thereafter,

pursuant to the redemption schedule set out below, at the principal amount, plus accrued interest to date fixed for redemption and payment, without premium. The City agrees to redeem the following principal amounts of the _____ Term Bonds in each of the following years:

Principal Amount	Year
-----------------------------	-------------

[**Mandatory Redemption.** Each of the _____ Term Bonds shall also be subject to mandatory redemption and payment on October 1, _____, or on any Stated Maturity thereafter, pursuant to the redemption schedule set out below, at the principal amount, plus accrued interest to date fixed for redemption and payment, without premium. The City agrees to redeem the following principal amounts of the _____ Term Bonds in each of the following years:

Principal Amount	Year
-----------------------------	-------------

]

MEMORANDUM

TO: RICHARD U. NIENSTEDT, CITY MANAGER AND THE HONORABLE CITY COMMISSION
FROM: SCOTT D. BIRD, DIRECTOR OF FINANCE
SUBJECT: NEW IRS REGULATIONS RELATED TO BOND ISSUES
DATE: 2/24/2012

The information below is a copy of an email received from the City's Bond Council Dotty Riley of Kutak Rock. This information relates to the attached policy, which is respectfully recommended for adoption at the next regular meeting.

Scott:

Last fall the IRS changed certain information that has to be reported in the form 8038 that must be filed by the City with the IRS following the issuance of each series of tax exempt obligations. The form 8038 now contains boxes to check if the City has adopted policies and procedures to assist the City with monitoring compliance with federal tax requirements following the issuance of tax-exempt debt. Although there is no legal requirement that the City adopt such procedures, the IRS, through a series of actions, is clearly urging issuers to adopt such policies and our tax attorneys believe that a failure to check the applicable boxes may result in increased interest by the IRS in auditing your bonds and notes. Because of this and because it just makes sense to have a systematic way of monitoring your bond obligations, we recommend that you formally adopt post issuance compliance procedures.

To enable the City to proceed with the adoption of such procedures, I have attached a suggested form of policies and procedures relating to post issuance compliance and have included language in the bond resolution we have prepared that authorizes the adoption of such procedures. The City always covenants and agrees in its bond documents to comply with all federal tax requirements and the bond transcripts always include additional detail on what the requirements are but the procedures are intended to provide a more specific checklist of activities. In other words, the City is already obligated to make sure the bonds don't become taxable, the procedures just provide some additional direction on how to meet those obligations and they also include an assignment of responsibility for the task.

The draft I have proposed identifies the Finance Director as the responsible officer for these matters but, if you prefer to assign some or all of the tasks to a different officer or officers, just let me know.

The adopted procedures will apply to all future issues so you will not need to go through this process for future issues unless you want to make substantive changes to the procedures.

If you have any questions, please let me know. Dotty

Dorothea K. Riley
Kutak Rock LLP
Suite 500
1010 Grand Boulevard
Kansas City, MO 64106-2220

**CITY OF OTTAWA, KANSAS
POST-ISSUANCE TAX COMPLIANCE AND
CONTINUING DISCLOSURE UNDERTAKING POLICIES AND PROCEDURES
FOR GOVERNMENTAL AND AIRPORT EXEMPT FACILITY OBLIGATIONS
ADOPTED MARCH 7, 2012**

This Post-Issuance Tax Compliance Policies and Procedures is intended to guide the City of Ottawa, Kansas (the “Issuer”) in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed bonds, notes and other obligations (collectively “bonds”) of the Issuer. This policy addresses obligations of the Issuer that arise and will continue following the issuance of bonds. These obligations may arise as a result of federal tax law (with respect to tax-exempt securities) and securities laws (with respect to ongoing disclosure) or as a result of contractual commitments made by the Issuer.

This policy outlines obligations that may be applicable to each issue of bonds and identifies the party to be responsible for monitoring compliance. In the Issuer, the Finance Director (the “Compliance Officer”) will be responsible for ensuring that the policy is followed and checklists and records maintained. The Compliance Officer may delegate responsibility to employees and outside agents for developing records, maintaining records, and checklists. The Issuer will provide educational opportunities (opportunities to attend educational programs/seminars on the topic) for the parties identified in this policy with responsibilities for post-issuance compliance in order to facilitate their performance of these obligations.

A. Transcripts.

1. The Issuer’s bond counsel shall provide the Issuer with a transcript related to the issuance of bonds (for each issue). It is expected that the transcript will include a full record of the proceedings related to the issuance of bonds, including proof of filing an 8038, 8038-G or 8038-GC, if applicable.

2. Bond transcripts will be retained by the City Clerk at the Issuer’s administrative office in the City of Ottawa, Kansas.

B. Federal Tax Law Requirements (Applicable only if the bonds are issued as “tax-exempt” securities).

1. *Use of Proceeds.*

a. If the project(s) to be financed with the proceeds of the bonds will be funded with multiple sources of funds, the Issuer will adopt an accounting methodology that maintains each source of funding separately and monitors the actual expenditure of proceeds of the bonds.

b. Records of expenditures (timing of expenditure and object code) of the proceeds of bonds will be maintained by the Compliance Officer.

c. Records of interest earnings on the proceeds of bonds will be maintained by the Compliance Officer. Interest earnings on proceeds will be deposited in the fund in which the proceeds of the bonds were deposited. If for any reason interest earnings will not remain in the fund in which the proceeds of bonds were deposited, then the plan for use of interest earnings will be discussed with the Issuer’s bond counsel.

d. Records of interest earnings on reserve funds maintained for the bonds (unless the original principal amount of a governmental bond issue, including other issues during the same calendar year, was \$5,000,000 or less).

e. Records of the amount of airport exempt facility bonds used to pay costs of issuance (not more than 2% of the sale proceeds of the airport exempt facility bonds, including any refunding bonds, may pay the costs of issuance of the Notes) and not less than 95% of the net proceeds of airport exempt facility bonds must be used to provide for the airport project).

2. *Arbitrage Rebate.* The Compliance Officer (“Rebate Monitor”) will monitor compliance with the arbitrage rebate obligations of the Issuer for each issue (“issue”) of bonds. The Issuer will provide educational opportunities, through attendance at educational programs/seminars on the topic of arbitrage regulations, to support the Rebate Monitor and facilitate his/her performance of these obligations.

a. If the Rebate Monitor determines that the total principal amount of tax-exempt governmental bonds (including all tax-exempt leases) issued or incurred by the Issuer during any calendar year, including the issue, will not be greater than \$5,000,000, the Rebate Monitor will not be required to monitor arbitrage rebate compliance for such governmental bonds, but will monitor expenditures and the use of proceeds after completion of the project as set forth in number 3 below.

b. If the Rebate Monitor determines that the total principal amount of governmental bonds (including all tax-exempt leases, etc.) of the Issuer issued or incurred will be greater than \$5,000,000, the Rebate Monitor will monitor arbitrage rebate compliance for such governmental bonds and for all airport exempt facility bonds.

i. *Rebate Exceptions.* The Rebate Monitor will review the closing certificate, arbitrage letter of instructions, tax certificate, tax agreement or other transcript document relating to the instructions for compliance with federal tax law (the “tax certificate”) in the transcript in order to determine whether the Issuer expected to comply with a spending exception that would permit the Issuer to avoid having to pay arbitrage rebate. If the tax certificate identifies this spending exception (referred to as the six-month exception, the 18-month exception or the 24-month spend-down exception), then the Rebate Monitor will monitor the records of expenditures (described in B.1. above) to determine whether the Issuer met the spending exception. If the Issuer met the relevant spending exception, the Rebate Monitor will retain documentation demonstrating timing of expenditures, and will not need to perform arbitrage rebate calculations or pay an arbitrage rebate to the federal government.

ii. *Rebate Compliance.* If the Issuer did not meet or does not expect to meet any of the spending exceptions described in (i) above, the Issuer will:

(a) review the investment earnings records retained as described in B.1. above. If the investment earnings records clearly and definitively demonstrate that the rate of return, on investments of all proceeds of the issue, were lower than the “arbitrage yield” on the issue then the Rebate Monitor may retain documentation describing the basis for such determination in lieu of following the steps described in the following paragraph. The “arbitrage yield” can be found in the tax certificate or Form 8038-G in the transcript.

(b) retain the services of an arbitrage rebate consultant in order to calculate any potential arbitrage rebate liability. The rebate consultant may be selected no later than the completion of the project to be financed with the proceeds of the issue but in no event later than the date the bonds mature or are redeemed in full. The selected rebate consultant shall provide a written report to the Issuer with respect to the issue and with respect to any arbitrage rebate owed if any.

(c) based on the report of the rebate consultant, file reports with the Internal Revenue Service, no later than 60 days after the fifth anniversary of the date of each issue, and every five years thereafter, with the final installment due no later than 60 days following the retirement of the last bond of the issue.

3. *Unused Proceeds Following Completion of the Project.* Following completion of the project(s), financed with the issue proceeds (or three years from the date of issuance if this occurs first), the Compliance Officer will:

a. review the expenditure records to determine whether the proceeds have been allocated to the project(s) intended and if any questions arise, consult with bond counsel in order to determine the method of re-allocation of proceeds; and

b. direct the use of remaining unspent proceeds in accordance with the limitations set forth in the authorizing proceedings (e.g., bond resolution, bond ordinance, trust indenture, etc.) and if no provision is otherwise made for the use of unspent proceeds, to the redemption or defeasance of outstanding bonds of the issue.

c. If after three years unused proceeds remain, the Compliance Officer will consult with bond counsel regarding potential yield restriction or yield reduction payments relating to the unspent bond proceeds.

4. *Facilities and Use of the Facilities Financed with Governmental Bond Proceeds, Private Use.* The Issuer's Compliance Officer will monitor and confirm that the Issuer maintains an asset list or other record regarding all facilities and equipment that are bond-financed with governmental bonds, and depreciation schedules for such facilities and equipment. In order to maintain tax-exemption of governmental bonds issued on a tax-exempt basis, the financed facilities (projects) are required to be used for governmental purposes during the life of the governmental bond issue.

The Compliance Officer will coordinate with Issuer staff to monitor and maintain records regarding any private use of the projects financed with tax-exempt governmental bond proceeds. The IRS Treasury Regulations prohibit private business use (use by private parties including nonprofit organizations and the federal government) of tax-exempt financed facilities beyond permitted *de minimus* amounts unless cured by a prescribed remedial action. Private use may arise as a result of activities such as the following:

a. Sale of the facilities;

b. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;

c. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria), research contracts and naming rights contracts;

d. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot); and

e. Joint-ventures, limited liability companies or partnership arrangements.

If the Compliance Officer identifies private use of tax-exempt debt financed facilities, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will

adversely affect the tax-exempt status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

5. *Facilities and Use of the Facilities Financed with Airport Exempt Facility Bond Proceeds.* The Issuer's Compliance Officer will monitor and confirm that the Issuer maintains an asset list or other record regarding all facilities and equipment that are bond-financed with airport exempt facility, and depreciation schedules for such facilities and equipment. In order to maintain tax-exemption of airport exempt facility bonds issued on a tax-exempt basis, the financed facilities (projects) are required to be used for an "airport" as defined in the IRS Treasury Regulations during the life of the airport exempt facility bond issue.

The Compliance Officer will coordinate with Issuer staff to monitor and maintain records regarding the ownership and use of the projects financed with airport exempt facility bond proceeds. Section 142(b)(1) of the Code requires the IRS Treasury Regulations prohibit private business uses (use in a trade of business carried on by any person other than a governmental unit, not including use by the general public, but including property leased or managed by any person other than a governmental unit or its operating authority). Private business use is specifically prohibited with respect to any lodging facility, any retail facility (including food and beverage facilities) in excess of a size necessary to serve passengers and employees at the airport facility, any retail facility (other than parking) for passengers or the general public located outside the Issuer's terminal facilities, any office building for individuals who are not employees of the Issuer, and any industrial park and manufacturing facility.

The Compliance Officer will coordinate with Issuer staff to monitor and maintain records regarding the use of such projects financed with airport exempt facility bond proceeds for office space (except for a de minimis amount, the functions performed at such office must be directly related to the day-to-day operations of the airport) and storage or training facilities (which must be directly related to the airport). The Compliance Officer will consult with bond counsel regarding any changes in the use or ownership of the airport exempt facility bond financed projects that occur after the issuance of the bonds.

6. *Records Retention.*

a. Records with respect to matters described in this Subsection B will be retained by the Issuer for the life of the bond issue (and any issue that refunds the bond issue) and for a period of six years thereafter.

b. Records to be retained:

(i) The transcript;

(ii) Arbitrage rebate reports prepared by outside consultants;

(iii) Detailed records of expenditures of bond proceeds (including interest earnings);

(iv) Work papers that were provided to the rebate consultants; and

(v) If no rebate report was prepared, then records of expenditures and investment receipts showing timing of expenditure and the object code of the expenditure and in the case of investment, timing of receipt of interest earnings. (Maintenance of underlying invoices should not be required; however, if those documents are maintained as a matter of policy in electronic form, then continue to maintain those records in accordance with this policy).

(vi) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate) and all reports regarding IRS examinations of Issuer or its bond financings.

(vii) Copies of all documents related to potential private use as set forth in B.4. and B.5. above, including leases, user agreements for use of the financed property (agreements that provide for use of the property for periods longer than 30 days), whether or not the use was within the four walls, e.g., use of the roof of the facility for a cell phone tower.

(viii) Documents to establish valuation and source of funding for bond-financed project, including appraisals, demand and feasibility studies and grant contracts.

(ix) Construction and purchase contracts.

(x) Records related to investment contracts, credit enhancement contracts, derivatives and all related bidding documents.

(xi) Any other documentation necessary to establish the qualification for tax-exemption of the bonds.

C. Ongoing Disclosure. Under the provisions of SEC Rule 15c2-12 (the “Rule”), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of bonds. Unless the Issuer is exempt from compliance with the Rule as a result of certain permitted exemptions, the transcript for each issue will include an undertaking by the Issuer to comply with the Rule. The Compliance Officer of the Issuer will monitor compliance by the Issuer with its undertakings, which may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed “material events.”

D. Other Notice Requirements. In some instances, the proceedings authorizing the issuance of bonds will require the Issuer to file information periodically with other parties, e.g., bond insurers, banks, rating agencies. The types of information required to be filed may include (1) budgets, (2) annual financial reports, (3) issuance of additional debt obligations, and (4) amendments to financing documents. The Compliance Officer of the Issuer will maintain a listing of those requirements and monitor compliance by the Issuer.

MEMORANDUM

TO: RICHARD U. NIENSTEDT, CITY MANAGER AND THE HONORABLE CITY COMMISSION
FROM: SCOTT D. BIRD, DIRECTOR OF FINANCE
SUBJECT: MAC FASTENERS TAX ABATEMENT REQUEST
DATE: 2/27/2012

Mac Fasteners Economic Development

Please find attached, four documents related to the request from Mac Fasteners for an abatement of property tax, related to the recent expansion of the company's production facilities and projected increases in employment. The attached documents includes a resolution, ordinance, a contract between the City of Ottawa and Mac Fasteners, Inc and the Cost/Benefit analysis. Please note; the three action items have recently been reviewed by the City Attorney and by Mac Fasteners legal counsel.

As has previously been discussed, this new facility is a \$2 million project and was constructed on land in the City's Industrial Park, which was recently purchased from the city. It is located next to Mac Fasteners existing production facility located at 1110 E. Enterprise. The addition of this new building provides approximately 28,000 square feet of manufacturing and warehouse space. Having this additional room allows Mac Fasteners to immediately add eight new employees, with the anticipation of future hiring.

The City's Review committee met in September and based upon a positive Cost/Benefit analysis, recommended a ten year abatement at 55%, which would be loaded in the first 6 years of the abatement period, (see chart 1). The City's policy calls for a 1.35 to 1 benefit to cost ratio. The analysis completed by the state of Kansas, based on information provided by Mac Fasteners and the City estimates a favorable 3.96 to 1 benefit to cost ratio and a 25.79% compound rate of return to the city over the next 10 years. In accordance with the prescribed procedure, a public hearing was conducted on December 7, 2011 with one county resident speaking opposed to abating the property.

Staff respectfully recommends adoption of the resolution, ordinance and that the contract be executed with Mac Fasteners.

Chart 1

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	50%
Year 7	0%
Year 8	0%
Year 9	0%
Year 10	0%
Average	55%

A Tax Abatement Cost-Benefit Analysis of Mac Fasteners 2011

The firm is located in: **City of Ottawa**

Report Printed: 11/22/2011

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

Expanded Manufacturing and Office Space

This report includes an analysis of costs and benefits from the firm for the following taxing entities where the firm is or will be located. These taxing entities are considering tax abatements or incentives for the firm:

City:	Ottawa
County:	Franklin
School District:	USD #290
State of Kansas	

Contents of this report:

About this Cost-Benefit Analysis Report	Page 2
Summary of Costs and Benefits for all Taxing Entities	Page 5
The Economic Impact that the Firm will have on the Community	Page 6
Costs and Benefits for:	
City: Ottawa	Page 7
County: Franklin	Page 8
School District: USD #290	Page 9
State of Kansas	Page 10

This Kansas Tax Abatement Cost Benefit Analysis (CBA) is prepared by the Kansas Department of Commerce for the benefit and use of the State of Kansas and its local units of government. This model was developed to assess the costs and benefits property tax abatement and economic development incentives have on state revenues. The Department of Commerce makes no representations, guarantees, or warranties as to the accuracy, completeness, or suitability of the analysis or information contained in this CBA. The Kansas Department of Commerce specifically disclaims any and all liability for any claims or damages that may result from other uses of the analysis in this CBA.

About this Cost-Benefit Analysis Report

This cost-benefit analysis report was prepared using a computer program that analyzes economic and fiscal impact. The report shows the impact that the firm, its employees and workers in spin-off jobs will have on the community and the state.

The economic impact over the next ten years is calculated along with the accompanying public costs and benefits for the State of Kansas and the taxing entities included in this analysis.

The analysis also shows the effect of tax abatements and incentives that may be considered for the firm.

Here is how the analysis was performed:

1. Data was entered for the state and community's tax and other rates; the firm and its employees; tax abatements and other incentives being considered for the firm; construction activity; and expected visitors.
2. Using the data entered, as well as some rates built into the computer program, calculations were made of the economic impact of the firm along with the related costs and benefits.

The calculations of impact include direct, indirect and induced impact. Regional economic multipliers, specific to the firm's industry group, were used by the program to calculate the direct and induced or spin-off jobs and earnings in the community.

These are the report sections:

Summary of Costs and Benefits for all Taxing Entities

This report page summarizes the costs and benefits for all taxing entities resulting from the firm and from new direct, indirect and induced jobs.

The Economic Impact that the Firm will have on the Community

This report page shows the number of direct, indirect and induced jobs that will be created in the community, the number of new residents and additional school children, and increases in local personal income, retail sales, economic activity and the property tax base in the first year and over the next ten years.

Benefits and Costs for Each Taxing Entity

These report pages summarize the costs and benefits for the State of Kansas and for each taxing entity as a result of the firm locating or expanding in the Kansas community.

The public benefits include additional revenues from the firm and employees for the taxing entities - - sales taxes, property taxes, utilities, utility franchise fees, other payments by new residents, Payments in lieu of taxes (PILOT) by the firm and additional school funding. Public costs include the additional costs of public services for new residents and the firm, costs of educating new students that move to the school district, along with tax abatements and incentives provided to the firm.

In addition to a presentation of public costs and benefits, this report also computes the present value of net benefits to be received by each taxing entity; the payback period for incentives and taxes to be abated; the rate of return on investment for each entity, and, cost benefit ratios.

Payback Period

The investment payback period for each taxing entity was computed. This analysis views the financial incentives, including tax abatement, that the taxing entities are considering for the firm as an investment that the public will be making in the company. The payback period, therefore, is the number of years that it will take each taxing entity to recover the cost of incentives from the net annual benefits that they will receive. This payback period also shows the point in time where the cost and benefits are equal for the level and length of tax abatements and incentives being granted. The payback period is a basis for judging the appropriateness of providing incentives to a firm. Generally, the shorter the payback period the better the investment.

Present Value

The present value of the expected cash flow over the next ten years for each entity was computed. Present value is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. The analysis uses a discount rate that is entered to make the dollars comparable—by expressing them in today's dollars (present value). Generally, a positive present value indicates an acceptable investment.

Rate of Return on Investment

The rate of return on investment for each taxing entity was also computed. As with the computation of payback, the rate of return analysis views the incentives that each taxing entity is considering as an investment that the public will be making in the company. The rate of return, therefore, is the compound rate of return, over the next ten years, on each taxing entity's investment in the firm. Generally, a positive compound rate of return is considered desirable.

Benefit to Cost Ratio

The benefit to cost ratio for each taxing entity was also computed. This ratio compares public benefits over a ten year period from the new or expanding firm to public costs during the same period. For example, a benefit to cost ratio of 1.55 (or 1.55 to 1) shows that ten year benefits are 155 percent of public costs. Conversely, a benefit to cost ratio of .75 shows that public benefits are only 75 percent of public costs --costs exceed benefits. Generally, a benefit to cost ratio of 1.30 to 1 is considered acceptable for a taxing entity to grant tax abatements and other financial incentives to a firm.

How were the benefits and costs determined?

City, County, Special Taxing District and State Benefits and Costs

The Cost Benefit Analysis (CBA) operates with the assumption that 70% of the jurisdiction's revenues and expenditures supports its citizens, and 30% supports its businesses. Therefore, 70% of the revenues/costs (divided by number of residents) are calculated as the average revenue/cost per resident; 30% of these revenues/costs (divided by the number of workers in the jurisdiction) are calculated as the average revenue/cost per worker.

The CBA predicts potential benefits and costs from residents by multiplying the number of new employees moving to the jurisdiction by the average revenue/cost per resident. Benefits and costs from the business expansion are predicted by multiplying the average revenue/cost per worker.

Collection of sales taxes, transient guest taxes and property taxes as well as utility enterprises and franchise fees are potential benefits from an expansion.. Other revenues include fees, permits, license, and other charges.

The program predicts costs by removing utility enterprise expenditures and internal transfers from the general operating budget, and reducing the result to a cost per resident and a cost per worker.

School District Benefits and Costs

Property taxes as well as state and federal payments per full time student are used to predict benefits a school district may realize. The Kansas Department of Education condenses the school district's budget to a cost per student. One new student will not cause the addition of a new classroom or the hiring of another teacher, so it would not be fair to estimate the impact of new students using the average cost per student. The program utilizes a marginal cost per student (10% of the average cost per student, unless a different percentage is requested) to predict the cost to the district when a new student is added. Revenue per student is calculated from the amount of state and federal payment per student that the district receives.

The business predicts the average family size of new employees moving to the jurisdiction and the number of school age children in the family. The CBA can work with percentages, as in a family size of 2.5.

Indirect Jobs

The ripple or spin-off economic activity created by an expansion generates indirect or induced benefits. The number of jobs this activity generates depends largely on the type of business that is expanding and what types of jobs will be needed to support not only the business, but the new employees and their families. The program uses a default of 10% of the number of new employees to predict these jobs. The percentage can be adjusted, depending on community conditions, which also determine whether the indirect workers will be moving from out of state or out of county.

Formulas used in this analysis

- **Present Value** = (Total Benefits (for the year) ÷ 1+Discount Rate (5.5%))^{Number of Years Abated})
- **Compound Rate of Return** = ((Present Value of Total Costs ÷ Present Value of Total Benefits)^(1/Number of Years Abated))-1
- **Benefit to Cost Ratio** = Present Value of Total Benefits ÷ Present Value of Total Costs
- **Payback Period** = The point where total benefits equal or surpass total costs.

K.S.A. 79-213 (g) allows governmental bodies to seek assistance provided by the Kansas Department of Commerce (COMMERCE) in preparing an application requesting exemption from property taxes. COMMERCE prepared this cost benefit analysis as a service under this statute utilizing data gathered by the requesting governmental body, and makes no recommendation to the Board of Tax Appeals either for or against approval of a request for tax abatement.

Summary of Costs and Benefits for all Taxing Units

Benefits:

	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Corporate and Personal Income Taxes	Additional School Funding	Other Revenues (Including PILOT)	Total Benefits
City: Ottawa	\$8,722	\$193,025	\$57,897			\$313,899	\$573,542
County: Franklin	\$11,713	\$248,265				\$60,270	\$320,248
USD #290		\$275,100			\$85,105		\$360,205
State of Kansas	\$50,550	\$6,621		\$603,463		\$360,719	\$1,021,354

Costs, Incentives and Taxes Abated:

	Costs of Services for the Firm and New Residents	Costs of Educating New Students	Taxes Abated	Incentives	Total Taxes Abated & Incentives	Total Costs
City: Ottawa	\$28,893		\$99,153	\$0	\$99,153	\$128,046
County: Franklin	\$39,578		\$127,529	\$0	\$127,529	\$167,107
USD #290		\$8,510	\$141,313		\$141,313	\$149,823
State of Kansas	\$114,946	\$49,039	\$3,401	\$0	\$3,401	\$167,386

Net Benefits:

	Total Benefits	Present Value of Total Benefits	Total Costs (Includes Taxes Abated and Incentives)	Present Value of Total Costs	Benefit to Cost Ratio (Over 10 Years)
City: Ottawa	\$573,542	\$407,635	\$128,046	\$102,894	3.96 : 1
County: Franklin	\$320,248	\$236,927	\$167,107	\$134,053	1.77 : 1
USD #290	\$360,205	\$254,499	\$149,823	\$123,536	2.06 : 1
State of Kansas	\$1,021,354	\$714,414	\$167,386	\$110,874	6.44 : 1

Other

	Net Benefits	Present Value of Net Benefits	Taxes Abated & Incentives	Present Value of Taxes Abated and Incentives	Payback Period for Taxes Abated and Incentives and Taxes Abated	Compound Rate of Return (Over 10 Yrs)
City: Ottawa	\$445,496	\$305,190	\$99,153	\$83,184	3 Years	25.79%
County: Franklin	\$153,141	\$102,874	\$127,529	\$108,119	5 Years	9.96%
USD #290	\$210,382	\$130,963	\$141,313	\$118,554	6 Years	12.80%
State of Kansas	\$853,968	\$599,966	\$3,401	\$2,854	1 Year	36.41%

The Economic Impact of this expansion by Mac Fasteners 2011

NAICS Code 332721 - Fabricated metal manufacturing

	<u>In the first year</u>	<u>Over the next ten years</u>
*Number of new direct and indirect jobs to be created	9	70
Number of new residents in the community	0	0
Number of additional students in the local school district	0	3
**Increase in local personal income	\$320,048	\$15,882,382
***Increase in local retail sales	\$112,017	\$5,558,834
Increase in the community's property tax base	\$3,040,250	\$3,966,837
Land	\$40,250	\$52,517
Buildings	\$1,500,000	\$1,957,160
Furniture, fixtures & Equipment	\$0	\$0
Residential Property	\$0	\$0

*The Employment Multiplier for NAICS Code 332721 is 2.2596. The Employment Multiplier is used to estimate the total change in the number of direct and indirect jobs as a result of the expansion.

**The Earnings Multiplier for NAICS Code 332721 is 2.0003. The Earnings Multiplier is used for estimating to what degree more personal income will be generated.

***The Percentage of Gross Salaries expected to be spent on retail sales is 0.35

Property taxes to be abated by the following taxing entities:

City	<input checked="" type="checkbox"/>	Special Taxing District 1	<input type="checkbox"/>
County	<input checked="" type="checkbox"/>	Special Taxing District 2	<input type="checkbox"/>
School District	<input checked="" type="checkbox"/>	The State	<input checked="" type="checkbox"/>

Percent of property taxes to be abated on:

	Land	Buildings and Improvements	Furniture, Fixtures & Equipment
Year 1	100.00%	100.00%	100.00%
Year 2	100.00%	100.00%	100.00%
Year 3	100.00%	100.00%	100.00%
Year 4	100.00%	100.00%	100.00%
Year 5	100.00%	100.00%	100.00%
Year 6	50.00%	50.00%	50.00%
Year 7	0.00%	0.00%	0.00%
Year 8	0.00%	0.00%	0.00%
Year 9	0.00%	0.00%	0.00%
Year 10	0.00%	0.00%	0.00%

City of: Ottawa

Benefits:

Year	Sales Taxes	Property Taxes	Utilities and Utility Franchise Fees	Other Municipal Revenues (Including PILOT)	Total
Construction Period	\$7,150	\$0	\$282	\$0	\$7,432
1	\$56	\$16,838	\$3,517	\$5,569	\$25,980
2	\$48	\$17,343	\$3,868	\$10,025	\$31,284
3	\$51	\$17,863	\$4,255	\$14,748	\$36,917
4	\$54	\$18,399	\$4,681	\$19,745	\$42,879
5	\$58	\$18,951	\$5,149	\$25,029	\$49,186
6	\$61	\$19,519	\$5,664	\$30,612	\$55,856
7	\$64	\$20,105	\$6,230	\$36,507	\$62,907
8	\$68	\$20,708	\$6,853	\$42,729	\$70,358
9	\$71	\$21,329	\$7,539	\$49,291	\$78,230
10	\$1,041	\$21,969	\$9,859	\$79,645	\$112,514
Total	\$8,722	\$193,025	\$57,897	\$313,899	\$573,542

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	City Costs for the firm and Municipal Services for New Residents	Total Costs, Taxes Abated & Incentives
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$16,838	\$0	\$16,838	\$512	\$17,349
2	\$17,343	\$0	\$17,343	\$922	\$18,265
3	\$17,863	\$0	\$17,863	\$1,357	\$19,220
4	\$18,399	\$0	\$18,399	\$1,817	\$20,216
5	\$18,951	\$0	\$18,951	\$2,304	\$21,255
6	\$9,760	\$0	\$9,760	\$2,818	\$12,577
7	\$0	\$0	\$0	\$3,360	\$3,360
8	\$0	\$0	\$0	\$3,933	\$3,933
9	\$0	\$0	\$0	\$4,537	\$4,537
10	\$0	\$0	\$0	\$7,332	\$7,332
Total	\$99,153	\$0	\$99,153	\$28,893	\$128,046

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$7,432	\$0	\$7,432	\$7,432	\$0
1	\$25,980	\$17,349	\$8,630	\$8,630	\$15,960
2	\$31,284	\$18,265	\$13,019	\$11,697	\$15,582
3	\$36,917	\$19,220	\$17,697	\$15,071	\$15,212
4	\$42,879	\$20,216	\$22,663	\$18,294	\$14,852
5	\$49,186	\$21,255	\$27,932	\$21,371	\$14,500
6	\$55,856	\$12,577	\$43,279	\$31,388	\$7,078
7	\$62,907	\$3,360	\$59,546	\$40,934	\$0
8	\$70,358	\$3,933	\$66,425	\$43,282	\$0
9	\$78,230	\$4,537	\$73,693	\$45,515	\$0
10	\$112,514	\$7,332	\$105,181	\$61,576	\$0
Total	\$573,542	\$128,046	\$445,496	\$305,190	\$83,184

Discounted payback period for taxes abated and incentives	3 Years
Compound rate of return over the next ten years on the city's investment of taxes abated and incentives for the firm	25.79%
Benefit/Cost Ratio (Over 10 Years).....	3.96 : 1

Franklin County

Benefits:

Year	Sales Taxes	Property Taxes	Other County Revenues (Including PILOT)	Total
Construction Period	\$9,750	\$0	\$0	\$9,750
1	\$53	\$21,656	\$1,098	\$22,807
2	\$51	\$22,306	\$1,961	\$24,318
3	\$55	\$22,975	\$2,882	\$25,912
4	\$58	\$23,664	\$3,856	\$27,579
5	\$62	\$24,374	\$4,886	\$29,322
6	\$66	\$25,106	\$5,974	\$31,146
7	\$70	\$25,859	\$7,123	\$33,052
8	\$73	\$26,635	\$8,336	\$35,044
9	\$77	\$27,434	\$9,615	\$37,126
10	\$1,398	\$28,257	\$14,537	\$44,192
Total	\$11,713	\$248,265	\$60,270	\$320,248

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	County Costs for the firm and County Services for New Residents	Total
Construction Period	\$0	\$0	\$0	\$0	\$0
1	\$21,656	\$0	\$21,656	\$713	\$22,369
2	\$22,306	\$0	\$22,306	\$1,284	\$23,590
3	\$22,975	\$0	\$22,975	\$1,890	\$24,865
4	\$23,664	\$0	\$23,664	\$2,530	\$26,195
5	\$24,374	\$0	\$24,374	\$3,208	\$27,582
6	\$12,553	\$0	\$12,553	\$3,923	\$16,476
7	\$0	\$0	\$0	\$4,679	\$4,679
8	\$0	\$0	\$0	\$5,477	\$5,477
9	\$0	\$0	\$0	\$6,318	\$6,318
10	\$0	\$0	\$0	\$9,556	\$9,556
Total	\$127,529	\$0	\$127,529	\$39,578	\$167,107

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$9,750	\$0	\$9,750	\$9,750	\$0
1	\$22,807	\$22,369	\$438	\$416	\$21,656
2	\$24,318	\$23,590	\$728	\$654	\$20,041
3	\$25,912	\$24,865	\$1,047	\$892	\$19,566
4	\$27,579	\$26,195	\$1,384	\$1,117	\$19,102
5	\$29,322	\$27,582	\$1,740	\$1,332	\$18,650
6	\$31,146	\$16,476	\$14,669	\$10,639	\$9,104
7	\$33,052	\$4,679	\$28,372	\$19,504	\$0
8	\$35,044	\$5,477	\$29,567	\$19,266	\$0
9	\$37,126	\$6,318	\$30,808	\$19,028	\$0
10	\$44,192	\$9,556	\$34,636	\$20,277	\$0
Total	\$320,248	\$167,107	\$153,141	\$102,874	\$108,119

Discounted payback period for taxes abated and incentives	5 Years
Compound rate of return over the next ten years on the county's investment of taxes abated and incentives for the firm.....	9.96%
Benefit/Cost Ratio (Over 10 Years).....	1.77 : 1

School District: USD #290

Benefits:

Year	Property Taxes	Additional State, Federal and Other School Funding (Including PILOT)	Total
1	\$23,997	\$0	\$23,997
2	\$24,717	\$0	\$24,717
3	\$25,459	\$0	\$25,459
4	\$26,222	\$0	\$26,222
5	\$27,009	\$0	\$27,009
6	\$27,819	\$0	\$27,819
7	\$28,654	\$0	\$28,654
8	\$29,513	\$0	\$29,513
9	\$30,399	\$0	\$30,399
10	\$31,311	\$85,105	\$116,416
Total	\$275,100	\$85,105	\$360,205

Costs:

Year	Additional Costs	Property Taxes Abated	Total
1	\$0	\$23,997	\$23,997
2	\$0	\$24,717	\$24,717
3	\$0	\$25,459	\$25,459
4	\$0	\$26,222	\$26,222
5	\$0	\$27,009	\$27,009
6	\$0	\$13,910	\$13,910
7	\$0	\$0	\$0
8	\$0	\$0	\$0
9	\$0	\$0	\$0
10	\$8,510	\$0	\$8,510
Total	\$8,510	\$141,313	\$149,823

Net Benefits (or Costs)

Year	Public Benefits	Total Costs and Property Taxes Abated	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of Taxes Abated
1	\$23,997	\$23,997	\$0	\$0	\$22,746
2	\$24,717	\$24,717	\$0	\$0	\$22,207
3	\$25,459	\$25,459	\$0	\$0	\$21,681
4	\$26,222	\$26,222	\$0	\$0	\$21,167
5	\$27,009	\$27,009	\$0	\$0	\$20,665
6	\$27,819	\$13,910	\$13,910	\$10,088	\$10,088
7	\$28,654	\$0	\$28,654	\$19,698	\$0
8	\$29,513	\$0	\$29,513	\$19,231	\$0
9	\$30,399	\$0	\$30,399	\$18,775	\$0
10	\$116,416	\$8,510	\$107,906	\$63,172	\$0
Total	\$360,205	\$149,823	\$210,382	\$130,963	\$118,554

Discounted payback period for taxes abated and incentives	6 Years
Compound rate of return over the next ten years on the school district's investment of taxes abated and incentives for the firm	12.80%
Benefit/Cost Ratio (Over 10 Years).....	2.06 : 1

State of Kansas

Benefits:

Year	Sales Taxes	Property Taxes	Corporate and Personal Income Taxes	Other State Revenues (Including PILOT)	Total
Construction Period	\$40,950	\$0	\$27,620	\$0	\$68,570
1	\$221	\$578	\$10,106	\$5,344	\$16,248
2	\$211	\$595	\$17,105	\$9,633	\$27,543
3	\$227	\$613	\$24,924	\$14,174	\$39,937
4	\$243	\$631	\$32,169	\$18,978	\$52,021
5	\$258	\$650	\$51,745	\$24,059	\$76,712
6	\$274	\$670	\$61,301	\$29,427	\$91,672
7	\$290	\$690	\$75,888	\$35,096	\$111,963
8	\$306	\$710	\$86,130	\$41,078	\$128,224
9	\$321	\$732	\$102,774	\$47,387	\$151,214
10	\$7,250	\$754	\$113,702	\$135,544	\$257,250
Total	\$50,550	\$6,621	\$603,463	\$360,719	\$1,021,354

Costs:

Year	Property Taxes Abated	Incentives	Taxes Abated & Incentives	State Costs for the firm and Services for New Residents	Cost of Educating New Students	Total
Construction Period	\$0	\$0	\$0	\$0	\$0	\$0
1	\$578	\$0	\$578	\$2,200	\$0	\$2,778
2	\$595	\$0	\$595	\$3,966	\$0	\$4,560
3	\$613	\$0	\$613	\$5,835	\$0	\$6,448
4	\$631	\$0	\$631	\$7,813	\$0	\$8,444
5	\$650	\$0	\$650	\$9,904	\$0	\$10,555
6	\$335	\$0	\$335	\$12,114	\$0	\$12,449
7	\$0	\$0	\$0	\$14,448	\$0	\$14,448
8	\$0	\$0	\$0	\$16,911	\$0	\$16,911
9	\$0	\$0	\$0	\$19,508	\$0	\$19,508
10	\$0	\$0	\$0	\$22,246	\$49,039	\$71,285
Total	\$3,401	\$0	\$3,401	\$114,946	\$49,039	\$167,386

Net Benefits (or Costs)

Year	Public Benefits	Public Costs, Property Taxes Abated and Incentives	Net Benefits or (Costs)	Present Value of Net Benefits	Present Value of taxes abated and incentives
Construction Period	\$68,570	\$0	\$68,570	\$64,995	\$0
1	\$16,248	\$2,778	\$13,471	\$12,769	\$547
2	\$27,543	\$4,560	\$22,983	\$20,649	\$535
3	\$39,937	\$6,448	\$33,489	\$28,520	\$522
4	\$52,021	\$8,444	\$43,577	\$35,176	\$509
5	\$76,712	\$10,555	\$66,157	\$50,619	\$497
6	\$91,672	\$12,449	\$79,223	\$57,456	\$243
7	\$111,963	\$14,448	\$97,515	\$67,035	\$0
8	\$128,224	\$16,911	\$111,313	\$72,531	\$0
9	\$151,214	\$19,508	\$131,706	\$81,345	\$0
10	\$257,250	\$71,285	\$185,965	\$108,869	\$0
Total	\$1,021,354	\$167,386	\$853,968	\$599,966	\$2,854

Discounted payback period for taxes abated and incentives	1 Year
Compound rate of return over the next ten years on the state's investment of taxes abated and incentives for the firm	36.41%
Benefit/Cost Ratio (Over 10 years).....	6.44 : 1

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY OF OTTAWA, KANSAS TO CREATE AND ENTER INTO A CONTRACT WITH MAC FASTENERS, Inc. FOR THE PURPOSE OF GRANTING A PROPERTY TAX EXEMPTION PURSUANT TO ARTICLE 11, SECTION 13, OF THE CONSTITUTION OF THE STATE OF KANSAS AND THE TAX EXEMPTION POLICY OF THE CITY OF OTTAWA, KANSAS.

WHEREAS, the City of Ottawa, Kansas adopted a “Policy on Property Tax Exemptions for Economic Development”, which establishes the policies and procedures of the City for the granting ad valorem tax exemption for real and tangible personal property used for economic development purposes; and

WHEREAS, Mac Fasteners, Inc. (hereinafter referred to as “the Company”) has filed an application requesting a property tax exemption for a manufacturing facility located within the City of Ottawa, and

WHEREAS, the Company completed construction of \$1,865,000 facility, retaining 36 jobs and anticipating the addition of 10 more positions in the first three years of operation, and

WHEREAS, Such facility will be located at property commonly known as 1010 E. Enterprise Street more fully described as:

Northeast Ottawa Industrial Park, Lots 12, 13, 14, 15, 16, and 17 of Block B, NE Industrial Park, 2nd Addition, in the City of Ottawa, Franklin County, Kansas, and

WHEREAS, the Company has filed an application requesting a property tax exemption for eligible tangible personal property specifically associated with the new facility within the City of Ottawa, Kansas; and

WHEREAS, the Governing Body of Ottawa, Kansas, declares that the exemption of ad valorem taxes for the new expansions and associated equipment for the Company is in the best interest of the city, and that it has had conducted a cost benefit analysis and has made a factual determination that the exemption is necessary in order to create and retain jobs in the State of Kansas and in the City of Ottawa, and;

WHEREAS, the Governing Body of the City Ottawa after conducting a public hearing pursuant to published notice as provided by law, has determined that property belonging to the Company, and used exclusively for purposes as specified in Article 11, Section 13 of the Kansas Constitution, more clearly defined as: manufacturing article of commerce, storing goods or commodities which are sold or traded in interstate commerce, should be granted a tax exemption for economic development purposes, and;

WHEREAS, the Governing Body of the City of Ottawa has determined and made a factual finding that the property for which the exemption is to be granted will be used exclusively for purposes as specified in Article 11, Section 13 of the Kansas constitution.

NOW THEREFORE, be it resolved by the Governing Body of Ottawa, Kansas that:

Section 1. The City Manager is hereby authorized to create a Contract describing the terms and conditions under which the Company would be provided a property tax abatement, such Contract to include performance requirements related to job creation, investment, and other provisions designed to assure that the activities of the Company has stated it will conduct in its application for tax abatement are carried out. Such Contract would be subject to annual review and determination by the Governing Body that the conditions qualifying the business for the exemption continue to exist.

Section 2. The Mayor and City Clerk of Ottawa, Kansas, are hereby authorized and directed to execute on behalf of the City of Ottawa, Kansas, the abovementioned Contract in accordance with the provisions of K.S.A 12-147, et seq., and the City of Ottawa "Policy on Property Tax Exemptions for Economic Development" with the Company. Said Contract, when finalized and signed by all parties, shall be attached and made a part of this Resolution, and its execution between the parties shall be as a condition precedent to the adoption of the Ordinance granting an exemption from ad valorem taxation for said expansion to the existing distribution facility, including tangible personal property associated therewith.

Section 3. A copy of the contract between the City of Ottawa and Mac Fasteners, Inc. as well as this Resolution shall be forwarded to the Franklin County Treasurer, Appraiser and Clerk.

Section 4. This Resolution shall be in force from and after its adoption.

ADOPTED this _____ day of _____, 2012.

Mayor

Attest:

City Clerk

ORDINANCE NO. _____

AN ORDINANCE EXEMPTING CERTAIN PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES IN THE CITY OF OTTAWA, FRANKLIN COUNTY, KANSAS, SPECIFICALLY FOR A 28,000 SQUARE FOOT MANUFACTURING AND WAREHOUSE FACILITY.

WHEREAS, the Governing Body of the City of Ottawa, Kansas, after conducting a public hearing pursuant to published notice as provided by law, has determined that property belonging to Mac Fasteners, Inc. (hereinafter referred to as “the Company”) and used exclusively for purposes as specified in Article 11, Section 13 of the Kansas Constitution, more clearly defined as: manufacturing article of commerce, storing goods or commodities which are sold or traded in interstate commerce, should be granted a tax exemption for economic development purposes, subject to conditions and terms described in the Contract. The Governing Body of the City has determined and makes a factual finding that the property for which the exemption is to be granted will be used exclusively for the distribution of articles of commerce as specified in Article 11, Section 13 of the Kansas constitution.

NOW THEREFORE, be it ordained by the Governing Body of the City of Ottawa, Kansas, that:

Section 1. The Governing Body of the City of Ottawa has passed Resolution No. _____ authorizing the creation and execution of an Agreement describing the terms and conditions of a property tax abatement, and declaring the need and necessity to exempt certain real and personal property from ad valorem taxation.

Section 2. In accordance with Section 13 of Article 11 of the Kansas Constitution, including a finding of fact that the property for which exemption is requested will be used exclusively for the purposes specified in Section 13 of Article 11, and other applicable laws and regulations, the following property owned by the Company is hereby declared to be exempt from ad valorem taxation for a 10 year period (anticipated to begin in 2012 and end in 2021, subject to the terms of the Performance Agreement (attached) and approval of the Kansas Board of Tax Appeals:

Legally describes as: Property commonly known as 1010 E. Enterprise Street and more fully described as Northeast Ottawa Industrial Park, Lots 12, 13, 14, 15, 16, and 17 of Block B, NE Industrial Park, 2nd Addition, in the City of Ottawa, Franklin County, Kansas, according to the recorded plat thereof.

Section 3. The Company shall abide by all terms and conditions agreed upon under the Contract executed between the parties and which serves as a condition precedent to the adoption of this Ordinance granting an exemption from ad valorem taxation for the new distribution facility, including land and tangible personal property associated therewith.

Section 4. This exemption from ad valorem taxation shall commence on the 1st day of January, 2012 and expire on the 31st day of December, 2021, unless the Governing Body of Ottawa or the Board of Tax Appeals cancels, denies or reduces the exemption before the expiration date in accordance with the terms of the Performance Agreement and this Ordinance.

Section 5. The Governing Body of Ottawa made a factual determination that the exemption from ad valorem taxation of land, buildings and tangible personal property associated with the new facility of Mac Fasteners, Inc. was required to create and/or retain jobs in the State of Kansas and the City of Ottawa.

Section 6. The certified copy of this Ordinance shall be provided to the owner of the property and to the Appraiser, Clerk and Treasurer of Franklin County, Kansas.

Section 7. This Ordinance shall not be made a part of the City's Municipal Code.

Section 8. This Ordinance shall be in full force and effect from and after its publication in the official City newspaper.

ADOPTED this _____ day of _____ 2012.

Mayor

ATTEST:

City Clerk

CONTRACT

A CONTRACT BETWEEN MAC FASTENERS, INC. AND THE CITY OF OTTAWA, KANSAS, DESCRIBING THE TERMS AND CONDITIONS UNDER WHICH A PROPERTY TAX ABATEMENT WOULD BE ISSUED FOR A MANUFACTURING/FABRICATION AND STORAGE FACILITY.

This Contract is entered into this ___ day of _____, 2012, by and between the City of Ottawa, Kansas hereinafter referred to as "City", and Mac Fasteners, Inc. of Ottawa, hereinafter referred to as the "Company".

1. GENERAL

- A.** The Company has filed an application requesting an ad valorem property tax exemption for:
- i. A ten year, 55% tax abatement, for a manufacturing and distribution company located within the City. The facility consists of a 28,000 square foot building and will be located on properties legally described in Attachment "A".
- B.** Under provisions of K.S.A 12-147 et seq., the City may provide conditions upon the granting of an exemption from ad valorem taxes. The Governing Body of the City of Ottawa, Kansas adopted Resolution # _____, authorizing the City Manager to create this Contract describing the terms and conditions under which the Company would receive an ad valorem property tax abatement.

2. TERMS

A. City of Ottawa, Kansas

In consideration of the positive economic development benefits received by the community from the investments and employment commitments made by the Company, the City agrees to the following:

Ad Valorem Property Tax Abatement. The City agrees to use its best efforts to cause the aforementioned facilities to be exempt from ad valorem property taxes on the appraised valuation, for a 10-year period, from January 1, 2012 through December 31, 2021; as follows.

Ten Year 55% abatement	
Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	50%
Year 7	0%
Year 8	0%
Year 9	0%
Year 10	0%
10 Yr Avg	55%

The City agrees to make all filings required by Franklin County and the Kansas Board of Tax Appeals necessary for such tax abatement; however, the City shall not be liable for any failure of the Board of Tax Appeals to effect the exemption. The City covenants that it will not knowingly take any action that the City has knowledge may cause the project to not be granted or to no longer be exempt from such taxation. If in the future the project is determined to no longer be exempt, the City shall, at the Company's request, cooperate with the Company in all reasonable ways to cause the project to be exempt, including cooperating with the Company in any related

litigation. The Company agrees to pay to the City the costs that the City incurs (including legal fees and expenses) in cooperating with the Company in the manner required by this section.

B. Mac Fasteners, Inc.

In consideration of the exemption from ad valorem property taxes as described above, the Company agrees to the following:

- i. Compliance with Laws. The Company will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and regulations and all other applicable laws, rules and regulations of the City and the City’s Comprehensive Plan.
- ii. Renewal. Annually, the Company will file a complete application for renewal of property tax exemption with the Director of Finance, and remit all applicable fees related to such application.
- iii. Standards for Maintenance of Jobs. This abatement is conditioned upon the Company’s employment figures at the Project specified in the schedule below. The Company shall provide to the Director of Finance on or before February 15 of each year throughout the 10-year abatement period the employment figures for the previous calendar year to be used to verify compliance with this provision. These figures shall be based upon the same monthly data provided to the Kansas Department of Human Resources for purposes of calculating unemployment taxes.

EMPLOYMENT SCHEDULE

Job Classification	<u>FTE Employees New Facility (new jobs only)</u>
1. Manufacturing	7
2. Warehouse	0
3. Office	1
Total	8

- iv. Investment. This abatement is conditioned upon the Company making the investment in the Project specified in the schedule below. The Company agrees to provide the City reasonable documentation of its capital investment to verify compliance with this provision.

INVESTMENT SCHEDULE	
Land	\$ 40,250.00
Building	\$ 1,500,000.00
Fixtures/Equipment	\$ 350,000.00
Total	\$ 1,890,250.00

- v. Statement of Intention. The Company, although recognizing that it cannot foresee future changes in ownership and other corporate decisions and economic and competitive factors which could impact its decision to maintain a facility at the Ottawa location beyond the abatement period, nevertheless states to the City that it is the Company’s current plan to maintain a significant operation at the Ottawa location beyond the abatement period.

3. DEFICIENCY OF PERFORMANCE

A. The City reserves the right to cancel, nullify, diminish, or set aside the ad valorem property tax exemption if any condition or term of this Contract is not met by the Company. The Contract conditions were made to assure that the activities the Company stated it would conduct in its application for tax abatement are carried out. The Director of Finance shall annually review the

activities of the Company with respect to the terms of this Contract to determine if the conditions qualifying the Company for the exemption continue to exist. In the event of any failure by the Company to meet the provisions of this Contract (most specifically the annual PILOT payments, timely filing of its annual application for renewal and payment of applicable fees, and meeting the employment and investment conditions), the City Governing Body shall determine what course of action to take, up to and including whether the Ordinance granting the exemption shall be repealed and this Contract terminated.

4. **DETERMINATION OF APPRAISED VALUE.** The Company acknowledges that the Franklin County Appraiser independently determines the appraised value of the property. The Company further acknowledges that the City does not have input in or in any way controls the determination of the appraised or assessed value of the property.
5. **APPROVAL OF EXEMPTION**
This Contract is conditioned on the issuance by the Board of Tax Appeals of an order exempting the project from ad valorem taxes in accordance with Kansas law, including K.S.A. 79-201a et seq. or K.S.A. 74-50,115. The City will utilize its good faith efforts to facilitate this process on behalf of the Company.
6. **TRANSFERABILITY**
This Contract is only binding upon the parties hereto, and may not be transferred or assigned. The Company warrants that the facility will be used exclusively for the business of storing goods or commodities which are sold or traded in interstate commerce, as required by State statute in order to qualify for the ad valorem property tax exemption, and that they shall not lease the facility without the City's consent nor without ensuring that the lessee complies with the requirements of K.S.A. 79-221.
7. **NO ABATEMENT OF SPECIAL ASSESSMENTS**
The City and Company agree that the ad valorem tax abatement does not apply to any special assessments affixed or related to the property that exist or may exist in the future.
8. **SEVERABILITY**
If for any reason any provision of this Contract is determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected.

Dated this _____ of _____, 2012.

Mac Fasteners, Inc.

Robert B. MacDonald
President

City of Ottawa, Kansas:

Mayor

Attest:

City Clerk

ATTACHMENT "A" -- LEGAL DESCRIPTION OF PROJECT PROPERTY

Property Commonly known as 1010 E. Enterprise Street and more fully described as Northeast Ottawa Industrial Park, Lots 12, 13, 14, 15, 16, and 17 of Block B, NE Industrial Park, 2nd Addition, in the City of Ottawa, Franklin County, Kansas, according to the recorded plat thereof.

MEMORANDUM

TO: Richard Nienstedt, City Manager
CC: Wynndee Lee, Director of Planning and Codes Administration;
Andy Haney, Public Works Director
FROM: Tom Yahl, Planner / Codes Officer 
SUBJECT: Levee Certification Project Update
DATE: February 28, 2012

Attached is a letter from AMEC, the City's contractor on the levee certification project. The letter outlines the progress of the certification process, through the end of January. Completion of the project is heavily dependent upon delivery of the riverine modeling from the Kansas Department of Agriculture. As noted in the letter, the expected delivery date is April of this year.

Initially, the riverine modeling was expected to be complete in September 2011, with the certification project to be complete December. As a result of the delayed delivery, completion of the project will now be in July.

I hope you find this information helpful. Please let me know if you have any questions or need any additional information.



February 13, 2012

The following is a status update for the work completed through the end of January, 2012 on the Ottawa Phase II Levee Certification Project.

- Field work (Levee Borings) is complete. Preliminary lab result from geotechnical borings shows fairly consistent material which is favorable. Final geotechnical analysis (under-seepage, through-seepage, and settlement) cannot be completed until the Marais des Cygnes Riverine modeling is completed by KDA (expected delivery date of April, 2012). AMEC continues to work on model setups.
- Wilson & Company has developed interior drainage models (model setup only), which will be complete in the coming days and submitted to AMEC for QA/QC review. Final interior drainage modeling cannot be completed until receipt of Marais des Cygnes Riverine modeling.
- City staff has provided video documentation of interior drainage structures to AMEC for review.
- AMEC will coordinate with the Public Works Department within the next month related to additional field work, primarily inspections of closure structures and pump stations.
- Other items waiting on receipt of the Riverine modeling from KDA include Levee freeboard calculations and embankment stability.

Bradley D. Johnson, P.E.
AMEC Environment & Infrastructure
1129 SW Wanamaker Rd., Suite 101
Topeka, KS 66604



**City of Ottawa, Kansas
Application to Serve on a Board or Commission**

Name Crystal Camis
Address 928 South Main Street
Ottawa Kansas 66067

Do you live within the City limits? yes no
If no, do you live within 3 miles of the city limits?
 yes no

Home phone number no landline Cell phone number 785.418.9168

Email address ccamis@willowdvcenter.org

Place of employment The Willow Domestic Violence Center

How long have you been a resident of Ottawa? 8 years

How long have you been a resident of Franklin County? 8 years

How much time can you devote to serving each month? I can be flexible for mid-day and/or evening mtgs and/or trainings, etc.

Are you related to a Board/Commission member or a City employee? yes no

Briefly describe why you are interested in serving on a Board for the City of Ottawa.

I am interested in continuing to serve my community in a new capacity. I recently served on the 4th Judicial Nominating Commission and enjoyed that experience. I was excited to hear of the opening on the Community Corrections Advisory Bd., as I am familiar with the work they do and how critical those services are in a community.

List any groups or activities to which you belong and which may demonstrate your involvement in the community.

I was the Franklin Co. Program Coordinator for The Willow for 4 years prior to taking my current position. During that time I formed close working relationships with and a better understanding of other systems including; law enforcement, school systems, court services, etc. I also worked closely with Chief Butler and the members of the Domestic Violence task force, and participated in the Fr. Co. MDT with Keith Clark. I very much enjoy working with these systems and have great respect for the folks doing the work.

Signature Crystal Camis Date 2.16.12

Thank you for your interest in serving on a City Board/Commission. Please complete this form and return it to the City Manager's Office, City Hall, PO Box 60, Ottawa, KS 66067; or bring to the Second Floor of City Hall at 101 S. Hickory. Receipt of applications will be acknowledged. If you have questions, please contact Leslie Quillen at 785-229-3637, or by email at: lquillen@ottawaks.gov.

Print Form

Submit by Email



CITY OF OTTAWA

January Monthly Financial and Activity Report

Presented to the City Commission
March 5, 2012

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COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CASH BALANCE

January-12	Beginning Balance	Beginning Balance	Revenue		Transfers		Disbursements				Ending Cash Balance
FUNDS	1/1/2011	1/1/2012	Current Mo.	Year To Date	Current Mo.	Year To Date	Current Mo.	Year To Date	Cur. Mo.	YTD	01/31/12
GENERAL FUND	1,205,942	1,205,942	1,531,777	1,531,777	129,460	129,460	637,088	637,088	1,024,149	1,024,149	2,230,090.40
SPECIAL REVENUE											
Community Services	5,252	5,252			10,206	10,206	15,458	15,458	(5,252)	(5,252)	0.00
Auditorium	25,358	25,358	65,905	65,905			15,901	15,901	50,004	50,004	75,362.54
Airport	4,865	4,865			1,000	1,000	5,442	5,442	(4,442)	(4,442)	423.51
Special Park & Recreation	88,383	88,383	14	14			5,371	5,371	(5,357)	(5,357)	83,025.65
Special Alcohol Program	(0)	(0)									(0.00)
Library	(0)	(0)	353,227	353,227			353,227	353,227			(0.00)
Economic Development	130,334	130,334	2,420	2,420			1,000	1,000	1,420	1,420	131,754.40
Special Streets	91,339	91,339	83,537	83,537			134	134	83,403	83,403	174,741.91
Equipment Reserve	1,175,842	1,175,842					13,261	13,261	(13,261)	(13,261)	1,162,580.26
Revolving Loan Fund	146,886	146,886	193	193					193	193	147,078.62
Risk Management	290,773	290,773	1,518	1,518			87,459	87,459	(85,941)	(85,941)	204,831.78
RMS Grant											
Neighborhood Stabilization Grant											0.00
Trails Grant	3,000	3,000									3,000.00
SRO Grant											
15th ST TE SIDEWALK GRANT											
G.O. DEBT	533,193	533,193	321,631	321,631					321,631	321,631	854,824.70
ENTERPRISE FUNDS											
Stormwater Utility											
Water		773,284	210,451	210,451	(38,417)	(38,417)	136,076	136,076	35,958	35,958	809,242.07
Wastewater Operating	773,284	678,935	185,996	185,996	(69,249)	(69,249)	82,142	82,142	34,606	34,606	713,540.62
Electric Operating	678,935	4,127,412	1,082,910	1,082,910	(95,916)	(95,916)	1,056,703	1,056,703	(69,709)	(69,709)	4,057,703.10
Power Supply Fund	4,127,412	929,833	34,220	34,220					34,220	34,220	964,053.45
Electric Construction	929,833	2,569,011	494	494					494	494	2,569,504.75
Utility Credits	2,569,011	139,983	(6,075)	(6,075)			270	270	(6,345)	(6,345)	133,637.29
CAPITAL PROJECTS											
Take Charge Challenge		(0)									(0.00)
US 59 Turnback		(1,639)	1,639	1,639					1,639	1,639	(0.00)
Airport Hangars 2009-2010	(0)	20,318									20,318.28
PSRT Lighting Project	(1,639)	0									0.00
Industrial Avenue	20,318										
Sidewalk Grant 15th Street		0					47,779	47,779	(47,779)	(47,779)	(47,779.04)
Love's Grainger TIF		0									0.00
South HWY 59 TDD		(0)	196	196					196	196	196.15
East Side Interceptor		(0)					30,486	30,486	(30,486)	(30,486)	(30,485.50)
TIF PROJECT FUND		2,901	3,433	3,433					3,433	3,433	6,334.29
Park Improvements	2,901										
Airport Improvements Grant		(8,471)					2,928	2,928	(2,928)	(2,928)	(11,398.82)
TRUST & AGENCY FUNDS											
Health Insurance	0	1,710,516	199,787	199,787			187,528	187,528	12,259	12,259	1,722,775.59
WWTP Funding		552,034			62,916	62,916			62,916	62,916	614,949.65
Total	14,511,738	15,195,283	4,073,274	4,073,274			2,678,252	2,678,252	1,395,022	1,395,022	16,590,305.65

ANALYSIS OF COMBINED SALES AND COMPENSATING USE TAX

January-12

COUNTY (1.0%)	2007	2008	2009	2010	2011	2012	12 Mo. Running Total		Change Dollars	Change Percent
							2011	2012		
January	93,708	89,315	99,330	86,536	80,430	92,276	1,035,471	1,091,506	\$ 11,846.25	14.73%
February	92,769	92,872	78,086	76,809	95,342		1,054,005			
March	75,378	91,131	91,862	98,077	88,872		1,044,800			
April	81,443	80,668	77,113	70,085	69,281		1,043,996			
May	103,746	98,901	76,061	91,428	89,714		1,042,281			
June	82,034	92,921	81,165	93,497	102,444		1,051,228			
July	85,376	86,070	95,918	81,315	86,902		1,056,815			
August	98,135	96,731	75,528	91,366	89,754		1,055,203			
September	53,294	88,029	86,768	81,664	89,932		1,063,471			
October	101,391	92,318	82,931	91,504	94,804		1,066,771			
November	89,654	94,877	85,370	91,476	93,010		1,068,306			
December	90,664	92,200	94,603	87,821	99,175		1,079,659			
SAME MO. YTD	93,708	89,315	99,330	86,536	80,430	92,276			\$ 11,846.25	14.73%
ANNUAL TOTAL	1,047,592	1,096,032	1,024,734	1,041,578	1,079,659					
CITY (1.1%)	2007	2008	2009	2010	2011	2012	2011	2012		
January	202,613	212,934	236,376	204,441	179,538	203,964	2,233,860	2,387,294	\$ 24,425.89	13.60%
February	218,533	217,822	172,012	162,122	209,172		2,280,911			
March	176,137	217,785	206,993	210,746	196,175		2,266,339			
April	190,033	181,986	177,587	145,922	147,293		2,267,710			
May	246,560	230,197	171,836	201,864	198,268		2,264,114			
June	192,106	205,400	186,228	194,427	235,300		2,304,987			
July	201,426	201,828	232,192	172,342	187,599		2,140,706			
August	229,212	225,479	143,616	190,976	183,443		2,312,711			
September	191,932	203,613	195,227	186,893	195,331		2,321,149			
October	227,123	198,464	186,409	197,011	203,309		2,327,447			
November	199,027	205,837	189,281	198,170	204,378		2,333,655			
December	205,672	199,825	218,712	193,849	223,063		2,362,868			
SAME MO. YTD	202,613	212,934	236,376	204,441	179,538	203,964			\$ 24,425.89	13.60%
ANNUAL TOTAL	2,480,374	2,501,171	2,316,469	2,258,763	2,362,868					
CITY/CO. TO DATE	296,321	302,249	335,706	290,977	259,967	296,240	Tot YTD	Budget	\$ 36,272.14	13.95%
TOTAL	3,527,966	3,597,203	3,341,202	3,300,341	3,442,528			3,320,486	\$ 276,036.67	7.32%

CITY OF OTTAWA

January 2012

ELECTRIC CONSUMPTION REPORT

		METERS	CURRENT KWH	YTD KWH	CURRENT \$	YTD \$	UNIT COST	
SMALL BUS, URBAN	THIS YR	567	911,139	911,139	\$103,591.64	\$103,591.64	.113694	.113694
	LAST YR	564	1,054,291	1,054,291	\$109,601.49	\$109,601.49	.103957	.103957
SMALL BUS, RURAL	THIS YR	7	6,472	6,472	\$831.12	\$831.12	.128417	.128417
	LAST YR	8	9,653	9,653	\$1,113.90	\$1,113.90	.115394	.115394
LARGE POWER	THIS YR	107	4,579,002	4,579,002	\$446,144.96	\$446,144.96	.097432	.097432
	LAST YR	106	4,567,291	4,567,291	\$414,324.80	\$414,324.80	.090715	.090715
RES URBAN	THIS YR	5,107	4,013,037	4,013,037	\$455,756.86	\$455,756.86	.113569	.113569
	LAST YR	5,100	4,642,237	4,642,237	\$484,267.51	\$484,267.51	.104317	.104317
RES RURAL	THIS YR	10	8,821	8,821	\$1,075.01	\$1,075.01	.121869	.121869
	LAST YR	9	9,761	9,761	\$1,085.31	\$1,085.31	.111188	.111188
SCHOOL/CITY	THIS YR	114	1,216,682	1,216,682	\$85,552.48	\$85,552.48	.070316	.070316
	LAST YR	122	1,212,903	1,212,903	\$76,751.05	\$76,751.05	.063278	.063278
AREA LIGHTS	THIS YR	303	22,725	22,725	\$5,234.82	\$5,234.82	.230355	.230355
	LAST YR	305	22,875	22,875	\$5,081.44	\$5,081.44	.222139	.222139
STREET LIGHTS	THIS YR	14	49,714	49,714				
	LAST YR	14	48,964	48,964				
CURRENT TOTALS		6,229	10,807,592	10,807,592	\$1,098,186.89	\$1,098,186.89	.101612	.101612
LAST YEAR TOTALS		6,228	11,567,975	11,567,975	\$1,092,225.50	\$1,092,225.50	.094418	.094418
PERCENT CHANGE		1.00 %	.93 %	.93 %	1.01 %	1.01 %		
CONSUMER SALES KWH			10,807,592	10,807,592				
NET ENERGY/LOAD			10,761,006	10,761,006				
ENERGY ACCOUNTED FOR			10,807,592	10,807,592				
KWH LOSS			46,586	46,586				

CITY OF OTTAWA

WATER CONSUMPTION REPORT

January 2012

		METERS	CURRENT CCF	YTD CCF	CURRENT \$	YTD \$	UNIT COST	
RURAL SMALL BUS	THIS YR	4	37	37	\$259.57	\$259.57	7.015405	7.015405
	LAST YR	4	45	45	\$278.53	\$278.53	6.189555	6.189555
LARGE BUSINESS	THIS YR	99	5,903	5,903	\$30,881.94	\$30,881.94	5.231566	5.231566
	LAST YR	95	5,498	5,498	\$27,973.29	\$27,973.29	5.087902	5.087902
SCHOOLS	THIS YR	30	695	695	\$4,914.11	\$4,914.11	7.070661	7.070661
	LAST YR	31	543	543	\$4,142.29	\$4,142.29	7.628526	7.628526
WHOLESALE	THIS YR	5	9,885	9,885	\$20,690.82	\$20,690.82	2.093153	2.093153
	LAST YR	4	12,198	12,198	\$23,782.46	\$23,782.46	1.949701	1.949701
STATE FEE	THIS YR				\$827.12	\$827.12		
	LAST YR				\$836.77	\$836.77		
RURAL LARGE BUS	THIS YR	2	752	752	\$3,491.88	\$3,491.88	4.643457	4.643457
	LAST YR	2	492	492	\$2,644.92	\$2,644.92	5.375853	5.375853
CITY	THIS YR	42	1,471	1,471	\$2,930.82	\$2,930.82	1.992399	1.992399
	LAST YR	41	1,665	1,665	\$3,016.86	\$3,016.86	1.811927	1.811927
RESIDENCE	THIS YR	4,429	22,284	22,284	\$98,107.44	\$98,107.44	4.402595	4.402595
	LAST YR	4,422	22,728	22,728	\$94,184.87	\$94,184.87	4.144001	4.144001
RURAL RES	THIS YR	3	8	8	\$97.81	\$97.81	2.226250	2.226250
	LAST YR	3	17	17	\$116.73	\$116.73	6.866470	6.866470
BULK	THIS YR	1	190	190	\$1,907.91	\$1,907.91	.041631	.041631
	LAST YR	1	171	171	\$827.83	\$827.83	4.841111	4.841111
SMALL BUSINESS	THIS YR	486	3,614	3,614	\$16,533.11	\$16,533.11	4.574739	4.574739
	LAST YR	479	4,184	4,184	\$17,078.83	\$17,078.83	4.081938	4.081938
CURRENT TOTALS		5,101	44,839	44,839	\$180,642.53	\$180,642.53	4.028692	4.028692
LAST YEAR TOTALS		5,082	47,541	47,541	\$174,883.38	\$174,883.38	3.678580	3.678580
PERCENT CHANGE		1.00 %	.94 %	.94 %	1.03 %	1.03 %		
CONSUMER SALES CCF			44,839	44,839				
TREATED WATER GAL			43,534,000	43,534,000				
WATER ACCOUNTED FOR-GAL			33,539,572	33,539,572				
WATER LOSS			9,994,428	9,994,428				

OTTAWA FIRE DEPARTMENT OTTAWA, KANSAS



Jeff Carner
Fire Chief

Monthly Report January, 2012

Calls for Service: The department responded to 91 calls for service and experienced an estimated \$3,000 in fire loss.

Inspections: A total of 89 business and residential inspections were completed.

Training: Shift personnel conducted 436 hours of training with most of these hours associated with utilizing specialized rescue equipment.

Public Education: During the month we delivered six public education programs.

Respectfully submitted,

Jeff H. Carner

720 West Second Street
Ottawa, Kansas 66067
Phone 785-229-3700 Fax 785-229-3705 Emergency - 911

Ottawa Fire Department

Incident Type Report (Summary)

Alarm Date Between {01/01/2012} And {01/31/2012}

Incident Type	Count	Pct of Incidents	Total Est Loss	Pct of Losses
1 Fire				
111 Building fire	1	1.09%	\$3,000	100.00%
131 Passenger vehicle fire	1	1.09%	\$0	0.00%
143 Grass fire	1	1.09%	\$0	0.00%
151 Outside rubbish, trash or waste fire	1	1.09%	\$0	0.00%
	4	4.39%	\$3,000	100.00%
3 Rescue & Emergency Medical Service Incident				
311 Medical assist, assist EMS crew	56	61.53%	\$0	0.00%
322 Motor vehicle accident with injuries	1	1.09%	\$0	0.00%
	57	62.63%	\$0	0.00%
4 Hazardous Condition (No Fire)				
422 Chemical spill or leak	1	1.09%	\$0	0.00%
462 Aircraft standby	3	3.29%	\$0	0.00%
	4	4.39%	\$0	0.00%
5 Service Call				
531 Smoke or odor removal	2	2.19%	\$0	0.00%
551 Assist police or other governmental agency	1	1.09%	\$0	0.00%
553 Public service	1	1.09%	\$0	0.00%
561 Unauthorized burning	1	1.09%	\$0	0.00%
	5	5.49%	\$0	0.00%
6 Good Intent Call				
600 Good intent call, Other	1	1.09%	\$0	0.00%
611 Dispatched & cancelled en route	1	1.09%	\$0	0.00%
6112 Medical Call - Dispatched & cancelled en	2	2.19%	\$0	0.00%
631 Authorized controlled burning	5	5.49%	\$0	0.00%
651 Smoke scare, odor of smoke	2	2.19%	\$0	0.00%
652 Steam, vapor, fog or dust thought to be	2	2.19%	\$0	0.00%
671 HazMat release investigation w/no HazMat	1	1.09%	\$0	0.00%
	14	15.38%	\$0	0.00%
7 False Alarm & False Call				
700 False alarm or false call, Other	1	1.09%	\$0	0.00%
715 Local alarm system, malicious false alarm	1	1.09%	\$0	0.00%
733 Smoke detector activation due to	2	2.19%	\$0	0.00%
745 Alarm system activation, no fire -	3	3.29%	\$0	0.00%

Ottawa Fire Department

Incident Type Report (Summary)

Alarm Date Between {01/01/2012} And {01/31/2012}

Incident Type	Count	Pct of Incidents	Total Est Loss	Pct of Losses
	7	7.69%	\$0	0.00%

Total Incident Count: 91

Total Est Loss: \$3,000

**City of Ottawa Human Resources Department
Monthly Report for January 2012**

TRAINING/EDUCATION:

1/30/2012 A training session was held for new Benefits Committee members, covering the history of the City's self-insured health plan, how funding levels are determined, plan design changes that have been implemented, and options for future consideration.

PERSONNEL MANAGEMENT:

Health Assessments were conducted for employees on January 5th and 6th, with 153 employees and spouses signing up to receive an assessment; individual assessment reviews were held during the week of January 17th to discuss the results.

HR Director is assisting the Ottawa Public Library with Library Director recruitment and screening process.

EMPLOYEE RECRUITMENT/SELECTION:

Hiring Freeze: Five full-time positions have remained vacant since 2009 due to the hiring freeze (Plans Examiner in Planning & Codes Dept.; Account Clerk in Finance Dept.; Equipment Operator in Public Works Dept./Streets Division; Maintenance Worker in Utilities Dept./Water Distribution/Wastewater Maintenance Division; and CAD Operator in Utilities Dept.)

RISK MANAGEMENT/LOSS CONTROL:

1/10/2012 HR Director attended KERIT Trustees Meeting held in Shawnee

1/30/2012 KERIT Scorecard review was conducted, City received 9 out of 10 points, which provides a 4.5% discount on 2012 Workers Compensation premiums

1/31/2012 Safety Committee meeting was held, recognized 2 outgoing committee members and introduced 2 new committee members; discussion was held regarding Safety and Wellness Day, which will be held in the fall of 2012

TORT CLAIMS:

None

DAMAGE TO CITY PROPERTY:

10/29/2011 driver was northbound on North Main, dropped cell phone and when attempting to pick it up hit a road sign; damage estimate \$216.19; request for payment letter mailed 11/7/2011; 2nd request for payment letter mailed 12/14/2011.

DAMAGE TO CITY PROPERTY (cont'd):

12/6/2011 semi-tractor and trailer was northbound in west alley behind 1540 S. Main, trailer hit power lines pulling the lines and meter off the building; damage estimate \$571.68; request for payment letter mailed 12/14/2011; check received 1/20/2012, paid in full; FILE CLOSED

12/16/2011 driver was southbound in 1300 block S. Ash, slowed to make turn onto W. 14th, another vehicle attempted to pass on left and struck front of first vehicle; 2nd vehicle struck utility pole following impact with 1st vehicle; damage estimate \$1,691.60; damage estimate faxed to driver's insurance company 1/9/2012

CITY VEHICLE ACCIDENTS:

1/12/2012 Water Distribution employee was turning around in parking lot, swerved to miss storm drain lid that was off and hit 4" PVC clean-out pipe; damage to passenger side of vehicle, will not be repaired.

WORK INJURIES:

1/12/2012 Police Department employee was in front office area of law enforcement center, caught foot on file cabinet when turning around, causing him to lose his balance and fall. Employee struck head on edge of counter and injured wrist when trying to break his fall. Employee was transported by EMS to Ransom Memorial Hospital where he received 13 stitches to his ear. Wrist is sprained, employee sent for physical therapy. Released to regular duty, no time lost.

Ottawa Information Technology (IT) Department

Date: February 20, 2012

To: Richard Nienstedt, City Manager and City Commission

From: Chuck Bigham, IT Director

Subject: January Monthly Report

IT Trouble Tickets & Other-

49 new calls for Service logged, 45 closed (*examples- can't send mail, locked up, error conditions, won't power-on, Blackberry not syncing, possible virus, can't find folder, print problems, won't boot, battery backup beeping etc.*)

Government Access Channel (GAC)

New Programs- City and County Commission, NASA news and information, White House Chronicle, 2011 Car Show, Pentagon Channel Recon, Martin Luther King Jr. Recognition, Legislative Coffee, East Side Interceptor Infomercial.

of different programs played- 14 (*examples- City and County meetings, NASA news, White House Chronicles*)

Web Site

8 News articles posted, Upcoming events continually updated.

Videos posted include 2 City Commission meetings, 1 Legislative Coffee, East Side Interceptor Infomercial.

FaceBook-

Updates Provided- Videos Posted (same as website). 8 News Articles Linked. All public comments and questions have been properly responded to.

Total Likes: 542 See attached graphs

Other Activities-

Cambush has been posted weekly to Intranet. 437 hits this month on our intranet. In order to expand our GAC audience, began testing and implementing U-stream for it to be streamed live 24 x 7 over the web. Mayor and Commissioners were notified of this with an email. Photos taken at Richard's recognition for being the recipient of the Buford M. Watson award. Posted City survey to web and facebook.

Users [See Details](#)

New Likes? **12** ↑ 20%
 Lifetime Likes? **542**

Active Users?

Daily Active Users Weekly Active Users Monthly Active Users



Interactions [See Details](#)

Post Views? **11,263** ↑ 47%
 Post Feedback? **34** ↓ 31%

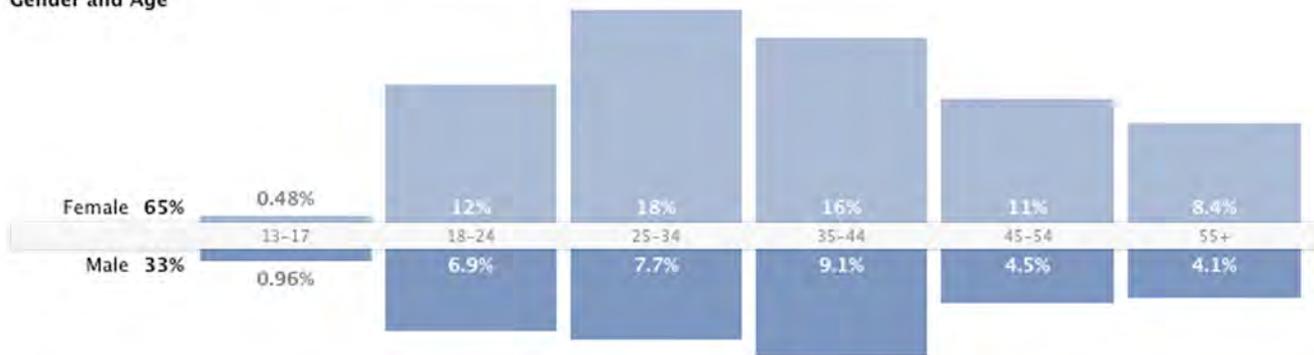
Page Content Feedback?

Likes Comments



Who You Reached (Demographics and Location)

Gender and Age?



Countries?

- 415 United States of America
- 1 Afghanistan
- 1 Vietnam
- 1 Japan

Cities?

- 251 Ottawa, KS
- 15 Lawrence, KS
- 9 Topeka, KS
- 9 Wellsville, KS
- 6 Overland Park, KS
- 6 Princeton, KS
- 5 Richmond, KS

More +

Languages?

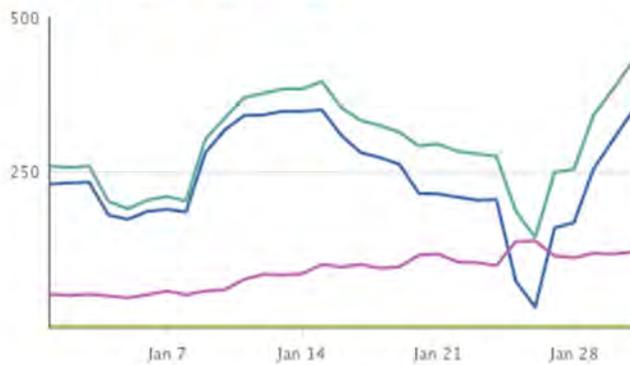
- 401 English (US)
- 14 English (UK)
- 1 Leet Speak
- 1 German
- 1 English (Pirate)

How You Reached People (Reach and Frequency)

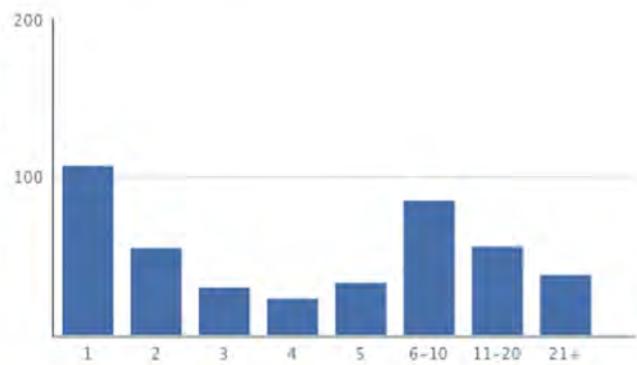
All Page Content

Reach?

- Organic?
- Paid?
- Viral?
- Total?



Unique Users by Frequency?



PLANNING & CODES DEPARTMENT January 2012 MONTHLY REPORT

Planning Commission:

The urban growth area rezones are anticipated to be completed in February by the Planning Commission.

Projects:

15th Street Sidewalk: Construction of the sidewalks is nearing completion on both the north and south sides of 15th Street. Striping and seeding will be later in the Spring.

Safe Routes to School: Preliminary sidewalk designs have been completed. Public meetings with neighbors were held in this month. Drawing will be completed by the end of February.

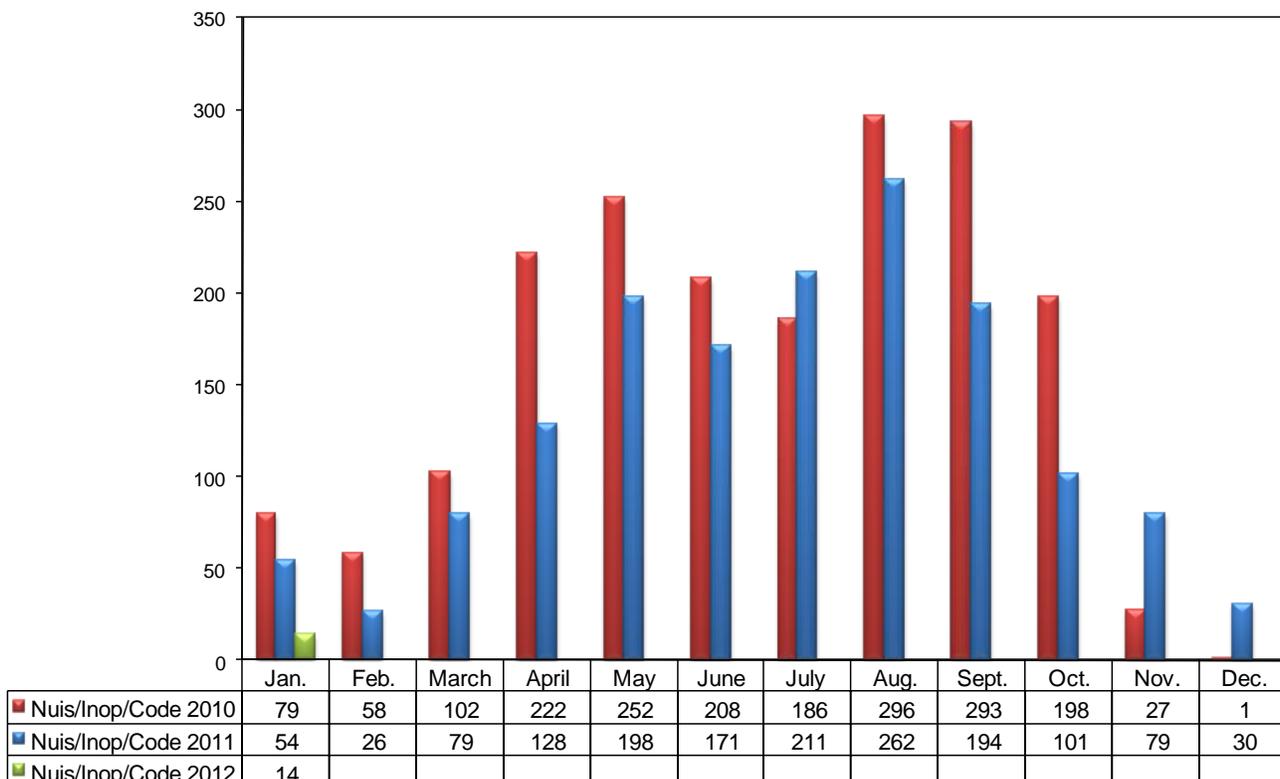
Condemnations:

The owner of 1040 Burrough is 90% done with repairs to the structure. Staff continued to work with the owner of 403 E. 4th to obtain the necessary bids to make a decision on whether to repair or demolish.

Code Enforcement:

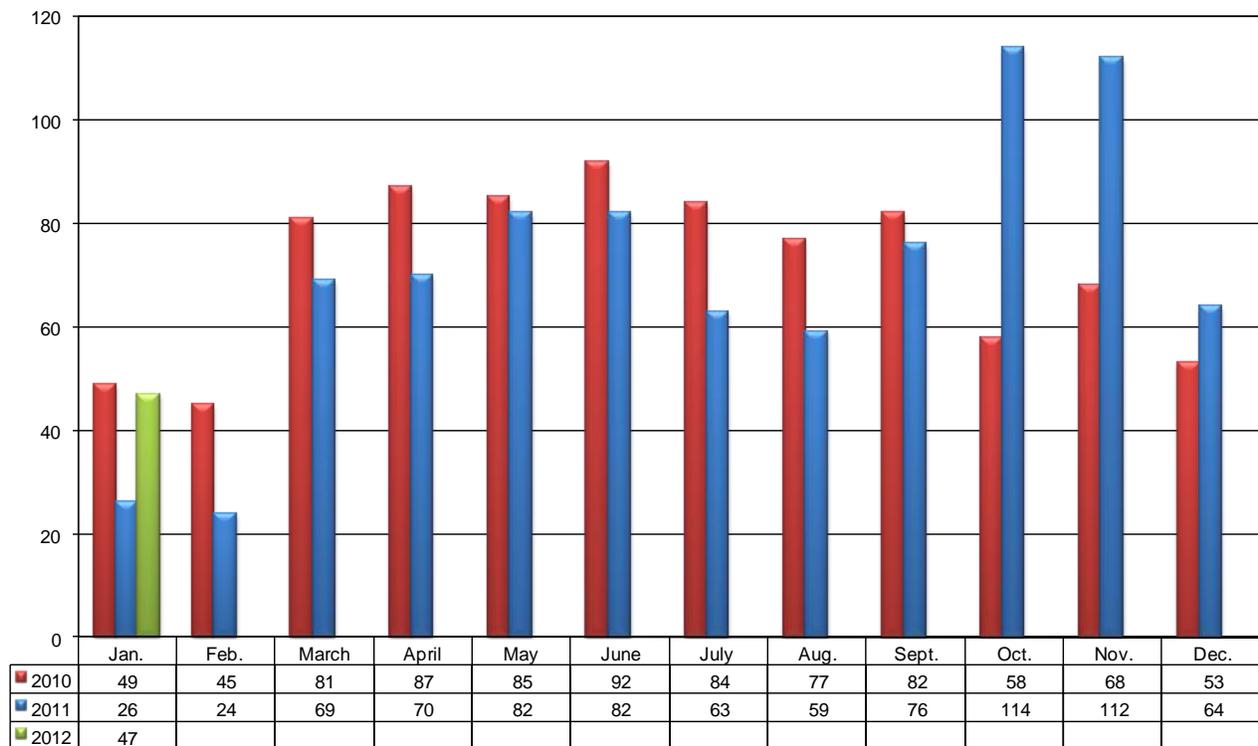
The Codes Officer will begin in February and other staff have been checking complaints when received.

Nuis/Inop/Code Correspondence Sent Monthly

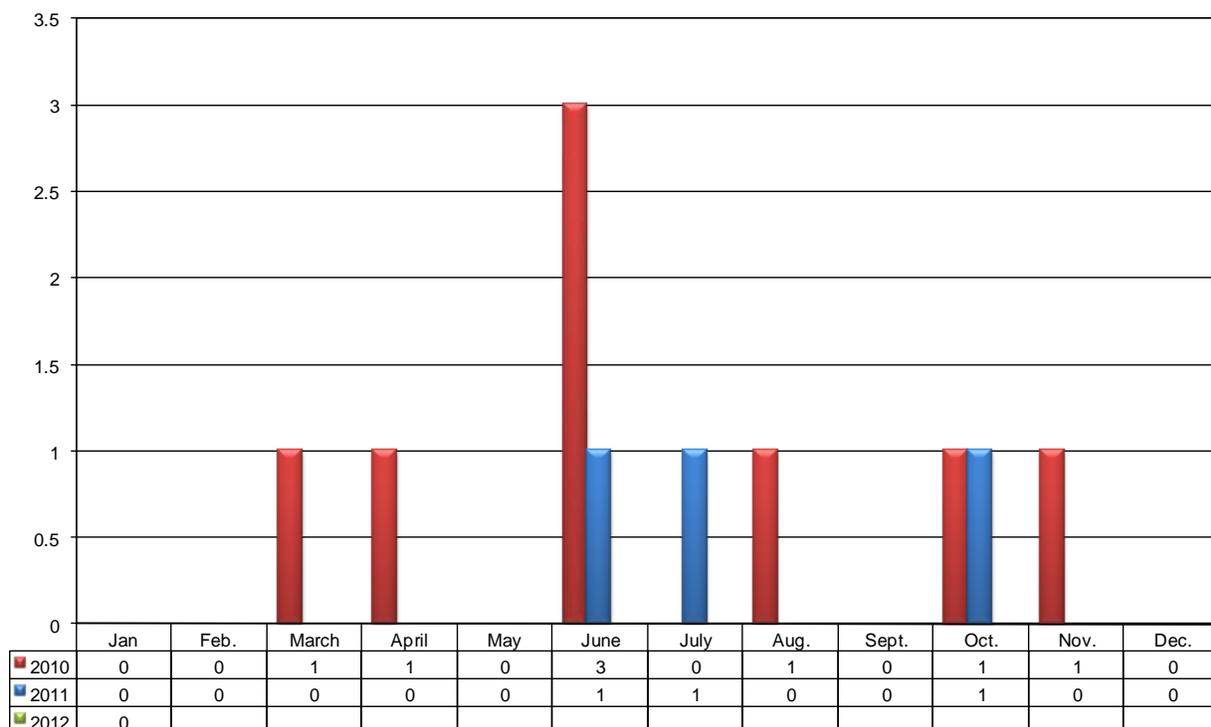


Permits:

Non-Residential Permits Issued

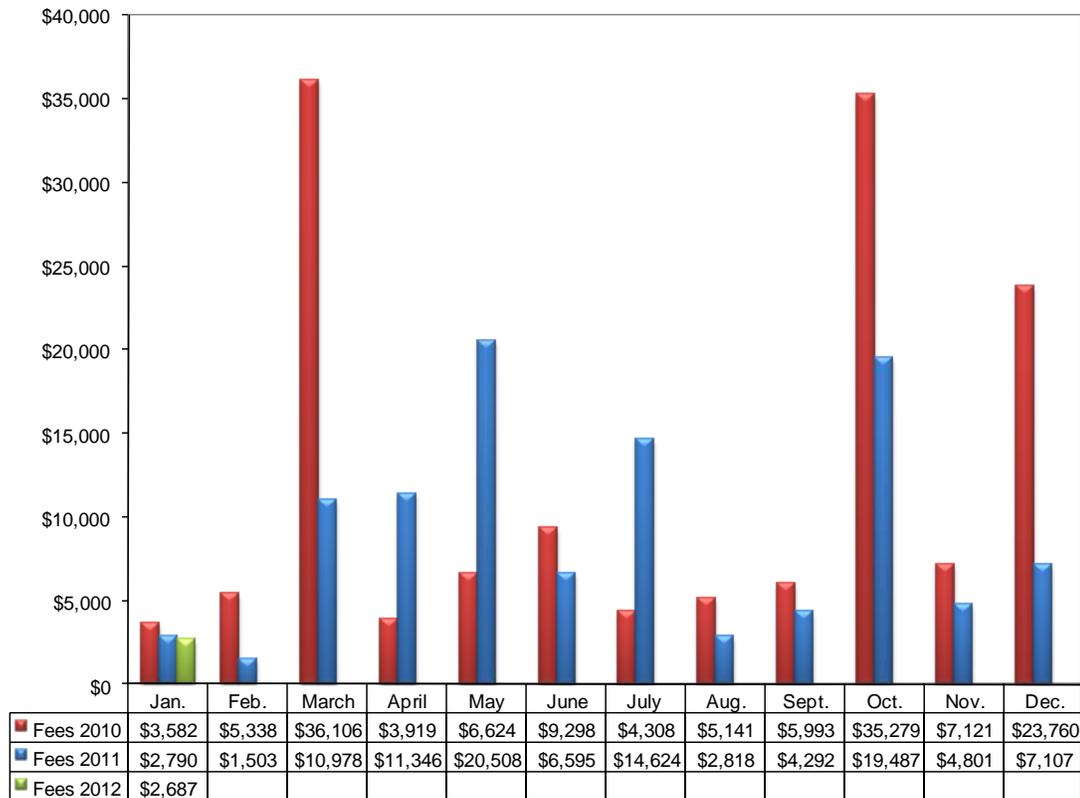


Residential Permits Issued



Fees:

Monthly Building Permit Fees Collected



The chart above does not include planning fees.

Fees Budgeted for 2012:

Budgeted amount is	\$117,045
Permit fees to date:	\$ 2,686
Planning fees to date:	\$ 225
Total received to date:	\$ 2,911

Police Department City of Ottawa, Kansas

MEMORANDUM

DATE: FEBRUARY 4, 2012
TO: RICHARD U. NIENSTEDT, CITY MANAGER
FROM: DENNIS P. BUTLER, CHIEF OF POLICE
SUBJECT: JANUARY MONTHLY REPORT

The purpose of this memorandum is to report activities involving various police department personnel during the month of January 2012. Sworn and civilian members of the police department participated in or attended the following activities:

- Hired Zach Bachert to fill police officer vacancy. He is scheduled to attend the academy in March. Sam Alsbrooks is still attending the academy and will graduate on February 10.
- Local Emergency Planning meeting
- Seatbelts Are For Everyone (SAFE) training at Ottawa High School. The Ottawa Police Foundation is one of the sponsors
- Records Management System Users' meeting
- Ottawa Police Foundation meeting
- Volunteers in Police Service (VIPS) and Reserve Police Officers provided 89 hours of service
- Monthly VIPS Meeting
- Monthly supervisors' meeting
- Attended several Chamber events
- Monthly Crimestoppers and Sexual Assault Nurse Examiner (SANE) meetings
- Attended Regional Major Case Squad meeting
- Announced the formalization of the Franklin County Domestic Violence Response Team (initiative led by Willow). The police department is a member
- Johnson County Chief's and Sheriff meeting
- Conference call with Silent Siren, a non-profit organization created by Gina Hill to help localities respond to residents suffering from PTSD. Chief Butler is on their advisory board.
- Presentation on Smartphone application for the City
- Batterer's Intervention Program Advisory Board meeting
- Kansas joint law enforcement legislative meeting; and
- Polar Plunge fundraiser for Special Olympics.

I will be happy to answer any questions.

Thank you.

Police Department
City of Ottawa, Kansas
 MEMORANDUM

DATE: February 9, 2012
TO: RICHARD U. NIENSTEDT, CITY MANAGER
FROM: DENNIS P. BUTLER, CHIEF OF POLICE
SUBJECT: JANUARY 2012 ENFORCEMENT STATISTICS

225 CHARGES WERE ISSUED THROUGH THE MUNICIPAL COURT. SOME OF THESE ARE MULTIPLE CHARGES ON SINGLE TICKETS.
The breakdown is as follows:

000 VOIDED TICKET	3	197 PERMIT UNAUTHORIZED MINOR TO DRIVE	1
012 OBEDIENCE TO AND REQUIRED TRAFFIC-CONTRO	1	198 ILLEGAL TAG	14
013 DISOBEY TRAFFIC SIGNAL	3	200 KNOWINGLY OPER W/O INSURANCE	26
025 DUTY TO GIVE AID	1	30.2 REFUSAL PRELIMINARY BREATH TEST	1
027 DUTY TO REPORT ACCIDENT	1	13210 SPEEDING SCHOOL ZONE	3
029 RECKLESS DRIVING	1	13311 2 HOUR PARKING	38
030 DUI	3	182.1 SEATBELT	24
032 UNSAFE SPEED FOR CONDITIONS	2	3-213 KEEPING VICIOUS ANIMAL	1
033 SPEEDING	37	3-309 DOG RUNNING AT LARGE	6
037 DRAG RACING	1	4-315 POSSESSION CMB UNDERAGE	1
043 DRIVING ON LEFT SIDE	1	38-301 BATTERY	4
044 DRIVING ON LEFT SIDE - NO PASSING ZONE	1	38-601 THEFT	8
049 IMPROPER TURN OR APPROACH	1	38-604 THEFT OF SERVICES	1
059 FAIL TO YIELD STOP/YIELD SIGN	4	38-605 DEPRIVATION OF PROPERTY	1
074 PEDESTRIAN UNDER INFLUENCE	2	38-606 CRIMINAL DAMAGE TO PROPERTY	1
096 PARKING IN NO PARKING ZONE	1	38-617 UNLAWFUL USE FINANCIAL CARD	1
104 INATTENTIVE DRIVING	2	38-702 OBSTRUCTING LEGAL PROCESS	1
182 CHILD PASSENGER SEATS	5	38-901 DISORDERLY CONDUCT	1
192 NO OPERATOR LICENSE	1	381202 UNLAWFUL USE OF DRUG PARAPHERNALIA	1
193 NO LICENSE IN POSSESSION	1	381208 UNLAWFUL POSSESSION OF PROHIBITED SUBSTA	5
194 SUSPENDED OPERATORS LICENSE	10	CH10-6 NUISANCE	2
195 DRIVE IN VIOLATION OF RESTRICTIONS	2		

** Report Total: ** 225

52 Charges were filed through County Attorney's office:

6 Domestic Battery	0 Agg Battery	2 Battery	
4 Burglary	7 Criminal Damage	5 D.U.I.	
2 Theft	12 Traffic	0 Endangering Child	
0 Liquor Violations	0 Prescription Drugs	8 Misc. Charges	6 Possession Drugs/Paraphenalia

**ADULT AND JUVENILE
CRIMINAL ARRESTS
PART ONE ARRESTS**

	JAN 2012		JAN 2011	
	ADULT	JUVENILE	ADULT	JUVENILE
Arson	0	0	0	0
Assault: Aggravated (Agg Battery)	0	0	0	0
Burglary	5	0	0	0
Murder	0	0	0	0
Rape	0	0	0	0
Robbery	0	0	0	0
Theft	13	0	2	1
Theft: Auto	0	0	0	0
Sub Total Part One Arrests	18	0	2	1

OTHER ARRESTS

Assault	0	0	0	0
Assault: LEO	0	0	0	0
Battery	4	1	1	1
Battery: Domestic	5	0	2	0
Battery: LEO	0	0	1	0
Criminal Damage Property	6	0	1	0
Criminal Threats	0	0	0	0
Disorderly Conduct	1	0	0	0
Driving Under Influence	9	0	7	0
Drug Offense Arrests	12	0	6	0
Forgery	0	0	0	0
Homicide	0	0	0	0
Juvenile Offense Arrests	0	1	1	1
Kidnapping	0	0	0	0
Kidnapping: Aggravated	0	0	0	0
Liquor Related Offense Arrests	3	0	1	1
Phone Harassment	0	0	0	0
Sexual Offense Arrests	1	0	0	0
Suicide	0	0	0	0
Vehicle Related Arrests	31	0	28	1
All Other Arrests	34	0	37	1
Sub Total	106	2	85	5

TOTAL ARRESTS

126

93

**REPORTED CRIMES
PART ONE OFFENSES**

	JAN 2012		JAN 2011	
	REPORTED	INACTIVE	REPORTED	INACTIVE
Arson	0	0	1	0
Assault: Aggravated (Agg. Battery)	0	0	0	0
Burglary	26	9	3	3
Murder	0	0	0	0
Rape	0	0	0	0
Robbery	0	0	0	0
Theft	32	21	42	14
Theft: Auto	0	0	0	0
Sub Total Part One Crimes	58	30	46	17

OTHER CRIMES

Assault	0	0	0	0
Assault: LEO	0	0	0	0
Battery	6	5	2	1
Battery: Domestic	7	6	3	3
Battery: LEO	0	0	1	1
Criminal Damage Property	21	16	9	9
Criminal Threats	0	0	0	0
Disorderly Conduct	1	1	0	0
Driving Under Influence	9	9	8	8
Drug Offenses	12	12	5	5
Forgery	0	0	16	13
Homicide	0	0	0	0
Juvenile Offenses	1	1	5	5
Kidnapping	0	0	0	0
Kidnapping: Aggravated	0	0	0	0
Liquor Related Offenses	3	3	1	1
Phone harassment	0	0	1	0
Sex Offenses	1	1	0	0
Suicide	5	5	0	0
Vehicle Related Offenses	34	34	35	35
All Other Offenses	45	42	42	32
TOTAL CRIMES	145	135	128	113

OTHER ACTIVITIES

Calls for Service	1010	813
Traffic Accidents	11	25
Warrants Served	24	33
TOTAL INCIDENTS / CALLS FOR SERVICE	1248	1020

ANIMAL CONTROL

ACTIVITY	Jan-12	Jan-11	Yr to Date
Domestic animals taken to shelter	7	2	7
Animals taken to the shelter (OTHER OFFICER)	0		0
Dead animals (wild) collected	7	12	7
Dead animals (domestic) collected	2	1	2
Wild animals trapped	4	6	4
Trap usage (days)	13	30	13
Dog ordinance violation citation	3	0	3
Cruelty to animal violation	0	0	0
Calls for service (non-trap)	66	73	66

FINES		COURT FEES										Combined	
2011	Violation	Misc.	ADSAP [\$150]	Ct. Costs [\$75.00]	LET Fee [\$5.00]	JDFJ Fund [\$2.00]	Trauma [\$1.00]	CVA [\$.50]	PFA [\$.50]	KPOST [\$2.50]	Ct. Trng. [\$.50]	Fee Totals	Total
January-11	\$19,747.50	\$486.38	\$0.00	\$7,853.00	\$1,949.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$64.88	\$10,353.38	\$30,100.88
January, 12	\$23,392.00	\$2,780.30	\$0.00	\$6,097.50	\$1,272.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48.38	\$10,198.30	\$33,590.30

--- Violation Fines-- Fine paid for violating the law.
 ---ADSAP-- Includes payments for all alcohol/ drug evaluation services.
 ---Court Costs-- Costs deposited general fund of city (salaries, computers, overhead, etc.).
 ---Law Enforcement Training Fee-- Helps fund State training for Police Officers.
 ---Juvenile Detention Facility Fund-- Helps funds juvenile detention centers.
 ---Trauma Fund-- Submitted to state for trauma fund
 ---CVA-- Crime Victims Assistance Fund submitted to state for victims of crime.
 ---PFA-- Protection from Abuse-- submitted to state to aid in abuse victims.
 ---KCPOST-- Kansas Commission on Peace Officers Standards and Training Fund-- submitted to state.
 ---CT. Training Fund-- submitted to the state for education of the court personnel.
 ---Misc.-- Restitution paid to victims, Witness fees, overpayments and reinstatement fees.

MUNICIPAL COURT	
CASES FILED	Jan-12
Crimes against persons	5
Crimes against property	9
Driving Under The Influence	3
Fleeing a Police Officer	0
Other Crimes	13
Reckless Driving	0
Traffic Violations	106
TOTAL CASES FILED	136
COURT REVENUES (fines & court costs)	\$ 29,489.50
CASE DISPOSITIONS	
Bond forfeitures	1
Dismissals	26
Diversion agreements	2
Guilty pleas	112
Trials (on pleas of not guilty)	4
TOTAL CASES CLOSED	145

CITY OF OTTAWA, KANSAS
PUBLIC WORKS DEPARTMENT
MEMORANDUM

TO: City Commission
FROM: Andy Haney, Public Works Director
COPY TO: Larry Matile, Doug Reinert, Lyle Posey, Debbie Badders, Lisa Borjas
SUBJECT: (January 2012) Monthly Activity Report/Public Works Projects Update
DATE: February 6, 2012

Project descriptions will only be included when a project first appears. Subsequent reports will only list significant activity related to an ongoing project or changes that occur during the reporting period. Ongoing projects for which there is no significant activity during the month are not listed.

K-68 & Davis Intersection Improvement. KDOT continues to evaluate the design speed limit for the project, as that aspect will affect whether a line of power poles must be moved at significant expense. The Final Check Plans were received on 9 December.

Davis Road Improvements. Staff continues to evaluate the possible funding alternatives for this improvement while considering how the project should be phased in the event the entire project (K-68 to Sand Creek Road) cannot be completed at the same time.

Streets Division Projects. Routine maintenance activities were completed during the month, including preparations for winter road maintenance activities (materials and equipment maintenance). Other activities included trimming trees to provide vertical clearance over street surfaces.

Work on an accessible ramp to the tennis courts at Forest Park was completed. This long overdue project became more necessary as we worked with ORC to pursue a grant for court surface improvements from the USTA.

Parks. Routine maintenance activities tree trimming and stump removal and other tree tasks as necessary. Crews completed leaf burning in Forest Park waterways in order to keep drainage systems clear (permitted and observed by the Fire Department). Parks crew members provided a significant portion of the labor for the concrete improvements in Forest Park detailed in the Street Division summary.

Cemeteries. Following are excerpts from the monthly Sextons' Reports:

	SPACES SOLD		BURIALS	
	(mo)	(YTD)	(mo)	(YTD)
Highland Cemetery	8	8	11	11
Hope Cemetery	0	0	0	0

City Garage. The Garage routinely services vehicles and equipment for all City departments. The most typical service is a periodic oil change with associated checks and services (preventive maintenance). During the month of January 2012 there were 21 equipment repairs and 23 preventive maintenance services completed by Garage personnel. One repair was completed by an outside vendor.

MEMORANDUM: Public Works Projects Update (p. 2)

February 6, 2012

Airport Activities Report. A KDOT grant for 50% of the cost of a credit card fueling system was favorably considered. The KDOT grant is for 50% of the project cost, up to \$27,500 (\$55k grant estimate). The proposal from Broyles Inc. was accepted, with their quote of \$44,750 (approx.). The project was substantially completed during the month of December, with a few details remaining to be worked out. The Airport is currently capable of credit card fuel sales 24 hours a day. A few minor changes, yet to be completed, are likely to increase (slightly) the final cost.

Shown below are the daily "operations" reported by the Airport Manager.

WEEK OF	M	T	W	Th	F	S	S	TOTAL
12/26/2012							8	8
1/2/2012	12	0	2	6	14	28	24	86
1/9/2012	10	42	4	0	4	8	14	82
1/16/2012	0	10	10	12	10	6	1	49
1/23/2012	2	14	16	22	2	16	28	100
1/30/2012	2	14						16
CY 2012 TOTAL	26	80	32	40	30	58	75	341

Airport fuel sales (100LL) during January 2012 amounted to 143 gallons (CY 2012 to date = 143 gal). The Airport Manager reported that the "Courtesy Car" was used twice during the month, totaling 30 miles.

Runway 17-35 Design. The contractor's tentative schedule is for the project to commence on April 23rd and to be complete on August 20th, approximately 4 months. Removal and replacement of the runway will require that the Airport be closed during construction. A meeting with Airport businesses was conducted in October, and concern was expressed about the Airport being closed during construction. Our design consultant worked through the safety aspects of the project with the FAA concerning that request. The final determination by FAA was that, due to safety and construction time issues, the Airport must be closed during this construction project. The Construction AGREEMENT was signed on 18 January, and the contractor is moving forward with the project. The City has made a request to the FAA to consider permitting occasional activity on the crosswind runway by one operator, provided such activities are individually approved and coordinated by and with the FAA.

The Airport Advisory Board continues to consider possibilities for an "event" to celebrate the re-opening.

Airspace Protection. The Kansas Department of Transportation is providing 95% grants for "Airspace Planning" studies. Staff has been working with Lochner Engineers on this matter. A grant application has been made to KDOT for a total project cost of \$18,865. Of that total amount, the obligation for the City of Ottawa would be \$943.25. Should the grant be formally offered as requested, staff will recommend to the City Commission that the offer be accepted.

To: City Manager
From: Jim Bradley
Date: Feb. 2, 2012
Subject: Utilities Project Activities

NORTHEAST SANITARY SEWER PROJECT

This project will consist of two new gravity sanitary sewer lines, a new river lift station and force main across the Marais des Cygnes River to the treatment plant. The project when completed will serve a portion of the existing system and provide for growth in the northeast portion of the City. BG Consultants have completed the design and verbal approval has been given by the Corps of Engineers. A presentation and recommendation was given to the City Commission in February 2010.

Estimated costs are approximately \$1,055,000. This amount may change as we intend to add a crossing on K-68. KDHE has been contacted to begin the revolving loan fund process. KDHE has also advised that a 15% principal forgiveness may be available. Environmental clearance letters have been mailed to the appropriate agencies. The current loan with KDHE is currently being modified to include this project. Plans have been modified to include the K-68 crossing the project. We are now in the process of completing the change to the KDHE loan and submitting information for environmental clearance. Proposed to City Commissioners as a priority project at the May 23rd 2011 study session. This project cost may be rolled into the new loan agreement now being considered for the Eastside Interceptor Project. Currently awaiting funding before proceeding to bid letting. No change to this project in January.

EASTSIDE INTERCEPTOR SANITARY SEWER PROJECT

This project was recommended for completion in the recently completed Professional Engineering Consultants (PEC) Eastside Interceptor Sewer Assessment. The project consists of replacement, repair and upgrade of the sanitary sewer eastside interceptor from near 15th St. and Rockwood Acres north to near the sanitary sewer treatment plant. This project will help eliminate wet weather overflows and provide the needed capacity for growth to south of I-35. The project is estimated to cost \$4,707,513 at this time. The City Commission has authorized staff to proceed with the engineering phase of the project and authorized the necessary rate increase to fund the project on February 1, 2012

Review of the plans and necessary changes continue and should be completed by mid-February. Easement descriptions have been received and the acquisition of the easements will begin in February. The necessary appraisals for these easements will be completed by late February or early March. Meetings to discuss the easements will be scheduled with property owners as the appraisals are received. Information regarding the project has been posted on the Government Access Channel.

POWER PLANT RICE NESHAP PROJECT

The Environmental Protection Agency published an update on May 3, 2010 of the National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 CFR part 63. This mandate will require nationwide design, testing and installation of emission controls equipment on all large stationary Reciprocating Internal Combustion Engines (RICE), including those at our power plant.

Equipment for the improvements has been placed on order. We anticipate receipt of the equipment in early March. We anticipate upgrading our Cooper engines first.

ELECTRIC MASTER PLAN UPDATE

The Utility Department has contracted with Sawvel and Associates to update the existing Electric Master Plan. Sawvel will coordinate with SEGA, Inc. and Kansas Municipal Energy Agency and City Staff for existing information necessary to complete the study.

City staff, including the City Manager met with Sawvel in December to review the draft report. The final report will be completed shortly and a presentation to the City Commission will be made in the near future.

SANITARY SEWER MAINTENANCE

Televised 699 feet of sanitary sewer lines. Cleaned 9,255 feet of sewer line. Completed three spot repairs of sanitary sewer lines consisting of 40' of 8" line and three wyes.

WATER DISTRIBUTION MAINTENANCE

Replaced 395' of 8" watermain.

Ottawa Municipal Power Plant

MONTHLY POWER REPORT January-12

	2012		2011	
	This Month	Year to Date	This Month	Year to Date
KILOWATT HOURS				
NET SELF GENERATION	-30.975 *	-30.975 *	-112.623 *	-112.623
PURCHASED POWER:				
SWPA	95,000	95,000	180,000	180,000
KMEA	11,840,000	11,840,000	12,818,000	12,818,000
KCPL	405,900	405,900	557,700	557,700
SUB-TOTAL ENERGY	12,340,869	12,340,869	13,555,587	13,555,587
TOTAL ENERGY (after sales) ¹	12,340,869	12,340,869	13,555,587	13,555,587
INCREASE / DECREASE ² (2011 VS. 2012)	-8.96%	-8.96%		
 KILOWATT LOAD				
PEAK DEMAND	21.400	21.400	23.300	23.300
TIME OF PEAK	6:00 PM	6:00 PM	6:00 PM	6:00 PM
DAY OF PEAK	1/12/2012	1/12/2012	1/11/2011	1/11/2011
 ENERGY SALES				
KCPL (supplemental) KWh	0	0	0	0
WRI / Other (supplemental) KWh	0	0	0	0
Nearman Sales KWh ³	0	0	0	0
TOTAL SALES (KWh)	0	0	0	0

¹Total energy demand of city

²After Generated Sales

³Non-Generated Sales

*negative net generation = station power exceeded gross generation.

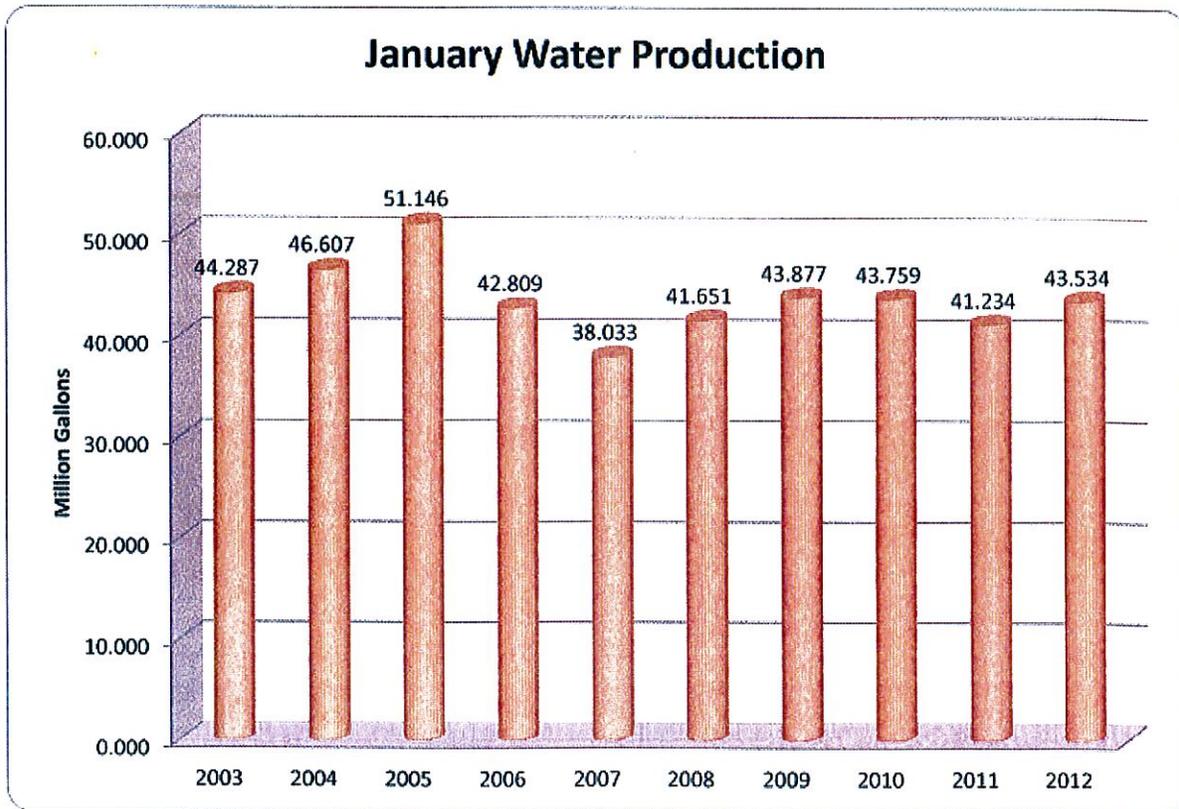
WATER TREATMENT PLANT PRODUCTION REPORT JANUARY 2012

Gallons of Water Produced

	2012		2011		Year to Date Percentage of Increase / Decrease
	This Month	Year to Date	This Month	Year to Date	
Monthly Plant Influent	44,080,000	44,080,000	46,338,000	46,338,000	-5%
Monthly Plant Effluent	43,534,000	43,534,000	41,234,000	41,234,000	5%
Sludge Water Reused	2,149,300	2,149,300	2,497,100	2,497,100	-16%
Average Daily Influent	1,421,935	1,421,935	1,494,774	1,494,774	
Average Daily Effluent	1,404,323	1,404,323	1,330,129	1,330,129	

Weather Information

Total Precipitation	0.05	0.05	0.89	0.89	-1680%
Average High Temperature	49	49	34	34	31%
Average Low Temperature	21	21	13	13	38%



**WASTEWATER TREATMENT PLANT REPORT
JANUARY 2012**

	2012	2011
	This Month	Year To Date
	Same Month	Year To Date
TOTAL FLOW, MG	16.9	6.6
PEAK DEMAND DAY, MG	0.682	0.641
AVERAGE DAILY FLOW, MGD	0.548	0.211
AVERAGE PLANT INFLUENT		
BOD5, MG/l	193.1	160.6
TSS, MG/l	216.6	220.6
AMMONIA, MG/l	31.6	31.2
pH, Sl	7.66	7.58
AVERAGE PLANT EFFLUENT		
(KDHE STD.)		
BOD5, MG/L	2.6	4.6
TSS, MG/L	2.5	2.5
AMMONIA, MG/L	1.8	0
pH, SU	7.44	7.19
PERCENT REDUCTION BOD5	98.5	97.1
PERCENT REDUCTION TSS	98.6	98.5
KWH OF ELECTRIC USED		
Wastewater Plant	158,120	153,920
River Lift Stator	3,484	2,982
Logan Lift Stator	4,177	4,386
Mulberry Lift Stator	2,600	3,693
Princeton Lift Stator	1,429	1,985
Rockwood Lift Stator	334	275
Pin Oak Lift Stator	234	593
Diamond A Lift Stator	8	0
Fairway Lift Stator	1,054	333
Rock Creek Lift Stator	400	447
TOTAL KWH	171,840	168,614

OTTAWA LIBRARY						
General Fund						
Receipts & Expenditures						
1/31/2012						
Budget Code	Budget Amount	Current Month	Yr to Date Actual	Encumb. paid in	YTD % of Budget	Budget Balance
					1/12=8.33%	
	Beginning Cash Balance	3,624.00	3,623.83	3,623.83		
	Receipts:					
301.00	City Appropriations	756,582.00	353,227.11	353,227.11	46.69%	-403,354.89
302.00	KAN-ED	1,000.00	2,759.55	2,759.55	275.96%	1,759.55
303.00	Interest	1,000.00	14.78	14.78	1.48%	-985.22
304.00	State Aid	6,000.00	0.00	0.00	0.00%	-6,000.00
305.00	NEKLS Grants	25,455.00	0.00	0.00	0.00%	-25,455.00
306.00	Fines and Fees	13,000.00	1,003.90	1,003.90	7.72%	-11,996.10
307.00	Copiers & Computers Income	7,000.00	434.10	434.10	6.20%	-6,565.90
308.00	Endowment Interest	8,400.00	0.00	0.00	0.00%	-8,400.00
313.00	Gift	325.00	0.00	0.00	0.00%	-325.00
316.00	Programs Income	0.00	0.00	0.00	0.00%	0.00
321.00	General Fund Reserve	0.00	0.00	0.00	0.00%	0.00
328.00	Erate Reimb	0.00	0.00	0.00	0.00%	0.00
333.00	Transfers In (Capital, FOL, & Endowment)	0.00	0.00	0.00	0.00%	0.00
334.00	Donations	0.00	0.00	0.00	0.00%	0.00
338.00	Vangent, Inc Gift- FOL	0.00	0.00	0.00	0.00%	0.00
339.00	Prime Time Family Reading Grant	0.00	0.00	0.00	0.00%	0.00
340.00	FOL Grant (Programming)	0.00	0.00	0.00	0.00%	0.00
341.00	Grant/Fundraising	3,545.00	-15.95	-15.95	0.00%	-3,560.95
	Total Income	825,931.00	357,423.49	357,423.49	43.28%	-468,507.51
	Beginning Balances Restricted Funds:					
	Weber/Sinclair Gift (Children's)	310.79				
	Starkey (Children's)	29.39				
	Bill Bennett (Art/Arch Memorial)	5.34				
	Asa Albert Smith Memorial	33.80				
	EXPENDITURES:					
	Salaries, etc.					
401.00	Staff Salaries	485,007.00	16,625.55	16,625.55	3.43%	468,381.45
402.00	Social Security	36,552.00	1,214.95	1,214.95	3.32%	35,337.05
403.00	KPERS	30,100.00	1,936.65	1,936.65	6.43%	28,163.35
404.00	Employee Insurance	48,955.00	3,305.76	3,305.76	6.75%	45,649.24
405.00	Unemployment	493.00	31.03	31.03	6.29%	461.97
407.00	Worker's Comp	2,700.00	0.00	0.00	0.00%	2,700.00
	Subtotal Salaries,etc.	603,807.00	23,113.94	23,113.94	3.83%	580,693.06
	Materials and Programs					
501.00	Juvenile Books	21,350.00	31.25	31.25	0.15%	21,318.75
502.00	Adult Books	47,898.00	1,995.14	1,995.14	4.17%	45,902.86
503.00	Periodicals	7,000.00	5,085.75	5,085.75	72.65%	1,914.25
506.00	A.V. Materials	20,000.00	1,908.45	1,908.45	9.54%	18,091.55
507.00	Programs	3,000.00	174.03	174.03	5.80%	2,825.97
513.00	Gift	0.00	0.00	0.00	0.00%	0.00
518.00	Electronic Access Expenditures	1,000.00	54.36	54.36	5.44%	945.64
520.00	A.V. Materials-Children	4,000.00	0.00	0.00	0.00%	4,000.00
	Subtotal Materials and Programs	104,248.00	9,248.98	9,248.98	8.87%	94,999.02

