

**SPRING HILL CITY COUNCIL  
REGULAR MEETING  
AGENDA  
THURSDAY, APRIL 14, 2016  
7:00 P.M.  
SPRING HILL CIVIC CENTER  
401 N. MADISON – ROOM 15**

**CALL TO ORDER**

**INVOCATION** Pastor Janice Hawley, Hillside Community Lutheran Church

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**APPROVAL OF AGENDA**

**CITIZEN PARTICIPATION**

**CONSENT AGENDA:**

The items on the Consent Agenda are considered by staff to be routine business items. Approval of the items may be made by a single motion, seconded, and a majority vote with no separate discussion of any item listed. Should a member of the Governing Body desire to discuss any item, it will be removed from the Consent Agenda and considered separately.

1. Approval of Minutes: March 24, 2016
2. Appropriation Order 2016-04-14
3. Consider Temporary Use Permit: TUP-03-16, Queen's Price Chopper – outside storage of merchandise
4. Proclamation: April 2016 Fair Housing
5. Proclamation: Start by Believing Day, Metropolitan Organization to Counter Sexual Assault
6. Proclamation: Spring Hill Arbor Day
7. Consider Special Event Permit: Let Your Light Shine 5K, Josh & Michele Ivans

**FORMAL COUNCIL ACTION**

8. Resolution No. 2016-R-10: Resolution of intent for Industrial Revenue Bond
9. Resolution No. 2016-R-11: Resolution of intent to finance certain equipment
10. Consider Approval of Agreement: Assignment of liability for counterfeit card transactions, Forte

**DISCUSSION**

11. 1<sup>st</sup> Quarter Financials Review

**ANNOUNCEMENTS and REPORTS**

**ADJOURN**

THE FOLLOWING MINUTES ARE SUBJECT TO MODIFICATION  
AND ARE NOT OFFICIAL MINUTES  
UNTIL APPROVED BY THE SPRING HILL CITY COUNCIL

**City of Spring Hill, Kansas  
Minutes of City Council Regular Session  
March 24, 2016**

A Regular Session of the City Council was held in the Spring Hill Civic Center, 401 N. Madison, Council Chambers, Spring Hill, Kansas on March 24, 2016. The meeting convened at 7:00p.m. with Mayor Ellis presiding, and Glenda Gerrity, City Clerk recording.

Councilmembers in attendance: Chris Leaton  
Clint Gillis arrived at 7:50p.m.  
Floyd Koder  
Andrea Hughes

Councilmembers absent: Chad Eckert

Staff in attendance: City Administrator Jonathan Roberts  
Police Chief Richard Mann  
Finance Director Melanie Landis  
Community Development Director Jim Hendershot  
Human Resources/Risk Manager Natalie Lazenby

Consultants in attendance: Insurance Representative Kevin O'Brien  
City Attorney Frank Jenkins

**ROLL CALL**

The City Clerk called the roll of the City Council. With a quorum present, the meeting commenced.

**APPROVAL OF THE AGENDA**

The Mayor requested to add the following items:

Item 14. Resolution No. 2016-R-08: Contract providing for cleaning and and/or restoration services at City Hall/Civic Center (Piat, Inc. DBA Servpro)

Item 15. Resolution No. 2016-R-09: Contract providing duct cleaning services at City Hall/Civic Center (Midwest Duct Cleaning)

Item 16. Executive Session – Non-elected Personnel Exception

**Motion by** Leaton, seconded by Hughes, to approve the agenda as revised. Motion carried 3-0-0

**CITIZEN PARTICIPATION:**

There was no citizen participation.

**PRESENTATIONS:**

**AAA Award, Kansas Department of Transportation, Mr. Bob Hamilton**

Mr. Bob Hamilton from the Kansas Department of Transportation introduced Mr. Jim Hanni, Executive Vice President of Public and Government Affairs with AAA Kansas. Mr. Hanni presented the 2015 AAA Community Traffic Safety Gold Award to the Spring Hill Police Department. Spring Hill was one of 23 agencies that received this award by addressing traffic safety issues. The Mayor thanked Chief Mann and Assistant Chief Holmes for the Department's effort in obtaining this award.

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**Property/Casualty Liability Insurance, The Reilly Company, Mr. Kevin O'Brien**

Mr. Kevin O'Brien presented the summary of changes in coverage from 2015 to 2016 and explained that the insurance marketplace in 2016 is as stable as it has been in the past several years. Mr. O'Brien reported that the City has an excellent claim history and will see a 6% premium increase.

Mr. O'Brien also recommended a new Pollution Liability Coverage to address the pollution exposures of the wastewater treatment plant. After discussion, it was determined that this coverage may not be necessary since the City is regulated by the State permit requirements. The City Attorney was directed to review the State Permit guidelines to confirm if this coverage was necessary.

Since the approval of Property/Casualty Liability Insurance was listed in the Consent Agenda as Item 4., the following motion was made to move Item 4. to Formal Action:

**Motion** by Leaton, seconded by Koder, to amend the agenda by removing Item 4 from the Consent and taking it out of order as number 4 in Formal Council action. Motion carried 3-0-0.

**CONSENT AGENDA:**

**Motion** by Leaton, seconded by Koder, to approve the Consent Agenda as presented.

1. **Approval of Minutes: March 10, 2016**
2. **Appropriation Order 2016-03-24**
3. **Proclamation: National Crime Victims' Rights Week, April 10-16, 2016**
4. ~~Consider Approval of Property/Casualty Liability Insurance: The Reilly Company~~ Item was moved to Formal Council Action
5. **Consider Approval of Site Plan: Mid-Am Building Supply Development Plan**
6. **Consider Temporary Use Permit: TUP-01-16, Dollar General - outside storage of merchandise**
7. **Consider Temporary Use Permit: TUP-02-16, H.E.R.S., Inc. - outside storage of merchandise**

Motion carried 3-0-0.

**FORMAL COUNCIL ACTION**

**4. Consider Approval of Property/Casualty Liability Insurance: The Reilly Company**

**Motion** by Leaton, seconded by Koder, to approve the Property, Casualty Insurance with Reilly Company minus the wastewater treatment insurance (for the term April 1, 2016 to April 1, 2017). Motion carried 3-0-0.

**8. Consider Name of Park and Access Road**

The Community Development Director reported that the park planned for the west side of the lake at the golf course has not officially been named. In addition, the street from 199<sup>th</sup> to the park must have a designated name. Mr. Hendershot explained that the park to be constructed at Spring Hill Lake is an opportunity for the City to pay tribute to an individual or group of individuals in Spring Hill. Similar to placing a name on a building, identifying a park should be a decision that is given serious consideration and offers an opportunity to show pride in the community. With a letter of support from American Legion Post #350 and an unofficial recommendation from the Spring Hill Green Board, staff is offering the park name of Spring Hill Veterans Park, and Veterans Lane for the access road.

Representatives of the American Legion Cole-Smith Post 350 attended the meeting to show their support of staff's recommendation to name the park Spring Hill Veterans Park. Commander Darrell Beck read aloud the American Legion's letter of support to the Governing Body.

Staff, the Spring Hill Green Board and American Legion Post 350 recommend the name Spring Hill Veterans Park, and Veterans Lane for the park and access road at Spring Hill Lake.

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**Motion by** Leaton, seconded by Koder, to name Spring Hill Veterans Park, and Veterans Lane for the park and access road at Spring Hill Lake, with pleasure. Motion carried 3-0-0.

**9. Ordinance No. 2016-04: Consider Adopting Spring Hill Zoning and Subdivision Regulations**

The Community Development Director presented the ordinance adopting the Spring Hill Zoning and Subdivision Regulations, 2016 Edition.

Mr. Hendershot reported that over the past several months the Spring Hill Planning Commission has been discussing several amendments to the Zoning and Subdivision Regulations. A review of the proposed changes is as follows:

- Delete all references to "Growth Area" (24)
- Correction of enforcing staff member's title (3)
- Corrections to Table of Contents (2)
- New code sections addressing microbreweries
- Increase in structure heights in industrial districts
- Clarification of document submittal and accompanying documents
- Deletion of regulations for code issues duplicated in International Residential Code
- Amendments to residential fence regulations
- Deletion of subdivision covenant submittal
- Clarification of responsibility of recording plats and improvement agreements

The above listed items represent amendments that have been pending awaiting an opportunity to implement the amendments together rather than sporadically. The Planning Commission formally held the required public hearing on March 3, 2016. There being no public comment and after general discussion of the proposed amendments, the Planning Commission voted unanimously to recommend adoption of the Spring Hill Zoning and Subdivision Regulations, 2016 First Edition. Staff concurs with the Planning Commission recommendation.

**Motion by** Leaton, seconded by Koder, to adopt Ordinance 2016-04. Motion carried by roll of the City Council 3-0-0. Leaton-yea, Koder-yea, Hughes-yea.

**10. Ordinance No. 2016-05: Consider Adopting Spring Hill Sign Regulations**

The Community Development Director presented the ordinance adopting the Spring Hill Sign Regulations, 2016 First Edition.

Mr. Hendershot reported that over the past several months the Spring Hill Planning Commission has been discussing several amendments to the Spring Hill Sign Regulations. A review of the proposed changes is as follows:

- Deletion of reference to Growth Area (3)
- Correction of title of enforcing officer
- Exception to placement of temporary public event signs at city entrances

The Planning Commission formally held the required public hearing on March 3, 2016. There being no public comment and after general discussion of the proposed amendments, the Planning Commission voted unanimously to recommend adoption of the Spring Hill Sign Regulations, 2016 First Edition. Staff concurs with the Planning Commission recommendation.

**Motion by** Leaton, seconded by Koder, to adopt Ordinance 2016-05. Motion carried by roll of the City Council 3-0-0. Koder-yea, Hughes-yea, Leaton-yea.

**11. Resolution No. 2016-R-05: 2016 Authorized Dates for Legal Discharge of Fireworks**

The Community Development Director presented the resolution to approve the 2016 Authorized Dates for Legal Discharge of Fireworks.

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Mr. Hendershot reported that July 4, 2016 falls on a Monday and the proposed dates allows for weekend celebration events with fireworks. In addition, fireworks are available for legal purchase June 28 thru July 5. Allowing the legal discharge of fireworks in conjunction with the legal sales dates eliminates confusion of residents and lessens law enforcement issues. Hours of legal discharge remain 8:00a.m. to 11:00p.m. Dates for discharging fireworks for the New Year holiday remain December 31, 2016 through January 1, 2017 from 11:00p.m. to 12:30a.m.

**Motion by** Leaton, seconded by Hughes, to approve Resolution 2016-R-05. Motion carried 3-0-0.

**12. Resolution No. 2016-R-06: Resolution of intent to finance certain equipment**

The Finance Director presented the resolution of intent to finance a crack sealing machine for \$40,000. The proposed resolution would allow the City to purchase the equipment prior to having the lease details worked out. Previously, the City has used a lease process with local banks and has had great success with low interest rates and would expect the same to continue with the proposed process. An additional resolution for other equipment budgeted for 2016 purchase will be added to a future agenda, however, the timing of this purchase may, weather permitting, allow the street department to start some of the planned crack sealing in the spring as opposed to waiting for fall.

**Motion by** Leaton, seconded by Koder, to approve Resolution No. 2016-R-06. Motion carried 3-0-0.

**For the record:** At this time, Mayor Ellis disclosed that he may have a potential conflict of interest for Item 13. His law partner did some legal work as an independent contractor for the law firm that assisted this entity. He stated to avoid any perception of impropriety that there was an exchange for favor of an easement, requested that Council President Leaton administer Item 13 for consideration. Mayor Ellis removed himself from the dais and left the room at 7:43p.m

**13. Resolution No. 2016-R-07: Accepting utility easement from Taylor Oil relating to tract adjacent to Lots 84 and 85, Plat of Spring Hill, Kansas, located at the southeast corner of Nichols Street and Webster Street**

The City Attorney presented the resolution accepting the dedication of a permanent utility easement from Taylor Oil, Inc. located at approximately the southeast corner of the intersection of Nichols Street and Webster Street. The 15 foot utility easement along the south portion of the Tract grants the City the right to access and maintain the existing sanitary sewer and drainage system. It also grants the City the right to construct future utility systems.

**Motion by** Koder, seconded by Hughes, to approve Resolution No. 2016-R-07. Motion carried 3-0-0.

At 7:47p.m., Mayor Ellis returned to the meeting and took his seat at the dais.

At 7:50p.m., Councilman Gillis arrived at the meeting and took his seat at the dais.

**14. Resolution No. 2016-R-08: Consider awarding the contract between the City of Spring Hill, Kansas and Piat, Inc. (DBA Servpro) for the purpose of providing cleaning and and/or restoration services at City Hall/Civic Center**

The Community Development Director presented the resolution to approve the contract with Piat, Inc. (d/b/a ServPro) relating to mold remediation services and testing for asbestos, and if present removal of asbestos for City Hall/Civic Center that were recommended by Flappan Consulting, Inc. The contract is a unit price estimated at \$25,426.07. It provides that the amount may be more or less than the estimate based upon the number of units to complete the services. If asbestos is determined to be present and is necessary to be removed, the parties intend to enter into a change order to the contract, agreeing in the change order to the price and terms of removal. The City has received the required statutory bond for this contract.

**Motion by** Leaton, seconded by Koder, to approve Resolution No. 2016-R-08 in the (estimated) amount of \$25,426.07. Motion carried 4-0-0.

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**15. Resolution No. 2016-R-09: Consider awarding the contract between the City of Spring Hill, Kansas and Midwest Duct Cleaning Services, Inc. for the purpose of providing duct cleaning services at City Hall/Civic Center**

The Community Development Director presented the resolution to approve the contract with Midwest Duct Cleaning Services, Inc. relating to the mold remediation in the HVAC systems of City Hall/Civic Center recommended by Flappan Consulting, Inc. The contract is a unit price contract in the estimated amount of \$26,355.00. It provides that the amount may be more or less than the estimate based upon the unforeseen circumstances that may arise once the work is commenced. A statutory bond is required by the Contractor and has not been received by the City; however, the bonding company stated that Midwest Duct Cleaning is bondable. Staff recommends approval of Resolution No. 2016-R-09 authorizing the Mayor to execute the contract with Midwest Duct Cleaning Services in the estimated amount of \$26,355.00 subject to the statutory bond being successfully submitted.

**Motion by** Leaton, seconded by Gillis, approve Resolution No. 2016-R-09 in the (estimated) amount of \$26,355.00 subject to the statutory bond being successfully submitted. Motion carried 4-0-0.

**EXECUTIVE SESSION**

**Motion by** Leaton, seconded by Koder, to recess into Executive Session for 10 minutes under the Non-elected Personnel Exception to the Kansas Open Meetings Act: Subject – Employee Performance. The following persons are to be in attendance: Jonathan Roberts, City Administrator and Frank Jenkins, City Attorney. Motion carried 4-0-0.

The meeting recessed at 8:12p.m. with the executive session to begin at 8:30p.m.  
The meeting reconvened at 8:40p.m. with everyone present.

Mayor Ellis announced that no votes were taken or decisions made during the executive session. The discussion was limited to the subject stated.

**ADJOURN**

**Motion by** Leaton, seconded by Gillis, to adjourn.

The meeting adjourned at 8:41p.m.

Approved by the Governing Body on \_\_\_\_\_.

\_\_\_\_\_  
Glenda Gerrity, City Clerk

# CITY OF SPRING HILL, KANSAS

## APPROPRIATION ORDER NUMBER 2016-04-14 PRESENTED: April 14, 2016

**Be it ordered by the Governing Body of the City of Spring Hill that the above dated order is and shall be approved and all claims honored and paid by the City Clerk.**

### **Section 1:**

Claims paid prior to approval of the City Council as authorized by Ordinance 2001-08:

Accounts Payable:	\$305,432.36
Payroll:	\$117,593.59
	\$423,025.95

### **Section 2:**

Claims presented for approval of payment:

Accounts Payable:	<hr/>
	\$0.00

**Total amount of the Appropriation Order: \$423,025.95**

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
1187	3/10/2016	5 STAR PUMP & CONTROL EQUIPMENT MAINTENANCE	20-14-7670	\$ 425.00	77919	4/7/2016
1188	3/10/2016	EQUIPMENT MAINTENANCE	25-15-7670	\$ 255.00	77919	4/7/2016
		5 STAR PUMP & CONTROL		\$ 680.00		
		AETNA				
PR20160311	3/11/2016	AETNA-457 PLAN	01-00-2035	\$ 257.50	1283246	3/18/2016 E
PR20160311	3/11/2016	AETNA-457 PLAN	01-18-5120	\$ 40.00	1283246	3/18/2016 E
PR20160311	3/11/2016	AETNA-457 PLAN	20-00-2035	\$ 30.00	1283246	3/18/2016 E
PR20160325	3/25/2016	AETNA-457 PLAN	01-00-2035	\$ 257.50	1283259	4/01/2016 E
PR20160325	3/25/2016	AETNA-457 PLAN	01-18-5120	\$ 40.00	1283259	4/01/2016 E
PR20160325	3/25/2016	AETNA-457 PLAN	20-00-2035	\$ 30.00	1283259	4/01/2016 E
		AETNA		\$ 655.00		
		ALAMAR UNIFORMS				
507076	2/25/2016	UNIFORMS	01-05-7680	\$ 138.95	216066	3/22/2016
		ALAMAR UNIFORMS		\$ 138.95		
		ALEXANDER OPEN SYSTEMS				
I0084160	1/19/2016	CONSULTING SERVICES	01-11-7720	\$ 1,434.00	216067	3/22/2016
I0084722	2/17/2016	CONSULTING SERVICES	01-11-7720	\$ 6,937.50	216067	3/22/2016
		ALEXANDER OPEN SYSTEMS		\$ 8,371.50		
		ALL-CITY MANAGEMENT				
42445	2/22/2016	CROSSING GUARD SERVICE	01-05-7742	\$ 734.58	216068	3/22/2016
		ALL-CITY MANAGEMENT		\$ 734.58		
		ATRONIC ALARMS, INC				
141974	2/24/2016	FIRE ALARM MONITORING	01-05-7630	\$ 19.50	216069	3/22/2016
142675	3/8/2016	MEMBERSHIP DUES	01-05-7630	\$ 84.00	216069	3/22/2016
		ATRONIC ALARMS, INC		\$ 103.50		
		BHC RHODES				
28804	2/26/2016	CONSULTANT REVIEW-TRAFFI	01-16-7720	\$ 560.00	216070	3/22/2016
		BHC RHODES		\$ 560.00		
		BOTTARO, MOREFIELD, KUBIN				
51451	3/9/2016	LEGAL SERVICES	01-05-7710	\$ 2,703.50	77920	4/7/2016
		BOTTARO, MOREFIELD, KUBI		\$ 2,703.50		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
		CMI				
320505	2/22/2016	EQUIPMENT MAINTENANCE	43-00-8110	\$ 6.68	216071	3/22/2016
320536	2/23/2016	EQUIPMENT MAINTENANCE	01-12-7670	\$ 4.59	216071	3/22/2016
320542	2/23/2016	EQUIPMENT MAINTENANCE	01-02-7670	\$ 22.89	216071	3/22/2016
320560	2/24/2016	EQUIPMENT MAINTENANCE	01-02-7670	\$ 27.49	216071	3/22/2016
320601	2/26/2016	EQUIPMENT MAINTENANCE	01-12-7670	\$ 0.25	216071	3/22/2016
320702	3/2/2016	BUILDING MAINTENANCE	01-02-6160	\$ 13.49	216071	3/22/2016
320723	3/3/2016	DRAINAGE PIPE	10-02-6320	\$ 3.29	216071	3/22/2016
320742	3/4/2016	DRAINAGE PIPE	10-02-6320	\$ 367.28	216071	3/22/2016
320755	3/4/2016	HAND EQUIPMENT AND TOOLS	01-02-6360	\$ 25.98	216071	3/22/2016
320856	3/9/2016	SIGNS	10-02-6310	\$ 20.99	216071	3/22/2016
320876	3/9/2016	DRAINAGE PIPE	10-02-6320	\$ 18.55	216071	3/22/2016
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		CMI		\$ 511.48		
		CURTIS E. OTTINGER, JR				
19641	3/14/2016	BOND PAYABLE	01-00-2200	\$ 750.00	77921	4/7/2016
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		CURTIS E. OTTINGER, JR		\$ 750.00		
		DELL FINANCIAL SERVICES				
XJWNCDR57	2/25/2016	COMPUTER EQUIPMENT	01-09-8120	\$ 790.97	77922	4/7/2016
XJWNCDR57	2/25/2016	COMPUTER EQUIPMENT	20-14-8120	\$ 790.97	77922	4/7/2016
XJWNCDR57	2/25/2016	COMPUTER EQUIPMENT	25-15-8120	\$ 790.97	77922	4/7/2016
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		DELL FINANCIAL SERVICES		\$ 2,372.91		
		DENNIS BROWN				
19946	3/14/2016	BOND PAYABLE	01-00-2200	\$ 750.00	77923	4/7/2016
				-----		
		DENNIS BROWN		\$ 750.00		
		DIGITAL CONNECTIONS INC				
38227	3/21/2016	CMPTR EQPT MNTCE/LICENSE	01-09-6130	\$ 734.79	77924	4/7/2016
38227	3/21/2016	CMPTR EQPT MNTCE/LICENSE	01-13-6110	\$ 26.10	77924	4/7/2016
38227	3/21/2016	CMPTR EQPT MNTCE/LICENSE	01-05-7670	\$ 303.66	77924	4/7/2016
				-----		
		DIGITAL CONNECTIONS INC		\$ 1,064.55		
		ELIZABETH WOOLSEY				
2447	3/12/2016	DEPOSIT REFUND	01-00-2050	\$ 75.00	77925	4/7/2016
				-----		
		ELIZABETH WOOLSEY		\$ 75.00		
		FAMILY CONCEPTS, LTD.				
60627	10/15/2015	PUBLIC RELATION BOOKS FO	01-05-7750	\$ 318.66	77914	3/18/2016
				-----		
		FAMILY CONCEPTS, LTD.		\$ 318.66		
		FASTENAL COMPANY				
SKC1116244	2/25/2016	EQUIPMENT MAINTENANCE	01-12-7670	\$ 5.48	216072	3/22/2016
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		FASTENAL COMPANY		\$ 5.48		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
162903	3/29/2016	FESTIVAL CHORAL SOCIETY DONATIONS	01-07-6040	\$ 350.00	77926	4/7/2016
		FESTIVAL CHORAL SOCIETY		\$ 350.00		
PR20160311	3/11/2016	H KENT HOLLINS Garnishment	01-00-2040	\$ 88.68	77870	3/18/2016
PR20160325	3/25/2016	H KENT HOLLINS Garnishment	01-00-2040	\$ 90.75	77916	4/1/2016
		H KENT HOLLINS		\$ 179.43		
162902	2/29/2016	INTEGRITY LOCATING UTILITY LOCATING SERVICE	20-14-7740	\$ 553.33	216073	3/22/2016
162902	2/29/2016	UTILITY LOCATING SERVICE	25-15-7740	\$ 553.33	216073	3/22/2016
162902	2/29/2016	UTILITY LOCATING SERVICE	01-02-7740	\$ 553.34	216073	3/22/2016
		INTEGRITY LOCATING		\$ 1,660.00		
PR20160311	3/11/2016	INTERNAL REVENUE SERVICE FED/FICA TAX	01-00-2020	\$ 18,723.34	1283245	3/18/2016 E
PR20160311	3/11/2016	FED/FICA TAX	20-00-2020	\$ 1,236.14	1283245	3/18/2016 E
PR20160311	3/11/2016	FED/FICA TAX	25-00-2020	\$ 1,289.35	1283245	3/18/2016 E
PR20160325	3/25/2016	FED/FICA TAX	01-00-2020	\$ 17,750.99	1283258	4/01/2016 E
PR20160325	3/25/2016	FED/FICA TAX	20-00-2020	\$ 1,149.71	1283258	4/01/2016 E
PR20160325	3/25/2016	FED/FICA TAX	25-00-2020	\$ 1,472.89	1283258	4/01/2016 E
		INTERNAL REVENUE SERVICE		\$ 41,622.42		
20160301	3/1/2016	JO COUNTY POLICE CHIEF'S MEMBERSHIP DUES	01-05-7630	\$ 125.00	77927	4/7/2016
		JO COUNTY POLICE CHIEF'S		\$ 125.00		
160704	4/7/2016	JOHNSON CO RFD#2 JOCO FIRE DISTRICT SERVI	03-00-7210	\$ 140,658.75	77928	4/7/2016
		JOHNSON CO RFD#2		\$ 140,658.75		
2533	3/12/2016	JORDAN PETRY DEPOSIT REFUND	01-00-2050	\$ 75.00	77929	4/7/2016
		JORDAN PETRY		\$ 75.00		
PR20160311	3/11/2016	KAHRS LAW OFFICES, P.A. GARNISHMENT	01-00-2040	\$ 88.68	77871	3/18/2016
PR20160325	3/25/2016	KAHRS LAW OFFICES, P.A. GARNISHMENT	01-00-2040	\$ 90.75	77917	4/1/2016
		KAHRS LAW OFFICES, P.A.		\$ 179.43		
PR20160311	3/11/2016	KANSAS PAYMENT CNTR CHILD SUPPORT 1	01-00-2040	\$ 158.31	77869	3/18/2016
PR20160325	3/25/2016	CHILD SUPPORT 1	01-00-2040	\$ 158.31	77915	4/1/2016
		KANSAS PAYMENT CNTR		\$ 316.62		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
2500	3/13/2016	KARA STITES REFUND DEPOSIT	01-00-2050	\$ 75.00	77930	4/7/2016
		KARA STITES		\$ 75.00		
		KEY EQUIPMENT & SUPPLY CO				
245797	3/9/2016	EQUIPMENT MAINTENANCE	01-02-7670	\$ 249.30	77931	4/7/2016
245797	3/9/2016	EQUIPMENT MAINTENANCE	25-15-7670	\$ 249.30	77931	4/7/2016
245797	3/9/2016	EQUIPMENT MAINTENANCE	20-14-7670	\$ 249.30	77931	4/7/2016
		KEY EQUIPMENT & SUPPLY C		\$ 747.90		
		KP&F				
PR20160311	3/11/2016	KP&F	01-00-2030	\$ 6,533.31	1283247	3/18/2016 E
PR20160325	3/25/2016	KP&F LIFE	01-00-2030	\$ 47.40	1283260	4/01/2016 E
PR20160325	3/25/2016	KP&F	01-00-2030	\$ 6,407.04	1283260	4/01/2016 E
		KP&F		\$ 12,987.75		
		KPERS				
PR20160311	3/11/2016	KPERS TIER 1	01-00-2030	\$ 4,116.79	1283244	3/18/2016 E
PR20160311	3/11/2016	KPERS TIER 1	20-00-2030	\$ 599.38	1283244	3/18/2016 E
PR20160311	3/11/2016	KPERS TIER 1	25-00-2030	\$ 350.35	1283244	3/18/2016 E
PR20160311	3/11/2016	KPERS post 7/09	01-00-2030	\$ 2,787.80	1283244	3/18/2016 E
PR20160311	3/11/2016	KPERS post 7/09	25-00-2030	\$ 463.66	1283244	3/18/2016 E
PR20160311	3/11/2016	KPERS TIER 3	01-00-2030	\$ 573.32	1283244	3/18/2016 E
PR20160311	3/11/2016	KPERS D&D	01-00-2030	\$ 492.61	1283244	3/18/2016 E
PR20160311	3/11/2016	KPERS D&D	20-00-2030	\$ 39.49	1283244	3/18/2016 E
PR20160311	3/11/2016	KPERS D&D	25-00-2030	\$ 53.62	1283244	3/18/2016 E
PR20160325	3/25/2016	KPERS TIER 1	01-00-2030	\$ 4,045.74	1283257	4/01/2016 E
PR20160325	3/25/2016	KPERS TIER 1	20-00-2030	\$ 541.97	1283257	4/01/2016 E
PR20160325	3/25/2016	KPERS TIER 1	25-00-2030	\$ 365.68	1283257	4/01/2016 E
PR20160325	3/25/2016	KPERS LIFE	01-00-2030	\$ 146.85	1283257	4/01/2016 E
PR20160325	3/25/2016	KPERS LIFE	20-00-2030	\$ 30.20	1283257	4/01/2016 E
PR20160325	3/25/2016	KPERS LIFE	25-00-2030	\$ 17.40	1283257	4/01/2016 E
PR20160325	3/25/2016	KPERS post 7/09	01-00-2030	\$ 2,768.29	1283257	4/01/2016 E
PR20160325	3/25/2016	KPERS post 7/09	25-00-2030	\$ 535.81	1283257	4/01/2016 E
PR20160325	3/25/2016	KPERS TIER 3	01-00-2030	\$ 573.32	1283257	4/01/2016 E
		KPERS		\$ 18,502.28		
		KS LAW ENFORCEMENT CIT TRAINING	01-05-7640	\$ 350.00	77932	4/7/2016
20160302	3/2/2016	KS LAW ENFORCEMENT CIT		\$ 350.00		
		KS WITHHOLDING TAX				
PR20160311	3/11/2016	STATE TAX	01-00-2020	\$ 2,529.79	1283243	3/18/2016 E
PR20160311	3/11/2016	STATE TAX	20-00-2020	\$ 173.90	1283243	3/18/2016 E
PR20160311	3/11/2016	STATE TAX	25-00-2020	\$ 151.73	1283243	3/18/2016 E
PR20160325	3/25/2016	STATE TAX	01-00-2020	\$ 2,408.83	1283256	4/01/2016 E
PR20160325	3/25/2016	STATE TAX	20-00-2020	\$ 159.10	1283256	4/01/2016 E
PR20160325	3/25/2016	STATE TAX	25-00-2020	\$ 180.06	1283256	4/01/2016 E
		KS WITHHOLDING TAX		\$ 5,603.41		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
		LOWE LAW FIRM, LLP				
162902	2/29/2016	LEGAL SERVICES	01-09-7710	\$ 3,233.90	216074	3/22/2016
162902A	2/29/2016	LEGAL SERVICES	01-05-7710	\$ 38.70	216074	3/22/2016
162902B	2/29/2016	LEGAL SERVICES	01-02-7710	\$ 125.00	216074	3/22/2016
162902C	2/29/2016	LEGAL SERVICES	01-09-7710	\$ 150.00	216074	3/22/2016
162902D	2/29/2016	LEGAL SERVICES	01-16-7710	\$ 253.00	216074	3/22/2016
162902E	2/29/2016	LEGAL SERVICES	01-05-7710	\$ 25.00	216074	3/22/2016
162902F	2/29/2016	LEGAL SERVICES	01-09-7710	\$ 62.50	216074	3/22/2016
162902G	2/29/2016	LEGAL SERVICES	01-16-7710	\$ 229.00	216074	3/22/2016
162902H	2/29/2016	LEGAL SERVICES	01-09-7710	\$ 389.10	216074	3/22/2016
162902I	2/29/2016	LEGAL SERVICES	01-09-7999	\$ 280.20	216074	3/22/2016
162902J	2/29/2016	LEGAL SERVICES	62-00-7710	\$ 137.50	216074	3/22/2016
162902K	2/29/2016	LEGAL SERVICES	01-12-7710	\$ 76.40	216074	3/22/2016
162902L	2/29/2016	LEGAL SERVICES	01-16-7710	\$ 187.50	216074	3/22/2016
162902M	2/29/2016	LEGAL SERVICES	76-00-7710	\$ 268.30	216074	3/22/2016
162902N	2/29/2016	LEGAL SERVICES	01-09-7710	\$ 250.00	216074	3/22/2016
162902O	2/29/2016	LEGAL FEES	01-02-7710	\$ 175.00	216074	3/22/2016
162902P	2/29/2016	LEGAL SERVICES	77-00-7710	\$ 87.50	216074	3/22/2016
162902Q	4/1/2016	LEGAL CONTRACT	01-01-7710	\$ 3,000.00	77918	4/1/2016
				-----		
		LOWE LAW FIRM, LLP		\$ 8,968.60		
		MAJESTIC FRANCHSING				
2160422	3/8/2016	JANITORIAL SERVICE	01-05-7610	\$ 240.00	216075	3/22/2016
3160421	3/1/2016	JANITORIAL SERVICES	01-05-7610	\$ 240.00	216075	3/22/2016
SC02160763	2/29/2016	JANITORIAL SERVICES	01-13-7610	\$ 220.00	216075	3/22/2016
SC03160420	3/1/2016	CLEANING SERVICES	01-13-7610	\$ 995.00	216075	3/22/2016
SC03160665	3/8/2016	CLEANING SERVICES	01-17-7610	\$ 425.00	216075	3/22/2016
SC03160666	3/8/2016	JANITORIAL SERVICES	01-13-7610	\$ 220.00	216075	3/22/2016
				-----		
		MAJESTIC FRANCHSING		\$ 2,340.00		
		NATIONAL REC & PARK ASSOC				
161503	3/15/2016	MEMBERSHIP/DUES/SUBSCRIP	01-03-7630	\$ 165.00	77933	4/7/2016
				-----		
		NATIONAL REC & PARK ASSO		\$ 165.00		
		NATIONAL SIGN COMPANY INC				
IN-178094	3/2/2016	SIGNS	10-02-6310	\$ 1,020.30	216076	3/22/2016
				-----		
		NATIONAL SIGN COMPANY IN		\$ 1,020.30		
		NPG NEWSPAPERS, INC				
82892-0216	3/4/2016	2016 PET LICENSE NOTICE	01-08-7120	\$ 41.40	216077	3/22/2016
82892-0216	3/4/2016	ORD 2016-02 REZONE	01-08-7120	\$ 41.40	216077	3/22/2016
82892-0216	3/4/2016	ZONING REGS	01-08-7120	\$ 65.72	216077	3/22/2016
82892-0216	3/4/2016	MICO MAP ADV	01-08-7120	\$ 105.00	216077	3/22/2016
				-----		
		NPG NEWSPAPERS, INC		\$ 253.52		
		OFFICE MAX				
593190	3/2/2016	OFFICE SUPPLIES-CITY HAL	01-09-6110	\$ 117.51	216078	3/22/2016
613665	3/3/2016	OFFICE SUPPLIES	20-14-6110	\$ 62.01	216078	3/22/2016
613665	3/3/2016	OFFICE SUPPLIES	25-15-6110	\$ 62.00	216078	3/22/2016
726545	3/10/2016	OFFICE SUPPLIES	01-02-6110	\$ 164.78	216078	3/22/2016
				-----		
		OFFICE MAX		\$ 406.30		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
		PONZER - YOUNGQUIST				
162902	2/29/2016	PRAIRIE RIDGE	01-16-7730	\$ 405.00	216079	3/22/2016
162902	2/29/2016	OLD KC RD/WEBSTER	01-02-7730	\$ 135.00	216079	3/22/2016
162902	2/29/2016	JEFFERSON STORM	01-02-7730	\$ 153.00	216079	3/22/2016
162902	2/29/2016	MID-AMERICA	01-16-7730	\$ 270.00	216079	3/22/2016
162902	2/29/2016	BROOKWOOD 2	01-16-7730	\$ 405.00	216079	3/22/2016
162902	2/29/2016	WATER LINE SPECS-KDHE	20-14-7730	\$ 696.32	216079	3/22/2016
162902	2/29/2016	WOODLAND RIDGE	01-16-7730	\$ 85.50	216079	3/22/2016
162902	2/29/2016	LINCOLN STREET	01-02-7730	\$ 135.00	216079	3/22/2016
162902A	2/29/2016	ENGINEERING	85-00-7730	\$ 8,450.00	216079	3/22/2016
162902A	2/29/2016	ENGINEERING	62-00-7730	\$ 8,450.00	216079	3/22/2016
				-----		
		PONZER - YOUNGQUIST		\$ 19,184.82		
		QUILL				
3963814	3/8/2016	OFFICE SUPPLIES	01-05-6110	\$ 95.98	77934	4/7/2016
4022959	3/10/2016	OFFICE SUPPLIES	01-05-6110	\$ 36.69	77934	4/7/2016
				-----		
		QUILL		\$ 132.67		
		REJIS COMMISSION				
47317	3/14/2016	MEMBERSHIP/SUBSCRIPTION	01-05-7630	\$ 39.86	77935	4/7/2016
				-----		
		REJIS COMMISSION		\$ 39.86		
		RURAL WATER DISTRICT #2 M				
61021040-7	4/1/2016	WATER PURCHASES	20-14-7200	\$ 26,365.74	77936	4/7/2016
				-----		
		RURAL WATER DISTRICT #2		\$ 26,365.74		
		SIRCHIE FINGER PRINT LAB.				
245420	3/9/2016	POLICE MISCELLANEOUS	01-05-6090	\$ 158.74	77937	4/7/2016
				-----		
		SIRCHIE FINGER PRINT LAB		\$ 158.74		
		SPRING HILL DAFFODIL DAYS				
160704	4/7/2016	SPONSOR & BOOTH RENTAL	01-09-7425	\$ 500.00	77938	4/7/2016
				-----		
		SPRING HILL DAFFODIL DAY		\$ 500.00		
		SPRING HILL OIL (CH)				
162902	2/29/2016	FUEL - COMMUNITY DEVELOP	01-16-6140	\$ 72.34	216080	3/22/2016
20160229	3/8/2016	GASOLINE	01-05-6150	\$ 1,115.43	216080	3/22/2016
				-----		
		SPRING HILL OIL (CH)		\$ 1,187.77		
		SPRING HILL OIL (CITY)				
162902	2/29/2016	FUEL	01-02-6140	\$ 527.54	216081	3/22/2016
162902	2/29/2016	FUEL	01-03-6140	\$ 200.82	216081	3/22/2016
162902	2/29/2016	FUEL	20-14-6140	\$ 201.19	216081	3/22/2016
162902	2/29/2016	FUEL	25-15-6140	\$ 145.00	216081	3/22/2016
162902	2/29/2016	FUEL	01-13-6140	\$ 45.47	216081	3/22/2016
162902	2/29/2016	PROPANE	25-15-7624	\$ 71.45	216081	3/22/2016
162902	2/29/2016	PROPANE	20-14-7624	\$ 71.44	216081	3/22/2016
				-----		
		SPRING HILL OIL (CITY)		\$ 1,262.91		

INVOICE NO	DATE	VENDOR/DESCRIPTION	GL ACCT #	AMOUNT	CK #	CK DATE
162901	1/29/2016	SPRING HILL RURITANS DONATIONS	01-07-6040	\$ 200.00	77939	4/7/2016
		SPRING HILL RURITANS		\$ 200.00		
161604	4/16/2016	WATER DISTRICT #7 WATER UTILITIES	25-15-7620	\$ 18.03	77940	4/7/2016
		WATER DISTRICT #7		\$ 18.03		
***** REPORT TOTAL *****				\$ 305,432.36		

## AGENDA ITEM REVIEW SHEET

---

TO: GOVERNING BODY  
SUBMITTED BY: JIM HENDERSHOT, COMMUNITY DEVELOPMENT DIRECTOR  
MEETING DATE: APRIL 14, 2016  
DATE: APRIL 4, 2016

---

**Consent Agenda Item:** Temporary Use Permit TUP-03-16, Price Chopper.

**Issue:** Proposed Temporary Use Permit

**Background:** The applicant, Price Chopper, has submitted a temporary use permit application for the outside display and sales of plants and landscaping items at their store located at 22350 S. Harrison St.

**Analysis:** A temporary use permit is required to be approved by the City Council if the time period exceeds three days. This permit request is from the date of issuance through July 31, 2016. Approval of the permit allows for limited display and sales of merchandise that is compatible with the business and seasonably appropriate.

**Alternatives:** Approval, denial, table.

**Legal Review:** Not applicable.

**Funding Review or Budgetary Impact:** Not applicable.

**Recommendation:** Staff recommends approval of TUP-03-16 allowing the outside display and sales of plants and landscaping materials at the Price Chopper store located at 22350 S. Harrison St.

**Attachments:** TUP application



RECEIVED

MAR 18 2016

Temporary Use Permit Application

Community Development/Planning Dept.  
401 N. Madison St., Spring Hill, KS 66083  
(913) 592-3657 • (913) 592-5040 FAX  
planning@springhillks.gov • www.springhillks.gov

CITY OF SPRING HILL, KS

TEMPORARY USE AREA

ADDRESS 22350 S. Harrison  
PRESENT USE OF PROPERTY Grocery Retail  
PRESENT ZONING C-2  
LEGAL DESCRIPTION \_\_\_\_\_

BLACKHAWK PLAZA LOTS A&B , Lot 2 , ACRES 6.1 , LT 2 REPLAT LTS A-B BLACKHAWK PLAZA SECTION 26 TOWNSHIP 15 RANGE 23

REASON FOR REQUESTING A TEMPORARY USE PERMIT  
Retail sale of plants, flowers, mulch and potting soils outside.

TIME REQUIRED FOR TEMPORARY USE March - July

APPLICANT

NAME Mark Baldwin  
ADDRESS 22350 S. Harrison  
CITY Spring Hill STATE Ks ZIP 66083  
PHONE 913 592 4545 FAX \_\_\_\_\_  
EMAIL mark\_baldwin@e-price-chopper.com

OWNER (if different from Applicant)

NAME Tommy Morris  
ADDRESS \_\_\_\_\_  
CITY Paola STATE Ks ZIP \_\_\_\_\_  
PHONE 913 709 1012 FAX \_\_\_\_\_  
EMAIL \_\_\_\_\_

APPLICANT/OWNER SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

<b>OFFICE USE ONLY</b>	
FILE CODE <u>TUP-03-16</u>	TUP EXPIRATION DATE _____
Is TUP subject to special conditions? Yes or No	
PLANNING & DEVELOPMENT COORDINATOR _____	DATE _____
CITY ADMINISTRATOR _____	DATE _____
CITY COUNCIL APPROVAL REQUIRED Yes or No	
CITY COUNCIL MEETING DATE _____	CITY COUNCIL APPROVAL DATE _____

Please see the back of this application for more details regarding Temporary Use Permits, Section 17.356.

# *Proclamation*

## A PROCLAMATION RECOGNIZING FAIR HOUSING MONTH IN THE CITY OF SPRING HILL, KANSAS



**WHEREAS**, the Congress of the United States passed the Civil Rights Act of 1968, of which Title VIII declared that the law of the land would now guarantee the rights of equal housing opportunity; and

**WHEREAS**, the City of Spring Hill, Kansas is committed to the mission and intent of Congress to provide fair and equal housing opportunities for all, and today, many realty companies and associations support fair housing laws; and

**WHEREAS**, the Fair Housing groups and the U.S. Department of Housing and Urban Development have, over the years, received thousands of complaints of alleged illegal housing discrimination and found too many that have proved upon investigation to be violations of the fair housing laws; and

**WHEREAS**, equal housing opportunity is a condition of life in our (City/County) that can and should be achieved,

I, Steven M. Ellis, Mayor of Spring Hill, Kansas, on behalf of its citizens, do hereby proclaim the month of April as

### FAIR HOUSING MONTH

And express the hope that this year's observance will promote fair housing practices throughout the City of Spring Hill, Kansas.

Dated this 14<sup>th</sup> day of April, 2016.

---

Steven M. Ellis, Mayor

ATTEST:

---

Glenda Gerrity, City Clerk

# Proclamation

## Annual Start by Believing Day



*Whereas*, the **City of Spring Hill, Kansas** shares a critical concern for victims of sexual violence and a desire to support their needs for justice and healing; and

*Whereas*, 1 in 4 girls and 1 in 6 boys will be sexually abused by the age of 18 and 1 in 6 women and 1 in 33 men will be the victim of rape or attempted sexual assault during their lifetime;

*Whereas*, current estimates indicate no more than 20 percent of sexual assaults will be reported to law enforcement and less than 3 percent will result in the conviction and incarceration of the perpetrator; and

*Whereas*, the **Metropolitan Organization to Counter Sexual Assault** is the only rape crisis center serving the greater Kansas City metropolitan area and in 2015 provided hospital, individual and criminal justice advocacy, counseling and support to 2,781 survivors of sexual abuse and assault and their friends and family members in the greater Kansas City community;

*Whereas*, research documents that victims are far more likely to disclose their sexual assault to a friend or family member, and when these loved ones respond with doubt, shame, or blame, victims suffer additional negative effects on their physical and psychological well-being; and

*Whereas*, the Start by Believing public awareness campaign (a program of End Violence Against Women International) is designed to improve the responses of friends, family members, and community professionals, so they can help victims access supportive resources and engage the criminal justice system;

**Now Therefore, Be it Proclaimed** by me, Steven M. Ellis, the Mayor of Spring Hill, Kansas, State that we support the **Metropolitan Organization to Counter Sexual Assault's** Start by Believing public awareness campaign and do hereby declare the first Wednesday of April each year to be **Start by Believing Day** throughout the City of Spring Hill, Kansas.

ATTEST:

\_\_\_\_\_  
Glenda Gerrity, City Clerk



\_\_\_\_\_  
Steven M Ellis, Mayor

## AGENDA ITEM REVIEW SHEET

---

TO: GOVERNING BODY  
SUBMITTED BY: BEAU FORD  
MEETING DATE: APRIL 14, 2016  
DATE: MARCH 29, 2016

---

**Consent:** Approval of Arbor Day Proclamation for 2016

**Issue:** Annual Arbor Day Celebration for 2016.

**Background:** Annually Spring Hill is required to designate a date to observe Arbor Day in accordance to Tree City USA standards.

**Analysis:** Staff and members of the Green Board agree that Arbor Day observance will should be held on April 30, 2016 in conjunction with Daffodil Days.

**Alternatives:** Designate a different observance date and plan activities separate from Daffodil Days.

**Legal Review:** N/A

**Funding Review or Budgetary Impact:** N/A

**Recommendation:** Staff recommends approving and signing the proclamation for April 30, 2016 as Arbor Day for the City of Spring Hill, KS in 2016

**Attachments:** Arbor Day Proclamation



*Whereas,* In 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

*Whereas,* this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and

*Whereas,* Arbor Day is now observed throughout the nation and the world, and

*Whereas,* trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen, and provide habitat for wildlife, and

*Whereas,* trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and

*Whereas,* trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and

*Whereas,* trees, wherever they are planted, are a source of joy and spiritual renewal.

*Now, Therefore, I,* \_\_\_\_\_, Mayor of the City of \_\_\_\_\_, do hereby proclaim \_\_\_\_\_ as

# Arbor Day

In the City of \_\_\_\_\_, and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

*Further,* I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

*Dated this* \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Steven M. Ellis, Mayor

ATTEST:

\_\_\_\_\_  
Glenda Gerrity, City Clerk

## AGENDA ITEM REVIEW SHEET

---

TO: GOVERNING BODY  
SUBMITTED BY: GLENDA GERRITY, CITY CLERK  
MEETING DATE: APRIL 14, 2016  
DATE: APRIL 7, 2016

---

**Consent Item:** Consideration of Special Event Permit: Let Your Light Shine Family Walk/Run 5K, Josh & Michele Evans

**Background:** Michele Ivans submitted a special event application for a walk/run 5K to be held on May 28, 2016 from 7am to Noon. The race is scheduled to begin at 8:30a.m. with the start/finish at Life Spring Church located at 206 N. Webster, Spring Hill, KS

**Analysis:** The application and required documents were accepted by the City Clerk's office. Ms. Ivans met with Asst. Chief Holmes about the route and volunteers will be posted at each intersection to assist the Spring Hill Police Department with traffic control. The City will provide cones and barricades to help mark the route. A portion of the route runs in the center lane of Webster Street from Lawrence to Sycamore Drive and a water station will be located at South Street & Main Street. Walkers will remain on the sidewalk. Staff will request that Mrs. Ivans meet with the Police Department at least two weeks before the event for final review of the route and volunteer locations.

**Alternatives:** Approve the Permit  
Deny the Permit

**Legal Review:** The application was reviewed by the Spring Hill Police Department, Spring Hill Streets Department, Johnson County Fire District No. 2 and City Attorney with no issues to report. The certificate of insurance was approved by the Risk Manager.

**Funding Review or Budgetary Impact:** Overtime in the Police Department is unavoidable if additional police coverage is needed.

**Recommendation:** Staff recommends approval of the Special Event Application for the Let Your Light Shine Family Walk/Run 5K to be held on May 28, 2016.

**Attachments:** Special Event Approval Permit

# CITY OF SPRING HILL, KANSAS CERTIFICATE OF EVENT APPROVAL



Special Event: Let Your Light Shine Family Walk/Run 5K

Applicant: Josh & Michele Ivans

Sponsoring Organization: Josh & Michele Ivans

Event Supervisor: Michele Ivans

Contact Number: (913) 314-3535 cell phone

Date and Times of Event: May 28, 2016 7:00am – Noon - Race Begins at 8:30am

Type of Event: 5K Run, Mile Walk

Location of Event: Life Spring Church, 206 N. Webster, Spring Hill, KS

Route (if applicable): Attached

### Additional Comments or Conditions:

This form shall be in the possession of the event supervisor or their representative at the event site and shall be presented upon request to any officer of the Police Department prior to or during the event.

If Traffic Control assistance is required, it is the responsibility of the applicant/sponsor to make arrangements for traffic signs or personnel as directed by the City of Spring Hill Police Department, 913-592-2700, and Streets Department, 913-592-3317.

Failure to adhere to requirements of conditions contained herein will render this approval void.

The City of Spring Hill, Kansas, shall be held harmless from any liability resulting from the conduct of this event.

Issued by:

\_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

Attest:

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

http://www.mapmyrun.com/routes/create/

MapMyRun run Mapping E... Web Administration

File Edit View Favorites Tools Help

Choose map location

Spring Hill, KS, 66083. SEARCH

Get Directions Import Help

Route Details

Name this map

Choose an Activity

Send to Phone  SAVE ROUTE

More

- Log as a Workout
- Directions / Notes

NEW YEAR  
NEW COMMITMENTS  
FREE 1 MONTH  
MVP MEMBERSHIP  
START NOW

MVP

Try Route Genius for fresh local routes of your target distance!

OpenStreet USA Topo World Topo Map Satellite

DISTANCE  
3.14 MI

Water

Xwater station

Spring Hill

1 2 3

Elevation

100%

9:11 AM  
1/31/2015

AGENDA ITEM REVIEW SHEET

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TO: GOVERNING BODY  
SUBMITTED BY: MELANIE LANDIS, FINANCE DIRECTOR  
MEETING DATE: APRIL 14, 2016  
DATE: APRIL 7, 2016

---

**Formal Action**

**Issue:** Resolution determining the intent of the City of Spring Hill, KS to issue its industrial revenue bonds (taxable under federal law) in the approximate principal amount of \$10,706,500 to pay a portion of the cost of acquiring, constructing and equipping a multifamily housing facility within the City (Blackhawk Apartment Project)

**Background:** Industrial revenue bonds (IRB's) are an economic development tool available to Kansas cities and counties. IRB's are offered under Kansas law (see K.S.A. 12-1740 and 79-201a) to provide financing for private business facilities and may be used to finance all or a portion of the project. Cities elect to offer the use of IRB financing to support economic development activities which offer the option of tax abatement and/or sales tax exemption on construction of the facility.

**Analysis:** The city is in receipt of an IRB application for the Blackhawk apartment project. The application request is for IRB's to finance a portion of the project, abatement of property taxes averaging fifty percent (50%) over ten (10) years and exemption of sales tax on construction of the project. The resolution of intent is proposed under section fourteen (14) of the policy related to property tax abatement established under resolution 538.

Actions remaining include 1) cost/benefit analysis which will be performed by an outside agency based on information provided within the application; 2) public hearing; 3) payment in lieu of taxes (PILOT) agreement.

**Legal Review:** The resolution has been reviewed by Kutak Rock, city bond counsel, and Mr. Jenkins, city attorney. The IRB application has been reviewed as well.

**Recommendation:** It is staff recommendation to approve resolution 2016-R-10 determining the intent of the City of Spring Hill to issue its industrial revenue bonds in the approximate principal amount of \$10,706,500 to pay a portion of the cost of acquiring, constructing and equipping a multifamily housing facility within the City (Blackhawk Apartment project).

**Attachments:** Resolution 2016-R-10  
IRB application

**RESOLUTION NO. 2016-R-10**

**A RESOLUTION DETERMINING THE INTENT OF THE CITY OF SPRING HILL, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS (TAXABLE UNDER FEDERAL LAW) IN THE APPROXIMATE PRINCIPAL AMOUNT OF \$10,706,500 TO PAY A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING AND EQUIPPING A MULTIFAMILY HOUSING FACILITY WITHIN THE CITY (BLACKHAWK APARTMENTS PROJECT)**

**WHEREAS**, the City of Spring Hill, Kansas (the “City”), desires to promote, stimulate and develop the general welfare and economic prosperity of the City and its inhabitants and to further promote, stimulate and develop the general welfare and economic prosperity of the state of Kansas; and

**WHEREAS**, the City is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the “Act”), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act and to lease such facilities to private persons, firms or corporations; and

**WHEREAS**, Blackhawk Development, L.L.C., a Kansas limited liability company (together with, subject to the City’s consent, its successors and assigns, the “Company”), has made application requesting the City to issue its taxable industrial revenue bonds in the aggregate principal amount of approximately \$10,706,500 (the “Bonds”) for the purpose of financing a portion of the cost of acquiring, constructing and equipping an apartment complex, clubhouse, business office and swimming pool, including real estate, building and improvements located at 22700 S. Harrison within the City (the “Project”) and to lease the Project to the Company, all pursuant to the Act; and

**WHEREAS**, it is found and determined to be advisable and in the best interest and for the welfare of the City and its inhabitants that the City issue its Bonds under the Act in an aggregate principal amount of approximately \$10,706,500, such Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the City to the Company; and

**WHEREAS**, the Company has also requested that the City apply to the Kansas Department of Revenue for an exemption from sales tax for property financed with the proceeds of the Bonds;

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

**Section 1. Approval of Project.** The Governing Body of the City finds and determines that the acquisition, construction and equipping of the Project will promote, stimulate and develop the general welfare and economic prosperity of the City through the promotion and advancement of physical or mental health, industrial, commercial, agricultural, natural resources or recreational development of the City and the issuance of the City’s Bonds to pay such costs

will be in furtherance of the public purposes set forth in the Act.

**Section 2. Intent to Issue Bonds.** The Governing Body of the City determines and declares the intent of the City to acquire, construct and equip the Project using the proceeds of the Bonds all in accordance with the Act.

**Section 3. Benefit Analysis and Public Hearing.** In accordance with K.S.A. 12-1749d, the City's Finance Director and other officers and employees of the City are authorized to prepare an analysis of the costs and benefits of an exemption from *ad valorem* taxes for the Project, pursuant to K.S.A. 79-201a *Twenty-Fourth*. Kutak Rock LLP, City's Bond Counsel, is authorized to prepare a notice of hearing on the granting of an exemption for the Project costs, and the City Clerk is authorized to send such notice to the Governing Body of the county and the unified school district within which the Project is located in the form prepared by Bond Counsel and approved by the City Attorney and to publish such notice in the official City newspaper at least seven days prior to the date of the hearing.

**Section 4. Provision for the Bonds.** Subject to the conditions of this Resolution, the City will (i) issue its Bonds to pay a portion of the costs of acquiring, constructing and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the City; (ii) provide for the lease of the Project from the Company to the City; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the City and take or cause to be taken such other action as may be required to implement this Resolution.

**Section 5. Conditions to Issuance.** The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to (i) obtaining any necessary governmental approvals; (ii) agreement of the City, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project, including, but not limited to, provisions relating to the security for the payment of the Bonds, and provisions relating to the maintenance of the Project; and (iii) payment by the Company of all costs associated with the issuance of the Bonds, including, but not limited to, any City fees and expenses and the fees and expenses of the City's Bond Counsel and City Attorney.

**Section 6. Sale of the Bonds/Authority to Proceed.** The sale of the Bonds shall be the responsibility of the Company. The Company is authorized to proceed with the acquisition, construction and equipping of the Project and to advance such funds as may be necessary to accomplish such purposes, and to the extent permitted by law, the City shall reimburse the Company for such expenditures out of the proceeds of the Bonds, when and if issued, to the extent permitted by law. Notwithstanding such authorization, the Company proceeds at its own risk and if for any reason, the Bonds are not issued, the City shall have no liability to the Company for any reason, including the repayment to the Kansas Department of Revenue of any retailers' sales tax exemption utilized by the Company for which the Company shall indemnify and hold the City harmless.

**Section 7. Further Action.** The City's Finance Director, the City Attorney, the City's Financial Advisor, the City's Bond Counsel and officers and employees of the City, are authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the City on all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder.

**Section 8. Effective Date.** This Resolution shall take effect and be in full force immediately after its passage by the Governing Body of the City and shall be null and void in the event the Bonds are not issued on or prior to April 14, 2017.

[Remainder of Page Intentionally Left Blank]

**ADOPTED** by the Governing Body on April 14, 2016.

(Seal)

CITY OF SPRING HILL, KANSAS

---

Steven M. Ellis, Mayor

ATTEST:

---

Glenda Gerrity, City Clerk

**CITY OF SPRING HILL, KANSAS  
APPLICATION FOR PROPERTY TAX EXEMPTION  
FOR ECONOMIC DEVELOPMENT PURPOSES**

TO: City Administrator

Exemption from ad valorem property taxation pursuant to Article 11, Section 13 of the Kansas Constitution is requested for all or any portion of the appraised valuation of property used exclusively for the purpose of manufacturing articles of commerce conducting research and development, or storing goods or commodities which are sold or traded in interstate commerce, as described herein. This application is submitted in conformance with the applicable Statement of Policy and Procedures of the City and it is understood that the City may require in lieu payments for property, which becomes tax-exempt. The attached sheets, if any, are submitted as a part of this application.

Part I - Applicant Information

Name of Applicant Firm: Blackhawk Development, LLC or assigns

Contact Person (Name and Title) Grant W. Merritt

Mailing Address: P.O. Box 464  
Street and/or P.O. Box  
Spring Hill KS 66083  
City State Zip

Telephone Number: 913-592-2860 Fax Number: 913-592-5155

E-mail: grant@blackhawkdevelopment.com

Names and percent of ownership for all principal owners and officers of the Applicant Firm:

Name	Title	Percent of Ownership
Grant W. Merritt	Manager	100%
**Note: Assignee Developer will likely include an additional 5% equity partner**		

(Attach additional sheets if needed)

Applicant's Attorney (Name and Firm) Matthew S. Gough Barber Emerson, L.C.

Mailing Address: 1211 Massachusetts P.O. Box 667  
Street and/or P.O. Box  
Lawrence KS 66044  
City State Zip

Telephone Number: 785-843-6600 E-mail: mgough@barberemerson.com

If applicant is a tenant, identify property owner(s): N/A

Mailing Address:

\_\_\_\_\_  
Street and/or P.O. Box

\_\_\_\_\_  
City State Zip

Telephone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Requested percent of abatement: 50% average Requested number of years: 10

Part II - Project Information

List only taxable property for which an exemption is requested.

Proposed Project Location: See Legal (Exhibit A) attached.

Value	Amount	Description	Directions
\$ 1,000,000	8.58 (acres)	Land RP-4 Exhibit A	Attach legal description of property and plat showing location of buildings, added improvements to buildings, or both.
\$ 10,239,702 +/-	123,759 (sq ft)	Building	Attach description.
\$ Included above.	(items)	Improvements	Attach description.
\$ 1,060,160	FF&E (items)	Tangible personal property	Attach list of each item with identifying nomenclature. Proof of purchase after August 5, 1986 must be provided for each item on list.

Purpose of expansion Rental housing/Apartments

Does expansion involve: (mark all that apply)

- Acquisition of existing building  
 Enlargement of existing building  
 Construction of new building

What equity will the proposed applicant have in the project? Apprx. 30%

The amount set aside for new employee training is: TBD Less than 1% of total new payroll

Between 1% and 2% of total new payroll  More than 2% of total new payroll

Part III - Business Information

Form of business organization: Limited liability company  
(i.e. Corporation, Subsidiary, Partnership, Sole Proprietorship ,etc.)

Date and place business organized or incorporated: 1999

Name of parent company, if applicable: N/A

Type of business Development/Property Management

Line(s) of products manufactured or research and development conducted, or goods or commodities stored in buildings, for which tax exemption is requested:

N/A

Percentage of building to occupied by applicant business: 0 %

Business is (Please check one)  New  Existing in Spring Hill  
 Relocating from \_\_\_\_\_

If new business to Spring Hill:  
Projected date operations will commence N/A

If business is relocating, give current location(s) Spring Hill, KS

If construction of a new building for a new business is involved, give anticipated date of completed construction: \_\_\_\_\_

If existing business:  
Projected date expansion will be completed Approx. 18 mos. after commencement

Existing taxes and assessments are current and paid in full.  Yes  No

Describe all threatened or outstanding legal actions involving the applicant: \_\_\_\_\_

None

Part IV - Description of Public Benefits See Exhibit B

Please attach a narrative description, not to exceed two pages, of the public benefits, which you believe will occur if the requested exemption is granted. Address all relevant factors, including those found in Section XX of the City's Statement of Policy and Procedures.

Part V – Attachments

In order to facilitate the timely processing of the application, please attach as part of the proposal the following items:

1. Copy of the firm's financial audits for the past three (3) years. **Exhibit C - To be provided to City's financial advisor**

2. Firm's most recent annual financial report. Exhibit D - To be provided to City's financial advisor
3. Interim financial statements, to date, for the current fiscal year. Exhibit D
4. Complete attached Benefit/Cost Worksheet. Exhibit E
5. Copy of property's most recent tax statement. Exhibit F

The following conditions are also understood and agreed to:

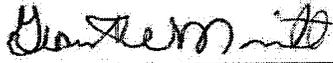
1. The City may, upon making a determination that it is in the public interest, to require payment in lieu of taxes to the City during all or part of the term of the Abatement Period.
2. The City may, upon making a determination that is in the public interest, waive the payment of utility connection, use and service charges.
3. The applicant agrees to pay any and all costs associated with the review of the proposal prior to issuance of Abatement.
4. Applicant will agree to immediate or ultimate annexation to the City of the property involved if said property is not already within City limits.
5. The City reserves the right to waive any procedural requirements herein unless it is in contravention of State statutes. However, no such waiver shall be made except upon a finding by the City that such waiver is in the public interest.

Part VI - Certification of Applicant

I, Grant W. Merritt, Manager, Blackhawk Development, LLC, hereby certify  
 (Name) (Title)  
 that the foregoing and attached information is true and correct to the best of my knowledge.

By signing this application, the applicant agrees to pay for all legal fees and expenses related to the review of this application.

Further, it is understood that additional information may be requested by the City to assist the Governing Body in its consideration of this matter.

Date: 4 / 7 / 2016 Signed:   
 Name  
 Manager  
 Title

Part VII - Acknowledgement of Receipt:

Receipt is hereby acknowledged:

Date: \_\_\_\_\_ City Clerk: \_\_\_\_\_

Receipt of Application Fee is hereby received:

Application Fee: \$1,500.00 for a new business \$750 for an existing business

Date: \_\_\_\_\_ City Clerk: \_\_\_\_\_

**CITY OF SPRING HILL  
APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS**

Part I - Applicant Information

Name of Applicant Firm: Blackhawk Development, LLC or assigns

Contact Person (Name and Title) Grant W. Merritt, Manager

Mailing Address: P.O. Box 464  
Street and/or P.O. Box  
Spring Hill KS 66083  
City State Zip

Telephone Number: 913-592-2860 Fax Number: 913-592-5155

E-mail: grant@blackhawkdevelopment.com gwmerritt@aol.com

Names and addresses of all persons who would be obligated as either applicant or guarantor of the bond documents:

Name	Title	Address
Grant W. Merritt	Manager	23585 W. 207th Street, Spring Hill, KS 66083

(Attach additional sheets if needed)

Names and addresses of the principal officers, owners and directors of the firm requesting the Industrial Revenue Bonds:

Name	Title	Address
Grant W. Merritt	Manager/ Member	23585 W. 207th Street, Spring Hill, KS 66083

(Attach additional sheets if needed)

Applicant's Attorney (Name and Firm) Matthew S. Gough Barber Emerson, L.C.

Mailing Address: 1211 Massachusetts P.O. Box 667  
Street and/or P.O. Box  
Lawrence KS 66044  
City State Zip

Telephone Number: 785-843-6600 E-mail: mgough@barberemerson.com

Applicant's Bond Agent/Underwriter (Name and Firm) TBD

Mailing Address: \_\_\_\_\_  
Street and/or P.O. Box  
\_\_\_\_\_  
City State Zip

Telephone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Estimated amount of issue: \_\_\_\_\_ Number of years for the loan: \_\_\_\_\_

Part II – Bond Information

Briefly describe the proposed financing. Developer-purchased bonds, no underwriting,  
for purpose of sales tax abatement and 50% property tax abatement for 10 years, obtained via weighted ave.

Is the proposed project a new facility, expansion, or replacement of another existing facility? New facility

Please state the reason for the establishment of the new facility, expansion or replacement of the existing facility: Rental Housing/Apartments

Is it the applicant's understanding that the interest on the proposed issue is tax-exempt or taxable? Taxable

Proposed number of years to amortize the bond issue 10 years

Describe proposed call features: TBD

Describe the proposed security for the bonds (i.e. pledge of collateral, corporate/personal guarantees, debt service reserve fund, credit enhancements, etc.). \_\_\_\_\_

Developer will use private lender to finance approx. 70% of project cost \_\_\_\_\_

Proposed date of issue: TBD

Proposed date of closing: TBD

Will the bonds be rated? No By whom? N/A

Interest rate to be fixed for variable rate TBD. If variable, please describe: \_\_\_\_\_

Please indicate the proposed marketing arrangement:

Retail public offering  Institutional offering

Private placement  Applicant purchases issue (indicate 100%)

Other: (Please describe) \_\_\_\_\_

Is the issue to be sold interstate or intrastate? Intrastate

If other underwriters are going to participate in the offering please list:

Company Principal	Location
<u>N/A</u>	<u>N/A</u>
_____	_____
_____	_____
_____	_____

Please attach proposed debt service schedule, if available.

Anticipated source and use of project financing.

**Sources:**

Bond Proceeds \$ Est. \$10,706,500 plus cost of issuance

\$10,706,500 plus cost of issuance

Cash \_\_\_\_\_

Other \_\_\_\_\_

Interest on bond proceeds during construction TBD

TOTAL = \$ \_\_\_\_\_

**Uses:**

Land Cost (land already acquired)	\$ 1,000,000
Construction Costs	\$10,739,702
Machinery/Equipment	\$1,060,160
Cost of Issuance (specify)	TBD
_____	_____
_____	_____
_____	_____
Capitalized Interest	0
Debt Service Reserve Fund	0
Underwriting Fee	0
Other	Potential contingency
	TOTAL = \$ TBD

Please indicated proposed trustee: TBD

Part III – Refunding/Refinancing (This section should only be completed if the transaction involves refunding an existing bond issue.)

Which form of refunding is proposed?

- a)  Advance Refunding
- b)  Current Refunding

Current Principal Outstanding \$ \_\_\_\_\_

Purpose of Refunding:

- Interest Savings (attach proposed savings schedule)
- Extend or Shorten Repayment (attach debt service schedule)
- Change Indenture Covenants (specify)
- Other (Specify) \_\_\_\_\_

Was the City of Spring Hill the original issuer?  Yes  No

Original Date of Issue: \_\_\_\_\_

If an advance refunding is proposed:

Who is the proposed escrow trustee? \_\_\_\_\_

Who is proposed to provide escrow verification? \_\_\_\_\_

What is the length of escrow account? \_\_\_\_\_

When are the refunding bonds callable? \_\_\_\_\_  
MONTH DAY YEAR

Is there a call premium?  Yes (If so \_\_\_\_\_%)  No

List estimated sources and uses of refunding bond proceeds:

**Sources:**

**Uses:**

_____	_____
_____	_____
_____	_____
_____	_____

TOTAL = \$ \_\_\_\_\_ TOTAL = \$ \_\_\_\_\_

Please list the proposed security of the refunding issue: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposed offering date of the bond issue: \_\_\_\_\_

Please describe any material changes that have occurred to the company since the original bond issue, (i.e. new products or services, increase or decrease in employment, changes in sales revenue, net worth, profitability, new locations, etc.). \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Part IV – Project Information

Location of the proposed facility: 22600 S. Harrison

Size of the proposed facility (include size of building and amount of real property): Est. 102,188 sf  
Leasable. 123,759 Total. 4 buildings, 1 clubhouse, decks/storage/breezeways on 8.58 acres.

Name the architect and contractor if designated (name, address and phone). \_\_\_\_\_  
Jeff Shinkle, BCS Architect, 19920 W. 161st St., Olathe, KS 66062  
\_\_\_\_\_  
913-780-4820

What business is proposed by the applicant at this location? \_\_\_\_\_  
Rental housing/apartment home community

List the products or services to be rendered. (Include details of the nature and scope of the operation of the business): Offering 124 rental units including both one and two bedrooms  
on 8.58 acres. A clubhouse for residents with a fitness center, business office, playground  
and swimming pool. This Project is the first of two planned Phases.

What percentage of the facility will be occupied by the applicant? (If less than 100%, please specify other occupants): Facility will be occupied by the residents and management staff.

Describe type of building construction proposed: Wood and masonry

Current zoning: RP-4

Anticipated date of completion: TBD

Part V -- Business Information

Describe the organizational structure of the firm (proprietorship, partnership, subsidiary, corporation, not-for-profit, etc.) Limited liability company

Name of parent company, if applicable: N/A

Is the applicant's stock publicly held? No

If so, which stock exchange? N/A

In what state is the applicant incorporated? Kansas

Date of incorporation? 1999

Indicate applicant's principal bank? Gershman Investment Corporation

Which CPA firm does the accounting/audit? Mark Hauber, CPA

<u>Mark Hauber</u>	<u>4800 College, Ste. 1, Overland Park, KS 66211-1654</u>	<u>913-451-8644</u> Phone
CONTACT PERSON	ADDRESS	TELEPHONE/FAX
		<u>913-451-8020</u> Fax

Please indicate what company will be performing the environmental audit. TBD

CONTACT PERSON	ADDRESS	TELEPHONE/FAX
----------------	---------	---------------

Describe any pending or threatened litigation: None

Total employment of applicant: TBD

How many locations does applicant currently have? 1

List Locations: 223rd & 159 Hwy, Spring Hill, Kansas (no street address)

Percentage of building to occupied by applicant business: N/A %

Applicant business is (Please check one) \_\_\_\_\_ New  Existing in Spring Hill

\_\_\_\_\_ Relocating from \_\_\_\_\_

The amount set aside for new employee training is: TBD Less than 1% of total new payroll

TBD Between 1% and 2% of total new payroll TBD More than 2% of total new payroll

Is applicant a retailer? Yes \_\_\_\_\_ No

Please indicate any notable characteristics of the employees for this facility: N/A

Describe the economic benefits to the city's economy if the transaction is completed. Fullfill an existing need for competitively priced rental housing within the City; increased assessed valuation; increased property tax; increased sales tax from existing businesses; create new jobs; increased utility fee income; increased employment pool for local businesses; increased employment within the city/county.

Please note any other data or information you deem pertinent to the consideration of this project's financing: This will be a competitively priced, quality rental housing community in Spring Hill.

#### Part VI – Attachments

In order to facilitate the timely processing of the application, please attach as part of the proposal the following items:

1. Copy of the firm's financial audits for the past three (3) years. Exhibit C
2. Firm's most recent annual financial report. Exhibit D
3. Interim financial statements, to date, for the current fiscal year. Exhibit D
4. Copy of property's most recent tax statement. Exhibit F
5. Complete attached Benefit/Cost Worksheet. Exhibit E

Part VII - Certification of Applicant

The following conditions are also understood and agreed to:

1. The City may, upon making a determination that it is in the public interest, to require payment in lieu of taxes to the City during all or part of the term of the Industrial Revenue Bonds.
2. The City may, upon making a determination that is in the public interest, waive the payment of utility connection, use and service charges.
3. The applicant agrees to pay any and all costs associated with the review of the proposal prior to issuance of Industrial Revenue Bonds.
4. Industrial Revenue Bonds will not be issued to finance the cost of personal property (as that term is defined in K.S.A. 79-102, as amended).
5. Prospective lessee's seeking issuance of bonds will agree to immediate or ultimate annexation to the City of the property involved if said property is not already within City limits.
6. The applicant agrees to maintain the facilities funded by the bonds proceeds in a manner appropriate for the market.
7. The City reserves the right to waive any procedural requirements herein unless it is in contravention of State statutes. However, no such waiver shall be made except upon a finding by the City that such waiver is in the public interest.

Blackhawk Development, LLC or Assigns

I, Grant W. Merritt, Manager, hereby certify  
(Name) (Title)

that the foregoing and attached information is true and correct to the best of my knowledge.

By signing this application, the applicant agrees to pay for all legal fees and expenses related to the review of this application.

Further, it is understood that additional information may be requested by the City to assist the Governing Body in its consideration of this matter.

Date: 4-7-16 Signed: [Signature]  
Name  
Manager  
Title

Part VIII - Acknowledgement of Receipt:

Receipt is hereby acknowledged:

Date: \_\_\_\_\_ City Clerk: \_\_\_\_\_

Receipt of Application Fee is hereby received:

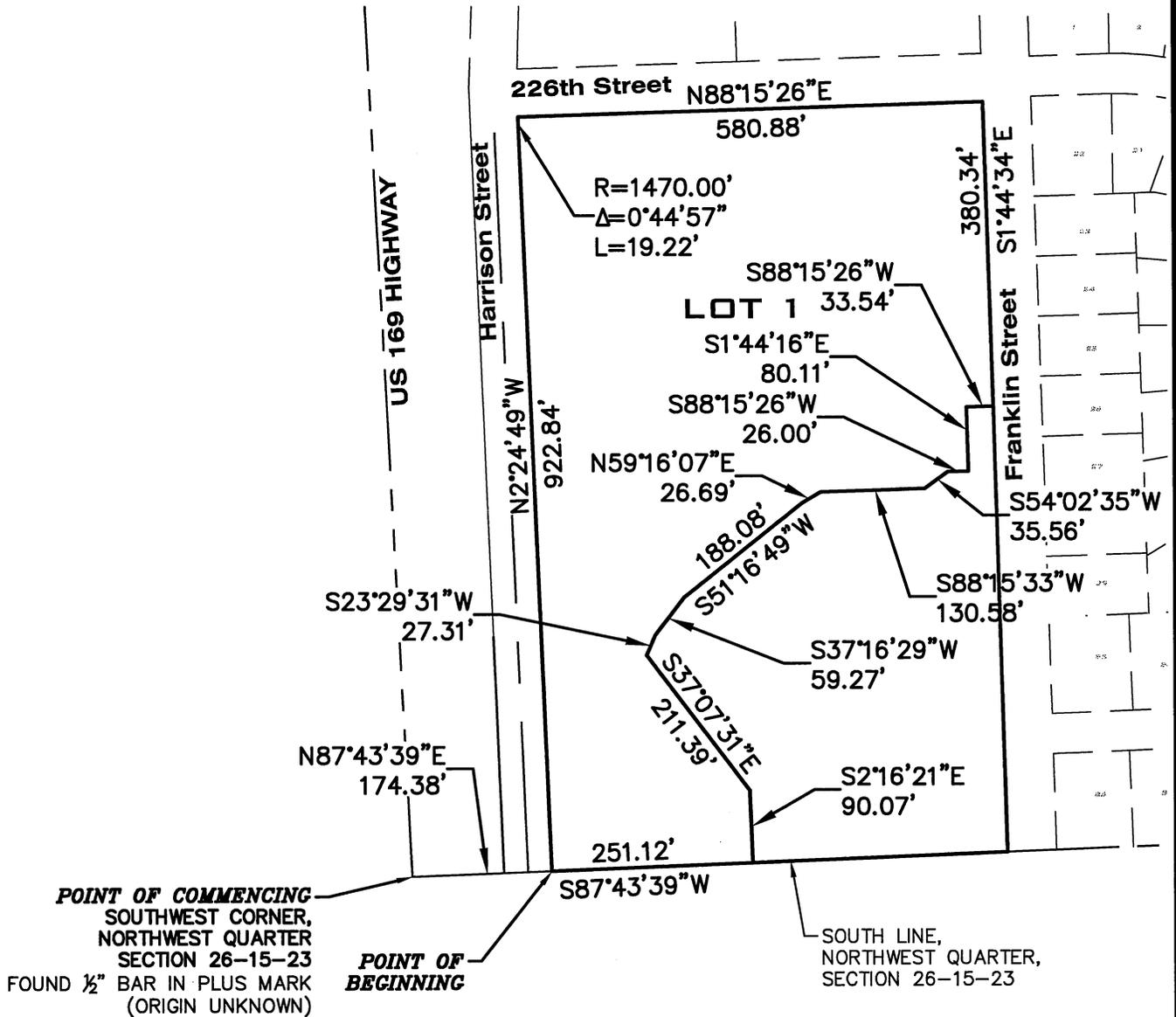
Application Fee: \$1,500 for a new business \$750 for an existing business

Date: \_\_\_\_\_ City Clerk: \_\_\_\_\_

EXHIBIT A - LEGAL DESCRIPTION

All that part of the Northwest Quarter of Section 26, Township 15, Range 23, in the City of Spring Hill, Miami County, Kansas, described as follows:

Commencing at the Southwest corner of the Northwest Quarter of said Section 26; thence North 87 degrees 43 minutes 39 seconds East, along the South line of the Northwest Quarter of said Section 26, a distance of 174.38 feet, to the point of beginning; thence North 2 degrees 24 minutes 49 seconds West, a distance of 922.84 feet; thence Northerly on a curve to the right having a radius of 1470.00 feet, central angle 0 degrees 44 minutes 57 seconds, a distance of 19.22 feet; thence North 88 degrees 15 minutes 26 seconds East, a distance of 580.88 feet; thence South 1 degree 44 minutes 34 seconds East, a distance of 380.34 feet; thence South 88 degrees 15 minutes 26 seconds West, a distance of 33.54 feet; thence South 1 degree 44 minutes 16 seconds East, a distance of 80.11 feet; thence South 88 degrees 15 minutes 26 seconds West, a distance of 26.00 feet; thence South 54 degrees 02 minutes 35 seconds West, a distance of 35.56 feet; thence South 88 degrees 15 minutes 33 seconds West, a distance of 130.58 feet; thence South 59 degrees 16 minutes 07 seconds West, a distance of 26.69 feet; thence South 51 degrees 16 minutes 49 seconds West, a distance of 188.08 feet; thence South 37 degrees 16 minutes 29 seconds West, a distance of 59.27 feet; thence South 23 degrees 29 minutes 31 seconds West, a distance of 27.31 feet; thence South 37 degrees 07 minutes 31 seconds East, a distance of 211.39 feet; thence South 2 degrees 16 minutes 21 seconds East, a distance of 90.07 feet, to a point on the South Line of said Northwest Quarter; thence South 87 degrees 43 minutes 39 seconds West, along said South Line, a distance of 251.12 feet, to the point of beginning, containing 8.58 acres more or less.



POINT OF COMMENCING  
SOUTHWEST CORNER,  
NORTHWEST QUARTER  
SECTION 26-15-23  
FOUND 1/2" BAR IN PLUS MARK  
(ORIGIN UNKNOWN)

POINT OF  
BEGINNING

SOUTH LINE,  
NORTHWEST QUARTER,  
SECTION 26-15-23

SCALE: 1"=200'



CIVIL ENGINEERS  
LAND SURVEYORS - LAND PLANNERS

122 N. WATER STREET  
OLATHE, KANSAS 66061  
PHONE: (913) 764-1076  
FAX: (913) 764-8635

14 W. PEORIA  
PAOLA, KANSAS 66071  
PHONE: (913) 557-1076  
FAX: (913) 557-6904



## EXHIBIT B

### PROJECT NARRATIVE DESCRIPTION

#### PROPERTY DESCRIPTION

Blackhawk Development is seeking to develop an income producing 228 unit apartment complex on 8.58 acres. There will be seven 2/3 story and 3 story buildings. The project will be built in 2 phases. This application pertains only to Phase 1. Phase 1 will include 124 units housed in 4 buildings, the clubhouse, pool and playground. The second phase will include an additional 104 units in 3 buildings.

The site plan shows 51.7% open green space, with a low to moderate density of 16.7 units per acre, and 394 parking spaces including garages, carports and handicap parking. The project will offer 5 different floor plans, consisting of 2 one bedroom and 3 two bedroom types, with a mix of 63% 1Br, and 37% 2Br.

The entry to the complex will house the 2,880 sq. ft. clubhouse, pool with large deck area, and a large playground with equipment for children and adults. The clubhouse will be the location of the leasing center, the property management offices, as well as a complete exercise room, a business center with computers and a kitchen for the general use of the residents.

The site is a part of a larger development which features 134 single family homes, a shopping center anchored by Price Chopper, convenience store, car wash, medical office building, day care, 2 banks, 32 maintenance provided senior villas, and an assisted living facility. The site is located approximately 8 minutes south of I-35, with direct access to 169 Highway. The intersection of 169 Hwy and 223rd St. has the first diamond interchange south of I-35 and has regional significance for both Johnson and Miami Counties.

## PROPERTY LOCATION

The property is located in the southern portion of Spring Hill, Kansas approximately 10 miles south of Olathe, Kansas and 20 miles south of Overland Park, KS. Spring Hill is considered a satellite city and part of the Kansas City metropolitan area (MSA). Spring Hill has a 2013 population of 5,896 people with a median household income of \$62,816. According to the Census Bureau, the population has increased 1.48% per year from 2010 to 2013 with a 2013 homeownership rate of 77.55%.

### Public Benefits

Fulfill an existing need for affordable, quality rental housing within the City of Spring Hill.

Increased Assessed Valuation

Increased Property Tax

Increased Sales Tax from existing and new businesses

Create new jobs

Increased utility fee income

Increased employment pool for local businesses

Increased employment within the City/County

EXHIBIT C  
FINANCIAL AUDITS

*[To be provided to City's financial advisor]*

EXHIBIT D  
ANNUAL FINANCIAL REPORT

*[To be provided to City's financial advisor]*

EXHIBIT E - COST BENEFIT WORKSHEET

***Firm Worksheet***

76. Firm's Name: Blackhawk Development, LLC or its assigns

77. Firm's NAICS Code: 531110

78. Description and purpose of the expansion:

Construction of new multi-family apartment complex. The complex will consist of four buildings, one clubhouse, decks/storage/breezeways on 8.58 acres, and will provide 124 rental units including one and two bedrooms. The clubhouse will feature a fitness center, business office, playground and swimming pool. This project is the first of two planned phases.

Is this CBA being prepared for an  EDX or  IRBX abatement?

Does the request for abatement involve any leased property?  Yes  No

**Capital Investment**

Market or retail value of the new or additional investment:

	First Expansion	Second	Third	Fourth
79. Land	\$ 1,000,000			
80. Building & Improvements	\$ 10,239,702			
81. Furniture, Fixtures & Equipment	\$ 1,060,160			

**Sales and Purchases**

Expected sales and purchases due to the expansion:

	Sales	Purchases
82. Year 1		\$ 9,630,289
83. Year 2	\$ 700,000	\$ 1,639,573
84. Year 3	\$ 1,350,000	
85. Year 4	\$ 1,350,000	
86. Year 5	\$ 1,350,000	
87. Year 6	\$ 1,350,000	
88. Year 7	\$ 1,350,000	
89. Year 8	\$ 1,350,000	
90. Year 9	\$ 1,350,000	
91. Year 10	\$ 1,350,000	

Percentage of sales and purchases that are subject to state and local sales tax:

	Sales		Purchases	
92. City	0	%	50	%
93. County	0	%	50	%
94. State	0	%	50	%

95. What is the expected percentage of annual net taxable income on which state corporate income tax will be computed?  
0 %

### Additional Annual Utility Expenditures due to the Expansion

	Construction Period	Year One of Expansion
96. Telephone	\$ 3,600	\$ 123,120
97. Electricity	\$ 12,000	\$ 205,200
98. Gas	\$ 0	\$ 2,400
99. Water	\$ 12,000	\$ 190,440
100. Waste Water	\$ 0	\$ 150,480
101. Garbage	\$ 12,000	\$ 19,200
102. Cable	\$ 0	\$ 92,340
103. Other	\$ 0	\$ 0

104. By what percentage are utility bills expected to increase during the remaining years of the expansion?  
2 %

### New Employees due to Expansion

	New Hires	Average Annual Salaries	Moving to the county	Moving from out-of-state
105. Year 1	8	\$ 41,000	5	1
106. Year 2	8	\$ 41,000	5	1
107. Year 3	8	\$ 41,000	5	1
108. Year 4	8	\$ 41,000	5	1
109. Year 5	8	\$ 41,000	5	1
110. Year 6	8	\$ 41,000	5	1
111. Year 7	8	\$ 41,000	5	1
112. Year 8	8	\$ 41,000	5	1
113. Year 9	8	\$ 41,000	5	1
114. Year 10	\$ 8	\$ 41,000	5	1

### New Construction

	Initial Construction or Expansion	Second Expansion	Third Expansion	Fourth Expansion
115. Total Construction Cost	\$ 11,270,000			
116. Construction Profit Percentage	4.5 %	%	%	%

### Construction Materials Purchased

	Initial Construction or Expansion	Second Expansion	Third Expansion	Fourth Expansion
117. In the state	\$ 4,790,000			
118. In the county	\$ 150,000			
119. In the city	\$ 50,000			

**Costs of Furniture, Fixtures & Equipment Purchased**

	Initial Construction or Expansion	Second Expansion	Third Expansion	Fourth Expansion
120. In the state	\$ 875,636			
121. In the county	\$ 30,000			
122. In the city	\$ 10,000			

**Construction Workers and Salaries**

	Initial Construction or Expansion	Second Expansion	Third Expansion	Fourth Expansion
123. Number of construction workers	105			
124. Total salary paid average worker	\$ 45,760			
125. Total construction salaries	\$ 4,804,800			
126. Household size of average worker	3			

**Visitors due to the Expansion**

	Out-of-town visitors expected
127. Year 1	248
128. Year 2	248
129. Year 3	248
130. Year 4	248
131. Year 5	248
132. Year 6	248
133. Year 7	248
134. Year 8	248
135. Year 9	248
136. Year 10	248

- 2 \_\_\_\_\_ 137. How many days will an average visitor to your firm be expected to stay in the area?
- 0 \_\_\_\_\_ 138. How many nights will a visitor to your firm be expected to stay overnight in city hotels or motels?
- 1 \_\_\_\_\_ 139. How many nights will a visitor to your firm be expected to stay overnight anywhere in the county?

# Economic Development Worksheet

Benefit/Cost Analysis

Firm's Name: Blackhawk Development, LLC or its assigns

## Extraordinary Payments by Firm

	To the City	To the County	USD	To the State
140. Construction Period	\$ 257	\$ 310	\$ 440	\$ 10
141. Year 1	\$ 11,173	\$ 13,402	\$ 19,024	\$ 431
142. Year 2	\$ 11,173	\$ 13,402	\$ 19,024	\$ 431
143. Year 3	\$ 13,966	\$ 16,753	\$ 23,780	\$ 539
144. Year 4	\$ 22,920	\$ 27,494	\$ 39,027	\$ 885
145. Year 5	\$ 24,646	\$ 29,565	\$ 41,966	\$ 951
146. Year 6	\$ 30,522	\$ 36,613	\$ 51,971	\$ 1,178
147. Year 7	\$ 31,437	\$ 37,711	\$ 53,530	\$ 1,213
148. Year 8	\$ 35,619	\$ 42,727	\$ 60,649	\$ 1,374
149. Year 9	\$ 36,688	\$ 44,009	\$ 62,469	\$ 1,416
150. Year 10	\$ 37,788	\$ 45,329	\$ 64,342	\$ 1,459

## Extra Costs to Provide Infrastructure and/or Services for this Expansion

	City costs	County costs	State costs
151. Construction Period			
152. Year 1			
153. Year 2			
154. Year 3			
155. Year 4			
156. Year 5			
157. Year 6			
158. Year 7			
159. Year 8			
160. Year 9			
161. Year 10			

**Incentives (Not Including Tax Abatements) Offered to the Firm**

	By the City	By the County
162. Construction Period		
163. Year 1		
164. Year 2		
165. Year 3		
166. Year 4		
167. Year 5		
168. Year 6		
169. Year 7		
170. Year 8		
171. Year 9		
172. Year 10		

<b>STATE INCENTIVES</b>	PEAK	IMPACT	KIT/KIR	HPIP	JCF
Construction Period					
Year 1					
Year 2					
Year 3					
Year 4					
Year 5					
Year 6					
Year 7					
Year 8					
Year 9					
Year 10					

**Property Tax Abatements**

173. Is the expansion located within city property tax jurisdiction?  Yes  No

Percentage of taxes to be abated on:

Taxes will be abated by (mark with an X):

- |   |              |
|---|--------------|
| <input checked="" type="checkbox"/> 174. The City                   | 180. Year 1  |
| <input checked="" type="checkbox"/> 175. The County                 | 181. Year 2  |
| <input checked="" type="checkbox"/> 176. The School District        | 182. Year 3  |
| <input checked="" type="checkbox"/> 177. Special Taxing District #1 | 183. Year 4  |
| <input checked="" type="checkbox"/> 178. Special Taxing District #2 | 184. Year 5  |
| <input checked="" type="checkbox"/> 179. The State of Kansas        | 185. Year 6  |
|   | 186. Year 7  |
|   | 187. Year 8  |
|   | 188. Year 9  |
|   | 189. Year 10 |

Land		Buildings & Improvements		Furniture, Fixtures & Equipment	
0	%	0	%	0	%
75	%	75	%	75	%
75	%	75	%	75	%
60	%	60	%	60	%
58	%	58	%	58	%
50	%	50	%	50	%
50	%	50	%	50	%
45	%	45	%	45	%
45	%	45	%	45	%
45	%	45	%	45	%

### Where New Employees Live

As a Percentage of the Total  
Number of New Employees

30	%	190. In the city
55	%	191. In the school district where the firm is located
	%	192. In special taxing district 1
	%	193. In special taxing district 2

### Where New Employees Shop

Percent of shopping

75	%	194. In Kansas
30	%	195. In the county
\$ 30	%	196. In the City

### New Employee Housing and Schools

3	197. Household size of a typical new employee
1	198. School-age children in household of a typical new employee
15	199. Percentage of new employees moving to the community for whom New housing will be required.
%	

### Indirect New Employees

As a Percentage of the Total  
Number of New Employees

0	%	200. From out-of-state
0	%	201. From another county in Kansas

### Construction Workers

Where are construction workers expected to spend their salaries?

75	202. In the state of Kansas
10	203. In the County
5	204. In the City

### Visitors Spending

	In the county	Of that, in the city
205. Daily retail spending by a visitor, excluding lodging	\$ 25	\$ 20
206. Average daily hotel/motel room rates	\$ 85	\$ 0

Use 1-1-11 3312 250-1

**GAYLA SHIELDS**

Miami County Treasurer  
 201 S Pearl St Ste 103  
 Paola KS 66071-1777  
 913.294.2353

**EXHIBIT F - 2015 REAL ESTATE TAX STATEMENT**

Statement #...0061235 Taxpayer I.D.. BLAC0023  
 Name. BLACKHAWK DEVELOPMENT LLC

Temp Return Service Requested

BLACKHAWK DEVELOPMENT LLC  
 C/O GRANT W MERRITT  
 PO BOX 464  
 SPRING HILL KS 66083-0464

YOUR ASSESSED VALUE				
Class	Prior Yr	Current Yr	Value Chg	% Chg
Resid	0	0	0	.0
Non-Resid	282	309	27	9.6
<b>Total Value</b>	<b>282</b>	<b>309</b>	<b>27</b>	<b>9.6</b>
Assessment			Levy	
			155.26200	
Class	Land	Improvement	Tax	
AU	309	0	47.98	
<b>Total Value</b>	<b>309</b>	<b>0</b>	<b>47.98</b>	

PROPERTY INFORMATION		SPECIAL ASSESSMENTS	
Owner..BLACKHAWK DEVELOPMENT LLC Unit.SPRING HILL CITY Legal.W2 NW4 EXC BLACKHAWK ESTATES & BLACKHAWK COMMONS & BLACKHAWK PLAZA & BLACKHAWK ESTATES III SUBDIVISIONS Parcel. 5- 460000 CAMA #.037-26-0-00-00-012-00-0-01 Sec....26 Twn.15 Rng.23 Address. 0 W 226TH ST Deed Information: BLACKHAWK DEVELOPMENT LLC		SP HILL-BLACKHAWK STS/SEW 26,344.40	
YOUR TAX			
Total Acres. 14.6		1st Half Due	13,196.19
		2nd Half Due	13,196.19
		<b>Total Tax Due</b>	<b>26,392.38</b>

YOUR MILL LEVIES				YOUR TAXES			
Authority	Prior Yr	Current Yr	% Chg	Prior Yr	Current Yr	\$ Chg	% Chg
STATE	1.50000	1.50000		.42	.46	.04	9.5
COUNTY	45.66600	46.61700	2.1	12.89	14.41	1.52	11.8
STATEWIDE USD*	20.00000	20.00000		5.64	6.18	.54	9.6
USD 230	42.84400	44.13600	3.0	12.08	13.63	1.55	12.8
SPRING HILL	38.39700	38.86200	1.2	10.82	12.01	1.19	11.0
NEKL Library	1.35000	1.37800	2.1	.38	.43	.05	13.2
USD 230 RECREATION	2.97100	1.54700	-47.9	.84	.48	-.36	-42.9
USD 230 REC EMP BENE	1.32100	.48800	-63.1	.37	.15	-.22	-59.5
EXT DIST GENERAL	.77800	.73400	-5.7	.22	.23	.01	4.5
<b>Total</b>	<b>154.82700</b>	<b>155.26200</b>	<b>.3</b>	<b>43.66</b>	<b>47.98</b>	<b>4.32</b>	<b>9.9</b>

REVENUE FROM PROPERTY TAX LEVIES				
Taxing Authority	Prior Yr	Current Yr	\$ Chg	% Chg
STATE	517,886.98	538,875.59	20,988.61	4.1
COUNTY	15,764,006.01	16,745,353.32	981,347.31	6.2
STATEWIDE USD*	643,972.45	668,995.18	25,022.73	3.9
USD 230	1,503,038.30	1,603,867.29	100,828.99	6.7
SPRING HILL	748,813.80	783,587.27	34,773.47	4.6
NEKL Library	224,746.76	243,351.90	18,605.14	8.3
USD 230 RECREATION	103,799.25	56,311.23	-47,488.02	-45.7
USD 230 REC EMP BENE	46,151.98	17,794.13	-28,357.85	-61.4
EXT DIST GENERAL	266,904.62	262,961.21	-3,943.41	-1.5
<b>Total</b>	<b>19,819,320.15</b>	<b>20,921,097.12</b>	<b>1,101,776.97</b>	<b>5.6</b>

\* The first \$2300 in residential assessed value is exempt from the Statewide USD Mill Levy.

**2ND HALF NOTICES WILL NOT BE MAILED**

Taxes may be paid in full or half by December 21st. Second half taxes due by May 10th. Postmark accepted on current payments. If you fail to pay the first half personal property tax by December 21st, the full amount plus interest becomes due. No motor vehicle

## AGENDA ITEM REVIEW SHEET

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TO: GOVERNING BODY  
SUBMITTED BY: MELANIE LANDIS, FINANCE DIRECTOR  
MEETING DATE: MARCH 24, 2016  
DATE: MARCH 17, 2016

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**Formal Action:** Resolution of intent to finance certain equipment

**Background/Analysis:** When purchasing equipment, leasing is a viable option when cash is not readily available. The proposed resolution would allow the City to purchase the equipment prior to having the lease details worked out. The City has used a lease process with local banks the last several years and has had great success with low interest rates and would expect the same to continue with the proposed process.

Equipment to be funded include:

(2) Public safety vehicle	\$84,000
(1) Ford F-150	\$27,000
(1) John Deere tractor	\$15,000
(1) Cat Loader	\$32,000

The request for replacement of these vehicles and equipment are in coordination of the vehicle replacement program.

An additional resolution for other equipment budgeted for 2016 purchase will be added to a future agenda.

**Alternatives:**

1. Approve a resolution of intent to finance certain equipment with the issuance of federally tax-exempt debt.
2. Deny a resolution of intent to finance certain equipment with the issuance of federally tax-exempt debt.
3. Table acceptance of bids.

**Legal Review:** The resolution was reviewed by Kutak Rock and City Attorney, Frank Jenkins.

**Funding Review or Budgetary Impact:** Principal and interest payments will be paid from the appropriate budgeted funds for all proposed equipment.

**Recommendation:** Approval of Resolution 2016-R-11 of intent to finance certain equipment with the issuance of federally tax-exempt debt.

**Attachments:**

1. Resolution 2016-R-11

**RESOLUTION NO. 2016-R-11**

A RESOLUTION OF INTENT OF THE CITY OF SPRING HILL, KANSAS, TO FINANCE CERTAIN EQUIPMENT WITH THE ISSUANCE OF FEDERALLY TAX-EXEMPT DEBT.

WHEREAS, the Internal Revenue Service has issued Section 1.103-18 of the Treasury Regulations (the "Reimbursement Regulations") which prescribe procedures applicable to the City of Spring Hill, Kansas (the "City"), for issuing bonds or other tax-exempt obligations, all or a portion of the proceeds of which are to be used to reimburse the City for expenditures made by the City before the date such obligations are issued; and

WHEREAS, the Reimbursement Regulations generally require the City to make a declaration of official intent to reimburse itself for previous expenditures out of the proceeds of subsequently issued bonds or other tax-exempt borrowing, that the borrowing occur and the reimbursement be made within a specified period of time after the payment of the expenditure or after the equipment in question is placed in service, and that a reimbursed expenditure be a capital expenditure; and

WHEREAS, the Governing Body of the City has determined it is necessary and desirable to acquire the following items of equipment (collectively, the "Equipment"): two public safety vehicles at an estimated cost of \$84,000; one Ford F-150 truck at an estimated cost of \$27,000; one John Deere tractor at an estimated cost of \$15,000; and one Cat loader at an estimated cost of \$32,000.

WHEREAS, the City anticipates using bonds, notes or other tax-exempt obligations to finance all or a portion of the cost of the Equipment;

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

**Section 1.** In order to comply with the requirement of the Reimbursement Regulations concerning declarations of official intent to reimburse the City for previously paid Equipment expenditures from the proceeds of subsequently issued debt, the Governing Body of the City hereby indicates its intent to reimburse the City with the proceeds of bonds, notes or other obligations of the City, the interest on which is expected to be exempt from federal income taxation, for costs of the Equipment in an amount not to exceed \$158,000.

**Section 2.** This resolution shall be in full force and effect from and after its adoption.

[Remainder of Page Intentionally Left Blank]

ADOPTED by vote of the Governing Body of the City of Spring Hill, Kansas, on \_\_\_\_\_, 2016.

CITY OF SPRING HILL, KANSAS

(Seal)

\_\_\_\_\_  
Steven M. Ellis, Mayor

ATTEST:

\_\_\_\_\_  
Glenda Gerrity, City Clerk

## AGENDA ITEM REVIEW SHEET

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TO: GOVERNING BODY  
SUBMITTED BY: MELANIE LANDIS, FINANCE DIRECTOR  
MEETING DATE: APRIL 14, 2016  
DATE: APRIL 7, 2016

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**Formal Action:** Assignment of liability for counterfeit card transactions

**Background:** Effective, October 1, 2015, there was a shift in the liability standard relating to fraudulent use of counterfeit cards accepted through a point of sale system. The payment networks began assigning liability for counterfeit card transactions to the party in the transaction that utilizes the least developed and/or non-EMV (EuroPay, MasterCard, Visa) compliant point of sale technology.

**Analysis:** This new standard requires that the City, as the agency accepting payments from the public, put into place technology to protect the card companies from fraudulent transactions occurring through onsite transactions. The most common way to do this is use of a card acceptance device that will read the EMV chip enabled cards most recently issued by banks and credit card companies.

The City currently accepts card transactions through Forte for most payment transactions and through Activenet for aquatic center activity payments. These systems operate separately and new devices have been ordered for use on the Activenet system.

Forte is currently developing and testing its EMV compliant POS solution; however, it did not meet the October 1, 2015 deadline. This assignment of liability transfers the assignment of liability for fraudulent transactions from the City, the merchant, back to Forte until such time that they can provide an acceptable POS solution.

**Alternatives:**

1. Approve the assignment of liability document and authorize the Mayor to sign on behalf of the City as acceptance.
2. Deny the assignment of liability document.
3. Table the issue and direct staff to further research.

**Legal Review:** The document has been reviewed by the City Attorney.

**Funding Review or Budgetary Impact:** n/a

**Recommendation:** It is recommended that the Council approve the assignment of liability document and authorize the Mayor to sign on behalf of the City as acceptance.

**Attachments:** Assignment of Liability



March 23, 2016

Mr. Danny Jacobs  
City of Spring Hill  
401 N. Madison  
P. O. Box 424  
Spring Hill, KS 66083-0424

RE: Assignment of Liability for Counterfeit Card Transactions on non-EMV Compliant Point of Sale Technology

The purpose of this letter is to outline the agreement between the City of Spring Hill ("Agency") and Forte Payment Systems, Inc. ("Forte") regarding the scope and duration of Forte's responsibility for costs, chargeback losses and expenses incurred by Agency in relation to assigned liability for counterfeit card transactions on non-EMV enabled devices.

Effective October 1, 2015, there was a shift in the liability standard relating to fraudulent use of counterfeit cards. The Payment Networks began assigning liability for counterfeit card transactions to the party in the transaction that utilizes the least developed and/or non-EMV (EuroPay, MasterCard, Visa) compliant Point-of-Sale ("POS") technology. If all parties are EMV enabled the liability will generally still remain with the card issuer.

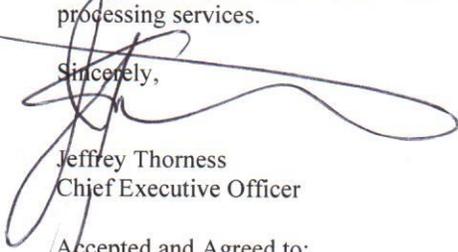
Forte is currently developing and testing its EMV compliant POS solution, however, it did not meet the October 1, 2015 deadline for providing a fully EMV compliant solution to Agency. As such, Forte has agreed to absorb any costs, chargeback losses, and expenses incurred by Agency in relation to counterfeit card transactions processed on Agency's account through Forte that would have been mitigated should the transactions have been processed on an EMV-compatible POS device. Forte's obligation shall be retroactive to October 1, 2015 and shall end on the date Forte converts Agency to an EMV compliant POS solution.

Agency agrees to use best efforts to assist Forte in collection of any chargeback amount governed by this letter agreement, including but not limited to providing investigation support and reversing/refunding the original transaction/charge.

Please indicate your understanding and acceptance of the terms of this agreement by providing your signature below.

We appreciate your business and look forward to continuing providing you with high quality payment processing services.

Sincerely,



Jeffrey Thorness  
Chief Executive Officer

Accepted and Agreed to:

CITY OF SPRING HILL

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_